Information Memorandum
Dated September 30, 2025

# PIRAMAL FINANCE LIMITED

***(formerly known as Piramal Capital & Housing Finance Limited)***

Piramal Finance Limited (*formerly known as Piramal Capital & Housing Finance Limited*) (the '**Company**'), pursuant to a certificate of incorporation dated April 11, 1984, was originally incorporated and registered as 'Dewan Housing Finance & Leasing Company Limited' on April 11, 1984, as a public limited company under the Companies Act, 1956. The name of our Company was subsequently changed to (i) 'Dewan Housing Development Finance Limited' on September 26, 1984, (ii) 'Dewan Housing Finance Corporation Limited' on August 25, 1992, (iii) 'Piramal Capital & Housing Finance Limited' on November 3, 2021, and (iv) 'Piramal Finance Limited' on March 22, 2025, and a fresh incorporation certificate was issued by the Registrar of Companies, Maharashtra at Mumbai ("**RoC**"). For further details, please see "*History and Certain Corporate Matters*" on page 142.

**Corporate Identity Number:** U64910MH1984PLC032639
**Registered Office:** 601, 6th Floor, Amiti Building, Agastya Corporate Park, Kamani Junction, Opp. Fire Station, LBS Marg, Kurla(W), Mumbai, 400070, Maharashtra, India
**Tel:** +91 22 6918 1200; **Website:** www.piramalfinance.com; **E-mail:** corporate.secretarial@piramal.com
**Contact Person:** Bipin Singh, Company Secretary and Compliance Officer

**PROMOTER OF THE COMPANY: AJAY G. PIRAMAL**

**INFORMATION MEMORANDUM FOR LISTING OF 22,66,77,700 EQUITY SHARES OF FACE VALUE OF ₹ 2 EACH ALLOTTED BY OUR COMPANY PURSUANT TO THE SCHEME OF ARRANGEMENT**

**NO EQUITY SHARES ARE PROPOSED TO BE SOLD OR OFFERED PURSUANT TO THIS INFORMATION MEMORANDUM**

| **GENERAL RISKS** |
|---|
| Investments in equity and equity related securities involve a degree of risk and investors should not invest any funds in the equity shares unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in the equity shares of the Company. For taking an investment decision, investors must rely on their own examination of the Company, including the risks involved. The equity shares have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI**"), nor does the SEBI guarantee the accuracy or adequacy of the contents of this Information Memorandum. Specific attention of the investors is invited to "*Risk Factors*" on page 16. |
| **THE ISSUER'S ABSOLUTE RESPONSIBILITY** |
| The Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Information Memorandum contains all information with regard to the Company, which is material, that the information contained in this Information Memorandum is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Information Memorandum as a whole or any of such information or the expression of any such opinions or intentions, misleading in any material respect**.** |
| **LISTING** |
| The Equity Shares are proposed to be listed on BSE Limited ("**BSE**") and National Stock Exchange of India Limited ("**NSE**"), (hereinafter collectively, referred to as the "**Stock Exchanges**"). The Company has received 'in-principle' approvals from BSE and NSE for the listing of the Equity Shares pursuant to their letters, each dated [●], and [●] respectively. For the purposes of listing of our Equity Shares pursuant to the Scheme, BSE is the Designated Stock Exchange. The Company has submitted the Information Memorandum to the Stock Exchanges and this Information Memorandum shall be made available on the Company's website at www.piramalfinance.com. The Information Memorandum is also be made available on the respective website of the Stock Exchanges at www.bseindia.com and www.nseindia.com. Further, the Company has been granted an exemption from the application of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957 ("**SCRR**") by the SEBI vide the letter no [●] dated [●]. |

| **REGISTRAR AND SHARE TRANSFER AGENT** | |
|---|---|
| MUFG Intime | **MUFG Intime India Private Limited (*formerly Link Intime India Private Limited*)**<br>C-101, 247 Park<br>L B S Marg, Vikhroli (West)<br>Mumbai 400083<br>Maharashtra, India<br>**Tel:** +91 8108116767<br>**E-mail:** rnt.helpdesk@in.mpms.mufg.com<br>**Website:** www.in.mpms.mufg.com<br>**Contact Person:** Ashok Shetty<br>**SEBI Registration No:** INR000004058 |

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## SECTION I – GENERAL

## DEFINITIONS AND ABBREVIATIONS

*This Information Memorandum uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the meanings ascribed to such terms herein, and references to any legislation, act, regulation, rule, guideline, policy, circular, notification or clarification will include any amendments or re-enactments thereto, from time to time.*

### Company and Scheme Related Terms

| Term | Description |
|---|---|
| "Piramal Finance Limited" or "the Company" or "PFL" or "the Transferee Company" | Piramal Finance Limited, a company incorporated in India under the Companies Act, 1956, with its registered office situated at 601, 6th Floor, Amiti Building, Agastya Corporate Park, Kamani Junction, Opp. Fire Station, LBS Marg, Kurla(W), Mumbai, 400070, Maharashtra, India |
| "Piramal Enterprises Limited" or "PEL" or "the Transferor Company" | Piramal Enterprises Limited, a company incorporated in India under the Companies Act, 1956, with its registered office situated at Piramal Ananta, Agastya Corporate Park, Opp. Fire Brigade, Kamani Junction, LBS Marg, Kurla (West), Mumbai City, Mumbai, 400070, Maharashtra, India |
| "We" or "us" or "our" or "our Company" | Unless the context otherwise indicates or implies, the Company, as applicable. |
| Act/ Companies Act, 2013 | The Companies Act, 2013, along with the relevant rules, clarifications and modifications made thereunder. |
| AoA/ Articles of Association/ Articles | The articles of association of the Company, as amended, from time to time |
| Appointed Date | April 1, 2024 |
| ARMML | Asset Resurgence Mauritius Manager |
| Audit Committee | The audit committee of the Company, constituted in accordance with Regulation 18 of the SEBI Listing Regulations and Section 177 of the Companies Act, 2013, as described in "*Our Management – Corporate Governance – Committees of the Board*" on page 178 |
| Audited Financial Information | Audited Financial Information shall mean the consolidated financial statements prepared in accordance with Ind AS for the period ended June 30, 2025 and for Fiscal 2025, 2024 and 2023, duly audited and certified by the Statutory Auditors who holds a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India. |
| Board/ Board of Directors | The board of directors of the Company or a duly constituted committee thereof. |
| Central Government/Government/Government of India/ GoI | The Government of India |
| Chief Executive Officer/ CEO | Chief Executive Officer of our Company, namely, Jairam Sridharan |
| Chief Financial Officer | Chief Financial Officer of our Company, namely, Vikash Singhla |
| Company Secretary and Compliance Officer | Company Secretary and Compliance Officer of the Company appointed in terms of Regulation 6(1) of the SEBI Listing Regulations, and Section 203 read with Section 2(51) of the Companies Act, 2013, being Bipin Singh |
| Committee of Directors (Administration, Authorisation & Finance) | The Committee of Directors (Administration, Authorisation & Finance), constituted for all routine business matters and authorised by the Board to take all decisions with respect to the Scheme |
| Corporate Social Responsibility Committee | The Corporate Social Responsibility Committee of the Company, constituted in accordance with Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014, as described in "*Our Management – Corporate Governance – Committees of the Board*" on page 178 |
| DAIPL | DHFL Advisory & Investments Private Limited |
| Depository | A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 |
| Designated Stock Exchange | BSE |
| DHFL | Dewan Housing Finance Corporation Limited |
| DHL | DHFL Holdings Limited |
| DHFL Ventures | DHFL Ventures Trustee Company Private Limited |
| DIL | DHFL Investments Limited |
| Director(s) | The director(s) on our Board as described in "*Our Management – Board of Directors*" on page 171 |
| Effective Date | Shall mean the date of the last date as notified by the Boards of the Company and PEL being September 16, 2025, on which all actions set out in Clause 20 of the Scheme have been fulfilled, completed or waived, as applicable, as determined by the Board and boards of directors PEL, in accordance with the Scheme. |
| Equity Shares/ Resulting Company New Equity Shares | Fully paid-up equity share(s) of the Company having a face value of ₹ 2 each allotted by the Company as consideration in terms of Clause 6 of the Scheme. |
| Executive Chairman | Executive Chairman of our Company, namely, Anand A Piramal |

| Term | Description |
|---|---|
| Financial Year/ Fiscal/ Fiscal Year/ FY | Period of 12 months ended March 31 of that particular year |
| Fugitive Economic Offender | An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018 |
| Group Company(ies) | In terms of SEBI ICDR Regulations, the term "group companies" includes the companies (other than Promoter and the Subsidiaries) with which the Company had related party transactions, during the period for which financial information is disclosed in this Information Memorandum, as covered under the applicable accounting standards, and any other companies as considered material by our Board. For further details, see "*Group Companies*" on page 191 |
| Income Tax Act | Income Tax Act, 1961 along with relevant rules, regulations, clarifications and amendments made thereunder. |
| Independent Directors | The Independent Directors of the Company, in terms of Section 2(47) and Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI Listing Regulations. For details, see "*Our Management*" on page 171 |
| Information Memorandum | The information memorandum dated September 30, 2025 of our Company for the listing of Equity Shares pursuant to the Scheme of Arrangement and filed with Stock Exchanges in accordance with applicable laws |
| IRAMBPL | India Resurgence Asset Management Business Private Limited |
| IVMC | INDIAREIT Investment Management Co. |
| Key Managerial Personnel/ KMP | Key managerial personnel of the Company in terms of Regulation 2(1)(bb) of the SEBI ICDR Regulations as described in "*Our Management – Key Managerial Personnel*" on page 186 |
| Listing | Listing of Equity Shares of PFL on the Stock Exchanges |
| Materiality Policy | The criteria defined by our Board for identification of material Group Companies, outstanding material litigation, and outstanding material dues to creditors, pursuant to the requirements under the SEBI ICDR Regulations for the purpose of the disclosure in this Information Memorandum, *vide* resolution passed by Committee of Directors (Administration, Authorisation & Finance) of the Board dated September 25, 2025 |
| MD/Managing Director | The Managing Director of our Company, currently Jairam Sridharan. For details, see "*Our Management – Brief Profile of Directors"* on page 174 |
| Memorandum of Association/ MoA | The memorandum of association of the Company, as amended, from time to time. |
| Merger Consideration Shares | Merger Consideration Shares shall mean that for every 1 equity share having face value ₹ 2 of the Transferor Company, 1 equity share having face value of ₹ 2 of the Transferee Company shall be allotted to the shareholders of the Transferor Company. |
| NCLT/ Tribunal | The National Company Law Tribunal, Mumbai Bench. |
| Net Worth | Net worth of the Company, in terms of Regulation 2(1)(hh) of the SEBI ICDR Regulations. |
| Nomination and Remuneration Committee | The Nomination and Remuneration Committee of the Company, constituted in accordance with Regulation 19 of the SEBI Listing Regulations and Section 178 of the Companies Act, 2013, as described in "*Our Management – Corporate Governance – Committees of the Board*" on page 178 |
| PAIAT | Piramal Alternatives India Access Fund |
| PAICOF | Piramal Alternatives India Credit Opportunities Fund II |
| PAOPL | Piramal Agastya Offices Private Limited (formerly known as PRL Agastya Private Limited) |
| PAPL | Piramal Alternatives Private Limited |
| PAT | Piramal Alternatives Trust |
| PCHFL | Piramal Capital & Housing Finance Limited |
| PCPL | Paladin Consultancy Private Limited (formerly known as India Resurgence ARC Private Limited) |
| PCTPL | Piramal Corporate Tower Private Limited (formerly known as Piramal Consumer Products Private Limited) |
| PFMPL | Piramal Fund Management Private Limited |
| PFPL | PEL Finhold Private Limited |
| PFSSPL | Piramal Finance Sales and Service Private Limited |
| PIASPL | Piramal Investment Advisory Services Private Limited |
| PIOF | Piramal Investment Opportunities Fund |
| Piramal Group | Piramal Group includes the Company, its subsidiaries, its associates, and joint ventures |
| PPLSEOT | Piramal Phytocare Limited Senior Employees Option Trust |
| PPSL | Piramal Payment Services Limited |
| Pramerica | Pramerica Life Insurance Limited |
| Promoter | The promoter of the Company post Scheme, being Ajay G. Piramal. For further details, see "*Promoter and Promoter Group*" on page 188 |

| Term | Description |
|---|---|
| Promoter Group | Persons and entities constituting the promoter group of our Company, as disclosed in "*Promoter and Promoter Group*" on page 188 |
| PSL | Piramal Securities Limited |
| PSTPL | Piramal Systems & Technologies Private Limited |
| PTS | Piramal Technologies SA |
| Record Date | The date i.e. September 23, 2025 fixed by the respective Boards of the Transferor Company and Transferee Company in consultation with the Board of the Company for the purpose of determining (i) the shareholders of PEL, to whom the Merger Consideration Shares will be allotted in terms of Clause 6 of the Scheme, and (ii) the holders of PEL debentures and PEL commercial papers who will become holders of such non-convertible debentures and commercial papers in the Transferee Company. |
| Registered Office | The registered office of the Company, situated at 601, 6th Floor, Amiti Building, Agastya Corporate Park, Kamani Junction, Opposite Fire Station, LBS Marg, Kurla (West) Mumbai - 400070 |
| Registrar and Share Transfer Agent | MUFG Intime India Private Limited (formerly Link Intime India Private Limited). |
| Registrar of Companies / RoC | Registrar of Companies, Maharashtra at Mumbai |
| Scheme of Arrangement / Scheme | Scheme of Arrangement between Piramal Enterprises Limited (Transferor Company) and Piramal Finance Limited (Transferee Company) and their respective shareholders and creditors under sections 230 to 232 and other applicable provisions of the Companies Act, 2013 as sanctioned by the NCLT on September 10, 2025. |
| SEBI AIF Regulations | Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012. |
| SEBI Circular | Securities and Exchange Board of India Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 as amended from time to time. |
| SEBI ICDR Regulations | Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018. |
| SEBI Insider Trading Regulations | Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended, from time to time, including instructions and clarifications issued thereto/ thereunder by SEBI, from time to time. |
| SEBI Listing Regulations | Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, from time to time. |
| Senior Management | Senior management of the Company as further described in "*Our Management – Senior Management*" on page 186 |
| Shareholders | Shareholders holding Equity Shares of the Company, from time to time |
| Shriram General | Shriram General Insurance Company Limited |
| Shriram Life | Shriram Life Insurance Company Limited |
| Stakeholders' Relationship Committee | The Stakeholders' Relationship Committee of the Company, constituted in accordance with Regulation 20 of the SEBI Listing Regulations and Section 178 of the Companies Act, 2013, as described in "*Our Management – Corporate Governance – Committees of the Board*" on page 178 |
| Statutory Auditors | The joint statutory auditors of the Company, as the context may require, being Singhi & Co, Chartered Accountants, (Firm Registration No.: 302049E) and Lodha & Co LLP, Chartered Accountants (Firm Registration No.: 301051E/ E300284) |
| Stock Exchange(s) | BSE Limited and National Stock Exchange of India Limited |
| Sustainability and Risk Management Committee | The Sustainability and Risk Management Committee of the Company, constituted in accordance with Regulation 21 of the SEBI Listing Regulations, as described in "*Our Management – Corporate Governance – Committees of the Board*" on page 178 |
| Trust | Trust as defined under the Indian Trust Act, 1882 |
| Wilful defaulter or a fraudulent borrower | A person or an issuer who or which is categorized as a wilful defaulter or a fraudulent borrower by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters or fraudulent borrowers issued by the Reserve Bank of India, in accordance with regulation 2(1)(III) of the SEBI ICDR Regulations |
| 2021 Reverse Merger | As part of the insolvency process of DHFL, erstwhile PCHFL reverse merged into DHFL with effect from September 30, 2021 and the name of the surviving entity was changed to '*Piramal Capital & Housing Finance Limited'* with effect from November 3, 2021 |

**Conventional and General Terms and Abbreviations and Industry Related Terms**

| Term | Description |
|---|---|
| ₹/ Rs. / Rupee(s)/ INR | Indian Rupees, the official currency of the Republic of India |
| AI | Artificial Intelligence |
| AIFs | Alternative Investment Funds, as defined in, and registered under the SEBI AIF Regulations |
| AGM | Annual general meeting |

| Term | Description |
|---|---|
| AML | Anti-money laundering |
| AUM | Assets Under Management |
| BNSS | The Bharatiya Nagarik Suraksha Sanhita, 2023 |
| BSE | BSE Limited |
| CAGR | Compounded Annual Growth Rate |
| Capital or Share Capital | Share Capital of the Company |
| CAR | Capital adequacy ratio |
| Category I AIFs | AIFs who are registered as "Category I Alternative Investment Funds" under the SEBI AIF Regulations |
| Category II AIFs | AIFs who are registered as "Category II Alternative Investment Funds" under the SEBI AIF Regulations |
| CDSL | Central Depository Services (India) Limited |
| CEO | Chief Executive Officer |
| CFT | Combating-terrorism financing |
| CIBIL | Credit Information Bureau (India) Limited |
| CIN | Corporate identification number |
| CMML | Corporate and Mid-Market Lending |
| "Companies Act" or "Companies Act, 2013" | Companies Act, 2013, along with the relevant rules made thereunder |
| CRM | Customer Relationship Management |
| CrPC | The Code of Criminal Procedure, 1973 |
| CSR | Corporate Social Responsibility |
| Demat | Dematerialized |
| DIN | Director Identification Number |
| EBITDA | Earnings before Interest, Tax, Depreciation and Amortization |
| ECS | Electronic Clearing Service |
| EPS | Earnings per share |
| ESG | Environmental, Social and Governance |
| ESI | Employee's State Insurance |
| ESOP | Employees' Stock Option Plan |
| GDP | Gross Domestic Product |
| GoI | Government of India |
| GST | Goods and Services Tax |
| GSTIN | Goods and Services Tax Identification Number |
| HFC | Housing Finance Company |
| IBC | Indian Bankruptcy Code |
| ICAI | Institute of Chartered Accountants of India |
| ICD | Inter- corporate deposit |
| IPC | The Indian Penal Code, 1860 |
| Ind AS | Indian Accounting Standards as notified under Section 133 of the Companies Act, 2013 |
| ISIN | International Securities Identification Number allotted by the depository |
| IST | Indian Standard Time |
| KYC | Know Your Customer |
| LLP | Limited Liability Partnership |
| MCA | Ministry of Corporate Affairs, GoI |
| ML | Machine Learning |
| MSMEs | Small-scale enterprises as per the Micro, Small and Medium Enterprises Development Act, 2006 |
| NACH | National Automated Clearing House |
| NBFC | Non-Banking Financial Company |
| NBFC - ICC | NBFC – Investment and Credit Company |
| NCD(s) | Non-convertible debenture(s) |
| NCLT | National Company Law Tribunal |
| NPA(s) | Non-performing asset(s) |
| NRI(s) | Non-Resident Indian(s) |
| NSDL | National Securities Depository Limited |
| NSE | National Stock Exchange of India Limited |
| PAN | Permanent account number |
| RBI | The Reserve Bank of India |
| RPA | Robotic Process Automation |
| RTGS | Real-time Gross Settlement |
| SAP | Systems, Applications and Products in Data Processing |
| Scale Based Regulations | Master Direction –Reserve Bank of India (Non-Banking Financial Company –Scale Based Regulation) Directions, 2023 dated October 19, 2023, as updated from time to time |

| Term | Description |
|---|---|
| SCRR | Securities Contracts (Regulation) Rules, 1957 |
| SEBI | Securities and Exchange Board of India |
| SEBI Act | Securities and Exchange Board of India Act, 1992 |
| SEBI Debt Circular | SEBI Debt Circular means the master circular issued by SEBI bearing reference number SEBI/HO/DDHS/DDHS-PoD-1/P/CIR/2025/0000000103 dated July 11, 2025 for listing obligations and disclosure requirements for Non-Convertible Securities, Securitised Debt Instruments and/or Commercial Papers |
| SEBI ESOP Regulation | The SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 or any statutory modification or re-enactment thereof for the time being in force |
| SEBI Scheme Circular | SEBI Scheme Circular means the master circular issued by SEBI bearing reference number SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 on (A) Scheme of Arrangement by Listed Entities, and (B) Relaxation under sub-rule (7) of rule 19 of the Securities Contracts (Regulation) Rules, 1957; |
| UPI | Unified Payments Interface |

## CERTAIN CONVENTIONS, USE OF FINANCIAL INFORMATION AND MARKET DATA AND CURRENCY OF PRESENTATION

All references in this Information Memorandum to "India" are to the Republic of India. All references to the "Government", "Indian Government", "GoI", "Central Government" or the "State Government" are to the Government of India, central or state, as applicable. Unless stated otherwise, all references to page numbers in this Information Memorandum are to the page numbers of this Information Memorandum.

### Financial Data

Unless stated otherwise, financial data pertaining to our Company in this Information Memorandum is derived from the Audited Financial Information which have been prepared by our Company in accordance with Indian accounting standards as specified under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules 2015, as amended and are also included in this Information Memorandum. Our Company publishes its financial statements in ₹ crore/lakh. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Information Memorandum should accordingly be limited.

Our Company's Financial Year is a twelve-month period commencing on April 1 of a calendar year and ends on March 31 of the succeeding calendar year. Unless otherwise stated, references in this Information Memorandum to a particular 'Financial Year' or 'Fiscal Year' or 'Fiscal' are to the financial year ended on March 31 of that calendar year.

In this Information Memorandum, any discrepancies in the tables included herein between the amounts listed and the totals thereof are due to rounding off. Certain figures in decimals have been rounded off and accordingly there may be consequential changes in this Information Memorandum.

Unless the context otherwise indicates, any percentage amounts, as set forth in "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 16, 116 and 570, respectively, and elsewhere in this Information Memorandum have been calculated on the basis of the Audited Financial Information of our Company.

### Industry and Market Data

Unless stated otherwise, industry and market data used in this Information Memorandum has been obtained or derived from the report titled "*NBFC Report for Piramal Finance Limited*" dated May, 2025 ("**Report**"), which is exclusively prepared for the purpose of the listing and issued by Crisil Limited and is commissioned and paid for by our Company. The Report will be available on the website of our Company at www.piramalfinance.com. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends.

Crisil Limited is an independent agency which has no relationship with our Company, the Promoter, any of our Directors, or Key Managerial Personnel or Senior Management.

The Report is subject to the following disclaimer:

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*For the preparation of this report, Crisil Intelligence has relied on third party data and information obtained from sources which in its opinion are considered reliable. Any forward-looking statements contained in this report are based on certain assumptions, which in its opinion are true as on the date of this report and could fluctuate due to changes in factors underlying such assumptions or events that cannot be reasonably foreseen. This report does not consist of any investment advice, and nothing contained in this report should be construed as a recommendation to invest/disinvest in any entity. This industry report is intended for use only within India."*

Although the industry and market data used in this Information Memorandum is reliable, industry sources and publications may base their information on estimates and assumptions that may prove to be incorrect. The data used in these sources may have been reclassified by us for the purposes of presentation. Data from these sources may also not be comparable.

The extent to which the market and industry data presented in this Information Memorandum is meaningful depends upon the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data

gathering methodologies in the industry in which the business of our Company is conducted, and methodologies and assumptions may vary widely among different market and industry sources.

Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in "*Risk Factors*" on page 16. Accordingly, investment decisions should not be based solely on such information.

**Currency and Units of Presentation**

Unless otherwise specified or the context otherwise requires, all references to "Rupees", "Rs.", "INR", "₹" are to Indian Rupees, the official currency of the Republic of India. All references to "CHF" are to the legal currency of Switzerland. The amounts derived from financial statements included herein are represented in ₹ crore/lakh, as presented in the Audited Financial Information. One crore represents '10 million' or '100 lakh' or 1,00,00,000. However, where any figures that may have been sourced from third-party industry sources are expressed in denominations other than crores, such figures appear in this Information Memorandum expressed in such denominations as provided in their respective sources.

References to the singular also refer to the plural and one gender also refers to any other gender, wherever applicable and the word "Lac / Lakh" means "one hundred thousand", the word "million (mn)" means "ten lakh", the word "crore" means "ten million" and the word "billion (bn)" means "one hundred crore". Unless stated otherwise, throughout this Information Memorandum, all figures have been expressed in crore.

For additional definitions used in this Information Memorandum, please see the section titled ***"****Definitions and Abbreviations*" on page 1 of this Information Memorandum.

## FORWARD LOOKING STATEMENTS

This Information Memorandum contains certain "forward-looking statements". Certain statements contained in this Information Memorandum that are not statements of historical fact constitute forward- looking statements. These forward-looking statements generally can be identified by words or phrases such as "aim", "anticipate", "believe", "continue", "can", "could", "estimate", "expect", "future", "forecast", "intend", "likely to", "may", "objective", "plan", "potential", "project", "propose", "pursue", "seek to", "shall", "should", "target", "will", "will continue", "will pursue", "would" or other words or phrases of similar import. Similarly, statements that describe our Company's objectives, plans or goals are also forward- looking statements. However, these are not the exclusive means of identifying forward-looking statements. All statements regarding our Company's expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements may include planned projects, revenue and profitability (including, without limitation, any financial or operating projections or forecasts) and other matters discussed in this Information Memorandum that are not historical facts.

These forward-looking statements contained in this Information Memorandum (whether made by our Company or any third party), are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of our Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. This may be due to risks or uncertainties or assumptions associated with the expectations with respect to, but not limited to, regulatory changes pertaining to the industry in which our Company operates and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes, changes in competition in the industry and incidence of any natural calamities and/or acts of violence.

Important factors that could cause our actual results, performances and achievements to differ materially from any of the forward-looking statements include, among others:

(i) Absence of an active trading market for equity shares may adversely affect the liquidity and price of our equity shares;

(ii) Vulnerability to interest rate fluctuations and potential asset-liability mismatches could adversely affect our financial condition and results of operations;

(iii) A decline in our capital adequacy ratio could restrict our future business growth and operations;

(iv) Our business requires substantial capital through borrowings, and any disruption in funding sources could have a material adverse effect on our liquidity, financial condition, and cash flows;

(v) High levels of customer defaults and non-performing assets ("**NPAs**") could adversely affect our business, financial condition, and results of operations;

(vi) Any downgrading in our credit ratings or India's sovereign credit ratings could adversely affect our ability to raise further debt and increase our funding costs;

(vii) Any inability to comply with any financial or any other covenants under various debt financing agreements could have an adverse impact on Company's business, and financial condition;

(viii) Misconduct and fraudulent activities by our employees, agents, or third parties and operational risks could have a material adverse effect on our business, financial condition, results of operations, and reputation;

(ix) Failures of or inadequacies in our Information Technology ("**IT**") systems, or disruptions due to unauthorized tampering, security, or privacy breaches, could have a material adverse effect on our business; and

(x) We are required to comply with guidelines issued by regulatory authorities in India, including the Reserve Bank of India, and Securities and Exchange Board of India, which are evolving and may increase our compliance costs and subject us to penalties.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed in the section "*Risk Factors*" on page 16.

Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements as a guarantee of future performance.

Forward-looking statements reflect the current views of our Company as on the date of this Information Memorandum. These statements are based on the management's belief and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Neither our Company, the Promoter, our Directors, nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI/Stock Exchange requirements, our Company will ensure that Investors are informed of material developments until the time of the grant of listing and trading permission by the Stock Exchanges.

## SECTION II –INFORMATION MEMORANDUM SUMMARY

*This section is a summary of specific disclosures included in this Information Memorandum and is not exhaustive nor does it purport to contain a summary of all disclosures or details relevant to prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Information Memorandum, including the sections entitled "Risk Factors", "Industry Overview", "Our Business", "Promoter and Promoter Group", "Financial Statements", Outstanding Litigation and Material Developments", and "Main Provisions of the Articles of Association" on pages 16, 49, 116, 188, 198, 577 and 602, respectively. For additional information and further details with respect to any of the information summarised below, please refer to the relevant sections of this Information Memorandum. Unless otherwise stated, the financial information in this section is derived from the Financial Statements.*

**Summary of primary business of our Company**

Our Company is registered with the RBI as a non-deposit taking NBFC-ICC under Section 45-IA of the Reserve Bank of India Act, 1934. Prior to being registered as an NBFC-ICC, our Company was registered as an HFC with the RBI. Our Company is now engaged in the business of providing diversified financial services. We offer a broad spectrum of financial solutions catering to both retail and wholesale segments, with a strong focus on serving the underbanked and underserved populations across India. We offer products such as home loans, loans against property, used car loans, personal loans, and small business loans. We also provide tailored, asset-backed lending solutions across residential and commercial real estate projects, focusing on mid-segment residential developments. Additionally, we also offer customized funding to underserved mid and large sized businesses, addressing unique capital needs in non-real estate sectors.

**Summary of industry in which our Company operates**

As of the end of Fiscal 2025, the financing market, including banks (excluding agriculture credit) and non-banking financial companies (NBFCs)/ housing finance companies, was estimated at ₹ 202 trillion. In Fiscal 2025, NBFCs, recorded a robust credit growth of 18% year-on-year, albeit slower than 21% recorded in the previous fiscal. The growth rate is projected to remain high and range between 17-18% in Fiscal 2026 owing to expected normalization in the growth rate of gold loans, changes in global scenarios impacting education loans and slowdown in infrastructure loan disbursements. The retail segment will drive credit growth, although growth in unsecured lending is expected to normalize from a high base. Additionally, the RBI's vigilance and circular on risk weights will temper growth in unsecured portfolios, ensuring a more measured pace of expansion. (*Source: CRISIL Report*)

**Promoter of the Company**

The Promoter of our Company is Ajay G. Piramal.

For more details, please see section titled *"Promoter and Promoter Group"* on page 188 of this Information Memorandum.

**Promoter Group of the Company**

For details of the promoter group of our Company, please see the section titled *"Promoter and Promoter Group"* on page 188 of this Information Memorandum.

**Shareholding of the Promoter and Members of the Promoter Group**

As on the date of this Information Memorandum, our Promoter and the members of our Promoter Group who hold Equity Shares in our Company are detailed below:

| Sr. No. | Name of person/Entity | No. of Equity Shares held | Percentage of the paid-up Equity Share capital (in %) |
|---|---|---|---|
| **Promoter** | | | |
| 1. | Ajay G. Piramal | 1,23,451* | 0.05 |
| **Promoter Group** | | | |
| 1. | Swati Ajay Piramal | 2,100 | Negligible |
| 2. | Anand A Piramal | 1,97,097 | 0.09 |
| 3. | Nandini Ajay Piramal | 45,487 | 0.02 |
| 4. | Late Lalita G. Piramal | 1,234 | Negligible |
| 5. | Peter DeYoung | 1,08,000 | 0.05 |
| 6. | Anya Piramal DeYoung | 48,000 | 0.02 |
| 7. | Dev Piramal DeYoung | 48,000 | 0.02 |
| 8. | Ajay G. Piramal HUF (*Karta of Ajay G. Piramal HUF*) | 6,507 | Negligible |
| 9. | Semplice Corporate Solutions Private Limited (*formerly known as AASAN Corporate Solutions Private Limited*) | 28,70,490 | 1.27 |

| Sr. No. | Name of person/Entity | No. of Equity Shares held | Percentage of the paid-up Equity Share capital (in %) |
|---|---|---|---|
| 10. | PRL Realtors LLP | 89,73,913 | 3.96 |
| 11. | The Ajay G. Piramal Foundation (*through its trustee Ajay G. Piramal and Swati Ajay Piramal*) | 9,86,731 | 0.44 |
| 12. | The Sri Krishna Trust (*through its trustee Ajay G. Piramal and Swati Ajay Piramal*) | 2,27,11,655 | 10.02 |
| 13. | Nandini Piramal Trust (*through its trustee Ajay G. Piramal, Swati Ajay Piramal and Nandini Ajay Piramal*) | 1,22,740 | 0.05 |
| 14. | Anand Piramal Trust (*through its trustee Ajay G. Piramal, Swati Ajay Piramal and Anand Piramal*) | 1,39,327 | 0.06 |
| 15. | V3 Designs LLP | 97,01,000 | 4.28 |
| 16. | Anutham Realty Private Limited | 5,61,65,925 | 24.78 |
| 17. | Piramal Welfare Trust | 23,84,148 | 1.05 |
| **Total** | | **10,46,35,805** | **46.16** |

** 155 shares held in the capacity of an administrator to the Estate of Late K S Basu and not in personal capacity.*

For further details on members who do not hold Equity Shares of our Company but form part of our Promoter Group, please see "*Our Promoter and Promoter Group - Entities forming part of the Promoter Group*" on page 189 of this Information Memorandum.

**Financial Information**

Following are details as per the Audited Financial Information of the Company for the three months period ended June 30, 2025, the Financial Year ended March 31, 2025, March 31, 2024, and March 31, 2023:

*(in ₹ crore, except per equity share data)*

| Particulars | For the period April 1, 2025 to June 30, 2025 | As of March 31, 2025 | As of March 31, 2024 | As of March 31, 2023 |
|---|---|---|---|---|
| Equity Shares pending issuance | - | - | - | - |
| Net worth | 13,578.41 | 12,825.33 | 11,524.07 | 14,659.03 |
| Revenue from operations | 2,230.32 | 8,242.48 | 6,703.24 | 6,606.31 |
| Profit (after tax) for the period | 93.98 | (6.65) | (1,975.28) | (7,401.36) |
| Earnings per Equity Share (basic) | 0.04 | (0.00) | (0.92) | (3.46) |
| Earnings per Equity Share (diluted) | 0.04 | (0.00) | (0.92) | (3.46) |
| Net assets value per Equity Share | 6.81 | 6.67 | 6.37 | 6.92 |
| **Total borrowings** | **59,805.47** | **56,810.37** | **45,680.21** | **41,232.56** |

For further details, see "*Financial Statements*" on page 198.

**Auditor Qualifications or Adverse Remarks**

There have been no qualifications or adverse remarks by our Statutory Auditors in the Audited Financial Information.

**Summary of Outstanding Litigation**:

A summary of outstanding litigation proceedings involving our Company, our Group Companies, our Directors, our Key Managerial Personnel and Senior Management and the Promoter as disclosed in the section titled "*Outstanding Litigation and Other Material Developments*" have been set out below:

| Name of the Entity | Criminal Proceedings | Tax Proceedings | Statutory or Regulatory Proceedings | Disciplinary actions by the SEBI or Stock Exchanges against our Promoter in the last five years, including outstanding action | Material Civil Litigation[(2)] | Aggregate amount involved (₹ in crores)[(1)] |
|---|---|---|---|---|---|---|
| **Company** | | | | | | |
| By the Company | 6,225[*@] | 114 | N.A. | N.A. | 23 | 31,812.17 |
| Against the Company | 27[&] | 22 | 20[^] | N.A. | 2[##] | 1892.44 |
| **Subsidiaries** | | | | | | |
| By our Subsidiaries | Nil | 7 | N.A. | N.A. | Nil | 4 |

| Name of the Entity | Criminal Proceedings | Tax Proceedings | Statutory or Regulatory Proceedings | Disciplinary actions by the SEBI or Stock Exchanges against our Promoter in the last five years, including outstanding action | Material Civil Litigation[(2)] | Aggregate amount involved (₹ in crores)[(1)] |
|---|---|---|---|---|---|---|
| Against our Subsidiaries | Nil | 1 | 1 | N.A. | Nil | 7 |
| **Directors** | | | | | | |
| By our Directors | Nil | Nil | N.A. | N.A. | Nil | Nil[%] |
| Against our Directors | 8 | 1 | 2 | N.A. | 1 | Nil[%] |
| **Key Managerial Personnel and Senior Management** | | | | | | |
| By our KMPs and SMPs | Nil | N.A. | N.A. | N.A. | N.A. | Nil[%] |
| Against our KMPs and SMPs | 2 | N.A. | Nil | N.A. | N.A. | Nil[%] |
| **Promoter** | | | | | | |
| By the Promoter | 1 | Nil | N.A. | N.A. | Nil | Nil[%] |
| Against the Promoter | 5 | 2 | Nil | Nil | Nil | 1.06 |

*[(1)] To the extent ascertainable and quantifiable.*

*[(2)] Determined in accordance with the Materiality Policy.*

** Including 5,932 outstanding criminal litigations have been filed by the Company in the ordinary course of business in order to expedite recovery proceedings for loans sanctioned by the Company.*

*[@] Including 139 outstanding criminal litigations initiated by the Transferor Company.*

*[&] Including 9 outstanding criminal litigations initiated against the Transferor Company.*

*^Including 16 statutory or regulatory proceedings initiated against the Transferor Company*

*[##] Excluding the proceedings in relation to the corporate insolvency resolution process against DHFL (our erstwhile company) and notices that our Company receives pursuant to 2021 Reverse Merger in relation to activities conducted by DHFL (our erstwhile company). For further details see "Outstanding Litigations and Material Developments - Material civil proceedings against the Company" on page 583 of the Information Memorandum.*

*[%] The claim amount is not ascertainable*

As on the date of this Information Memorandum, there are no litigations involving our Group Company having a material adverse impact on our Company.

For further details of the outstanding litigation proceedings, see "*Outstanding Litigation and Other Material Developments*" at page 577.

**Risk Factors**

The top ten risk factors associated with our Company are as follows:

| Sr. No. | Risk Factors |
|---|---|
| 1. | Absence of an active trading market for equity shares may adversely affect the liquidity and price of our equity shares. |
| 2. | Vulnerability to interest rate fluctuations and potential asset-liability mismatches could adversely affect our financial condition and results of operations. |
| 3. | A decline in our capital adequacy ratio could restrict our future business growth and operations. |
| 4. | Our business requires substantial capital through borrowings, and any disruption in funding sources could have a material adverse effect on our liquidity, financial condition, and cash flows. |
| 5. | High levels of customer defaults and non-performing assets ("**NPAs**") could adversely affect our business, financial condition, and results of operations |
| 6. | Any downgrading in our credit ratings or India's sovereign credit ratings could adversely affect our ability to raise further debt and increase our funding costs. |
| 7. | Any inability to comply with any financial or any other covenants under various debt and other financing agreements could have an adverse impact on Company's business, and financial condition |
| 8. | Misconduct and fraudulent activities by our employees, agents, or third parties and operational risks could have a material adverse effect on our business, financial condition, results of operations, and reputation |
| 9. | Failures of or inadequacies in our Information Technology ("**IT**") systems, or disruptions due to unauthorized tampering, security, or privacy breaches, could have a material adverse effect on our business |
| 10. | We are required to comply with guidelines issued by regulatory authorities in India, including the Reserve Bank of India, and Securities and Exchange Board of India, which are evolving and may increase our compliance costs and subject us to penalties. |

**Contingent Liabilities**

There are contingent liabilities amounting to ₹ 568.46 crore and ₹ 564.52 crore as of June 30, 2025, and as of March 31, 2025, respectively.

For more details, please see note on contingent liabilities in the section titled *"Financial Statements"* on page 198 of this Information Memorandum.

**Summary of Related Party Transactions**

The following are the details of the related party transactions for the period ended June 30, 2025 and the period ended March 31, 2025 as per Ind AS 24 - Related Party Disclosures, derived from the Audited Financial Information:

*(in ₹ crore)*

| Nature of transaction | For the three months ended April 1, 2025 to June 30, 2025 | For the year ended March 31, 2025 | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|---|---|
| **Rent expenses** | | | | |
| - Semplice Corporate Solutions Private Limited (*formerly known as AASAN Corporate Solutions Private Limited*) | - | - | 5.72 | 8.50 |
| - Piramal Corporate Tower Private Limited | 1.52 | 6.56 | 2.00 | - |
| - Piramal Agastya Offices Private Limited (*formerly known as PRL Agastya Private Limited*) (till December 11, 2022) | - | - | - | 2.80 |
| **Royalty expenses** | | | | |
| - Piramal Corporate Services Private Limited | 15.78 | 52.86 | 48.41 | 53.41 |
| **Premium expenses** | | | | |
| - Pramerica Life Insurance Limited | 0.31 | 5.01 | 3.78 | 1.36 |
| **Service fees income (including reimbursement)** | | | | |
| - Piramal Enterprises Limited | 0.42 | 1.65 | 3.47 | - |
| - Pramerica Life Insurance Limited | - | - | 4.91 | - |
| **Donation expense** | | | | |
| - Piramal Foundation for Educational Leadership | - | - | 16.32 | 4.90 |
| - Piramal Foundation | - | - | 18.52 | 28.38 |
| - Kaivalya Education Foundation | - | - | 5.32 | 5.73 |
| **Purchase of services** | | | | |
| - Piramal Trusteeship Services Private Limited | 0.01 | 0.21 | 0.08 | 0.10 |
| - Piramal Fund Management Private Limited | - | 2.93 | - | 4.53 |
| - Analog Legalhub Technology Private Limited | - | - | 0.45 | - |
| - Economic Laws practise | - | 0.03 | - | - |
| - Social Worth Technologies Private Limited | 1.11 | 9.37 | 4.87 | 46.18 |
| - Piramal Finance Sales & Services Private Limited | - | 0.65 | - | 102.33 |
| **Reimbursement of expenses paid** | | | | |
| - Semplice Corporate Solutions Private Limited | - | 0.11 | 0.29 | 0.43 |
| - Piramal Corporate Tower Private Limited | 0.04 | 0.23 | 0.13 | - |
| - Piramal Enterprises Limited | 0.01 | 1.35 | 0.46 | 1.00 |
| - Piramal Foundation for Educational Leadership | 0.08 | 0.93 | 0.02 | - |
| - Piramal Corporate Services Private Limited | 0.58 | 1.03 | - | - |
| - Piramal Pharma Limited | 0.00 | - | 0.10 | - |
| - Social Worth Technologies Private Limited | - | - | - | 0.87 |
| - Piramal Trusteeship Services Private Limited | - | - | - | 0.05 |
| - Piramal Agastya Offices Private Limited (*formerly known as PRL Agastya Private Limited*) (till December 11, 2022) | - | - | - | 0.81 |
| **Reimbursement of expenses received** | | | | |
| - Piramal Corporate Services Private Limited | - | - | 0.04 | - |
| - Piramal Alternatives Private Limited | - | - | 0.05 | - |
| - Paladin Consultancy Private Limited (*formerly known as India Resurgence ARC Private Limited*) | - | 0.06 | - | - |
| - India Resurgence Asset Management Private Limited | - | 0.06 | - | - |
| **Sale/transfer of assets/fixed assets** | | | | |
| - Piramal Pharma Limited | - | - | 0.10 | - |
| **Reimbursement of expenses recovered** | | | | |
| - Piramal Fund Management Private Limited | - | 1.16 | - | - |
| - Piramal Finance Sales & Services Private Limited | 0.00 | 0.01 | - | - |
| - DHFL Holding Limited | 0.00 | 0.01 | - | - |
| - DHFL Advisory and Investments Private Limited | 0.00 | 0.01 | - | - |
| **Reimbursement of ESOP expenses** | | | | |
| - Piramal Enterprises Limited | 8.02 | 37.95 | 55.13 | 0.07 |
| **Interest expense** | | | | |

| Nature of transaction | For the three months ended April 1, 2025 to June 30, 2025 | For the year ended March 31, 2025 | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|---|---|
| - Piramal Enterprises Limited | 21.99 | 29.84 | 72.78 | 128.08 |
| - Pramerica Life Insurance Limited | - | 1.71 | 1.80 | 1.89 |
| **Interest Income** | | | | |
| - Piramal Enterprises Limited | - | - | - | 49.83 |
| **Insurance Commission Income** | | | | |
| - Pramerica Life Insurance Limited | 41.87 | 143.11 | 102.32 | 9.46 |
| **Advertisement and marketing income** | | | | |
| - Pramerica Life Insurance Limited | - | 11.58 | - | - |
| **Assignment Service Income** | | | | |
| - Piramal Enterprises Limited | 2.66 | 13.33 | 12.88 | 2.01 |
| **Lease Rent Income (including reimbursement)** | | | | |
| - Piramal Enterprises Limited | 0.71 | 2.45 | 0.86 | 0.86 |
| - Piramal Fund Management Private Limited | 0.02 | 0.04 | - | - |
| - Pramerica Life Insurance Limited | 0.01 | 0.16 | 0.13 | 0.11 |
| - Piramal Pharma Limited | 1.73 | 5.42 | 5.87 | - |
| - Piramal Securities Limited | - | - | - | 0.07 |
| **ICD taken** | | | | |
| - Piramal Enterprises Limited | 1,400.00 | 1,275.00 | 4,000.00 | - |
| **ICD repaid** | | | | |
| - Piramal Enterprises Limited | 1,000.00 | 1,550.00 | 3,850.00 | 2,366.00 |
| **Repayment of ICD given** | | | | |
| - Piramal Enterprises Limited | - | - | - | 700.75 |
| **Partial redemption of NCD** | | | | |
| - Pramerica Life Insurance Limited | - | 1.46 | 1.46 | 1.46 |
| **Net Advance repaid (including advance adjusted against provision)** | | | | |
| - Brickex Advisors Private Limited | - | - | - | 0.91 |
| **Purchase of loans/investments** | | | | |
| - Piramal Enterprises Limited | - | 426.61 | - | - |
| **Loan portfolio transferred to** | | | | |
| - Piramal Enterprises Limited | - | - | 3,028.40 | 1,841.73 |
| - Paladin Consultancy Private Limited (*formerly known as India Resurgence ARC Private Limited*) | - | - | - | 710.00 |
| **First loss default guarantee recovery** | | | | |
| - Social Worth Technologies Private Limited | 1.24 | 3.30 | 10.78 | 9.64 |
| **Security deposit taken** | | | | |
| - Piramal Enterprises Limited | - | 1.21 | - | - |
| **Security deposit refunded** | | | | |
| - Piramal Corporate Tower Private Limited | 0.07 | 0.93 | - | - |
| - Semplice Corporate Solutions Private Limited (*formerly known as AASAN Corporate Solutions Private Limited*) | - | - | - | 1.41 |
| **Security deposit placed** | | | | |
| - Semplice Corporate Solutions Private Limited (*formerly known as AASAN Corporate Solutions Private Limited*) | - | - | 0.12 | 0.73 |
| - Piramal Agastya Offices Private Limited (*formerly known as PRL Agastya Private Limited*) (till December 11, 2022) | - | - | - | 4.75 |
| **Sale of Investment in subsidiaries** | | | | |
| - Piramal Investment Advisory Services Private Limited | - | 20.89 | - | - |
| **Issue of shares** | | | | |
| - Piramal Enterprises Limited | 700.00 | 1,600.00 | 2,000.00 | - |
| **Acquisition of shares of Subsidiaries from** | | | | |
| - PRL Developers Private Limited | - | - | 7.58 | 90.00 |
| - Piramal Enterprises Limited | - | - | - | 0.30 |
| **Repayment of security deposits received** | | | | |
| - Pramerica Life Insurance Limited | 0.03 | - | - | - |
| **Redemption of security receipt** | | | | |
| - Paladin Consultancy Private Limited (*formerly known as India Resurgence ARC Private Limited*) | - | - | - | 546.77 |
| **Investment in shares** | | | | |
| - Social Worth Technologies Private Limited | - | - | - | 50.95 |
| **Managerial Remuneration (including sitting fees and share based payments)** | | | | |
| Key Managerial Personnels | 5.44 | 21.04 | 26.63 | 4.72 |

For details of the related party transactions and as reported in the Audited Financial Information, see "*Financial Statements*", beginning on page 198.

**Financing Arrangements**

There have been no financing arrangements whereby the Promoter, members of the Promoter Group or Directors and their relatives have financed the purchase by any other person of securities of the Company, other than in the normal course of business of the financing entity during a period of six months immediately preceding the date of this Information Memorandum.

**Weighted average price at which the Equity Shares were acquired by the Promoter in the one year preceding the date of this Information Memorandum**

The weighted average price at which Equity Shares were acquired by the Promoter in the last one year is not applicable, as Equity Shares were acquired by the Promoter pursuant to the Scheme.

**Price at which Equity Shares were acquired by the Promoter, members of Promoter Group and other shareholders with right to nominate directors or any other rights in the last three years**

The price at which Equity Shares were acquired by the Promoter, members of the Promoter Group in the last three years preceding the date of this Information Memorandum is not applicable as the Equity Shares were acquired by our Promoter, and members of the Promoter Group pursuant to the Scheme. Further there are no other shareholders with the right to nominate directors or any other rights.

**Weighted average cost of acquisition of all Equity Shares of the Company transacted in the last 18 months and the last three years**

The weighted average cost of acquisition of all Equity Shares transacted in the last 18 months and three years preceding the date of this Information Memorandum is not applicable as the Equity Shares were allotted pursuant to the Scheme.

**Average cost of acquisition**

The average cost of acquisition per Equity Share for the Promoter is not applicable as the Equity Shares were allotted pursuant to the Scheme.

**Issue of Equity Shares for consideration other than cash in the last one year**

Our Company has not issued any Equity Shares for consideration other than cash or bonus issue in the one year preceding the date of this Information Memorandum.

**Split or consolidation**

Our Company has not undertaken a split or consolidation of the equity shares in the one year preceding the date of this Information Memorandum.

**Exemption under securities laws**

The Company was granted an exemption from the application of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957 by the SEBI vide the letter no. [●] dated [●].

## SECTION III – RISK FACTORS

*An investment in Equity Shares involves a high degree of risk. You should carefully consider all the information in this Information Memorandum, including the risks and uncertainties described below, before making an investment in our Equity Shares. To obtain a more detailed understanding of our business and operations, prospective investors should read this section in conjunction with "Our Business", "Key Regulations and Policies", "Financial Statements", "Management's Discussion and Analysis of Financial Condition and Results of Operations", and "Outstanding Litigation and Material Developments" on pages 116, 127, 198, 570, and 577 respectively.*

*We have described the risks and uncertainties that we believe are material, but these risks and uncertainties may not be the only risks relevant to us, our Equity Shares, or the industry in which we currently operate. In addition, the risks provided in this section may not be exhaustive and additional risks and uncertainties, not presently known to us or that we currently deem immaterial may also impair our businesses, financial condition, results of operations and prospects. If any of the following risks (or a combination of them), or other risks that are not currently known or are now deemed immaterial, actually occur, our businesses, financial condition, results of operations, and prospects could suffer, the trading price of our Equity Shares could decline, and you may lose all or part of your investment. In making an investment decision, prospective investors must rely on their own examination of us and the terms of the Listing including the merits and risks involved. You should consult your tax, financial and legal advisors about particular consequences of investing in the Equity Shares of the Company.*

*Prospective investors should pay particular attention to the fact that we are incorporated under the laws of India and are subject to a legal and regulatory environment, which may differ in certain respects from that of other countries. This Information Memorandum also contains forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results could differ from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Information Memorandum. For details, see "Forward Looking Statements" on page 8.*

*Wherever used in this section the terms "we", "us", "our", "our Company" shall refer to Piramal Finance Limited, unless otherwise stated. Unless the context requires otherwise, all financial information included herein is derived from the Financial Statements included in the section titled "Financial Statements" on page 198 of this Information Memorandum.*

*Unless otherwise indicated, industry and market data used in this section has been derived from the report titled "NBFC Report for Piramal Finance Limited", commissioned by and paid for by us. Also see, "Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation" on page 6.*

*Unless specified in the relevant risk factor below, we are not in a position to quantify the financial implication of any of the risks mentioned below. The financial information in this section is derived from the Audited Financial Information unless otherwise stated.*

### Internal Risks

1. ***Absence of an active trading market for equity shares may adversely affect the liquidity and price of our equity shares.***

   In accordance with Indian law, permission for the listing and trading of our Equity Shares will be granted only after the completion of the issuance and the allotment of the Equity Shares pursuant to the Scheme of Amalgamation. There can be no assurance that an active trading market for our Equity Shares will develop or be sustained after listing. Listing of our Equity Shares on the stock exchanges does not guarantee that a trading market for the Equity Shares would develop or, if developed, that it would be liquid. Accordingly, prospective shareholders should be prepared to hold their Equity Shares for an indeterminate period of time and may not be able to liquidate their investment easily or at prices that may be desirable.

2. ***Vulnerability to interest rate fluctuations and potential asset-liability mismatches could adversely affect our financial condition and results of operations.***

   We are susceptible to volatility in interest rates. Significant fluctuations in market interest rates could lead to interest rate and maturity mismatches between our assets and liabilities in the future. Such mismatches, if not effectively managed, could result in liquidity issues, reduce our net interest income, and negatively impact our financial condition, results of operations, and cash flows. Set forth below are details our interest income, and net interest margin, for each of the corresponding periods:

| Particulars | As of/For the Financial Year ended March 31 | | | As of/For the period ended June 30, 2025 |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | |

| | | | | |
|---|---|---|---|---|
| Interest income (₹ crores) | 6,314.19 | 5,838.63 | 6,845.09 | 2,016.54 |
| Interest income, as a percentage of total income (%) | 94.68 | 86.25 | 80.89 | 89.38 |
| Net interest margin (%) | 5.78 | 4.63 | 5.40 | 5.85 |
| **Loan assets** | | | | |
| Fixed Rate (%) | 32.00 | 38.00 | 41.00 | 41.00 |
| Floating Rate (%) | 68.00 | 62.00 | 59.00 | 59.00 |

***3. A decline in our capital adequacy ratio could restrict our future business growth and operations.***

Our ability to grow our business, expand our loan portfolio, and continue our operations is dependent on maintaining an adequate CAR as prescribed by the RBI and other regulatory authorities. A significant decline in our CAR, whether due to increased risk-weighted assets, reduced profitability, or other factors, could restrict our ability to expand our business, raise further capital, or even require us to curtail our lending activities, thereby materially and adversely affecting our future business growth and financial performance.

***4. Our business requires substantial capital through borrowings, and any disruption in funding sources could have a material adverse effect on our liquidity, financial condition, and cash flows***

Our business operations and growth strategy are heavily reliant on our ability to raise substantial capital through borrowings from various sources, including banks, financial institutions, and the debt capital markets. Any disruption, restriction, or increase in the cost of our funding sources, such as a lack of access to new borrowings, adverse changes in market conditions, or an inability to renew existing credit lines, could severely impact our liquidity, financial condition, and cash flows, thereby materially and adversely affecting our business. Further, the liquidity and profitability of our business depends, in large part, on our timely access to, and the costs associated with, raising funds. Set forth below are details of our debt funding, including the average cost thereof:

| Particulars | As of/For the Financial Year ended March 31 | | | As of/For the period ended June 30, 2025 |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | |
| Total borrowings (₹ crores) | 41,232.56 | 45,680.21 | 56,810.37 | 59,805.47 |
| Average cost of borrowings (%) | 8.56 | 8.74 | 9.09 | 9.12 |

***5. High levels of customer defaults and non-performing assets ("NPAs") could adversely affect our business, financial condition, and results of operations***

Our ability to manage the credit quality of our portfolio is a key driver of our results of operations. We make contingent provisions against standard assets and NPAs, which are recognised under impairment of financial instruments in our statement of profit and loss, in accordance with guidelines issued by the RBI. In addition to making provisions on loan assets, the RBI requires us to classify and make additional provisions towards NPAs. An increase in NPAs would necessitate higher provisioning, impact our profitability, and could also affect our capital adequacy, thereby having a material adverse effect on our business, financial condition, results of operations, and future financial performance.

Further, in case of customer defaults, we may also not be able to realize the full value of loan collateral, due to, among others, delays in foreclosure proceedings, which may be exacerbated by political instability in the states where we operate, collateral claim issues, fraudulent transfers by customers and decreases in the value of collateral. Foreclosure on collateral may also be subject to delays and administrative requirements that could result in, or be accompanied by, a decrease in the value of the collateral. We may also encounter difficulties in repossessing and liquidating collateral. For instance, when a customer defaults under a financing facility availed from us, after the initial measures to recover, we resort to repossession followed by sale of the collateral through an auction process. While there have been instances in the past where there has been a delay on foreclosure of loan collateral or where we have not been able to realize the full value of loan collateral, these instances did not have any material adverse impact on the operations and financials of our Company. However, we cannot assure you that similar instances in the future will not have a negative impact on us or that we will be able to successfully repossess the collateral in the event of default under a loan agreement and such inability may result in adverse effects on our business, results of operations, cash flows and financial conditions.

The table below sets forth net NPA to net advances for the Financial Year ended March 31, 2023, March 31, 2024 and March 31, 2025:

| Particulars | For the Financial Year ended March 31, 2025 | For the Financial Year ended March 31, 2024 | For the Financial Year ended March 31, 2023 |
|---|---|---|---|
| **NNPA (%)** | 2.01 | 1.00 | 1.86 |

There are a number of factors outside of our control which affect our ability to limit NPAs. These factors include developments in the Indian and global economy, domestic and global macro-economic and political factors, changes in customer behaviours and demographic patterns, government decisions, natural calamities, widespread diseases, changes in interest rates and changes in regulations. In addition, the expansion of our business may cause our NPAs to increase and the overall quality of our loan portfolio to deteriorate. In addition to the relevant regulatory minimum provisioning, we also consider our internal estimate for loan losses and risks inherent in the credit portfolio when deciding on the appropriate level of provisions. The determination of a suitable level of loan losses and provisions involves a degree of subjectivity and requires that we make estimates of current credit risks and future trends, all of which may be subject to material changes. Any incorrect estimation of risk may result in our provisions not being adequate to cover any further increase in the amount of NPAs or any further deterioration in our NPA portfolio. We may need to make further provisions if there is dilution/ deterioration in the quality of our security or downgrading of the account or recoveries with respect to such NPAs do not materialise in time or at all. Accordingly, if we are unable to control the level of our NPAs, it would have an adverse effect on our financial condition, results of operations and cash flows.

6. ***Any downgrading in our credit ratings or India's sovereign credit ratings could adversely affect our ability to raise further debt and increase our funding costs.***

Any downgrade in our credit ratings or India's sovereign credit ratings could increase our finance costs and adversely affect our business, financial condition, results of operations and cash flows. The cost and availability of capital depends in part on our short-term and long-term credit ratings. Credit ratings reflect the opinions of ratings agencies on our financial strength, operating performance, strategic position and ability to meet our obligations. Our ability to raise funds from banks, financial institutions, and through the issuance of NCDs is significantly influenced by our credit ratings. Any downgrading of our credit ratings by domestic or international credit rating agencies could impair our ability to access fresh debt, increase our cost of borrowing, and reduce the attractiveness of our debt instruments to potential investors. In addition, any downgrade in our credit ratings could result in a recall of existing facilities, increase the probability that our lenders impose additional terms and conditions to any financing or refinancing arrangements we enter into in the future and impair our ability to raise new capital on a competitive basis, which may adversely our business, results of operations, cash flows and financial condition. In addition, our borrowing costs and our access to the debt capital markets depend significantly on the sovereign credit ratings of India. Rating agencies may lower their sovereign ratings for India or the outlook on such ratings, which would also affect our ratings. Any adverse revisions to India's sovereign credit ratings for domestic and international debt by international rating agencies may adversely affect our ratings or terms on which we are able to obtain future financing. This could have an adverse effect on our ability to fund our growth and consequently adversely affect our business, financial condition, results of operations and cash flows.

7. ***Any inability to comply with any financial or any other covenants under various debt and other financing agreements could have an adverse impact on Company's business, and financial condition***

We have issued and listed NCDs on NSE and BSE and the trading may often be sporadic with low volumes and price fluctuations subject to the market conditions, highlighting potential liquidity challenges for our NCDs. The ability to raise or refinance debt in the future may be further affected by market appetite, regulatory developments, interest rate movements, and our credit profile. Furter, there can be no assurance that an active or liquid market for our NCDs will develop or persist, which may adversely affect prospective investors as well as our own funding flexibility, cost of borrowing, or results of operations. Additionally, we are subject to stringent regulatory compliance under SEBI Listing Regulations, RBI guidelines, and the terms set out in our debenture documents. Any instance of non-compliance may expose us to regulatory penalties, reputational risks, and restrictions on further capital raising. Our NCD arrangements also include restrictive covenants such as those requiring notification or lender consent for major corporate actions which, if breached, could result in cross-defaults, accelerated repayment demands, or enforcement of security.

Furthermore, certain other financing agreements entered into by our Company provide lenders with the right to convert all or part of the outstanding loan amount into equity shares of our Company upon an event of default, in accordance with the applicable laws and terms of such agreements. The conversion of loans into equity may (i) lead to dilution of the existing shareholders' ownership and voting interests; (ii) affect the market price of our equity shares; (iii) result in changes in the shareholding pattern and control of our Company; and (iv) impact our ability to raise further equity

or debt financing on terms acceptable to us or at all. Any such conversion could also lead to the entry of new significant shareholders or changes in the management or strategic direction of the Company, which may have a material adverse effect on our business, financial condition and results of operations. There can be no assurance that any such conversion will be on terms favourable to the existing shareholders or that it will not have a material adverse effect on the value of their investment.

***8. Misconduct and fraudulent activities by our employees, agents, or third parties and operational risks could have a material adverse effect on our business, financial condition, results of operations, and reputation***

We are exposed to the risk of misconduct, fraudulent activities, or unethical behavior by our employees, agents, or other third parties with whom we interact. Such activities could include misrepresentation of loan applications, misappropriation of funds, unauthorized access to sensitive information, or other illegal acts. Our reliance on third-party service providers for certain business or operational functions exposes us to risks of performance lapses, data breaches, or regulatory non-compliance resulting from inadequacies at the service provider's end. While we periodically test and update our internal processes and systems, we are exposed to operational risks arising from the potential inadequacy or failure of internal processes or systems, and our actions may not be sufficient to ensure effective internal checks and balances in all circumstances. Moreover, our management information systems and internal procedures that are designed to monitor our operations and overall compliance may not identify every instance of non-compliance or every suspicious transaction. If internal system or process weaknesses are identified, our actions may not be sufficient to correct such weakness. Furthermore, our fraud risk framework, security systems and measures undertaken to detect and prevent these risks may not be sufficient to prevent or detect such activities in all cases.

In the past, we have faced an instance of misappropriation of cash collected from borrowers against their EMIs by our former employees. In this regard, we filed a petition before the Chief Judicial Magistrate, Lucknow against its former employee for misappropriation of cash collected by them which was deposited by the borrowers against their EMIs. The matter is pending. Further, we have faced an instance of embezzlement of a significant sum of money from a borrower by our former employee, who misused the funds for personal gain. We have lodged a criminal complaint with the Itarasi police station, and the matter is currently pending investigation and legal proceedings. Additionally, we have filed a complaint against our former employee for allegedly misappropriating amounts paid by our borrowers to different accounts and presenting fake cheques against the accounts of the borrowers who had been repaying their respective loan amounts in cash. The matter is pending. In the ordinary course of our business, we have filed several criminal complaints against various persons for criminal misappropriation, breach of trust, cheating, and forgery under sections of the Indian Penal Code and Bhartiya Nyaya Sanhita, 2023, primarily relating to borrowers fraudulently selling or relocating vehicles, property, or other collateral hypothecated or mortgaged with our Company, or obtaining loans by submitting forged and fabricated documents, concealing material facts, or impersonating owners of collateral property. These matters are currently pending at different stages of adjudication before various judicial fora. For details, see "*Outstanding Litigation and Material Developments*" on page 577. Such instances of fraud or misconduct or significant disruption, breach, or failure by employees, agents or third parties to meet their obligations could result in significant financial losses, legal and regulatory penalties, reputational damage, and a loss of customer trust, thereby having a material adverse effect on our business, financial condition, results of operations, and reputation.

Further, in some instances where a suit is filed against our Company, the Company may not have received the necessary notice or case papers pertaining to the suit and we may not have relevant information in relation to the status of such matters as on date. While we have disclosed relevant material outstanding litigations under "*Outstanding Litigation and Material Developments*" on page 577, there may be other litigations which are in the routine course of business. Such instances could result in financial losses, legal and regulatory penalties, reputational damage, and a loss of customer trust, thereby having an adverse effect on our business, financial condition, results of operations, and reputation.

***9. Failures of or inadequacies in our Information Technology ("IT") systems, or disruptions due to unauthorized tampering, security, or privacy breaches, could have a material adverse effect on our business***

Our business operations are heavily dependent on the efficient and secure functioning of our information technology systems. Our ability to operate seamlessly depends in part on our ability to maintain and upgrade our information technology systems and infrastructure on a timely and cost-effective basis. These technologies may undergo enhancements from time to time and our inability to maintain or upgrade the technologies used by us for operations, could materially and adversely affect our operations. The Company has incurred ₹167.50 crores in Fiscal 2025 as information technology expenses.

If we do not allocate and effectively manage the resources necessary to implement and sustain the proper IT infrastructure, we could be subject to operational inefficiencies. While any failures, interruptions, or inadequacies in

these systems, whether due to hardware or software malfunctions, power outages, natural disasters, or human error, could disrupt our operations and may result in transaction delays or customer dissatisfaction, any disruptions in critical supplier relationships could impede normal business operations. Furthermore, since our operations are dependent on complex technology systems and digital platforms, which are exposed to risks arising from cyber-attacks, unauthorized access, malware, ransomware, data loss, or other disruptions to IT systems, we have implemented adequate controls to protect the Company and our data against cyber attacks. Any actual or perceived failure to prevent such incidents may result in operational disruption, financial loss, reputational damage, regulatory actions, or the compromise of confidential customer information.

10. ***We are required to comply with guidelines issued by regulatory authorities in India, including the Reserve Bank of India, and Securities and Exchange Board of India, which are evolving and may increase our compliance costs and subject us to penalties.***

We are regulated principally by the RBI (as a non-banking financial company - upper layer registered with the RBI), and are also subject to regulatory oversight from SEBI (presently, as a debt-listed company, our Company is subject to the continuous disclosure obligations under the SEBI Listing Regulations and RBI regulations, and we will be subject to additional obligations and disclosure requirements once our Equity Shares are listed on the Stock Exchanges), the corporate, taxation and other laws in effect in India. Our business and financial performance could be adversely affected by changes in the laws, rules, regulations or directions applicable to us, or the interpretations of such existing laws, rules and regulations, or the promulgation of new laws, rules and regulations, including foreign investment laws governing our business, operations and investments in our Company by non-residents. These regulations, apart from regulating the manner in which a company carries out its business and internal operations, prescribe various periodical compliances and filings, including but not limited to filing of forms and declarations with the relevant registrar of companies, the RBI and other relevant authorities. Further, notification of new regulations and policies, which may require us to obtain approvals and licenses from the government and other regulatory bodies, or impose onerous requirements and conditions on our operations, in addition to those which we are undertaking currently, or change the manner in which we conduct KYC or authenticate our borrowers. Any such changes and the related uncertainties with respect to the implementation of new regulations may have an adverse effect on our business, results of operations, financial condition and cash flows.

Further, as an NBFC, we are subject to periodic inspection by the RBI under section 45N of the RBI Act, pursuant to which the RBI inspects our books of accounts and other records for the purpose of verifying the correctness or completeness of any statement, information or particulars furnished to the RBI. While there have been deficiencies found by the RBI / NHB in past inspections and we have responded to such observations and addressed them, we cannot assure you that the RBI will not find any deficiencies in future inspections or the RBI will not make similar or other observations in the future. In the event we are unable to resolve such deficiencies to the RBI‘s satisfaction, we may be restricted in our ability to conduct our business as we currently do. While we seek to comply with all regulatory provisions applicable to us, in the event we are unable to comply with the observations made by the RBI, we could be subject to penalties and restrictions which may be imposed by the RBI. Imposition of any penalty or adverse findings by the RBI during the ongoing or any future inspections may have an adverse effect on our business, results of operations, financial condition and reputation.

11. ***We depend on the accuracy and completeness of information about users for our business. Any misrepresentation, errors in or incompleteness of such information could adversely affect our business, financial condition, cash flows, results of operations and prospects.***

We depend on the accuracy and completeness of information provided by our users for various aspects of our business, including onboarding and servicing. Any misrepresentation, error, or omission in such information could adversely affect our business, financial condition, results of operations, and prospects. We rely on information furnished by or on behalf of customers and counterparties, including personal and financial details, and credit history. We also depend on credit bureaus to verify the creditworthiness of customers. While no material discrepancies have been noted in credit bureau reports in the last six months, there is no assurance that future reports will be accurate or complete. Inaccurate or incomplete information could negatively impact our credit decisions, operations, and reputation.

Although we follow KYC guidelines prescribed by the RBI, there remains a risk of receiving false, incomplete, or outdated information due to negligence or fraudulent misrepresentation. Our risk management systems may not detect or prevent such instances in all cases. Additionally, we may not always be informed of changes in a borrower’s financial position. Inability to accurately assess credit risk may lead to higher levels of non-performing assets, which could materially affect our business, financial condition, cash flows, and results of operations.

12. ***Failure to protect our intellectual property rights could adversely affect our business and our brand.***

Companies in the lending industry, including some of our current and potential competitors, may own large numbers of trademarks and frequently enter into litigation based on allegations of infringement or other violations of intellectual property rights. In addition, many of these companies have the capability to dedicate substantially greater resources to enforce their intellectual property rights and to defend claims that may be brought against them. As on the date of this Information Memorandum, our Company owns valid and registered intellectual properties in India. Further, certain of the intellectual properties that is being utilised by the Company have been assigned to us from our group company Piramal Corporate Services Private Limited which includes the use of the "Piramal" trademark and the corporate logo which consists of "Gyan Mudra" icon, the "Piramal" name and the words "Knowledge Action Care Impact" *vide* a trademark license and advisory services agreement dated September 3, 2018, read with, the amendment agreement dated August 20, 2020. For further details, please refer to "*Our Business – Intellectual Property*" on page 125.

We might be required to spend significant resources to defend, monitor, and protect our intellectual property rights, such as by initiating claims or litigation against third parties for infringement of our proprietary rights or to establish the validity of our proprietary rights. However, we may not prevail in any lawsuits that we initiate, and the damages or other remedies awarded, if any, may not be adequate to compensate us for the harm suffered. Additionally, we may provoke third parties to assert counterclaims against us. Any litigation, whether or not it is resolved in our favour, could result in significant expense to us and divert the efforts of our technical and management personnel, which may adversely affect our business operations or financial results. For any of these reasons, despite our efforts, we may be unable to prevent third parties from infringing upon or misappropriating our intellectual property.

***13. Any non-compliance with mandatory anti-money laundering ("AML", combating-terrorism financing ("CFT") and KYC laws could expose us to liability and harm our reputation***

We are required to comply with applicable anti-money laundering KYC and CFT laws and regulations. In India, the Prevention of Money Laundering Act, 2002, along with the rules, regulations, guidelines and directions prescribed by the RBI and other regulatory authorities, sets out the anti-money laundering framework for entities in the regulated financial space. These laws and regulations require financial institutions to establish sound internal control policies and procedures with respect to anti-money laundering, monitoring and reporting activities.

If the controls and measures implemented for detecting or eliminating money laundering or other improper or illegal trading activities are considered inadequate under applicable laws and regulations by any regulatory, governmental or judicial authority, we may be subject to penal action, freezing or attachment of our assets, imposition of fines, or both. We cannot assure you that the controls and measures implemented by us are adequate to detect or eliminate every instance of money laundering activities in a timely manner or at all.

Any violations of these laws and regulations could result in restrictions being imposed on our operations, expose us to administrative, civil or criminal penalties or fines and could adversely affect our reputation, business, financial condition, results of operations, cash flows, investor confidence and the trading price of our Equity Shares. If information provided by us and our financial services partners contain errors, this could have a material adverse effect on our reputation.

Moreover, if we are publicly named as a sanctioned entity by regulatory authorities or become the subject of an investigation, our business and reputation are likely to be disrupted and adversely affected. We may need to make changes to our anti-money laundering compliance programs based on any new or revised laws, which could make compliance more costly and difficult to manage.

***14. Industry information included in this Information Memorandum has been derived from an industry report commissioned by us, and paid for by us for such purpose***

We have availed the services of an independent third-party research agency, Crisil Limited, appointed by us, to prepare an industry report titled "*NBFC Report for Piramal Finance Limited*" dated May, 2025, for the purposes of inclusion of such information in this Information Memorandum to understand the industry in which we operate. The Report has been commissioned by our Company exclusively in connection with this Information Memorandum for a fee. The Report is subject to various limitations and based upon certain assumptions that are subjective in nature. Further, the industry data mentioned in this Information Memorandum or sources from which the data has been collected are not recommendations to invest in our Company. Accordingly, shareholders should read the industry related disclosure in this Information Memorandum in this context.

***15. Our success depends in large part upon our management team and skilled personnel and our ability to attract and retain such persons.***

Our future performance will be affected in case our management team and skilled personnel discontinue their service with the Company. We also face a continuing challenge to recruit and retain a sufficient number of suitably skilled personnel, particularly as we continue to grow. If we lose key personnel and are unable to recruit and retain them, our ability to manage day-to-day aspects of the business may be affected.

We face significant competition in attracting and retaining personnel who possess the skill sets that we seek. Our senior management possesses ability and requisite experience of working in the industry in addition to the relations they foster with our suppliers and customers. If one or more members of our senior management team were unable or unwilling to continue their present positions, it may be difficult to replace.

***16. We may not be able to identify, monitor and manage risks or effectively implement our risk management policies.***

The effectiveness of our risk management is affected by the quality and timeliness of available data. We have policies and procedures in place to measure, manage and control the various risks to which we are exposed, which include our interest rate policy, corporate governance policy, fair practices code, vigil mechanism, and know your customer and anti-money laundering policy. Our Board of Directors, the Risk Management Committee and the asset liability management committee of our Company review our risk management policies from time to time. We also depend on our information technology systems to assist us with our risk management functions. However, our policies and procedures to identify, monitor and manage risks may not be fully effective. Some of our risk management processes may not be automated and subject to human error. Some of our methods of managing risks are based on the use of observed historical market behavior and may not accurately predict future risk exposures, which could be significantly greater than those indicated by the historical measures.

In addition, as we seek to expand the scope of our operations, we also face the risk of inability to develop commensurate risk management policies and procedures. Other risk management methods depend upon an evaluation of information regarding the markets we operate in, the customers we service and certain other matters, which may not be accurate, complete, up-to-date or properly evaluated in all cases. Management of operational, legal or regulatory risks requires, among other things, policies and procedures to properly record and verify a number of transactions and events. Our earnings are dependent upon the effectiveness of our management, our credit quality and risk concentrations, the accuracy of our valuation models and our critical accounting estimates and the adequacy of our allowances for loan losses. To the extent our assessments, assumptions or estimates prove inaccurate or not predictive of actual results, we could suffer higher than anticipated losses. If we fail to effectively implement our risk management policies, it could have an adverse effect on our business, results of operations, cash flows and financial condition. Further, we rely on financial, credit, and risk models, including those utilizing artificial intelligence, for decision making and forecasting. Any shortcomings in model assumptions, incorrect data inputs, model misspecification, or lack of transparency in artificial intelligence driven processes could lead to inaccurate business decisions, financial losses, regulatory censure, or legal challenges.

***17. Our business has grown rapidly, and we may not be able to sustain our historical growth rates and asset quality metrics in the future. Any inability to manage our growth, asset quality and expansion efforts effectively and execute our growth strategy in a timely manner, or within budget estimates, could have an adverse effect on our business, results of operations, financial condition and cash flows***

Our historical performance is not indicative of our future growth or financial performance. As we continue to scale our operations, we intend to leverage our growing borrower base which will lead to strengthening and expanding our coverage across our geographies. This would require us to incur additional expenses that may not yield desired results or incur costs that we may not be able to recover. Any inability to manage our growth and expansion efforts effectively and execute our growth strategy in a timely manner, or within budget estimates, could have an adverse effect on our business, results of operations, financial condition and cash flows. Further, to scale our operations, we may pursue mergers, acquisitions, or business combinations which may be subject to risks relating to integration challenges, cultural mismatches, or inability to realize anticipated synergies. Delays or failures in achieving integration targets, or regulatory or counterparty disputes, could adversely affect our financial condition or results.

***18. Our Company and Directors are involved in certain legal and other proceedings. Any adverse outcome in such proceedings may have an adverse effect on our business, results of operations, financial condition and cash flows.***

In the ordinary course of business, our Company, Promoter, and Directors are involved in certain legal proceedings, which are pending at different levels of adjudication before various courts, tribunals and statutory, regulatory and other judicial authorities in India, and, if determined adversely, could affect our reputation, business, results of operations, financial condition and cash flows. We cannot assure you that these legal proceedings will be decided favorably or that no further liability will arise from these claims in the future.

19. ***We are dependent on a number of our Key Managerial Personnel and our Senior Management, and the loss of, or our inability to attract or retain such persons could adversely affect our business, results of operations, financial condition and cash flows.***

Our performance depends largely on the efforts and abilities of our Key Managerial Personnel and our Senior Management, and we rely on their inputs, and experience for the development of our business and operations. We cannot assure you that these individuals will not leave us or join a competitor or that we will be able to retain such personnel or find adequate replacements in a timely manner, or at all. We may be required to increase our levels of employee compensation more rapidly than in the past to remain competitive in attracting employees that our business requires. The loss of, or inability to attract or retain such persons may have an adverse effect on our business, results of operations, financial condition and cash flows.

20. ***We are required to comply with guidelines issued by regulatory authorities in India which are evolving and may increase our compliance costs and subject us to penalties.***

The Digital Personal Data Protection Act, 2023 ("**DPDP Act**") was passed in August 2023 and once notified, will replace the existing data protection provisions, as contained in Section 43A of the Information Technology Act, 2000. The DPDP Act seeks to balance the rights of individuals to protect their personal data with the need to process personal data for lawful and other incidental purposes. The DPDP Act requires companies that collect and deal with high volumes of personal data to fulfil certain additional obligations such as appointment of a data protection officer for grievance redressal and a data auditor to evaluate compliance with the DPDP Act. The DPDP Act provides that personal data may be processed only in accordance with the DPDP Act, and for a lawful purpose after obtaining the consent of the individual or for certain legitimate uses. The DPDP Act outlines prescriptive compliance controls across enterprises managing the personal information of Indian citizens. Non-compliance or any lapses in securing or processing customer data in accordance with the requirements laid down in the DPDP Act may result in regulatory penalties, legal proceedings, restrictions on our business, as well as loss of customer confidence and reputational harm. Further, we cannot assure you that no actions will be taken against us by the regulatory authorities in the future for any alleged contravention of the DPDP Act which could adversely impact our business, results of operations, financial condition, cash flows and the price of the Equity Shares.

21. ***Failure to obtain or renew approvals, licenses, registrations and permits to operate our business in a timely manner, or at all, may adversely affect our business, financial condition, results of operations and cash flows.***

Our operations in India are subject to government regulations and we are required to obtain and maintain certain statutory and regulatory licenses and approvals and we have obtained the necessary licenses and approvals required for our operations. While we have obtained the necessary approvals and licenses required for our operations, certain approvals have lapsed in their normal course and we have either made applications or in the process of making applications to the appropriate authorities for renewal of such licenses and approvals. These approvals, licenses, registrations and permissions may be subject to numerous conditions. If we fail to obtain some or all of these approvals or licenses, or renewals thereof, in a timely manner or at all, or if we fail to comply with applicable conditions or it is claimed that we have breached any such conditions, our license or permission for carrying on a particular activity may be suspended or cancelled and consequently we may not be able to carry on such activity, which could adversely affect our business, results of operations, financial condition and cash flows. We may need to in the future, apply for certain additional approvals, including the renewal of approvals, which may expire from time to time. For further, details see, "*Government Approvals*" on page 595. We cannot assure you that such approvals and licenses will be granted or renewed in a timely manner or will not be cancelled or withdrawn by the relevant governmental or regulatory authorities. Failure to obtain or renew such approvals and licenses in a timely manner would make our operations non-compliant with applicable laws and may result in the imposition of penalties by relevant authorities and may also prevent us from carrying out our business.

22. ***Negative publicity could damage our reputation and adversely impact our business and financial results.***

Any event that undermines stakeholder trust in our Company may adversely affect the perception and value of our brand, thereby impacting, our ability to attract and retain customers and business partners. Reputational risk, or the risk to our business, earnings and capital from a loss of stakeholder trust, is inherent in our operations. Our ability to attract and retain customers, employees, vendors, and partners, as well as to raise capital and borrowings, relies significantly on maintaining a positive brand perception and strong stakeholder trust in our Company. Any event that erodes this trust, whether due to lapses in service quality, adverse customer experiences, negative publicity, or regulatory actions, could significantly damage our reputation and the perceived value of our brand. Such damage could adversely affect our ability to compete effectively, lead to a decline in customer acquisition and retention, hinder our efforts to secure new business partnerships, and potentially expose us to litigation and regulatory scrutiny.

23. ***A significant portion of our shareholding is held by our Promoter Group, and any substantial dilution, sale of***

***shares, or change in the shareholding pattern could affect the management or control of our Company, and consequently, investor perception and confidence.***

Our Promoter and Promoter Group currently hold a significant portion of our equity share capital. This concentration of ownership allows them to exercise significant influence over our business and affairs, including decisions regarding our strategic direction, key operational and financial matters, appointment of directors, and other corporate actions. Any substantial dilution of their shareholding, sale of shares by our Promoter Group, or a change in the overall shareholding pattern could potentially lead to a change in the management or control of our Company. While our day-to-day business operations are managed by experienced employees/officers of our Company, our Promoter is involved in providing strategic direction, guidance, and is instrumental in critical governance decisions. Changes in the involvement, composition, or objectives of our Promoter Group, or any perception thereof, may adversely affect investor perception and confidence in our Company.

***24. We have entered into various transactions with related parties, and any perceived or actual conflicts of interest or allegations of impropriety could attract regulatory scrutiny, adversely affect our reputation, or lead to investor concerns regarding governance standards.***

We engage in various transactions with our Promoter Group entities, Directors, Key Managerial Personnel, and their relatives, as well as other related parties in the ordinary course of business. While these transactions are conducted at arm's length, are in compliance with applicable laws, including the Companies Act, 2013, and the SEBI Listing Regulations, 2015, and are subject to appropriate governance approvals, including those from our Audit Committee and Board of Directors, there is an inherent risk associated with such dealings.

Even if these transactions are properly disclosed and conducted in accordance with all legal and regulatory requirements, any perceived or actual conflict of interest, or allegations of impropriety, lack of independence, or non-compliance regarding such transactions, could attract adverse regulatory scrutiny from governmental authorities, and affect our reputation, or lead to investor concerns regarding governance standards.

***25. Our Company has certain contingent liabilities that could adversely impact our business, financial condition, cash flows, and results of operations.***

We are, from time to time, subject to various claims, legal proceedings, investigations, and other obligations arising in the ordinary course of our business, including those related to taxation, regulatory compliance, contractual disputes, and employee-related matters. The outcome of these matters is inherently uncertain, and our actual future obligations may exceed our current estimates or expectations. If any of these contingent liabilities were to crystallize, either individually or in the aggregate, it could result in significant cash outflows, unexpected expenses, or other adverse impacts, which could materially and adversely affect our business, financial condition, cash flows, and results of operations.

***26. Geographic and borrower concentration may adversely affect our business, financial condition, and results of operations.***

Our business operations and portfolio exhibit geographic concentration in certain cities and states. Consequently, our financial performance and growth are significantly dependent on the general economic conditions and business activities within these specific regions. Any adverse changes in the economic, social, political, or regulatory environment in these concentrated areas could negatively impact our ability to source new business, collect outstanding dues, and could lead to increased defaults, thereby adversely affecting our business, financial condition, and results of operations. Furthermore, in our wholesale lending businesses, we have significant borrower concentration, with a substantial portion of loan assets being lent to a limited number of borrowers (e.g., top 10-20 borrowers). A deterioration in the creditworthiness or repayment capacity of these key borrowers, or their default, could have a material adverse effect on our financial performance and results of operations.

***27. Deterioration in the performance of loan assets assigned or securitised to banks and other institutions could adversely impact our financial performance and cash flows.***

As part of our business, we may, from time to time, assign or securitise a portion of our loan assets to banks and other financial institutions. Any significant deterioration in the performance of the underlying receivables in these assigned or securitised pools could lead to recourse claims, or could have adverse impacts on our ability to undertake future securitisation or assignment transactions. Such events could materially and adversely affect our financial performance, and cash flows.

***28. Our insurance coverage may not adequately protect us against all potential losses, and successful claims exceeding***

***our coverage could harm our results of operations and financial position.***

We maintain various insurance policies to protect our assets and operations against potential risks, including property damage, changes and certain liabilities. However, there can be no assurance that our current insurance coverage will be sufficient to cover all potential losses or liabilities we may incur. Our policies may have limitations, exclusions, or deductibles that could leave us exposed to significant uninsured costs. In the event of a successful claim that exceeds the limits of our insurance coverage, or if we are subject to claims not covered by our policies, our business, financial condition, and results of operations could be materially and adversely affected. Additionally, future increases in insurance premiums or changes in policy terms could also negatively impact our profitability.

**External Risks**

***29. There is no prior trading history for the Equity Shares of the Company***

Since the Equity Shares of the Company have not been previously traded, their market value is uncertain. Following admission, the market price of the Equity Shares may be volatile. Our Company's operating results and prospects from time to time may be below the expectations of market analysts and investors. At the same time, market conditions may affect the price of our Company's Equity Shares regardless of the operating performance of our Company. Stock market conditions are affected by many factors, such as general economic and political conditions, terrorist activity, natural calamities, movements in or outlook on interest rates and inflation rates, currency fluctuations, commodity prices, changes in investor sentiment towards the retail market and the supply and demand of capital.

***30. A downturn in general economic conditions or disruption in the financial markets in India including a credit crisis, may materially and adversely affect our business, financial condition, cash flows, results of operations and prospects***

We generate our revenue from operations from the sale of financial products in India. Demand for financial products is influenced by general economic conditions including high inflation, rising interest rates, slowdown in economic growth, increased unemployment, or geopolitical instability; the health and stability of financial markets and a decrease in loans facilitated could cause a material decline in our income for the duration of a crisis or downturn. In India, economic conditions and financial markets are influenced by a variety of domestic factors, including fluctuations in gross domestic product, changes in monetary, tax and other policy measures, political and regulatory developments, inflation and shifts in consumer spending and saving patterns for financial products. Events outside India such as geopolitical tensions, wars or hostilities, global economic slowdowns or recessions, trade disruptions, tariff wars, volatility in commodity prices such as oil and gas as well as idiosyncratic events impacting high-profile conglomerates, may also affect economic conditions and the financial markets in India. Such conditions could also impact our ability to raise capital, increase our operating costs, and reduce demand for our products and services.

Our business is subject to credit cycles associated with the volatility of the general economy, and our operations may be severely affected in a credit crisis or prolonged downturn in the credit markets. Moreover, a financial and credit crisis may be coupled with or trigger a downturn in the macroeconomic environment, which could cause a general decrease in lending and investment activities over a prolonged period of time and materially and adversely impact our business. There is no assurance that economic downturns or credit crisis will not adversely affect our operations and financial condition in the future.

***31. Political, economic or other factors that are beyond our control may have an adverse effect on our business, results of operations, financial condition and cash flows***

The Indian economy and capital markets are influenced by economic, political and market conditions in India and globally. Our results of operations are significantly affected by factors influencing the Indian economy. Factors that could adversely affect the Indian economy, and hence our results of operations, should any of them materialize may include:

i. the macroeconomic climate, including changes in interest rates, exchange rates, inflation or foreign exchange reserves in India;

ii. any scarcity of credit or other financing in India, or change in India's credit rating, resulting in an adverse effect on economic conditions in India and scarcity of financing of our developments and expansions;

iii. political instability, resulting from a change in government or economic and fiscal policies, may adversely affect

economic conditions in India. In recent years, India has implemented various economic and political reforms. Reforms in relation to land acquisition policies and trade barriers have led to increased incidents of social unrest in India over which we have no control;

iv. black swan events (such as the 2008 financial crisis, COVID-19 outbreak), and geopolitical conflicts that can lead to sudden and extreme market swings;

v. volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges;

vi. changes in India's tax, trade, fiscal or monetary policies;

vii. a decline in India's foreign exchange reserves which may affect liquidity in the Indian economy;

viii. high rates of inflation in India could increase our costs without proportionately increasing our revenues, and as such decrease our operating margins;

ix. imposition of trade tariffs on imports and exports;

x. occurrence of natural or man-made disasters (such as typhoons, flooding, earthquakes and fires), political instability, terrorism or military conflict in India or in countries in the region or globally (such as the Ukraine-Russia, Israel-Hamas and Israel-Iran conflicts) which may cause us to suspend our operations;

xi. any deterioration in relations between India and its neighbouring countries, including Pakistan, including, as a result of the recent attack in Pahalgam, Jammu and Kashmir in April 2025;

xii. epidemics, pandemics or any other public health issues in India or in countries in the region or globally, including in India's neighbouring countries;

xiii. prevailing regional or global economic conditions, including in India's principal export markets;

xiv. any downgrading of India's debt rating by a domestic or international rating agency; and

xv. international business practices that may conflict with other customs or legal requirements to which we are subject, including anti-bribery and anti-corruption laws.

Any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy, could adversely affect our business, results of operations, financial condition and cash flows and the price of the Equity Shares. Moreover, market conditions may change rapidly due to any adverse economic and political conditions, and we may not be able to respond to such changes in a timely manner, or at all. Any adverse impact of general economic or political conditions could materially adversely affect our business, financial condition, cash flows, results of operations and prospects.

***32. If inflation continues to rise in India, increased costs may result in a decline in profits***

Inflation rates in India have been volatile in recent years, and such volatility may continue. India has experienced high inflation in the recent past. High fluctuations in inflation rates may make it more difficult for us to accurately estimate or control our costs. Any increase in inflation in India can increase our expenses and could adversely affect our business and financial condition. If we are unable to increase our revenues sufficiently to offset our increased costs due to inflation, it could have an adverse effect on our business, prospects, results of operations, financial condition, and cash flows. Further, the Government of India has previously initiated economic measures to combat high inflation rates, and it is unclear whether these measures will remain in effect. There can be no assurance that Indian inflation levels will not worsen in the future.

***33. Significant differences exist between Ind AS used to prepare our financial information and other accounting principles, such as IFRS and U.S. GAAP, with which investors may be more familiar.***

The Audited Financial Information have been derived from our Audited Financial Information for the period ended June 30, 2025 and for the Financial Year ended March 31, 2025 which are prepared in accordance with Ind AS. Further, the Audited Financial Information in accordance with the requirements of the Companies Act, 2013, the SEBI ICDR Regulations and the Guidance Note on "Reports in Company Prospectus (Revised 2019)" issued by the ICAI. For further details, please see "*Financial Statement*" on page 198. Ind AS differs from accounting principles with which prospective investors may be familiar, such as Indian GAAP, IFRS and U.S. GAAP. We have not attempted to quantify

the effects of US GAAP or IFRS on the financial data included in this Information Memorandum, nor do we provide a reconciliation of our financial statements to those of US GAAP or IFRS. U.S. GAAP and IFRS differ in significant respects from Ind AS and Indian GAAP. Accordingly, the degree to which the Ind AS and Indian GAAP financial statements, which are as per the SEBI ICDR Regulations included in this Information Memorandum, will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Information Memorandum should be limited accordingly.

***34. We are exposed to fluctuations in foreign exchange rates***

Exchange rates are impacted by a number of factors including volatility of international capital markets, geo-political events, interest rates and monetary policy stance in developed economies like the United States, level of inflation and interest rates in India, the balance of payment position and trends in economic activity.

Further, any increased intervention in the foreign exchange market or other measures by the Reserve Bank of India to control the volatility of the exchange rate, may result in a decline in India's foreign exchange reserves and reduced liquidity and higher interest rates in the Indian economy. Prolonged periods of volatility in exchange rates, reduced liquidity and high interest rates could adversely affect our business, our future financial performance and the prices of our Equity Shares.

The Company may borrow in foreign currency, which are subject to exchange rate fluctuation risks and hence we are subjects to risks arising out of foreign exchange rate fluctuations. Further we may hedge our exposure as per the policies framed from time to time. However, there is no assurance that such measures will be fully effective in mitigating such risks. Our inability to manage our foreign exchange risk may result in adversely affecting our results of operations and financial condition.

***35. Natural disasters, fires, epidemics, pandemics, climate change, acts of war, terrorist attacks, civil unrest and other events could materially adversely affect our business***

Natural disasters (such as typhoons, flooding and earthquakes), epidemics, pandemics such as COVID - 19, global or regional climate change, acts of war, terrorist attacks and other events, many of which are beyond our control, may lead to economic instability, including in India or globally, which may in turn materially adversely affect our business, financial condition, cash flows and results of operations and the trading price of the Equity.

Our operations may be adversely affected by fires, natural disasters and/or severe weather, which can result in damage to our property and generally reduce our productivity and may require us to evacuate personnel and suspend operations. Any terrorist attacks or civil unrest as well as other adverse social, economic and political events in India could have a negative effect on us. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the price of the Equity Shares.

***36. The trading volume and market price of the Equity Shares may be volatile following listing of the Equity Shares.***

Upon listing, the market price of the Equity Shares may fluctuate as a result of, among other things, the following factors, some of which are beyond our control:

a) quarterly variations in our results of operations;
b) results of operations that vary from the expectations of securities analysts and investors results of operations that vary from those of our competitors;
c) changes in expectations as to our future financial performance, including financial estimates by research analysts and investors;
d) announcements by us or our competitors of significant acquisitions, strategic alliances, joint operations or capital commitments;
e) announcements by third parties or governmental entities of significant claims or proceedings against us;
f) new laws and governmental regulations applicable to our industry;
g) additions or departures of key management personnel;
h) changes in the interest rates;
i) fluctuations in stock market prices and volume; and
j) general economic and stock market conditions.

Once our Equity Shares are listed, changes in relation to any of the factors listed above could adversely affect the price

of the Equity Shares.

## SECTION IV – INTRODUCTION

## GENERAL INFORMATION

Our Company, pursuant to a certificate of incorporation dated April 11, 1984 was originally incorporated and registered as '*Dewan Housing Finance & Leasing Company Limited*' on April 11, 1984, as a public limited company under the Companies Act, 1956. The name of our Company was subsequently changed to (i) '*Dewan Housing Development Finance Limited*' on September 26, 1984, (ii) '*Dewan Housing Finance Corporation Limited'* on August 25, 1992, (iii) '*Piramal Capital & Housing Finance Limited*' on November 3, 2021, and (iv) '*Piramal Finance Limited*' on March 22, 2025, fresh certificate of incorporation being issued by the Registrar of Companies, Maharashtra at Mumbai. The Transferor Company has been transferred to our Company effective from September 16, 2025, pursuant to the Scheme. For more details, please see the section titled "*History and Certain Corporate Matters*" on page 142 of this Information Memorandum.

**Registered Office of our Company**

The address and certain other details of our Registered Office is as follows:

**Registered Office**: 601, 6th Floor, Amiti Building, Agastya Corporate Park, Kamani Junction, Opp. Fire Station, LBS Marg, Kurla(W), Mumbai, 400070, Maharashtra, India.

**Company Registration Number and Corporate Identity Number**

The registration number and corporate identity number of our Company are as follows:

- Registration Number: 032639
- Corporate Identity Number: U64910MH1984PLC032639

**Registrar of Companies**

Our Company is registered with the Registrar of Companies, Maharashtra at Mumbai, which is situated at the following address:

**Registrar of Companies, Maharashtra at Mumbai**

100, Everest, Marine Drive
Mumbai – 400 002
Maharashtra, India

**Board of Directors**

The Board of Directors of our Company as on the date of this Information Memorandum are as under:

| Sr. No. | Name | Designation | DIN | Address |
|---|---|---|---|---|
| 1. | Anand A Piramal | Executive Chairman and Executive Director | 00286085 | 96, Karuna Sindhu, Khan Abdul Gaffar Khan Road, Worli, Worli Sea Face, Mumbai 400018, Maharashtra, India. |
| 2. | Jairam Sridharan | Managing Director and Chief Executive Officer | 05165390 | Flat no.1601, Ashok Tower D, Dr. Babasaheb Ambedkar Road Opposite Bharat Mata Cinema, Mumbai 400012, Maharashtra, India. |
| 3. | Gautam Bhailal Doshi | Non-Executive - Independent Director | 00004612 | C 191, Grand Paradi August Kranti Marg, Kemps Corner, Mumbai 400036, Maharashtra, India. |
| 4. | Rajiv Mehrishi | Non-Executive - Independent Director | 00208189 | A-41, Tilak Nagar, Jawaharlal Nagar, Jaipur, 302204, Rajasthan, India. |
| 5. | Shikha Sanjaya Sharma | Non-Executive - Non-Independent Director | 00043265 | 4704, 360 West by Oberoi Realty, Near Century Bazaar, Dr. Annie Besant Road, Worli, Mumbai 400025, Maharashtra, India. |
| 6. | Suhail Amin Nathani | Non-Executive - Independent Director | 01089938 | 801, Prabhu Kutir, 15 Altamount Road, Mumbai 400 026, Maharashtra, India. |

| Sr. No. | Name | Designation | DIN | Address |
|---|---|---|---|---|
| 7. | Asheet Lalit Mehta | Non-Executive - Independent Director | 10648593 | 176 East, 71st Street, PH-B, New York, 10021, United States. |
| 8. | Anjali Bansal | Non-Executive - Independent Director | 00207746 | Flat no. 3202, A-Wing, Vivarea Tower, Sane Guruji Marg, Jacob Circle, Mahalaxmi, Mumbai 400 011, Maharashtra, India. |
| 9. | Kunal Bahl | Non-Executive - Independent Director | 01761033 | H. No. – 1, Punjabi Bagh West, New Delhi – 110026, India. |

For further details, see the section titled "*Our Management*" on page 171 of this Information Memorandum.

**Company Secretary and Compliance Officer**

Bipin Singh is the Company Secretary and Compliance Officer of our Company. His contact details are as follows:

**Piramal Finance Limited**
601, 6th Floor, Amiti Building
Agastya Corporate Park
Kamani Junction, Opp. Fire Station
LBS Marg, Kurla(W)
Mumbai 400070
Maharashtra, India.
**Tel:** +91 22 6918 1200
**E-mail:** corporate.secretarial@piramal.com

**Legal Advisors to the Listing**

**Trilegal**
7th Floor, Mark Square
61, St. Marks Road
Bengaluru 560 001
Karnataka, India

**Banker to our Company**

**State Bank of India**
Corporate Accounts Group
BKC Branch, The Capital
16th Floor, A Wing, Bandra
Kurla Complex, Bandra(E)
Mumbai - 400 051
Maharashtra, India
**Tel:** 022-61709621
**Contact Person:** Ujwal Kumar Mishra
**Website:** www.sbi.in
**Email:** agmamt2.cagbkc@sbi.co.in

**Registrar and Share Transfer Agent to our Company**

**MUFG Intime India Private Limited** ***(formerly Link Intime India Private Limited)***
C 101, 247 Park
L B S Marg, Vikhroli (West)
Mumbai 400083
Maharashtra, India
**Tel:** +91 8108116767
**Email:** rnt.helpdesk@in.mpms.mufg.com
**Website:** www.in.mpms.mufg.com
**Contact Person:** Ashok Shetty
**SEBI Registration Number:** INR000004058

**Statutory Auditors to our Company**

**Singhi & Co., Chartered Accountants** **Lodha & Co LLP, Chartered Accountants**

B2 402B, Marathon Innova
4th Floor, Off Ganpatrao Kadam Marg
Lower Parel, Mumbai 400 013
Maharashtra, India
**ICAI Firm Registration Number:** 302049E
**Peer review number**: 014484
**Email**: mumbai@singhico.com
**Tel:** +91 22 6662 5537

6, Karim Chamber, 40 Ambalal Doshi
Marg, (Hamam Street), Fort, Mumbai 400001
Maharashtra, India
**ICAI Firm Registration Number:** 301051E/ E300284
**Peer review number**: 016523
**Email**: mumbai@lodhaco.com
**Tel:** +91 22 691414 / 40021415

**Changes in Auditors**

Except as disclosed below, there has been no change in the auditors of our Company during the three years preceding the date of this Information Memorandum.

| Particulars | Date of change | Reasons for change |
|---|---|---|
| **Lodha & Co LLP, Chartered Accountants**<br>6, Karim Chamber, 40 Ambalal Doshi Marg (Hamam Street), Fort, Mumbai 400001,<br>Maharashtra, India<br>**ICAI Firm Registration Number:**301051E/ E300284<br>**Peer review number**: 016523<br>**Email**: mumbai@lodhaco.com<br>**Tel:** +91 22691414 / 40021415 | July 7, 2025 | Appointment |
| **T R Chadha & Co LLP**<br>20th Floor, Lotus Corporate Park, Ram Mandir Lane, Off Western Express Highway, Goregaon, Mumbai 400 063,<br>Maharashtra, India<br>**ICAI Firm Registration Number:** 006711N/N500028<br>**Peer review number**: 014544<br>**Email**: mumbai@trchadha.com<br>**Tel:** 022-49669000 | July 7, 2025 | Expiry of tenure |
| **Walker Chandiok & Co LLP**<br>16th Floor, Tower III, One International Centre S B Marg, Prabhadevi (W) Mumbai 400 013,<br>Maharashtra, India<br>**ICAI Firm Registration Number:** 001076N/N500013<br>**Peer review number**: 014158<br>**Email**: Rakesh.Rathi@WalkerChandiok.in<br>**Tel:** 022- 66262699 | July 8, 2024 | Expiry of tenure |
| **Singhi & Co, Chartered Accountants**<br>B2-402B, Marathon Innova<br>4th Floor, Off Ganpatrao Kadam Marg<br>Lower Parel, Mumbai 400 013,<br>Maharashtra, India<br>**ICAI Firm Registration Number:** 302049E<br>**Peer review number**: 014484<br>**Email**: mumbai@singhico.com<br>**Tel:** +91 22 6662 5537 | July 8, 2024 | Appointment |

**Filing**

A copy of this Information Memorandum has been filed with the BSE and NSE.

**Authority for Listing**

The National Company Law Tribunal, Mumbai Bench ("**NCLT**"), through its order dated September 10, 2025 (certified true copy of the order received on September 12, 2025) sanctioned the Scheme ("**NCLT Order**") with respect to the merger of PEL into and with our Company.

The Scheme was made effective on Effective Date. In terms of the Scheme, the Appointed Date of the Scheme is April 1, 2024.

The Equity Shares of our Company issued pursuant to the Scheme shall be listed and admitted to trading on the Stock Exchanges. Such admission and listing of the Equity Shares of our Company is not automatic and will be subject to fulfilment of the respective listing criteria of BSE and NSE by our Company and also subject to such other terms and conditions, including the conditions prescribed as part of the relaxation provided to the Company by SEBI under Rule 19(7) of the SCRR, as well as other conditions prescribed by the Stock Exchanges in their approvals for the listing of the Equity Shares.

**Eligibility Criteria**

There being no initial public offering or rights issue, the eligibility criteria prescribed under the SEBI ICDR Regulations are not applicable. However, SEBI vide its letter no. [●] dated [●], granted relaxation of Rule 19(2)(b) of the SCRR to our Company pursuant to an application made by our Company to SEBI under Rule 19(7) of the SCRR as per the SEBI Schemes Master Circular. Our Company has submitted this Information Memorandum, containing information about our Company, making disclosures in line with the disclosure requirement for public issues, as applicable, to BSE and NSE and the Information Memorandum shall be made available to public through the respective websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com.

Our Company shall also make the Information Memorandum available on its website at www.piramalfinance.com. Our Company shall also publish an advertisement in the newspapers containing the details in terms of Part II, Para A, sub-clause 5 of the SEBI Circular. The advertisement shall draw specific reference to the availability of the Information Memorandum on our Company's website.

**General Disclaimer from our Company**

Our Company accepts no responsibility for statements made otherwise than in this Information Memorandum or in the advertisements to be published in terms of Part II, Para A, sub-clause 5 of the SEBI Circular or any other material issued by or at the instance of our Company and anyone placing reliance on any other source of information would be doing so at his or her own risk. All information shall be made available by our Company to the public at large and no selective or additional information would be available for a section of the investors in any manner.

## CAPITAL STRUCTURE

### Equity Share capital

### A. Equity Share Capital of our Company prior to the Scheme of Arrangement

| | Particulars | Aggregate nominal value (₹) |
|---|---|---|
| **I** | **AUTHORIZED SHARE CAPITAL** | |
| | 25,84,03,90,024 equity Shares of ₹ 10 each | 2,58,40,39,00,240 |
| | 25,00,000 non-convertible redeemable cumulative preference shares of ₹ 1,000 each | 2,50,00,00,000 |
| | **Total** | **2,60,90,39,00,240** |
| **II** | **ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL** | |
| | 25,66,46,91,751 equity shares of ₹ 10 each | 2,56,64,69,17,510 |
| **III** | **SECURITIES PREMIUM** | |
| | Prior to the Scheme of Arrangement | 22,08,84,93,587 |

### B. Equity Share Capital of our Company post Scheme of Arrangement

| | Particulars | Aggregate nominal value (₹) |
|---|---|---|
| **I** | **AUTHORIZED SHARE CAPITAL** | |
| | 1,46,49,69,50,120 Equity Shares of ₹ 2 each | 2,92,99,39,00,240 |
| | 19,25,00,000 Non-convertible Redeemable Cumulative Preference Shares of Rs. 100 each | 19,25,00,00,000 |
| | 10,50,00,000 Unclassified shares of ₹ 2 each | 21,00,00,000 |
| | **Total** | 3,12,45,39,00,240 |
| **II** | **ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL** | |
| | 22,66,77,700 Equity Shares of ₹ 2 each | 45,33,55,400 |
| | **Total** | 45,33,55,400 |
| **III** | **SECURITIES PREMIUM** | |
| | Post the Scheme of Arrangement | 82,83,94,39,615 |

*Note: The post-Scheme capital structure is as on date of this Information Memorandum.*

### Notes to the capital structure

### 1. Equity Share capital history of our Company

Please note that as part of the insolvency process of Dewan Housing Finance Corporation Limited ("**DHFL**"), erstwhile Piramal Capital & Housing Finance Limited ("**ePCHFL**") reverse merged into DHFL with effect from September 30, 2021, and the name of the surviving entity was changed to 'Piramal Capital & Housing Finance Limited' with effect from November 3, 2021. Basis the above, the history of the Equity Share capital of our Company post September 30, 2021, and prior to the consummation of the Scheme is provided in the following table below:

| Date of Allotment | No. of Equity Shares allotted | Face Value per Equity Share (₹) | Issue Price per Equity Share (₹) | Nature of consideration | Details of allottees /shareholders | Nature of Allotment | Cumulative No. of Equity Shares | Cumulative paid-up Equity Share capital (₹) |
|---|---|---|---|---|---|---|---|---|
| November 11, 2021 | 21,36,46,91,751 | 10 | N/A | N/A | Piramal Enterprises Limited | Allotment pursuant to scheme of arrangement | 21,36,46,91,751 | 2,13,64,69,17,510 |
| March 26, 2024 | 2,00,00,00,000 | 10 | 10 | Cash | Piramal Enterprises Limited | Rights issue | 23,36,46,91,751 | 2,33,64,69,17,510 |
| December 31, 2024 | 1,00,00,00,000 | 10 | 10 | Cash | Piramal Enterprises Limited | Rights issue | 24,36,46,91,751 | 2,43,64,69,17,510 |
| March 26, 2025 | 60,00,00,000 | 10 | 10 | Cash | Piramal Enterprises Limited | Rights issue | 24,96,46,91,751 | 2,49,64,69,17,510 |
| June 27, 2025 | 70,00,00,000 | 10 | 10 | Cash | Piramal Enterprises Limited | Rights issue | 25,66,46,91,751 | 2,56,64,69,17,510 |
| September 25, 2025 | Pursuant to the Scheme of Arrangement, the equity shares held by the Transferor Company was cancelled and our Company allotted to the shareholders of the Transferor Company, 1 (one) Equity Share having a face value of ₹ 2 each for every 1 (one) equity share of the Transferor Company having a face value of ₹ 2 each, resulting in the allotment of 22,66,77,700 Equity Shares of face value ₹ 2 each. | | | | | | | |

**1. Equity Shares issued for consideration other than cash or by way of bonus issue or out of revaluation reserves after the scheme of arrangement between the Company and DHFL**

(a) Our Company has not issued any Equity Shares out of its revaluation reserves since October 1, 2021.

(b) Our Company has not issued any Equity Shares for consideration other than cash, or by way of bonus issue, as on the date of this Information Memorandum.

**2. Issue of Equity Shares pursuant to Scheme of Arrangement**

Except as stated below, our Company has not issued any Equity Shares pursuant to a Scheme of arrangement, as on the date of this Information Memorandum.

| Date of allotment | Number of Equity Shares | Face value per Equity Share (₹) | Issue price/Buy Back Price per Equity Share (₹) | Reason/ Nature of allotment | Details of benefits accrued to our Company, if any |
|---|---|---|---|---|---|
| September 25, 2025 | 22,66,77,700 | 2 | 2 | Pursuant to Scheme of arrangement | N.A. |

For further details of the Scheme of Arrangement, see "*Scheme of Arrangement*" on page 166.

**3. Shareholding pattern of our Company prior and post Scheme**

*(a) **The Shareholding pattern of our Company prior to the allotment of Equity Shares under the Scheme is as under**:*

| Category (I) | Category of shareholder (II) | Number of shareholders (III)[1] | Number of fully paid up equity shares held (IV) | Number of Partly paid-up equity shares held (V) | Number of shares underlying Depository Receipts (VI) | Total number of shares held (VII) =(IV)+(V)+ (VI) | Shareholding as a % of total number of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2) | Number of Voting Rights held in each class of securities (IX) | | | | Number of shares Underlying Outstanding convertible securities (including Warrants) (X) | Shareholding, as a % assuming full conversion of convertible securities ( as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2) | Number of Locked in shares (XII) | | Number of Shares pledged or otherwise encumbered (XIII) | | Number of equity shares held in dematerialized form (XIV) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | Number of Voting Rights | | | Total as a % of (A+B+C) | | | Number (a) | As a % of total Shares held (b) | Number (a) | As a % of total Shares held (b) | |
| | | | | | | | | Class eg: Equity Shares | Class eg: Others | Total | | | | | | | | |
| (A) | Promoter and Promoter Group | 7 | 25,66,46,91,751 | 0 | 0 | 25,66,46,91,751 | 100.00 | 25,66,46,91,751 | 0 | | 100.00 | 0 | 100.00 | 0 | | 0 | | 25,66,46,91,751 |
| (B) | Public | - | - | - | - | - | - | - | - | - | - | - | - | - | | - | | - |
| (C) | Non Promoter-Non Public | - | - | - | - | - | - | - | - | - | - | - | - | - | | - | | - |
| (C1) | Shares underlying DRs | - | - | - | - | - | - | - | - | - | - | - | - | - | | - | | - |
| (C2) | Shares held by Employee Trusts | - | - | - | - | - | - | - | - | - | - | - | - | - | | - | | - |
| | **Total** | **7** | **25,66,4,6,91,751** | **-** | **-** | **25,66,46,91,751** | **100.00** | **25,66,46,91,751** | **-** | **-** | **100.00** | **-** | **100.00** | **-** | | **-** | | **25,66,46,91,751** |

*(b)* ***The Shareholding pattern of our Company post allotment of Equity Shares under the Scheme is as under:***

| Category (I) | Category of shareholder (II) | Nos. Of shareholders (III) | Number of fully paid-up equity shares held (IV) | Number Of Partly paid-up equity shares held (V) | No. Of shares underlying Depository Receipts (VI) | Total nos. shares held (VII) = (IV)+(V)+ (VI) | Shareholding as a % of total number of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2) | Number of Voting Rights held in each class of securities (IX) | | | | Number of shares Underlying Outstanding convertible securities (XA) | Number of shares Underlying Outstanding Warrants (XB) | Number of Outstanding ESOP Granted (XC) | Number of shares Underlying Outstanding convertible securities, Number of Warrants and ESOP etc. (X) = (XA+XB+XC) | Total umber of shares on fully diluted basis (including warrants, ESOP, Convertible Securities etc.) (XI)=(VII+X) | Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XII)= (VII)+(X) As a % of (A+B+C2) | Number of equity shares held in dematerialised form |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | No of Voting (XIV) Rights | | | Total as a % of (A+B+C) | | | | | | | |
| | | | | | | | | Class eg: Equity Shares | Class eg: Others | Total | | | | | | | | |
| (A) | Promoter & Promoter Group | 18 | 10,46,35,805 | | | 10,46,35,805 | 46.16 | 10,46,35,805 | | 1,04,65,805 | 46.39 | | | - | - | 10,46,35,805 | 45.82 | 10,46,35,805 |
| (B) | Public | 2,437,25 | 12,09,22,008 | | | 12,09,22,008 | 53.35 | 12,09,22,008 | | 12,09,22,008 | 53.61 | | | - | - | 12,09,22,008 | 52.96 | 11,93,80,364 |
| (C) | Non Promoter - Non Public | 2 | 11,19,887 | | | 11,19,887 | 0.49 | 0 | | 0 | 0 | | | 16,67,775 | 16,67,775 | 27,87,662 | 1.22 | 11,19,887 |
| (C1) | Shares underlying DRs | 0 | 0 | | | 0 | | 0 | | 0 | 0 | | | 0 | 0 | 0 | - | 0 |
| (C2) | Shares held by Employee Trusts | 2 | 11,19,887 | | | 11,19,887 | 0.49 | 0 | | 0 | 0 | | | 16,67,775 | 16,67,775 | 27,87,662 | 1.22 | 11,19,887 |
| | **Total** | **2,43,745** | **22,66,77,700** | | | **22,66,77,700** | **100.00** | **22,55,57,813** | | **22,55,57,813** | **100.00** | | | **16,67,775** | **16,67,775** | **22,83,45,475** | **100.00** | **22,51,36,056** |

**4. Major Shareholders of our Company two years prior to date of this Information Memorandum:**

Set forth below is a list of Shareholders holding 1% or more of the paid-up share capital of our Company, on a fully diluted basis as of two years prior to date of this Information Memorandum:

| S. No. | Name of the Shareholder | Number of Equity Shares held | % of the pre-Scheme Equity Share capital | % of the pre-Scheme Equity Share capital on a fully diluted basis |
|---|---|---|---|---|
| 1. | Piramal Enterprises Limited* | 21,36,46,91,751* | 100 | 100 |
| **Total** | | **21,36,46,91,751*** | **100** | **100** |

** Along with its nominees.*

**5. Major Shareholders of our Company one year prior to the date of this Information Memorandum**

Set forth below is a list of Shareholders holding 1% or more of the paid-up share capital of our Company, on a fully diluted basis as of one year prior to date of this Information Memorandum:

| S. No. | Name of the Shareholder | Number of Equity Shares held | % of the pre-Scheme Equity Share capital | % of the pre-Scheme Equity Share capital on a fully diluted basis |
|---|---|---|---|---|
| 1. | Piramal Enterprises Limited* | 23,36,46,91,751* | 100 | 100 |
| **Total** | | **23,36,46,91,751*** | **100** | **100** |

**Along with its nominees.*

**6. Major Shareholders of our Company 10 days prior to the date of this Information Memorandum:**

Set forth below is a list of Shareholders holding 1% or more of the paid-up share capital of our Company, on a fully diluted basis as of 10 days prior to date of this Information Memorandum:

| S. No. | Name of the Shareholder | Number of Equity Shares held | % of the pre-Scheme Equity Share capital | % of the pre-Scheme Equity Share capital on a fully diluted basis |
|---|---|---|---|---|
| 1. | Piramal Enterprises Limited* | 23,36,46,91,751* | 100 | 100 |
| **Total** | | **23,36,46,91,751*** | **100** | **100** |

**Along with its nominees.*

**7. Major Shareholders of our Company as on the date of this Information Memorandum**

Set forth below is a list of Shareholders holding 1% or more of the paid-up share capital of our Company, on a fully diluted basis as on date of this Information Memorandum:

| S. No. | Name of the Shareholder | Number of Equity Shares Held | % of the Equity Share Capital | % of the Equity Share Capital on a fully diluted basis |
|---|---|---|---|---|
| 1. | Anutham Realty Private Limited | 5,61,65,925 | 24.78 | 24.60 |
| 2. | The Sri Krishna Trust (*through its Trustee Mr. Ajay G Piramal and Swati Piramal*) | 2,27,11,655 | 10.01 | 9.95 |
| 3. | V3 Designs LLP | 97,01,000 | 4.28 | 4.25 |
| 4. | PRL Realtors LLP | 89,73,913 | 3.96 | 3.93 |
| 5. | Semplice Corporate Solutions Private Limited (*Formerly known as AASAN Corporate Solutions Pvt. Ltd*) | 28,70,490 | 1.27 | 1.26 |
| 6. | Piramal Welfare Trust | 23,84,148 | 1.05 | 1.04 |
| 7. | Life Insurance Corporation of India | 1,01,33,944 | 4.47 | 4.44 |
| 8. | Quant Mutual Fund | 97,79,863 | 4.31 | 4.29 |
| 9. | Government Pension Fund Global | 72,45,145 | 3.20 | 3.17 |
| 10. | East Bridge Capital Master Fund I Ltd | 47,56,887 | 2.10 | 2.08 |
| 11. | Indiahold Limited | 43,24,936 | 1.91 | 1.89 |
| **Total** | | **13,90,47,906** | **61.34** | **60.89** |

## 8. Details of Equity Shares held by our Directors and Key Managerial Personnel and Senior Management

Except as disclosed below, none of our Directors, Key Managerial Personnel and Senior Management hold any Equity Shares of our Company as on date of this Information Memorandum:

| Name of the Shareholder | Pre-Scheme | | Post-Scheme | |
|---|---|---|---|---|
| | Number of Equity Shares | Percentage of pre-scheme equity share capital | Number of Equity Shares | Percentage of post-scheme equity share capital |
| ***Directors*** | | | | |
| Anand A Piramal | - | - | 1,97,097 | 0.09 |
| Jairam Sridharan | - | - | 2,39,626 | 0.11 |
| Suhail Amin Nathani | - | - | 5,000 | Negligible |
| Gautam Bhailal Doshi | - | - | 6,949 | Negligible |
| ***Key Managerial Personnel and Senior Management*** | | | | |
| Vikash Singhla | - | - | 3,357 | Negligible |
| Bipin Singh | 1* | Negligible | 4,178 | Negligible |
| Viral Gandhi | - | - | 39,458 | 0.02 |
| Rupen Jhaveri | - | - | 1,24,252 | 0.05 |
| Digesh Davda | - | - | 3,113 | Negligible |
| Saurabh Mittal | - | - | 20,045 | 0.01 |

**Held as a nominee of Piramal Enterprises Limited (Transferor Company)*

## 9. Shareholding of the Promoter

As on the date of this Information Memorandum, the Promoter holds 1,23,451 Equity Shares, equivalent to 0.05% of the issued, subscribed and paid-up Equity Share capital of our Company and the members of the Promoter Group (excluding our Promoter) hold 10,45,12,354 Equity Shares, equivalent to 46.11% of the issued, subscribed and paid-up Equity Share capital of our Company. Together, the Promoter and the member of the Promoter Group hold 10,46,35,805 Equity Shares, equivalent to 46.16% of the issued, subscribed and paid-up Equity Share capital of our Company.

Prior to the Effective Date of the Scheme of Arrangement, our Promoter did not hold any Equity Shares in our Company. The build-up of the Shareholding of our Promoter in our Company, post the Effective Date of the Scheme of Arrangement is set forth in the table below:

| | Nature of allotment / transfer | No. of Equity Shares | Nature of consideration | Face value per Equity Share (₹) | Issue Price/ Transfer Price per Equity Share (₹) | Percentage of the pre-Scheme capital (%) | Percentage of the post-Scheme capital (%) |
|---|---|---|---|---|---|---|---|
| **Ajay G. Piramal** | | | | | | | |
| September 25, 2025 | Allotment pursuant to the Scheme | 1,23,451* | Other than cash | 2 | N.A. | - | 0.05 |

** 155 shares held in the capacity of an administrator to the estate of late K S Basu and not in personal capacity.*

As on the date of this Information Memorandum, all of the Equity Shares held by the Promoter are fully paid up and none of such Equity Shares have been pledged in any manner. Further, all Equity shares held by the Promoter are in dematerialized form.

## 10. Details of Equity Shares held by the members of the Promoter Group

As on the date of this Information Memorandum, the members of our Promoter Group who hold Equity Shares in our Company are detailed below:

| Name of the Shareholder | Pre-Scheme | | Post-Scheme | |
|---|---|---|---|---|
| | Number of Equity Shares | Percentage of pre-scheme equity share capital | Number of Equity Shares | Percentage of post-scheme equity share capital |
| ***Promoter Group*** | | | | |
| Swati Ajay Piramal | 1* | Negligible | 2,100 | Negligible |
| Anand A Piramal | - | - | 1,97,097 | 0.09 |
| Nandini Ajay Piramal | 1* | Negligible | 45,487 | 0.02 |
| Late. Lalita G. Piramal | - | - | 1,234 | 0.00 |
| Peter DeYoung | - | - | 1,08,000 | 0.05 |
| Anya Piramal DeYoung | - | - | 48,000 | 0.02 |
| Dev Piramal DeYoung | - | - | 48,000 | 0.02 |
| Ajay G. Piramal HUF (Karta of Ajay G. Piramal HUF) | - | - | 6,507 | Negligible |
| Semplice Corporate Solutions Private Limited (*formerly known as AASAN Corporate Solutions Private Limited*) | - | - | 28,70,490 | 1.27 |
| PRL Realtors LLP | - | - | 89,73,913 | 3.96 |
| The Ajay G. Piramal Foundation (through its trustee Ajay G. Piramal and Swati Ajay Piramal) | - | - | 9,86,731 | 0.44 |
| The Sri Krishna Trust (through its trustee Ajay G. Piramal and Swati Ajay Piramal) | - | - | 2,27,11,655 | 10.02 |
| Nandini Piramal Trust (through its trustee Ajay G. Piramal, Swati Ajay Piramal and Nandini Ajay Piramal) | - | - | 1,22,740 | 0.05 |
| Anand Piramal Trust (through its trustee Ajay G. Piramal, Swati Ajay Piramal and Anand Piramal | - | - | 1,39,327 | 0.06 |
| V3 Designs LLP | - | - | 97,01,000 | 4.28 |
| Anutham Realty Private Limited | - | - | 5,61,65,925 | 24.78 |
| Piramal Welfare Trust | - | - | 23,84,148 | 1.05 |

** Held as a nominee of Piramal Enterprises Limited (Transferor Company).*

For further details on members who do not hold Equity Shares of our Company but form part of our Promoter Group, please see "*Our Promoter and Promoter Group - Entities forming part of the Promoter Group*" on page 189 of this Information Memorandum.

**11. Details of Pledged Shares**

As on the date of this Information Memorandum, none of the Equity Shares held by the Promoter is pledged.

**12.** No Equity Shares were purchased or sold by the Promoter Group, the Promoter, the Directors of our Company and their relatives during the period of six months immediately preceding the date of this Information Memorandum.

**13. Employee Stock Option Schemes of our Company**

The Piramal Enterprises Limited Employees' Stock Ownership Plan, 2015 was approved by the shareholders on March 14, 2007. The Piramal Enterprises Limited Employees' Stock Ownership Plan,

2015 was further amended by the shareholders at the annual general meeting dated July 16, 2021. Upon the Scheme coming into effect, in respect of the stock options which have been granted (whether vested or not) but have not been exercised under the Piramal Enterprises Limited Employees' Stock Ownership Plan, 2015, as on the Effective Date, and in pursuance to adoption of the Piramal Finance Limited Employees' Stock Ownership Plan, 2025, our Company shall grant 1 (one) employee stock option, in lieu of every 1 (one) stock option (whether vested or unvested but have not been exercised as on the Effective Date) held by such eligible employees under the Piramal Enterprises Limited Employees' Stock Ownership Plan, 2015. The number of options outstanding under the Piramal Enterprises Limited Employees' Stock Ownership Plan, 2015 is 27,87,662.

**14.** The Promoter, members of the Promoter Group, our Directors and their relatives have not financed the purchase by any other person of securities of our Company during the period of six months immediately preceding the date of this Information Memorandum.

**15.** There is no lead manager appointed to the listing of the Equity Shares, thereby the disclosure requirement to disclose the shareholding of the lead manager and their respective associates (as defined in the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992 in our Company is not applicable.

**16.** Our Company, presently, does not intend nor does it propose to alter its capital structure for a period of 6 (six) months from the date of this Information Memorandum, by way of split or consolidation of the denomination of Equity Shares, or by way of further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares), whether on a preferential basis, or by way of issue of bonus Equity Shares, or on a rights basis, or by way of further public issue of Equity Shares, or otherwise. However, for meeting growth capital requirements of our Company and/or its Subsidiaries or for acquisitions, joint ventures and other arrangements, our Company may, subject to necessary approvals, raise capital by further issue of Equity Shares and/or other securities through any mode available under the applicable laws.

**17.** Except as provided in this Information Memorandum, there are no outstanding warrants, options or convertible securities, which would entitle any person to receive Equity Shares of our Company, as on date of this Information Memorandum.

**18.** In accordance with sub-paragraph I of paragraph A of Part II of the SEBI Scheme Master Circular, the shareholding of Promoter and our shareholders is exempt from lock-in, since the shareholding of our Company, immediately upon issuance of the Equity Shares pursuant to the Scheme, was exactly similar to the shareholding pattern of Piramal Enterprises Limited as on the Record Date.

**19.** Except, the issue and allotment of the Equity Shares pursuant to the Scheme and the 2021 Reverse Merger, no Equity Shares have been issued pursuant to a scheme approved under Sections 230 to 232 of the Companies Act, 2013.

**20.** Our Company, our Directors and the Promoter have not entered into any buy-back, standby, or similar arrangements to purchase Equity Shares of our Company from any person.

**21.** There shall be only one denomination of Equity Shares of our Company, subject to applicable regulations and our Company shall comply with such disclosure and accounting norms, specified by SEBI from time to time.

**22.** By virtue of the Scheme, our Company reserves the right to issue / allot Equity Shares that have been held in abeyance by Piramal Enterprises Limited. Such issuance / allotment will be done subject to receipt of requisite corporate approvals and approvals from statutory and regulatory authorities. Except for the aforesaid, there shall be no further issue of capital by our Company whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the date of approval of the Scheme till listing of the Equity Shares allotted as per the Scheme.

**23.** The Equity Shares issued pursuant to the Scheme are fully paid up at the time of allotment and the Company does not have any partly paid up Equity Shares as on the date of this Information Memorandum.

**24.** Our Company has 2,38,464 Equity Shareholders as on date of filing of this Information Memorandum. This is exclusive of 13,764 Equity Shares allotted to the shareholders of the Transferor Company, which have been transferred to an escrow account as on date.

## STATEMENT OF TAX BENEFITS

To

**The Board of Directors**
Piramal Finance Limited
(formerly known as Piramal Capital and Housing Finance Limited)
Piramal Ananta, Agastya Corporate Park,
Opposite Fire Brigade, Kamani Junction,
LBS Marg, Kurla (West),
Mumbai – 400 070
Maharashtra, India

Dear Sir/ Madam,

**Re: Statement of possible Tax Benefits available to Piramal Finance Limited (formerly known as Piramal Capital and Housing Finance Limited) (the Company) and its equity shareholders, prepared in accordance with the requirements under Indian tax laws**

1. We hereby confirm that the enclosed Annexure, prepared by the Company, provides the tax provisions and possible special tax benefits, if any, available to the shareholders of the Company in the annexure (hereinafter referred to as "Statement of Tax Benefits" or the "Statement") under the Income Tax Axt, 1961, as amended by the Finance Act 2025, i.e. applicable for the Financial Year 2025-26 relevant to the assessment year 2026-27, as amended presently in force in India (together, the "Direct Tax Laws") and Central Goods and Services Tax Act, 2017/ Integrated Goods and Services Tax Act, 2017 read with rules, circulars, and notifications ("GST law"), the Customs Act, 1962, Customs Tariff Act, 1975 ("Customs law") and Foreign Trade Policy 2015-2020 ("FTP"), each as amended and presently in force in India (collectively referred as "Indirect Tax Laws") and along with the Direct Tax Laws, the "Tax Laws"). Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Tax Laws.

2. While the term 'special tax benefits' has not been defined under the SEBI ICDR Regulations, it is assumed that with respect to special tax benefits available to the Company, the same would include those benefits as enumerated in the statement. Further, any benefits available under any other laws within or outside India, except for those specifically mentioned in the Statement, have not been examined and covered by this Statement.

**Management's Responsibility**

3. The preparation of this Statement as of the date which is to be included in the Information Memorandum is the responsibility of the management of the Company.

4. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances. The management is also responsible for identifying and ensuring that the Company complies with the laws and regulations applicable.

**Auditor's Responsibility**

5. Our responsibility is to examine whether the Statement prepared by the Company, is in accordance with applicable provision of the Tax Laws. For this purpose, we have read the Statement and evaluated with reference to the provisions of the Tax Laws to confirm that the information given in the Statement are correct in all material respect. We conducted our examination of the information given in the Statement in accordance with the 'Guidance Note on Reports or Certificates for Special Purposes' issued by the Institute of Chartered Accountants of India ("ICAI"), as revised from time to time; the aforesaid Guidance Note requires that we comply with the ethical requirements of the 'Code of Ethics' issued by the ICAI, as revised from time to time.

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, 'Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and

Other Assurance and Related Services Engagements', issued by the Institute of Chartered Accountants of India, as revised from time to time.

**Inherent Limitations**

7. We draw attention to the fact that the Statement includes certain inherent limitations that can influence the reliability of the information. The information given in the enclosed Statement are not exhaustive. Several of these information are dependent on the Investors fulfilling the conditions prescribed under the relevant tax laws. Therefore, the ability of Investors to derive the tax benefits is dependent on fulfilling such conditions.

8. The benefits discussed in the enclosed statement are not exhaustive and the preparation of the contents stated is the responsibility of the Company's management. We are informed that this statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue. Neither are we suggesting nor advising the investor to invest money based on this Statement.

9. We do not express any opinion or provide any assurance as to whether:

   i) the Company or its shareholders will continue to be liable to income tax as stated in the Statement in future;
   ii) the conditions prescribed in the Statement have been / would be met with; and
   iii) the revenue authorities/courts will concur with the views expressed herein.

10. The contents of the enclosed Statement are based on information, explanations and representations obtained from the Company and on the basis of their understanding of the business activities and operations of the Company.

11. This certificate is issued solely for the purpose of the proposed Listing of Equity Shares of the Company, and for the submission of this certificate as may be necessary, to any regulatory / statutory authority including SEBI, the Registrar of Companies, Maharashtra at Mumbai, stock exchanges, any other authority as may be required.

12. We have relied upon the information and documents of the Company being true, correct, and complete and have not audited or tested them. Our view, under no circumstances, is to be considered as an audit opinion under any regulation or law. No assurance is given that the revenue authorities/ courts will concur with the views expressed herein. Our Firm or any of partners or affiliates, shall not be responsible for any loss, penalties, surcharges, interest or additional tax or any tax or non-tax, monetary or non-monetary, effects or liabilities (consequential, indirect, punitive or incidental) before any authority / otherwise within or outside India arising from the supply of incorrect or incomplete information of the Company.

13. This Statement is addressed to Board of Directors and issued at specific request of the Company. The enclosed Annexure to this Statement is intended solely for your information and for inclusion in the Information Memorandum and is not to be used, referred to or distributed for any other purpose without our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing. Any subsequent amendment / modification to provisions of the applicable laws may have an impact on the views contained in our Statement. While reasonable care has been taken in the preparation of this certificate, we accept no responsibility for any errors or omissions therein or for any loss sustained by any person who relies on it.

**For Lodha & Co. LLP**
Chartered Accountants
Firm Registration No.

**R.P. Baradiya**
Partner
Membership Number: 044101

UDIN: 25044101BMIYWD8908
Place: Mumbai
Date: September 27, 2025

**Annexure to the Statement of Possible Tax Benefits available to Piramal Finance Limited (formerly known as Piramal Capital and Housing Finance Limited) ("the Company") and its Shareholders**

This statement sets out below the possible tax benefits available to the Company and its shareholders under the current tax laws presently in force in India. Several of these benefits are dependent on fulfilling various conditions prescribed under the relevant tax laws. Accordingly, the ability of the Company and its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which are based on the business imperatives, the Company or the shareholders may or may not choose to fulfil.

This Statement sets out below the provisions of law in a summary manner only and is not a complete analysis or listing. This statement is only intended to provide general information to shareholders and is neither exhaustive or comprehensive nor designed or intended to be a substitute for professional/legal tax advice. In view of the individual nature of tax consequences and the changing tax laws, each shareholder is advised to consult their own tax consultant with respect to the specific tax implications arising out of their participation in the issue.

**Special Tax benefit available to the Company under the Income Tax Act, 1961 ("Act"):**

**Deduction of provision for bad and doubtful debts incurred by the Company.**

Any bad debt or part thereof which has been written off as irrecoverable in the books of account is allowable as a deduction under section 36(1)(viia) of the Act in computing the "Profits and gains of business or profession", subject to the fulfilment of the conditions specified in Section 36(2) of the Act.

The Company being a non-banking finance company registered with the Reserve Bank of India ("RBI") is entitled to a deduction under section 36(1)(viia) of the Act in respect of provisions made for bad and doubtful debts in its books of account to the extent of 5% of its total income (computed before making any deduction under this section and Chapter VI-A of the Act), subject to certain conditions, while computing the total income under the head "Profit and gain or business or profession."

The subsequent claim of deduction of actual bad debts under section 36(1)(vii) of the Act should be reduced to the extent of deduction already allowed under section 36(1)(viia) of the Act.

**Special provision in case of income under section 43D of the Act:**

As per section 43D of the Act, the income by way of interest in relation to certain categories of bad and doubtful debts as prescribed in Rule 6EA of Income Tax Rules, 1961 (the "Rules") shall be chargeable to tax in the year in which it is credited to profit and loss account for that year or in which it is actually received, whichever is earlier.

**General tax benefits available to the Company under the Act:**

**I. Benefit of lower rate of tax under Section 115BAA of the Act**

Section 115BAA of the Act provides an option to a domestic company to pay corporate tax at a reduced rate of 22% (plus applicable surcharge and education cess), provided the total income of the company is computed without claiming certain specified deductions, and specified brought forward losses. Deduction for additional depreciation is not permitted and the provisions of section 115JB regarding Minimum Alternate Tax (MAT') are not applicable if the Company opts for the concessional income tax rate as prescribed under section 115BAA of the Act

The Company has opted to apply section 115BAA of the Act in assessment year 2021-22 and is liable to concessional tax rates as prescribed in aforesaid Section.

**II. Section 80JJAA of the Act - Deduction of additional employee cost**

The Company is entitled to claim a deduction (of an amount equal to 30%) of additional employee cost incurred in the course of business in the previous year, for three assessment years including the assessment year relevant to the previous year in which such employment is provided (under section 80JJAA of the Act), subject to the fulfilment of prescribed conditions therein.

**III. Section 80M of the Act - Deduction in respect of inter-corporate dividends**

Section 80M provides that where the gross total income of a domestic company in any previous year includes any income by way of dividends from any other domestic company or a foreign company or a business trust, there shall, in accordance with and subject to the provisions of this section, be allowed in computing the total income of such domestic company, a deduction of an amount equal to so much of the amount of income by way of dividends received from such other domestic company or foreign company or business trust as does not exceed the amount of dividend distributed by it on or before the due date. The "due date" means the date one month prior to the date for furnishing the return of income under sub- section (1) of section 139 of the Act.

**Tax benefits to a Shareholder of the Company**

**I. Resident shareholder**

**Dividend**

I. Dividend income earned by the shareholders is taxable in their hands at the applicable rates in accordance with the provisions of the Act. A domestic company receiving dividend is eligible to claim deduction under section 8OM of the Act on fulfilling certain conditions. (The Company paying dividend will withhold tax at applicable rates on payment of dividend to shareholders.)

II. Further, in case of shareholders who are Individuals, Hindu Undivided Family, Association of Persons and Body of Individuals (whether incorporated or not) and every Artificial Juridical Person, surcharge would be restricted to 15%, irrespective of the amount of dividend received during the year.

III. The shareholders would also be entitled to take credit of the Tax Deducted at Source by the Company against the taxes payable by them.

**Capital Gains**

I. Where shares are held as capital assets for more than 12 months immediately preceding its date of transfer, then as per Section 112A of the Act, long-term capital gains arising from transfer of an equity share through the recognized stock exchange, is liable to be taxed at 12.5% (plus applicable surcharge and cess), without indexation and foreign exchange fluctuation benefit, subject to fulfillment of prescribed conditions under the Act. Tax shall be levied on capital gains exceeding Rs.1,25,000.

II. Where shares are held as capital assets for 12 months or less, (as per Section 111 A of the Act), short term capital gains arising inter alia from transfer of an equity share through the recognized stock exchange. should be taxed at 20% (plus applicable surcharge and cess) subject to fulfillment of prescribed conditions under the Act.

III. The new tax regime under section 115BAC of the Act is an option applicable to individual, Hindu undivided family, association of persons (other than a co-operative society), body of individuals and an artificial juridical person.

**II. Non-resident shareholder**

In respect of non-resident shareholders, the tax rates and the consequent taxation shall be as per the provisions of the Act and it is further subject to any benefits available under the applicable DTAA, if any. between India and the country of which the non-resident is a tax resident, as read with the Multilateral Instruments and subject to furnishing of tax residence certificate electronic Form 1OF and any other document as may be required.

Resident as well as non-resident investors should independently evaluate their obligations to withhold tax on transaction involving transfer of shares by the shareholders of the company in light of the provisions of section 194Q/ section 195 and other provisions of the Act.

**Annexure to the statement of Possible Tax Benefits available to Piramal Finance Limited (formerly known as Piramal Capital and Housing Finance Limited) (“the Company”) and its Shareholders**

**Under the Indirect tax laws:**

Outlined below are the special indirect tax benefits available to the Company and its shareholders under the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017, the Union Territory Goods and Services Tax Act, 2017, including the rules, regulations, circulars and notifications issued in connection thereto.

**I. Indirect tax benefits available to the Company Availment of GST Input credit**

**Availment of GST Input credit**

The Company is a NBFC registered with the RBI is as per the provision of section 17(4) of the Central Goods and Service Tax Act, 2017, banking company or a financial institution including a non-banking financial company, engaged in supplying services by way of accepting deposits, extending loans or advances shall have the option to avail an amount equal to fifty per cent of the eligible input tax as Input tax credit on inputs, capital goods and input services.

**Exemption for interest charged on loans granted by the Company**

The Company is engaged in the business of supplying financial services inter alia includes providing loans and advances and earns consideration in the form of interest. As per entry 27 of the Notification No. 12/2017 - Central Tax (Rate) dated 28 June 2017, services by way of extending deposits, loans or advances in so far as the consideration is represented by way of interest or discount (other than interest involved in credit card services), is exempted from GST.

**II. Indirect Tax benefits/implications to Shareholder of the Company**

There are no special indirect tax benefits available to the shareholders of the Company, for investing in the shares of the Company.

**Disclaimers:**

This Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the proposed offer.

The above Statement of tax benefits sets out the provisions of Indian tax laws in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.

No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

The Statement is as per the current direct tax laws of India relevant for the assessment year 2026-27 and other provisions of law, their interpretation and applicability as on date, which may be subject to change from time to time. Several of these benefits are dependent on the Company or its Shareholders fulfilling the conditions prescribed under the relevant provisions of the current direct tax laws of India. This Statement also does not discuss any tax consequences, in any country outside India, of an investment in the shares of an Indian company.

The above views are basis the provisions of law, their interpretation and applicability as on date, which may be subject to change from time to time.

**For and on behalf of**
**Piramal Finance Limited**
**(*formerly known as Piramal Capital & Housing Finance Limited*)**

Vikash Singhla
Chief Financial Officer

Place: Mumbai
Date: September 26, 2025

## SECTION V – ABOUT US

## INDUSTRY OVERVIEW

*You should read the following summary together with the section "Risk Factors" on page 16 and the more detailed information about us and our financial results included elsewhere in this Information Memorandum. Unless otherwise indicated, industry and market data used in this section has been derived from the industry report titled "NBFC Report for Piramal Finance Limited" dated May 2025 (the "**Crisil Report**") prepared and issued by Crisil Limited, exclusively commissioned and paid for by us for the purposes of confirming our understanding of the industry, in connection with the Offer. Unless otherwise indicated, financial, operational, industry and other related information derived from the Crisil Report and included herein with respect to any particular year refers to such information for the relevant calendar year. Any reliance on such information for making an investment decision in the Issue is subject to inherent risks. The following summary should be read with the section titled "Certain Conventions, Presentation of Financial Information, Industry and Market Data" on page 6 of this Information Memorandum.*

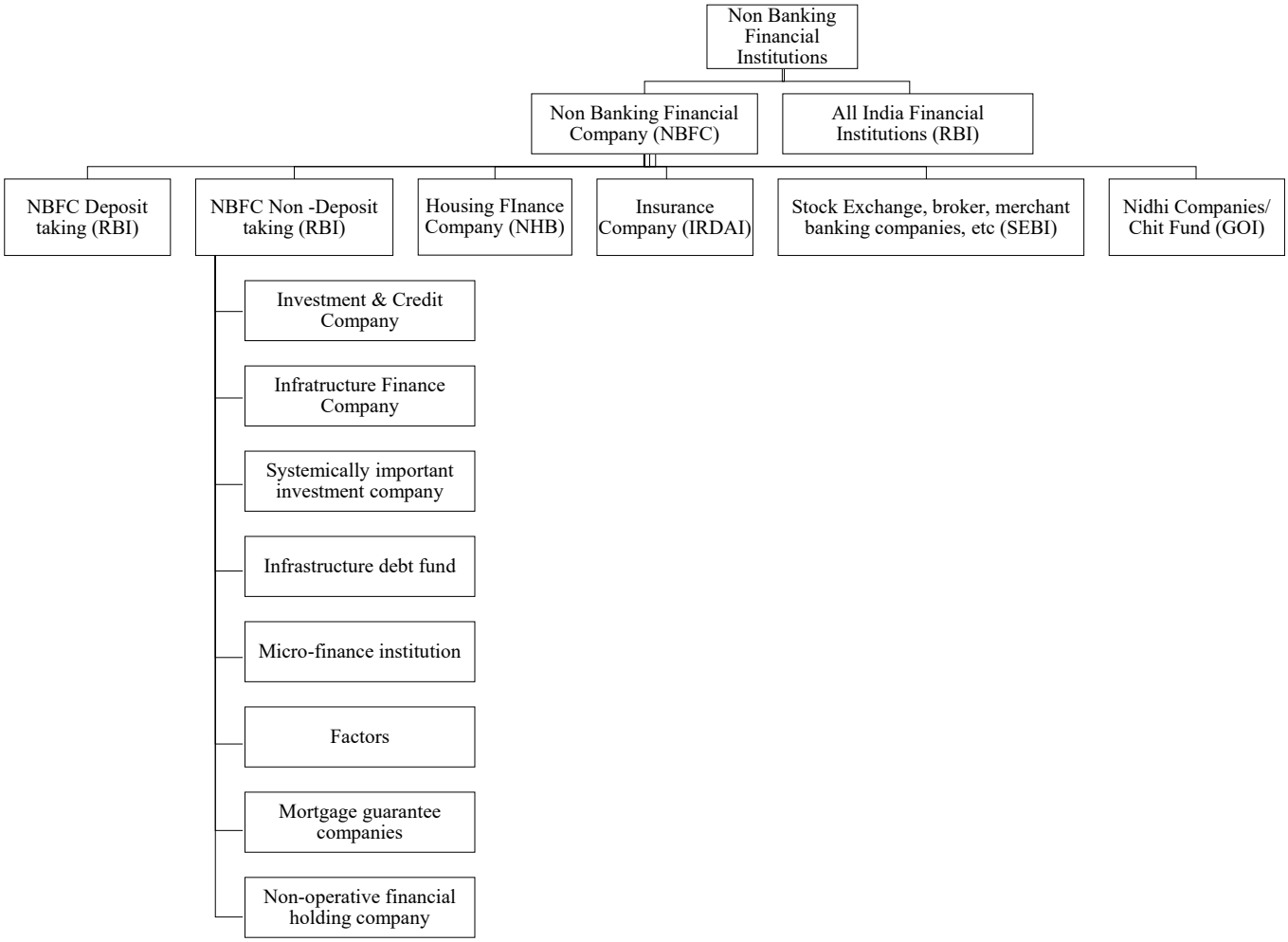
**Overall NBFC – Industry overview**

**NBFCs are important part of the credit system**

Financing needs in India have risen in sync with the notable 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. A strong linkage at the grassroots level makes them a critical cog in the financial machine. They cater to the unbanked masses in rural and semi-urban reaches and lend to the informal sector and people without credit histories, thereby enabling the government and regulators to realise the mission of financial inclusion.

**Structure of non-banking financial institutions in India**




*Note: The regulatory authority for the respective institution is indicated within the brackets; All-India Financial Institutions include NABARD, SIDBI, EXIM Bank*
*Source: RBI, Crisil Intelligence*

**Classification of NBFCs**

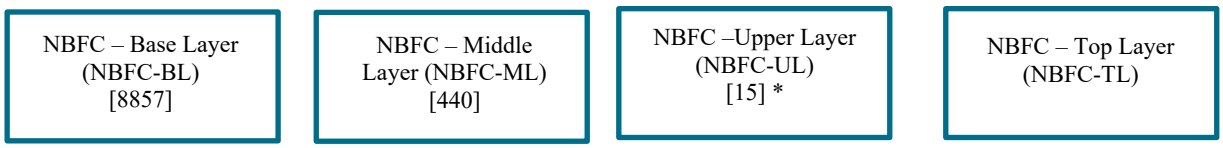
NBFCs until now have been classified on the basis of the kind of liabilities they access, types of activities they pursue and their perceived systemic importance. RBI on October 22, 2021 introduced additional classification of NBFCs vide Scale Based Regulation (SBR) framework into four categories i.e., Base Layer (NBFC – BL), Middle Layer (NBFC – ML), Upper Layer (NBFC – UL) and Top Layer (NBFC – TL)

**Scale based classification of NBFCs**

As per RBI circular dated October 22, 2021, the central bank introduced Scale Based Regulation (SBR) framework for classification of NBFCs along with the activity-based classification of NBFCs as per earlier regulations. The revised SBR framework shall be effective from October 01, 2022

As per the revised framework NBFCs will be classified into four layers based on their size, activity and perceived riskiness. NBFCs in the lowest layer will be known as NBFC – Base Layer (NBFC BL), NBFCs in middle layer and upper layer shall be known as NBFC - Middle Layer (NBFC-ML) and NBFC - Upper Layer (NBFC-UL) respectively. The Top Layer is expected to be empty and will be known as NBFC - Top Layer (NBFC - TL).

**Classification on the basis of scale-based regulation**



*Note: Data in [bracket] represents the number of NBFCs as of June 2024.*
**The data for Upper Layer NBFCs includes HFCs, as per circular dated January 2025.*
*Source: RBI, Crisil Intelligence*

**Base Layer – NBFC – BL** shall comprise of (a). Non deposit taking NBFCs below asset size of Rs 1000 crore and (b). Following NBFCs – (i) NBFC P2P, (ii) NBFC – AA, (iii) NOHFC, and (iv) NBFCs not availing public funds and not having any customer interface

**Middle Layer – NBFC – ML** shall comprise of (a). All deposit taking NBFCs irrespective of asset size, (b). Non-deposit taking with asset size of Rs 1000 crore and above and (c). Following NBFCs – (i) Standalone primary dealer (SPD), (ii) Infrastructure debt fund (IDF), (iii) Core investment companies (CIC), (iv) Housing finance companies (HFCs) and (v) Infrastructure finance companies (IFCs) Government owned NBFCs shall be placed in the Base Layer or Middle Layer, as the case may be. They will not be placed in the Upper Layer till further notice by RBI.

**Upper Layer – NBFC – UL** shall comprise of NBFCs which are specifically identified by the Reserve Bank as warranting enhanced regulatory requirement based on a set of parameters and scoring methodology. The top ten eligible NBFCs in terms of their asset size shall always reside in the upper layer, irrespective of any other factor.

**Top Layer – NBFC – TL** shall be populated only if in opinion of RBI there is a substantial increase in the potential systemic risk from specific NBFCs in the Upper Layer. Such NBFCs shall be moved to Top layer from the Upper layer.

**Other regulatory changes under Scale Based Regulations**

1. Net Owned Fund (NOF) for NBFC-ICC, NBFC-MFI and NBFC-Factors shall be increased to Rs 10 crore.

   Timelines for change in NOF for above mentioned NBFCs is as follows

| NBFCs | Current NOF | By March 31, 2025 | By March 31, 2027 |
|---|---|---|---|
| NBFC – ICC | Rs 2 crore | Rs 5 crore | Rs 10 crore |
| NBFC - MFI | Rs 5 crore (Rs 2 crore in North-East region) | Rs 7 crore (Rs 5 crore in North-East region) | Rs 10 crore |
| NBFC - Factors | Rs 5 crore | Rs 7 crore | Rs 10 crore |

2. NPA classification: NPA classification norms stands changed to the overdue period of more than 90 days for all categories of NBFCs, timelines to adhere change for NBFC – BL to 90 days NPA norm is as follows:

| NPA norms | Timeline |
|---|---|
| >150 days overdue | By March 31, 2024 |
| >120 days overdue | By March 31, 2025 |
| >90 days overdue | By March 31, 2026 |

3. Experience of the board - Considering the need for professional experience in managing the affairs of NBFCs, at least one of the directors shall have relevant experience of having worked in a bank/ NBFC. This regulation shall be applicable for all class of NBFCs.

4. Ceiling on IPO Funding – RBI prescribed ceiling of Rs 1 crore per borrower for financing subscriptions to IPO. NBFCs can fix more conservative limits. This regulation shall come into effect from April 01, 2022.

**Liabilities-based classification**

NBFCs are classified on the basis of liabilities into two broad categories:

a) deposit-taking; and

b) non-deposit taking.

Deposit-taking NBFCs (NBFC – D) are subject to the requirements of stricter capital adequacy, liquid-assets maintenance and exposure norms.

Further, in 2015, non-deposit taking NBFCs with an asset size of Rs 5 billion and above were labelled as 'systemically important non-deposit taking NBFCs' (NBFC – ND – SI), and separate prudential regulations were made applicable to them.

**Activity-based classification**

As per the RBI circular dated February 22, 2019, the central bank merged three categories of NBFCs, i.e., asset finance companies (AFC), loan companies (LCs) and investment companies (ICs), into a new category called NBFC - Investment and Credit Company (NBFC-ICC)

1. **Investment and credit company – (NBFC-ICC)**: An NBFC-ICC means any company that is a financial institution carrying on as its principal business of providing finance by making loans or advances or otherwise for any activity other than its own and acquisition of securities; and is not any other category of NBFC.

2. **Infrastructure finance company (IFC):** An IFC is an NBFC that deploys at least 75% of its total assets in infrastructure loans and has a minimum net-owned funds of Rs 300 crore, with a minimum credit rating of 'A' or equivalent and a 15% CRAR (Capital to risk-weighted adequacy ratio).

3. **Infrastructure debt fund (IDF-NBFC):** An IDF-NBFC is a company registered as an NBFC to facilitate the flow of long-term debt into infrastructure projects. It raises resources through the issue of rupee or dollar-denominated bonds with a minimum five-year maturity. Only IFCs can sponsor IDF-NBFCs

4. **Micro-finance institution (NBFC-MFI):** An NBFC-MFI is a non-deposit-taking NBFC with not less than 60% (as per June 06, 2025 notification) of its assets in the nature of qualifying assets, which satisfy the following criteria:

    - NBFC MFIs can disburse loans to borrowers with household annual income not exceeding Rs 300,000. The household shall mean an individual family unit, i.e., husband, wife and their unmarried children.

    - All collateral-free loans will be considered as qualifying assets. Such loans will include all non-collateral loans irrespective of end use and mode of application/ processing/ disbursal.

    - The loan shall not be linked with a lien on the deposit account of the borrower.

5. **Factors (NBFC-Factors):** An NBFC-Factor is a non-deposit-taking NBFC engaged in the principal business of factoring. Financial assets in the factoring business should constitute at least 50% of its total assets and income derived from the factoring business should not be less than 50% of its gross income.

6. **Mortgage guarantee companies (MGC):** An MGC is a financial institution for which at least 90% of the business turnover is mortgage guarantees or at least 90% of the gross income is from the mortgage-guarantee business and whose net-owned funds is atleast Rs 100 crore.

7. **Non-operative financial holding company (NOFHC):** An NOFHC is a financial institution through which promoter / promoter groups will be permitted to set up a new bank. A wholly owned NOFHC will hold the bank as well as all other financial services companies regulated by the RBI or other financial sector regulators to the extent permissible under the applicable regulatory prescriptions.

8. **Account Aggregators (NBFC-AA):** NBFC Account Aggregator is a financial entity which functions as the Account Aggregator for the customers of NBFC. NBFC-AA accumulates and provides information concerning multiple accounts which are held by the customers in various NBFC entities.

9. **Peer to Peer Lending (NBFC-P2P):** NBFC –Peer to Peer Lending platform (NBFC-P2P) is a type of Non-Banking Financial Company which carries on the business of providing services of Loan facilitation to willing lenders and borrowers through online platform.

**Prompt corrective action framework**

NBFCs have been growing in size and now have substantial interconnectedness with other segments of the financial system. Accordingly, in October 2022, the RBI made effective a prompt corrective action (PCA) framework to further strengthen the supervisory tools applicable to NBFCs. The objective of the framework is to enable supervisory intervention at the appropriate time.

It requires the supervised entity to initiate and implement remedial measures in a timely manner to restore its financial health. It does not preclude the central bank from taking any other action as it deems fit at any time, in addition to the corrective actions prescribed in the framework.

The PCA framework applies to all NBFC-Ds and all NBFC-NDs in the middle, upper and top layers, identified under the new SBR. It excludes NBFCs not accepting/ not intending to accept public funds, government companies, primary dealers and HFCs.

The risk thresholds when breached may result in invocation of PCA are:

**1. For NBFC-Ds and NBFC-NDs (excluding CICs):**

| Indicator | Risk threshold 1 | Risk threshold 2 | Risk threshold 3 |
|---|---|---|---|
| CRAR | Up to 300 bps below the regulatory minimum CRAR (currently, CRAR <15% but ≥12%) | More than 300 bps, but up to 600 bps below regulatory minimum CRAR (currently, CRAR <12% but ≥9%) | More than 600 bps below regulatory minimum CRAR (currently, CRAR <9%) |
| Tier 1 capital ratio | Up to 200 bps below the regulatory minimum tier 1 capital ratio (currently, tier 1 capital ratio <10% but ≥8%) | More than 200 bps, but up to 400 bps below the regulatory minimum tier 1 capital ratio (currently, tier 1 capital ratio <8% but ≥6%) | More than 400 bps below the regulatory minimum tier 1 capital ratio (currently, tier 1 capital ratio <6%) |
| NNPA ratio (including NPIs) | >6% but ≤ 9% | >9% but ≤12% | >12% |

*Source: RBI*

**2. For CICs**

| Indicator | Risk threshold 1 | Risk threshold 2 | Risk threshold 3 |
|---|---|---|---|
| Adjusted net worth (ANW) / aggregate risk weighted asset (RWA) | Up to 600 bps below the regulatory minimum ANW/ RWA (currently, ANW/RWA <30% but ≥24%) | More than 600 bps, but up to 1200 bps below regulatory minimum ANW/ RWA (currently, ANW/RWA <24% but ≥18%) | More than 1200 bps below regulatory minimum ANW/ RWA (currently, ANW/RWA <18%) |
| Leverage ratio | ≥2.5 times but <3 times | ≥ 3 times but <3.5 times | ≥3.5 times |
| NNPA ratio (including NPIs) | >6% but ≤ 9% | >9% but ≤12% | |

*Source: RBI*

**Credit concentration norms**

RBI, in its April 19, 2022, guidelines on Large Exposure Framework for Non-Banking Financial Company – Upper Layer (NBFC-UL), permits exposures to the original counterparty to be offset with certain credit risk transfer instruments. These include instruments such as cash margin/caution money/security deposit against which the right to set off is available, held as collateral against the advances, and government guaranteed claims (0% risk weight for central and 20% for state government for CRAR computation) However, this was exclusive to NBFC-UL.

In a move towards standardisation, the RBI has extended this provision to NBFCs in the middle and base layers. This harmonisation levels the playing field for all NBFCs across layers.

Out of 9,306 RBI-registered NBFCs (excluding HFCs), only 9 falls under the NBFC-UL category, while the majority are in the middle and base layers.

**Regulatory measures towards consumer credit**

In November 2023, the RBI introduced measures to address concerns surrounding consumer loans by increasing the risk weight on such loans by 25% for all lenders and bank loans to NBFCs. This move aimed to strengthen risk management and respond to the RBI's cautious stance on rapid consumer credit growth and NBFCs' increasing reliance on bank borrowings. As part of this initiative, the RBI directed regulatory entities to review sectoral exposure limits for consumer credit and establish board-approved limits for unsecured consumer credit exposures.

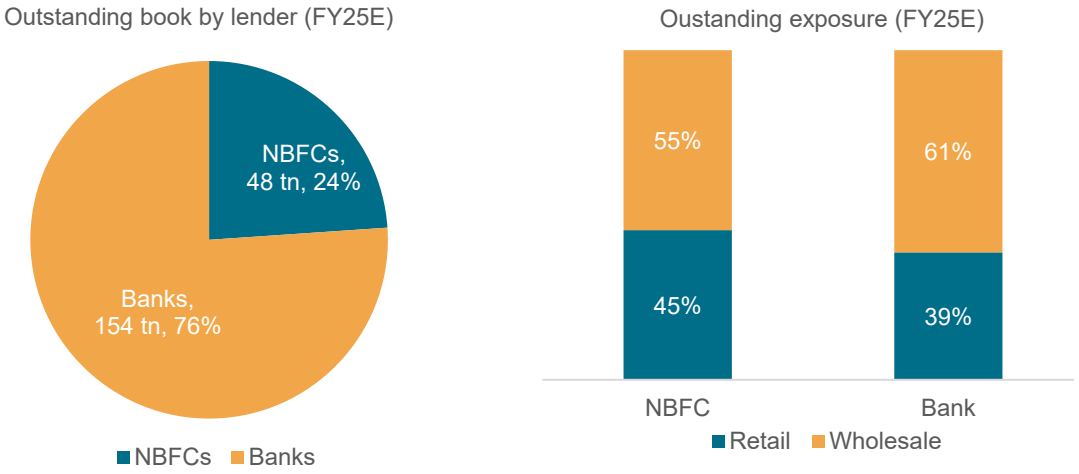
The RBI increased the risk weights on consumer credit exposure of banks and NBFCs from 100% to 125%. This increase applied to commercial banks' consumer credit exposure, including personal loans, but excluding housing loans, education loans, vehicle loans, and loans secured by gold and gold jewellery. Similarly, NBFCs' retail loans, excluding housing loans, education loans, vehicle loans, loans against gold jewellery, and microfinance/SHG loans, also attracted a 125% risk weight. Additionally, credit card receivables of SCBs and NBFCs carried risk weights of 150% and 125%, respectively. However, following a review in February 2025, the RBI decided to exclude microfinance loans from the higher risk weights applied to commercial banks' consumer credit exposure and will subsequently attract 100% risk weight.

In addition to the changes in consumer credit risk weights, the RBI also increased the risk weights on SCBs' exposures to NBFCs, excluding core investment companies, by 25%, where the existing risk weight was below 100%. Loans to HFCs and priority sector-eligible loans to NBFCs were exempt from this increase. In a later revision, the RBI rolled back the 25% increase in risk weights on bank exposures to NBFCs in February 2025, effectively reinstating the previous levels determined by external credit ratings. This revision, which takes effect from April 1, 2025, is expected to boost credit growth from banks to NBFCs.

**Overall NBFC - Review and outlook**

**Credit growth faces turbulence amid challenges in unsecured credit**

**Wholesale credit dominates lending**




*E: Estimate*
*Note:*
*1. The above representation of bank credit is exclusive of agriculture credit*
*2. Bank credit is adjusted for on-lending to non-banks*
*3. Numbers in the presentation are adjusted for the HDFC merger, with booked moved to banks for like-for-like comparison*
*Source: Reserve Bank of India (RBI), company reports and Crisil Intelligence*

As of the end of fiscal 2025, the financing market, including banks (excluding agriculture credit) and non-banking financial companies (NBFCs)/ housing finance companies (HFCs), was estimated at Rs 202 trillion.

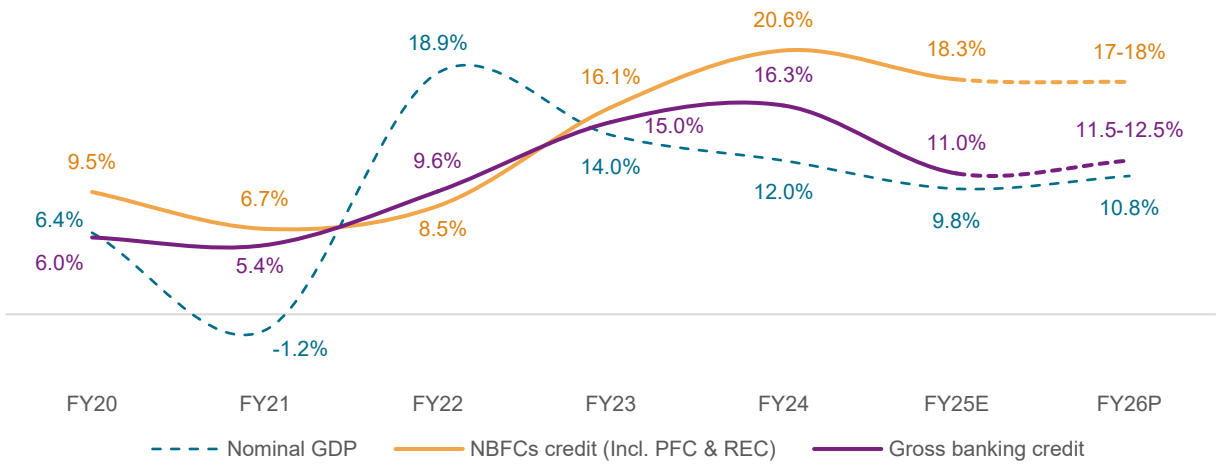
While banks accounted for ~76% of the lending market, with a loan portfolio of Rs 154 trillion, NBFCs/ HFCs constituted ~24%, with Rs 48 trillion. The portfolio of NBFCs/ HFCs, excluding two major government infrastructure finance companies — Power Finance Corporation (PFC) and Rural Electrification Corporation (REC) — is likely to remain skewed towards retail, with a share of 59%.

In fiscal 2025, the credit growth of NBFCs is estimated to have slowed to 18%, compared with 21% in fiscal 2024 due to moderation in unsecured loans, including loans in microfinance, personal and consumer durables. The

moderation in unsecured loans can be attributed to its rapid expansion over the past few fiscals and overleveraging concerns, which can impact asset quality. As a result, the Reserve Bank of India (RBI) intervened in November 2023 to slow down the growth of unsecured retail loan by tightening capital norms.

Credit growth picked up momentum in fiscal 2023 after a slow down due to pandemic-related disruptions in fiscals 2021 and 2022. In fiscal 2024, the financing market was valued at Rs 179 trillion, with banks accounting for Rs 138 trillion and NBFCs, Rs 41 trillion. NBFCs recorded a 21% credit growth, driven by auto loans, personal loans, housing finance and microfinance in the retail segment and micro, small and medium enterprises (MSME) and infrastructure financing in the wholesale segment. NBFC credit rebounded, clocking a compound annual growth rate (CAGR) of 14% between fiscals 2020 and 2025.

**Retail-driven credit expansion to maintain momentum for NBFCs**




*E: Estimate, P: Projected*
*Note: Historical credit growth numbers adjusted for the merger of HDFC Limited with HDFC Bank for fair comparison*
*Source: RBI, National Housing Bank (NHB), Ministry of Finance, company reports and Crisil Intelligence*

India was among the fastest growing economies in the world before the onset of the pandemic. In the years leading up to the global health crisis, which severely disrupted economic activities, the country's economic indicators improved gradually owing to strong domestic consumption and lower reliance on global demand. Today, the economy remains among the fastest growing despite challenges posed by global geopolitical uncertainties. India's real gross domestic product (GDP) exceeded forecasts in fiscal 2024, expanding 9.2%. The National Statistical Office's first provisional estimates indicate real GDP growth of 6.5% in fiscal 2025.

Crisil Intelligence projects India's real GDP growth at 6.5% in fiscal 2026, but with risks on the downside due to external headwinds. The hike in tariff by the US poses a key downside risk to the industrial outlook in fiscal 2026 and while the pause on the same provides temporary relief, the 10% universal increase is in force since April 2025. Slower global growth and reciprocal tariff hikes after June are likely to impact goods exports. Uncertainty regarding tariffs may hinder investments. Nevertheless, healthy agricultural growth, above-normal monsoon, easing inflation and rate cut by the RBI will support domestic consumption, which, in turn, is expected to support industrial activity.

**Credit growth to remain rangebound in fiscal 2026**

In fiscal 2025, NBFCs, including PFC and REC, recorded a robust credit growth of 18% on-year, albeit slower than 21% recorded in the previous fiscal. The growth rate is projected to remain high and rangebound between 17-18% in fiscal 2026 owing to expected normalisation in the growth rate of gold loans, changes in global scenarios impacting education loans and slowdown in infrastructure loan disbursements due to completion of the Liquidity Infusion Scheme and Late Payment Surcharge rules.

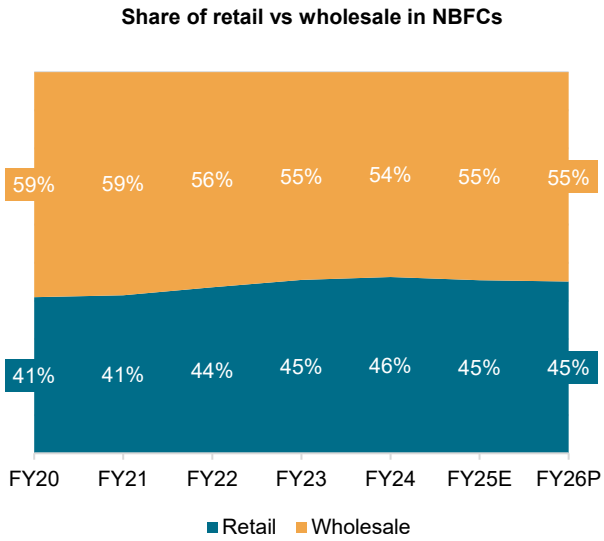
The retail segment will drive credit growth, although growth in the unsecured lending is expected to normalise from a high base. Additionally, the RBI's vigilance and circular on risk weights will temper growth in unsecured portfolios, ensuring a more measured pace of expansion.

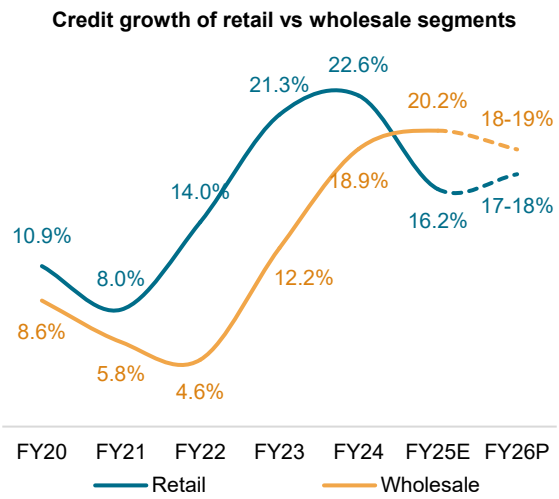
In February 2025, the RBI rolled back the 25% increase in risk weights on bank exposures to NBFCs, effectively reinstating the previous levels determined by external credit ratings. The revision took effect from April 1, 2025 and is expected to boost credit growth from banks to NBFCs, with a positive ripple effect on the overall credit flow to the retail segment in fiscal 2026. Furthermore, upon review, the RBI excluded microfinance loans from the 125% risk weight applied to consumer credit, subsequently restoring it to 100%.

In fiscal 2025, among the retail segment, gold loans recorded robust growth owing to higher prices, which boosted the demand for gold loans. Growth in housing loans remained broadly stable, while auto loan book normalised. Microfinance loans recorded a dip due to overleveraging. On the other hand, real estate and corporate loans, construction equipment and infrastructure financing in the wholesale segment recorded loan growth, while MSME loans continued their double-digit growth rate despite some moderation.

The retail segment witnessed an improvement in the asset quality, except for microfinance, which was impacted by overleveraging by underlying borrowers. Housing, personal loans, vehicle and gold loans also saw an improvement in asset quality, supported by resilient underlying customer base from the impact of high interest rates and tightened monitoring and collection efforts by NBFCs.

Moderation in the unsecured retail segment weighs on credit growth, while wholesale remains resilient




*E: Estimate, P: Projected*
*Note:*
*1) Retail includes housing, vehicle, gold, microfinance, personal, consumer durables and education loans*
*2) Wholesale includes MSME, real estate and large corporate, infrastructure and construction equipment loans*
*Source: Industry and Crisil Intelligence*

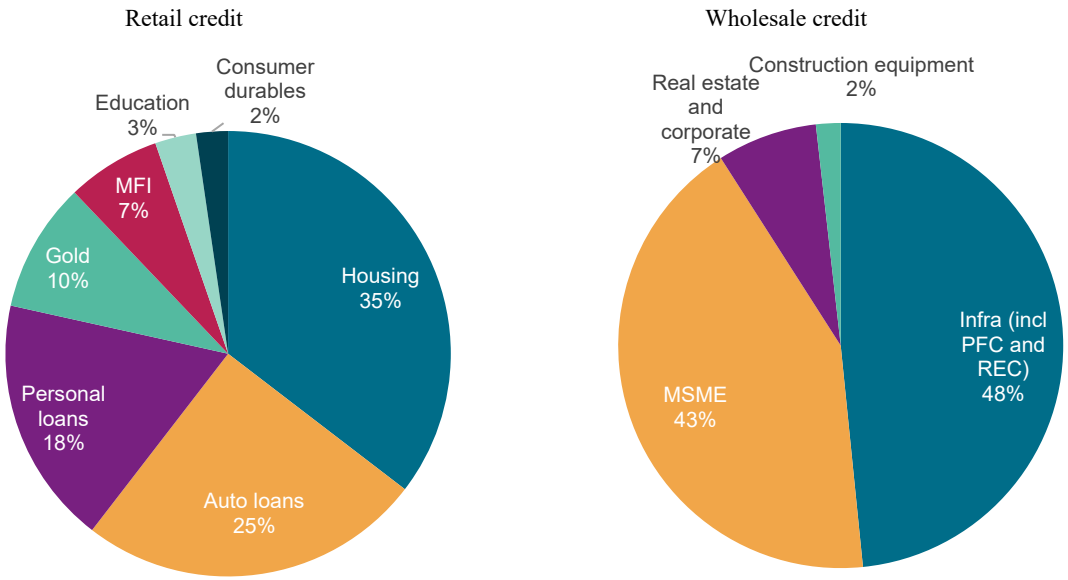
In fiscal 2025, the retail segment's share in the lending mix is estimated to have declined marginally to 45%, while wholesale increased to 55%. The share of both segments is expected to sustain in fiscal 2026 as well.

The growth rate in the retail segment is likely to rise moderately to 17-18% in fiscal 2026, driven by growth in housing, vehicle and consumer durable loans. However, NBFCs are expected to maintain a cautious approach to unsecured lending due to visible stress in the microfinance and personal loan segments. The growth of gold loans is expected to normalise following an exceptional growth in fiscal 2025.

In contrast, the wholesale segment's growth rate is projected to decline slightly due to an expected slowdown in infrastructure disbursements. Nevertheless, MSME, and corporate and real estate loans are expected to see an uptick.

In fiscal 2024, the retail segment's share in the lending mix increased to 46%, driven by strong credit growth over the past two years. The wholesale segment also saw a strong credit growth of 19%. The trends were a continuation of the patterns observed in fiscal 2023 when retail and wholesale segments expanded 22% and 12%, respectively. Growth in the wholesale segment was driven by MSME loans in fiscal 2023, which was further aided by a steady rise in infrastructure financing. Historically, the retail segment led the NBFC sector's growth post the fiscal 2018 crisis, while the wholesale segment experienced low single-digit growth between fiscals 2021 and 2022.

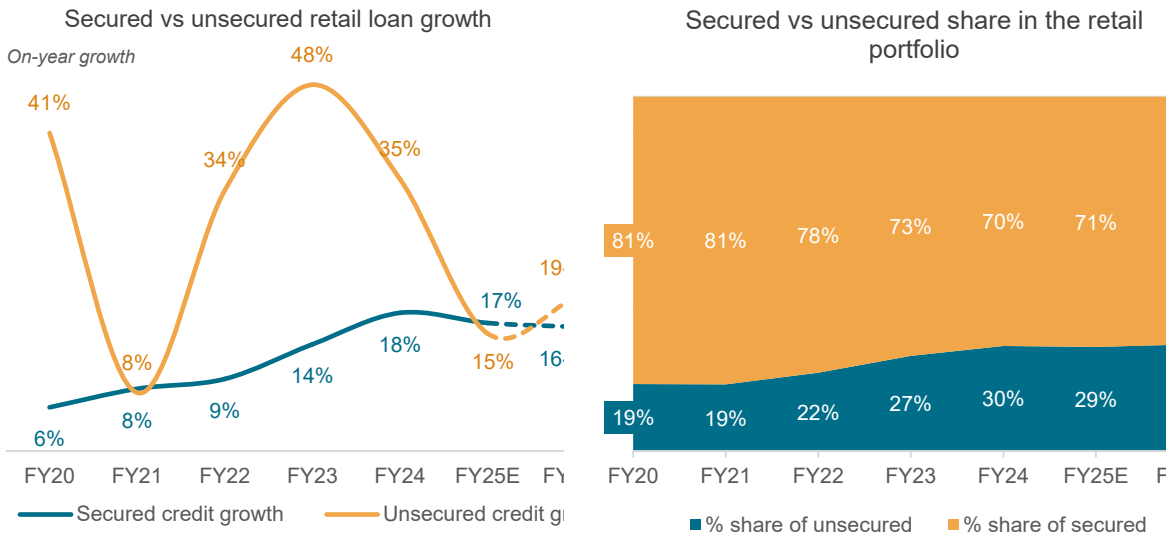
**Break-up of retail and wholesale NBFC credit (fiscal 2025E)**




*E: Estimate*
*Source: RBI, company reports and Crisil Intelligence*

**Secured lending segments aid NBFC credit growth momentum in fiscal 2025**

Unsecured loans to grow in fiscal 2026 amid abating asset quality issues




*E: Estimate, P: Projected*
*Note: For calculation of unsecured retail loans given by NBFCs, segments such as personal, microfinance and consumer durables loans and a share of education loans are considered*
*Source: RBI, NHB, Microfinance Institutions Network (MFIN) and Crisil Intelligence*

In fiscal 2025, NBFCs' retail portfolio is estimated to have grown 16% on-year to Rs 22 trillion. Within the portfolio, the unsecured category expanded rapidly in the past five fiscals. The surge raised concerns about underlying risks, prompting the RBI to issue the November 2023 circular requiring lenders to keep higher capital buffers against such exposures. This led to a slowdown in credit in the second half of fiscal 2024, which continued into fiscal 2025. The impact was evident in microfinance and personal loans, driven by overleveraging, higher inflation and stagnant income, which impaired the borrowers' repayment capability.

Overleveraging at the borrower's end augments asset quality vulnerability. This is exacerbated in unsecured lending, where there is no recourse to collateral and hence, the loss, given the default, is high. Hence, NBFCs lowered exposure to unsecured loans in fiscal 2025.

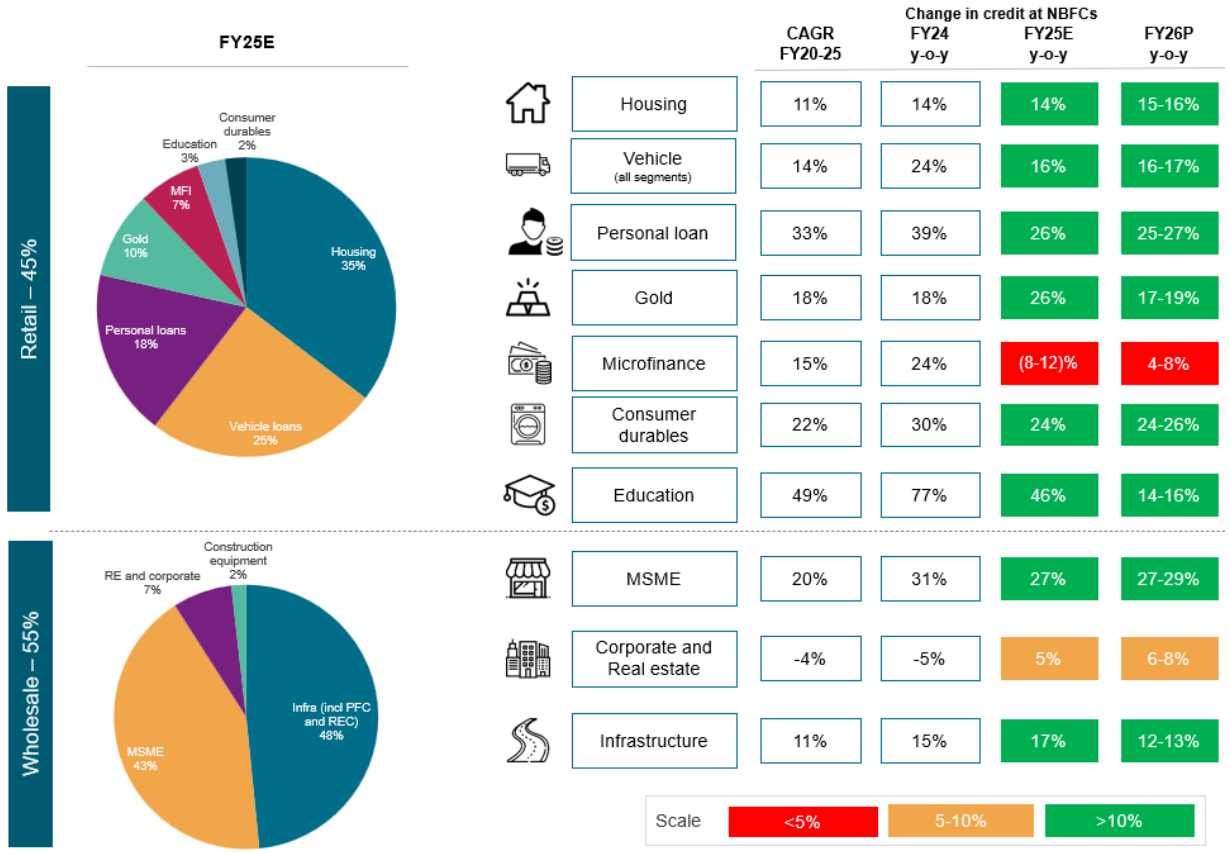
Crisil Intelligence projects the unsecured lending segment's share to increase to 30% in fiscal 2026, supported by partial loan growth recovery in microfinance, following a considerable credit decline in fiscal 2025. To manage overleveraging in microfinance, the MicroFinance Institutions Network (MFIN) announced a cap of three microfinance lenders and maximum retail unsecured loan indebtedness of Rs 0.02 crores per borrower, effective from April 1, 2025. In anticipation of these guidelines, lenders cautiously lowered exposure in fiscal 2025 to fulfil the applicable criteria, leading to a decline in the loan book.

As a result, Crisil Intelligence expects the unsecured segment's growth rate to increase to 19-20% in fiscal 2026, while the secured segment is expected to normalise to 16-17%, driven by moderation in gold loan growth following a blockbuster growth in fiscal 2025.

Between fiscals 2021 and 2024, the secured segment logged a CAGR of 14%, compared with the pre-pandemic growth of 8%. In contrast, the unsecured segment clocked a CAGR of 39% as NBFCs expanded their reach to new-to-credit customers and Tier II and lower-tier cities.

The low savings rate by Indian households of 5.2%, as of fiscal 2024, on account of higher financial liabilities, indicates a debt-driven consumption-led post-pandemic recovery. The emergence of financial technology companies (fintech) has played a key role in the growth of the unsecured segment. Fintechs have been at the forefront of innovative lending practices, often catering to segments that traditional financial institutions might not reach.

**Secured lending segments to aid credit growth, with moderation in unsecured loans**




*E: Estimate, P: Projected*
*Source: Company reports, Crisil Intelligence*

**Housing finance:** In fiscal 2025, the sector recorded 14% credit growth, led by prime housing-focused HFCs, while that in the affordable housing-focused HFCs saw a slight moderation due to the impact of high interest rates on their underlying customer base. The growth in housing credit was supported by rising disposable income, salaried class appetite for home loans being relatively insulated from the impact of high repo rate and sustained demand from Tier II and III cities. Crisil Intelligence expects the housing loan book growth of HFCs/ NBFCs to accelerate to 15-16% in fiscal 2026 as the repo rate cut on lending rates will boost home loan demand. The recent

allocation of Rs 30 billion to the Interest Subsidy Scheme under the Pradhan Mantri Awas Yojana for fiscal 2026 will boost growth in the sector.

**Vehicle finance:** Between fiscals 2020 and 2025E, the NBFC vehicle finance segment logged a CAGR of 13.8%, compared with 14.4% for the overall vehicle finance advances. In fiscal 2025, NBFCs' vehicle finance portfolio expanded 16%, compared with the industry's growth rate of 13.5%. Despite lower volume growth, impacted by delayed government capital expenditure and extreme environmental challenges, the vehicle finance segment remained steady owing to higher demand for used vehicles and premiumisation in the passenger vehicles (PV) category, credit demand for two-wheelers and tractors, driven by rural demand, and the rising penetration of NBFC vehicle finance in Tier II and III cities. Crisil Intelligence forecasts NBFCs' vehicle finance advances to grow 16-17% in fiscal 2026, driven by the RBI's repo rate cut of 100bps between February and June 2025, income tax benefits, pick-up in replacement demand and premiumisation in the PV category.

**Gold finance:** The NBFC gold loan segment grew ~26% in fiscal 2025, supported by higher prices and strong demand for gold loans from borrowers. As of March 2025, the average gold loan prices increased 25% over the past 12 months. Further, the higher tonnage growth of 7% in fiscal 2025, compared with 3% in fiscal 2024 and 11% rise in active gold loan customers, compared with 6%, indicated strong demand for gold loans. Crisil Intelligence expects growth in the NBFC gold loans segment to moderate in fiscal 2026, with a 17-19% expansion in credit, compared with 26% in fiscal 2025. Moreover, the impact of revised RBI directions on gold loans would be a key monitorable for the segment.

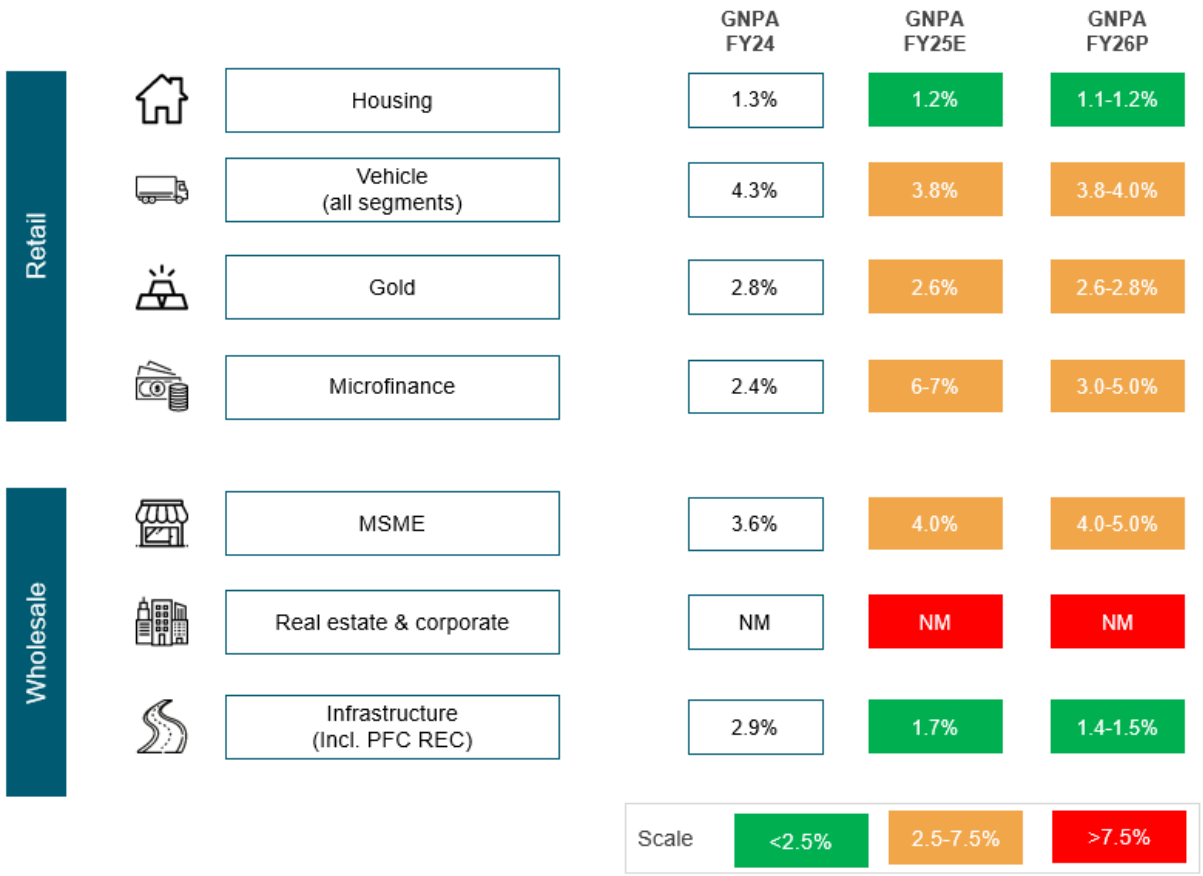
**Microfinance:** NBFC's microfinance institutions are estimated to have logged a CAGR of 15% between fiscals 2020 and 2025E. The industry's growth momentum was disrupted in fiscal 2025 due to extreme heat wave, general elections, loan waiver campaigns in Punjab, overleveraging and the Karnataka ordinance on prevention of coercive action for recovery of loans. The primary concern underlying the industry's deterioration in asset quality was overleveraging among borrowers. As a result, the industry is estimated to have faced a steep decline in advances by 8-12% in fiscal 2025. It is likely to record a modest growth of 4-8% in fiscal 2026.

**MSME finance:** MSME lending has undergone a significant transformation in recent years, with both banks and NBFCs intensifying their focus on this segment. The rise of digital lending, government-backed initiatives, a thriving economy and increasing adoption of formal credit channels have propelled this growth. The shift towards cash flow-based underwriting has further boosted lending to MSMEs. Consequently, NBFC credit to MSMEs grew a robust 27% in fiscal 2025. Crisil Intelligence projects that NBFCs will drive the growth of MSME credit, which is projected to grow 27-29% in fiscal 2026 as domestic demand continues to rise and urbanisation accelerates in growing urban centres.

**Real estate and corporate finance:** NBFCs/HFCs have been reducing their wholesale portfolios and focusing on the retail business because of asset quality issues. However, those continuing to expand their wholesale portfolios have reported steady growth, estimated at 5.2% in fiscal 2025. Crisil Intelligence projects the wholesale book of NBFCs to grow a moderate 6-8% in fiscal 2026 as a few large HFCs have resumed expanding their developer finance portfolio after years of book clean-up. Real estate project launches slowed in fiscal 2025, but the RBI's rate cuts are expected to revive new project launches in fiscal 2026, thereby supporting the growth of the wholesale book.

**Infrastructure finance:** The infrastructure book of NBFCs grew 16.8% in fiscal 2025 driven by investments in renewable power and transmission and distribution (T&D) sectors, which saw a significant pickup in demand. This growth momentum is expected to persist in fiscal 2026, with a projected 12-13% growth, led by the continued expansion of the power sector and an anticipated pickup in non-power capital expenditure, such as construction. The 11.6% increase in budgetary allocation for infrastructure to Rs 10.7 trillion is expected to provide a boost to infrastructure investment in fiscal 2026. However, the growth rate is expected to be slightly lower than the previous year owing to higher repayments and certain government schemes nearing completion.

**Asset quality of secured retail loans improved in fiscal 2025**




*Notes:*
*1) P – Projected, NM – Not meaningful*
*2) Asset quality of real estate and corporate loans is not meaningful due to the addition of contractual moratoriums, extension of date of commencement of commercial operations, one-time restructuring and player strategy to downsize the wholesale portfolio*
*Source: Company reports, Crisil Intelligence*

**Housing finance:** The housing portfolio of HFCs has demonstrated a positive trend with a decline in GNPAs since fiscal 2021, indicating an improvement in asset quality. In fiscal 2025, the housing portfolio's GNPA ratio is estimated to have decreased 13 bps to 1.2%, attributable to the resilience of customers of prime HFCs along with intensified efforts to improve collection efficiency by closely monitoring early delinquencies (DPD: +1 day). Crisil Intelligence projects the GNPA ratio of the overall housing portfolio to remain range-bound between 1.1-1.2% in fiscal 2026 on the back of loan book growth and repo rate cuts, which are expected to alleviate the burden of high-interest loans on customers.

**Vehicle finance:** Asset quality deteriorated in the first half of fiscal 2025 owing to delayed government expenditure and extreme weather conditions. However, it improved to 3.8% towards the end of the fiscal. This was primarily because of a large technical write-off of Rs 2,345.1 crores in the fourth quarter by a key auto finance player, of which 76% pertained to the vehicle finance portfolio. Excluding this write-off, GNPAs for fiscal 2025 would have remained at 4.2%. For fiscal 2026, asset quality is expected to remain at 3.8-4.0%. The expected pickup in government and private capital expenditure is likely to result in better capacity utilisation and realisation. Additionally, above-normal rainfall forecast by the India Meteorological Department is expected to maintain healthy rural cash flows owing to improved agricultural output.

**Gold finance:** As of March 2025, the GNPA ratio was 2.6%, representing a decrease of 20 bps from the previous year. During the first half of fiscal 2025, asset quality had deteriorated slightly, with the GNPA ratio increasing to 3.1% by the end of September 2024. The deterioration can be attributed, in part, to the customer-centric approach adopted by NBFCs, which involves not auctioning gold in the event of initial loan defaults, resulting in higher delinquency rates. The asset quality improved significantly in the fourth quarter of fiscal 2025 because of

the high growth in advances and auctions. The asset quality is expected to remain stable in fiscal 2026 with a projected GNPA ratio of 2.6-2.8%. The tighter underwriting standards proposed in the revised directions are expected to support asset quality in fiscal 2026.

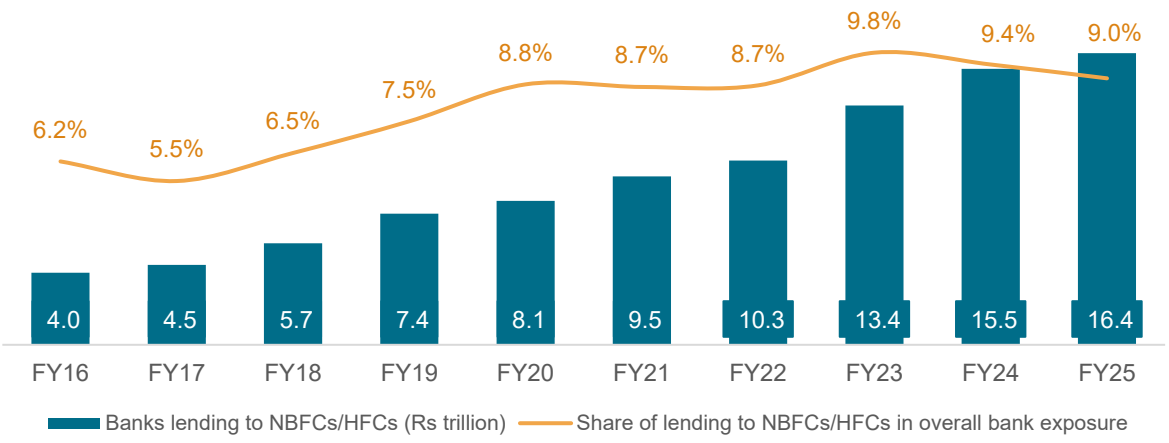
**Microfinance:** In fiscal 2024, GNPAs of NBFC-MFIs rose 20 bps to 2.4%. By the end of March 2025, PAR 90+ days is estimated to have increased to 6-7%, indicating mounting stress in the segment. Delinquencies are rising because of transitory factors such as the general election, heatwaves and extended rainfall. However, overleveraging has been a deeper issue in the segment, with multiple loans from various institutions being a major cause of slippage. Also, the Karnataka ordinance is expected to have led to a considerable jump in the slippage ratio during the fiscal. To address overleveraging concerns, the Microfinance Institutions Network (MFIN) has proposed additional self-regulatory measures, including limiting lenders per borrower to three, not to lending to defaulting borrowers when the outstanding amount exceeds Rs 3,000 for more than 60 days. Crisil Intelligence expects GNPAs to moderate to 3-5% in fiscal 2026 on account of improved underwriting standards because of MFIN guardrails. Further, sufficient provisions and write-offs might help NBFC-MFIs reduce stress to some extent.

**MSME finance:** In March 2021, the asset quality of MSME loans deteriorated as the pandemic impacted borrowers' incomes, leading to a rise in GNPAs. However, with continued improvement in economic activity, better collection efficiency and strong credit growth, GNPAs decreased. In fiscal 2025, the GNPA ratio is estimated to be in the range of 4-5% for NBFCs. Private banks, which serve lower-risk customers, have better asset quality than other lenders, including NBFCs, which serve customers with limited or no documented income. Crisil Intelligence projects GNPAs to remain to be in a similar range of 4-5% in fiscal 2026 owing to resilient economic activity, easing inflationary pressures and reduction in interest rates.

**Real estate and corporate finance:** Stress in the real estate and corporate segments remains higher than in others. Crisil Intelligence anticipates continued high stress in the wholesale book driven by contractual moratoriums and extension of the date of commencement of commercial operations. The wholesale GNPAs of NBFCs/HFCs moderated marginally in fiscal 2025 owing to recoveries and wite-offs. However, for a few players, GNPAs were in the high double digits because of a continued decline in the wholesale book and no new disbursements.

**Infrastructure (including PFC and REC) finance:** Most of the borrowers of PFC, REC and Indian Renewable Energy Development Agency (IREDA) are state-owned generation and T&D entities covered by state government guarantees. Hence, delinquencies are restricted. GNPAs of PFC, REC and India Infrastructure Finance Company Limited (IIFCL) fell 140 bps, 136 bps and 5 bps, respectively, in fiscal 2025, owing to effective resolution of stressed assets. The industry GNPA dropped 122 bps to 1.66% in fiscal 2025 from 2.88% in fiscal 2024. Looking ahead, the infrastructure loan book of NBFCs is expected to continue its upward trend in terms of asset quality, with GNPAs projected to remain range-bound and stabilise within a range of 1.4-1.5% in fiscal 2026. This optimistic outlook is supported by the consistent resolution of non-performing loans by large infrastructure financing companies (NBFC-IFCs) and the anticipated resolution of additional accounts in the near term.

**Impact of risk weight circular and hardening of rates led to a decline in share of banks' lending to NBFCs**



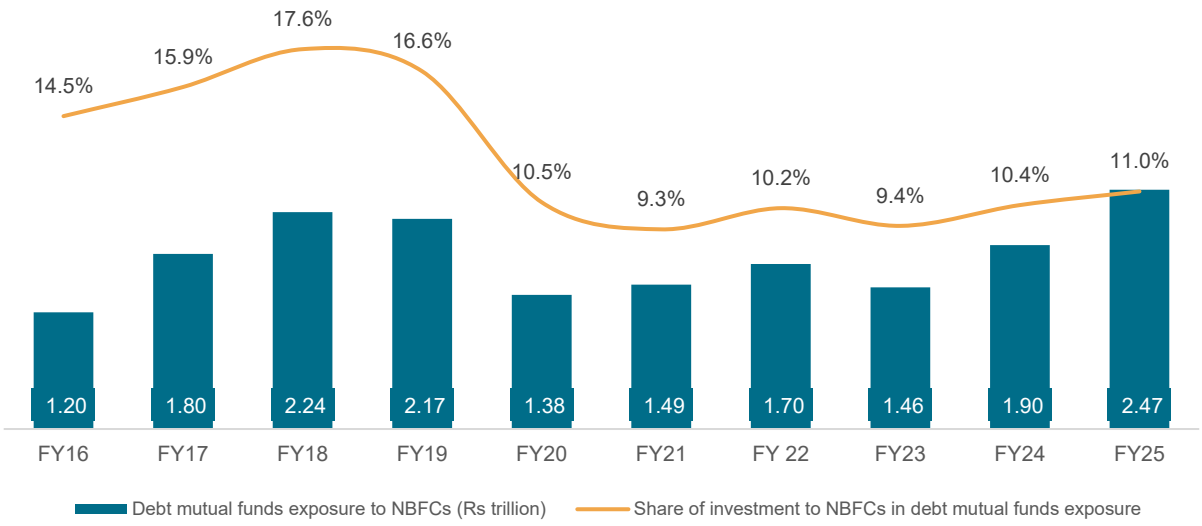

*Source: RBI, Crisil Intelligence*

In fiscal 2025, bank's credit exposure to NBFCs increased 5.7% on-year to Rs 16.4 trillion, slower than the 15.3% growth in the previous fiscal. The share of NBFCs in bank credit exposure declined from 9.4% in fiscal 2024 to 9.0% in fiscal 2025 driven by dynamic management of banking liquidity, which led to higher lending rates among banks and was further compounded by the RBI's risk weight circular. Many NBFCs, particularly large and highly rated, resorted to overseas and capital market borrowings, which brought down their reliance on funding from banks.

The recent reversal of the 25% increase in risk weights on bank exposure to NBFCs is expected to boost credit growth from banks to NBFCs.

The weighted average lending rates on outstanding rupee loans for banks increased from 8.72% in April 2022 to 9.75% in March 2025. The hardening of bank lending rates in relation to other funding avenues, such as domestic capital markets and ECBs, made funding from banks less appealing to NBFCs in fiscal 2025. However, bank borrowings are likely to rebound next fiscal as the effects of interest rate cuts are passed on to borrowers, making bank lending more competitive.

**Debt mutual fund investment in NBFCs surpasses pre-NBFC crisis levels**




*Note: Exposure refers to debt mutual funds*
*Source: Securities and Exchange Board of India, Crisil Intelligence*

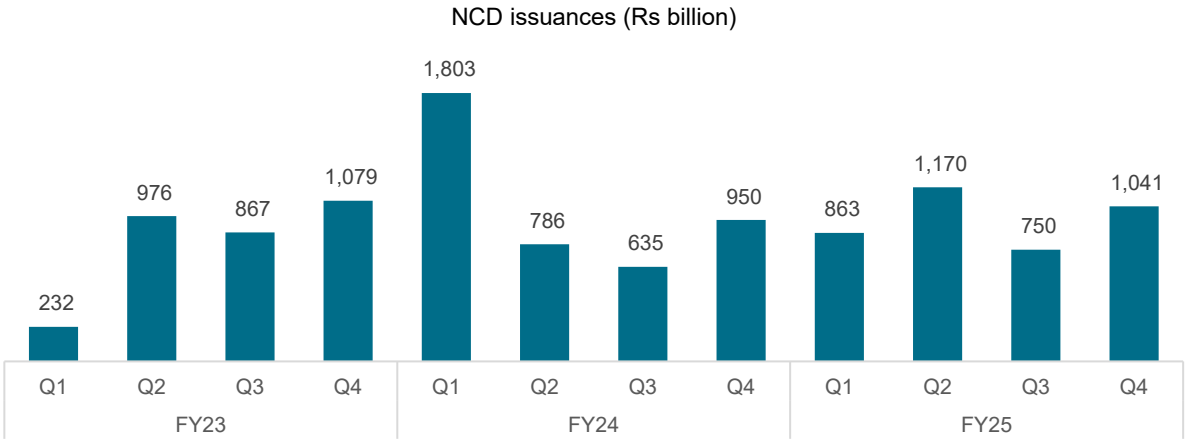
Debt mutual funds' investment in NBFCs reached Rs. 2.47 trillion in fiscal 2025, surpassing the levels prior to the NBFC crisis of 2019. After the crisis, mutual funds have been extremely cautious towards investing in NBFCs, with exposure declining from ~17.6% in fiscal 2018 to 9.4% in fiscal 2023.

In the past two fiscals, investment picked up in both commercial papers and non-convertible debentures (NCDs), supported by healthy balance sheets of non-banks and improvements in asset quality and credit momentum. Also, the RBI's regulatory intervention and continuous monitoring of NBFCs increased confidence in NBFCs. This led to a 60 bps on-year rise in the share of debt mutual fund allocation towards NBFCs to 11.0% in fiscal 2025.

As of March 2025, debt mutual funds' investments in commercial paper stood at Rs 1.34 trillion and in NCDs at Rs 1.12 trillion.

**NCD issuances gain traction**

**Issuances rebound towards the end of fiscal 2025**




*Note: Above data represents the trend for 160 NBFCs forming more than 95% of loans and advances of the estimated NBFC sector outstanding*
*Source: F' track, monthly portfolio disclosures by mutual funds, Crisil Intelligence*

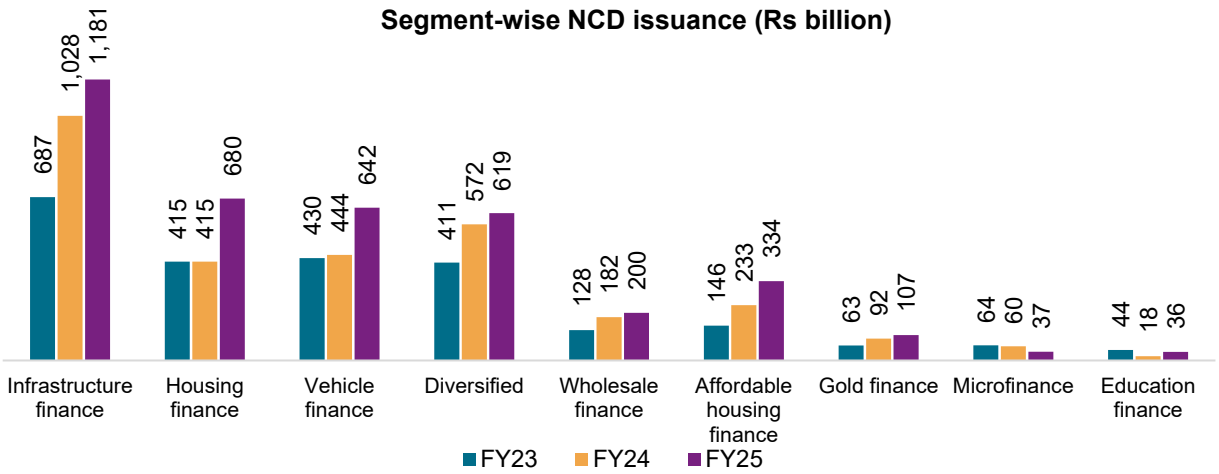
NCD issuance remained buoyant in fiscal 2025, increasing 3% on-year, excluding the Rs 460 billion NCD issued by HDFC Limited in the first quarter of fiscal 2024 prior to its merger with HDFC Bank effective July 2023.

Notably, NCD issuance surged to Rs 1,170 billion in the second quarter of fiscal 2025, which marked a four-quarter high. This was largely attributed to the rising expectations of the RBI pivoting towards rate cuts following similar moves by major central banks, including the European Central Bank and the US Federal Reserve.

However, the issuances slowed to Rs 750 billion in the third quarter as several high-rated NBFCs resorted to overseas borrowing as the RBI continue to hold interest rates with inflation remaining above its target.

In the final quarter of fiscal 2025, NCD issuances rebounded 39% sequentially to Rs. 1,041 billion. This resurgence was largely driven by the RBI's decision to cut rates in February 2025, rendering NCD issuances an attractive funding option.

**NBFC-IFCs and HFCs lead in NCD issuances compared with other segments**




*Note: Above data represents trend for 200+ NBFCs forming more than 95% of loans and advances of estimated NBFC sector outstanding*
*Source: Crisil Intelligence*

In fiscal 2025, NCD issuances exhibited an upward trend across segments, except microfinance, with notable growth in education, housing, vehicle and affordable housing finance. The microfinance segment experienced a significant decline of 37% on-year because of the prevailing asset quality stress in the sector. Infrastructure finance NBFCs maintained their leading position, accounting for 31% of total NCD issuances, followed by HFCs at 18% and vehicle finance companies at 17%. Collectively, these three segments comprised approximately 65% of total issuances during the fiscal year.

Securitisation reaches record high of Rs 2.36 trillion

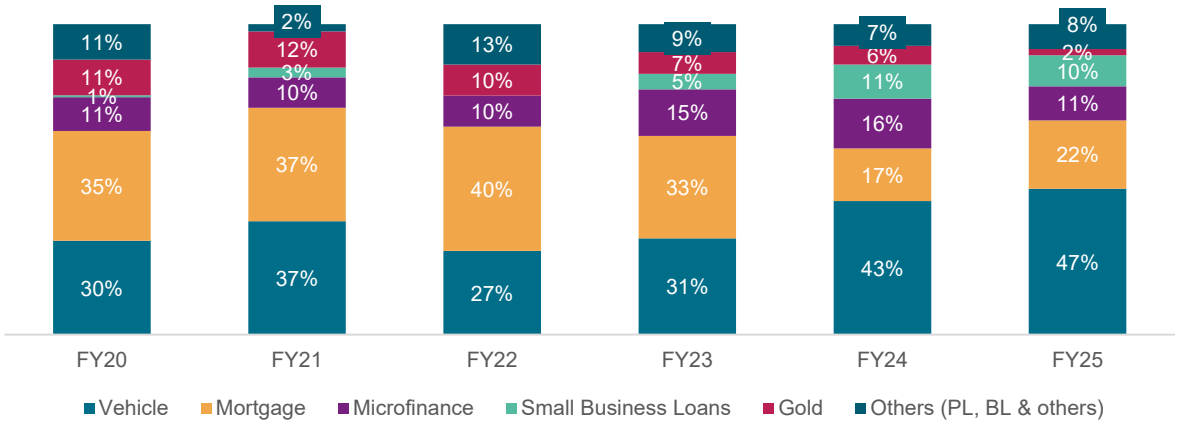
The securitisation market in India reached a record high of Rs 2.36 trillion in fiscal 2025, up 24% from the previous fiscal, driven by large deals from private sector banks and steady fundraising by NBFCs. Despite a slower fourth quarter, the market saw an increase in the diversity of issuances, with 175 originators taking part, compared with 165 in fiscal 2024.

The share of securitisation by banks increased significantly to 26%, which was utilised to manage challenges arising from high credit-deposit ratios. Vehicle and mortgage-backed loans accounted for 47% and 22% of securitisation volume, respectively. The share of gold-loan securitisation volume declined owing to regulatory curbs, while that of microfinance was impacted by asset quality stress.

The market saw a mix of pass-through certificates (PTCs) and direct assignments (DAs), with the former accounting for 54% of the volume. Investors, including mutual funds, insurers and alternative investment funds, are expanding their presence in the market. However, banks remain the dominant investors. While private sector banks invested in both DAs and PTCs, public sector banks preferred to invest in DAs.

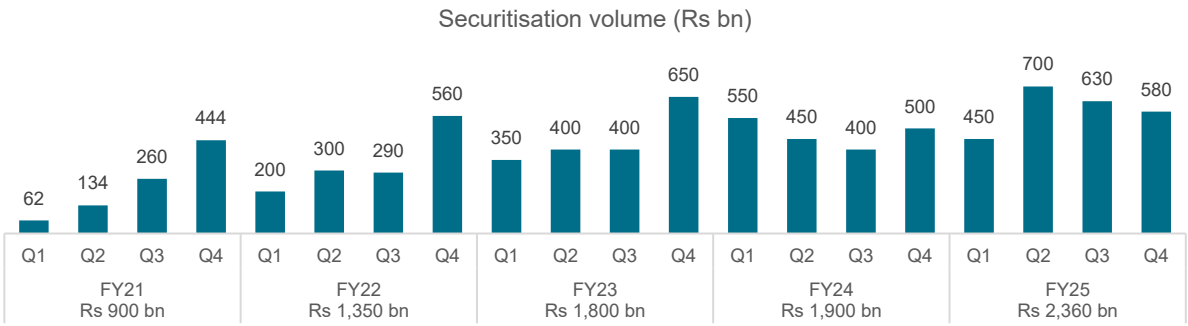
The securitisation market in India has displayed a steady growth trajectory, driven by the increasing use of securitisation as an efficient fundraising tool by banks and NBFCs. With credit growth expected to pick up in fiscal 2026, the market is likely to continue its momentum. The flexibility of PTCs and the ability to tailor cash flows to suit investor requirements and risk profiles are expected to support the growth of the market. Overall, the securitisation market in India is expected to remain a key source of funding for banks and NBFCs in fiscal 2026.

**Healthy growth in securitisation volumes led by vehicle loans segment and moderation in microfinance**




*Source: Crisil Ratings*

**Securitisation volumes exceed the Rs 2 trillion mark in fiscal 2025**




*Source: Crisil ratings*

The securitisation and assignment of loan portfolios yields substantial benefits for NBFCs. Securitisation deals can effectively unlock liquidity, help manage asset-liability mismatches and liberate capital to pursue new lending opportunities. The assignment of loans to banks or other investors, meanwhile, enables NBFCs to transfer credit

risk, reduce provisioning requirements and enhance balance-sheet resilience. Furthermore, securitisation and assignments can provide NBFCs access to a diversified funding base, diminish their reliance on traditional funding sources and bolster their financial stability.

**RBI's Co-lending initiative to support affordability and outreach of capital**

RBI had issued guidelines on Co-Lending by Banks and NBFCs to Priority Sector vide circular FIDD.CO.Plan. BC.No.8/04.09.01/2020-21 dated November 15, 2020. The primary focus of "Co-Lending Model" (CLM), is to improve the flow of credit to the unserved and underserved sector of the economy and make available funds to the ultimate beneficiary at an affordable cost, considering the lower cost of funds from banks and greater reach of the NBFCs.

Under CLM, banks are permitted to co-lend with all RBI registered NBFCs including Housing Finance Companies (HFC) to priority sector based on a prior agreement. The co-lending banks will take their share of the individual loans in their books with NBFCs retaining a minimum of 20 per cent share of the individual loans on their books.

Recognizing the evolving landscape of credit delivery and the growing diverse lending partnership, RBI expanded the scope of co-lending guidelines and issued a broad draft framework for all forms of co-lending arrangements between regulated entities. RBI has separate guidelines/framework to cover some of these arrangements such as digital lending, co-lending by banks with NBFC to priority sector as well as outsourcing of financial services. However, these frameworks do not cover all the possible categories of co-lending arrangements.

Accordingly, RBI prepared a generic draft framework to specify the regulatory norms and guidance for all such co-lending arrangements. Once finalized, these guidelines shall be called "Reserve Bank of India (Co-Lending Arrangements) Directions, 2025" and will override the November 15, 2020 guidelines.

**Expansion of co-lending scope to bridge regulatory gaps**

The erstwhile co-lending framework "Co-Lending by Banks and NBFCs to Priority Sector" provided framework on co-lending between banks and NBFCs for priority sector lending, however they did not address co-lending between two NBFCs, leading to regulatory gaps.

The main objective of the draft guidelines is to provide a broad framework for both co-lending and loan sourcing. The guidelines expand co-lending to all regulated entities and all loan categories, allowing two banks or two NBFCs to enter co-lending arrangements for any loans product regardless of priority sector lending statute. The broader scope of draft framework bridges the regulatory gaps between different co-lending models and between REs.

**Improved scale of credit growth at competitive interest rates, especially benefiting underserved segments**

The expansion of the scope of guidelines to all regulated entities will allow more players and capital into the co-lending space, scaling up lending volumes at more competitive interest rates, particularly in underserved categories such as MSME loans. The draft guidelines can enhance flow of credit towards MSME which are the backbone of India's manufacturing economy.

**Enhanced transparency and disclosures among lenders, benefiting both borrowers and investors**

The draft guidelines enforce more transparency as lenders will now need to indicate a range of blended interest rates and fees charged to borrowers on their website. This will curb lenders from charging higher interest rates to borrowers. Due to increased disclosure and transparency, borrowers can avail a competitive interest rate.

Additionally, the quarterly financial disclosure related to co-lending will increase information availability and investor awareness about transactions.

**Consistent asset classification**

The expansion of Default Loss Guarantee to all co-lending models is positive as it will enhance accountability in co-lending. Furthermore, classification of SMA/NPL across all co-lenders will lead to consistent asset classification across REs, fostering financial discipline of the borrowers.

**Profitability expected to remain flat with stable margins**




*Note: The above ratios are calculated on average total assets*
*Source: Company reports, Crisil Intelligence*

Compression in NIMs due to impact of rate cuts on lending yields is one of the key reasons for the reduction in profitability outlook for fiscal 2026. In fiscal 2025, cost of funds increased for NBFCs due to high repo rates which made term loan funding from banks as well as market funding such as NCD and commercial papers costlier. Despite high repo rates competition from banks and NBFCs deeper market penetration impacted yield on loans. Credit costs declined for housing, while increased for gold and microfinance loans.

**Housing:** In fiscal 2025, HFC/NBFCs' net interest income is estimated to have compressed by around 15 bps to 3.5% on account of drop in lending yields and rise in borrowing cost. Interest income on average assets declined due to increase in asset base on account of loan growth along with pricing pressures owing to intense competition in the housing space. On the funding side, cost of fund increased by around 3 bps to 6.4% due to elevated interest rates during the fiscal and increased reliance on costlier funding sources such as commercial paper and NCDs. Credit cost declined as many large HFCs reversed their provisions during the fiscal on account of improving asset quality, leading to improvement in asset quality. Crisil Intelligence expects interest income to average asset to decrease by 20-30 bps in fiscal 2026 as lenders reduce the yields due to repo rate cuts. Interest expense is expected to drop moderately due to slower repricing, leading to a decline in net interest income in fiscal 2026. Credit cost is expected to normalise, resulting in decline of RoAs.

**Gold finance:** The interest income as a percentage of average total assets is estimated to have inched up to 16.4% in fiscal 2025. Crisil Intelligence expects interest income to range between 16.1%-16.2% in the current fiscal, driven by the declining interest rate environment and the focus on high-ticket size loans by a key gold loan finance NBFCs. Yields have improved in the last two fiscals, following a decline in fiscal 2022 and 2023 due to high competition and teaser loans. While interest expenses as a percentage of average total assets increased to 6.3% in fiscal 2025, compared to 5.9% in fiscal 2024, due to the repricing of MCLR-linked borrowings. Interest expenses are expected to moderate to 6.2-6.3% in fiscal 2026. The cost of funds is expected to decline at a slower rate due to a lag in pass on of rates. However, the pass-on of rate benefits to NBFCs by banks will remain be a key monitorable. Further, securitisation and ECB borrowings may help keep the cost of funds at moderate levels. Credit costs as a percentage of average total assets are expected to improve slightly in fiscal 2026 yet elevated at 0.5-0.6% as compared to 0.7% in fiscal 2025. Hence, stable NIM and elevated credit cost may lead to slight moderation on RoAs to 4.7-4.8% as compared to 5.0% in fiscal 2025.

**Microfinance NBFCs**: The yields in the microfinance segment have been high due to the riskier borrower profiles. The interest income of NBFC-MFIs as a percentage of average total assets is expected to decline in fiscal 2025 and 2026, primarily due to the RBI measures to contain higher pricing to borrowers and the non-recognition and reversal of interest incomes due to increased slippages and RBI's repo rate cut. Also, the higher interest expense is expected to lead to compression in margins. Credit costs are expected to rise as a result of rising slippages and industry wide stress on account of overleveraging which is expected to put pressure on the RoAs of NBFC-MFIs. Additionally, operating expenses are expected to increase due to higher attrition rates, leading to a rise in employee costs and other operational expenses, which, combined with the higher credit cost, will lead to negative RoAs for NBFC-MFIs. Overall, the outlook for NBFC-MFIs profitability is expected to be impacted by declining interest income, rising credit costs, and increasing operating expenses in the current fiscal.

**Housing finance – Review and outlook**

**Growth in housing loan market slowed in FY25, set to bounce back in FY26**

The Indian housing finance sector is estimated to have logged a healthy 13.1% compound annual growth rate (CAGR) over fiscals 2020-2025, riding on increasing disposable income, strong demand from smaller cities, the emergence of new players, and government schemes to support the housing sector.

The housing finance sector comprises financial institutions (FIs), scheduled commercial banks, scheduled cooperative banks, regional rural banks, agriculture and rural development banks, housing finance companies (HFCs), state-level apex cooperative housing finance societies, and non-banking financial companies (NBFCs).

In fiscal 2025, the housing credit outstanding of banks and NBFCs/HFCs is estimated to have expanded by around 12.1% to Rs 38 trillion, which is a slight moderation from the 13.1% growth recorded in fiscal 2024.

The slight moderation in housing credit growth can be attributed to the repo rate being on the higher side for a large part of the fiscal year, along with several headwinds in disbursements on account of elections in states such as Maharashtra, Andhra Pradesh, Jharkhand and Haryana.

Disbursements were also impacted due to the amendments in property registration systems in Karnataka (e-Khata) and Madhya Pradesh and the decision of the Hyderabad Disaster Response and Asset Monitoring and Protection Agency (HYDRAA) to demolish certain constructions in Telangana.

That said, factors such as rising disposable income and sustained demand from tier 2 and tier 3 cities supported growth. Also, the home-loan appetite of the salaried class was relatively insulated from the impact of higher interest rates.

In fiscal 2026, Crisil Intelligence expects overall housing finance growth to improve to 13-14%, mainly on account of the pass on of the cumulative 100bps rate cut between February to June 2025 to the end customer, the resumption of loan disbursements in Karnataka and Madhya Pradesh as issues in property registration systems are solved; and the roll out of government initiatives, such as the Rs 30 billion allocation to the Interest Subsidy Scheme (ISS) under the Pradhan Mantri Awas Yojana (PMAY) in the budget for fiscal 2025-26.

**Housing credit outstanding**

| Type | Share in housing loans FY25E | Housing loan book (Rs bn) FY25E | CAGR FY20-25 | Growth in FY25E | Growth outlook for FY26P |
|---|---|---|---|---|---|
| HFCs/NBFCs | 20% | 7,766 | 11.3% | 14.3% | 15-16% |
| Banks | 80% | 30,327 | 13.6% | 11.5% | 12-13% |
| Overall | 100% | 38,106 | 13.1% | 12.1% | 13-14% |

*E: estimate; P: projection*
*Note: HDFC Limited and HDFC Bank became a merged entity effective July 1, 2023. Past numbers have been adjusted for HDFC Limited's estimated loan book for the retail housing and commercial real estate segments to arrive at normalised credit growth*
*Source: Company reports, RBI, Crisil Intelligence*

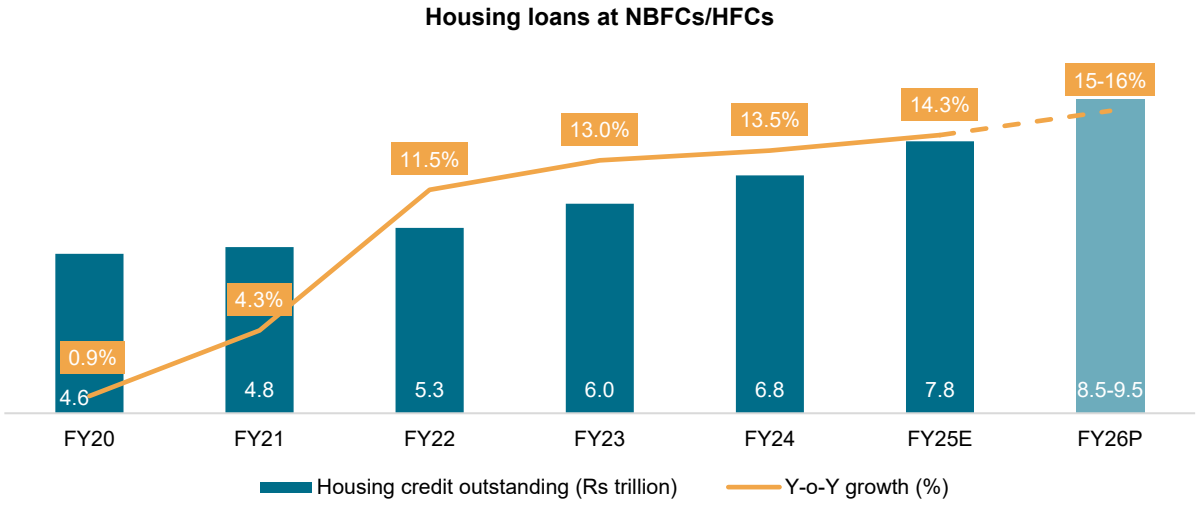
The merger of HDFC Limited with HDFC Bank resulted in a shift in market share, with banks ~80% share of the retail housing credit. Prior to the merger, the share of banks and non-banks stood at 66% and 34%, respectively. Banks have dominated the housing finance market because of their competitive advantages such as higher liquidity and the ability to offer lower interest rates.

Between fiscals 2020 and 2025, HFCs/NBFCs clocked ~11.3% CAGR in housing loans outstanding. This was because of improved affordability, release of pent-up demand, the roll-out of concessions on stamp duties by state governments and the central government's push through the PMAY.

In fiscal 2025, HFCs are estimated to have seen a housing credit growth of 14.3%, 80 bps higher than that seen in the previous fiscal, reaching around Rs 7.8 trillion. As inflation pressures eased, housing credit growth picked up, especially for prime housing focused HFCs, during the second half of the fiscal. Additionally, to alleviate the pressure of high repo rates on margins, some large HFCs established dedicated exposure segments or verticals to expand their affordable housing portfolios. This gave them an additional growth avenue.

Crisil Intelligence expects the housing loan book growth of HFCs/NBFCs to accelerate to 15-16% in fiscal 2026 as repo rate cuts boost demand for home loans. The recent budget allocation of Rs 30 billion to the ISS will provide additional impetus to this growth.

**Housing credit expected at HFCs to grow steadily**




*E: estimate; P: projection*
*Note: HDFC Limited and HDFC Bank became a merged entity effective July 1, 2023. Past numbers have been adjusted for HDFC Limited's estimated loan book for the retail housing and commercial real estate segments to arrive at normalised credit growth*
*Source: Company reports, RBI, Crisil Intelligence*

According to Crisil Intelligence, housing demand (in million square feet) in the top seven cities was broadly stable in fiscal 2025, while the capital value rose by 14%, supporting growth in the housing finance market. However, slowdown in housing demand led to an inventory build-up (unsold units). The estimated years to sale became 2.9 years in fiscal 2025 against 2.7 years a year ago.

Crisil Intelligence projects around 6% recovery in housing demand in fiscal 2026 and 6-7% rise in capital values, which will support the estimate of 13-14% growth in housing credit of banks and NBFCs/HFCs. As the stock is absorbed and demand starts to rise due to repo rate cuts by the Reserve Bank of India (RBI), developers will launch new projects to meet growing demand, supporting the credit growth.

**A-HFCs continues to outpace housing credit growth, albeit at a slight slowdown**

Affordable housing finance companies (A-HFCs) recorded a CAGR of ~16% in housing credit between fiscal 2020 and fiscal 2025. Rapid urbanisation and migration to cities resulted in a shortage in urban housing, particularly among the economically weaker sections (EWS). In this milieu, new housing projects mushroomed, leading to a sharp rise in disbursements by A-HFCs. The credit growth of these companies was led by the aggressive expansion of relatively small HFCs aiming for a share of the affordable segment or the tier- and -III cities' markets.

In fiscal 2025, demand for affordable housing credit remained robust. Housing credit at A-HFCs is estimated to have grown at ~20%, about 260 basis points lower than in previous fiscal, reaching Rs 2.3 trillion. The slowdown in credit growth at A-HFCs can be attributed to prolonged period of high interest rates, which impacted affordability. Moreover, few large prime housing focused HFCs ventured into the affordable housing space by

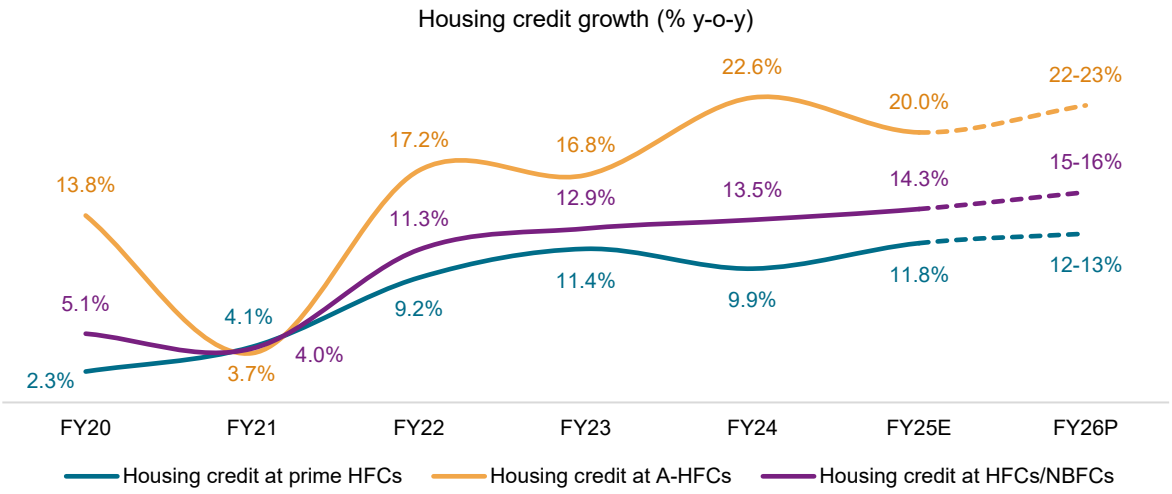
setting up dedicated segments or verticals. Hence, A-HFCs faced an increase in competition and a reduction in their share of affordable housing credit.

A push in the form of the Rs 2.2 trillion allocation for PMAY-Urban over the next five years — announced in the budget — is likely to support affordable housing. This would give support to a segment that saw a decline in construction as developers shifted focus towards the premium and luxury segments in metros and tier II and III cities. The pass on of rate cut benefit is also expected to help by providing relief to the customer base.

According to Crisil Intelligence, credit growth of A-HFCs is expected to rebound to 22-23% on account of buyers getting the benefit of the repo rate cuts and traction from the PMAY schemes.

*Note: Crisil Intelligence defines A-HFCs with average ticket size of less than Rs 20 lakhs*

**Housing credit growth of A-HFCs to rebound in fiscal 2026**




*E: estimate; P: projection*
*Note: HDFC Limited and HDFC Bank became a merged entity effective July 1, 2023. Past numbers have been adjusted for HDFC Limited's estimated loan book for the retail housing and commercial real estate segments to arrive at normalised credit growth*
*Prime HFCs — LIC Housing Finance, Sammaan Capital, PNB Housing Finance, Can Fin Homes, Bajaj Housing Finance and Aditya Birla Housing Finance*
*A-HFCs — Tata Capital Housing Finance, ICICI Home Finance, Repco Home Finance, GIC Housing, Aadhar Housing, Aavas Financiers, Nido Home Finance, Motilal Oswal Home Finance, Home First Finance, Aptus Value Housing Finance, Shriram Housing, Vastu Housing Finance Limited, IIFL Home Finance Limited, Grihum Housing Finance and Mahindra Rural Housing Finance*
*Source: Company reports, RBI, Crisil Intelligence*

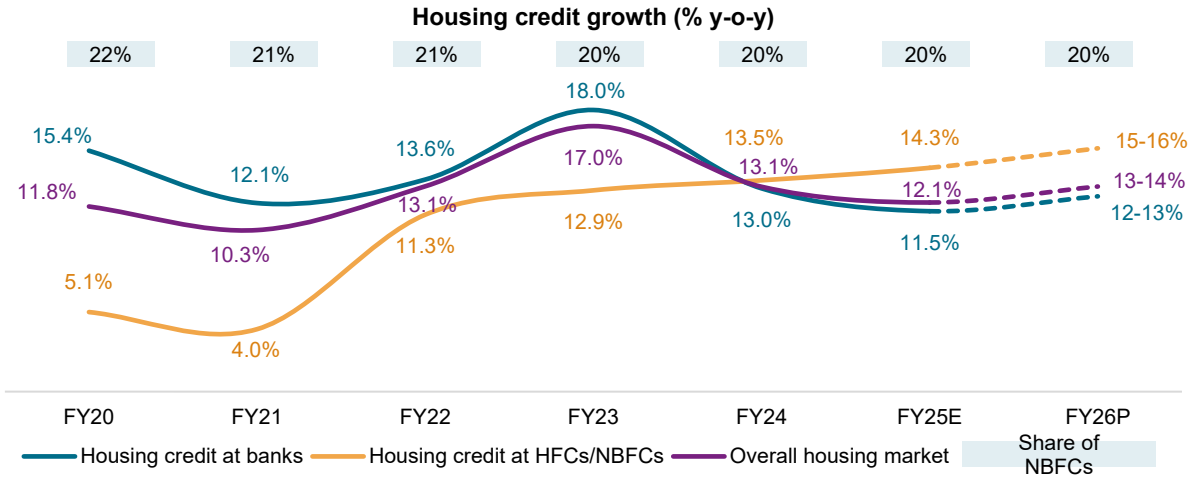
**Housing credit growth of banks slowed as focus turned to high-yielding products**

The housing finance book of banks recorded a slowdown in fiscal 2025. It is estimated to have grown 150 bps slower than in fiscal 2024 — at 11.5% to Rs 30.3 trillion. The slowdown can be attributed to banks' focus on high-yielding loans. Additionally, sector heavyweight HDFC Bank slowed its loan growth as its credit to deposit ratio jumped to around 110% after the merger with HDFC. As of March 2025, the ratio improved to around 96%. As a result, housing finance book of public sector banks grew at 13.6%, outpacing the private sector banks' growth of 8.1%.*

Crisil Intelligence projects the growth rate of housing credit at banks to grow 13-14% in fiscal 2026, slower than that of HFCs' 15-16%, due to a high base effect. The pick-up in disbursements through the PMAY schemes and pass on of rate cut benefit would support housing credit growth.

Note: *Based on the analysis of 20 private and public sector banks that represent around 90% market share of banks' housing finance book

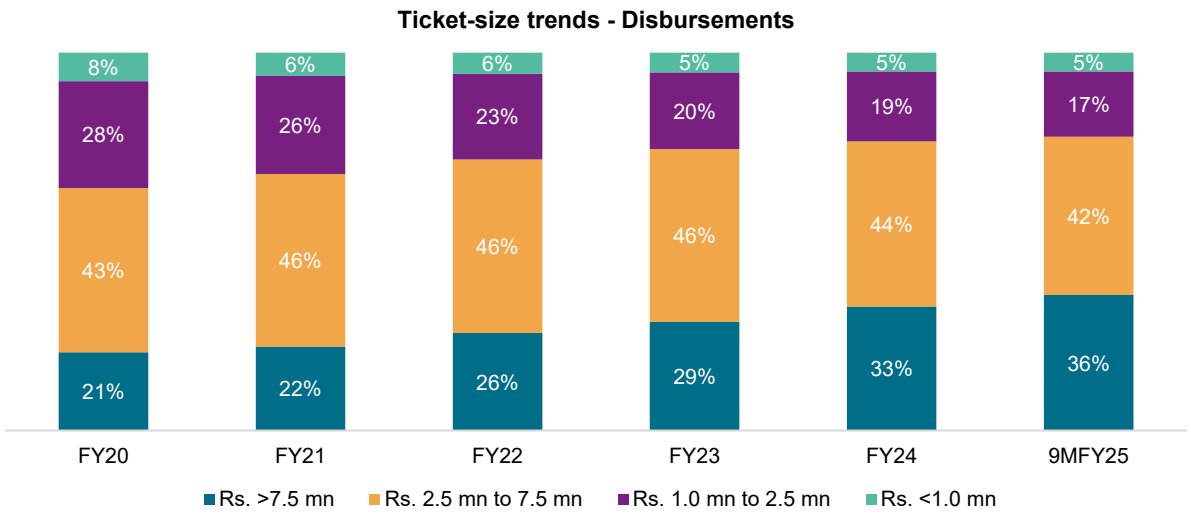
**Housing credit growth of banks to recover next fiscal**




*E: estimate; P: projection*
*Notes:*
*1. Banking credit numbers have been revised in line with the changes in sectoral deployment data published by the RBI. Hence, comparable numbers for the previous fiscal have been revised accordingly*
*2. Note: HDFC Limited and HDFC Bank became a merged entity effective July 1, 2023. Past numbers have been adjusted for HDFC Limited's estimated loan book for the retail housing and commercial real estate segments to arrive at normalised credit growth*
*Source: Company reports, RBI, Crisil Intelligence*

**Share of prime housing loans increased in 9MFY25**

**Share of Rs 75 lakh and above rose approximately 300 bps**



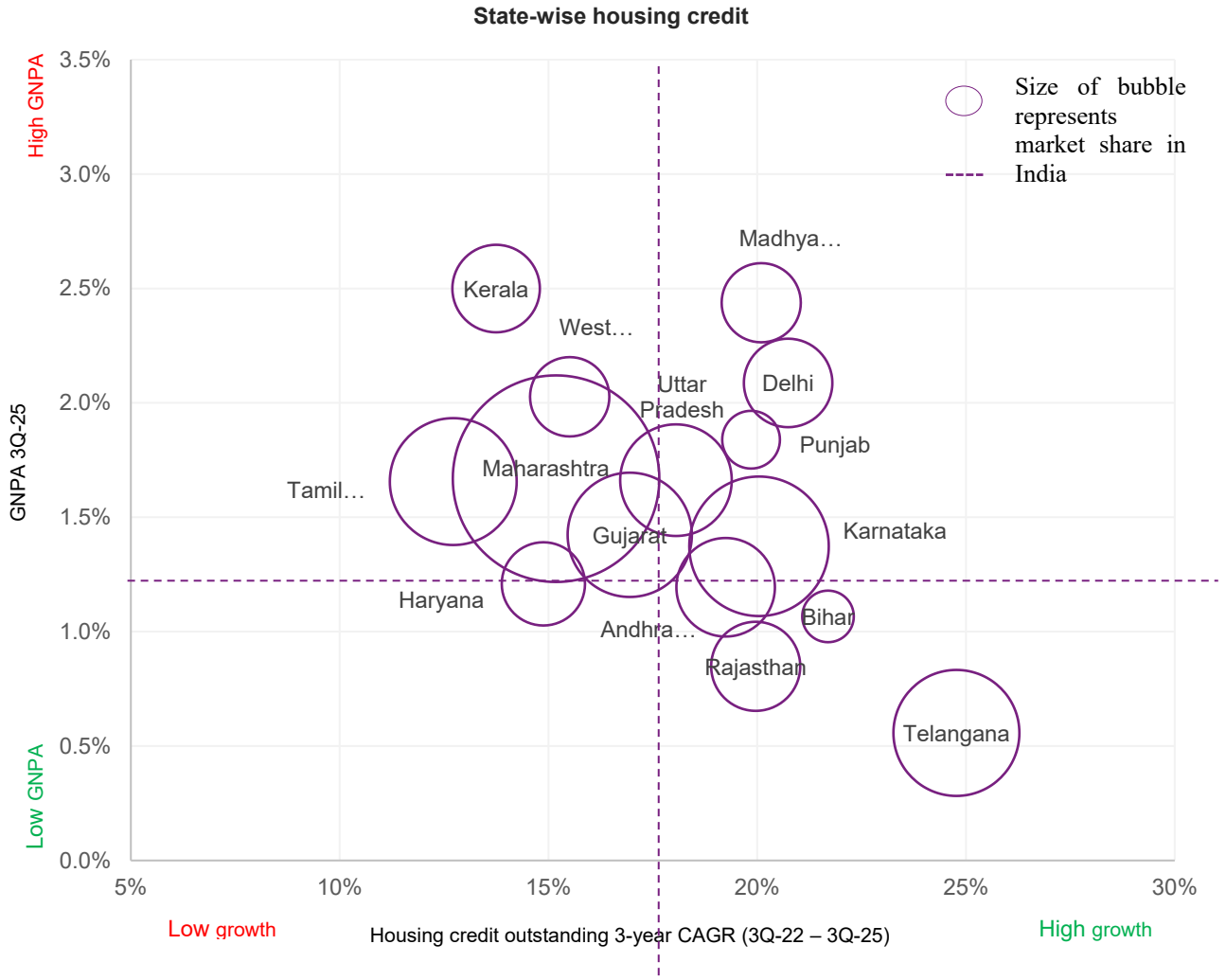

*Note: The ticket size-wise share is calculated based on the value of loans disbursed during the coverage period*
*Source: Credit Bureau, Crisil Intelligence*

In fiscal 2026, the housing loan market is expected to see a continued shift towards higher ticket sizes, driven by favourable economic situation, including a decline in repo rates and government support in the form of PMAY subsidies. The share of prime housing loans is likely to increase, supported by stable income levels of customers and sustained demand for housing. Additionally, the pass on of repo rate cuts to the end borrower are expected to improve the affordability of homes priced at Rs 25 lakh and below, while government initiatives such as the PMAY are likely to boost growth in the affordable housing sector.

In fiscal 2025, the share of prime housing loans continued to rise. The segment accounting for 36% of the market in the first half of the year. This was driven by stable income levels of customers and demand for housing, which remained largely unaffected.

In the preceding years, the housing loan market had undergone significant changes. In fiscal 2024, the mid-ticket loan segment (Rs 25-75 lakh) saw its share drop to 44%, while the high-end segment (loans above Rs 75 lakh) gained 400 bps on-year, driven by a 9% surge in property prices. Between fiscals 2021 and 2023, the mid-ticket loan segment had maintained a steady 46% share of the market. However, the proportion of homes priced at Rs 25 lakh and below had been declining since FY20 due to rising property values, while the MIG category had seen improved affordability, leading to a shift towards mid-ticket homes priced Rs 25-75 lakh.

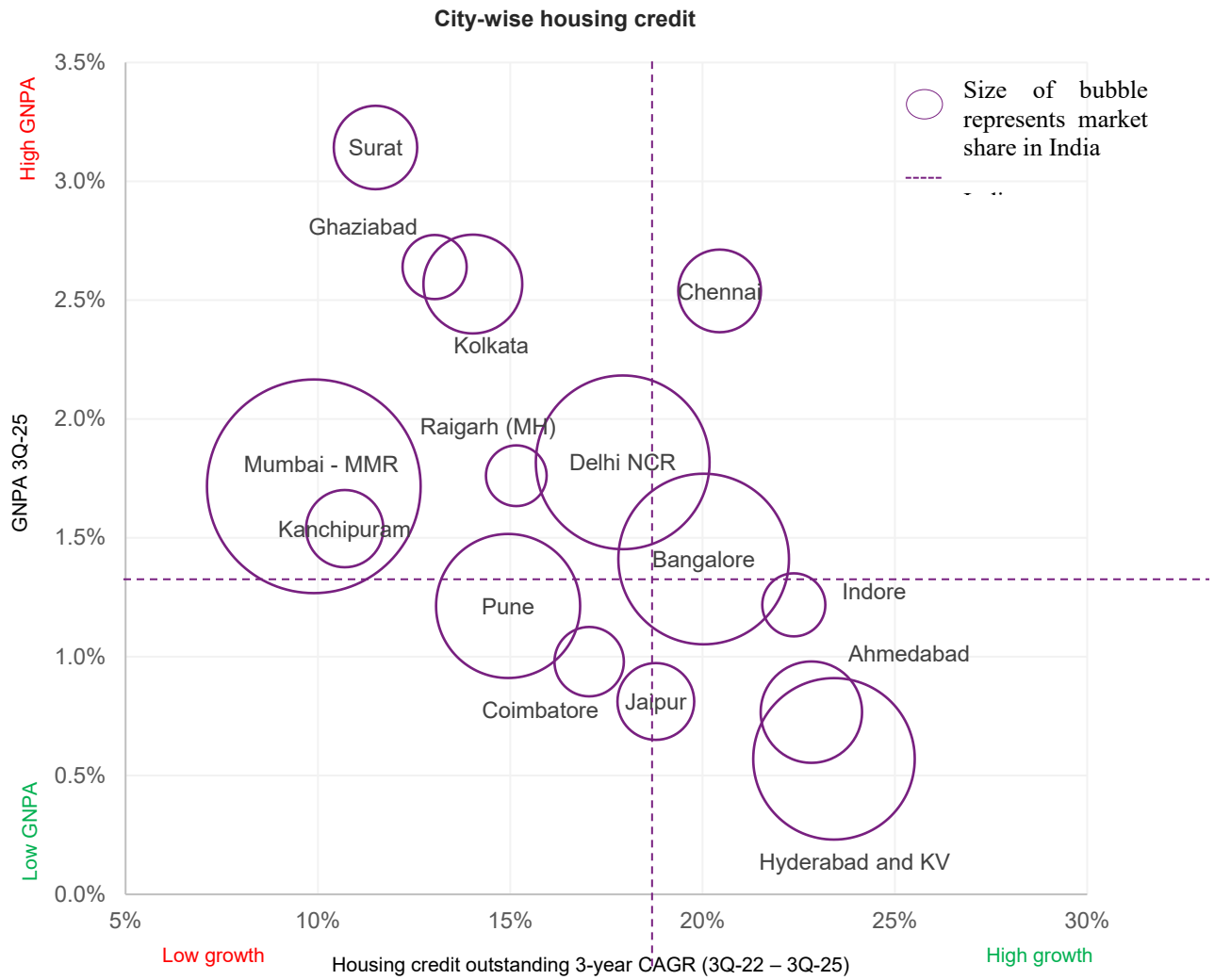
**Telangana outpaced all states in growth while maintaining superior asset quality**




*Note: This analysis includes total housing credit outstanding (including banking credit)*
*Source: Credit Bureau, Crisil Intelligence*

Among the top 15 states with high housing credit outstanding, Telangana and Rajasthan achieved a housing credit CAGR of more than 17% while maintaining high levels of asset quality (GNPA below 1%). The growth in Madhya Pradesh, Delhi and Punjab was higher than the national average of 17% but the stress levels were also higher. Maharashtra, Karnataka, Tamil Nadu, Telangana and Gujarat collectively accounted for more than 55% of overall housing credit in India.

**Hyderabad and K.V. Rangareddy drive growth in Telangana**

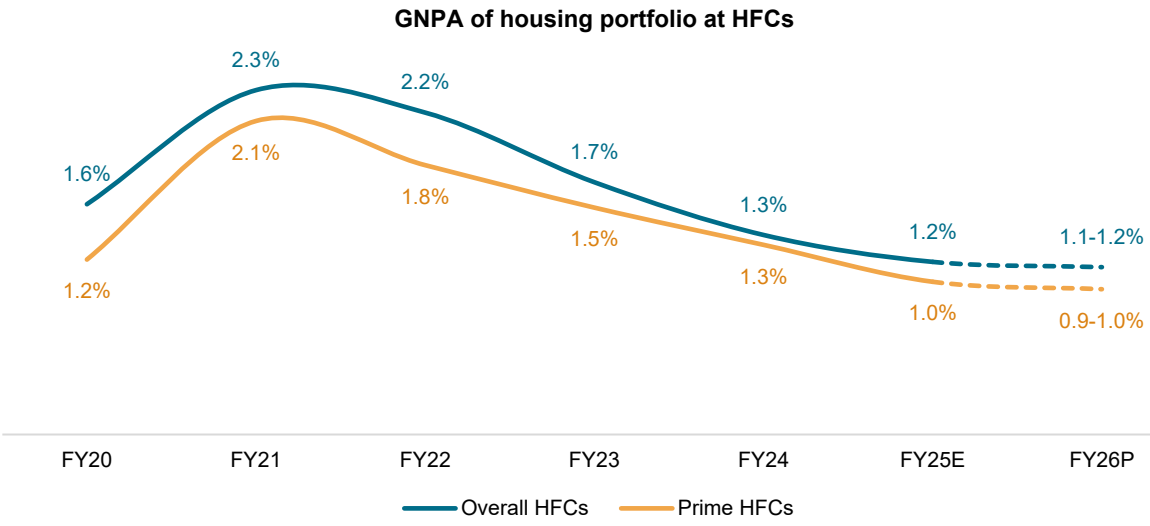



*Note: This analysis includes total housing credit outstanding (including banking credit)*
*Source: Credit Bureau, Crisil Intelligence*

Hyderabad, K.V. Rangareddy and Ahmedabad saw healthy credit growth and retained gross non-performing asset (GNPA) levels below 1%. Hyderabad performed well owing to a high salaried information technology (IT) employee base. Ahmedabad and K.V. Rangareddy fared well because of a thriving IT and IT-enabled services sector, large number of government employees and improved infrastructure. Meanwhile, business-oriented regions such as the National Capital Region (Delhi, Gurugram and Noida), Surat and Chennai saw slow credit growth and high GNPA.

**Asset quality continues to improve; GNPA expected to remain rangebound**

**Housing portfolio continues to show resilience**

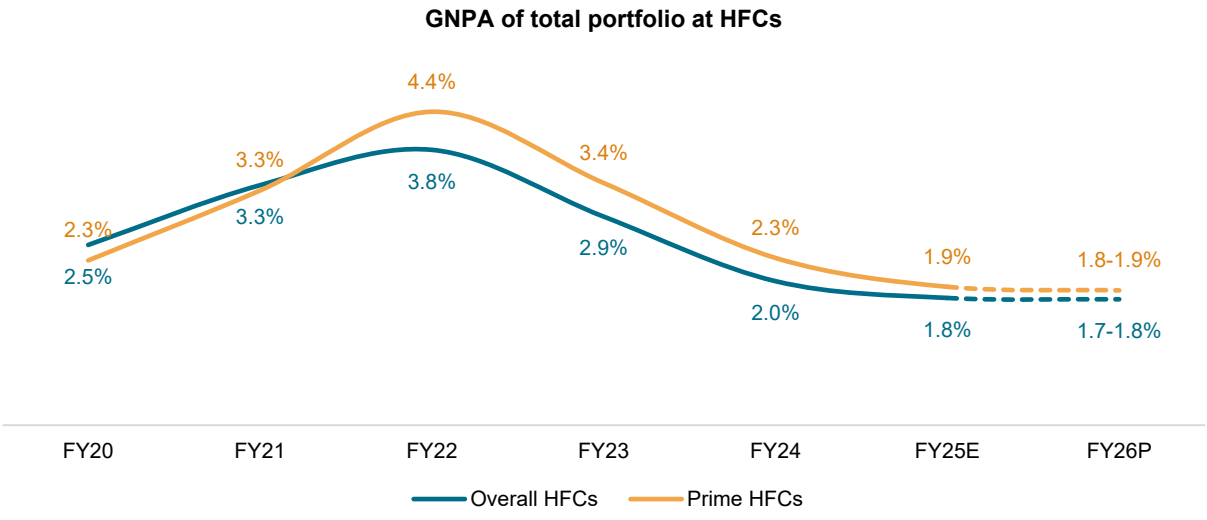



*E: estimate; P: projection*
*Note: HDFC Limited and HDFC Bank became a merged entity effective July 1, 2023. Past numbers have been adjusted for HDFC Limited's estimated loan book for the retail housing and commercial real estate segments to arrive at a normalised credit growth*
*Source: Company reports, Crisil Intelligence*

The housing portfolio of HFCs has seen a positive trend, with GNPAs declining since fiscal 2021, indicating an improvement in asset quality. In fiscal 2025, the GNPA is estimated to have decreased 13 basis points to 1.2% attributable to the resilience of prime HFCs' customers and intensified efforts to enhance collections efficiency by closely monitoring early delinquencies (days past due at +1 day).

We expect GNPA of the overall housing portfolio to remain in the 1.1-1.2% range fiscal 2026 on the back of a growth in loan book and pass on of rate cut benefit which is expected to alleviate the burden of high-interest rate loans on customers.

**Asset quality of HFCs' total portfolio to remain rangebound this fiscal**



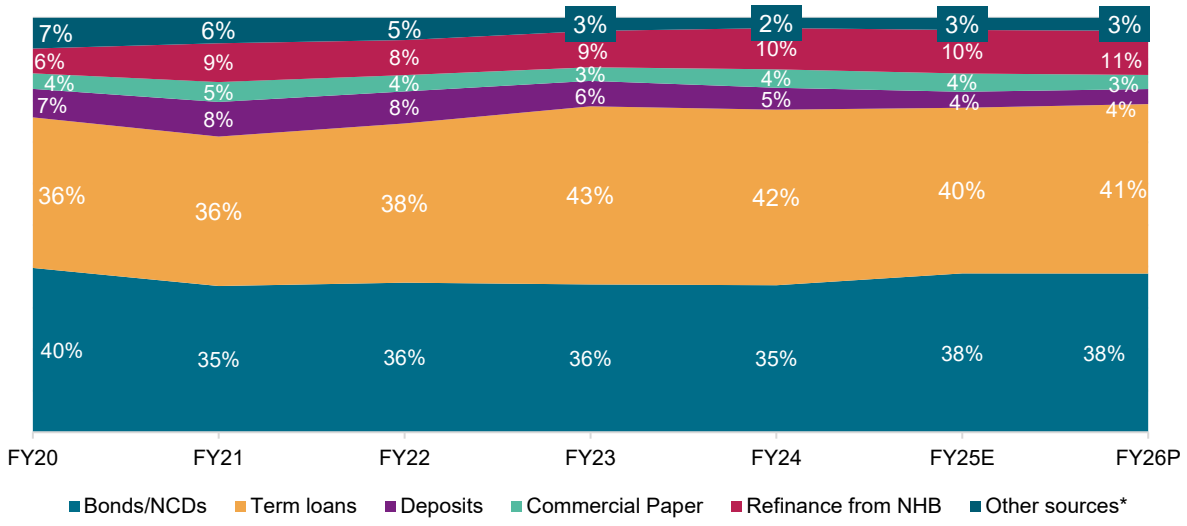

*E: estimate; P: projection*
*HDFC Limited and HDFC Bank became a merged entity effective July 1, 2023. Past numbers have been adjusted for HDFC Limited's estimated loan book for the retail housing and commercial real estate segments to arrive at a normalised credit growth*
*Source: Company reports, Crisil Intelligence*

In fiscal 2025, the GNPA of the overall HFC portfolio decreased 23 bps mainly due to the reduction in stress in non-housing loans, as companies offloaded a significant portion of their wholesale loans to focus on retail lending. In the non-housing portfolios, the retail loan against property and developer finance segments had a considerable

share in GNPA and witnessed significant improvement in delinquency rates driven by overall economic growth and improvement in financial position of key borrowers. We project the overall GNPA of HFCs to improve marginally to 1.7-1.8% in fiscal 2026.

**Bonds and term loans dominate the borrowing mix of HFCs**

**Share of term loans to rise in the borrowing mix of HFCs/NBFCs**




*E: estimate; P: projection*
** Other sources include external commercial borrowings, securitisation, working capital loans, cash credit and inter corporate deposits*
*Note: HDFC Limited and HDFC Bank became a merged entity effective July 1, 2023. Past numbers have been adjusted for HDFC Limited's estimated loan book for the retail housing and commercial real-estate segments to arrive at a normalised credit growth*
*Source: Company reports, Crisil Intelligence*

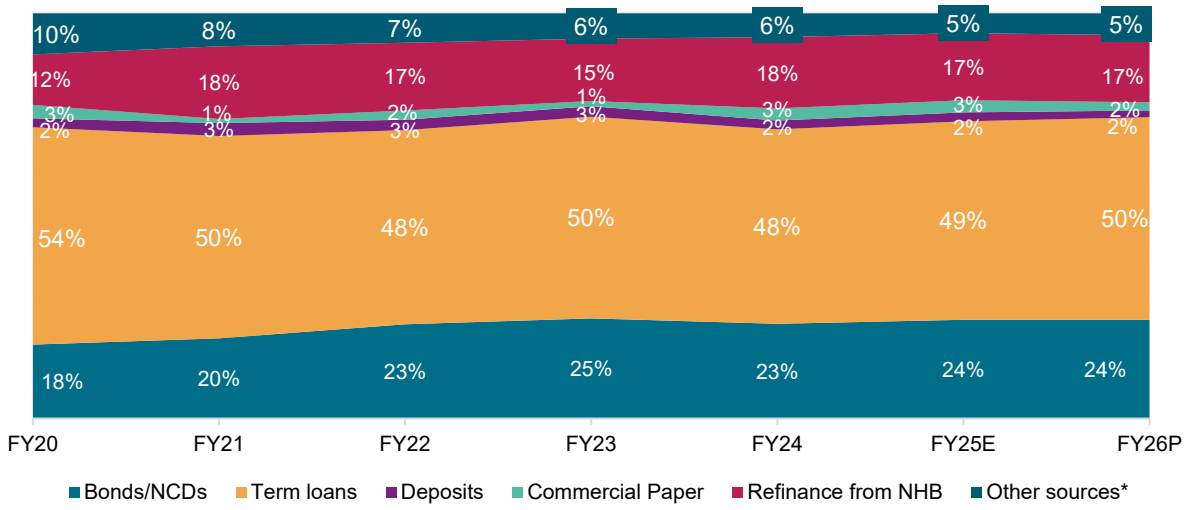
In fiscal 2025, share of bonds/NCDs in the borrowing mix of HFCs is estimated to have risen 300bps to 38% as capital market interest rates eased in anticipation of repo rate cuts, making it cheaper for higher-rated companies to borrow. On the contrary, the share of term loans declined as interest rates remained high for the most part of the fiscal. Refinancing from the National Housing Bank (NHB) stood at 10% of the borrowing mix of HFCs but accounted for a high share in the borrowing mix of A-HFCs.

Over the past few fiscals, non-convertible debentures (NCDs) were the main source of borrowings for HFCs; however, their share declined from 40% as of fiscal 2020 to 35% as of fiscal 2024. In fiscal 2023, repo rate rose a cumulative 250 bps rendering capital market borrowings more expensive. As a result, the share of term loans from banks increased from 38% in fiscal 2022 to 42% in fiscal 2024, due to better cost of funds compared with capital market borrowings, especially for lower rated entities.

We project the share of term loans to rise to 41% of total borrowings in fiscal 2026 while the share of NCDs remains broadly stable as HFCs reduce fixed-cost NCD issuance amid declining interest rate environment.

**Term loans from financial institutions and NHB refinancing comprise bulk of A-HFCs' borrowings**

**Share of term loan borrowings to increase on anticipated repo rate cuts**

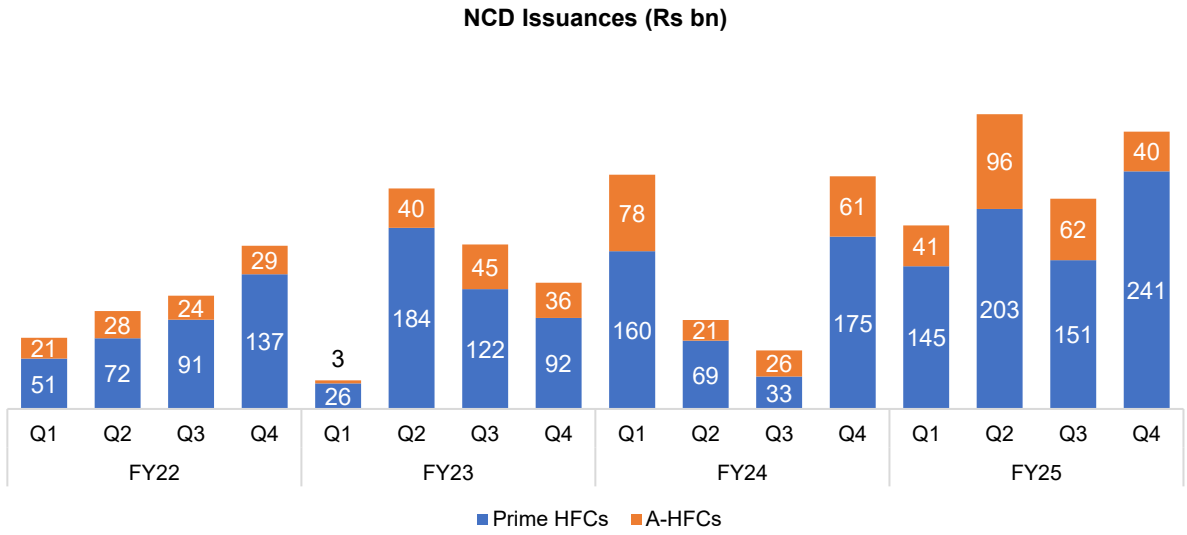



*E: estimate; P: projection*
** Other sources include external commercial borrowings, securitisation, working capital loans, cash credit and inter corporate deposits*
*Source: Company reports, Crisil Intelligence*

In fiscal 2025, term borrowings from financial institutions and refinancing from the NHB collectively accounted for ~66% of A-HFCs' total borrowing mix. NHB refinancing continues to be a critical source of funding for smaller HFCs as this provides access to lower cost of funds and helps diversify overall funding mix.

Going ahead, Crisil Intelligence expects the share of term loans in the borrowing mix to increase by 1% as lenders pass on benefits of repo rate cuts to borrowers.

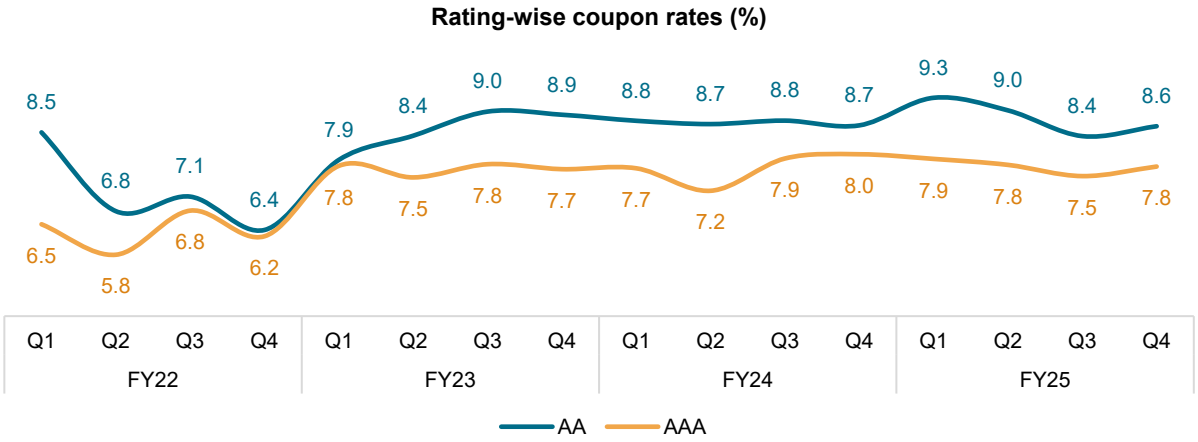
**NCD volume remained strong in fiscal 2025**




*Notes:*
*Prime HFCs considered are LIC Housing Finance Limited, PNB Housing Finance Limited, Can Fin Homes, Bajaj Housing Finance Limited, Aditya Birla Housing Finance*
*A-HFCs considered are Tata Capital Housing Finance, ICICI Home Finance, GIC Housing, Aadhar Housing, Aavas Financiers, Edelweiss Housing, Motilal Oswal Home Finance, Shriram Housing, Vastu Housing Finance Limited, JM Financial Home Loans Limited, IIFL Home Finance Limited, Sundaram Home Finance Limited and Home First Finance Company Limited*
*Source: NSE, Prime Database, Crisil Intelligences*

NCD issuances remained strong last fiscal as higher-rated entities were able to borrow funds at a competitive rate. Also, smaller entities resorted to NCDs and commercial papers as funding through term loans from banks remained scarce. As a result, NCD volume last fiscal was 69% higher than the previous fiscal with prime HFCs accounting for 76% of the issuances.

**Traded NCD coupon rates fell during fiscal 2025**




*Notes*
*Prime HFCs are Bajaj Housing Finance, LIC Housing, PNB Housing and Can Fin Homes.*
*A-HFCs considered are Tata Capital Housing Finance, ICICI Home Finance, GIC Housing, Aadhar Housing, Aavas Financiers, Edelweiss Housing, Motilal Oswal Home Finance, Shriram Housing, Vastu Housing Finance Limited, JM Financial Home Loans Limited and Home First Finance Company Limited.*
*The NCD coupon is computed based on the average issuance by the players listed above for a tenure of 3-7 years. NCD coupon rates are considered based on the issuance by listed players.*
*Source: NSE, Crisil Intelligence*

In fiscal 2022, NCD coupon rates dropped due to lower market rates and HFCs benefitted from lower cost of funds. In fiscal 2023, the RBI increased its repo rate by a cumulative 250 bps in response to the rising inflation, resulting in a rise in issuance rates. As inflation neared the RBI's 4% target, market participants anticipated high probability of rate cut (which materialised in February 2025), easing NBFCs' borrowing cost.

Profitability of HFCs improved in fiscal 2025 due to one-off lower credit costs; decline in lending yields on account of rate cuts to impact profitability in fiscal 2026

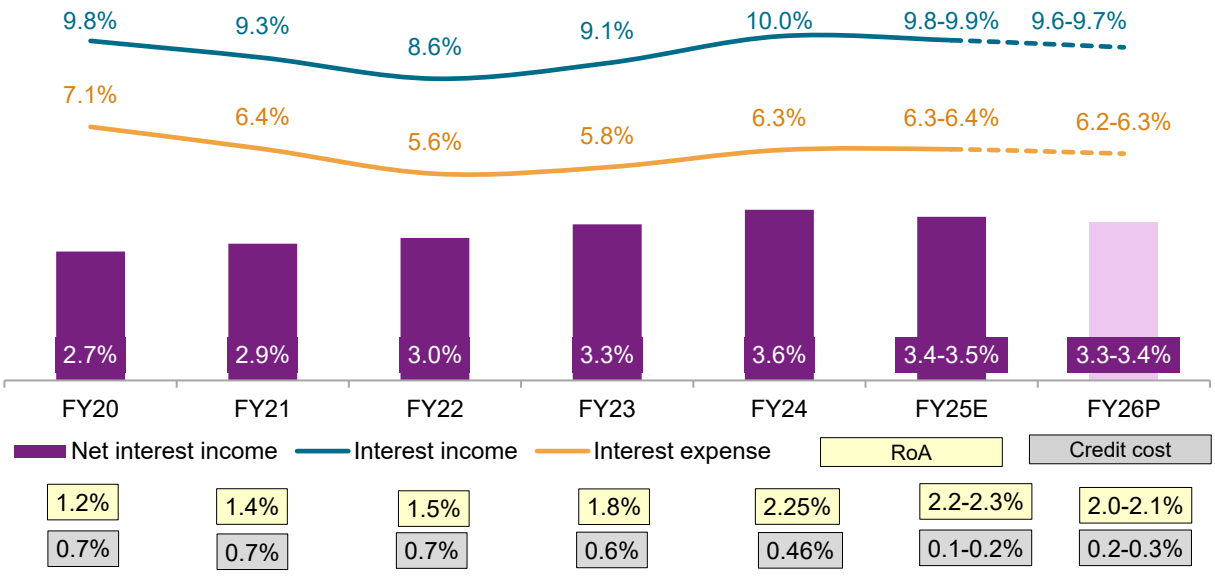
In fiscal 2025, NBFCs/HFCs loan book grew 14.3%. However, the net interest income-to-average assets ratio compressed about 15 bps to 3.4-3.5% owing to lower lending yields and higher borrowing cost. Interest income to average assets declined about 13 bps to 9.8-9.9% due to an increase in the asset base on account of loan growth, as well as pricing pressures stemming from intense competition in the housing space as both banks and non-banks focused on growing secured assets to mitigate asset quality pressures. On the funding side, cost of fund increased about 3 bps to 6.3-6.4% due to elevated interest rates and increased reliance on costlier funding sources such as commercial papers and NCDs.

Operating expenses of a few HFCs increased due to investments in technology, operational upgrades and inflationary pressures. However, these costs were offset by higher fee income.

Credit cost declined materially by about 30 bps to 0.1-0.2%, as many large HFCs reversed their provisions during the fiscal on account of improving asset quality. As a result, return on assets improved about 3 bps to 2.2-2.3%.

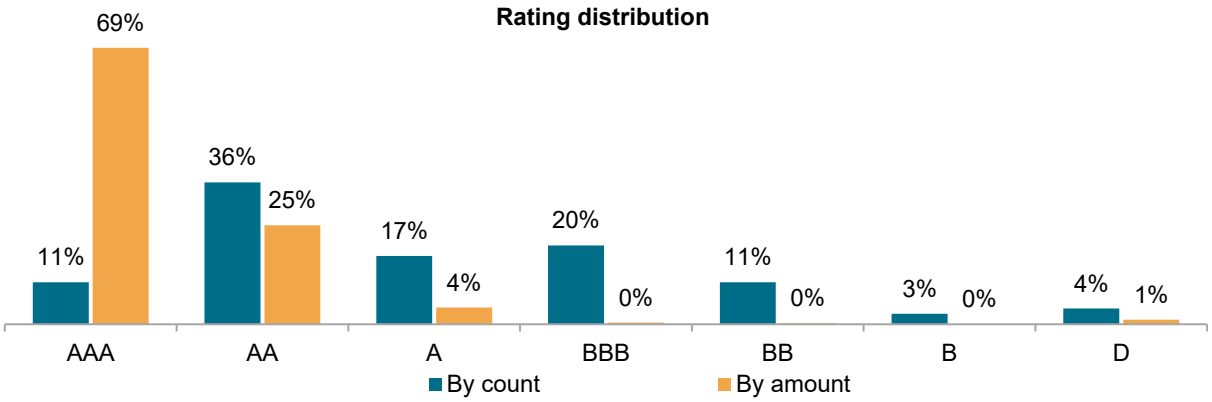
Crisil Intelligence expects interest income to average assets to decrease 20-30 bps to 9.6-9.7% in fiscal 2026, as lenders reduce yields due to repo rate cuts. Interest expense is expected to drop only 10-20 bps to 6.2-6.3% due to slower repricing, leading to a decline of 10-15 bps in net interest income to 3.3-3.4%. Credit cost is expected to increase modestly after large reversals in previous fiscals. Overall, RoA is expected to decline about 20 bps to 2.0-2.1%.

**Profitability to weaken in fiscal 2026 on NII compression and higher credit cost**




*E: estimate; P: projection*
*Notes: All ratios are based on total assets*
*HDFC Limited and HDFC Bank became a merged entity effective July 1, 2023. Past numbers have been adjusted for HDFC Limited's estimated loan book for the retail housing and commercial real-estate segments to arrive at normalised credit growth.*
*Source: Company reports, Crisil Intelligence*

**Rating analysis of HFCs**




*Note: Ratings by all rating agencies. Total rated entities: 76; total rated long-term debt: Rs 11,146 billion as of April 2025*
*Source: Rating agencies, Crisil Intelligence*

**Ratings of key housing finance players**

| Large HFCs | Long-term rating | A-HFCs | Long-term rating |
|---|---|---|---|
| LIC Housing | AAA (Crisil) | Tata Capital Housing | AAA (Crisil) |
| Bajaj Housing Finance | AAA (Crisil) | ICICI Home Finance | AAA (Crisil) |
| PNB Housing | AA+ (Crisil) | GIC Housing | AA+ (Crisil) |
| Sammaan Capital | AA (Crisil) | Aadhar Housing | AA (CARE) |
| Can Fin Homes | AAA (ICRA) | REPCO Home Finance | AA- (ICRA) |

*Note: As of May 2025*
*Source: Rating agencies, Crisil Intelligence*

**Affordable housing finance – Review and outlook**

**Affordable-housing credit growth poised to gain momentum in fiscal 2026**

The affordable housing sector provides lenders substantial opportunities for growth, backed by the government's 'Housing for All' push and largely unmet demand from low- and middle-income segments amid rapid

urbanisation. Schemes such as Pradhan Mantri Awas Yojana (PMAY) and the Interest Subsidy Scheme to support development of affordable housing have, for instance, led to considerable growth of the sector in recent years.

In the milieu, credit growth of affordable-housing finance companies (A-HFCs), or companies disbursing loans with average ticket size of less than Rs 20 lakhs, logged a robust 16% compound annual growth rate (CAGR) between fiscals 2020 and 2025 compared with 11.3% CAGR for the overall HFCs/NBFCs.

Alongside rising demand for housing, the double-digit growth of A-HFCs was driven by an improved operating environment, supported by stable incomes, increasing penetration in tier I and II cities, rising disposable incomes, stable economic conditions and various government initiatives.

**Housing finance credit outstanding for NBFCs/HFCs and A-HFCs**

| Type | Share in book FY25E | Book (Rs billion) FY25E | CAGR FY20-25 | Growth in FY25E (%) | Growth outlook for FY26P (%) |
|---|---|---|---|---|---|
| Affordable HFCs | 30% | 2,314 | 15.9% | 20.0% | 22-23% |
| Overall HFCs/NBFCs | 100% | 7,780 | 11.3% | 14.3% | 15-16% |

*E: Estimate, P: Projection*
*Note: HDFC Limited and HDFC Bank became a merged entity effective 1 July 2023. Past numbers have been adjusted for HDFC Limited's estimated loan book for the retail housing and commercial real estate segments to arrive at normalised credit growth.*
*Source: Company reports, RBI, Crisil Intelligence*

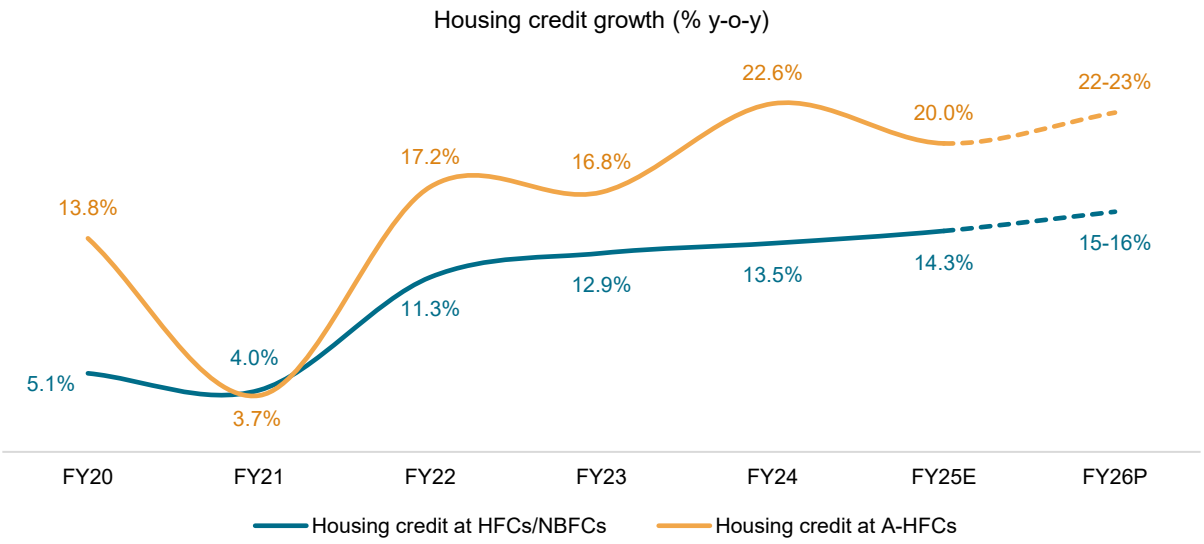
In fiscal 2025, demand for affordable housing credit remained robust, with housing credit at A-HFCs estimated to have grown at ~20% to Rs 2.3 trillion, albeit 260 basis points (bps) lower than the previous fiscal. The slowdown in credit growth at A-HFCs can be attributed to a prolonged period of high interest rates that impacted the affordability of the borrowers in this segment. Moreover, a few large prime-housing-focused HFCs ventured into the affordable housing space by setting up dedicated segments or verticals to grow affordable housing loans to support lending spreads. This increased competition for A-HFCs and reduced their share of affordable housing credit.

Going forward, the Rs 2.2 trillion allocation for PMAY-Urban over the next five years, announced in Union Budget 2024-25, is likely to support affordable housing, which has lately seen a decline in construction activity, with developers increasingly shifting focus to premium and luxury segments in metros and tier II/III cities. Moreover, cumulative rate cut of 100 bps between February to June 2025 should provide relief to the underlying customer base.

According to Crisil Intelligence, A-HFCs' credit growth is expected to gain momentum to 22-23% on account of the passing on of the benefits of the repo rate cut on interest rates and the traction from PMAY schemes.

*Note: Crisil Intelligence defines A-HFCs as those companies with an average ticket size of less than Rs 20 lakhs*

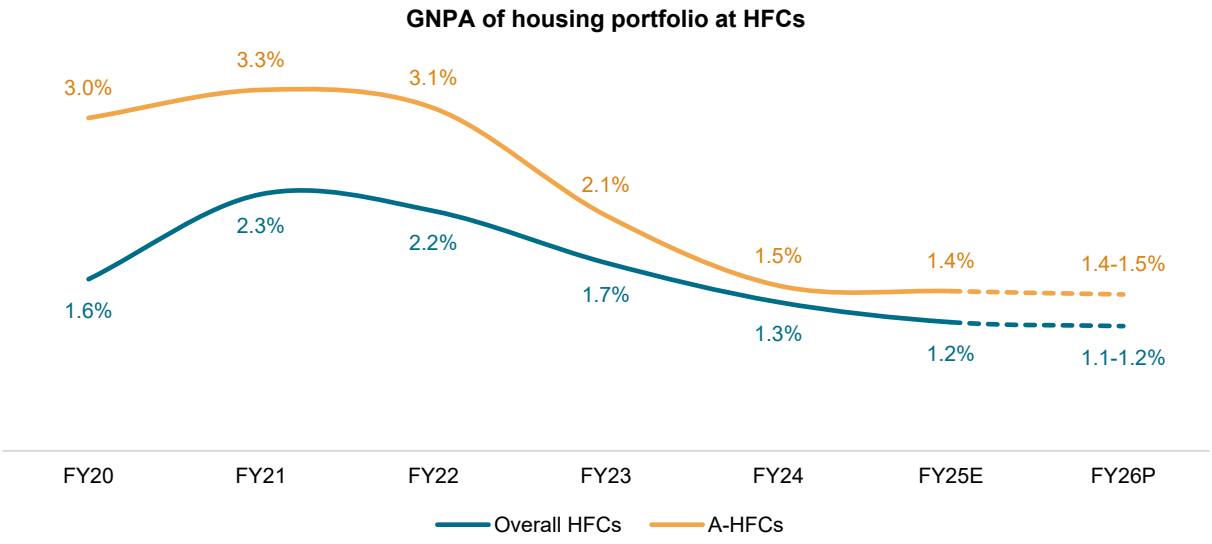
**Credit growth of A-HFCs vs the overall segment**




*E: Estimate, P: Projection*
*Note: HDFC Limited and HDFC Bank became a merged entity effective 1 July 2023. HDFC Limited's past loan book for the retail housing and commercial real estate segments have been adjusted to arrive at normalised credit growth*
*Source: Company reports, Reserve Bank of India (RBI), Crisil Intelligence*

**Asset quality in affordable housing segment to stabilise, supported by falling interest rates, rising availability of information and technology integration for credit assessment**

**Gross non-performing assets (GNPA) of A-HFCs to remain range-bound in fiscal 2026**

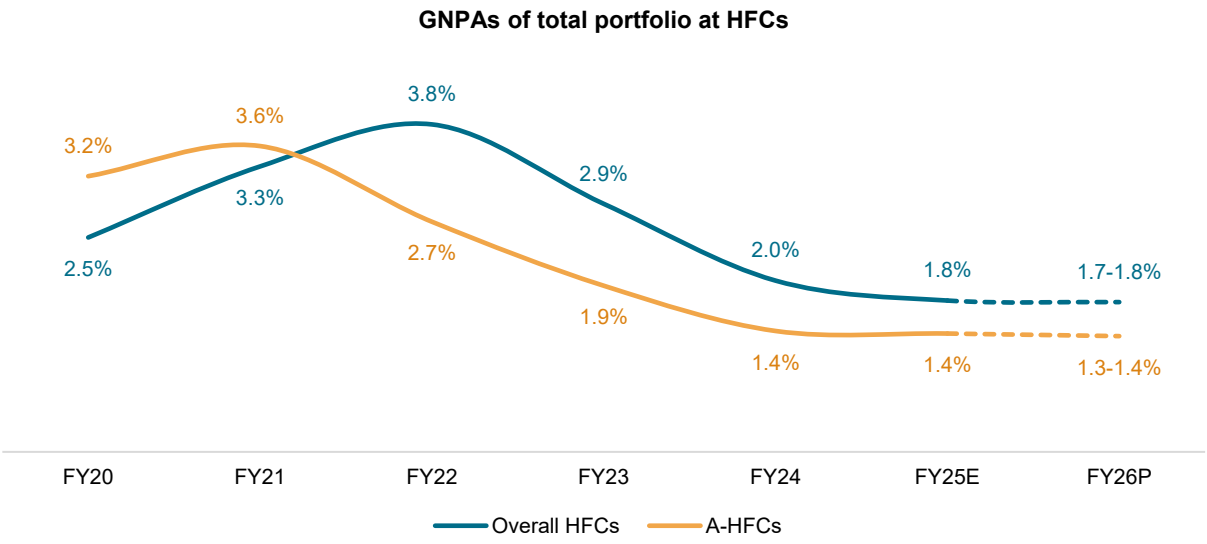



*E: Estimate, P: Projection*
*Note: HDFC Limited and HDFC Bank became a merged entity effective 1 July 2023; historical numbers have been adjusted for the HDFC Limited's book considered under banks and eliminated from HFCs.*
*Source: Company reports, RBI, Crisil Intelligence*

In fiscal 2025, GNPAs of the affordable housing portfolio improved 5 bps owing to enhanced collections, resilient economic conditions and appropriate underwriting controls of the customer base.

According to Crisil Intelligence, the asset quality of A-HFCs is expected to remain range-bound at 1.4-1.5% in fiscal 2025, supported by the passing on of the rate-cut benefits on lending rates to end-borrowers.

**GNPA of the total portfolio of A-HFCs to remain broadly stable in fiscal 2026**




*E: Estimate, P: Projection*
*Note: HDFC Limited -HDFC Bank became a merged entity effective 1 July 2023; historical numbers have been adjusted for HDFC Limited's book considered under banks and eliminated from HFCs*
*Source: Company reports, RBI, Crisil Intelligence*

Since fiscal 2022, A-HFCs' total portfolio GNPAs has remained lower than that of the total housing market. In fiscal 2022, GNPAs of the total portfolio of HFCs increased 60bps to 3.8% owing to stress in the non-housing portfolio, particularly wholesale loans of the prime HFCs. As a result, prime HFCs offloaded a significant portion of their wholesale loans to focus on retail lending. This improved the overall HFCs GNPAs ratio to 2.9% in fiscal 2023.

On the contrary, A-HFCs were relatively insulated in fiscal 2022, largely due to their cautious approach in limiting exposure to construction finance and wholesale portfolios. Instead, these companies have focused on individual housing loans and loans against property (LAP) portfolios, which safeguarded their asset quality during the period. Similar to the broader industry trend, A-HFCs' total portfolio GNPAs have been on the declining trend since fiscal 2022, reaching around 1.4% in fiscal 2025 from 2.7% in fiscal 2022.

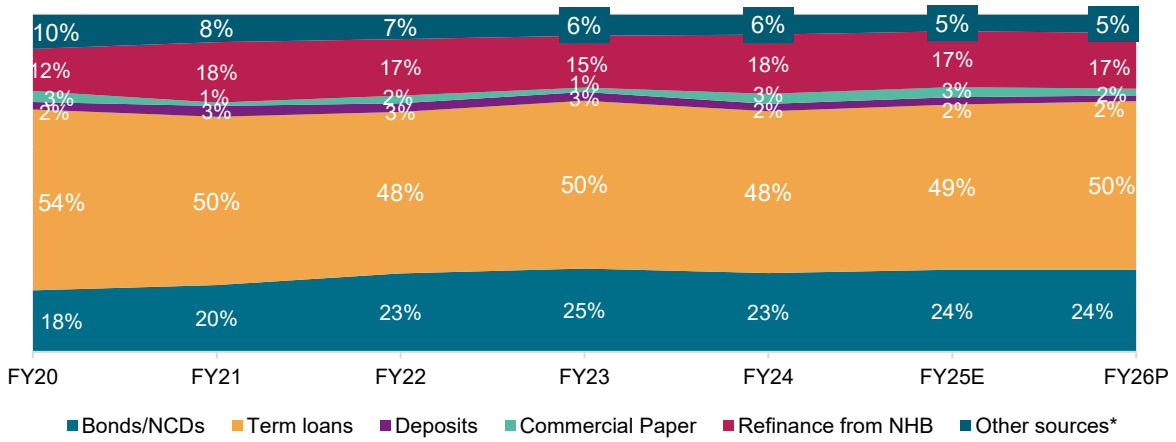
Crisil Intelligence expects A-HFCs' total portfolio GNPAs to remain range-bound at 1.3-1.4% in fiscal 2026, supported by the passing on of the rate-cut benefits on lending rates to end-borrowers, as well as a slight recovery in GDP growth to 6.5%.

**Term loans from financial institutions and NHB refinancing comprise the bulk of A-HFCs' borrowings**

In fiscal 2025, term borrowings from financial institutions and refinancing from the NHB collectively accounted for ~66% of A-HFCs' total borrowing mix. NHB refinancing continues to be a critical source of funding for smaller housing finance companies as it provides access to lower cost of funds and helps diversify the overall funding mix. The proportion of such borrowings increased to 17% in fiscal 2025 from 15% in fiscal 2023 and is expected to remain range-bound in fiscal 2026.

Crisil Intelligence expects the proportion of term loans to increase 100 bps in fiscal 2026 as lenders pass on the benefits of repo rate cuts to borrowers.

**Term borrowings to increase 100 bps each in the next fiscal**



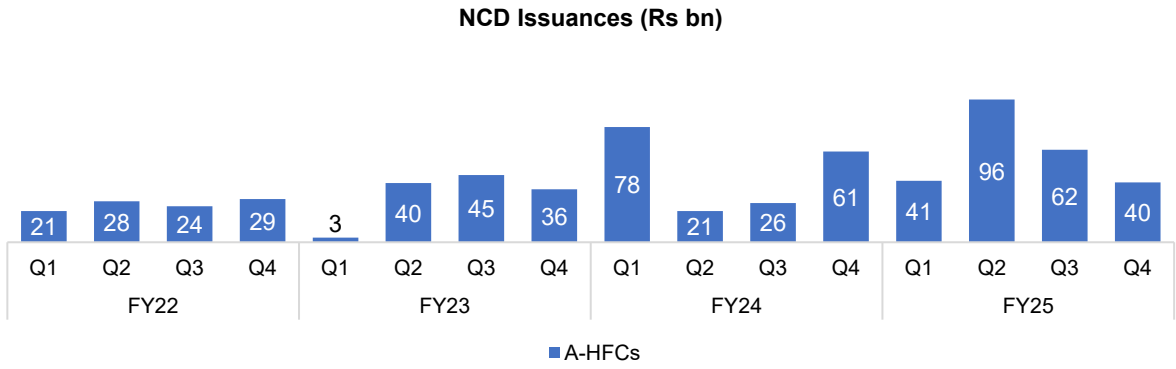

*E: Estimate, P: Projection*
**Other sources include external commercial borrowings, securitisation, working-capital loans, cash credit and inter-corporate deposits*
*Source: Company reports, Crisil Intelligence*

**NCD issuances rise in fiscal 2025, supported by RBI's pivot to rate cut**

In fiscal 2025, NCD issuance picked up as market rates declined in anticipation of RBI's pivot to rate cut, which materialised in February 2025. Additionally, smaller A-HFCs resorted to NCD issuance as term loans from banks remained scarce amid tight liquidity conditions.

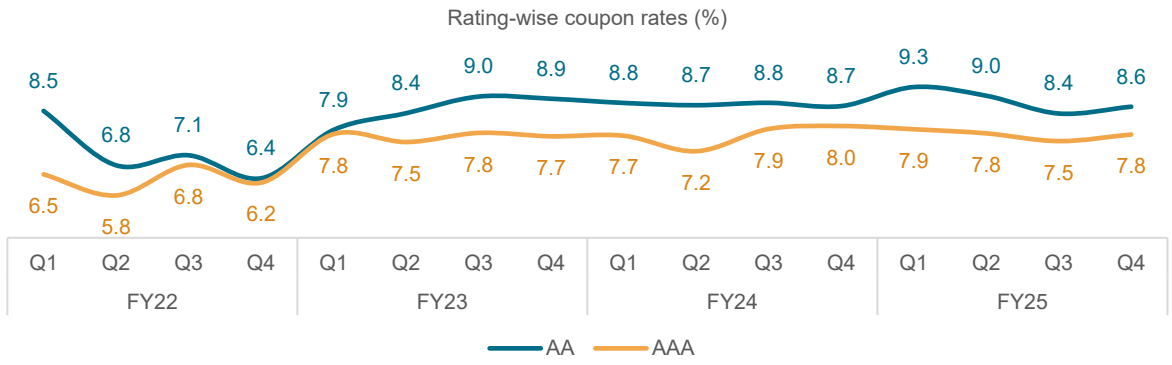
In fiscal 2024, interest rates remained high, leading to an increase in borrowing costs across funding types. Mobilisation of funds via the deposits route continued to be a challenge for both banks and HFCs as investors moved to high-yield investments such as mutual funds and equities, leading to an increase in funding from the capital markets and term borrowings.

**Value of NCD issued rose 29% in fiscal 2025**




*Note: A-HFCs include Tata Capital Housing Finance Limited, ICICI Home Finance, GIC Housing Finance Limited, Aadhar Housing Finance Limited, Aavas Financiers, Edelweiss Housing Finance, Motilal Oswal Home Finance Limited, Shriram Housing Finance Company Limited, Vastu Housing Finance Limited, JM Financial Home Loans Limited, IIFL Home Finance Limited, Sundaram Home Finance Limited and Home First Finance Company Limited.*
*Source: NSE, PRIME Database, Crisil Intelligence*

**Traded NCD coupon rates rising**




*Notes:*
*Prime HFCs include Bajaj Housing Finance, LIC Housing, PNB Housing and Can Fin Homes.*
*A-HFCs include Tata Capital Housing Finance Limited, ICICI Home Finance, GIC Housing Finance Limited, Aadhar Housing Finance Limited, Aavas Financiers, Edelweiss Housing Finance, Motilal Oswal Home Finance Limited, Shriram Housing Finance Company Limited, Vastu Housing Finance Limited, JM Financial Home Loans Limited and Home First Finance Company Limited.*
*The NCD coupon is computed based on average issuance by the players listed above for a tenure of 3-7 years. NCD coupon rates are considered based on the issuance by listed players.*
*Source: National Stock Exchange, Crisil Intelligence*

In fiscal 2022, NCD coupon rates dropped due to lower market rates, and HFCs benefitted from the lower cost of funds. In response to growing inflation, the RBI increased its repo rate by a cumulative 250 bps in fiscal 2023, resulting in a rise in issuance rates. Further, as inflation neared the 4% target, market participants anticipated a high probability of rate cut (which materialised in February 2025), easing NBFCs' borrowing cost.

**Controlled credit costs to provide some support to RoA in fiscal 2026**

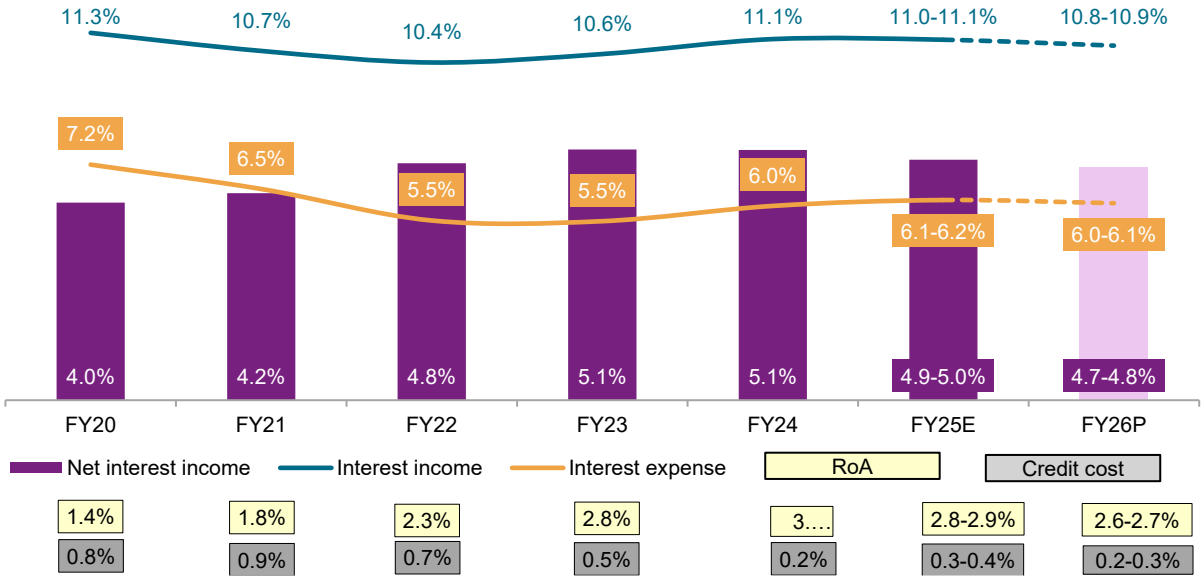
In fiscal 2025, A-HFCs' net interest margin (NIM) declined 20 bps to 4.9-5.0%, mainly on account of rising funding costs. As term loan funding from banks was tight, A-HFCs turned to relatively high-cost funding sources such as NCDs and commercial papers to fund loan growth. As a result, their fund cost increased around 18 bps to 6.1-6.2%. Lending yield declined only 2bps to 11.0-11.1% due to tight competition in the affordable-housing space, though many A-HFCs also raised their prime-lending rate in the second half of fiscal 2025 amidst their rising borrowing cost.

Provisions for A-HFCs increased 16 bps in fiscal 2025 to around 0.3-0.4% due to write-offs. As a result, the return on average assets (RoA) declined ~16 bps to 2.8-2.9%.

For fiscal 2026, Crisil Intelligence projects interest income to decline 18 bps to 10.8-10.9% due to the passing on of rate benefits to end-customers. However, borrowing costs are expected to decline ~10 bps to 6.0-6.1% as the average funding cost of fixed-rate funding sources such as NCDs and commercial papers are slow to reprice. As a result, net interest income to average assets ratio is expected to decline 15 bps to 4.7-4.8%.

Credit costs are expected to decline ~10 bps to 0.2-0.3% due to stable asset quality. Overall, RoA is expected to decline ~18 bps to 2.6-2.7% in fiscal 2026.

**NIMs to contract in fiscal 2026 due to slower repricing of fixed-cost borrowings**




*E: Estimate, P: Projection*
*Note: All ratios are based on total assets*
*Source: Company reports, Crisil Intelligence*

**Housing finance – Industry overview**

Crisil Intelligence defines affordable-housing loans as housing loans with an average ticket size of less than Rs 20 lakhs.

A-HFCs are able to garner share owing to:

- Strong origination skills and a focused approach
- Ability to cater to a niche category of customers
- Relatively superior customer service and diverse channels of business sourcing
- Non-salaried profile of ~80% of customers
- Higher presence in smaller cities

These factors have helped A-HFCs capture market share as banks have become risk-averse and are focusing on high-ticket customers with good credit profiles.

By virtue of being largely present in metros and urban areas, ticket sizes of banks and large HFCs have followed rising property prices. Further, focus on the urban salaried segment by banks and large HFCs has enabled A-HFCs to tap credit demand from non-salaried customers, Tier 3 cities and rural markets.

**Characteristics of HFCs**

| Parameters | Large HFCs<br>(average ticket size > Rs 20 lakhs) | A-HFCs<br>(average ticket size < Rs 20 lakhs) |
|---|---|---|
| Markets | Metros, urban, semi-urban | Semi-urban, rural |
| Customers | Salaried customers, high-net-worth individuals | Self-employed customers, small traders, farmers |
| Average yield | 7-9% | 9-13% |
| Average LTV | 65-75% | 50-60% |

*Source: Company reports, Crisil Intelligence*

**Business model**

The high cost of serving the affordable-housing category has prompted financiers to adopt innovative models to source business. An HFC targeting the low-income, informal-sector customer employs a hub-and-spoke model, where its retail branches operate as 'hubs' in urban areas, while project site kiosks follow up on low-income construction projects to source customers.

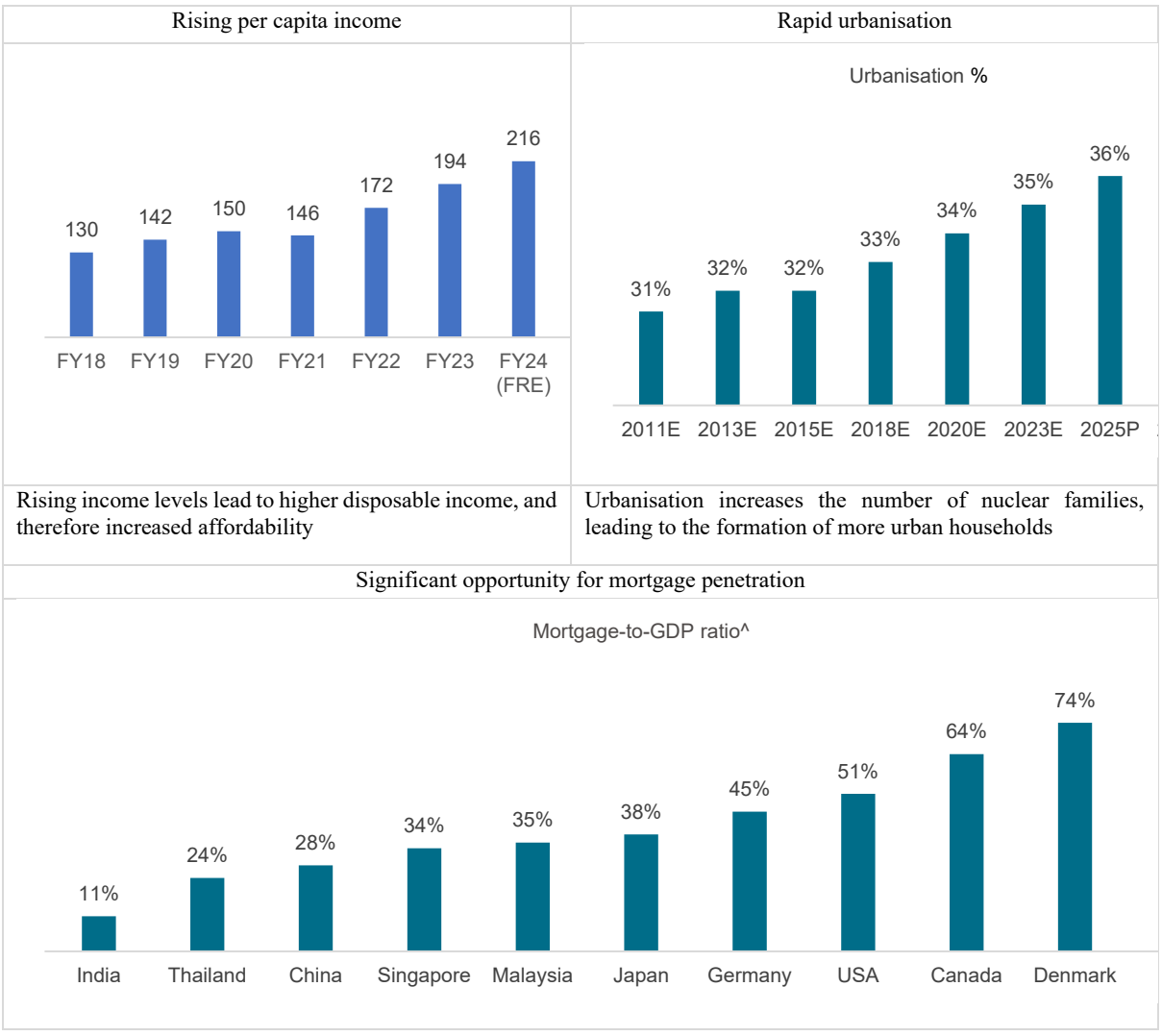
Although this model is popular and largely followed by financiers, a developer-based model, where the HFC is present at the low-income housing-project site and business takes place directly alongside developer-partners, is not uncommon. Financiers also spread awareness about their products in rural areas by setting up kiosks at *gram sabhas* and arranging loan *melas*.

Direct customer contact enables better visibility and reliable customer assessment, thus limiting fraud. Moreover, all critical functions, such as origination, verification and credit appraisal, are undertaken in-house, while certain non-core activities, such as loan documentation and processing, may be outsourced. This allows a start-up HFC to allocate more internal resources towards vital aspects of lending, such as verification and credit appraisal.

**Customer risk**

HFCs are aware of the challenges of serving low-income customers and the informal sector, in particular. There are fundamental differences compared with traditional housing finance, as this income group rarely has proof of income and expenditure documents that conventional mortgage lenders rely on to assess creditworthiness. Thus, evaluating these customers requires more of a field-based approach to verify cash flow – using surrogates and building up knowledge about customer sub-segments to increase assessment reliability. The person, and not just documents, helps assess credit quality.

**Long-term growth drivers of the housing finance sector**



India's mortgage penetration, though low, is improving owing to ease of financing, tax incentives, and increasing reach of financiers

*FRE: First Revise Estimate, PE: Provisional Estimate*
*^For India as of fiscal 2024*
*Source: European Mortgage Federation as of calendar year 2023: Singapore, Germany, USA, Canada, Denmark, Japan (as of 2021) and UK; Housing Finance Information Network: China (as of 2017), Thailand (2018) and Malaysia (2018); Ministry of Statistics and Programme Implementation; United Nations Department of Economic and Social Affairs; International Monetary Fund; Crisil Intelligence*

**Risks and challenges**

| | |
|---|---|
| **Competitive advantage of banks vis-à-vis HFCs** | • Banks have access to borrowers' banking behaviour and their repayment history by which they approach their regular customers by offering lower interest rates (than HFCs) and zero processing fee. |
| **Funding disadvantage for lower rated HFCs** | • Smaller HFCs have disadvantage due to the mix of funding (mid-size and small HFCs are more bank-funded) and higher costs (as credit ratings are lower) |
| **Delay in project approvals and construction** | • HFCs' cash flows are largely dependent on the timely completion of projects, in which their customers have bought housing.<br>• If the project gets delayed, the borrower may start defaulting on loans |
| **Lack of proper title; lack of data for credit appraisal** | • Credit score availability in India is still at a nascent which makes it difficult to judge the ability of the borrower to repay<br>• HFCs are trying hard to mitigate this risk by doing more due diligence by their technical team. |

**Key government schemes for the housing sector**

**Pradhan Mantri Awas Yojana (PMAY)**

For addressing rural housing shortage, the erstwhile Indira Gandhi Awas Yojana was restructured as PMAY – Gramin (PMAY-G; effective April 1, 2016) to fulfil the government's commitment to providing pucca houses with basic amenities by 2022 to all individuals who did not own a house and those living in kutcha and dilapidated dwellings. The scheme provided financial assistance for constructing/upgrading homes in rural areas. It targeted a total of 49.4 million houses, of which 29.4 million houses were under PMAY 1.0 (2015-24) and 20 million under PMAY 2.0 (2024-29).

For urban housing shortage, the Ministry of Housing and Urban Affairs launched PMAY – Urban (PMAY-U) on June 25, 2015, to address the shortage of urban housing among the Economically Weaker Sections/Lower Income Group (EWS/LIG) and Middle Income Group (MIG) segments, including slum dwellers, and provide pucca houses to all eligible urban households by 2022 (further extended to 2024). The scheme aimed to provide 10 million houses for EWS, LIG and MIG by providing interest subsidies (Credit Linked Subsidy Scheme) on home loans. Credit Linked Subsidy Scheme is a central government component, implemented through nodal agencies such as the National Housing Bank (NHB), Housing and Urban Development Corporation and State Bank of India. The scheme targeted to provide 20 million houses, of which 10 million were under PMAY 1.0 and another 10 million under PMAY 2.0.

PMAY 2.0 was launched in September 2024, with a goal to construct 30 million houses over the next five fiscal years. PMAY 2.0 reinstates the Interest Subsidy Scheme (ISS), previously known as the CLSS, and introduces revisions to the target beneficiary group. The key comparable aspects between the original PMAY scheme and PMAY 2.0 are as follows:

| | **PMAY 1.0** | **PMAY 2.0** |
|---|---|---|
| Launch year | 2015 | 2024 |
| Housing target (million) | 49.5 | 30 |
| *of which, urban* | *20* | *10* |

| | PMAY 1.0 | PMAY 2.0 |
|---|---|---|
| *of which, rural* | *29.5* | *20* |
| Nature of support | | |
| Urban | Credit Linked Subsidy Scheme | Interest Subsidy Scheme |
| Rural | Financial assistance | Financial assistance |
| Eligibility criteria | | |
| Urban | EWS – annual income up to Rs 0.3 million<br>LIG – annual income between Rs 0.3 million and Rs 0.6 million<br>MIG I – annual income between Rs 0.6 million and Rs 1.2 million<br>MIG II – annual income between Rs 1.2 million and Rs 1.8 million | EWS – annual income up to Rs 0.3 million<br>LIG – annual income between Rs 0.3 million and Rs 0.6 million<br>MIG – annual income between Rs 0.6 million and Rs 0.9 million |
| Rural | Below-poverty-line households | Below-poverty-line households |
| Interest rate subsidy | | |
| Urban | EWS – 6.5%<br>LIG – 6.5%<br>MIG I – 4%<br>MIG II – 3% | 4% across all income groups |
| Rural | 3.00% | 3.00% |

A key difference between the two schemes is the nature of support of interest subsidy. Under the erstwhile scheme, interest subsidy was credited upfront to the loan account of the beneficiary with primary lending institutions (PLIs), resulting in reduced equated monthly instalment (EMI). However, under PMAY 2.0, interest subsidy will be released in five equal yearly instalments. Further, if the borrower has taken a housing loan from one PLI and later switches to another PLI for balance transfer, such beneficiary will not be eligible to claim the benefit of interest subsidy again. This significantly reduces balance transfer risk among lenders. The government has allocated Rs 35 billion for fiscal 2026, which is split between the EWS/LIG and MIG segments under ISS. Under ISS, the end-borrower is expected to receive a benefit of up to Rs 180,000 with a net present value of approximately Rs 150,000 during the tenure of the loan.

**Budgetary allocations under PMAY**

| Schemes | FY24A (Rs billion) | FY25RE (Rs billion) | FY26BE (Rs billion) | FY26BE over FY25RE |
|---|---|---|---|---|
| PMAY-U | 216.84 | 136.70 | 197.94 | 45% |
| PMAY-U 2.0 | - | 15 | 35 | 133% |

*Source: Budget documents, Crisil Intelligence*

Higher budgetary allocations to PMAY-U reflect the central government's focus on housing. PMAY-U 2.0 received a separate allocation. This is likely to revive interest in the weakening affordable-housing segment, with developers increasingly shifting focus towards the premium and luxury segments in Tier I and II cities.

**PMAY's progress as of June 30, 2025**

| Progress of PMAY-U | Number of houses / values | Progress of PMAY-G | Number of houses / value |
|---|---|---|---|
| Houses sanctioned | 11.93 million | House target | 41.23 million |
| Houses grounded | 11.29 million | Houses sanctioned | 38.50 million |
| Houses completed | 9.38 million | Houses completed | 28.27 million |
| Central assistance committed | Rs 1,970 billion | Fund allocated | Rs 3,766 billion |
| Central assistance released | Rs 1,732 billion | Fund released | Rs 3,025 billion |
| Total investment | Rs 8,160 billion | Fund utilised | Rs 3,785 billion |

*Source: Crisil Intelligence*

**Atal Mission for Rejuvenation and Urban Transformation (AMRUT)**

The purpose of AMRUT is to provide basic services (e.g., water supply, sewage connections and urban transport) to households, build amenities in cities and improve the quality of life for all, especially the poor and the disadvantaged.

Key components of AMRUT:

- Access to a tap with assured water supply for every household

- Assured sewerage connection in every household
- Better amenities in cities by developing greenery and well-maintained open spaces (such as parks)
- Lower pollution by switching to public transport or constructing facilities for non-motorised transport (e.g., walking and cycling)

**Auto finance – Review and outlook**

**NBFCs vehicle finance growth to be supported by continued demand for used vehicles and premiumisation**.

***Overall auto finance credit outstanding to grow at modest pace of 14-15% in fiscal 2026***

| Type | Share in book FY25E | Book (Rs billion) FY25E | CAGR (FY20-25E) | Growth outlook for FY25E | Growth outlook for FY26P |
|---|---|---|---|---|---|
| *NBFCs* | 45.6% | 5,504 | 13.8% | 15.9% | 16-17% |
| *Banks* | 54.4% | 6,572 | 15.0% | 11.5% | 12-13% |
| *Overall* | 100.0% | 12,076 | 14.4% | 13.5% | 14-15% |

*Note: E – estimated; P: projected*
*Source: Reserve Bank of India (RBI), company reports, Crisil Intelligence*

The automotive sector comprises four key segments—commercial vehicles (CVs), passenger vehicles (PVs), two-and-three-wheelers and tractors.

Post-pandemic growth in the sector has been robust, riding on a low-base effect, a gradual pickup in replacement demand, resumption of schools and offices, intercity bus transportation, healthy monsoon, and increase in infrastructural activities. Growth remained healthy despite higher fuel prices resulting from geopolitical uncertainties.

The vehicle finance segment of NBFCs saw a CAGR of ~13.8% between fiscals 2020 and 2025E. In contrast, the overall vehicle finance credit growth rate, which included both banks and NBFCs, was 14.4%.

In fiscal 2025, the overall vehicle finance sector grew ~13.5%, compared with 20.3% in fiscal 2024. NBFCs reported a growth rate of ~16% in fiscal 2025, compared with 24% in the previous year. Growth in the vehicle finance segment was affected by delayed government capital expenditure due to the general election, which impacted economic activity. In addition, environmental challenges, such as heatwaves and extended rainfall in certain states, impacted demand and utilisation levels.

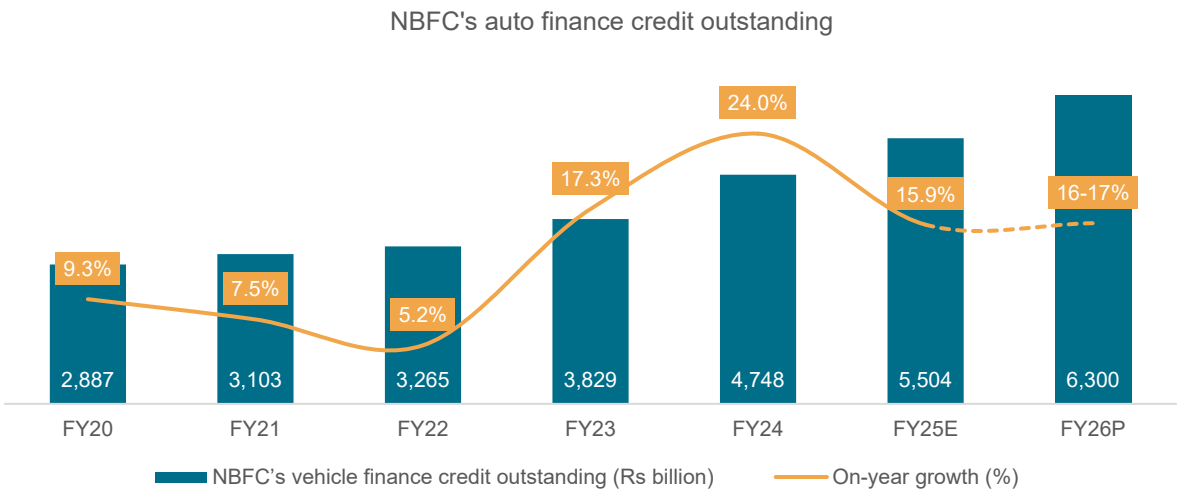
The volume growth of original equipment manufacturers (OEMs) was lower, with CVs experiencing a 0.6% decline in volumes in fiscal 2025 compared with a growth of 0.6% in fiscal 2024. PV sales also grew slower, with a volume expansion of 2.0% compared with 8.4% in fiscal 2024. In contrast, tractor and two-wheeler sales reported volume expansion of 8.3% and 6.7% in fiscal 2025, compared with 13.6% and a decline of 7.3%, respectively, in fiscal 2024.

Despite lower volume growth, the vehicle finance segment remained steady due to increased demand for used vehicles, credit demand for two-wheelers and tractors, driven by rural demand and the rising penetration of vehicle finance NBFCs in tier-II and tier-III cities. The expansion of vehicle finance advances was also driven by NBFCs' focus on secured lending, particularly in the gold and vehicle loan segments.

For fiscal 2026, Crisil Intelligence forecasts a 14-15% increase in overall vehicle finance advances, driven by improved market sentiment following a reduction in the repo rate. The reduction in the repo rate, combined with income tax benefits announced in the Union Budget 2025-26, is expected to drive demand by making equated monthly instalments (EMIs) more affordable. Predictions of above-normal rainfall may drive demand for tractors and two-wheelers (TWs), and the demand for used vehicles is expected to continue growing due to replacement demand.

However, the projected GDP growth of 6.5% in fiscal 2026 may pose a risk to the vehicle finance growth trajectory, as it is lower than the growth rates in fiscal 2024 and 2023.

***Vehicle finance credit of NBFCs projected to increase 16-17% in fiscal 2026.***




*Note: E – estimated; P: projected;*
*Source: Company reports, RBI, Crisil Intelligence*

**CV finance sector may face headwinds due to slower economic growth**

According to VAHAN data, retail domestic sales of CVs decreased 0.1% on-year in fiscal 2025, compared with a 5.0% growth in the previous year. Domestic OEM sales recorded a decline of 0.6% in fiscal 2025, compared with a growth of 0.6% in fiscal 2024.

CV sales were impacted by various factors in fiscal 2025, including environmental and socio-political reasons. The general elections affected vehicle movement, as investments were delayed due to lower government capital expenditure and subdued private investments. Used vehicle sales were limited due to weaker sales in fiscal 2020 and 2021, but financing remained strong due to rising penetration.

The overall CV (OEM) sales are expected to grow 3-4% in fiscal 2026. Medium and heavy commercial vehicle (MHCV) volumes, which declined 3% in fiscal 2025, are likely to increase 2-4% in fiscal 2026, driven by replacement demand and a pickup in capital expenditure, mining, and commercial activity.

Sales of light commercial vehicles (LCVs), which declined 3% in fiscal 2025, are expected to increase 4-6% in fiscal 2026, driven by increased economic and commercial activities. Replacement demand for LCVs is expected to grow 6-8%.

The outlook for fiscal 2026 is expected to be driven by the resumption of government spending and a pickup in economic activities, leading to a 3-5% growth in the CV segment.

**Inventory levels in the PV segment are expected to drive sales growth, while premiumisation will support financing**

According to VAHAN data, retail domestic sales of PVs in fiscal 2025 increased 2.0% on-year, compared with a growth of 8.4% in the previous year. Domestic OEM sales recorded a growth of 3.7% in fiscal 2025, compared with 8.3% in fiscal 2024.

The retail PV market experienced a slowdown in fiscal 2025, driven by consumer sentiment and interest rates that impacted purchasing decisions, which resulted in a build-up of inventory with OEMs, reflecting challenging market conditions. Volumes increased in the second half of the fiscal due to discounts offered to clear inventory. However, average inventory days rose to 63-68 days again in the fourth quarter, compared with 60-65 days in the first half of fiscal 2025.

In fiscal 2026, domestic OEM sales are projected to grow 2-4% on-year, due to elevated inventory levels and limited new models in the mass segment. However, growth will be supported by the preference for premium cars and utility vehicles, driven by improved affordability of EMIs due to reductions in the repo rate. The growth will also be supported by the rising penetration and formalisation of the used vehicle financing market.

In addition, electric passenger vehicle (EV) penetration in India is projected to increase to 3.2-3.7% in fiscal 2026, compared with 2.5% in fiscal 2025.

**Domestic tractor sales expected to grow at 3-5%, assuming a normal monsoon season and healthy replacement demand**

Crisil Intelligence estimates that tractor sales will increase 3-5% in fiscal 2026, assuming a normal monsoon season and healthy replacement demand, compared with a 7% expansion in fiscal 2025 as reported by the Tractor Manufacturers Association (TMA). Tractor sales in fiscal 2025 were affected by extreme weather conditions, including heatwaves and floods, which impacted agricultural activities. However, above-normal rainfall of 8% boosted kharif output, resulting in better volume growth. In addition, 14% higher reservoir storage levels supported rabi output, leading to healthy tractor sales.

The outlook for tractor sales remains positive, driven by replacement demand. The average life of a tractor is between six to nine years, and robust sales between fiscals 2017 and 2018 are expected to generate significant replacement demand, supporting the growth of tractor advances. Crisil Intelligence expects a 17-19% on-year increase in volumes for replacement demand in fiscal 2026. As a result, the tractor industry is expected to experience sustained growth, driven by weather conditions, agricultural output, and replacement demand.

**Two-wheeler are set to cross their pre-covid mark in fiscal 2026**

According to VAHAN data, retail domestic sales of two-wheelers in fiscal 2025 increased 8.3% on-year, compared with a 9.1% growth in the previous year. Domestic OEM sales recorded an 8.3% growth in fiscal 2025, compared with 13.6% in fiscal 2024. The increase in two-wheeler volumes was driven by improving rural demand, a healthy monsoon, and steady replacement demand.

Crisil Intelligence expects two-wheeler volumes to expand at a similar pace in fiscal 2026, driven by the expected recovery of rural market sales, aided by healthy crop prices and above-normal rainfall. The income tax benefits, and repo rate cuts are expected to improve the affordability of two-wheeler EMIs, supporting two-wheeler credit expansion. In addition, the demand for two-wheelers is expected to be driven by the rising demand for electric two-wheelers and a pent-up replacement demand, driven by the rising average age of vehicles on the road. India's two-wheeler penetration also presents an opportunity for growth, with a current penetration rate of 125-130 per 1,000 population.

**Increasing role of non-banks in vehicle finance**

The vehicle finance market is almost equitably split between NBFCs and other players, with the former accounting for a ~46% share as of fiscal 2025. Banks lead in the new vehicles segment, while NBFCs specialise in the used vehicles segment. The remaining 55% is held by other players, mainly banks, which constitute a slightly higher share owing to their dominant presence in the PV segment. The dominance is reflected, with ~70% share of PV finance, which, in turn, accounts for nearly half of the overall vehicle finance advances, thereby contributing to their higher market share.

The two-wheeler finance segment is becoming a stronghold of NBFCs owing to their ability to tap rural markets by offering loans at rates much lower than those of its unorganised peers and limited presence of banks in such markets. NBFCs account for 70% share in two-wheeler financing. Similarly, tractors remain a stronghold of NBFCs because of their rural penetration. However, banks' interest in the tractor segments due to benefit of priority sector lending lead the tractor market evenly distributed. However, customised equated monthly instalment (EMI) options give slight benefit to NBFCs.

NBFCs constitute ~45% share in the CV financing market, owing to their strong customer relationships with small fleet operators and first-time buyers, and their deep understanding of local economies. In addition, NBFCs' ease of loan processing, relatively higher loan-to-value ratios and greater risk-taking ability enable them to cater effectively to these customer segments. In contrast, banks tend to focus on financing large fleet operators, which offer superior credit profiles. Banks also prefer to finance bigger ticket items, such as MHCVs, which align with their risk appetite and business strategy.

**NBFCs gain traction in the used vehicle market, driven by large unorganised sectors and expanding presence in smaller cities**

The Covid-19 pandemic caused an increase in the demand for used cars, which form a huge chunk of CV finance, leading to a shift in demand from new vehicles. As a result, NBFCs are poised to increase their share in used

vehicle financing. With prices of new vehicles rising due to the changes in emission norms, technological advancements and higher commodity prices, NBFCs are well-positioned to capitalise on the growing demand for used vehicles, which is expected to continue driving growth in the vehicle financing market.

The depreciation rate of new vehicles is higher in the initial years compared with used vehicles, that have already undergone initial depreciation, making them cost-effective. Technological advances and manufacturing have improved the quality and reliability of used CVs, boosting customer confidence in their performance and durability. Further, the growth of micro, small and medium enterprises in India, driven by favourable government policies and economic conditions, has increased the demand for used CVs as a sustainable and cost-effective option for logistics and transportation requirement.

Though financing for used CVs has gained traction over the years owing to improved affordability and durability, its sales are expected to face pressure owing to weak supply of used vehicles in the market, driven by subdued sales during the pandemic years. On the other hand, replacement demand for PVs, tractors and two-wheelers, is expected to remain strong.

**Asset quality**

**Revival in capital expenditure, improved utilisation and above-normal rainfall to help keep GNPA at a moderate level**

Asset quality, as measured by gross non-performing assets (GNPA), has improved since the pandemic, driven by resuming economic activity, improved monsoon, and infrastructure growth. Defaults declined in fiscal 2024 due to better transporter profitability, fuelled by rising diesel prices and freight rates, resulting in healthy cash flows.

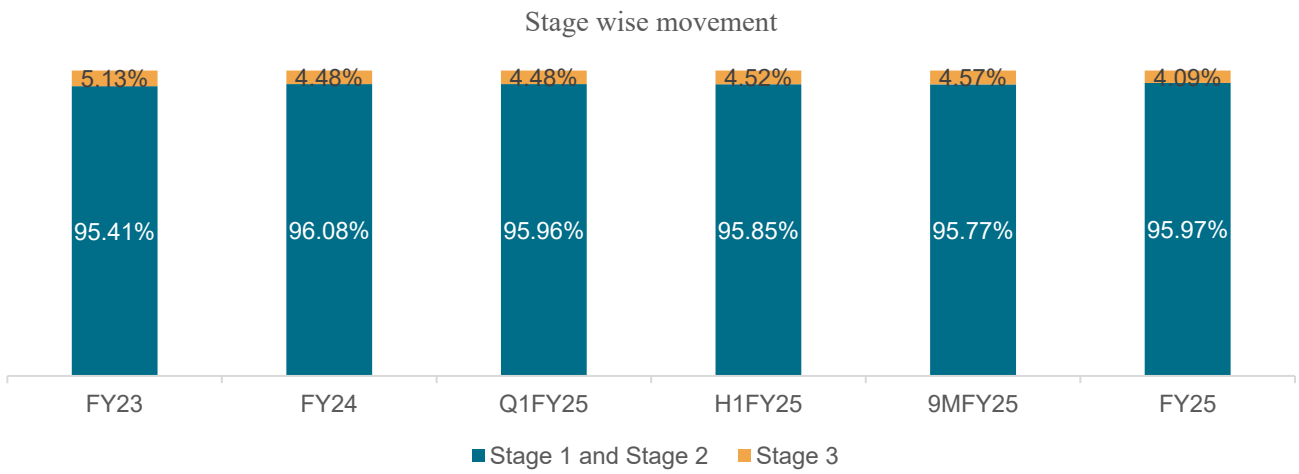
In fiscal 2025, asset quality deteriorated in the first half due to delayed government expenditure and extreme weather conditions. As a result, GNPA increased to 4.2% in September 2024 from 4.0% in March 2024. However, asset quality improved to 3.8% in fiscal 2025 due to a large technical write-off of Rs 23,451.1 million in the fourth quarter by one of the key auto finance players, with 76% pertaining to the vehicle finance portfolio. Excluding this write-off, GNPA for fiscal 2025 would have remained at 4.2%.

For fiscal 2026, asset quality is expected to remain at 3.8-4.0%. The expected pickup in government and private capital expenditure is likely to result in better capacity utilisation and realisation. In addition, above-normal rainfall predicted by the India Meteorological Department (IMD) is expected to maintain healthy rural cash flows due to improved agricultural output.

The tractor and two-wheeler portfolios are expected to benefit from improved profitability of rabi crops, driven by higher minimum support prices and government procurement. Favourable weather conditions, such as the above-normal monsoon predicted by IMD, are expected to boost kharif yield and may lead to higher reservoir storage levels similar to fiscal 2025, which would support rabi yield. However, any adverse environmental changes during the fiscal, would put a strain on cash flows, which might lead to an uptick in delinquencies.

The PV portfolio has historically demonstrated strong asset quality, driven by a favourable customer profile. However, the increasing exposure of retail borrowers to unsecured lending and the rising number of lenders per borrower may potentially introduce new risks to the portfolio. This could have a ripple effect on other secured portfolios, potentially leading to an increase in non-performing assets.

***An uptick in slippage could create challenges for asset quality***

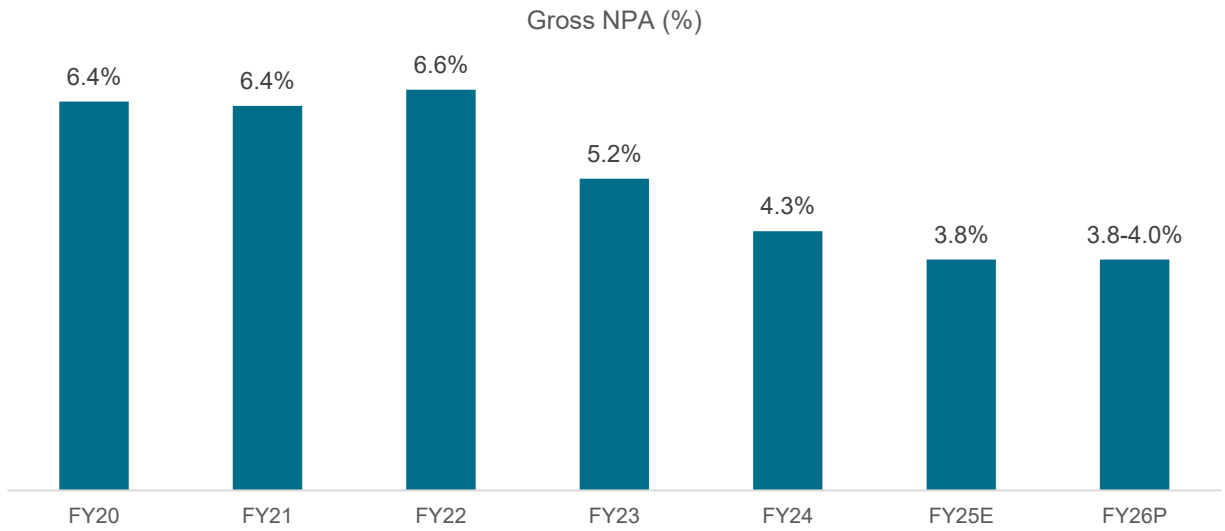



*Note:1. Stage-wise analysis includes four vehicle finance NBFCs covering ~81% of overall NBFC vehicle finance credit outstanding as of September 2024, based on the RBI's Trend and Progress of Banking in India report, December 2024.*
*2. Stage 1 (0-30 days past due), Stage 2 (31-90 days past due), and Stage 3 (over 90 days past due)*
*Source, Company reports, Crisil Intelligence*

The graph above illustrates the migration of loans to higher delinquency buckets, driven by the challenges faced by borrowers in the first half of the year, which resulted in missed payments exceeding three EMIs. As a result, Stage 3 assets had increased ~ 9 basis points (bps) from 4.48% at the end of fiscal 2024 to 4.57% in December 2024. The Stage 3 assets declined to 4.09% marking a 39 bps improvement on-year and 49 bps improvement sequentially.

The capital adequacy of the top four vehicle finance companies (covering ~81% of overall NBFC vehicle finance credit outstanding) remains comfortable at ~20.2% (compared with 19.6% in fiscal 2024) against the regulatory requirement of 15%. This cushion provides a safeguard against potential unforeseen shocks from deteriorating asset quality.

***GNPA of auto finance NBFC to range 3.8-4.0% in fiscal 2026***

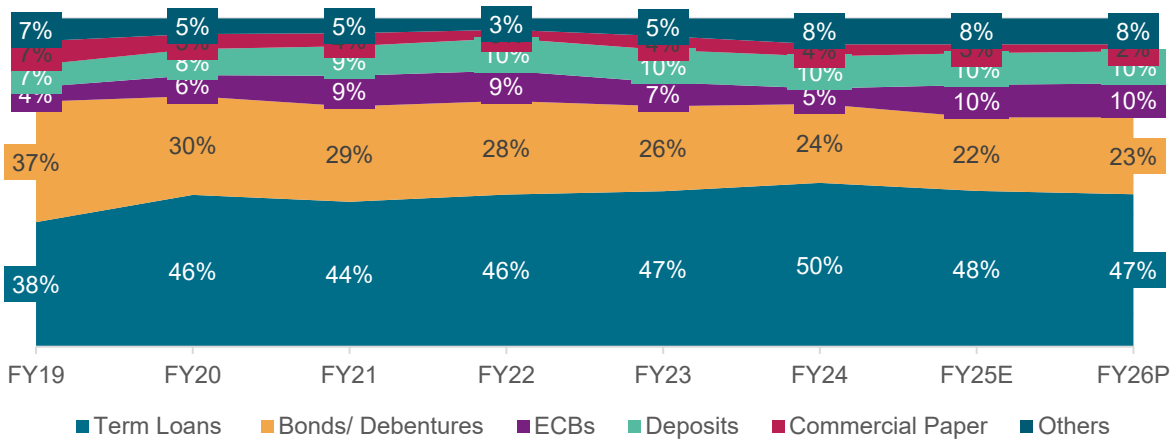



*Note: E -estimated; P — projected*
*Source: Crisil Intelligence*

**Borrowing mix**

**NBFCs to maintain diversified borrowing mix with rising share of ECBs and securitisation**

***Share of vehicle loans in overall securitisation volumes increased to 47% in fiscal 2025 from 43% in fiscal 2024***




*Note: E – estimated; P — projected*
*Source: Company reports, Crisil Intelligence*

The resource mix of vehicle finance NBFCs in fiscal 2020 comprised a larger share of non-convertible debentures (NCDs) due to low interest rates. However, NCD issuance moderated in the higher interest rate environment after fiscal 2023, making it expensive to borrow from the capital markets. Term loans from banks gained a major share in the funding mix of most vehicle finance NBFCs after the pandemic, before moderating marginally in fiscal 2025. Vehicle finance NBFCs have also increased their reliance on securitisation as a funding source.

The borrowing mix of auto-finance NBFCs has changed in recent years. The share of term loans declined to 48% in fiscal 2025, compared with 50% in fiscal 2024, due to moderate growth in overall banking credit. Term loans are expected to remain a significant component of the borrowing mix.

Securitisation has increased, with its share rising to 47% in fiscal 2025, driven by investor preference for secured assets and banks' efforts to manage their credit-deposit ratio. The share is expected to remain high with a key private bank doing securitisation transaction of vehicle finance portfolio to manage credit deposits ratio, along with other NBFCs players also focusing on securitisation as a source of funding. However, the volume of securitisation will also depend on the appetite and demand from bank partners.

External commercial borrowings (ECBs) accounted for 10% of the borrowing mix in fiscal 2025, driven by declining global interest rates. ECBs are expected to maintain this share in the current fiscal as well.

Overall, the borrowing mix of auto-finance NBFCs is expected to remain diversified, with term loans, securitisation, and ECBs being the primary components.

**Profitability**

**Faster repricing of borrowings relative to loans to help maintain steady NIMs despite the RBI's repo rate cuts**

Vehicle financiers (NBFCs) typically borrow at floating interest rates through term loans from banks and financial institutions. In contrast, the assets financed by these NBFCs are largely short-term loans with fixed interest rates. The interest rates on these assets vary by type, with PVs, mainly financed by banks, generally offering lower yields. On the other hand, used CVs, tractors and two-wheelers, often financed by NBFCs, tend to yield higher interest rates.

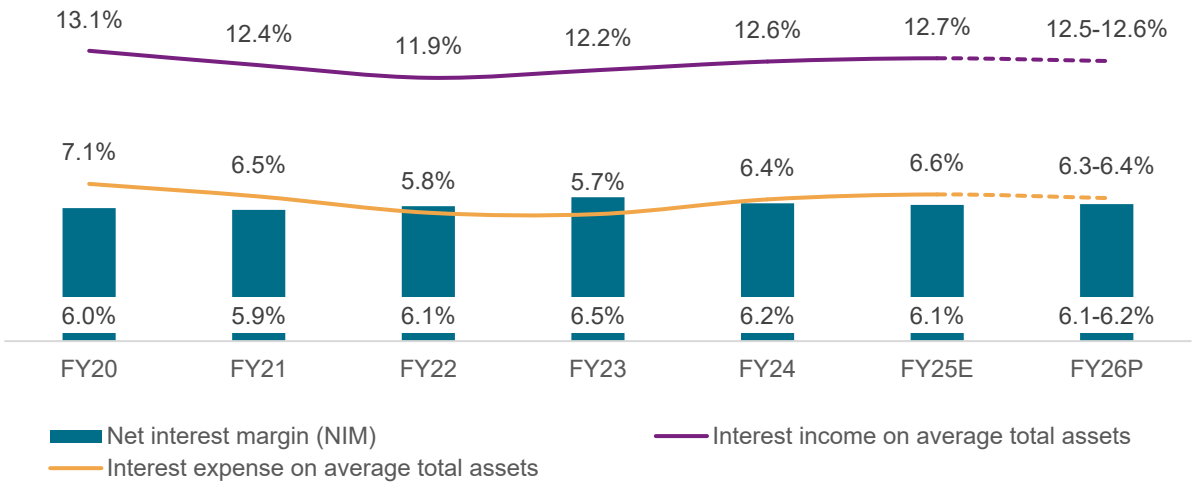
In fiscal 2025, the profitability of auto lenders is estimated to have been affected by an increase in interest expense on average total assets, which rose by 22 bps, outpacing the 15 bps increase in interest income. This resulted in a compression of net interest margin (NIM) by 8 bps. Additionally, credit cost is estimated to have remained elevated in fiscal 2025, while other income increased 9 bps, leading to stable Return on Assets.

For fiscal 2026, interest income as a percentage of total assets is expected to trend downward, primarily due to the decline in the repo rate. Since vehicle loans are at fixed rates, repricing due to the repo rate cut will occur with a lag. However, the diversification strategy adopted by vehicle finance players is expected to support interest income. Crisil Intelligence expects interest income to be in the range of 12.5-12.6% in fiscal 2026.

The cost of funds remained high in fiscal 2025 due to high repo rates, but vehicle finance NBFCs are likely to benefit from the repo rate cut. Most bank borrowings, which are floating rate in nature, are expected to yield benefits in terms of cost of funds; however, the benefit will be with a lag based on the rate reset of existing loans. The increasing share of vehicle-backed loans in securitisation volumes and exploration of foreign funding sources may help keep borrowing costs in check. Crisil Intelligence expects interest expense to be in the range of 6.3-6.4% in fiscal 2026.

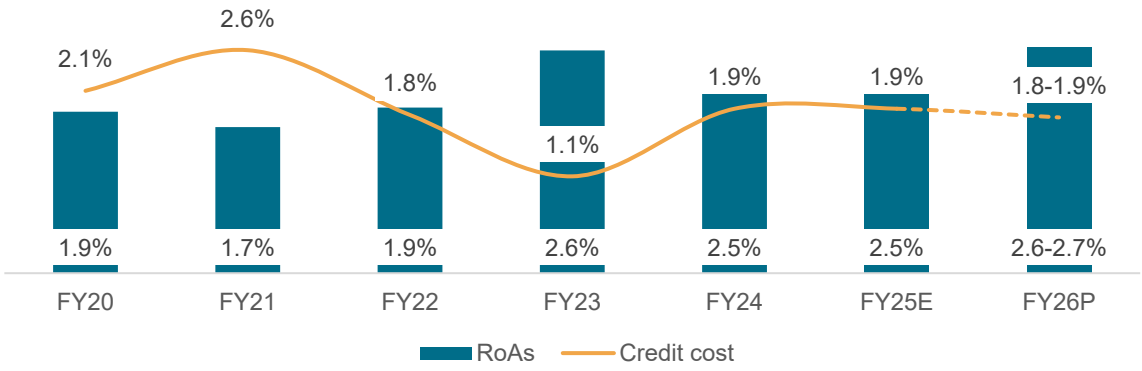
According to Crisil Intelligence, NIMs are expected to be in the range of 6.1-6.2% in fiscal 2026, as the repricing of borrowings at lower interest rates is expected to occur faster than the repricing of advances, which are mostly fixed-rate. Credit costs are expected to remain in the range of 1.8-1.9%. As a result, RoAs are expected to improve slightly and range between 2.6% and 2.7% in fiscal 2026.

***Quicker adjustment of borrowing costs relative to lending yields should help keep NIM stable in a low-interest-rate environment***




*Note: E- estimated; P – projected*
*Source: Company reports, Crisil Intelligence*

***Higher credit cost drove down RoA in fiscal 2025, normalcy expected in fiscal 2026***




*Note: Note: E- estimated; P – projected; Above ratios are on average total assets*
*Source: Company reports, Crisil Intelligence*

**Personal Loan – Review and outlook**

**Growth in personal loans to normalise in the near to medium term**

**Measured normalisation in growth likely amid RBI caution, asset-quality vulnerability and visible stress in early DPD buckets**

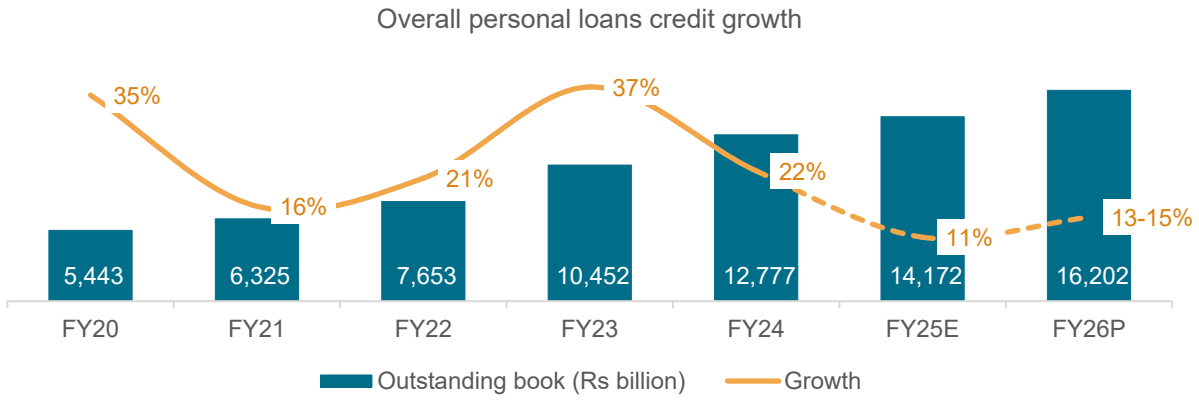
**Snapshot of personal loans segment**

| Outstanding book (Rs bn) | Share (FY25E) | Book FY25E (Rs bn) | CAGR (FY20-25) | FY25E Growth | FY26P Growth |
|---|---|---|---|---|---|
| NBFCs | 28% | 3,958 | 33% | 26% | 25-27% |
| Banks | 72% | 10,214 | 18% | 6% | 10-12% |
| Overall | 100% | 14,172 | 21% | 22% | 13-15% |

*Notes: E – estimated; P - projected*
*Source: Credit bureau, Crisil Intelligence*

The personal loans segment logged a compound annual growth rate (CAGR) of 21% between fiscals 2020 and 2025 to reach Rs 14,172 billion. Non-banking financial companies (NBFCs) clocked 33% CAGR in personal loans during the period, outpacing banks' 18%. In fiscal 2025, NBFCs' personal loan portfolio grew 26% on-year to Rs 3,958 billion compared with the 6% growth of banks with an outstanding portfolio of Rs 10.21 trillion.

**Credit growth expected to be moderate in the near term, building on the normalisation seen last fiscal**




*Notes: P – projected; E – estimated*
*Source: Credit bureau, Crisil Intelligence*

The personal loans segment was marked by post-pandemic exuberance in fiscal 2023 and the first half of fiscal 2024, even as lenders — both banks and NBFCs — preferred retail loans to wholesale loans. Multiple factors were at work, including the granularity of the retail loan book against legacy asset quality issues in the wholesale segment, leveraging of technology to achieve scale, changing consumption patterns and alleviation of income-related risks after the pandemic. However, in the second half of fiscal 2024, the Reserve Bank of India's (RBI) decision to increase risk weights on unsecured loans led to a slowdown in personal loans. Since then, NBFCs and banks have been cautious and have recalibrated their strategy for the segment.

Given the evolving situation after the RBI's caution and circular on risk weights, the exuberance is expected to transform into a normalised, though healthy growth. Hence, the overall credit outstanding in personal loans is estimated to have declined 11% at Rs ~14.17 trillion in fiscal 2025. The personal loan segment is poised to sustain its steady growth trajectory into fiscal 2026, with a moderate acceleration anticipated due to the income tax relief under the new tax regime introduced in the Union Budget 2025-26. This relief is expected to boost retail consumption, driving the overall credit growth of the personal loans segment to a projected 13-15% in the next fiscal year.

**Fiscal 2025 round-up (until December)**

- The average ticket size of the personal loan segment increased to ~Rs 118,000 in December 2024 from ~Rs 89,000 in March 2024 as banks and NBFCs focused on building quality loan book amid slowdown in disbursals since the second half of fiscal 2024

- NBFCs, including fintechs, have emerged as the dominant players in originations, surpassing their peers in volume terms while matching them in value terms. This marks a significant shift from the year-ago period, when public sector banks held the top spot in origination value. However, in fiscal 2025, banks exercised increased caution and scaled back their exposure to the unsecured retail segment, resulting in a substantial slowdown in their disbursements

**Personal loan books of NBFCs to grow faster than banks**

Banks and NBFCs have different target customers. Banks focus on the salaried, middle-aged borrowers to grow their loan book and retain a higher share in tier 1 cities. NBFCs, on the other hand, build their retail lending book through lower ticket personal loans and maintain focus on growing their base in tier 2 and smaller cities. Banks primarily focus on salaried, higher ticket-size borrowers, while NBFCs and fintechs focus on bridging the financing gap for self-employed, low-income, younger generation and smaller ticket borrowers.

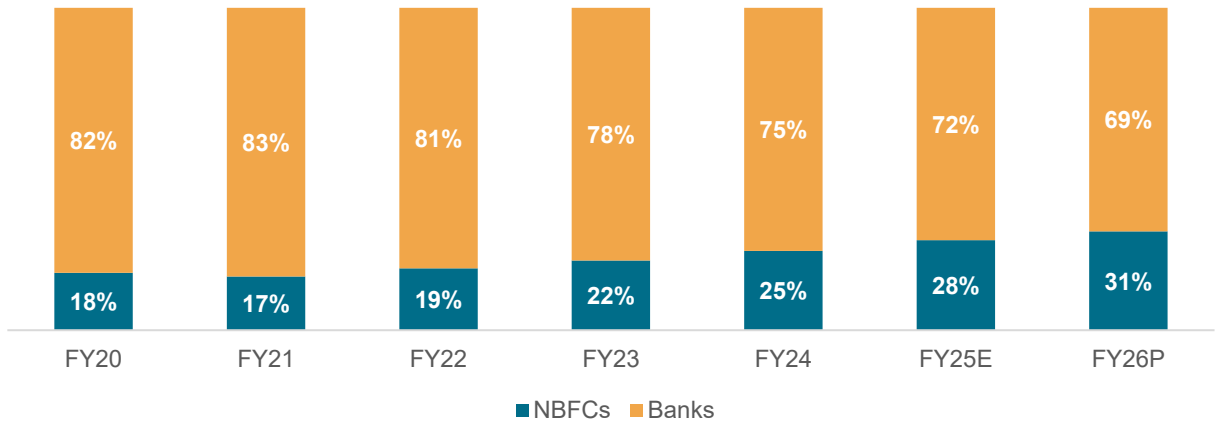
NBFCs' credit outstanding have grown sharper than banks. For banks, personal loans constitute just a portion of the overall portfolio. NBFCs also benefit from their extensive branch network, which is spread across remote areas as well. These factors, along with high contribution from the digital platforms, kept the credit growth of NBFCs healthy, though tapered, leading to a 26% on-year increase in fiscal 2025.

Banks' credit growth was 6% on-year during fiscal 2025, despite a high base, spurred by their aggressive focus on the retail loans segment in of late. In addition, because of their salaried customer base and a higher share of tier 1 cities in the portfolio, the borrower segment faced lower cash-flow disruptions. However, banks saw higher delinquencies in fiscal 2025, amid stress in unsecured portfolio.

In the case of NBFCs, which have a higher share of the self-employed segment and a greater share of tier 2 and smaller cities, asset quality was weaker. However, they saw a declining trend in delinquencies owing to the spike in book write-offs.

However, in fiscal 2025 , amid industry-wide concerns over deteriorating asset quality in the unsecured retail portfolio, NBFCs are strategically focusing on salaried income borrowers to drive growth in their personal loans portfolio. This segment offers superior asset quality, making it an attractive target for NBFCs. Notably, the average ticket size of personal loans disbursed by NBFCs has increased significantly, rising to approximately Rs 54,000 in the nine months of fiscal 2025, up from Rs 39,000 in fiscal 2024. Meanwhile, banks have substantially scaled back their personal loan portfolio expansion, creating an opportunity for NBFCs to gain market share in the near term.

**NBFCs to corner more market share in the near term**

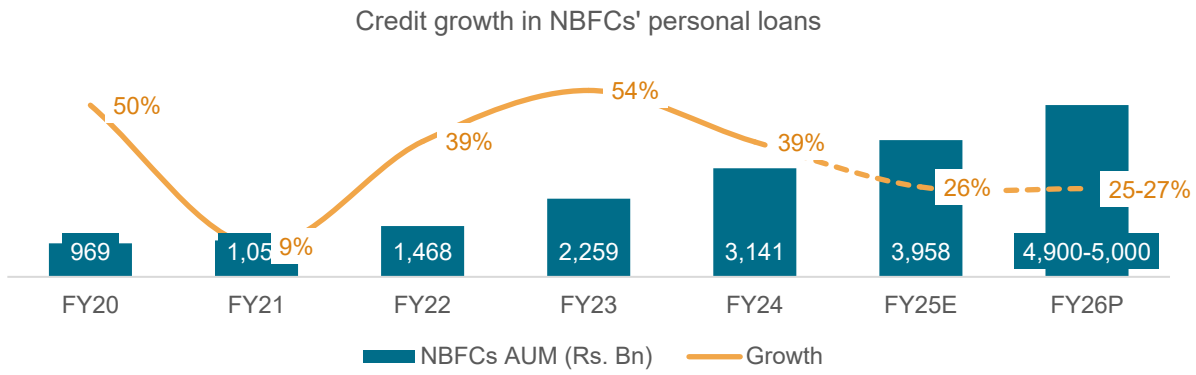



*Notes: P – projected; E - estimated*
*Source: Credit bureau, Crisil Intelligence*

The market share of NBFCs has risen sharply on a low base because of their aggressive strategies. We expect them to sustain the pace and capture more share from banks in the near term. Fintechs and NBFCs compete fiercely with banks, even though they cater to different consumer segments.

However, given the rising early-bucket delinquencies and the vulnerable nature of the segment, growth is projected to moderate in the near-to-medium term for both NBFCs and banks.

**Normalisation in the NBFC loan book**




*Note: P – projected; E – estimated*
*Source: Credit bureau, Crisil Intelligence*

Between fiscals 2020 and 2024, disbursement of personal loans by NBFCs logged a CAGR of 41%. In fiscal 2024, the on-year growth was a sharper 47%, with loan outstanding reaching ~Rs 3.1 trillion. The robust growth in fiscal 2023 continued until the first half of fiscal 2024. Since then, following the RBI's move to tighten norms governing unsecured lending, NBFCs have become more vigilant in giving personal loans as they curbed disbursements in the sector. This slowed the momentum in fiscal 2025.

NBFCs have been aggressive with disbursements to riskier borrower segments, although they have a granular portfolio with smaller ticket-size loans. To mitigate asset quality vulnerabilities in the unsecured retail space and sustain healthy credit growth in fiscal 2025, the companies were focusing on salaried customers and their existing borrowers who tend to exhibit better credit behaviour. However, there is a risk that lenders may have rolled over loans that are approaching their repayment tenure, potentially masking the true credit quality. As a result, we estimate the NBFC personal loan portfolio to have expanded 26% to approximately Rs 3.9 trillion in fiscal 2025. With the expected increase in consumption in fiscal 2026, driven by tax relief measures, credit growth in this segment is projected to accelerate further but remain in the 25-27% range.

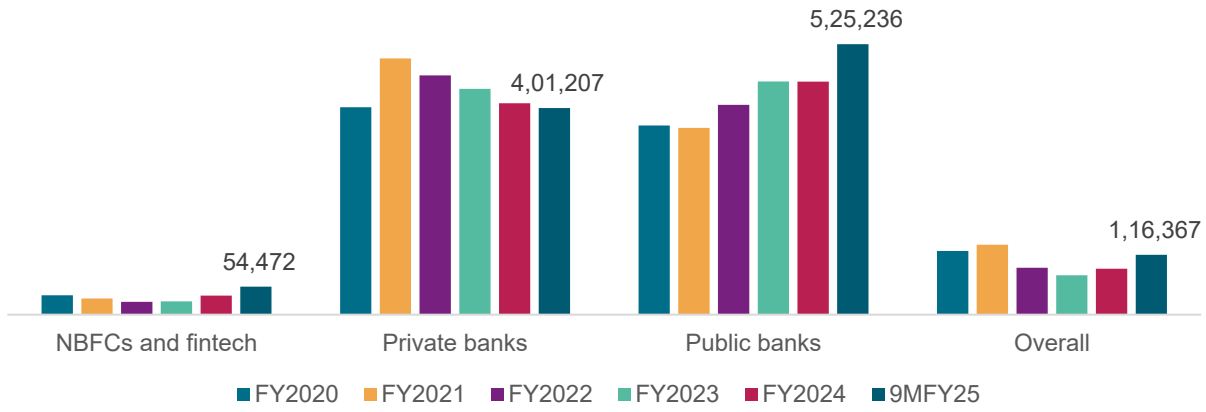
**NBFCs, fintechs defy convention with shift to higher-ticket loans**

NBFCs and fintechs traditionally focus on small-ticket lending. With both deepening their market penetration, the share of small-ticket personal loans (loans below Rs 100,000 in value) has gradually increased in their portfolio over the past few years.

However, the average ticket size increased sharply from fiscal 2024 since banks and NBFCs employed filters in their personal loan book amid a slowdown in disbursals in the second half. They focused on quality borrowers to curb the stress building on asset quality. Further, the proportion of very low and low-risk borrowers rose. As of December 2024, the average ticket size was ~Rs 52,000 for NBFCs and Rs 480,000 for banks compared with an average of ~Rs 118,000 for overall personal loans segment. However, a potential risk persists, as lenders may be rolling over loans nearing repayment tenure, thereby masking the true credit quality by netting off new disbursements against existing borrower dues. This practice, which was highlighted by the RBI in October 2024, can create an illusion of higher ticket sizes, as new credit facilities are disbursed at higher values, potentially standardising the underlying stress in the portfolio. The central bank has taken notice of this issue, having recently flagged similar practices in the microfinance sector and directed lenders to ensure that outstanding balances are fully paid or closed before extending fresh credit. As a result, the prevalence of loan netting-off in personal loan will remain a key area of concern and monitoring in the near term.

Fintechs have been rapidly expanding their base in the personal loan segment by offering smaller-ticket and short-tenure loans to younger, low-income and digitally savvy customers with insufficient credit history through the scorecard-based lending model. Mirroring the broader industry trend, fintech lenders also upsized their loan tickets to attract higher-quality borrowers, with the average disbursement amount rising approximately 46% to Rs 31,000 in the first nine months of fiscal 2025 from Rs 21,000 in fiscal 2024.

**Average ticket size by lender type**




*Source: Credit bureau, Crisil Intelligence*

In fiscal 2025, the share of transactions of NBFCs (including fintechs) declined marginally to 85% of overall transactions by volume from 87% in fiscal 2024. In value terms, transactions grew to 38% of total disbursements from 36% in fiscal 2024, given their low ticket size.

Fintechs provide the advantage of better customer experience and shorter turnaround time (TAT) for disbursements. They focus on the scorecard-based lending model, which is based on a borrower's cash flow, primarily relying on non-conventional and alternative sources of information such as a customer's mobile phone data for underwriting loans. Algorithms are used to track and analyse mobile phone data to gain specific insights on a customer's liquid cash flow and repayment history, along with spending habits. Third-party applications and databases are used for KYC authentication, credit-history checks and fraud detection. This, along with the government's focus on digitalisation through the National Financial Reporting Authority and DigiLocker, has enabled quicker TATs for disbursements and lower operating costs.

Risk-management processes and data analytics capabilities of NBFCs and fintechs have evolved over the years, along with underwriting norms and monitoring mechanisms.

**Trend in personal loans trajectory**

**Rapid growth and accompanying risks:** Demand for personal loans was muted during the peak of the pandemic, i.e. fiscals 2021 and 2022. This was because of the savings rate of Indian households reaching a historic peak of 11.5% (net financial assets adjusted for net financial liabilities as a percentage of gross domestic product) in fiscal 2021 from the pre-pandemic fiscal 2020 level of 7.6%.

Post complete lifting of the lockdown, consumption picked up and, consequently, the savings rate declined to 7.2% in fiscal 2022, reaching a decadal low of 5.1% in fiscal 2023. This was largely because of consumers dipping into the savings accumulated during the pandemic years. A portion of the savings was likely to have also been diverted to physical savings. The decline in savings was because of an increase in financial liabilities as well. Hence, the consumption-led recovery after the pandemic was driven in large part by debt.

Ease of borrowing, innovative products, such as 'travel now, pay later', no-cost equated monthly installments and increasing lifestyle expenses contributed significantly to the rise in demand for personal loans. The rise in personal loans was also driven by overleveraging by the borrowers, in addition to tapping new customers. There were broader factors as well, such as demographic shifts, especially with the increasing share of a younger demographic population, formalisation of the economy, increase in the number of fintechs, adoption of digital payment systems, influence of India Stack and broadening of the digital footprint, along with wider coverage of credit bureaus.

On the supply front, banks and NBFCs sharpened their focus on the retail segment, including housing, auto and unsecured personal loans. In the case of personal loans, better technology helped improve the underwriting capabilities of banks and NBFCs, including fintechs. Consequently, unsecured loans (credit cards and other personal loans) at banks rose 21% on-year at end-March 2024, though growth subsequently moderated to 8% on-year at end-March 2025.

To be sure, personal loans are inherently riskier because of the absence of collateral, owing to which the lender's ability to recover the outstanding amount is compromised in case of borrower default. Hence, from an asset quality perspective, higher caution was required for non-bank lenders, as gross non-performing assets (GNPAs) remained elevated at 7.1% in fiscal 2025. Further, loans in the DPD 1-29 and 30-59 buckets increased in fiscal 2025, indicating rising stress in special mention accounts (SMAs) 1 and SMAs 2. To be sure, though, amid the high double-digit growth in unsecured loans, lenders turned cautious while onboarding borrowers with weaker credit profiles to prevent asset quality deterioration or higher write-offs.

In fact, elevated inflation, along with stagnant income, had cramped borrowers' repayment capability. And overleveraging likely augmented asset quality vulnerability.

But while any macroeconomic event impacting the income levels of households could have led to a sharp increase in GNPA across lenders, the granularity of loans provided some comfort.

**RBI introduced a circular on risk weights after striking a cautious note**

Noting the exuberant growth of unsecured lending against the backdrop of a rising interest rate environment, the RBI started cautioning lenders beginning end-fiscal 2023 regarding potential risks associated with the rapid growth in unsecured lending by NBFCs.

In November 2023, the central bank introduced the circular on risk weights to deter an increase in disbursement of unsecured loans. As per the circular, the risk weights of all consumer loans for banks as well as NBFCs, including credit card receivables, was increased 25%, excluding housing, vehicle, education and gold loans. Also, the risk-weight for exposure by banks to NBFCs where the extant risk-weight of the NBFC was below 100% was also increased by 25%.

Banks faced an ~85 bps impact on capital adequacy owing to the circular, whereas the impact for key NBFCs operating in the consumer lending segment was as high as 200-400 bps. Larger NBFCs rated A- and above operating in the segment also faced an impact on their borrowing cost from bank funding, as the capital cost for banks increased in such cases.

The higher lending rates to NBFCs could spill over to corporate bonds in the form of higher yields through widening of credit spreads.

Such an increase in the cost of funds could drive demand for securitisation and co-lending, accelerating capital-raising by entities for managing their loan book growth while ensuring adequate capital buffers are maintained.

Hence, this could lead to higher capital requirement by lenders and increase the lending rates for borrowers, impacting the growth in loan book to an extent.

**Personal loan growth slowed since fiscal 2024 second half to 11% on-year in fiscal 2025 post RBI's circular**

After rapid growth in fiscals 2022 and 2023, the personal loan segment was buffeted by significant challenges in the second half of fiscal 2024. The RBI's circular and concerns with regard to unsecured lending led banks and NBFCs to reassess their portfolio strategies, resulting in a slowdown in disbursements. Many lenders subsequently reduced the share of personal loans in their overall portfolio and shifted their focus to borrowers with stronger repayment capabilities, such as salaried customers, to mitigate concerns over deteriorating asset quality due to overleveraging. The run-up to the general elections further disrupted collections, causing a decline in collection efficiency and an increase in non-performing loans.

As a result, the overall personal loan segment is estimated to have grown a modest 11% on-year in fiscal 2025, i.e. a significant deceleration from the 22% and 37% growths in fiscals 2024 and 2023, respectively.

With concerns over unsecured lending still prevalent, this cautious trend is expected to continue in fiscal 2026, with the industry maintaining a measured pace of expansion.

**RBI tightens P2P lending norms**

The RBI, in a circular dated August 16, 2024, issued guidelines concerning NBFC-peer-to-peer (P2P) lending platforms. P2P lending enables individuals to lend and borrow directly through RBI-regulated NBFC platforms. These platforms act as intermediaries, connecting lenders with borrowers, facilitating transactions and managing repayments, earning a fee for their services.

The new guidelines aim to increase transparency and compliance and prevent irregular practices in the industry:

- An NBFC-P2P cannot assume any credit risk arising from transactions carried out on their platform. Lenders bear the entire loss of the principal or the interest in case of default
- An NBFC-P2P cannot lend on its own nor cross-sell any insurance product that is a credit enhancement or a credit guarantee. Also, the lenders' funds cannot be deployed or utilised for other purposes
- The exposure limit across all P2P platforms is Rs 50 lakh for lenders, Rs 10 lakh for borrowers and Rs 50,000 for a single lender to the same borrower.

Prior to this circular, NBFC-P2P lending platforms were required to maintain two separate escrow accounts: one for lender funds awaiting disbursement and another for borrower repayments. While this structure remains in place:

- The updated regulations introduce stricter guidelines, mandating funds in these accounts be transferred within a tighter timeframe of one business day (T+1) from the date of receipt, ensuring greater efficiency and transparency in transactions
- Additional requirements include: Board-approved policy for matching lenders and borrowers, monthly portfolio performance and NPA disclosures, and revised fee structure (fixed amount or percentage of the principal amount)

These guidelines promote transparency and restrict violations of the 2017 master directions, ensuring a more regulated and secure P2P lending environment.

**Asset quality to deteriorate further this fiscal on emerging risks**

The GNPA of NBFCs had been improving since fiscal 2021. However, in fiscal 2025, the GNPA ratio, which surged in fiscal 2024 and the first quarter of fiscal 2025, deteriorated to 7.2%. The weakening of the asset quality was because of overleveraging and decline in collection efficiency due to the general elections; however, the deterioration in GNPA over the past three quarters was also because of increase in write-offs by NBFCs.

Despite banks maintaining a relatively stable GNPA level of 2.2-2.6% between fiscals 2019 and 2023 through focus on higher ticket size loans to predominantly salaried customers, they started feeling the impact of industry-wide asset quality concerns, too. In the nine months of fiscal 2025, their GNPA ratio inched up to 3.3% from 2.8% in fiscal 2024.

Over the last fiscal, both banks and NBFCs aggressively wrote off bad loans. For banks, write-offs as a percentage of outstanding portfolio rose to 4.9% in the third quarter of fiscal 2025, up from 4.1% in the third quarter of fiscal 2024. NBFCs saw an even sharper rise, with write-offs jumping to 7.4% from 4.7% over the period. As a result, the GNPA ratio declined to 3.3% for banks and 7.2% for NBFCs in the third quarter of fiscal 2025 vs the previous corresponding quarter.

However, this improvement belies the underlying stress in the system.

Despite the improvement in the NPA ratios, the aggregate stress – which includes write-offs as well as GNPAs – in fact increased for banks and NBFCs. For NBFCs, the aggregate stress ratio rose to 14.0% as of December 2024, up from 13.2% as of March 2024. Banks also saw an increase, with the ratio climbing to 8.0% from 6.7% over the period. Moreover, there were ominous signs of rising stress in the 1-29 and 60-89 DPD buckets, which could further increase non-performing loans.

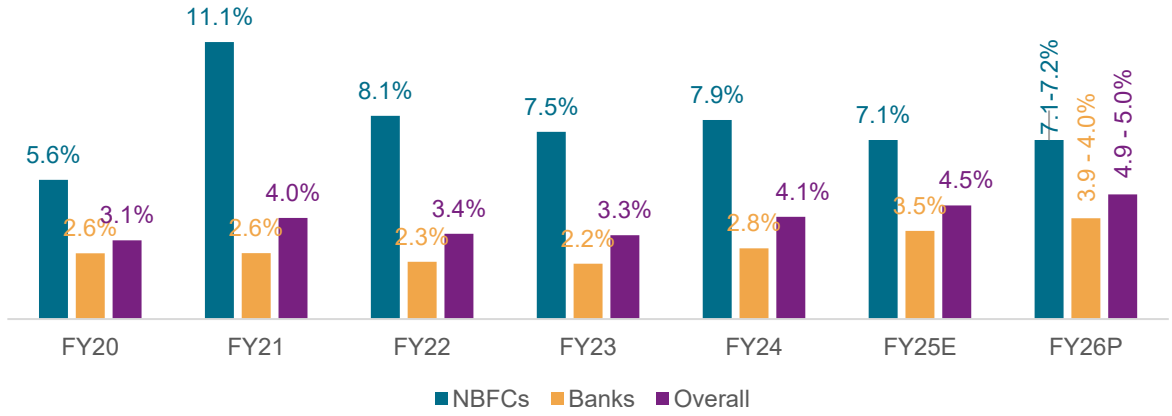
Small-ticket loan borrowers were particularly vulnerable, with their asset quality deteriorating at an alarming rate.

Given these trends, Crisil Intelligence estimates the GNPA ratio was 7.1% for NBFCs and 3.5% for banks by end-fiscal 2025, with both ratios likely to remain range bound in fiscal 2026.

In response to the asset quality concerns, lenders have started to tighten their lending standards, restricting disbursements to only salaried customers and existing borrowers with strong credit profiles. This strategy should

help contain non-performing loans in the medium term. However, the lenders' practice of netting-off new loans against existing debt will remain a key monitorable.

**GNPAs for banks to inch up in fiscal 2025 and 2026 while improving slightly for NBFCs**

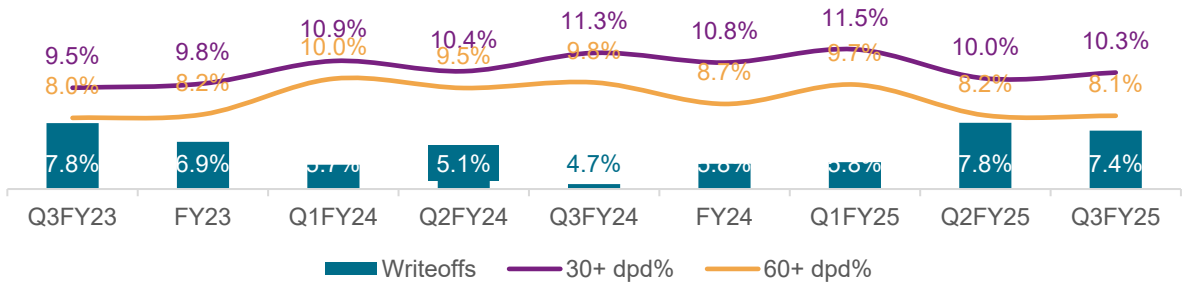



*E – estimated; P – projected*
*Source: Credit bureau, Crisil Intelligence*

**Delinquencies decline in softer buckets for NBFCs (including fintechs) in third quarter of fiscal 2025 amid aggressive write-offs**

While the softer buckets (30+ DPD % and 60+DPD %) for NBFCs cooled after the pandemic, these have been inching upwards since the fourth quarter of fiscal 2023. This is an indication of a stressed borrower profile owing to overleveraging, elevated inflation and uptick in loan pricing because of the pass-on of higher interest rates. The softer buckets, however, posted a pronounced decline in the third quarter of fiscal 2025 as NBFCs stepped up their write-off efforts, resulting in a substantial decrease in delinquencies.

**Delinquencies and write-offs trend in NBFCs**

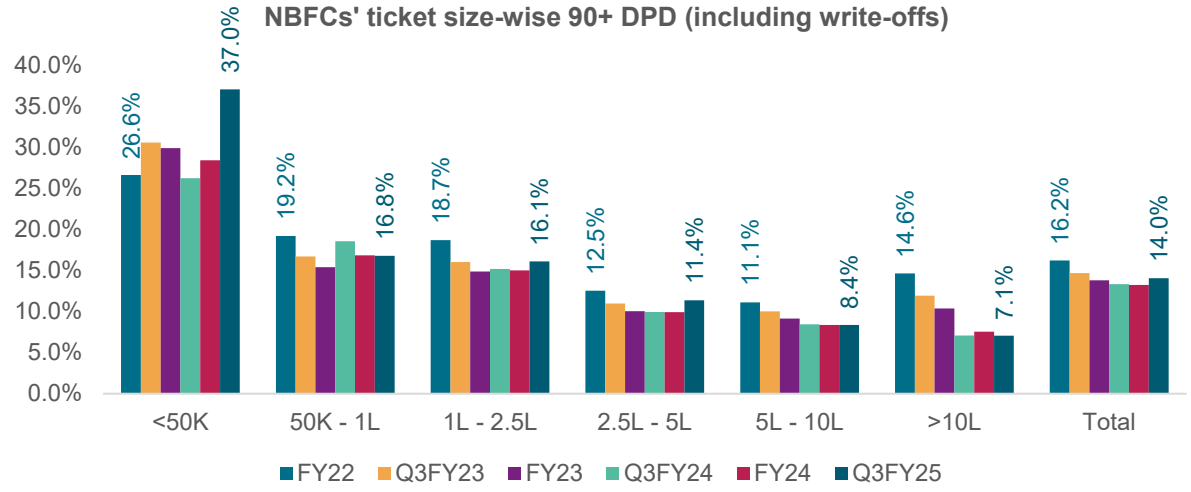



*Source: Credit bureau, Crisil Intelligence*

**Lower ticket-size loans exhibit the weakest asset quality**

The small-ticket size loan segment, which has long been a staple of NBFCs and fintechs, is now exhibiting alarming signs of stress. Delinquencies in this category are substantially higher than in other segments, and the industry-wide asset quality decline is most severe in loans with a ticket size of less than Rs 50,000.

As of December 2024, the GNPA ratio for these loans, including write-offs, had surged to 37%. However, the overall impact on the portfolio due to the weaking asset quality of this segment was limited, as these loans accounted for only 6% of the total NBFC personal loan portfolio as of December 2024.




*Source: Credit bureau, Crisil Intelligence*

**MSME finance – Review and outlook**

Credit outstanding to micro, small and medium enterprises (MSMEs) is estimated at Rs 42 trillion in fiscal 2025. Of this, banks had a dominant 73% share, while non-banking finance companies (NBFCs) accounted for the balance.

**NBFCs are growing faster and gaining market share in MSME lending**

| Type | Share in book FY25E (%) | Book (Rs billion) FY25E | CAGR (%) FY20-25E | Growth in FY25E (%) | Growth Outlook for FY26P (%) |
|---|---|---|---|---|---|
| HFCs/NBFCs | 27% | 11,236 | 19.6% | 26.9% | 27-29% |
| Banks | 73% | 31,065 | 17.8% | 15.8% | 15-17% |
| Overall | 100% | 42,301 | 18.2% | 18.5% | 18-20% |

*Notes:*
*1. E: Estimate, P: Projected*
*2. Credit deployment data published by the Reserve Bank of India (RBI) has undergone revision and so were the comparable numbers for the previous fiscals*
*3. Companies with a turnover of less than Rs 100 million and an investment of less than Rs 250 million are classified as micro; those with a turnover between Rs 100 million and Rs 10 billion and an investment between Rs 250 million and Rs 2.5 billion as small; and those with a turnover between Rs 10 billion and Rs 50 billion and an investment between Rs 2.5 billion and Rs 12.5 billion as medium*
*Source: Crisil Intelligence*

The MSME lending landscape has transformed significantly in recent years, with both banks and NBFCs intensifying their focus on this segment. A combination of digital lending, government-backed initiatives, a thriving economy and increasing adoption of formal credit channels has propelled this growth. Moreover, the shift towards cash flow-based underwriting has boosted lending to MSMEs. This upward trend has been consistent over the past five fiscals, with lenders recognising the vital role MSMEs play in the economy.

The overall lending to MSMEs grew a remarkable 18.5% in fiscal 2025, with NBFCs peaking at 27% and banks following at 16%, albeit on a higher base.

In the Union Budget for fiscal 2026, the government announced several initiatives to boost the MSME sector. Some of them are:

- Credit guarantee limit to MSEs increased to Rs 10 crores from Rs 5 crores under the Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) scheme
- Credit guarantee cover for start-ups increased to Rs 20 crores from Rs 10 crores, with the guarantee fee moderated to 1% for loans in 27 focus sectors under Atmanirbhar Bharat
- Introduction of a credit guarantee scheme for specified exporter MSMEs on term loans of up to Rs 20 crores.

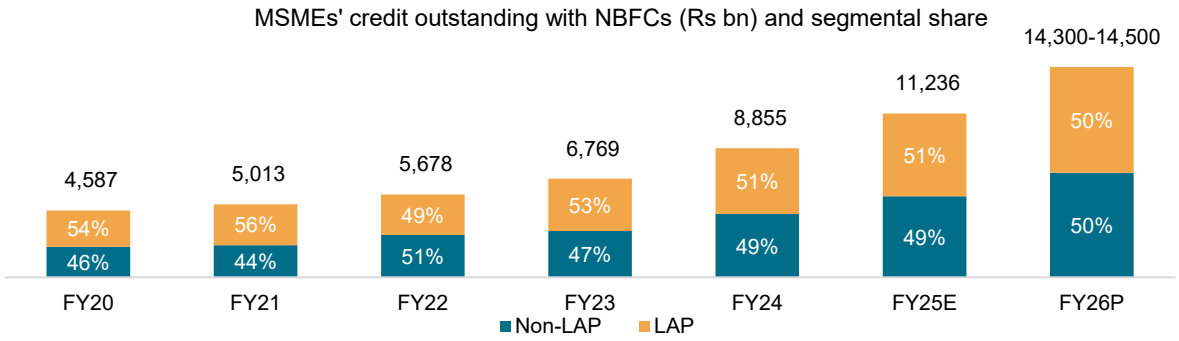
- Introduction of customised credit cards with a limit of Rs 5 lakhs to micro enterprises registered on the Udyam portal, with an expectation of issuance of 10 lakh such cards in the first year

- Extension of the scope of Mudra loans to include homestays

As the above initiatives take shape, the government's efforts to increase funding to the sector are expected to gain momentum. Currently, the sector remains underpenetrated, with only 20% of its potential being utilised.

According to Crisil Intelligence, MSME credit growth is expected to increase 18-20% in fiscal 2026. Credit to MSMEs from banks is likely to grow at a slower rate of 15-17%, while the same from NBFCs is poised to see a robust growth of 27-29%.

**Non-LAP share to further increase in fiscal 2026**



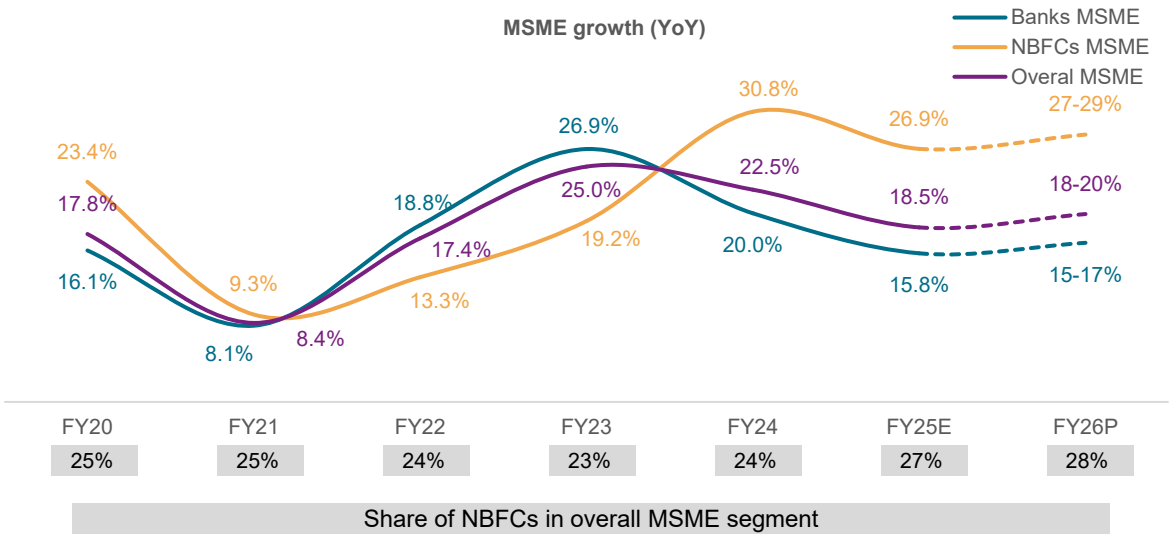

*Note:*
*1. E: Estimate, P: Projected*
*2. Non-LAP segment includes secured and unsecured loans*
*Source: Company reports, Crisil Intelligence*

During fiscal 2025, the share of non-LAP (Loan Against Property) stood at 49% as cash flow-based assessment, especially on account of increasing digitisation of financial transactions, enabled credit access to MSMEs that were unable to provide collateral due to their business model.

The share of LAP was 51% and remained dominant as lenders focused on secured lending to support asset quality. Additionally, increasing focus of housing finance companies (HFCs) on the higher yielding LAP segment supported its share in MSME credit.

In fiscal 2026, Crisil intelligence expects both LAP and non-LAP segments to account for an almost equal share of MSME credit as unsecured non-LAP lending will help NBFCs earn better margins in a declining interest rate scenario.

**Industrialisation, steady economic expansion to propel MSME credit**




*Notes:*
*1. E: Estimate, P: Projected*
*2. Credit deployment data published by the RBI was revised and so were the comparable numbers for the previous fiscals.*
*Sources: Company reports, Crisil Intelligence*

In fiscal 2025, the revenue of SMEs grew at an estimated 5%, similar to the previous fiscal, primarily due to a decline in consumption services, infrastructure/construction and healthcare sector.

The SME sector's revenue is projected to grow 6-7% on-year in fiscal 2026 driven by consumption and healthcare-led sectors. Demand for chronic therapies in the domestic market coupled with improved exports to regulated and semi-regulated markets will aid the healthcare sector. In the consumption services vertical, increasing enrolments and fee hikes will support the growth of coaching classes. In the consumption industrial vertical, demand from the original equipment manufacturer segment followed by replacement and export markets will aid revenue growth in the auto component sector. Export-led sectors are also expected to witness revenue growth, led by information technology-enabled services as demand for knowledge process outsourcing (KPO) and technical process outsourcing (TPO) grows.

According to data from Udyam Udyog, since its launch, most registrations on the portal have been from MSMEs in the services sector, accounting for ~75% of the total registrations. In contrast, manufacturing MSMEs account for only 25% of the total. Furthermore, the data reveals that micro industries dominate registrations, with a staggering 98.5% of total registered entities. Small enterprises account for 1.3% of registrations, while medium-sized enterprises make up a mere 0.1% of the total.

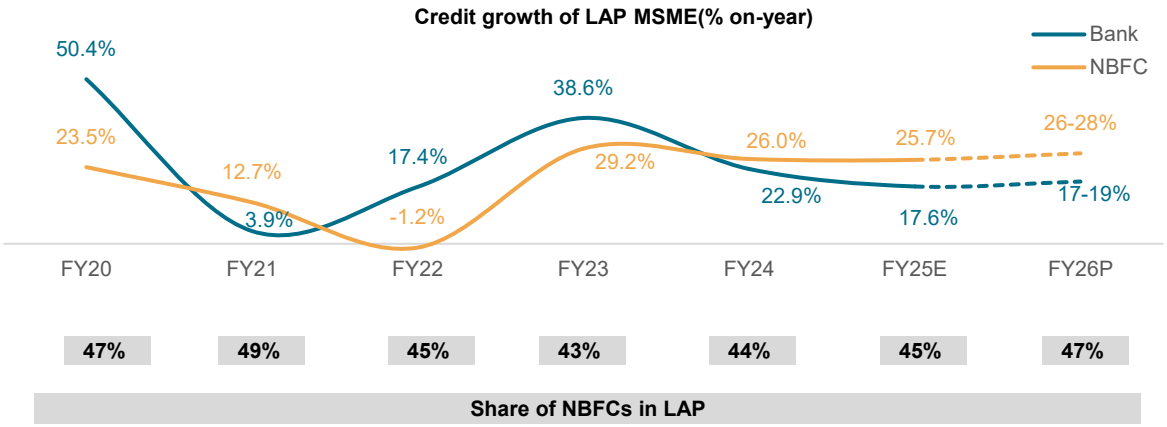
According to the RBI's sectoral deployment data, in fiscal 2025, credit growth among manufacturing MSMEs was significantly slower at 12%, compared with services-related MSMEs, which saw a growth of 18%. Moreover, the share of credit to manufacturing MSMEs was lower at 41%, compared with services MSMEs, which accounted for 50% of the total credit in fiscal 2025.

Crisil Intelligence projects that NBFCs will drive the growth of MSME credit at a rate of 27-29% in fiscal 2026. Banks are expected to clock a growth rate of 15-17% in fiscal 2026. As domestic demand continues to rise and urbanisation accelerates, the overall MSME credit is expected to grow at 18-20% in fiscal 2026, fuelling the growth of SME revenue and corporate India.

**LAP portfolio is expected to grow steadily**

LAPs can be obtained by mortgaging residential and commercial real estate with a lender. These loans can be used for personal or business purposes by both salaried and self-employed individuals are eligible to apply. The main purpose of the loan is not strictly regulated and as it offers the financier security in the form of real estate. LAP is a secured offering with an interest rate lower than a personal or corporate loan.

**NBFCs' LAP portfolio to grow 26-28% in fiscal 2026, outpacing banks**




*Notes:*
*1. P: Projected*
*2. Credit deployment data published by the RBI was revised with effect from January 2021 and so were the comparable numbers for the previous fiscals*
*Sources: Company reports, Crisil Intelligence*

Growth in LAPs at banks slowed to 17.6% in fiscal 2025 as they focused on higher-yielding products to earn better lending margins. LAPs at NBFCs grew at 25.7% as they focused on secured lending to safeguard asset quality. Moreover, few HFCs focused on LAPs to earn a better yield compared to home loans, supporting growth in the LAP book.

The LAP market saw a remarkable rebound in fiscal 2023, with banks and NBFCs posting growth rates of 38.6% and 29.2%, respectively, the highest since the pandemic. However, the growth slowed in fiscal 2024, with banks growing at 22.9% and NBFCs at 26.0%. In fiscal 2023, banks initially took the lead owing to the perceived safety of collateral-backed loans. However, in fiscal 2024, non-banks, particularly HFCs, caught up and even surpassed banks in LAP growth, driven by their focus on maintaining higher yields.

According to Crisil Intelligence, the LAP segment is expected to expand in fiscal 2026 with banks and NBFCs growing at 17-19% and 26-28%, respectively.

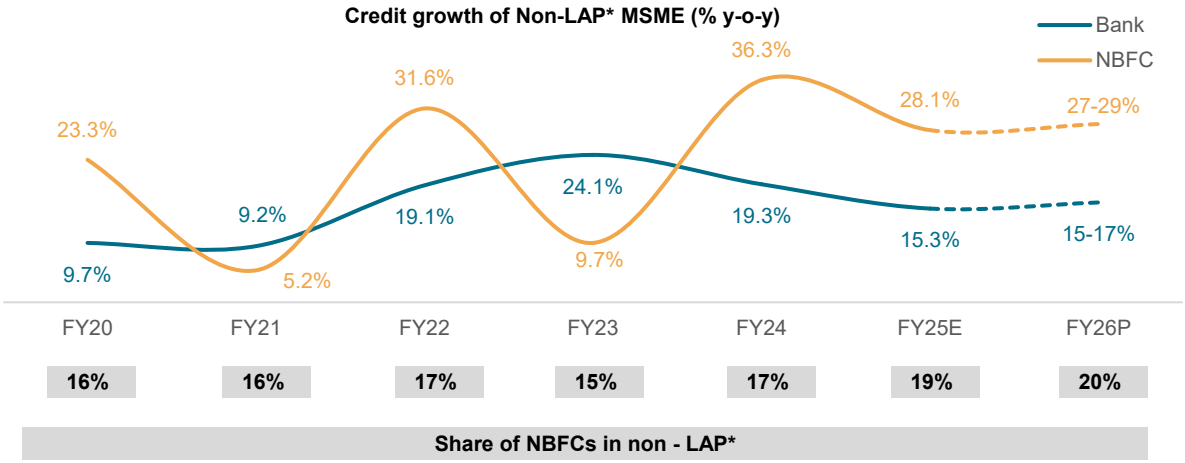
**NBFCs to lead non-LAP growth**

Loans with security and those without it make up the non-LAP segment. Working capital products such as cash credit, overdraft facilities and bill discounting, as well as other term loan products (asset-backed or hypothecated loans), are examples of non-LAP secured MSME loans. Hypothecated loans are term-based where the offered collateral is a combination of real estate, stock and so on.

Self-employed borrowers are provided unsecured MSME loans in the absence of a collateral. This type of lending is cash flow-based rather than collateral. Unsecured loans are reviewed based on a variety of factors, including scorecards, bureau checks, bank accounts, financial statements and returns from the goods and services tax. When a small business reaches a bank's cash credit and overdraft limits, it opts for an unsecured business loan to expand or sustain operations, take advantage of short-term possibilities or get through a cash flow crisis. Many lenders offer such loans in addition to the secured loans.

Due to the non-availability of collateral, underwriting plays a key role in maintaining asset quality of unsecured business loans. Underwriting these loans requires expertise and is powered by new financial technology and increased availability of data on customers' credit history. Competition in the secured loans market (especially retail loans) has compelled NBFCs and a few private banks to gain expertise in niche lending and build robust digital platforms to cash in on the fresh opportunities in the unsecured business loans space, while maximising profitability.

**Banks' non-LAP book moderated in fiscal 2025**




*Notes:*
*1. P: Projected*
*2. Credit deployment data published by the RBI was revised with effect from January 2021 and so were the comparable numbers for the previous fiscals have been revised accordingly.*
*3. * The non-LAP segment includes secured and unsecured loans*
*Sources: Company reports, Crisil Intelligence*

In fiscal 2025, the non-LAP segment slowed down as both banks and NBFCs focused on secured lending by reducing exposure to unsecured MSME, particularly micro entities.

In fiscal 2023, banks outperformed NBFCs in the non-LAP segment, achieving a robust growth rate of 24.1% driven by aggressive strategies, increased market presence, lower funding costs and sufficient liquidity. NBFCs, however, grew at a slower pace of 9.7%. In fiscal 2024, the trend reversed, with bank credit growth slowing to 19.3% due to the high base effect, while NBFCs witnessed significant acceleration in growth to 36.3%, with aggressive expansion in their market share.

Looking ahead, Crisil Intelligence projects non-LAP growth to be marginally higher over fiscal 2025 at both banks and NBFCs as lenders become more cautious about unsecured lending and focus on secured loan against property lending.

**Asset quality**

**Quality of MSME loans remains stable, to remain range bound**

In fiscal 2025, the gross non-performing asset (GNPA) ratio remained elevated at 4-5%. Among various lenders, the asset quality of private banks, which serve relatively low-risk customers, is better than other lenders such as NBFCs, which often serve customers with lack of formal documented income.

In fiscal 2024, GNPA ratio decreased due to improvement in economic activity, better collection efficiency and strong credit growth. The asset quality has shown improvement after the deterioration in fiscal 2021, due to the pandemic as income of the borrowers took a hit.

Crisil Intelligence estimates GNPA ratio to be in a similar range of 4-5% during fiscal 2026 on resilience of economic activity, easing inflationary pressures and reduction in interest rates.

**MSME finance – Industry overview**

The MSME sector is a significant contributor to India's economy, accounting for approximately one-third of the country's gross domestic product. The sector is predominantly comprised of micro-enterprises, which are characterized by investments of up to Rs 25 crores and a turnover of up to Rs 1 billion. Additionally, the sector encompasses small and medium-sized enterprises, with investments and turnover limits of up to Rs 2.5 billion and Rs 10 billion, and up to Rs 12.5 billion and Rs 50 billion, respectively, as per the revised definition introduced in the Union Budget 2025-26.

However, micro-enterprises seldom expand or convert into small or medium-sized enterprises. This is partly because traditional lending processes, which rely on MSMEs showing their creditworthiness through collateral like documentation of digital financial transactions and property, prevent micro-enterprises from accessing financing to expand their businesses. Their inability to obtain affordable formal finance leads to weak working capital reserves, which reduces productivity and prevents their growth.

Government policies towards the revival of the MSME sector have led to cash flow-based lending. The government also launched various initiatives such as the Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE), ECLGS, Pradhan Mantri MUDRA Yojana (PMMY) and Open Credit Enablement Network (OCEN). On the other hand, fintechs and traditional lenders have been driving growth by trying to cover the gap between demand and supply of credit to MSMEs. Government agencies such as Small Industries Development Bank of India (SIDBI) and Micro Units Development & Refinance Agency Limited (MUDRA) and the Ministry of MSME have been instrumental in deploying the policies and creating infrastructure future growth.

**Government support and regulations**

**Pradhan Mantri MUDRA Yojana (PMMY)**

Launched on April 8, 2015, PMMY offers loans of up to Rs 10 lakhs to non-corporate, non-farm small and micro-enterprises. These loans, categorised as MUDRA loans, are offered by commercial banks, RRBs, small finance banks, MFIs and NBFCs. The loans are categorised into Shishu, (up to Rs 50,000), Kishore (above Rs 50,000 and up to Rs 5 lakhs), and Tarun (above Rs 5 lakhs and up to Rs 10 lakhs), based on the degree of development and funding requirements of the recipient micro unit or entrepreneur and to serve as a benchmark for the subsequent stage of graduation or growth.

**Status of PMMY**

| Financial year | No of loans sanctioned (crore) | Amount sanctioned (Rs trillion) | Amount disbursed (Rs trillion) |
|---|---|---|---|
| 2018 | 4.81 | 2.54 | 2.46 |
| 2019 | 5.98 | 3.22 | 3.12 |
| 2020 | 6.22 | 3.37 | 3.3 |
| 2021 | 5.07 | 3.22 | 3.12 |
| 2022 | 5.37 | 3.39 | 3.31 |
| 2023 | 6.23 | 4.57 | 4.5 |
| 2024 | 6.67 | 5.41 | 5.32 |
| 2025 | 5.47 | 5.52 | 5.41 |

*Source: MUDRA, Crisil Intelligence*

**Open Credit Enablement Network (OCEN)**

Due to the widespread use of Aadhaar-based digital identity, the country's focus on developing digital public infrastructure has been increasingly intense during the past few fiscals. To facilitate frictionless adoption of technology for digital payments, secure data base construction, and data exchange across organisations for more rapid and effective lending and e-commerce processes, multi-layered public digital infrastructure is being developed. Open networks are being created for this, including the Open Network for Digital Commerce (ONDC; in the beta testing phase) and OCEN. India Stack, a collection of free and open application programming interfaces (APIs) and digital public assets, is the foundation of everything. India Stack has three layers: digital identification, payments, and data storage and validation.

Open networks like OCEN serve as a link between lending institutions and loan service providers (LSPs), which are online marketplaces with a clientele that includes potential borrowers. Financial institutions and LSPs will have a ton of opportunity to partner as a result of this integration. As building specialised, separate infrastructure would require significant expenditure, this will be advantageous for all parties. These alliances will also hasten financial inclusion by bringing in additional clients to the established lending system. This extension of credit to these credit-inexperienced borrowers will also help close the credit gap for MSMEs. Additionally, financial institutions will have access to borrower data like spending habits and average order values, which can help them make wiser judgments. In addition to the layers mentioned above, numerous more data sources created over the past decade serve as crucial input for financial institutions. The data consist of PAN as a common identity, GSTN, Udyam MSME Registration, and Digi Locker for MSMEs.

**Growth drivers of MSME finance sector**

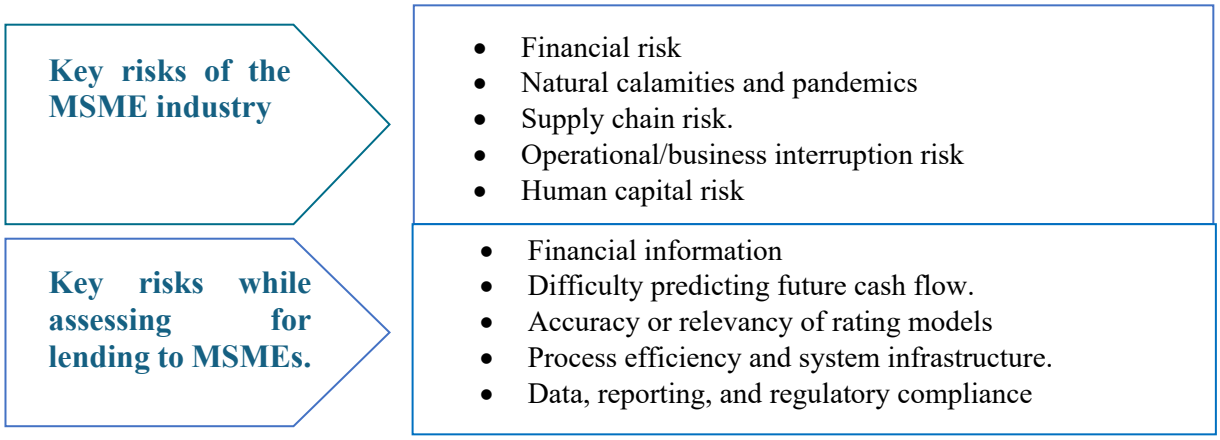
**Digitalisation**

Digitalisation reduces supply chain risks and gives MSMEs better access to a wider range of international markets. In the short term, digitalisation can help MSMEs by enabling remote transaction administration, effective product distribution, and simpler access to financial services. MSMEs may see real advantages from it, such as increased client acquisition, operational efficiency, staff development, risk management, innovation, and a need for less workers. MSMEs have been drawn to the digital channel even more as a result of rising internet usage, rising demand for inexpensive smartphones, and the closure of the information asymmetry gap by digital lenders.

**Government policy interventions**

The Indian government has launched numerous policies under the Atmanirbhar Bharat Abhiyaan and Make in India during the past 10 years to improve and expand the MSME sector. The Self-Reliant India Fund was established to address the MSMEs' ongoing need for equity and cash. The government has launched several other schemes such as the ECLGS, MSME Champions, CGTMSE, ONDC and OCEN, to help the sector grow.

**Key challenges**




*Source: Industry reports, Crisil Intelligence*

**Wholesale finance – Review and outlook**

**Wholesale book of NBFCs pivots to growth as legacy book issues subsides**

Lending by non-banking financial companies (NBFCs), including housing finance companies (HFCs), to the wholesale sector, which had been on a declining trend over the past few fiscals, marked a reversal in fiscal 2025, growing an estimated 5.2% on-year.

Wholesale finance involves short- and long-term funding provided by banks and other financial institutions to large and medium-sized firms, including real estate developers, and institutional customers. Crisil Intelligence excludes lease-rental discounting and lending to the infrastructure sector from the wholesale book.

Over the past few fiscals, the wholesale loan book of NBFCs has changed considerably in terms of size and complexity. After facing asset quality issues following the NBFC crisis of 2019 and the pandemic, several NBFCs started downsizing their wholesale book, categorising it as legacy assets. At present, only a few NBFCs are expanding their wholesale book.

As of fiscal 2025, the NBFCs that have been cutting back on wholesale lending constitute a very small proportion of the total NBFC wholesale loan book. At the same time, NBFCs/HFCs that continue to expand their wholesale portfolios reported steady loan book growth. Consequently, the wholesale loan book of NBFCs rose an estimated 5.2% in fiscal 2025, marking a reversal from the declining trend of the past five years.

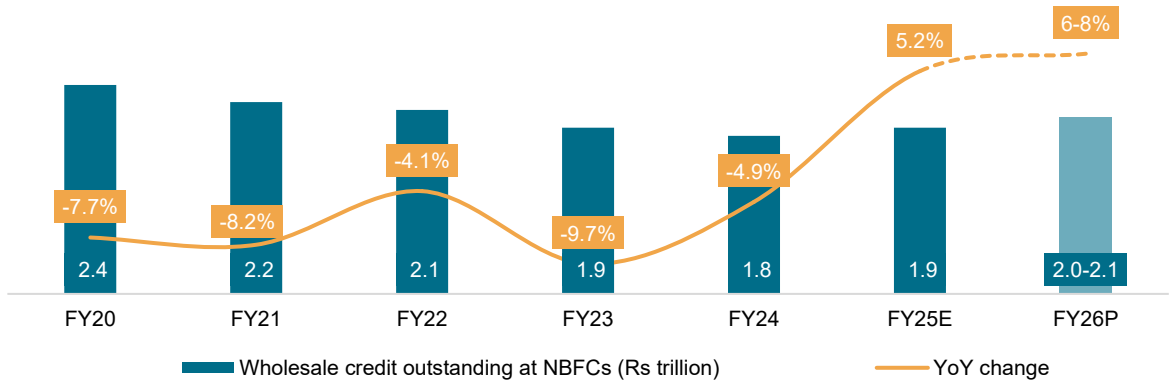
**Banks dominate the wholesale lending space**

| Type | Share in book FY25E (%) | Book (Rs billion) FY25E | CAGR (%) FY20-25 | Growth in FY25E (%) | Growth outlook for FY26P (%) |
|---|---|---|---|---|---|
| NBFCs | 4% | 1,920 | -4.5% | 5.2% | 6-8% |
| Banks | 96% | 49,338 | 8.0% | 10.2% | 10-12% |
| Overall | 100% | 51,258 | 7.3% | 10.0% | 10-12% |

*Notes:*
*1. E: Estimate, P: Projected*
*2. The merger of HDFC Limited and HDFC Bank became effective July 1, 2023. Past numbers have been adjusted for the estimated loan book of HDFC Limited for the retail housing and commercial real estate segment for normalised credit growth*
*3. Historical numbers are restated based on changes in reporting by companies*
*Sources: Company reports, RBI, Crisil Intelligence*

**Wholesale book of NBFCs clocks mid-single-digit growth in fiscal 2025**

**Moderate expansion expected next fiscal**




*Notes:*
*1. E: Estimate, P: Projected*
*2. The merger of HDFC Limited and HDFC Bank became effective July 1, 2023. Past numbers have been adjusted for the estimated loan book of HDFC Limited for the retail housing and commercial real estate segment for normalised credit growth.*
*3. Historical numbers are restated based on changes in reporting by companies*
*Sources: Company reports, RBI, Crisil Intelligence*

Between fiscals 2020 and 2024, the total NBFC wholesale book was on a declining trend. Volatile asset quality of high-ticket-size loans was the primary reason for several NBFCs pruning their wholesale book. Defaults on these loans led to significant deterioration in asset quality and material write-offs, impacting the net interest margins (NIMs) and return on assets (RoAs) of NBFCs. In real estate project finance, viability issues arose because of high gestation periods and adverse market conditions, such as the introduction of goods and services tax for under-construction properties, labour shortage during the pandemic-driven lockdowns and the rising cost of raw materials.

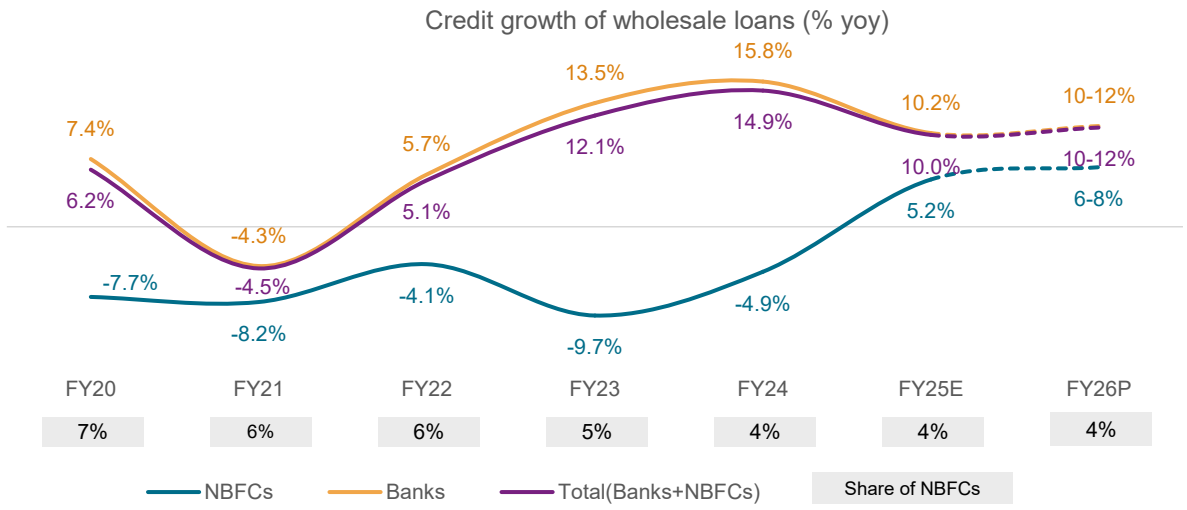
At present, the NBFC wholesale finance sector stands on more stable ground, with large, highly rated NBFCs responding to the challenging environment by exploring alternative avenues of wholesale financing to diversify their portfolios. One such strategy is lending to other NBFCs and offering a range of products to mitigate risk. Additionally, they are venturing into lending to other mid and large corporate segments.

Meanwhile, large HFCs are maintaining their risk-averse approach by partnering only with highly rated real estate developers. This partnership also helps HFCs in sourcing loans from these developers.

Crisil Intelligence projects the wholesale book of NBFCs to grow at a moderate 6-8% in fiscal 2026 as a few large HFCs have resumed expanding their developer finance portfolio after years of book clean-up. Real estate project launches slowed in fiscal 2025, however the pass on Reserve Bank of India's (RBI) cumulative rate cut of 100bps between February to June 2025 is expected to revive new project launches in fiscal 2026, thereby supporting the growth of the wholesale book.

**Wholesale books of banks slowed in fiscal 2025**

**Rate cuts to support growth in fiscal 2026**




*Notes:*
*1. E: Estimate, P: Projected*
*2. The merger of HDFC Limited and HDFC Bank became effective July 1, 2023. Past numbers have been adjusted for estimated loan book of HDFC Limited for the retail housing and commercial real estate segment for normalised credit growth*
*3. Historical numbers are restated basis change in reporting by companies*
*Sources: Company reports, RBI, Crisil Intelligence*

Banks' wholesale loan book clocked a compound annual growth rate (CAGR) of 8% between fiscals 2020 and 2025 and represented around 11% of their loan book as of fiscal 2025. Given their highly diversified loan book and availability of funding through deposits, banks have been the dominant player in the wholesale loan space with a market share of 96% as of fiscal 2025.

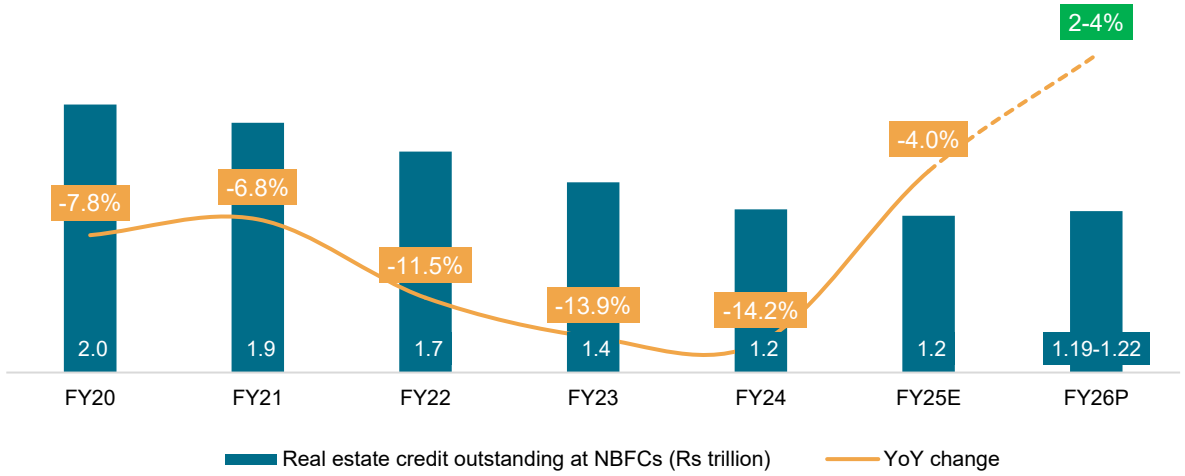
In fiscal 2025, the wholesale loan book of banks rose 10.2% on-year to Rs 49 trillion, slower than the 15.8% growth in the previous fiscal. The slower growth can be attributed to banks rising increasingly focusing on growing their high-yielding retail book to support their interest margins. Moreover, many large corporations trimmed or delayed their capital expansion plans owing to the slowdown in the economy, with real gross domestic product declining from 9.2% in fiscal 2024 to 6.5% in fiscal 2025. Additionally, many companies relied on internal cash generation rather than borrowing because of high interest rates.

Funding to NBFCs was a bright spot in the banks' wholesale loan book in fiscal 2025, growing 6% on-year, and accounting for 9% of their gross loan book and 33% of the wholesale book.

Crisil Intelligence projects banks' wholesale credit growth rate to moderately increase to 10-12% in fiscal 2026 supported by the RBI's repo rate cuts, capital expansion activities by large corporations, demand for NBFC credit and pickup in real estate projects.

**Real estate book contracts owing to slowdown in projects**

**NBFCs' real estate lending expected grow in fiscal 2026**




*Notes:*
*1. E: Estimate, P: Projected*
*2. The merger of HDFC Limited and HDFC Bank became effective July 1, 2023. Past numbers have been adjusted for estimated loan book of HDFC Limited for the retail housing and commercial real estate segment for normalised credit growth*
*3. Historical numbers are restated basis change in reporting by companies*
*Sources: Company reports, RBI, Crisil Intelligence*

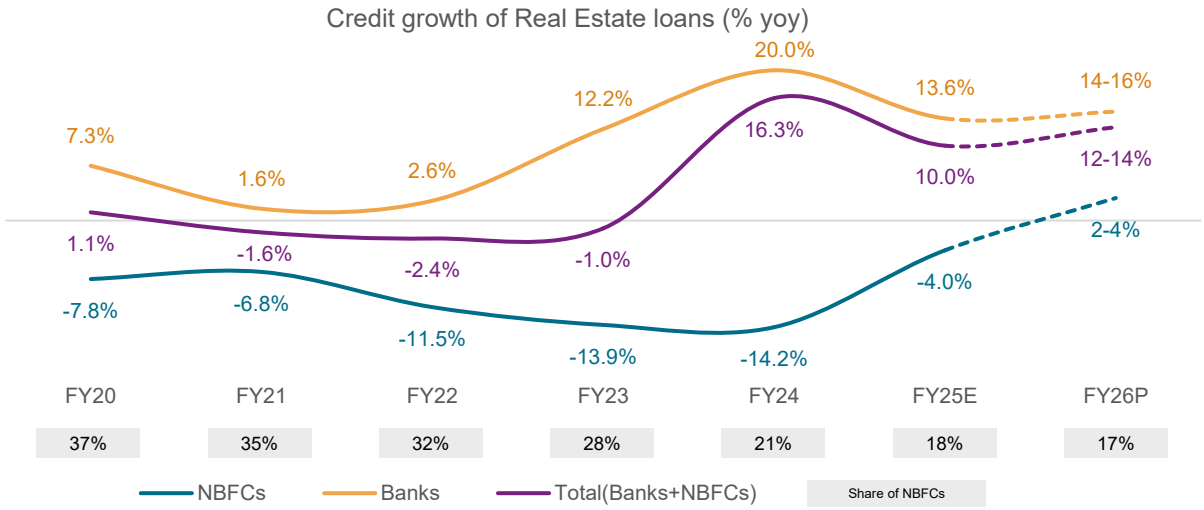
NBFCs' real estate lending declined to ~Rs 1.1 trillion in fiscal 2025 from ~Rs 2.0 trillion in fiscal 2020 as several players downsized their book after facing asset quality concerns and significant bad loan write-offs. The asset quality stress stemmed from pandemic-led lockdowns, which halted construction and also gave rise to labour shortages, leading to extended construction timelines and financing challenges. In the aftermath of pandemic, the RBI raised the repo rate to curb inflation, leading to a slowdown in new real estate projects.

Traditionally, developers were dependent on customer payments at the time of property booking, construction-wise payments from customers or their lenders, their own capital, and bank or NBFC borrowings for funding. But sudden changes in economic and global conditions have made projects volatile, elevating the risk of bankruptcies. To address this, the government has introduced a more diversified alternative financing source for developers in the form of real-estate investment trusts (REITs), through which players can raise capital from markets.

The decline in NBFCs' real estate book slowed to 4% in fiscal 2025 from 14.2%in the previous fiscal, as a few players cautiously resumed lending to real estate projects after cleaning up their loan book. Demand from new project launches remained strong, there were fewer new project launches compared with fiscal 2024.

Crisil Intelligence projects the NBFC real estate book to grow 2-4% in fiscal 2026 supported by a pickup in new real estate project launches on the back of the declining repo rate. Also, the bulk of the real estate portfolio reduction by NBFCs is likely to have been completed.

**Banks surpass NBFCs in lending to real estate**




*Notes:*
*1. E: Estimate, P: Projected*
*2. The merger of HDFC Limited and HDFC Bank came into effect on July 1, 2023. Past numbers have been adjusted for estimated loan book of HDFC for the retail housing and commercial real estate segment for normalised credit growth.*
*3. Historical numbers are restated based on changes in reporting by companies*
*Sources: Company reports, RBI, Crisil Intelligence*

After the pandemic, banks experienced a slowdown in real estate loans due to issue across the underlying sector. However, after fiscal 2022, banks rapidly grew their real estate books relative to NBFCs given their ability to provide funding at competitive rates compared with NBFCs.

As the impact of the pandemic subsided, demand for luxury and prime housing rose, whereas affordable housing demand moderated due to lower affordability within the targeted segment following repo rate increases. Banks capitalised on this trend given their higher liquidity and ability to fund large projects, which supported their real estate loan book growth in fiscals 2023 and 2024.

In fiscal 2025, banks' real estate loan book growth slowed to 13.6% due to an overall slowdown in new project launches.

Crisil Intelligence projects funding to real estate by banks to grow 14-16% in fiscal 2026 supported by a lower repo rate and real estate project launches.

**Asset quality**

Stress in the real estate and corporate segments has remained higher than other segments. Crisil Intelligence estimates that the overall stress in the wholesale book will be high, including contractual moratorium, book under extension by date for commencement for commercial operations (DCCO) extension.

The wholesale gross non-performing assets (GNPAs) of NBFCs moderated marginally in fiscal 2025 owing to recoveries as well as wite-offs. However, for a few players, GNPAs remained in high double digits as the wholesale book declined further and no new disbursements. Crisil Intelligence estimates the overall GNPAs will remain on a higher side — at 6-9% — in fiscal 2026.

**Key Growth Drivers**

**Rise in urbanization to create demand for residential real estate in urban India**

Urbanisation provides an impetus to housing demand in urban areas as migrants from rural areas require dwelling units. In 2030, about 37% of Indian population is expected to live in urban areas of the country. This trend in urbanization has pushed the demand for houses in urban areas.

**Infrastructure development across India is driving growth in the real estate sector**

The development of infrastructure plays a key role in enhancing the demand for residential estate. Infrastructure development leads to an increase in connectivity through railways, air, and road, reducing commute time. Well planned transportation infrastructure attracts investments and business which further creates demand for commercial and residential real estate. Also, other infrastructure development such medical facilities, educational institutions, entertainment hubs, retail market, business centres, schools, retail outlets etc. promote real estate prices as these infrastructure projects are the most preferred aspect for residential real estate buyers.

**Focus on integrated lifestyle especially by millennial buyers**

Nowadays, residential real estate buyers, especially millennials, have key preferences for their homes. These residential real estate buyers look for work-life balance and seek residences which offer modern amenities, vibrant communities, and access to leisure and entertainment options. They prefer integrated townships with gated communities which offer a variety of amenities such as fitness centres, swimming pools, and recreational spaces. Due to this, developers today are focusing on offerings to cater these lifestyle-based preferences, resulting in real estate development projects for aspirations and dreams of millennial generation.

**Risks and challenges:**

**Operational risk in project approvals and construction**

Operational risks in real estate financing include project delays due to legal issues, funding shortfalls, or logistical challenges, and construction risks such as poor construction quality, labour shortages, and unreliable contractors. Effective project management, regular monitoring, and contingency planning are essential to mitigate these risks and ensure timely project completion.

**Increasing preference towards renting rather than buying**

The millennial generation is expected to drive a significant shift in the housing market, with a growing preference for renting over buying homes. The rise of the sharing economy, co-living spaces, and online rental platforms is also contributing to this trend, making it easier and more appealing for millennials to rent rather than buy.

**Market and regulatory risks**

In the real estate financing industry, market risks such as property price volatility and demand-supply mismatches, combined with regulatory and compliance risks like frequent policy changes and legal non-compliance, pose significant challenges. Effective risk management requires market analysis, adaptive strategies, and strict adherence to evolving regulations to ensure project stability and profitability.

Wholesale finance – Industry overview

Wholesale finance represents lending services to medium-sized and large corporate firms, institutional customers and real estate developers by banks and other financial institutions. It encompasses both short- and long-term funding with long term loans accounting for most of the loan book. While long term loans are driven by investment cycles, short term loans are influenced by business revenue and working capital requirement.

**Segmentation of wholesale finance offered by NBFCs**

| Real estate lending | Secured corporate lending (includes structured finance) |
|---|---|
| • Provides customised and structured loans to real estate developers for pre-approval/land financing and construction of commercial and residential properties<br>• Last stage financing for inventory funding | • Customised financing solutions to meet working capital and growth finance needs of corporate clients<br>• It includes :<br>  • Vanilla term loans<br>  • Working capital loans<br>  • Structured finance |

**NBFCs compete with Banks through innovative product offerings and strong relationship with corporates**

**Customised solutions:**

NBFCs offer customised loan structures with features such as interest moratorium and bullet repayment schedules, which are generally not offered by banks. In addition, NBFCs also often extend credit to developers for land financing and early-stage project financing. These offerings along with strong customer relationships with corporations help NBFCs to be competitive with Banks

**Lower turnaround time:**

Corporates often require funds in a timely manner for funding business growth and/or managing liquidity crunch. NBFCs are able to meet the requirement of such clients owing to their faster turnaround time. The quicker turnaround time for NBFCs can be attributed to the use of technology and digital platforms in aspects of loan origination, underwriting and collections, and faster processing of documents. Decision-making cycles in some PSBs are elongated, owing to high ticket size and high-risk segment. This shall contribute to the growth of NBFCs in wholesale segment.

**Strategic Credit Diversification and Risk Management:**

NBFCs, by analysing past experiences, are recognizing the critical importance of managing and diversifying their wholesale credit portfolios. This strategic shift is aimed at maintaining asset quality while ensuring sustainable returns. Diversification, in this context, involves spreading credit exposure across various sectors and borrower segments to mitigate risks associated with economic downturns or sector-specific disruptions. Moreover, improved risk management techniques, such as enhanced credit assessment processes and continuous monitoring of loan performance, are being implemented to forecast potential defaults and preserve capital. This proactive approach not only helps in stabilizing the asset quality but also positions NBFCs to capitalize on emerging opportunities in the market, thereby driving their growth in a competitive financial landscape.

**Government support and regulations**

Government support in the form of investment funds will be beneficial to wholesale lenders over the medium term owing to the significant stress in the segment, which has seen a slowdown in fund inflow.

**SWAMIH Investment Fund**

On September 14, 2019, the Ministry of Finance announced several measures to revive the real estate sector and boost economic growth. Among them was the Special Window for Completion of Affordable and Mid-Income Housing (SWAMIH) Investment Fund. As on March 17, 2023, the fund had delivered over 22,500 homes. Since its inception, the private equity fund managed by SBICAP Ventures Limited has become the largest social impact fund in India. The alternative investment fund, which provides last-mile funding for stalled affordable-housing and mid-level projects, was created to boost real estate investments, primarily in the form of non-convertible debentures. The scheme aims is to trigger last-mile construction of stalled units and ensure delivery to home buyers. The fund offers loans at a rate of 12% per annum without any processing fees.

**Criteria for developers to avail SWAMIH Investment Fund**

- At least 90% of the available floor space index (FSI)/floor area ratio (FAR) is being developed as affordable housing or mid-income housing and the net worth must be in the positive
- Is a part of Real Estate (Regulation and Development) Act, 2016 (RERA)-registered projects, has incurred at least 30% of project costs and requires last-mile funding, sufficient to complete the project
- The capital provided by the fund shall have a senior charge (except in cases where a regulatory authority holds first charge) over the portion of the project for which the funding shall be used
- Affordable or mid-income housing units have been defined as those that do not exceed 200 sq m RERA carpet area and are priced as follows (as applicable):
    i. Less than Rs 2 crores in the Mumbai Metropolitan Region (MMR)
    ii. Less than Rs 1.5 crores in the National Capital Region (NCR), Chennai, Kolkata, Pune, Hyderabad, Bengaluru and Ahmedabad

iii. Less than Rs 1 crore in the rest of India

**Progress under SWAMIH Investment Fund I**

As of January 2025, SWAMIH had accorded final approval for about 130 projects, with sanctions worth over Rs 120 billion. Since its inception in 2019, the fund completed 20,557 homes and aimed for completion of over 81,000 homes across 30 tier 1 and 2 cities. The fund has projects in 30 cities, including Amravati, Amritsar, Coimbatore, Dehradun, Jaipur, Jodhpur, Meerut, Mohali, Nagpur, Nasik, Thrissur, Visakhapatnam, MMR, NCR, Pune, Hyderabad, Bengaluru and Chennai.

**Launch of SWAMIH Investment Fund II**

The Union Budget 2025-26 announced the launch of SWAMIH Investment Fund II with an allocation of Rs 150 billion to help complete an additional 100,000 housing units.

**PM Gati Shakti**

This programme is aimed at building next-generation infrastructure, which improves ease of living as well as ease of doing business. The multi-modal project will provide integrated and seamless connectivity for the movement of people, goods and services from one mode of transport to another. It aims to facilitate last-mile connectivity of infrastructure and reduce travel time. Developments in infrastructure and connectivity are expected to support the real estate segment in the medium term.

**REITs and infrastructure investment**

A strong infrastructure is crucial for a country, especially for a developing economy such as India. Real estate and infrastructure investments can accelerate economic expansion. Due to lack of resources, the public sector is unable to fully meet the funding required for infrastructure development. Private sector investments in the sector are constrained due to its capital-intensive nature and sluggish yields.

Infrastructure investment trusts (InvITs) and REITs are cutting-edge pooled investment vehicles that enable the monetisation of real estate and infrastructure assets, while also giving investors the chance to engage in these assets without owning them.

Given the significance of private investment in infrastructure development and the crucial roles that REITs and InvITs may play, the Securities and Exchange Board of India (SEBI) has consistently worked to both enhance and simplify the regulatory framework governing them.

**What are REITs?**

REITs are investment trusts that own and manage real estate properties, earning regular income and capital growth on their investments, like mutual funds.

They pool money from investors and give them a liquid means to invest in real estate, while also assisting in portfolio diversification, regular income generation and long-term capital growth.

**Measures taken to support REITs**

- **Shortening of timelines for listing:** To streamline the process of public issue of REITs, the time taken for allotment and listing after the closure of the issue has been reduced to six working days from 12. This will help enhance liquidity in the market and bring about parity with equities as an investment avenue

- **Amendments to guidelines for institutional placement of units:** The mandatory listing period for institutional placement of units by listed REITs has been reduced to six months from 12. Further, sponsors were allowed to be allotted units on institutional placement for the unsubscribed portion, subject to fulfilment of certain conditions

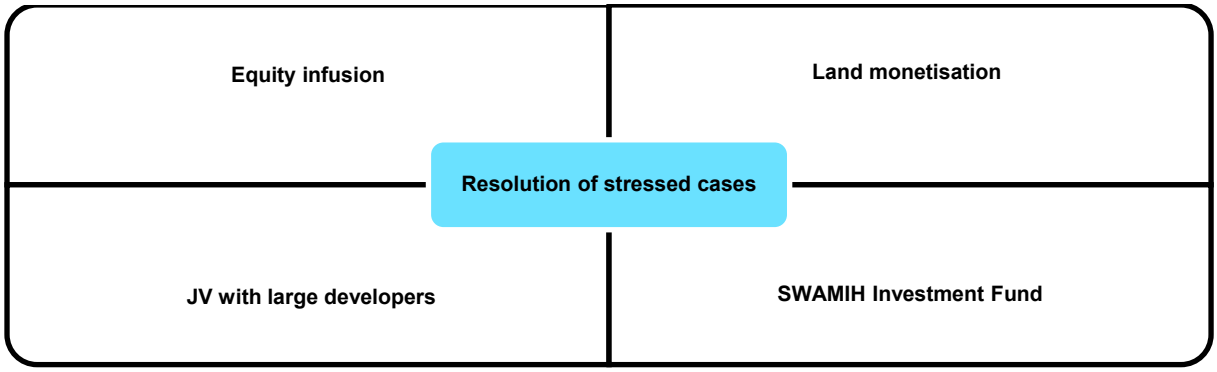
- **Issue and listing of CPs:** To improve the robustness of REITs by allowing them greater flexibility in capital structuring, REITs were allowed to issue and list commercial papers (CPs), provided it is beneficial for stakeholders of REITs

- **Reduction in minimum unitholding requirement:** The minimum holding requirement of units by sponsor(s) and sponsor group(s) of REITs has been reduced to 15% of total outstanding units on a post-initial-offer basis from 25%, in line with the requirements specified for sponsor(s) in the InvIT regulations, 2014

- **UPI mechanism:** To provide additional option for individual investors to apply in public issues of units of REITs, a facility to block funds through Unified Payments Interface (UPI) for application value up to Rs 5 lakhs has been provided

**Structural shifts**

The stress in the wholesale segment is clearly visible in the higher NPA levels. Over the years, most HFCs and NBFCs have changed their strategies/focus to reduce their wholesale exposure, paving the way investment opportunities for private equity funds.




*Source: Crisil Intelligence*

## OUR BUSINESS

*Some of the information in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read "Forward Looking Statements" on page 8 for a discussion of the risks and uncertainties related to such statements and also "Risk Factors" on page 16 for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements.*

*In order to obtain a complete understanding of our Company and the business of our Company, you should read this section in conjunction with the rest of this Information Memorandum including the sections tilted "Industry Overview", "Key Regulations and Policies", "Management's Discussion and Analysis of Financial Condition and Results of Operation" and "Outstanding Litigation and Material Developments" on pages 49, 127, 570 and 577 respectively, as well as other financial and statistical information contained in this Information Memorandum. You should pay particular attention to the fact that our Company is incorporated under the laws of India and is subject to legal and regulatory environment which may differ in certain respects from that of other countries.*

*The industry information contained in this section is derived from the Industry Report. Neither we, nor any of our affiliates or advisors, nor any other person connected with the Information Memorandum has independently verified this information.*

*In this section, unless the context otherwise requires, a reference to "our Company", or to "we", "us" and "our" shall mean Piramal Finance Limited. The financial figures used in this section, unless otherwise stated have been derived from the Financial Statements included in the section titled "Financial Statement" on page 198 of this Information Memorandum.*

***Overview***

Our Company is a public limited company that was originally incorporated and registered as '*Dewan Housing Finance & Leasing Company Limited*' on April 11, 1984, as a public limited company under the Companies Act, 1956 pursuant to a certificate of incorporation dared April 11, 1984. The name of our Company was subsequently changed to (i) '*Dewan Housing Development Finance Limited*' on September 26, 1984, (ii) '*Dewan Housing Finance Corporation Limited'* on August 25, 1992, (iii) '*Piramal Capital & Housing Finance Limited*' on November 3, 2021, and (iv) '*Piramal Finance Limited*' on March 22, 2025 issued by the RoC. The Transferor Company, i.e. Piramal Enterprises Limited has been transferred to our Company effective from September 16, 2025, pursuant to the Scheme. For more details, please see the section titled "*History and Certain Corporate Matters*" on page 142 of this Information Memorandum.

Prior to the Scheme becoming effective, our Company was a wholly owned subsidiary of Piramal Enterprises Limited i.e. the Transferor Company. Pursuant to the Scheme becoming effective, the Transferor Company has amalgamated with our Company, and the Transferor Company has been dissolved without winding up. Further, our Company will issue equity shares to the shareholders of Transferor Company and the entire shareholding of the Transferee Company held by Transferor Company shall stand cancelled.

As part of the insolvency process of Dewan Housing Finance Corporation Limited ("**DHFL**"), erstwhile Piramal Capital & Housing Finance Limited ("**ePCHFL**") reverse merged into DHFL with effect from September 30, 2021 and the name of the surviving entity was changed to 'Piramal Capital & Housing Finance Limited' with effect from November 3, 2021. On May 8, 2024, the board of directors of PEL and our Company approved a scheme of arrangement to merge PEL with our Company. Pursuant to the audited financial statements for the Financial Year ended March 31, 2025, our Company does not meet the requisite 'Principal Business Criteria' prescribed by the RBI under the Master Direction – Non- Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, to continue operating as an HFC. The board of directors of our Company approved the conversion of our Company from a housing finance company to an NBFC-ICC, as prescribed under the HFC Master Directions and made an application dated May 13, 2024, to RBI for conversion of our Company from a housing finance company to an NBFC-ICC. Our Company received its NBFC-ICC license on April 4, 2025.

Our Company is registered with the RBI as a non-deposit taking NBFC-ICC having registration certificate no. N-13.02517 under Section 45-IA of the Reserve Bank of India Act, 1934. Prior to being registered as an NBFC-ICC, PFL was registered as an HFC with the RBI. Our Company is now engaged in the business of providing diversified financial services. Prior to being registered as an NBFC-ICC, our business comprised of (a) housing finance, (b) corporate lending, (c) retail lending, and (d) real estate lending. The non-convertible debentures issued by our

Company are listed on the Stock Exchanges and the commercial papers issued by us are listed on NSE. The Company also has its senior secured sustainability notes issued under the secured Euro medium term note programme listed on the India International Exchange (IFSC) Limited (India INX).

Our Company is engaged in the business of providing diversified financial services. We offer a broad spectrum of financial solutions catering to both retail and wholesale segments, with a strong focus on serving the underbanked and underserved populations across India. We offer products such as home loans, loans against property, used car loans, personal loans, and small business loans. We also provide tailored, asset-backed lending solutions across residential and commercial real estate projects, focusing on mid-segment residential developments. Additionally, we also offer customized funding to underserved mid and large sized businesses through our Corporate and Mid-Market Lending ("**CMML**") vertical, addressing unique capital needs in non-real estate sectors.

Our Company places a strong emphasis on serving the "Bharat" market, focusing on self-employed and salaried individuals in Tier II and III cities. We offer a diverse range of retail loan products, including:

(i) home loans;

(ii) loan against property;

(iii) used car loans;

(iv) small business loans;

(v) personal loans;

(vi) microfinance loans; and

(vii) digital embedded finance products.

As of June 30, 2025 and March 31, 2025, our total loan portfolio was Rs. 74,329 crores and Rs. 69,607 crores, respectively. As of June 30, 2025, our borrowings (other than debt securities) were Rs. 24,227.46 crores. For the Financial Year ended March 31, 2025, our revenue from operations totalled Rs. 8,179.48 crores. As of June 30, 2025, and March 31, 2025, our standalone net profit/(loss) after tax was Rs. 92.44 crores and Rs. 52.45 crores, respectively. Our Company constantly monitors and manages its assets and liabilities in such a manner that asset liability mismatches remain within reasonable limits and comply with asset-liability management ("**ALM**") system requirements as stipulated by the RBI.

*Strong Board and management team with diversified experience*

Ajay G. Piramal is the promoter and the Company's board is headed by Anand A Piramal. Our Company has a strong Board comprising of experienced professionals and a management team comprising of qualified professionals heading different business verticals with adequate and relevant experience in their respective fields. This diversified experience provides us with diverse inputs in evaluating and managing our businesses. We have also created a leadership team for each of our business vertical tasked with various roles and responsibilities of operating and managing such businesses. We believe that our management structure and experienced team helps us to carefully nurture our culture of growth, innovation and high-quality governance.

**Our Competitive Strengths**

***Flagship financial services company of the trusted Piramal Group, with a legacy of entrepreneurship and innovation of over 40 years***

We are the flagship diversified non-banking financial services company of the Piramal Group, which is one of India's leading business conglomerates with a legacy spanning 40 years. Our Promoter, Ajay G. Piramal and the Piramal Group entities, have interests across sectors such as financial services, pharmaceuticals, real estate and investments. The Piramal Group is known for its focus on long-term value creation, maintenance of required standards of governance, and strategic partnerships with global investors. Our Company benefits from the group's strong reputation, brand equity, and its extensive network of relationships across industries.

***Diversified NBFC with highly granular retail and wholesale loan book, bolstered by rapidly growing customer base***

We are among the prominent diversified NBFCs in India with a significant lending book across both retail and wholesale segments. Our retail franchise has scaled meaningfully in recent years with offerings across housing finance, secured business loans, personal loans, and digital lending. Our wholesale business focuses on corporate and real estate financing. This diversified model enables us to serve a wide spectrum of customers – from large corporates and developers to small businesses and individual borrowers – thereby reducing concentration risks. Further, we are also building a diversified and granular mid-market corporate loan book that is backed by cash flows.

In the retail segment, we offer a comprehensive suite of 10+ products formulated to match consumer preferences and are delivered through robust systems. Our customers are primarily composed of middle-class salaried and self-employed individuals, as well as small business owners and entrepreneurs. This customer base has contributed to a loan book that is expected to have the potential of delivering competitive risk-adjusted returns. As of the Financial Year ended March 31, 2025, our total customer franchise has reached around 47 lakhs, which is up by 24% on a year-on-year basis. Our ability to serve the underbanked sector is backed by our capabilities to underwrite customers with minimal or no credit history.

We have strategically transitioned our wholesale lending business into a new, cashflow-backed and diversified portfolio, comprising of real estate financing and CMML. This portfolio is characterised by secured and structured solutions, offering optimised lending products to both large and emerging developers, thereby strengthening our position as a trusted wholesale financier.

***Optimised sourcing supported by an omni-channel and digitally powered pan-India distribution network***

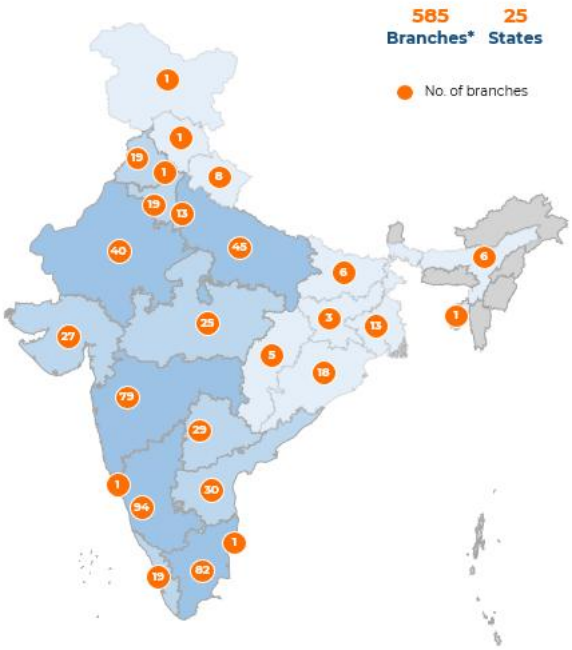
We have established an omni-channel distribution network that integrates our extensive pan-India branch footprint with a wide network of external partners and digital platforms. This "high touch + high tech" model allows us to tailor our distribution strategy in line with customer profile, product type and geography, thereby optimising distribution efficiency and enhancing customer access.

Our model provides customers with the flexibility of engaging through physical branches, partner-led sourcing or digital channels, ensuring a seamless and consistent experience across touchpoints. This integrated approach has enabled us to expand our reach across urban and semi-urban locations, deepen customer penetration, and strengthen our ability to scale retail lending in a balanced and cost-efficient manner.

*Our physical network*

As of June 30, 2025, we had a pan-India presence through 585 branches across 484 cities in 25 states. Our branch network forms an integral part of our strategy to strengthen our reach across customer segments, geographies and market tiers. By providing on-the-ground presence to source, service and engage with customers, our branches enable us to build deeper customer relationships and enhance our ability to customise product offerings and distribution strategies for each location. This extensive network positions us to scale efficiently while maintaining proximity and trust with our customers.

The following map provides an overview of the number of branches in each state and union territory in India, as of June 30, 2025.



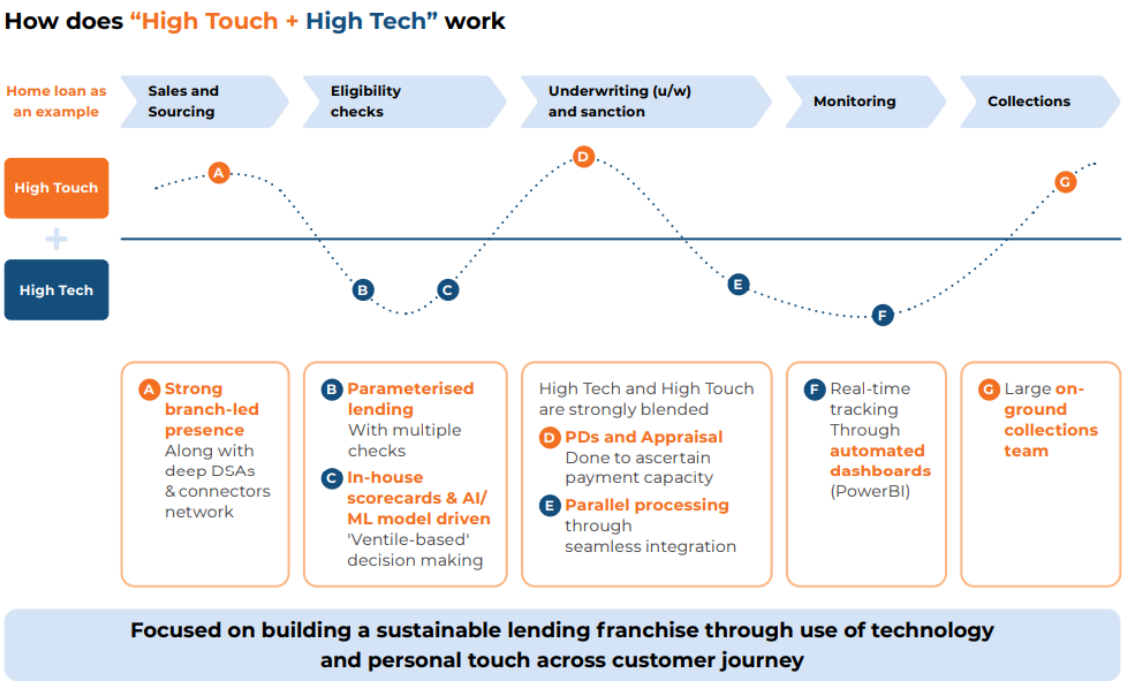

*Our digital network*

Our digital ecosystem comprises of our website, mobile applications and multiple customer communication channels, complemented by external interfaces established through partnerships with data structures and algorithms, common service centres and other distribution partners.

Equipped with advanced digital tools and analytics, both our in-house sales force and external partners are able to seamlessly source new loans, address customer service requests and manage collections. By offering customers a choice between self-service and assisted journeys, our digital platforms deliver convenience, flexibility and efficiency, while supporting scalable growth and deeper customer penetration.

***Technology-led platforms and analytics powering customer-first solutions and business resilience***

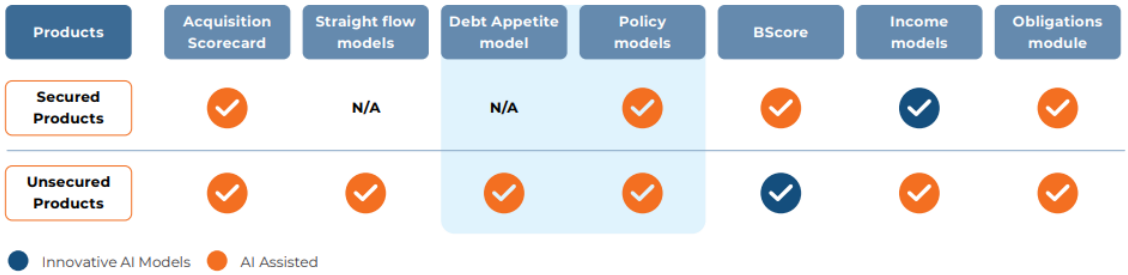
Digital and analytics are embedded across our business model and form the foundation of our customer engagement and risk management frameworks. We have integrated technology across the full lending lifecycle — spanning acquisition, onboarding, underwriting, servicing, collections and cross-sell — for both our retail and wholesale businesses. These investments have strengthened our ability to anticipate customer needs, deliver superior experiences, enhance productivity, and drive sustainable and profitable growth.




Key capabilities within our digital and analytics platform include:

*Customer acquisition and onboarding:* We leverage advanced application programming interfaces and digital tools to streamline onboarding, with automated KYC, pre-filled applications, and real-time credit bureau checks. This has resulted in many of our new retail customers being digitally onboarded, demonstrating significant adoption of our paperless, digital-first processes.

*Underwriting and risk assessment:* Our underwriting systems integrate diverse data points — including bureau records, bank statements, GST data, collateral valuations and account aggregator inputs — to provide a 360° view of borrower profiles. Automated scorecards and business rule engines (BREs) adopted by us, ensures speed and consistency while strengthening our portfolio quality.




*Digital collections infrastructure:* We have deployed a fully digital repayment architecture, with UPI, e-NACH and payment gateway integrations. AI- and ML-driven early warning models further support delinquency management, enabling predictive risk segmentation and channel allocation to optimise recovery efforts.

*Customer servicing:* Our omni-channel digital service architecture — including mobile applications, website, whatsapp, chatbots and interactive voice response — has enabled over 60% of service requests to be resolved digitally in Fiscal 2025. Our mobile app, having more than 10 lakh downloads, offers many self-service features, significantly improving turnaround times and customer convenience.

*Process automation:* To enhance efficiency, we have deployed live application programming interfaces and robotic process automation bots across operations, finance, compliance and human resource functions. This has reduced manual intervention, improved accuracy, and enhanced employee productivity.

*Cross-sell and product expansion:* By harnessing customer analytics, transaction data and behavioural insights, we deliver tailored pre-approved offers and top-ups.

*Digital marketing and partner integration:* We leverage AI-driven digital marketing tools across social media, search platforms and direct communication channels to enhance customer acquisition and retention. Our application programming interface-led partner ecosystem enables direct selling agents, and fintech partners to complete end-to-end customer journeys digitally, supported by real-time dashboards for performance monitoring.

We implement strong governance and security technologies, fostering a security-first culture with transparency and ongoing risk mitigation. Our policies and infrastructure protect customer data through regular training and audits. Enhanced cybersecurity tools guard against threats. Our privacy policy ensures user control over data, with sensitive information like PAN and Aadhaar encrypted and accessible only to authorised personnel, complying with RBI guidelines.

***Robust risk oversight through integrated controls and assurance***

Our risk management, internal controls, and assurance mechanisms are seamlessly incorporated into our operations, ensuring a holistic approach to risk oversight. Our business is guarded by our risk management framework, risk appetite framework and a strong risk governance which are integral components of the enterprise-wide risk management framework.

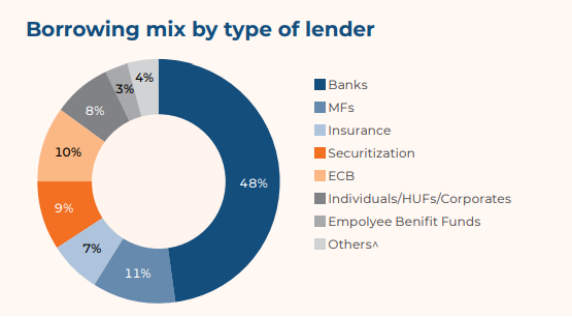
Our Risk Management framework enables us to identify, measure, manage and mitigate business risks while exploring our opportunities. This framework seeks to create transparency, minimise adverse impact on the business strategy and enhance our competitive advantage. We maintain a risk control matrix that systematically identifies key risks and corresponding controls across various functions.

We also conduct stress tests covering material risk dimensions to evaluate our vulnerability to unlikely but plausible events or movements in the market conditions that could have an adverse impact on our business operations and overall capital adequacy.

The asset liability committee is responsible for the macro-level management of liquidity and interest rate risk. The asset liability committee shall not consider individual cases for decision-making. The role of the asset liability committee is, thus, to formulate and oversee the functioning of asset/liability management without getting into day-to-day decision-making process for raising, or deployment, of resources.

***Diverse liability profile with ability to raise funds from international markets***

We finance our borrowings through a diversified mix of sources including from the public sector, the private sector, foreign banks, mutual funds, insurance companies, pension funds and financial institutions. Our funds are spanning across liability classes including term loans, non-convertible debentures ("**NCDs**"), subordinated bonds, and commercial papers instruments. For Fiscal 2025, no single source of financing represented more than 50% of our borrowings



(^) Includes NHB, & other financial institutions which contribute 2% and 2% respectively to overall borrowings.

***Experienced leadership team and strong governance standards***

Our management team comprises professionals with deep expertise across financial services, risk management, real estate and retail lending. Supported by the governance culture of the Piramal Group, we have implemented robust risk frameworks, underwriting processes and compliance mechanisms. This enables us to balance growth with prudent risk management, positioning us strongly to navigate evolving market dynamics.

**Our Key Strategies**

Our Company's primary strategies are as follows:

***Continue to focus on the financial needs in the underserved rural and semi-urban areas***

A large segment of India's population which is self-employed or employed in informal sectors primarily require retail loans and are currently underserved by formal financial institutions due to lack of reach and perceived higher risks. Our Company's target customer is the budget customer of "Bharat". The target customers are self-employed individuals or individuals earning salaries from the informal sector, predominantly residing in Tier 2 and 3 geographies of India and underserved/unserved by formal financial institutions for their credit needs. Our Company has maintained its focus on growing its customer base in such underpenetrated market and intend to continue to do so going forward and intend to utilise this opportunity to strengthen its position in this underserved market. Our products have a ticket size ranging approximately from Rs. 30,000 in microfinance to Rs. 2 crores in home loans and loans against property which will enable us to cater to the diverse requirements of its customers and capture a significant share of the untapped demand. We intend to continue penetrating deeper in the states and districts where it currently has operations and also expand its footprint into other areas that have limited or no access to formal banking and finance channels. We intend to continue to grow our portfolio by enhancing our presence and reach to customers, by expanding our branch network through opening new branches. We have developed and implemented practices and policies to address the issues faced in the underserved market and to address the customers' need to access funds, while ensuring robust credit underwriting and collections policies. Our Company will continue to evaluate the offerings at our branches and customise our products to the needs and demands of the customers in the region in which our branches are located and correspondingly expand existing operations and resources in different territories.

***Continue to steadily increase retail lending while maintaining a balance against wholesale lending***

Our Company's retail lending business currently has three main types of products, which are (i) mortgage (including housing loans and loans against property), (ii) other secured loans and (iii) unsecured loans (including microfinance loans). Our Company is evaluating potential products and opportunities and aims to add new products to its retail lending business. We aim to create a loan book with a strong focus on retail products, as our retail lending business provides product diversification and also reduces customer concentration risk. We intend to continue to be a leading housing focused diversified retail business. Our Company's managed AUM for retail lending business witnessed a growth of 35% from Rs. 4,79,265.50 crores as of March 31, 2024, to Rs. 6,46,524.80 crores as of March 31, 2025. The ratio of our Company's retail loan share to the wholesale loan share in terms of contribution to total AUM increased to a ratio of 87% as of March 31, 2025 from 80% as of March 31, 2024. As a part of our business strategy, we aim to achieve a higher retail to wholesale lending ratio over the next few years, by further penetration in the retail segment and addition of branches. In line with our aim to balance wholesale lending.

Our Company also achieved a 17% year-on-year growth in total AUM from Rs. 68,845 crores as of March 31, 2024, to Rs. 80,689 crores as of March 31, 2025. The mix of total AUM across retail and wholesale segments improved to 80:20 as of March 31, 2025, from 70:30 as of March 31, 2024.

Our growth AUM - consisting of retail and wholesale 2.0 – have grown 36% year-on-year from Rs. 54,273 crores as of March 31, 2024, to Rs. 73,769 crores as of March 31, 2025. The share of growth AUM in total AUM increased from 79% as of March 31, 2025, to 91% as of March 31, 2025.

Our retail AUM has grown 35% year-on-year from Rs. 47,927 crores as of March 31, 2024, to Rs. 64,652 crores as of March 31, 2025, driven by growing demand and a growing customer base. The company has successfully built a housing-focused diversified retail lending business catering to the needs of 'Bharat'. Through a "High Tech & High Touch" approach, the Company combines digital efficiencies with human led customer engagement to deliver a superior borrower experience.

Further, our Wholesale 2.0 is a granular, cashflow-backed, and diversified wholesale portfolio comprising real estate and corporate and mid-market lending. Wholesale 2.0 AUM have grown 44% year-on-year from Rs. 6,347 crores as of March 31, 2024, to Rs. 9,117 crores as of March 31, 2025.

Aided by our skilled team of professionals, we have successfully moderated the size of our legacy book, and our legacy AUM is down 53% year-on-year from Rs. 14,572 crores as of March 31, 2024, to Rs. 6,920 crores as of March 31, 2025. Based on our strategic decision to lower the nonyielding portion of our portfolio and accelerate the rundown of our legacy business, we reduced our legacy AUM to 9% of total AUM as of March 31, 2025, as compared to 21% as of March 31, 2024.

***Build a robust technology backed network to improve customer reach and operating efficiency***

We have adopted a technology backed approach to build our retail lending business. Our technologically enabled proprietary scorecard system that uses parameters over and above the CIBIL score for analysis of customers and also digitises the customer's journey ensuring a faster and seamless process. We intend to further develop and strengthen our technology platform to support our growth and improve the quality of our services. We believe this will drive our growth and enable us to have a multi-product approach for customers who are underserved by formal financial institutions. As part of our digital initiatives, we will continue to focus on developing the skills of its technology staff to help design, develop and support its digital platforms. We will continue to update our systems and use latest technology to streamline our credit approval, administration and monitoring processes to meet customer requirements on a real-time basis. As we continue to expand our retail lending business, we are also investing in manpower, branch infrastructure, technology, and analytics of our retail lending business for our future growth. We are in the process of undertaking initiatives to employ the use of artificial intelligence ("**AI**") in our operations, which would help build predictive models across credit, sales, collections and risk functions. Improvements in technology will also reduce our operational and processing time, thereby improving our efficiency and allowing us to provide better service to customers. This high-tech focus is accompanied with a high touch approach and we continue to ensure that a human-centred interaction also remain in the business model. We enhance our "High Tech" and "High Touch" strategy by combining personalised customer interactions with advanced technology to achieve balanced growth, manage risks, and ensure profitability. This combination of approaches create value for our customers and stakeholders.

***Upgrade our credit ratings and maintain a diversified liability mix to optimise our borrowing costs***

As we scale our business, we aim to upgrade our credit rating and continue to diversify our funding profile to optimise borrowing costs and strengthen the competitiveness of our lending products. Our strategy includes leveraging long-term instruments such as NCDs and external commercial borrowings to access funds at attractive rates, while broadening our liability base and extending borrowing tenors. We continue to follow a disciplined asset-liability management framework across all time buckets to mitigate liquidity risks. These initiatives are designed to help us maintain strong credit ratings and further lower our cost of funds, thereby supporting growth, profitability and net interest margin expansion.

***Continue to strengthen our risk management framework, credit underwriting and collections infrastructure to maintain high asset quality***

Our comprehensive risk management framework enables us to effectively navigate evolving market dynamics, customer expectations, and regulatory requirements. As we expand our loan portfolio, diversify product offerings, and enter new markets, we remain focused on preserving high asset quality through robust risk governance, disciplined underwriting, and a strengthened collections ecosystem. We are enhancing our underwriting practices by deploying advanced analytics and data-driven insights to improve credit decisioning. In parallel, we are refining our analytical models and digital tools to further strengthen collections efficiency and portfolio performance. These initiatives are designed to safeguard asset quality, sustain growth, and reinforce long-term resilience.

***Continue to attract, train and retain talented employees***

Our employees are a critical driver of our sustainable growth and operational performance. We have implemented structured processes to ensure recruitment of appropriately skilled personnel while focusing on retention and capability development of our existing workforce. All new employees undergo induction training, and we provide continuous skill enhancement programs to ensure our workforce remains aligned with evolving technologies and business requirements.

We have developed an organisational culture designed to foster collaboration, accountability, and long-term value creation. This culture emphasizes growth with prudence and sustainability, ensuring that business expansion is not achieved at the expense of customer experience. We intend to continue strengthening this culture across the organisation as we build a consumer lending franchise that is resilient, enduring, and creates value for customers, partners, employees, and communities.

**Business description**

*Products*

Our Company is engaged in the business of providing a diversified range of secured and unsecured lending products to the retail and business segments in India, with a particular focus on financial inclusion and technology-enabled delivery.

**Secured Lending Operations**

The company's secured lending portfolio comprises housing loans, loans against property, and used car loans.

- **Housing loans** form the foundation of the retail lending business, with products designed for various customer profiles, including affordable, budget, and mass affluent segments. The lending process incorporates internal credit assessment mechanisms and straightforward documentation requirements.
- **Loans Against Property (LAP)** are offered to self-employed individuals and small businesses, with loan structures that are collateralized by property and underwritten based on the assessed cash flows of applicants.
- **Used Car Loans** are provided to both salaried and self-employed customers, facilitated by a distribution network that includes branches, partner agencies, and dealerships. The use of proprietary technology and analytics enables efficient loan processing and disbursement across the secured lending portfolio.

**Unsecured Lending Operations**

The company's unsecured lending offerings include personal loans for salaried individuals, business loans for micro and small enterprises, microfinance loans, and digital lending solutions.

- **Personal loans** are provided through centralized digital platforms, supported by data-driven scorecards for credit evaluation.
- **Business loans** and **microfinance loans** are customized for the needs of small businesses and women entrepreneurs, respectively, with particular attention to customer segments that traditionally have limited access to formal credit.
- **Digital loans** are fully processed through digital channels, utilizing partnerships with consumer technology and fintech platforms, in-house analytics, and modular technology infrastructure. The company also extends embedded finance products in collaboration with partners, allowing for wider customer outreach.

**Risk Management and Technology**

Across all product segments, our Company implements a comprehensive risk management system, leveraging internal risk frameworks and advanced analytics to maintain asset quality and operational efficiency. Our Company continues to invest in technology and operational infrastructure to ensure robust origination, underwriting, and collection capabilities.

**Geographic and Customer Reach**

The company's operations are supported by a wide distribution network and presence across several geographic locations, including underbanked regions. The business model emphasizes scalability, customer accessibility, and compliance with regulatory standards.

**Competition**

The NBFC industry in India is highly competitive. We face competition from domestic and international banks as for corporate advances and retail loans. Since we have mix of wholesale and retail loans, our primary competition is with other NBFCs and HFCs offering similar products and services. In retail business the addressable market where, we are competing in mass affluent and affordable housing, is currently under consolidation. We see good opportunity for growth and are well placed to capture the opportunity with our strong balance sheet and the new age digital platform that we have built. We generally compete with our competitors based on the range of product offerings, turnaround time, suitable structuring of funding, competing interest rates and fees and customer service.

**Information technology**

We understand the importance of IT and use both internally developed and externally subscribed tools such as Microsoft Office 365, SAP and RPA, to improve our overall productivity, since we intend to expand retail loans through a digital lending platform and have announced the launch of a multiproduct retail lending platform, which would be fully "digital at the core", among other things. We engage with customers through an end-to-end technology platform that leverages the capabilities of customer relationship management ("**CRM**"), mobility, loan origination, loan management, finance and accounts and collections. Data is processed and analysed using various tools, enabling us to efficiently and cost-effectively manage our nationwide network of branches and appropriately monitor various risks. We maintain data privacy. In order to safeguard our information assets, we have implemented security solutions to identify threats.

We are investing in new technologies including but not limited to: (i) cloud computing for cost efficient and resilient infrastructure; (ii) integrated CRM; (iii) robotic process automation; (iv) web services for customer ease and settlements; and (v) data warehousing. Our IT systems have the capability of end-to-end customer data capture, computation of income, collateral data capture and repayment management. Loan approval is controlled by the loan application system and the monthly analytics reports, including through-the-door and credit information tracking to ensure risk management control and compliance. For our employees, many key workflow processes are accessible through hand-held devices and mobile apps.

**Insurance**

We currently maintain a business shield policy for insurance coverage against fire, burglary, machinery breakdown and public liability, among other things. We also have group personal accident insurance and group health insurance for our employees. We maintain a director's and officers' liability policy covering our directors, officers and employees against claims arising out of legal and regulatory proceedings.

**Intellectual Property**

We regard our brand name as the most critical intellectual property and an important factor contributing to our success. We conduct our operations under the "Piramal" brand name, under class 36, which is registered in the name of Piramal Corporate Services Private Limited, which is a part of our Promoter Group and is our Group Company. We have entered into a trademark license and advisory services agreement dated September 3, 2018, read with, inter alia, the amendment agreement dated August 20, 2020 and as may be further amended from time to time, with Piramal Corporate Services Private Limited ("**Trademark Agreement**") for use of the "Piramal" trademark and the corporate logo which consists of "Gyan Mudra" icon, the "Piramal" name and the words "Knowledge Action Care Impact". Our other intellectual property includes certain domain names associated with our business. We have also registered certain trademarks for our new products such as "Bridge Loan (No more waiting just bridge it)", "Samarthya" and "SUPER (STEP- UP EMI repayment loan)".

**Real Property**

Our registered office is located at 601, 6th Floor, Amiti Building, Agastya Corporate Park, Opposite Fire Station, Kamani Junction, LBS Marg, Kurla (West), Mumbai 400070, Maharashtra, India pursuant to a leave and license agreement dated November 22, 2021. For details regarding changes to our Registered Office, see "*History and Certain Corporate Matters*" beginning on page 142. We have branches in key cities such as Mumbai, Delhi, Hyderabad, Chennai and Bangalore, among others. Further, as on June 30, 2025, we had the following branches located in tier I and tier II cities spread across India:

| Category | Total |
|---|---|
| Permanent | 585 |
| Temporary | - |

**Employees**

We place emphasis and focus on recruitment and retention of our employees as personnel is the most valuable asset for a service industry such as ours. As of June 30, 2025 our company has 15,974 employees which is inclusive of employees who were previously associated with PEL and have been transferred to our Company pursuant to the Scheme. We also offer rewards and recognition programmes, and learning and development programmes to our employees.

**Corporate social responsibility**

In compliance with the terms of the Companies Act, 2013 we have adopted a corporate social responsibility ("**CSR**") policy. Further, our Board has constituted a CSR committee which has planned the way forward for our social initiatives. Our Company conducts corporate social responsibility activities primarily through Piramal Foundation – Piramal Swasthya Management and Research Institute and Piramal Foundation for Education Leadership (collectively referred hereinafter as the "**CSR Entities**"). In line with our sustainable development goals, the CSR Entities are focused on universal primary education, youth empowerment; and improving maternal and child health and non-communicable diseases. Our current corporate social responsibility effort spans across numerous states in India and we have built partnerships with local governments and other international bodies in connection with our corporate social responsibility.

## KEY REGULATIONS AND POLICIES

*Given below is an indicative summary of certain sector-specific and relevant laws, regulations, and policies in India, which are applicable to our Company. The information detailed in this section has been obtained from publications available in the public domain. The description of the applicable regulations as given below is only intended to provide general information to the investors and may not be exhaustive and is neither designed nor intended to be treated as a substitute for professional legal advice. The indicative summaries are based on the current provisions of applicable law in India, which are subject to change or modification, or amendment by subsequent legislative, regulatory, administrative, or judicial decisions. of various Central Government and State Government statutes and legislations, our Company is required to obtain and regularly renew certain licenses or registrations and to seek statutory permissions to conduct our business and operations. For details, see "Government Approvals" on page 595.*

### I. Industry specific regulations

#### *1. The Reserve Bank of India Act, 1934*

The RBI is entrusted with the responsibility of regulating and supervising NBFCs by virtue of powers vested pursuant to Chapter IIIB of the Reserve Bank of India Act, 1934 ("**RBI Act**"). The RBI Act defines an NBFC as: (a) a financial institution which is a company; (b) a non-banking institution which is a company and which is in the principal business of receiving deposits, under any scheme or arrangement or in any other manner, or lending in any manner; or (c) such other non-banking institution or class of institutions as the RBI may specify, with the previous approval of the Central Government, and by notification in the Official Gazette, specify.

NBFCs are required to obtain a certificate of registration from the RBI prior to commencement of the business as a non-banking financial company.

Every NBFC is required to create a reserve fund and transfer thereto a sum not less than 20% of its net profit every year, as disclosed in the profit and loss account and before any dividend is declared by such company. Further, no appropriation can be made from such fund by the NBFC except for the purposes specified by the RBI from time to time and every such appropriation shall be reported to the RBI within 21 days from the date of such withdrawal.

#### *2. Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023*

The Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 ("**Scale Based Regulations**"), divide NBFCs into four layers based on their size, activity, and perceived risk. The lowest layer is the base layer ("**NBFC-BL**"), followed by the middle layer ("**NBFC – ML**"), upper layer ("**NBFC-UL**") and top layer ("**NBFC-TL**"). Our Company, Piramal Finance Limited ("**PFL**") is categorized as an NBFC-UL. Under the Scale Based Regulations, all regulations applicable to an NBFC-BL and NBFC-ML are also applicable to an NBFC-UL, unless specified otherwise. Further, from October 1, 2022, all references to NBFC-ND (i.e., non-systemically important non- deposit taking NBFC) shall mean NBFC-BL and all references to NBFC-D (i.e., deposit taking NBFC) and NBFC-ND-SI (systemically important non-deposit taking NBFC) shall mean NBFC-ML or NBFC-UL, as the case may be.

*Prudential Norms*

All NBFCs-UL are required to maintain, on an on-going basis, capital adequacy ratio consisting of Common Equity Tier – I capital of at least 9 percent of Risk Weighted assets, where, Common Equity Tier 1 (CET 1) ratio is calculated by dividing the Common Equity Tier 1 capital to Total Risk Weighted Assets and Tier – II capital which shall not be less than 15% of the NBFC's aggregate risk weighted assets on-balance sheet and of risk adjusted value of off-balance sheet items.

All NBFCs shall maintain capital ratio consisting of Tier 1 and Tier 2 capital which shall not be less than 15% of its aggregate risk weighted assets on balance sheet and of risk adjusted value of off-balance sheet items. The Tier – I capital in respect of NBFCs (except NBFC-MFI and NBFC primarily engaged in lending against gold jewellery), at any point of time, shall not be less than 10%. NBFCs risk exposure to a single counterparty or a group of connected counterparties is also kept under control through ceiling

limits on NBFCs investment and lending capacity to single counterparty or a group of connected counterparties. The NBFCs are also mandated to formulate a policy for managing the exposure risk to single party/ single group of parties.

The Large Exposure Framework for NBFCs seeks to mitigate credit risk concentration by establishing criteria for the identification and reporting of significant exposures, including aggregation of connected counterparties at both solo and group levels. Exposures encompass both on and off-balance sheet items, with specific exemptions and provisions for offsetting exposures using eligible credit risk transfer instruments, provided such instruments meet the defined regulatory conditions. Additionally, the framework ensures that exposures hedged or guaranteed by third parties are appropriately reassigned for risk purposes, and clarifies the treatment of entities under sovereign exemption and exposure to exempted entities hedged by credit derivatives.

An NBFC's exposure to a single counterparty must not exceed 20% of its eligible capital base, though the board can permit an additional 5% (up to 25%) under a board-approved policy that documents exceptional reasons; for infrastructure loans/investments, NBFCs. NBFC (other than NBFC-IFC) may exceed the exposure limit by 5% of its Tier 1 capital for exposure to a single counterparty, if the additional exposure is on account of infrastructure 'loan and/ or investment'. However, single counterparty limit shall not exceed 25% in any case for NBFC (except IFC)). For groups of connected counterparties, aggregate exposure is capped at 25% of eligible capital, with an additional allowance of up to 10% of Tier-1 capital for infrastructure loans/investments. All approvals and exceptions must be explicitly recorded and governed by board policy.

*Corporate Governance*

All NBFC-UL are required to constitute the committees, inter alia, as Audit Committee, Nomination and Remuneration Committee and Sustainability and Risk Management Committee, for details, see "*Our Management –Committees of our Board*" on page 178, also required to form a Asset Liability Management Committee.

*Fit and proper criteria*

NBFCs are*, inter alia*, required to (a) maintain a policy approved by the board of directors for ascertaining the fit and proper criteria of the directors at the time of appointment, and on a continuing basis, in line with the guidelines prescribed under the Scale Based Regulations; (b) obtain a declaration and undertaking from directors giving additional information on the directors, in the format prescribed under the Scale Based Regulations; (c) obtain a deed of covenant signed by directors, in the format prescribed under the Scale Based Regulations; and (d) furnish to the RBI a quarterly statement on change of directors and a certificate from the managing director of the NBFCs that the fit and proper criteria in selection of the directors has been followed.

*Disclosure and Transparency*

NBFCs are required to place before the board of directors, at regular intervals, as may be prescribed by their respective boards of directors, the following: (i) progress made in putting in place a progressive risk management system and risk management policy and strategy followed by the concerned NBFC; and (ii) conformity with corporate governance standards including composition of committees, their roles and functions, periodicity of the meetings and compliance with coverage and review functions and so on.

*Acquisition or transfer of control*

NBFCs are required to obtain prior written permission of RBI for (a) any takeover or acquisition of control, which may or may not result in change in management, (b) any change in the shareholding, including progressive increases over time, which would result in acquisition or transfer of shareholding of 26% or more of the paid-up equity capital (no prior approval is required if the shareholding going beyond 26% is due to buy-back of shares or reduction in capital where it has approval of a competent court however the same must be reported to the RBI within one month of the occurrence), and (c) any change in the management of the NBFCs, which results in change in more than 30% of the directors, excluding independent directors, provided that no prior approval shall be required in case of directors who get re-elected on retirement by rotation. NBFCs are required to continue informing the RBI regarding any change in their directors or management.

*Prudential floor for expected credit loss*

In accordance with the Scale Based Regulations and RBI circular on '*Implementation of Accounting Standards*' dated March 13, 2020, NBFC-MLs are required to hold impairment allowances as required under Ind AS. In parallel, NBFC- Uls are required to maintain the asset classification and compute provisions in accordance with the prudential norms on '*Income Recognition, Asset Classification and Provisioning*' including borrower / beneficiary wise classification, provisioning for standard as well as restructured assets, non-performing assets ageing etc.

*Liquidity Risk Management Framework*

Non-deposit taking NBFCs with an asset size of ₹100 crores and above and all deposit taking NBFCs are required to adhere to the liquidity risk management framework prescribed under the Scale Based Regulations. The guidelines, *inter alia*, require the board of directors of the NBFCs to formulate a liquidity risk management framework, which ensures that it maintains sufficient liquidity, detailing entity-level liquidity risk tolerance, funding strategies, prudential limits, system for measuring, assessing and reporting/reviewing liquidity, framework for stress testing, liquidity planning under alternative scenarios/formal contingent funding plan, nature and frequency of management reporting, and periodical review of assumptions used in liquidity projections.

*Fair Practices Code*

All NBFCs having customer interface are required to adopt a fair practices code in line with the guidelines prescribed under the Scale Based Regulations. The Scale Based Regulations stipulate that such fair practices code should cover, inter alia, the form and manner of processing of loan applications; loan appraisal and terms and conditions thereof; and disbursement of loans and changes in terms and conditions of loans. The Scale Based Regulations also prescribe general conditions to be observed by NBFCs in respect of loans and requires the board of directors of NBFCs to lay down a grievance redressal mechanism. Such fair practices code should preferably be in vernacular language or language understood by borrowers of the NBFCs.

*Regulation of Excessive Interest Charged by NBFCs*

The board of directors of each NBFC is required to adopt an interest rate model taking into account relevant factors such as cost of funds, margin and risk premium and determine the rate of interest to be charged for loans and advances. The rate of interest must be annualized rate so that the borrower is aware of the exact rates that would be charged to the account.

The rate of interest and the approach for gradations of risk and rationale for charging different rate of interest to different categories of borrowers shall be disclosed to the borrower or customer in the application form and communicated explicitly in the sanction letter. The rates of interest and the approach for gradation of risks shall also be made available on the website of the companies or published in the relevant newspapers. In this regard, the guidelines indicated in the Fair Practices Code about transparency in respect of terms and conditions of the loans are to be kept in view.

*Penal Charges in Loan Accounts*

Penalties for non-compliance with material terms and conditions of a loan contract by a borrower shall be treated as 'penal charges' and shall not be levied as a 'penal interest' that is added to the rate of interest charged on advances. No further interest shall be computed on such penal charges. The Scale Based Regulations prohibit regulated entities, which include NBFCs, from introducing any additional component to the rate of interest and stipulate that all NBFCs shall formulate a board approved policy on penal charges or similar charges on loans. The quantum of penal charges shall be reasonable without being discriminatory within a particular loan or product category. The penal charges in case of loans sanctioned to 'individual borrowers, for purposes other than business', shall not be higher than the penal charges to non-individual borrowers for similar non-compliance of material terms and conditions. In addition to being displayed on the NBFCs' website, the reasons for penal charges shall be clearly disclosed by the NBFCs to the customers in the loan agreement and the key fact statement.

*Credit Concentration Norms*

NBFCs are required to review extant sectoral exposure limits approved by the board of directors with respect to sub- segments under consumer credit, in particular for all unsecured consumer credit exposures. The risk management committee on an ongoing basis is required to monitor and ensure strict adherence to the limits so fixed.

*Instructions on Managing Risks and Code of Conduct in Outsourcing of Financial Services by NBFCs*

The Scale Based Regulations specify the activities that cannot be outsourced and also provide the basis for deciding materiality of outsourcing. It mandates the regulatory and supervisory requirements and risk management practices to be complied with by every NBFC before outsourcing its activities given that the outsourcing of any activity does not diminish the NBFC's obligations. NBFCs must ensure that their service arrangements with outsourced service providers are defined in written agreements, and that these agreements include key terms such as (a) the NBFC's ability to access books and records of the service provider relevant to the activity; (b) controls to ensure customer data confidentiality; and (c) audit rights of the NBFC and the RBI. Further, an NBFC intending to outsource any of the permitted activities under the Scale Based Regulations is required to formulate an outsourcing policy which is to be approved by its board of directors.

***3. RBI notification – Compliance Function and Role of Chief Compliance Officer - NBFCs, 2022***

RBI issued comprehensive guidelines on April 11, 2022, mandating Non-Banking Financial Companies (NBFCs) in the Upper Layer (NBFC-UL) and Middle Layer (NBFC-ML) to establish an independent Compliance Function and appoint a Chief Compliance Officer (CCO). These measures are part of the RBI's broader efforts to strengthen corporate governance, compliance risk management, and regulatory adherence within the NBFC sector. The guidelines require NBFCs to implement a Board-approved compliance policy, ensure the independence and adequate resourcing of the compliance function, and clearly define the roles and responsibilities of the CCO. The CCO is expected to act as the nodal point of contact with regulators, oversee the implementation of compliance policies, and ensure that all statutory and regulatory requirements are strictly observed.

The framework also outlines the authority, qualifications, and reporting lines for the CCO, emphasizing that the CCO must have a minimum fixed tenure of three years, report directly to the MD & CEO and/or the Board, and not be involved in any business functions to avoid conflicts of interest. The compliance function is responsible for identifying, assessing, monitoring, and managing compliance risks, conducting compliance testing, and ensuring timely and effective implementation of regulatory directives. The guidelines further require regular internal audits of the compliance function, annual compliance risk assessments, and direct communication with the RBI regarding compliance matters. These requirements aim to foster a robust compliance culture and enhance the overall governance standards in NBFCs.

*Appointment of Chief Risk Officer*

With the increasing role of NBFCs in direct credit intermediation, the RBI has mandated that NBFCs with asset size of more than ₹5,000 crores in categories -NBFC-ICC, NBFC-IFC, NBFC-MFI, NBFC-Factors and IDF-NBFC shall appoint a Chief Risk Officer ("**CRO**") with clearly specified role and responsibilities. The CRO is required to function independently so as to ensure highest standards of risk management. Detailed instructions regarding the CRO's appointment, tenure, independence, and functioning have been specified and are to be strictly followed by such NBFCs, such as, the CRO shall be a senior official in the hierarchy of the NBFC and should possess adequate professional qualifications\experience in risk management, be appointed for a fixed term with board approval, and have direct reporting lines to the MD & CEO/risk management committee of the Board. The CRO will be involved in the process of identifying, measuring, and mitigating risks. All credit products (retail or wholesale) shall be vetted by the CRO from the angle of inherent and control risks. The CRO's role in deciding credit proposals shall be limited to being an advisor. In NBFCs that follow committee approach in credit sanction process for high value proposals, if the CRO is one of the decision makers in the credit sanction process, the CRO shall have voting power and all members shall be individually and severally liable for all the aspects, including risk perspective related to the credit proposal.

***4. RBI Circular on Streamlining of Internal Compliance monitoring function – leveraging use of technology, 2024***

The RBI, through its circular dated January 31, 2024, has directed all Scheduled Commercial Banks (excluding Regional Rural Banks), Small Finance Banks, Payments Banks, Primary (Urban) Co-operative Banks (Tier III and IV), upper- and middle-layer Non-Banking Financial Companies (including Housing Finance Companies), Credit Information Companies, and All India Financial Institutions to enhance their internal compliance monitoring functions by leveraging advanced technological solutions. The RBI's assessment revealed that while some entities have adopted automation, many still rely heavily on manual processes, resulting in inconsistent and less effective compliance monitoring. To address this, the RBI has mandated the implementation of comprehensive, integrated, and workflow-based technological systems that facilitate effective communication and collaboration among all stakeholders, including business, compliance, IT teams, and senior management. These systems should be capable of identifying, assessing, monitoring, and managing compliance requirements, escalating non-compliance issues, recording approvals for deviations or delays, and providing a unified dashboard for senior management to oversee the overall compliance status. All regulated entities are required to review and upgrade their compliance tracking and monitoring systems, or implement new ones as required under the prescribed circulars and rules. The NBFCs must also establish mechanisms to monitor the progress of this implementation. The circular aims to standardize and strengthen compliance monitoring across the financial sector, reducing manual intervention and enhancing oversight and communication.

***5. Master Direction on Fraud Risk Management in Non-Banking Financial Companies ("NBFC") including Housing Finance Companies***

The Reserve Bank of India's Master Directions on Fraud Risk Management in NBFCs dated July 15, 2024 establish a comprehensive framework to prevent, detect, investigate, and report frauds in NBFCs, including Housing Finance Companies (HFCs). It applies to all NBFCs (including HFCs) in the Upper, Middle, and Base Layers with an asset size of ₹500 crore and above. The guidelines require NBFCs to have a Board-approved fraud risk management policy, with clear roles and responsibilities for oversight and implementation. A special committee of the Board or a committee of executives must monitor fraud cases and the effectiveness of the risk management framework. The directions emphasize adherence to principles of natural justice, mandating a detailed show cause notice, a minimum 21-day response period, and a reasoned order before classifying any person or entity as fraudulent.

NBFCs are required to implement robust early warning systems (EWS) for both credit and non-credit transactions, regularly review these systems, and ensure integration with core operational platforms. Suspected frauds must be investigated through internal or external audits, and staff accountability must be examined in a time-bound manner, with large public sector cases referred to the Advisory Board for Banking and Financial Frauds (ABBFF). Entities and individuals classified as fraud are barred from accessing new credit from RBI-regulated entities for five years after full repayment or settlement, and associated persons or entities are also covered. The directions also mandate immediate reporting of frauds to law enforcement and the RBI (or NHB for HFCs), periodic legal audits of title documents for large loans, and prompt reporting of theft or robbery cases. Auditors play a key role in identifying and escalating suspected frauds, and NBFCs must maintain a whistleblower mechanism and disclose fraud amounts in their financial statements. This framework aims to ensure transparency, accountability, and effective risk management across the NBFC sector.

***6. Master Direction – Reserve Bank of India (Filing of Supervisory Returns) Directions, 2024***

The Master Direction Reserve Bank of India (Filing of Supervisory Returns) Directions dated February 27, 2024 ("**Directions on Filing Returns**"), outlines the requirements and procedures for the filing of supervisory returns by regulated entities. It establishes timelines, formats, and guidelines for submission, ensuring compliance with regulatory standards. The Direction aims to enhance transparency and facilitate effective supervision by the Reserve Bank, the timeline for filing quarterly supervisory returns by the NBFCs as per the Master Direction issued by the Reserve Bank of India typically includes: timelines for submission of returns, in general, will depend on the frequency at which the return is to be submitted. The Directions on Filing Returns prescribes timelines for submission of returns, such timeline will depend on the frequency at which the return is to be submitted.

***7. Master Direction – Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016***

The Master Direction – Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, dated September 29, 2016 ("**Auditor's Report Directions**") set out disclosures that are to be included

in every auditor's report on the accounts of an NBFC such as: (i) compliance with requirement to obtain certificate of registration from the RBI; (ii) the validity of such NBFC's certificate of registration and whether the NBFC is entitled to continue to hold such certificate of registration in terms of its principal business criteria as of March 31 of the applicable year; and (iii) compliance with net owned fund requirements as laid down in the Master Directions. Additionally, every auditor of a non-banking financial company not accepting public deposits is required include a statement in accounts of the NBFC on following matters: (i) whether the board has passed a resolution for non-acceptance of any public deposits; (ii) whether the NBFC has accepted any public deposits during the relevant period/year; (iii) whether the NBFC has complied with the prudential norms relating to income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts as applicable to it in terms of the NBFC-ND-SI Directions; (iv) in case of NBFC-ND-SI: (a) whether the capital adequacy ratio as disclosed in the return submitted to the RBI by the NBFC, has been correctly arrived at and whether such ratio is in compliance with the minimum Capital to Risk (Weighted) Assets Ratio prescribed by the RBI; (b) whether the NBFC has furnished to the RBI the annual statement of capital funds, risk assets/exposures and risk asset ratio within the stipulated period; and (v) whether the non-banking financial company has been correctly classified as NBFC-MFI as defined in the NBFC-ND-SI Directions.

***8. RBI Guidelines for appointment of Statutory Central Auditors ("SCAs")/Statutory Auditors ("SA") of commercial banks (excluding RRBs), UCBs and NBFCs (including HFCs)***

The RBI had issued the guidelines which are applicable to all commercial banks (excluding Regional Rural Banks ("**RRBs")**, Primary (Urban) Co- operative Banks ("**UCBs**"), and Non-Banking Finance Companies ("**NBFCs**") (including Housing Finance Companies but excluding non-deposit taking NBFCs with asset size below ₹10 billion). Pursuant to these RBI guidelines, there are certain eligibility criteria and procedures to be adhered by the aforementioned entities for appointment/reappointment of statutory central auditors/statutory auditors. Further, NBFCs do not have to take prior approval of RBI for appointment of statutory central auditors/statutory auditors, but all NBFCs need to inform the RBI about the appointment, within one month of such appointment and/or decision taken in relation of removal, along with reasons as the case may be.

***9. Guidelines on Compensation of Key Managerial Personnel and Senior Management in NBFCs dated April 29, 2022 ('Compensation Guidelines')***

Pursuant to the circular dated April 29, 2022 on scale-based regulation framework, the RBI notified the Compensation Guidelines mandating all NBFCs to formulate and put in place a compensation policy approved by board of directors of NBFC. The compensation policy shall at the minimum include (i) constitution of nomination and remuneration committee; (ii) principles for fixed/variable pay structures; and (iii) malus/ clawback provisions. The Compensation Guidelines provides the minimum scope and coverage to put in place the compensation policy.

***10. Reserve Bank of India (Digital Lending) Directions, 2025***

The Reserve Bank of India Digital Lending Directions ("**DL Directions**"), dated May 8, 2025, set out a comprehensive regulatory framework for all digital lending activities conducted by regulated entities (REs) such as commercial banks, co-operative banks, NBFCs, and all-India financial institutions. The DL Directions aim to foster innovation in digital credit delivery while ensuring financial stability and robust protection for borrowers. They emphasize due diligence, data privacy, fair conduct, and clear accountability, aiming to build trust and stability in the rapidly evolving digital credit ecosystem. They consolidate previous guidelines on digital lending and introduce new measures to address concerns related to third-party involvement, mis-selling, data privacy breaches, unfair business practices, exorbitant interest rates, and unethical recovery methods.

Key requirements include enhanced due diligence and clear contractual agreements with Lending Service Providers (LSPs) outlining roles, rights, and obligations, robust assessment of borrower creditworthiness. REs must periodically review LSP conduct and remain fully responsible for all acts and omissions of LSPs. In multi-lender arrangements, LSPs must provide borrowers with a digital view of all matching loan offers, ensuring transparency and unbiased presentation of options. REs are required to assess borrowers' creditworthiness based on economic profiles and must not increase credit limits automatically. Borrowers must receive a Key Fact Statement (KFS) detailing loan terms, charges, and privacy policies. All loan disbursals must be made directly to the borrower's bank account, and

repayments must flow directly to the RE, with no third-party (including LSP) control over funds. Borrowers are given a "cooling-off period" to exit loans without penalty, except for a reasonable processing fee disclosed upfront.

Default loss guarantee ("**DLG**") arrangements are contractual arrangements between REs and LSPs pursuant to which the LSP undertakes to compensate the REs for loan losses owing to borrowers' default, up to a pre-specified percentage of the loan portfolio. The DL Directions state that DLG arrangements must be formalised through explicit contracts, which in turn detail the extent the guarantee, the form in which the guarantee is maintained with the Authorised Lender, and the timelines for invocation. Where the REs enter into a DLG arrangement with an LSP, for compensating the losses that the REs may incur up to a certain specified percentage of the loan portfolio, the restrictions regarding DLG under the DL Directions would apply directly to the REs pursuant to the contracts entered into. LSPs are required to disclose on their website the total loan portfolios covered under the DLG arrangement, and the value of each on a monthly basis. DLG arrangements are capped at 5% of the disbursed loan portfolio, and cannot be substituted for sound credit appraisal.

The DL Directions also impose stringent technology and data standards, requiring explicit borrower consent for data collection, minimal data retention, and storage of all data on servers located in India. REs must report all digital lending apps/platforms they use to the RBI's Centralised Information Management System (CIMS) portal, with regular updates and certification of compliance. All digital lending activities must be reported to Credit Information Companies (CICs), ensuring transparency and credit discipline.

***11. Master Loans and Advances –Regulatory Restrictions -NBFCs, dated April 19, 2022, as amended***

The RBI introduced certain regulatory restrictions on lending in respect of NBFCs placed in different layers. The circular states that unless sanctioned by the Board of Directors/Committee of Directors, NBFCs shall not grant loans and advances aggregating ₹ 5 crores and above to: (a) their directors (including the Chairman/ Managing Director) or relatives of directors, (b) any firm in which any of their directors or their relatives is interested as a partner, manager, employee or guarantor, and (c) any company in which any of their directors, or their relatives is interested as a major shareholder, director, manager, employee or guarantor. The circular also provides guidelines in relation to (i) loans and advances to senior officers of the NBFCs and (ii) loans and advances to the real estate sector. Further, all the NBFC-BLs are required to have a policy approved by board of directors on grant of loans to directors, senior officers, and relatives of directors and to entities where directors or their relatives have major shareholding.

***12. Master Direction – Transfer of Loan Exposures, dated September 24, 2021***

The RBI Master Direction on Transfer of Loan Exposures, provide a comprehensive regulatory framework for the transfer and sale of loan exposures by various financial institutions in India, including commercial banks, co-operative banks, financial institutions, and NBFCs. The directions aim to facilitate a robust secondary market for loans, enabling better credit risk management and liquidity for lenders. They cover the transfer of both standard and stressed loans, detailing the eligibility of transferors and transferees, minimum holding periods, due diligence requirements, valuation methodologies, and prudential norms for asset classification and provisioning. The directions also specify the procedures for transferring loans, including through assignment, novation, and loan participation, and set out requirements for board-approved policies, transparency, and reporting. Special provisions are included for the transfer of stressed assets, including mandatory use of the certain methods for price discovery in certain cases, and restrictions on re-acquisition and fresh exposures post-transfer. The directions emphasize the need for clear documentation, independence in decision-making, and ongoing monitoring, while also mandating detailed disclosures and reporting to ensure regulatory oversight and market discipline.

***13. RBI Master Direction on Securitization of Standard Assets dated September 24, 2021***

The RBI Master Direction on Securitisation of Standard Assets, 2021, establishes a comprehensive regulatory framework for securitisation by banks, financial institutions, and NBFCs (excluding regional rural banks). It defines securitisation as the transfer of a pool of standard assets to a special purpose entity (SPE), which issues securities backed by these assets' cash flows. The framework prohibits re-securitisation, synthetic securitisation, and securitisation of revolving credit facilities to reduce systemic

risk. Key requirements include a minimum holding period (MHP) and minimum retention requirement (MRR) for originators, ensuring they retain a stake in the securitised assets' performance. The directions set standards for asset eligibility, origination, payment priorities, and transparency, and require robust governance of SPEs to ensure bankruptcy remoteness. Supporting facilities like credit enhancement and liquidity must be provided on an arm's length basis and are strictly regulated. Investors must conduct thorough due diligence, ongoing monitoring, and stress testing of exposures. The directions prescribe a risk-based capital framework (SEC-ERBA) for securitisation exposures, with detailed rules for risk weights and tranche structure. Preferential capital treatment is available for Simple, Transparent, and Comparable (STC) securitisations that meet additional criteria. Extensive disclosure requirements are imposed to ensure transparency for investors and regulators. The overall aim is to promote a safe, transparent, and efficient securitisation market while safeguarding financial stability and investor interests.

***14. Master Direction – Reserve Bank of India (Commercial Paper and Non-Convertible Debentures of original or initial maturity up to one year) Directions, 2024***

This master direction regulate the issuance, trading, and reporting of Commercial Paper ("**CP**") and Non-Convertible Debentures ("**NCDs**") with original or initial maturity up to one year. Eligible issuers include companies, NBFCs, AIFIs, InvITs, REITs, co-operative societies, and LLPs meeting specified net-worth and regulatory standards. All residents and eligible non-residents (as per FEMA) can invest, except in instruments issued by related parties. CPs must be unsecured, NCDs secured, and both must be issued in dematerialized form with a minimum denomination of ₹5 lakh. CPs have a tenor of 7 days to 1 year; NCDs, 90 days to 1 year. Issuance with options or underwriting is not allowed. A minimum credit rating of 'A3' is required. Funds raised are mainly for current assets and operating expenses, with other uses requiring disclosure. Issuing and Paying Agents (IPAs), Debenture Trustees, and Credit Rating Agencies (CRAs) have defined roles in compliance, documentation, and reporting. Trading is allowed over-the-counter market or on recognized exchanges, with specified settlement and reporting timelines. Buybacks before maturity are permitted under set conditions. All issuances, trades, buybacks, and defaults must be reported on the F-TRAC platform. The RBI retains oversight and enforcement powers, and these directions supersede previous guidelines for short-term debt instruments

***15. RBI Circular on Framework for Compromise Settlements and Technical Write-offs ("Framework for Compromise"), 2023***

The RBI has issued a unified framework for all regulated entities including banks and NBFCs on compromise settlements and technical write-offs to resolve stressed assets. Regulated entities must have board-approved policies detailing the process, conditions, and staff accountability for such settlements and write-offs. Compromise settlements involve a negotiated cash settlement with possible waiver of dues, while technical write-offs are accounting adjustments without waiving claims. Approval for settlements must be by an authority at least one level higher than the original sanctioning authority, and Board approval is required for accounts classified as fraud or willful defaulters. Settlements with payment periods over three months are treated as restructuring. Regular reporting and Board oversight are mandated, including tracking trends and recoveries. A minimum 12-month cooling period is required before fresh exposures to borrowers who have undergone compromise settlements (except for farm credit, where the period is policy-driven). The framework allows settlements and write-offs for fraud and willful default cases, without affecting ongoing legal proceedings. Any settlement during pending court recovery must have a consent decree. The circular repeals previous RBI instructions on these matters.

***16. Master Direction – Know Your Customer (KYC) Direction, 2016***

The RBI issued the Master Directions on Know Your Customer ("**KYC**") dated February 25, 2016, (updated as on November 6, 2024) as amended ("**RBI KYC Directions**"), mandating regulated entities to adhere to specific customer identification procedures, including the video-based customer identification process ("**V-CIP**"). These directions apply to all RBI-regulated entities, including scheduled commercial banks, regional rural banks, local area banks, primary (urban) co-operative banks, state and central co-operative banks, all-India financial institutions, NBFC, miscellaneous non-banking companies, and residuary non-banking companies. In terms of the RBI KYC Directions, every entity regulated thereunder shall duly adopt a KYC policy which is duly approved by the board of directors of such entity or a duly constituted committee thereof. The KYC policy formulated in terms of the RBI KYC Directions is required to include four key elements, namely, customer acceptance policy; risk management policy; customer identification procedures; and monitoring of transactions. All NBFCs are

required to ensure compliance with the KYC policy through specification of who constitutes 'senior management' for the purpose of KYC compliance; allocation of responsibility for effective implementation of policies and procedures; independent evaluation of the compliance of KYC and anti-money laundering policies and procedures; concurrent/internal audit system to verify the compliance with KYC and anti-money laundering policies and procedures; and submission of quarterly audit and compliance to the audit committee. The RBI KYC Directions further require that such programmes shall include adequate safeguards on the confidentiality and use of information exchanged, including safeguards to prevent tipping-off. Regulated entities shall apply a risk based approach for mitigation and management of the risks and shall have board approved policies, controls and procedures in this regard. Further, regulated entities shall implement a customer due diligence programme, having regard to identified risks and size of business, and regulated entities should monitor implementation of controls and enhance them if necessary. Regulated entities are also required to ensure compliance with the reporting requirements under the Foreign Account Tax Compliance Act and Common Reporting Standards and with the requirements / obligations under the Unlawful Activities Prevention Act, 1967. The KYC procedures must be adopted from time to time to ensure that they have adapted to new technologies that can cause money laundering and financing of terrorism threats. More recent amendments to the RBI KYC Directions also provide for increased KYC compliances in relation to wire transfers, including aligning the wire transfers with the recommendations provided by Financial Action Task Force.

The RBI KYC Directions also specify enhanced due diligence for non-face-to-face customer onboarding (that is, where the regulated entity does not meet the customer physically or through V-CIP). These non-face-to-face methods would include the use of digital channels such as the central KYC records registry, DigiLocker, equivalent e-document etc., and non-digital modes such as obtaining a copy of the officially valid document (such as passport, driving license, voter identity card etc.), as allowed for non-resident Indians and persons of Indian origin.

***17. The Reserve Bank - Integrated Ombudsman Scheme, 2021***

The Reserve Bank of India – Integrated Ombudsman Scheme, 2021, consolidates three previous ombudsman schemes into a single, unified framework to provide cost-free redressal for customer complaints related to banking, non-banking financial companies, and digital transactions. The scheme introduces a "One Nation One Ombudsman" approach, making the process jurisdiction-neutral and simplifying complaint procedures by defining "deficiency in service" as the main ground for complaints, with a specified list of exclusions. It also establishes a centralized receipt and processing center, allows complaints to be filed in any language, and removes the need for complainants to identify the appropriate scheme. The scheme covers a broader range of regulated entities, including certain co-operative banks, and ensures that unresolved or unsatisfactorily addressed complaints by regulated entities can be escalated to the ombudsman. The Executive Director in charge of the Consumer Education and Protection Department of RBI serves as the Appellate Authority, and multiple channels are available for filing complaints, including online, email, physical mail, and a toll-free contact center.

***18. The Reserve Bank of India (Internal Ombudsman) Directions, 2023***

The Reserve Bank of India (Internal Ombudsman) Directions, 2023, aim to strengthen internal grievance redress systems and ensure that complaints rejected by a regulated entity's internal process receive an independent, apex-level review. These directions apply to banks with at least 10 banking outlets, deposit-taking NBFCs with 10 or more branches, large non-deposit taking NBFCs (with assets of ₹5,000 crore or more and a public interface), NBSPs with over one crore prepaid payment instruments, and all CICs. Under these directions, Internal Ombudsmen ("**IOs"**) do not handle complaints directly from the public but review those already examined and rejected by the regulated entity, with certain categories such as corporate fraud, HR matters, and cases pending in other for a excluded from their purview. The IO's decision is binding unless the regulated entity's competent authority formally disagrees, in which case the matter is escalated to the board's customer service committee. IOs report administratively to the executive director/ managing director/ chief executive officer and functionally to the Board, with requirements for periodic reporting and root cause analysis. Regulated entities must implement automated complaint management systems to escalate rejected complaints to the IO within 20 days and communicate final decisions to complainants within 30 days.

***19. Master Directions – Information Technology Governance, Risk, Control and Assurance Practices, 2023***

The RBI Master Directions – Information Technology Governance, Risk, Control and Assurance Practices, dated November 7, 2023 ("**IT Governance Directions**") consolidate and update regulations pertaining to the governance of information technology and the risks, assurance practices, control mechanisms and disaster management associated with Information Technology (**"IT")** and cyber security. The IT Governance Directions apply to all NBFCs.

The key requirements are as follows:

*IT Governance*

The IT Governance Directions lays down a framework for information technology that focuses on strategic alignment, risk management, resource management, performance management and disaster recovery management. NBFCs are obligated to set up an IT Governance Framework that specifies the governance structure adhering to the business objectives of the respective NBFC, that specifies the roles of the board of directors and includes adequate oversight mechanisms to mitigate risks associated with cyber and information security. Under the IT Governance Framework, an IT Strategy Committee ("**ITSC**") must be established that shall, *inter alia*, ensure that the NBFC has an effective IT strategic planning process and the NBFC's IT governance provides for accountability. The risk management policy, which shall include IT related risks and cyber security related risks, shall be reviewed periodically by the risk management committee of the board, in consultation with the ITSC.

The IT Governance Directions also mandates NBFCs to have a framework that supports their information systems and infrastructure to ensure operational resilience. In the event there are third-parties handling the NBFC's information technology or cyber security, the NBFC is required to put in place appropriate vendor risk assessment processes to, *inter alia*, mitigate risk and to eliminate and address any conflict of interests. Further, under the IT Governance Directions, NBFCs are mandated to set up a framework that, *inter alia*, contains internal control and processes to mitigate and manage risks, identifies critical information systems and provides for the fortification of the same and contains procedures and controls to ensure a secure transmission/ storage/ processing of data and information.

The IT Governance Directions prescribe a business continuity plan and disaster recovery policy in order to reduce the likelihood and impact of disruptive incident and to ensure the continuity of business. Disaster recovery drills in relation to critical information are required to be done at least on a half-yearly basis and for other information systems, as per the risk assessment of the NBFC. The IT Governance Directions states that the audit committee of the board shall overlook the functioning of the Information System ("**IS**") audit. All entities are required to have an IS audit policy that shall describe the mandate, scope and purpose of the audit. The audit committee, under the IT Governance Directions, has to review the critical issues related to IT, information security and cyber security and thereafter, provide guidance to the management regarding the same.

***20. Master Direction – Reserve Bank of India (Outsourcing of Information Technology Services) Directions, 2023***

The Master Direction – Reserve Bank of India (Outsourcing of Information Technology Services) Directions, 2023 dated April 10, 2023 ("**IT Outsourcing Directions**") by the RBI provides guidelines for outsourcing information technology services by financial institutions, including banks, NBFCs, and payment system operators. The IT Outsourcing Directions apply to 'material outsourcing of IT services' – that is, those which if disrupted or compromised shall have the potential to significantly impact the regulated entities' business operations, or those which may have a material impact on the regulated entity's customers in the event of any unauthorized access, loss or theft of customer information. The IT Outsourcing Directions recognise the extensive usage of information technology and information technology enabled services to support the business models, products and services offered by regulated entities to their customers. The aim of the IT Outsourcing Directions is to ensure that outsourcing arrangements neither diminish regulated entities ability to fulfil its obligations to customers nor impede effective supervision by the RBI. As per the directions, a regulated entity shall take steps to ensure that the service provider employs the same high standard of care in performing the services as would have been employed by the regulated entity itself, had the same activity not been outsourced. The regulated entities need to ask their service providers to develop and establish a robust framework for documenting, maintaining, and testing business continuity plan and disaster recovery plan. A regulated entity can also outsource any IT activity/IT enabled service within its business group/conglomerate, subject to conditions specified in the directions. Regulated entities intending to outsource any of its IT activities

are required put in place a comprehensive board approved IT outsourcing policy which shall incorporate, *inter alia*, the roles and responsibilities of the board, committees of the board (if any) and senior management, IT function, business function as well as oversight and assurance functions in respect of outsourcing of IT services. The IT Outsourcing Directions also require regulated entities to immediately notify the RBI in the event of breach of security and leakage of confidential customer related information. The RBI has the power to impose penalties for violations of the directions. Lastly, the IT Outsourcing Directions also recognizes certain services or activities not considered under outsourcing of IT services subject to the compliances under these directions – such as procurement of IT hardware/appliances, and off the shelf products like anti-virus software, email solutions, etc. subscribed to by the regulated entity wherein only a license is procured with no minimal customization.

***21. Reserve Bank of India Key Facts Statement (KFS) for Loans & Advances, April 2024***

The RBI's notification on the Key Facts Statement (KFS), issued April 15, 2024, mandates a compulsory implementation for all new retail and MSME term loans sanctioned on or after October 1, 2024. The directive aims to promote transparency and reduce information asymmetry by requiring Regulated Entities (REs) to provide prospective borrowers with a standardized document detailing all essential loan terms. The KFS must include the Annual Percentage Rate (APR), all charges and fees, the loan amortization schedule, and details of the grievance redressal officer in a simple, easy-to-understand format. This empowers borrowers to compare loan products across different lenders and make informed financial decisions, with the KFS remaining valid for at least three working days for most loans.

***22. Master Direction – Reserve Bank of India (Credit Information Reporting) Directions, 2025***

Issued on January 6, 2025, this Master Direction consolidates and updates existing guidelines to enhance the transparency, accuracy, and efficiency of India's credit information systems. It standardizes practices for all Credit Institutions (CIs) and Credit Information Companies (CICs) to ensure consistency and protect consumers. Key mandates include the use of a Uniform Credit Reporting Format (UCRF) for data submission and the introduction of a Data Quality Index (DQI) to measure the accuracy and timeliness of credit information. Furthermore, the directive strengthens consumer rights by establishing robust grievance redressal mechanisms and a compensation framework for delays or errors in updating credit information.

***23. Reserve Bank of India (Know Your Customer (KYC) (Amendment) Directions, 2025***

Issued on June 12, 2025, these amendments came into force with immediate effect to balance regulatory needs with customer convenience. A significant change allows low-risk individual customers an extended timeline for periodic KYC updates, letting them complete the process within one year of the due date or by June 30, 2026, whichever is later. The amendment also formally allows banks to utilize their authorized Business Correspondents (BCs) to facilitate KYC updates through self-declarations. Additionally, it mandates REs to implement a system of advance notices and reminders for KYC updation by January 1, 2026, ensuring customers are well-informed.

**II. Laws relating to intellectual property rights**

***The Trademarks Act, 1999 and the Trademark Rules, 2017***

The Trade Marks Act governs the statutory protection of trademarks and prohibits any use of deceptively similar trademarks, among others. The purpose of the Trade Marks Act is to grant exclusive rights to marks such as a brand, label and heading, and to obtain relief in case of infringement of registered trademarks. Indian law permits the registration of trademarks for both goods and services. Under the provisions of the Trademarks Act, an application for trademark registration may be made before the Trademark Registry by any person claiming to be the proprietor of a trademark, whether individual or joint applicants, and can be made on the basis of either actual use or intention to use a trademark in the future. The Trademarks Rules, 2017 have subsequently been enacted and implemented, which have overhauled the regime with respect to assignment and transmission, statement of use, well-known trademarks, opposition proceedings, etc. In March 2017, the Trade Mark Rules, 2017 ("Trade Mark Rules") were notified, in supersession of the Trade Marks Rules, 2002. The Trade Mark Rules brought about changes in the application process, in terms of an increase in application fees and common formats for several kinds of applications. However, the e-filing process has been incentivized by providing for lower application fees. With the Trade Mark Rules, the definition of "Opposition" also saw a change to

encompass a greater scope. Further, the Trade Mark Rules also allow for video conferencing for conducting hearings.

***The Copyright Act, 1957 ("Copyright Act") and the Copyright Rules, 2013***

The Copyrights Act governs copyright protection in India. Even while copyright registration is not a prerequisite for acquiring or enforcing a copyright in an otherwise copyrightable work, registration under the Copyrights Act acts as prima facie evidence of the particulars entered therein and helps expedite infringement proceedings and reduce delay caused due to evidentiary considerations. The Copyrights Act prescribe a fine, imprisonment or both for violations, with enhanced penalty on second or subsequent convictions.

## III. Tax regulations

In addition to the aforementioned material legislations which are applicable to our Company, some of the tax legislations that may be applicable to the operations of our Company include.

a) The Income-tax Act 1961, the Income-tax Rules, 1962, as amended by the Finance Act in respective years;

b) The Central Goods and Services Tax Act, 2017, the Central Goods and Services Tax Rules, 2017, and various state-wise legislations made thereunder;

c) The Integrated Goods and Services Tax Act, 2017, and rules thereof;

d) Professional tax-related state-wise legislations; and

e) The Customs Act, 1962.

## IV. Labour laws

***Shops and establishments legislations***

Under the provisions of local shops and establishments legislations applicable in the states in India where our establishments are set up and business operations exist, such establishments are required to be registered. Such legislations regulate the working and employment conditions of the workers employed in shops and establishments, including commercial establishments, and provide for fixation of working hours, rest intervals, overtime, holidays, leave, termination of service, maintenance of records, maintenance of shops and establishments and other rights and obligations of the employers and employees. These shops and establishments' acts, and the relevant rules framed thereunder, in each state, also prescribe penalties in the form of monetary fine or imprisonment for violation of provisions, as well as procedures for appeal in relation to such contravention of the provisions.

In addition to the local shops and establishments legislations, the employment of workers, depending on the nature of activity, is regulated by a wide variety of generally applicable labour laws. The various other labour and employment-related legislations (and rules issued thereunder) that may apply to our operations, from the perspective of protecting the workers' rights and specifying registration, reporting and other compliances, and the requirements that may apply to us as an employer, would include the following:

* Employee's Compensation Act, 1923.
* Employees' Provident Funds and Miscellaneous Provisions Act, 1952.
* Employees' State Insurance Act, 1948.
* Maternity Benefit Act, 1961.
* Minimum Wages Act, 1948.
* Payment of Bonus Act, 1965.

* Payment of Gratuity Act, 1972.

* Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

* The Right of Persons with Disabilities Act, 2016.

In order to rationalize and reform labour laws in India, the Government of India has framed four labour codes, namely:

(a) The Occupational Safety, Health and Working Conditions Code, 2020 received the assent of the President of India on September 28, 2020, and proposes to subsume certain existing legislations, including the Factories Act, 1948, the Contract Labour (Regulation and Abolition) Act, 1970, and the Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979. This code proposes to provide for, among other things, standards for health, safety and working conditions for employees of establishments, and will come into effect on a date to be notified by the Central Government.

(b) The Industrial Relations Code, 2020 received the assent of the President of India on September 28, 2020, and proposes to subsume three existing legislations, namely, the Industrial Disputes Act, 1947, the Industrial Employment (Standing Orders) Act, 1946 and the Trade Union Act, 1926. The Industrial Relations Code, 2020 will come into effect on a date to be notified by the Central Government.

(c) The Code on Wages, 2019 received the assent of the President of India on August 8, 2019. Through its notification dated December 18, 2020, the Government of India brought into force certain sections of the Code on Wages, 2019. The remaining provisions of this code will be brought into force on a date to be notified by the Government of India. It proposes to subsume four separate legislations, namely, the Payment of Wages Act, 1936, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965 and the Equal Remuneration Act, 1976.

(d) The Code on Social Security, 2020 received the assent of the President of India on September 28, 2020. Through its notification dated April 30, 2021, the Government of India brought into force Section 142 of the Code on Social Security, 2020. The remaining provisions of this code will be brought into force on a date to be notified by the Government of India. It proposes to subsume several separate legislations including the Employee's Compensation Act, 1923, the Employees' State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959, the Maternity Benefit Act, 1961, and the Payment of Gratuity Act, 1972.

## V. Other regulations

**The Information Technology Act, 2000 (the "IT Act") and the Information Technology (Reasonable Security Practices and Procedures and Sensitive Personal Data or Information) Rules, 2011 ("IT Security Rules")**

The IT Act aims to provide legal recognition to transactions carried out by various means of electronic data interchange and other means of electronic communication and facilitate electronic filing of documents. The IT Act creates a constructive mechanism for the authentication of electronic documentation through digital signatures. The IT Act makes electronic commerce seamless by recognizing contracts concluded through electronic means, protects intermediaries in respect of third-party information liability and creates liability for failure to protect such sensitive personal data.

The IT Security Rules addresses the processing of personal information (PI) and certain sensitive categories of PI called sensitive personal information (SPI). The rules enlists directions for the disclosure, collection and transfer of sensitive personal data by a body corporate or any person acting on behalf of a body corporate. The IT Security Rules require every such body corporate or person who on either on its own or on behalf of the body corporate receives, stores or handles PI and/or SPIto provide a privacy policy with the appropriate disclosures such as (a) the fact that the information is being collected, (b) the

purpose for which the information is being collected, (c) the intended recipients of the information, and (d) if the information collected is SPI, the name and address of the agency that is collecting the information and the agency that will retain the information. Such privacy policy must be published on its website. The IT Security Rules further require that all such personal data be used solely for the purposes for which it was collected and any third-party disclosure of such data is made with the prior consent of the information provider, unless contractually agreed upon between them or where such disclosure is mandated by law.

The Company and Subsidiaries are individually also required to comply with the directions that are issued by the Indian Computer Emergency Response Team (CERT-In), issued under the IT Act, which entails the obligation to report various cyber-security, breaches within prescribed timelines to the CERT-In. The directions also provide for additional compliances on appointing a point of contract to liaise with the CERT-In, synchronization of information and communication technology (ICT) systems clocks and retention of ICT system logs on a rolling basis. They also impose certain record maintenance requirements upon specific categories of entities such as data centres and cloud service providers.

**The Digital Personal Data Protection Act, 2023 ("Data Protection Act")**

The Data Protection Act received the assent of the President of India on August 11, 2023 and the provisions of the Data Protection Act shall come into effect on such date as the Central Government may notify in the official gazette. The Data Protection Act classifies entities who determine the means and purposes of processing personal data as data fiduciaries, and requires data fiduciaries to implement a host of compliances in relation to provide notice as prescribed and obtaining consent, notifying personal data breaches, ensuring the accuracy, completeness, and consistency of the personal data being processed, enabling data principals (i.e., the individuals to whom the personal data relates) to exercise their rights, and implementing technical safeguards and reasonable security measures to protect personal data and to ensure compliance with the law, inter alia. Additionally, the Data Protection Act prescribes additional compliances for certain data fiduciaries or a specific class of data fiduciaries called significant data fiduciaries ("**SDF**"), that may be notified as such basis an assessment of factors that include the volume and sensitivity of personal data processed, risk to the rights of data principal etc. These SDFs will be required to fulfil certain additional obligations under the Data Protection Act including appointment of a data protection officer appointing an independent data auditor, and undertaking data protection impact assessments inter alia. The Data Protection Act also recognises data processors, which are entities that process personal data on behalf of the data fiduciaries, and while the law does not provide obligations directly on data processors, data fiduciaries may contractually pass down relevant obligations on data processors. Lastly, the Central Government will also establish the Data Protection Board of India (the "**DPB**"), whose key functions include: (i) monitoring compliance and imposing penalties, (ii) directing data fiduciaries to take necessary measures in the event of a data breach, and (iii) hearing grievances made by data principals.

The Ministry of Electronics and Information Technology ("**MeitY**") has published the Digital Personal Data Protection Rules, 2025 ("**Draft Rules**") for public consultation on January 3, 2025. The Draft Rules facilitate the implementation of the Digital Protection Act. It aims to strengthen the legal framework for the protection of digital personal data by providing necessary details and an actionable framework. The Draft Rules lays down various implementation aspects such as the notice by the data fiduciary to the individuals, registration and obligations of consent manager, processing of personal data for issuance of subsidy, benefit, services by State, applicability of reasonable security safeguards, intimation of personal data breach, providing details about availing of the rights by the individuals, processing of personal data of child or of person with disability, setting up the Data Protection Board ("**Board**"), appointment and service conditions of the chairperson and other members of the Board, functioning of Board as digital office, procedure to appeal to appellate tribunal among others. The Draft Rules are yet to be approved and notified.

**The Micro, Small and Medium Enterprises Development Act, 2006 ("MSME Act")**

The MSME Act promotes micro, small, and medium enterprises through schemes, financial support, and easier credit access. It classifies enterprises by investment and turnover. The MSME Act mandates timely payments within 45 days, with interest on delays. It encourages government procurement from MSMEs, ensuring their growth and competitiveness.

**The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("POSH Act")**

The POSH Act protects women from workplace sexual harassment, applicable to all sectors. Defines harassment broadly, mandates Internal Complaints Committees (ICC) for workplaces with 10+ employees. The POSH Act provides complaint procedures, interim reliefs, confidentiality and the penalties include fines up to Rs. 50,000 and business license cancellation for non-compliance. It promotes awareness through workshops and sensitisation programs.

## HISTORY AND CERTAIN CORPORATE MATTERS

### Brief history of our Company

Our Company was originally incorporated and registered as '*Dewan Housing Finance & Leasing Company Limited*' on April 11, 1984, as a public limited company under the Companies Act, 1956. The name of our Company was subsequently changed to (i) '*Dewan Housing Development Finance Limited*' on September 26, 1984, (ii) '*Dewan Housing Finance Corporation Limited'* on August 25, 1992, (iii) '*Piramal Capital & Housing Finance Limited*' on November 3, 2021, and (iv) '*Piramal Finance Limited*' on March 22, 2025 issued by the Registrar of Companies, Maharashtra at Mumbai. Pursuant to the effectiveness of the Scheme, the Transferor Company has amalgamated with our Company effective from September 16, 2025. Our Company's registered office is situated at 601, 6th Floor, Amiti Building, Agastya Corporate Park, Kamani Junction, Opp. Fire Station, LBS Marg, Kurla(W), Mumbai, 400070, Maharashtra, India.

### Changes in the Registered Office of our Company

Details of changes in the Registered Office of our Company pursuant to the 2021 Reverse Merger, is set forth below:

| Effective date | Details of change | Reasons for change |
|---|---|---|
| October 1, 2021 | The Registered Office of the Company was changed from Warden House, 2nd Floor, Sir P M Road, Fort, Mumbai 400 001 to Unit No 601, 6th Floor, Piramal Amiti Building, Piramal Agastya Corporate Park, Kamani Junction, Opp. Fire Station, LBS Marg, Kurla (West), Mumbai – 400 070, Maharashtra, India | Post reverse merger of PCHFL into DHFL, which came into effect on September 30, 2021, the registered office of the resulting entity was changed. |
| December 6, 2021 | The Registered Office of the Company was changed from Unit No 601, 6th Floor, Piramal Amiti Building, Piramal Agastya Corporate Park, Kamani Junction, Opp. Fire Station, LBS Marg, Kurla (West), Mumbai – 400 070, Maharashtra, India to 601, 6th Floor, Amiti Building, Agastya Corporate Park, Kamani Junction, Opp. Fire Station, Kurla (W) Mumbai, 400070, Maharashtra, India | Rectification of address |

### Objects as set out in the Memorandum of Association of our Company

The main objects clause as contained in clause III (A) of our Memorandum of Association are as follows:

1. *To carry on the business of a Non-Banking Financial Company in accordance with the certificate of registration granted by the Reserve Bank of India in all its offices / branches and undertake the business of all types of financial and investment activities, including but not restricted to the business of finance, infrastructure financing, financing the development, operation and/or maintenance of infrastructure projects and facilities or businesses in the infrastructure sector, financing the establishment, growth and/or development of various kinds of institutions including commercial, industrial, educational and charitable institutions, industrial finance and financing of industrial enterprises, financing acquisition of bodies corporate, shares and/or other securities, real estate financing including finance for acquiring, developing, constructing, selling, renting, leasing, trading or otherwise dealing in all kinds of immovable property, and/or to carry on and undertake the business of an investment company, including without limitation, to undertake investment counselling, portfolio management, hire purchase business, leasing business, financing of hire purchase or deferred payment or similar transactions, financing sale and maintenance of goods, articles or commodities, to invest in, acquire, underwrite, subscribe for, hold shares, bonds, stocks, securities, debenture, commercial papers, and to undertake activities capable of being provided by non-banking finance companies, stock brokers, merchant bankers, investment bankers, portfolio managers, trustees, agents, consultants and to provide other financial or related services, including financial and investment consultancy services and to invest and manage capital and other moneys received by the Company by way of private equity or venture capital funding or any other funds for seed capital and/or risk capital foundation, in the purchase of shares and/or other securities issued or guaranteed by any company, corporation, government, sovereign ruler, commissioners, trusts, municipal bodies, quasi government authorities and other undertaking of whatever nature and wherever constituted or carrying on business, whether in India or overseas and to hold and from time to time to*

*sell, vary, dispose off or otherwise in any manner deal with the same and to establish, issue, float and manage any mutual funds, growth funds, investment funds, income or capital funds, taxable or tax exempt funds, provident, pension, gratuity and superannuation funds, and other funds or trusts and to act as administrators or managers of such funds and trusts, to act as trustees for bondholders, debenture holders and to undertake, carry on and/or provide such related or incidental activities or services as may be necessary or expedient for the purpose of carrying on or undertaking the businesses and activities covered by this clause or which may be conveniently carried on in connection with or related to such businesses and activities;*

2. *To finance industrial enterprises by way of advance, deposit or lend money, securities, and properties to or with any company, body corporate, trust, firm, person or association whether falling under the same management or otherwise, with or without security and on such terms as may be determined from time to time, and to carry on and undertake the business of finance and investment and to provide venture capital, seed capital, loan capital and to participate in equity/preference Share Capital or to give guarantees on behalf of the Company in the matter and to promote Companies engaged in Industrial and trading business and to act as Financial Consultants, Management Consultants, Brokers, Dealers, Agents and to carry on the business of share broking, money broking, exchange broking. bill broking and general brokers for shares, debentures, debenture-stock, bonds, units, obligations, securities, commodities, bullion currencies and to manage the funds of any person, firm, body corporate or trust by investment in various avenues like Growth Fund, Income fund, Risk Fund, Tax Exempt Funds, Pension/Superannuation Funds and to pass on the benefits of portfolio investments to the investors as dividends, bonus, interest.*

3. *To undertake and carry on the business of providing long-term finance for development of infrastructure facility in India including but not restricted to inland container depot and container freight stations, mass rapid transit system, light rail transit system, expressways, intra-urban or semi-urban roads like ring roads of urban by-passes or flyovers, bus and truck terminals, subways, road dividers, bulk handling terminals which are developed or operated for development of rail system, multilevel computerised car parking and other infrastructure projects in the fields of roads, highways, power generation and for power distribution and any other form of power, telecommunication services, bridges, ports, docks, waterways, airports, rail systems, water supply, water treatment, irrigation, sanitation and sewerage systems, pipeline transportation, Special Economic Zones or other Export Promotion Parks, Software Technology Parks, Electronic Hardware Parks, Bio- Technology Parks and any other industrial parks or any other public facility of similar nature that may be notified in future as infrastructure facility either by the State Government(s) and of the Government of India or any other appropriate authority or body and to undertake infrastructure financing in all angles whether expressly mentioned herein or not including consultancy services of all kinds and description and also investing in the equity shares, preference shares debentures, bonds, providing long term and short term loans lease finance, working capital financing, giving guarantees and any other financial assistance as may be conducive for development, construction, operation and maintenance of infrastructure projects in India.*

4. *To carry on the business of buying, selling, leasing, lease broking, letting on hire, hire- purchase or on easy payment system household and office furniture, domestic or business appliances, computers, tabulators, addressing machine and other sophisticated office machinery, installation fitting, machinery, motorcars, taxi-cabs, mopeds, scooters, motorcycles, 3-wheelers, auto-rickshaws, automobiles, tramcars, motor lorries, tractors, earthmoving machinery, wagons, cycles, bicycles, coaches, garages and all other vehicles drawn by motor, steam oil, petroleum, electricity or any mechanical or other power or device, agricultural implements and machinery air-ships, aeroplanes and helicopters, tools, plants, implements, utensils, apparatus and requisites and accessories, furniture, wireless and television receivers, telephones, telex, teleprinters, or other apparatus, ships, dredgers, barges and containers and to carry on the business f hire purchase of movable proprietors of any kind, including machinery, plant all kinds to buy, sell, alter, repair, exchange and deal in and finance the sale of furniture, apparatus, machinery, materials, goods and articles, to hire out or sell any of the same on hire purchase system.*

**Amendments to our Memorandum of Association**

Set out below are the amendments to our Memorandum of Association preceding the date of this Information Memorandum pursuant to the 2021 Reverse Merger:

| Date of Amendment | Details of the Modification |
|---|---|
| July 29, 2022 | Adoption of new set of the Memorandum of Association as per the scheme of arrangement (as part of the resolution plan) approved by NCLT, Mumbai vide its Order dated 7th June, 2021. Clause III(A)(1) was altered as below:<br><br>*"(a) To carry on the business of providing finance for housing (including affordable housing), rental housing, tenement/s, condominium/s, slum improvement, shelter developments, township planning and development, infrastructure/s, smart city developments etc., whether directly or indirectly, to any person/s, group/s of person/s including economically weaker section, lower income group or middle income group, firm/s, society/ies, body corporate/s, company/ies, association/s, trust/s, club/s etc., whether singly or jointly, and/ or also providing financial, technical, administrative or any other kind of assistance for promoting, establishing, supporting or aiding them in the field of construction, purchase, expanding, renovating, property(ies) for residential/ mixed use or for any other use as permitted and/ or including businesses in accordance with the National Housing Bank Act, 1987 whether for housing, rental housing, tenements, slum improvement, shelters, related town planning, infrastructure development or for any other purpose and/ or undertaking the business of financial and/or investment services including but not restricted to the asset securitization, rental housing, real estate/s, infrastructure/s, townships, special economic zones, industrial, investments, capital management, capital formation, acquisition/s of stakes, shares, securities etc, whether in India or overseas, and to hold and from time to time: to sell, vary, dispose off or otherwise in any manner deal with them or generally performing such other businesses which may be incidental to or consequential to business herein, in compliance with the applicable provisions of law under the Companies Act 2013, the National Housing Bank Act 1987, the directives issued there under or under any other applicable law, rules, regulation for the time being in force.*<br><br>*(b) To solicit and procure Insurance Business as Corporate Agent in respect of all classes of insurance and to undertake such other activities as are ancillary and incidental thereto."* |
| March 12, 2025 | Clause I of the Memorandum of Association was altered to reflect the change in the name of the Company from '*Piramal Capital & Housing Finance Limited'* to '*Piramal Finance Limited'* |
| March 12, 2025 | Clause III of the Memorandum of Association was altered as below to include new set of objects to enable the company to undertake the business as specified in Clause III of the MOA, subject to the approval of the Ministry of Corporate Affairs, the Central Government, Registrar of Companies, or any other concerned regulatory or statutory authority(ies), as may be necessary:<br><br>1. *"To carry on the business of a Non-Banking Financial Company in accordance with the certificate of registration granted by the Reserve Bank of India in all its offices / branches and undertake the business of all types of financial and investment activities, including but not restricted to the business of finance, infrastructure financing, financing the development, operation and/or maintenance of infrastructure projects and facilities or businesses in the infrastructure sector, financing the establishment, growth and/or development of various kinds of institutions including commercial, industrial, educational and charitable institutions, industrial finance and financing of industrial enterprises, financing acquisition of bodies corporate, shares and/or other securities, real estate financing including finance for acquiring, developing, constructing, selling, renting, leasing, trading or otherwise dealing in all kinds of immovable property, and/or to carry on and undertake the business of an investment company, including without limitation, to undertake investment counselling, portfolio management, hire purchase business, leasing business, financing of hire purchase or deferred payment or similar transactions, financing sale and maintenance of goods, articles or commodities, to invest in, acquire, underwrite, subscribe for, hold shares, bonds, stocks, securities, debenture, commercial papers, and to undertake activities capable of being provided by non-banking finance companies, stock brokers, merchant bankers, investment bankers, portfolio managers, trustees, agents, consultants and to provide other financial or related services, including financial and investment consultancy services and to invest and manage capital and other moneys received by the Company by way of private equity or venture capital funding or any other funds for seed capital and/or risk capital foundation, in the purchase of shares and/or other securities issued or guaranteed by* |

| Date of Amendment | Details of the Modification |
|---|---|
| | *any company, corporation, government, sovereign ruler, commissioners, trusts, municipal bodies, quasi government authorities and other undertaking of whatever nature and wherever constituted or carrying on business, whether in India or overseas and to hold and from time to time to sell, vary, dispose off or otherwise in any manner deal with the same and to establish, issue, float and manage any mutual funds, growth funds, investment funds, income or capital funds, taxable or tax exempt funds, provident, pension, gratuity and superannuation funds, and other funds or trusts and to act as administrators or managers of such funds and trusts, to act as trustees for bondholders, debenture holders and to undertake, carry on and/or provide such related or incidental activities or services as may be necessary or expedient for the purpose of carrying on or undertaking the businesses and activities covered by this clause or which may be conveniently carried on in connection with or related to such businesses and activities;*<br>*2. To finance industrial enterprises by way of advance, deposit or lend money, securities, and properties to or with any company, body corporate, trust, firm, person or association whether falling under the same management or otherwise, with or without security and on such terms as may be determined from time to time, and to carry on and undertake the business of finance and investment and to provide venture capital, seed capital, loan capital and to participate in equity/preference Share Capital or to give guarantees on behalf of the Company in the matter and to promote Companies engaged in Industrial and trading business and to act as Financial Consultants, Management Consultants, Brokers, Dealers, Agents and to carry on the business of share broking, money broking, exchange broking. bill broking and general brokers for shares, debentures, debenture-stock, bonds, units, obligations, securities, commodities, bullion currencies and to manage the funds of any person, firm, body corporate or trust by investment in various avenues like Growth Fund, Income fund, Risk Fund, Tax Exempt Funds, Pension/Superannuation Funds and to pass on the benefits of portfolio investments to the investors as dividends, bonus, interest.*<br>*3. To undertake and carry on the business of providing long-term finance for development of infrastructure facility in India including but not restricted to inland container depot and container freight stations, mass rapid transit system, light rail transit system, expressways, intra-urban or semi-urban roads like ring roads of urban by-passes or flyovers, bus and truck terminals, subways, road dividers, bulk handling terminals which are developed or operated for development of rail system, multilevel computerised car parking and other infrastructure projects in the fields of roads, highways, power generation and for power distribution and any other form of power, telecommunication services, bridges, ports, docks, waterways, airports, rail systems, water supply, water treatment, irrigation, sanitation and sewerage systems, pipeline transportation, Special Economic Zones or other Export Promotion Parks, Software Technology Parks, Electronic Hardware Parks, Bio- Technology Parks and any other industrial parks or any other public facility of similar nature that may be notified in future as infrastructure facility either by the State Government(s) and of the Government of India or any other appropriate authority or body and to undertake infrastructure financing in all angles whether expressly mentioned herein or not including consultancy services of all kinds and description and also investing in the equity shares, preference shares debentures, bonds, providing long term and short term loans lease finance, working capital financing, giving guarantees and any other financial assistance as may be conducive for development, construction, operation and maintenance of infrastructure projects in India.*<br>4. *To carry on the business of buying, selling, leasing, lease broking, letting on hire, hire-purchase or on easy payment system household and office furniture, domestic or business appliances, computers, tabulators, addressing machine and other sophisticated office machinery, installation fitting, machinery, motorcars, taxi-cabs, mopeds, scooters, motorcycles, 3-wheelers, auto-rickshaws, automobiles, tramcars, motor lorries, tractors, earthmoving machinery, wagons, cycles, bicycles, coaches, garages and all other vehicles drawn by motor, steam oil, petroleum, electricity or any mechanical or other power or device, agricultural implements and machinery air-ships, aeroplanes and helicopters, tools, plants, implements, utensils, apparatus and requisites and accessories, furniture, wireless and television receivers, telephones, telex, teleprinters, or other apparatus, ships, dredgers, barges and containers and to carry on the business f hire purchase of movable proprietors of any kind, including machinery,* |

| Date of Amendment | Details of the Modification |
|---|---|
| | *plant all kinds to buy, sell, alter, repair, exchange and deal in and finance the sale of furniture, apparatus, machinery, materials, goods and articles, to hireout or sell any of the same on hire purchase system."* |

**Major events and milestones of our Company**

The table below sets forth the major events and milestones in the Company's history since the effective date of 2021 Reverse Merger:

| Calendar year | Particulars |
|---|---|
| November 3, 2021 | Post reverse merger, the name of our Company was changed to '*Piramal Capital & Housing Finance Limited*' |
| March 22, 2025 | The name of our Company was changed to '*Piramal Finance Limited'* |
| April 4, 2025 | The Company converted to an NBFC-ICC |
| September 16, 2025 | Pursuant to the effectiveness of the Scheme, the Transferor Company has amalgamated with our Company |

**Awards and accreditations**

The table below sets forth some of the significant awards, accreditations and recognitions received by our Company:

| Calendar Year | Awards and Accreditations |
|---|---|
| 2025 | Awarded "*Great Place to Work – Feb 2024 – Feb 2025*" by Great Place to Work India |
| 2024 | Awarded the "*AI Chat Bot Product of the Year- Arya*" at Bharat Gen AI and Analytics Summit and Awards 2024 organized by Minfy |
| 2024 | Awarded under the regional category at the Effie Awards India 2024 organized by the Advertising Club |
| 2024 | Awarded "*Most effective use of Influencer Marketing*" under financial services category by BFSI Marketing Awards 2024 organized by Pitch |
| 2024 | Awarded "*Most effective holiday, seasonal and festival marketing*" under financial services category by BFSI Marketing Awards 2024 organized by Pitch |
| 2024 | Awarded under influencer marketing category for best use of YouTube by the ET Trendies Awards organized by the Economics Times India |
| 2024 | Awarded "*Most effective use of Social Media*" under financial services category by BFSI Marketing Awards 2024 organized by Pitch |
| 2023 | Awarded "*Great Place to Work – Feb 2023 – Feb 2024*" by Great Place to Work India |
| 2023 | Awarded under the finance category at the Effie Awards India 2023 organized by the Advertising Club |
| 2023 | Awarded with "*Most effective content marketing strategy*" under the financial services category by BFSI Marketing Awards 2023 organized by Pitch |
| 2022 | Awarded as one of the "*Best Brand 2022*" by The Economic Times |
| 2022 | Piramal Finance has been awarded for '*Best Business Impact through Research*' at the Golden Key Awards 2022 by Market Research Society of India |

**Time and cost over-runs**

Pursuant to the implementation of the Scheme of Arrangement, our Company has not experienced any significant time or cost overruns in respect of its business operations.

**Defaults or re-scheduling, restructuring of borrowings with financial institutions/banks**

As on the date of this Information Memorandum, there are no defaults or re-scheduling / restructuring in relation to borrowings availed by the Company from any financial institutions or banks.

**Significant financial or strategic partners**

Except as provided in "*–Summary of key agreements*" on page 147, as of the date of this Information Memorandum, our Company does not have any other significant financial or strategic partners.

**Launch of key products or services, entry into new geographies or exit from existing markets, capacity/ facility creation or location of plants**

For details of key products or services launched by our Company, entry into new geographies or exit from existing markets, capacity/facility creation, location of our manufacturing facilities, see "*Our Business*" on page 116.

**Details regarding material acquisitions or divestments of business/undertakings/mergers and amalgamations, any revaluation of assets**

Other than pursuant to the Scheme and as disclosed below, as on the date of filing this Information Memorandum, there has been no material acquisition of business, undertakings, mergers, amalgamations or revaluation of assets pursuant to the 2021 Reverse Merger. For further details, please see "*Scheme of Arrangement*" on page 166.

***Reverse Merger between PCHFL and DHFL dated September 30, 2021 ("2021 Reverse Merger")***

Piramal Capital & Housing Finance Limited ("**PCHFL**"), a wholly owned subsidiary of PEL, was incorporated, on February 10, 2017, in the name of '*Piramal Housing Finance Private Limited'*. PCHFL was converted into a public limited company with effect from September 28, 2017, consequent to which the name of the company was changed to Piramal Housing Finance Limited ("**PHFL**"), upon issuance of fresh certificate of incorporation dated October 17, 2017. The board, at its meeting held on October 12, 2017, had approved a scheme of amalgamation of erstwhile Piramal Finance Limited and Piramal Capital Limited ("**PCL**"), both, wholly owned subsidiaries of PEL with PHFL and their respective shareholders. Pursuant to the aforesaid Board approval and in accordance with the relevant provisions of the Companies Act, 2013, PHFL filed an application / petition with the NCLT, Mumbai seeking its approval on the scheme. Pursuant to NCLT order dated April 6, 2018 approving the scheme, PFL and PCL ceased to exist and stood amalgamated with PHFL and the name of PHFL was changed from '*Piramal Housing Finance Limited'* to '*Piramal Capital & Housing Finance Limited'*.

Subsequently, under the corporate insolvency resolution process of Dewan Housing Finance Corporation Limited ("**DHFL**"), PCHFL was chosen as the successful resolution applicant in terms of the provisions of the Insolvency and Bankruptcy Code, 2016. In June 2021, NCLT vide its Order dated June 7, 2021 approved the merger of PCHFL into DHFL in terms of the resolution plan approved by NCLT. As part of the insolvency process of DHFL approved by the NCLT, PCHFL reverse merged into DHFL with effect from September 30, 2021, as contemplated under the resolution plan submitted by PCHFL. Consequent to this, the name of the surviving entity i.e. DHFL has been changed to '*Piramal Capital & Housing Finance Limited'* with effect from November 3, 2021. Further, consequent to this, the board of directors of the Company was constituted with effect from September 30, 2021, who took over the operations and management of the Company.

**Summary of key agreements**

Except as disclosed below, our Company has not entered into any material agreement, including with any strategic partners or joint venture partners or financial partners, which is subsisting as on the date of this Information Memorandum, other than in the ordinary course of business. For more details, please see the section titled "*Material Contracts and Documents for Inspection*" on page 622 of this Information Memorandum.

**Joint venture agreement between PEL and Bain Capital Credit, Limited dated February 7, 2018**

The Transferor Company, PEL, has entered into a joint venture agreement with Bain Capital Credit, Limited on February 7, 2018. The purpose of this agreement is to pool in USD 100 million from each party i.e. PEL and Bain Capital Credit, Limited to fund the India Resurgence Fund, which is a fund incorporated as an AIF under the SEBI AIF Regulations. India Resurgence Fund invests capital directly into businesses and/or acquires debt of distressed businesses to drive restructuring with active participations in their turnaround. India Resurgence Fund's mandate is to look at all sectors, except real estate, for distressed assets.

**Co- investment agreement between PEL and Stitching Depository APG Infrastructure Pool 2012 (*acting as a depository duly represented by APG Asset Management N.V*) dated July 29, 2014**

The Transferor Company, PEL, has entered into a co-investment agreement dated July 29, 2014 with APG for investing high yield INR denominated securities as mutually agreed, in the business of infrastructure development in India with Stitching Depository APG Infrastructure Pool 2012. However, as on date, there is no business being undertaken as part of this co-investment agreement, except for one outstanding litigation, as disclosed under "*Outstanding Litigation and Material Developments - Material civil proceedings filed by the Company*" on page 584.

**Shareholders' agreement between Annapurna Finance Private Limited and PAT dated January 24, 2024**

Our subsidiary, PAT, has entered into a shareholders' agreement on January 24, 2024, as amended by amendment agreement dated May 2, 2024 with respect to acquisition of 9.8% equity shares and tier II instrument in the form of optionally convertible debentures of Annapurna Finance Private Limited by PAT.

**Shareholders' agreement between Pramerica Life Insurance Limited ("Pramerica") and DHFL Investments Limited ("DIL") dated July 25, 2013**

Our subsidiary, DIL, has entered into a shareholders' agreement with Pramerica dated July 25, 2013, as amended, through which DIL acquired 50% of total issued and paid up equity share capital of Pramerica. The parties are entitled to certain customary rights under this agreement.

**Shareholders' agreement between Social Worth Technologies Private Limited and PFL dated May 21, 2024**

Our Company has entered into a shareholders' agreement dated May 21, 2024 with Social Worth Technologies Private Limited and others with respect to its 7.17% shareholding held by our Company in Social Worth Technologies Private Limited. Social Worth Technologies Private Limited is in the business of developing and providing technology and facilitation services related to consumer lending services provided by others. The parties are entitled to certain customary rights under this agreement.

As on the date of this Information Memorandum, there are no subsisting shareholders' agreements amongst our shareholders with respect to our Company.

Further, there is no agreement entered into by a Key Managerial Personnel or Director or Promoter or any employee of our Company, either by themselves or on behalf of any other person, with any Shareholder or any other third party with regard to compensation or profit sharing in connection with the dealings in the securities of our Company.

**Holding company**

Prior to the Scheme of Arrangement, our Company was a subsidiary of PEL. However, as of the date of this Information Memorandum, there is no holding company.

**Common pursuits with the Subsidiaries**

There are common pursuits between the Company and the Subsidiaries.

**Accumulated profits or losses of Subsidiaries**

As on the date of this Information Memorandum, there are no accumulated profits or losses of our Subsidiaries, which are not accounted for by our Company.

**Capacity/ Facility creation, location of plants**

As on the date of this Information Memorandum, this is not applicable to our Company.

**Business interest between our Company and Subsidiaries**

Except as stated in "*Financial Statements*" on page 198, none of our Subsidiaries have any business interest in our Company and there have been no other related business transactions between our Company and our Subsidiaries during the last three Fiscals.

**Guarantees given by our Promoter**

Our Promoter is not offering any Equity Shares and accordingly the confirmation pertaining to guarantees extended in favour of third parties is not applicable.

## SUBSIDIARIES, JOINT VENTURE AND ASSOCIATES

**Details of our Direct Subsidiaries**

As on the date of this Information Memorandum, our Company has the following Direct Subsidiaries:

**1. DHFL Investments Limited**

*Corporate Information*

DHFL Investments Limited **("DIL")** was incorporated as a public limited company under the Companies Act, 2013, and a certificate of incorporation dated February 13, 2017, was issued by the Registrar of Companies, Maharashtra, at Mumbai having CIN U74999MH2017PLC291108. Its registered office is situated at 601, 6th Floor, Amiti Building, Agastya Corporate Park, Kamani Junction, LBS Marg, Kurla West, Mumbai City, Mumbai, 400 070, Maharashtra, India.

*Nature of Business*

DIL's business objective is to acquire any kind of shares, stock, debenture stocks and securities in accordance with the Reserve Bank of India Act, 1934 and other applicable statutory and legal provisions.

*Capital Structure*

The authorised share capital of DHFL Investments Limited is ₹ 1,20,00,00,000 divided into 12,00,00,000 equity shares of ₹ 10 each. The issued, subscribed and paid-up share capital of DIL is ₹ 1,01,55,00,000 divided into 10,15,50,000 equity shares of ₹ 10 each.

*Shareholding Pattern*

The shareholding pattern as on the date of this Information Memorandum is set below:

| Name of the shareholder | Number of equity shares of face value of ₹ 10 each | Percentage of the issued and paid- up share capital (%) |
|---|---|---|
| Piramal Finance Limited | 10,15,49,940 | 100.00 |
| Bipin Singh* | 10 | 0.00 |
| Pralhad Narasingrao Kulkarni* | 10 | 0.00 |
| Priyanka Anand Kargutkar* | 10 | 0.00 |
| Purushottam Keshav Tamhankar* | 10 | 0.00 |
| Pratik Hasmukh Upadhayay* | 10 | 0.00 |
| Monisha Chadha* | 10 | 0.00 |
| **Total** | **10,15,50,000** | **100.00** |

** Nominee of PFL*

**2. Piramal Payment Services Limited**

*Corporate Information*

Piramal Payment Services Limited **("PPSL")** was incorporated as a public limited company under the Companies Act, 2013, and a certificate of incorporation dated April 29, 2022, was issued by the Registrar of Companies, Maharashtra at Mumbai having CIN U67100MH2022PLC381717. Its registered office is situated at 601, 6th Floor, Amiti Building, Agastya Corporate Park, Kamani Junction, Kurla West, Mumbai City, Mumbai, 400 070, Maharashtra, India.

*Nature of Business*

PPSL is engaged in the business of issuance and operations of prepaid payment instruments, to carry on the business of payment gateway and payment aggregator, and incidental services.

*Capital Structure*

The authorised share capital of PPSL is ₹ 10,00,00,000 divided into 1,00,00,000 equity shares of ₹ 10 each. The issued, subscribed and paid-up share capital of PPSL is ₹ 7,00,00,000 divided into 70,00,000 equity shares of ₹ 10 each.

*Shareholding Pattern*

The shareholding pattern as on the date of this Information Memorandum is set below:

| Name of the shareholder | Number of equity shares of face value of ₹ 10 each | Percentage of the issued and paid- up share capital (%) |
|---|---|---|
| Piramal Finance Limited | 69,99,940 | 100.00 |
| Bipin Singh* | 10 | 0.00 |
| Pralhad Narasingrao Kulkarni* | 10 | 0.00 |
| Priyanka Anand Kargutkar* | 10 | 0.00 |
| Purushottam Keshav Tamhankar* | 10 | 0.00 |
| Pratik Hasmukh Upadhayay* | 10 | 0.00 |
| Monisha Chadha* | 10 | 0.00 |
| **Total** | **70,00,000** | **100.00** |

** Nominee of PFL*

**3. Piramal Agastya Offices Private Limited (*formerly known as PRL Agastya Private Limited*)**

*Corporate Information*

Piramal Agastya Offices Private Limited **("PAOPL")** was incorporated as a private limited company under the Companies Act, 1956, and a certificate of incorporation dated November 20, 2006, was issued by the Registrar of Companies, Maharashtra at Mumbai having CIN U45201MH2006PTC165659. Its registered office is situated at Wing A, Amiti Building, Agastya Corporate Park, Kamani Junction, LBS Marg, Opposite Fire Brigade, Kurla (West), Kurla, Mumbai, 400 070, Maharashtra, India.

*Nature of Business*

PAOPL is engaged in the business of real estate / real estate development and incidental services as authorised under the objects clause of its memorandum of association.

*Capital Structure*

The authorised share capital of PAOPL is ₹ 1,00,00,00,000 divided into 10,00,00,000 equity shares of ₹ 10 each. The issued, subscribed and paid-up share capital of PAOPL is ₹ 32,49,00,000 divided into 3,24,90,000 equity shares of ₹ 10 each.

*Shareholding Pattern*

The shareholding pattern as on the date of this Information Memorandum is set below:

| Name of the shareholder | Number of equity shares of face value of ₹ 10 each | Percentage of the issued and paid- up share capital (%) |
|---|---|---|
| Piramal Finance Limited | 3,24,89,900 | 99.97 |
| Bipin Singh* | 100 | 0.03 |
| **Total** | **3,24,90,000** | **100.00** |

** Nominee of PFL*

**4. Piramal Fund Management Private Limited**

*Corporate Information*

Piramal Fund Management Private Limited **("PFMPL")** was incorporated as a private limited company under the Companies Act, 1956, and a certificate of incorporation dated July 14, 2005 was issued by the Registrar of Companies, Maharashtra at Mumbai having CIN U67190MH2005PTC154781. Its registered

office is situated at Ground Floor, Piramal Tower, Ganpatrao Kadam Marg, Lower Parel, Mumbai City, Mumbai, 400 013, Maharashtra, India.

*Nature of Business*

PFMPL is engaged in the business of providing investment advisory services in the real estate sector.

*Capital Structure*

The authorised share capital of PFMPL is ₹ 2,15,00,000 divided into 10,00,000 equity shares of ₹ 10 each and 1,15,000 preference shares of ₹ 100 each. The issued, subscribed and paid-up share capital of PFMPL is ₹ 23,18,250 divided into 2,31,825 equity shares of ₹ 10 each.

*Shareholding Pattern*

The shareholding pattern as on the date of this Information Memorandum is set below:

| Name of the shareholder | Number of equity shares of face value of ₹ 10 each | Percentage of the issued and paid- up share capital (%) |
|---|---|---|
| Piramal Enterprises Limited[$] | 2,31,725 | 99.95 |
| Bipin Singh* | 100 | 0.05 |
| **Total** | **2,31,825** | **100.00** |

**Nominee of PEL*
*[$]Piramal Enterprises Limited has merged with Piramal Finance Limited effective September 16, 2025*

**5. Piramal Investment Advisory Services Private Limited**

*Corporate Information*

Piramal Investment Advisory Services Private Limited **("PIASPL")** was incorporated as a private limited company under the Companies Act, 2013, and a certificate of incorporation dated June 13, 2013 was issued by the Registrar of Companies, Maharashtra at Mumbai having CIN U65191MH2013PTC244440. Its registered office is situated at 1st Floor, Piramal Tower Annexe, Ganpatrao Kadam Marg, Lower Parel (W), Mumbai City, Mumbai, 400 013, Maharashtra, India.

*Nature of Business*

PIASPL is engaged in the business of providing investment advisory services in the real estate and infrastructure sector.

*Capital Structure*

The authorised share capital of PIASPL is ₹ 20,00,00,000 divided into 2,00,00,000 equity shares of ₹ 10 each. The issued, subscribed and paid-up share capital of PIASPL is ₹ 2,70,00,000 divided into 27,00,000 equity shares of ₹ 10 each.

*Shareholding Pattern*

The shareholding pattern as on the date of this Information Memorandum is set below:

| Name of the shareholder | Number of equity shares of face value of ₹ 10 each | Percentage of the issued and paid- up share capital (%) |
|---|---|---|
| Piramal Enterprises Limited[$] | 26,99,990 | 100.00 |
| Bipin Singh* | 10 | 0.00 |
| **Total** | **27,00,000** | **100.00** |

**Nominee of PEL*
*[$]Piramal Enterprises Limited has merged with Piramal Finance Limited effective September 16, 2025*

**6. Piramal Corporate Tower Private Limited (*formerly known as Piramal Consumer Products Private Limited*)**

*Corporate Information*

Piramal Corporate Tower Private Limited **("PCTPL")** was incorporated as a private limited company under the Companies Act, 1956, and a certificate of incorporation dated July 18, 2012 was issued by the Registrar of Companies, Maharashtra at Mumbai having CIN U68100MH2012PTC233525. Its registered office is situated at 2nd Floor, B Block, Piramal Ananta, Agastya Corporate Park, Kamani Junction, LBS Marg, Opposite Fire Brigade, Kurla (West), Kurla, Mumbai, Mumbai, 400 070, Maharashtra, India.

*Nature of Business*

PCTPL is engaged in the business of acquiring, holding, letting out premises, and providing of various services and amenities along with letting out of property.

*Capital Structure*

The authorised share capital of PCTPL is ₹ 2,00,00,00,000 divided into 20,00,00,000 equity shares of ₹ 10 each. The issued, subscribed and paid-up share capital of PCTPL is ₹ 1,99,61,40,790 divided into 19,96,14,079 equity shares of ₹ 10/- each.

*Shareholding Pattern*

The shareholding pattern as on the date of this Information Memorandum is set below:

| Name of the shareholder | Number of equity shares of face value of ₹ 10 each | Percentage of the issued and paid- up share capital (%) |
|---|---|---|
| Piramal Enterprises Limited[$] | 19,96,14,078 | 100.00 |
| Bipin Singh* | 1 | 0.00 |
| **Total** | **19,96,14,079** | **100.00** |

**Nominee of PEL*
*[$]Piramal Enterprises Limited has merged with Piramal Finance Limited effective September 16, 2025*

**7. Piramal Alternatives Private Limited**

*Corporate Information*

Piramal Alternatives Private Limited **('PAPL')** was incorporated as a private limited company under the Companies Act, 2013, and a certificate of incorporation dated June 14, 2018, was issued by the Registrar of Companies, Maharashtra at Mumbai having CIN U65999MH2018PTC310752. Its registered office is situated 4*th* Floor, Piramal Tower, Peninsula Corporate Park, G.K. Marg, Mumbai City, Lower Parel, Mumbai, 400 013, Maharashtra, India.

*Nature of Business*

PAPL is engaged in the business to act as investment manager for AIFs.

*Capital Structure*

The authorised share capital of PAPL is ₹ 2,00,00,00,000 divided into 20,00,00,000 equity shares of ₹ 10 each. The issued, subscribed and paid-up share capital of PAPL is ₹ 1,59,00,00,000 divided into 15,90,00,000 equity shares of ₹ 10 each.

*Shareholding Pattern*

The shareholding pattern as on the date of this Information Memorandum is set below:

| Name of the shareholder | Number of equity shares of face value of ₹ 10 each | Percentage of the issued and paid-up share capital (%) |
|---|---|---|
| Piramal Enterprises Limited[$] | 15,89,99,990 | 100.00 |
| Vivek Valsaraj* | 10 | 0.00 |
| **Total** | **15,90,00,000** | **100.00** |

**Nominee of PEL*
*[$]Piramal Enterprises Limited has merged with Piramal Finance Limited effective September 16, 2025*

## 8. Piramal Alternatives Trust

*Corporate Information*

Piramal Alternatives Trust **("PAT")** was settled on June 21, 2022 and registered as a Trust under the Indian Trust Act, 1882. Its registered office is Piramal Ananta, Agastya Corporate Park, Opposite Fire Brigade, Kamani Junction, LBS Marg, Kurla (West), Mumbai, 400070, Maharashtra, India.

*Nature of Business*

PAT is engaged in the activities of (a) sponsoring the platform AIFs, including making the relevant contributions to such platform AIFs in accordance with the trust deed; (b) making other investments in accordance with the investment objective and strategy of the trust; (c) hold and maintain investments with an objective of earning long term capital appreciation for the beneficiaries of the trust; and (d) to earn yield/ coupon and redemption premium on such investments.

## 9. Piramal Investment Opportunities Fund

*Corporate Information*

Piramal Investment Opportunities Fund **("PIOF")** was incorporated as an AIF under the Securities and Exchange Board of India Regulations, 2015 and received SEBI certificate for commencement of business on September 23, 2013, and identification number is IN/AIF2/13-14/0075. Its registered office is situated at 1st Floor, Piramal Tower Annexe, Ganpatrao Kadam Marg, Lower Parel, Mumbai, 40 013, Maharashtra, India.

*Nature of Business*

PIOF is engaged in the business of providing long term capital appreciation to its contributors by investing in Indian companies engaged in real estate, construction, town planning, property management and other allied sectors as authorized under Securities and Exchange Board of India.

*Capital Structure*

The issued unitholders' fund of PIOF is ₹ 5,00,00,000 divided into 2.66 Class A units of 1,00,00,000 each fully paid-up and 2.34 Class B units of 1,00,00,000 each fully paid up.

*Shareholding Pattern*

The shareholding pattern as on the date of this Information Memorandum is set below:

| Name of the shareholder | Number of units of value of ₹ 1,00,00,000 each | Percentage of the issued and paid-up share capital (%) |
|---|---|---|
| **Class A** | | |
| Piramal Enterprises Limited[$] | 2.65 | 99.21 |
| Lucky Vyapaar & Holdings Private Limited | 0.003 | 0.10 |
| Sevenstar Realtek Private Limited | 0.003 | 0.10 |
| Gautam Agarwal | 0.003 | 0.10 |
| **Class B** | | |
| Piramal Investment Advisory Services Private Limited | 2.34 | 0.49 |
| **Total** | **5** | **100.00** |

[$]*Piramal Enterprises Limited has merged with Piramal Finance Limited effective September 16, 2025*

## 10. Piramal Phytocare Limited Senior Employees Option Trust

*Corporate Information*

Piramal Phytocare Limited Senior Employees Option Trust **("PPLSEOT")** was formed pursuant to a trust deed dated July 7, 2009 and registered as a Trust under the Indian Trust Act, 1882. Its registered office is

360 ONE Centre, Kamala Mills, Senapati Bapat Marg, Lower Parel (W), Mumbai, 400 013, Maharashtra, India.

*Reason for formation*

PPLSEOT is established for the purpose of granting ESOPs.

**Details of our Step-Down Subsidiaries**

As on the date of this Information Memorandum, our Company has the following Step-Down Subsidiaries:

**1. Piramal Technologies SA**

*Corporate Information*

Piramal Technologies SA **("PTS")** and was incorporated as a private limited company under the Swiss Code of Obligation on March 19, 2012, with the Registre Du Commerce Du Canton De Fribourg, Switzerland. Its registration number is 01417/2012 and its IDE is CHE-379.017.812. Its registered office is situated at Route de l'Ecole 13, c/o Pascale Nguyen, 1753 Matran, Switzerland.

*Nature of Business*

The purpose of the PTS is the acquisition of equity stake in companies and all other object as described in the articles of association of the company. It is currently under voluntary liquidation pursuant to the shareholder's resolution dated September 6, 2022.

*Capital Structure*

The issued, subscribed and paid-up share capital of PTS is CHF 58,28,708 divided into 3,300 shares of CHF 1,000 nominal value each and 25,28,708 shares of CHF 1 nominal value each. The issued, subscribed and paid-up share capital of PTS is CHF 58,28,708 divided into 3,300 shares of CHF 1,000 nominal value each and 25,28,708 shares of CHF 1 nominal value each.

*Shareholding Pattern*

The shareholding pattern as on the date of this Information Memorandum is set below:

| Name of the shareholder | Number of shares of nominal value | Percentage of the issued and paid- up share capital (%) |
|---|---|---|
| Piramal Systems & Technologies Private Limited | 3,300 shares with nominal value CHF 1,000 | 100.00 |
| | 25,28,708 shares with nominal value CHF 1 | |
| **Total** | **58,28,708** | **100.00** |

**2. INDIAREIT Investment Management Co.**

*Corporate Information*

INDIAREIT Investment Management Co. **('IVMC')** was incorporated as a private limited company under the Mauritius Companies Act 2001, and a certificate of incorporation dated September 12, 2006, was issued by the Registrar of Companies, Republic of Mauritius having corporate identification number is 65308 C1/GBL. Its registered office is situated at 6th Floor, Two Tribeca, Tribeca Central, Trianon 72261, Republic of Mauritius.

*Nature of Business*

The company provides investment management services and holds a collective investment scheme ("**CIS**") manager license.

*Capital Structure*

The authorised share capital of IVMC is USD 15,823 of ordinary shares of par value of USD 1 each.

*Shareholding Pattern*

The shareholding pattern as on the date of this Information Memorandum is set below:

| Name of the shareholder | Number of shares of par value of USD 1 each | Percentage of the issued and paid- up share capital (%) |
|---|---|---|
| Piramal Fund Management Private Limited | 15,813.50 | 99.94 |
| Piramal Fund Management Private Limited and Latika Monga (Joint Holders) | 10 | 0.06 |
| **Total** | **15,823.50** | **100.00** |

**3. Piramal Finance Sales and Service Private Limited**

*Corporate Information*

Piramal Finance Sales and Service Private Limited **("PFSSPL")** was incorporated as a private limited company under the Companies Act, 2013, and a certificate of incorporation dated September 9, 2020 was issued by the Registrar of Companies, Maharashtra at Mumbai having CIN U67200MH2020PTC345642. Its registered office is situated at Floor 4, 2 Peninsula Corporate Park Ganpatrao Kadam Marg, Lower Parel, Mumbai City, Mumbai, 400 013, Maharashtra, India.

*Nature of Business*

PFSSPL is engaged in the business of sourcing, marketing and distributing of financial products, assets and services.

*Capital Structure*

The authorised share capital of PFSSPL is ₹ 10,00,000 divided into 1,00,000 equity shares of ₹ 10 each. The issued, subscribed and paid-up share capital of PFSSPL is ₹ 10,00,000 divided into 1,00,000 equity shares of ₹ 10 each.

*Shareholding Pattern*

The shareholding pattern as on the date of this Information Memorandum is set below:

| Name of the shareholder | Number of equity shares of face value of ₹ 10 each | Percentage of the issued and paid- up share capital (%) |
|---|---|---|
| Piramal Investment Advisory Services Private Limited | 99,990 | 100.00 |
| Bipin Singh* | 10 | 0.00 |
| **Total** | **1,00,000** | **100.00** |

* *Nominee of PIASPL*

**4. DHFL Advisory & Investments Private Limited**

*Corporate Information*

DHFL Advisory & Investments Private Limited **("DAIPL")** incorporated as a private limited company under the Companies Act, 2013, and a certificate of incorporation dated February 12, 2016 was issued by the Registrar of Companies, Maharashtra at Mumbai having CIN U67190MH2016PTC273074. Its registered office is situated at 601, 6th Floor, Amiti Building, Agastya Corporate Park, Kamani Junction, LBS Marg, Kurla (West), Mumbai 400 070, Maharashtra, India.

*Nature of Business*

DAIPL is engaged in the business of providing all kinds of advisory / consultancy services and fees based intermediary activities, as authorized under the objects clause of its memorandum of association.

*Capital Structure*

The authorised share capital of DAIPL is ₹ 90,00,00,000 divided into 9,00,00,000 equity shares of ₹ 10each. The issued, subscribed and paid-up share capital of DAIPL is ₹ 75,01,00,000 divided into 7,50,10,000 equity shares of ₹10 each.

*Shareholding Pattern*

The shareholding pattern as on the date of this Information Memorandum is set below:

| Name of the shareholder | Number of equity shares of face value of ₹ 10 each | Percentage of the issued and paid- up share capital (%) |
|---|---|---|
| Piramal Finance Limited | 7,50,09,985 | 100.00 |
| Bipin Singh* | 10 | 0.00 |
| Pralhad Narasingrao Kulkarni* | 1 | 0.00 |
| Priyanka Anand Kargutkar* | 1 | 0.00 |
| Purushottam Keshav Tamhankar* | 1 | 0.00 |
| Pratik Hasmukh Upadhayay* | 1 | 0.00 |
| Monisha Chadha* | 1 | 0.00 |
| **Total** | **7,50,10,000** | **100.00** |

**Nominee of PFL*

5. **DHFL Holdings Limited**

*Corporate Information*

DHFL Holdings Limited **("DHL")** was incorporated as a public unlisted company under the Companies Act, 2013, and a certificate of incorporation dated September 20, 2018 was issued by the Registrar of Companies, Maharashtra at Mumbai having CIN U65999MH2018PLC314283. Its registered office is situated at 601, 6th Floor, Amiti Building, Agastya Corporate Park, Kamani Junction, LBS Marg, Kurla (West), Mumbai 400 070, Maharashtra, India.

*Nature of Business*

DHL is engaged in the business of a holding and investment company, to buy, underwrite, invest in, acquire, hold, deal in and trade in shares, stocks, debentures, debenture-stock, bonds, obligations and securities of any kind of companies or partnership firms or body corporate, whether in India or elsewhere.

*Capital Structure*

The authorised share capital of DHL is ₹ 10,00,000 divided into 1,00,000 equity shares of ₹ 10 each. The issued, subscribed and paid-up share capital of DHL is ₹ 6,00,000 divided into 60,000 equity shares of ₹ 10 each.

*Shareholding Pattern*

The shareholding pattern as on the date of this Information Memorandum is set below:

| Name of the shareholder | Number of equity shares of face value of ₹ 10 each | Percentage of the issued and paid- up share capital (%) |
|---|---|---|
| Piramal Finance Limited | 59,940 | 100.00 |
| Bipin Singh* | 10 | 0.00 |
| Pralhad Narasingrao Kulkarni* | 10 | 0.00 |

| | | |
|---|---|---|
| Priyanka Anand Kargutkar* | 10 | 0.00 |
| Purushottam Keshav Tamhankar* | 10 | 0.00 |
| Pratik Hasmukh Upadhayay* | 10 | 0.00 |
| Monisha Chadha* | 10 | 0.00 |
| **Total** | **60,000** | **100.00** |

**Nominee of PFL*

**6. Piramal Securities Limited**

*Corporate Information*

Piramal Securities Limited **("PSL")** was incorporated as a public company under the Companies Act, 1956, and a certificate of incorporation dated June 07, 2018 was issued by the Registrar of Companies, Maharashtra at Mumbai having CIN U74999MH2018PLC310476. Its registered office is situated at 4th floor, Piramal Tower, B Wing, Peninsula Corporate Park, G.K. Marg, Lower Parel, Mumbai 400 013, Maharashtra, India.

*Nature of Business*

PSL is engaged in the business of merchant banking.

*Capital Structure*

The authorised share capital of PSL is ₹ 70,00,00,000 divided into 7,00,00,000 equity shares of ₹ 10 each. The issued, subscribed and paid-up share capital of PSL is ₹ 42,00,00,000 divided into 420,00,000 equity shares of ₹ 10 each

*Shareholding Pattern*

The shareholding pattern as on the date of this Information Memorandum is set below:

| Name of the shareholder | Number of equity shares of face value of ₹ 10 each | Percentage of the issued and paid-up share capital (%) |
|---|---|---|
| Piramal Enterprises Limited | 4,19,99,400 | 100.00 |
| Bipin Singh* | 100 | 0.00 |
| Pralhad Narasingrao Kulkarni* | 100 | 0.00 |
| Priyanka Anand Kargutkar* | 100 | 0.00 |
| Purushottam Keshav Tamhankar* | 100 | 0.00 |
| Pratik Hasmukh Upadhayay* | 100 | 0.00 |
| Monisha Chadha* | 100 | 0.00 |
| **Total** | **4,20,00,000** | **100.00** |

**Nominee of PEL*

7. **Piramal Systems & Technologies Private Limited**

*Corporate Information*

Piramal Systems & Technologies Private Limited **("PSTPL")** as a private limited company under the Companies Act, 1956, and a certificate of incorporation dated May 31, 2011 was issued by the Registrar of Companies, Maharashtra at Mumbai having CIN U93030MH2011PTC218110. Its registered office is situated at 1st Floor, Piramal Tower Annexe., Ganpatrao Kadam Marg, Lower Parel, Mumbai 400 013, Maharashtra, India.

*Nature of Business*

PSTPL is engaged in the business of security systems services.

*Capital Structure*

The authorised share capital of PSTPL is ₹ 50,00,01,000 divided into 5,00,00,100 equity shares of ₹ 10 each and 100 preference shares of ₹ 10/- each. The issued, subscribed and paid-up share capital of PSTPL is ₹ 49,43,41,810 divided into 4,94,34,181 equity shares of ₹ 10 each.

*Shareholding Pattern*

The shareholding pattern as on the date of this Information Memorandum is set below:

| Name of the shareholder | Number of equity shares of face value of ₹ 10 each | Percentage of the issued and paid- up share capital (%) |
|---|---|---|
| Piramal Enterprises Limited[$] | 4,94,34,071.00 | 100.00 |
| Bipin Singh* | 10.00 | 0.00 |
| **Total** | **4,94,34,081.00** | **100.00** |

**Nominee of PEL*

[$]*Piramal Enterprises Limited has merged with Piramal Finance Limited effective September 16, 2025*

**8. PEL Finhold Private Limited**

*Corporate Information*

PEL Finhold Private Limited **("PFPL")** was incorporated as a private limited company under the Companies Act, 2013, and a certificate of incorporation dated August 21, 2014 was issued by the Registrar of Companies, Maharashtra at Mumbai having CIN U65190MH2014PTC257414. Its registered office is situated at Piramal Tower Annexe, Ganpatrao Kadam Marg, Lower Parel (West), Mumbai 400 013, Maharashtra, India.

*Nature of Business*

PFPL is engaged in the business involving all types of financial and investment services.

*Capital Structure*

The authorised share capital of PFPL is ₹ 24,00,00,000 divided into 2,40,00,000 equity shares of ₹ 10 each. The issued, subscribed and paid-up share capital of PFPL is ₹ 23,53,00,000 divided into 2,35,30,000 equity shares of ₹ 10 each.

*Shareholding Pattern*

The shareholding pattern as on the date of this Information Memorandum is set below:

| Name of the shareholder | Number of equity shares of face value of ₹ 10 each | Percentage of the issued and paid- up share capital (%) |
|---|---|---|
| Piramal Enterprises Limited[$] | 2,35,29,990 | 100.00 |
| Bipin Singh* | 10 | 0.00 |
| **Total** | **2,35,30,000** | **100.00** |

**Nominee of PEL*

[$]*Piramal Enterprises Limited has merged with Piramal Finance Limited effective September 16, 2025*

**8. Piramal Alternatives India Access Trust**

*Corporate Information*

Piramal Alternatives India Access Trust **("PAIAT")** was incorporated as an AIF under the Securities and Exchange Board of India Regulations, 2015 and received SEBI certificate for commencement of business on March 16, 2023, and Registration Number is IN/AIF2/22-23/1241. Its registered office is situated at D Zone, First Floor, Piramal Ananta, Agastya Corporate Park, Opposite Fire Brigade, Kamani Junction, LBS Marg, Kurla (West), Mumbai – 400070, Maharashtra, India.

*Nature of Business*

The PAIAT's objective is to act as a fund-of-funds and generate superior risk-adjusted long-term returns for its investors by way of capital appreciation from a portfolio consisting of Category I and / or Category II

private equity funds / venture capital funds that are registered with SEBI under the AIF Regulations and from a portfolio of co-investments in companies along with a Category I and Category II AIFs in India or along with any other investors, while avoiding undue risk through diversification.

**Piramal Alternatives India Credit Opportunities Fund II**

*Corporate Information*

Piramal Alternatives India Credit Opportunities Fund II **("PAICOF")** was incorporated as an AIF under the Securities and Exchange Board of India Regulations, 2015 and received SEBI certificate for commencement of business on October 17, 2023, and Registration Number is IN/AIF2/23-24/1368. Its registered office is situated at D Zone, First Floor, Piramal Ananta, Agastya Corporate Park, Opposite Fire Brigade, Kamani Junction, LBS Marg, Kurla (West), Mumbai, 400070, Maharashtra, India.

*Nature of Business*

PAICOT's objective and strategy is to make debt investments which may include investments in senior secured debt securities, mezzanine debt securities, unsecured debt securities, subordinate debt securities and / or junior debt securities including any equity investments that are resultant of the conversion of the abovementioned instruments, in operating / holding companies in India in compliance with the AIF Regulations and the investment conditions set out under the fund documents.

**Details of our Joint Ventures**

As on the date of this Information Memorandum, our Company has the following joint ventures:

**1. Pramerica Life Insurance Limited**

*Corporate Information*

Pramerica Life Insurance Limited ("**Pramerica**") was incorporated as a public limited company under the Companies Act, 1956, and a certificate of incorporation dated June 25, 2007, was issued by the Registrar of Companies, Delhi and Haryana having CIN U66000HR2007PLC052028. Its registered office is situated at 4th Floor, Building No. 9, Tower B, Cyber City, DLF City Phase III, Gurgaon, 122 002, Haryana, India.

*Nature of Business*

Pramerica provides trusted guidance on a wide range of life insurance solutions for individuals as well as groups.

*Capital Structure*

The authorised share capital of Pramerica is ₹ 20,00,00,00,000 divided into equity shares of ₹ 10 each. The issued, subscribed and paid-up share capital of Pramerica is ₹ 3,74,06,18,670 divided into equity shares of ₹ 10 each.

*Shareholding Pattern*

The shareholding pattern as on the date of this Information Memorandum is set below:

| Name of the shareholder | Number of equity shares of face value of ₹ 10 each | Percentage of the issued and paid- up share capital (%) |
|---|---|---|
| DHFL Investments Limited | 18,70,30,931 | 50.00 |
| Prudential International Insurance Holdings, Limited | 18,32,90,312 | 49.00 |
| Yardstick Developers Private Limited | 37,40,619 | 1.00 |
| Kapil Kumar Wadhawan* | 2 | - |
| Dheeraj Rajeshkumar Wadhawan* | 1 | - |
| James Wayne Weakley** | 1 | - |
| Pavan Dhamija** | 1 | - |
| **Total** | **37,40,61,867** | **100.00** |

** As a nominee of DHFL Investments Limited*
*** As a nominee of Prudential International Insurance Holdings Limited*

## 2. Asset Resurgence Mauritius Manager Limited

*Corporate Information*

Asset Resurgence Mauritius Manager **("ARMML")** was incorporated as a private limited company under the Mauritius Companies Act 2001, and a certificate of incorporation dated October 10, 2017, was issued by the Registrar of Companies, Mauritius and received a certificate of incorporation on October 16, 2017 having company number C150962 C1/GBL. Its registered office is situated at 10th Floor Ebene Heights Building, 34 Ebene Cybercity, Ebene, Mauritius.

*Nature of Business*

ARMML is engaged in the business of collective investment scheme ("**CIS**") manager as authorized under the constitutional documents.

*Capital Structure*

The issued, subscribed and paid-up share capital of ARMML is USD 4,39,890 divided into: (i) 1,90,890 Management shares at USD 1 each and (ii) 1,500 Class A equity shares at USD 166 each.

*Shareholding Pattern*

The shareholding pattern as on the date of this Information Memorandum is set below:

| Name of the shareholder | Type of shares | Number of shares | Percentage of the issued and paid- up share capital (%) |
|---|---|---|---|
| **Management shares** | | | |
| Piramal Fund Management Private Limited | Management shares | 95,445 of face value USD 1 each | 50.00 |
| Bain Capital Credit, LP | Management shares | 95,445 of face value USD 1 each | 50.00 |
| **Total** | **Management shares** | **1,90,890** | **100.00** |
| **Equity Shares** | | | |
| India Resurgence Asset Management Business Private Limited | Equity shares | 1,500 of face value USD 166 each | 100.00 |
| **Total** | **Equity shares** | **1,500** | **100.00** |

## 3. Paladin Consultancy Private Limited (*formerly India Resurgence ARC Private Limited*)

*Corporate Information*

Paladin Consultancy Private Limited (*formerly India Resurgence ARC Private Limited*) ("**PCPL**") was incorporated as a private limited company under the Companies Act, 2013, a certificate of incorporation dated January 29, 2016, and a certificate of incorporation for change of name dated June 5, 2025, was issued by the Registrar of Companies, Maharashtra at Mumbai having CIN U67190MH2016PTC272471. Its registered office is at 304, 3rd Floor, Piramal Tower, Peninsula Corporate Park Ganpatrao Kadam Marg, Lower Parel, Mumbai 400013, Maharashtra, India.

*Nature of Business*

PCPL is engaged in the business of consultancy and advisory services as authorized under the objects clause of its memorandum of association.

*Capital Structure*

The authorised share capital of PCPL is ₹ 1,60,00,00,000 divided into 14,80,00,000 equity shares of ₹ 10 each and 1,20,00,000 preference shares of ₹ 10 each. The issued, subscribed and paid-up share capital of PCPL is ₹ 1,44,13,28,400 divided into 14,21,32,840 equity shares of ₹ 10 each and 20,00,000 CCPS of ₹ 10 each.

*Shareholding Pattern*

The shareholding pattern as on the date of this Information Memorandum is set below:

*Equity share capital:*

| Name of the shareholder | Number of equity shares of face value of ₹ 10 each | Percentage of the issued and paid- up share capital (%) |
|---|---|---|
| Piramal Enterprises Limited[$] | 7,10,66,420 | 50.00 |
| India Investments ARC Mauritius Limited | 7,10,66,420 | 50.00 |
| **Total** | **14,21,32,840** | **100.00** |

[$]*Piramal Enterprises Limited has merged with Piramal Finance Limited effective September 16, 2025*

*Preference share capital:*

| Name of the shareholder | Number of CCPS of face value of ₹ 10 each | Percentage of the issued and paid- up share capital (%) |
|---|---|---|
| Piramal Enterprises Limited[$] | 18,43,862 | 92.20 |
| Asset Resurgence Mauritius Fund | 1,56,138 | 7.80 |
| **Total** | **20,00,000** | **100.00** |

[$]*Piramal Enterprises Limited has merged with Piramal Finance Limited effective September 16, 2025*

**4. India Resurgence Asset Management Business Private Limited**

*Corporate Information*

India Resurgence Asset Management Business Private Limited ("**IRAMBPL**") was incorporated as a private limited company under the Companies Act, 2013, and a certificate of incorporation dated February 22, 2016, was issued by the Registrar of Companies, Mumbai at Maharashtra having CIN U74900MH2016PTC273377. Its registered office is 3rd Floor, Piramal Tower, Peninsula Corporate Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai City, Mumbai, 400 013, Maharashtra, India.

*Nature of Business*

IRAMBPL is engaged in the business of providing investment management, advisory services and/or portfolio management services as authorized under the objects clause of its memorandum of association.

*Capital Structure*

The authorised share capital of IRAMBPL is ₹ 45,00,00,000 divided into 4,50,00,000 equity shares of ₹ 10 each. The issued, subscribed and paid-up share capital of IRAMBPL is ₹ 40,00,00,000 divided into 4,00,00,000 Equity shares of ₹ 10 each.

*Shareholding Pattern*

The shareholding pattern as on the date of this Information Memorandum is set below:

| Name of the shareholder | Number of equity shares of face value of ₹ 10 each | Percentage of the issued and paid- up share capital (%) |
|---|---|---|
| Piramal Enterprises Limited[$] | 2,00,00,000 | 50.00 |
| Bain Capital Mauritius | 2,00,00,000 | 50.00 |
| **Total** | **4,00,00,000** | **100.00** |

[$]*Piramal Enterprises Limited has merged with Piramal Finance Limited effective September 16, 2025*

**5. India Resurgence Fund - Scheme 2**

*Corporate Information*

India Resurgence Fund - Scheme 2, a scheme of India Resurgence Fund, is a trust organised in India and is registered with the Securities and Exchange Board of India as a Category II AIF since June 28, 2017 vide registration number IN/AIF2/17-18/0346. Its corporate office is at 304, 3rd Floor, Piramal Tower, Peninsula Corporate Park, Piramal Tower, Lower Parel, Mumbai 400013, Maharashtra, India.

*Nature of Business*

It is engaged in pooling capital from investors and undertaking investments in accordance with the SEBI (AIF) Regulations, 2012

**6. Piramal Structured Credit Opportunities Fund**

*Corporate Information*

Piramal Structured Credit Opportunities Fund was incorporated as an AIF under the Securities and Exchange Board of India Regulations, 2015 and received SEBI certificate for commencement of business on February 10, 2020, and Registration Number is IN/AIF2/19-20/0771. Its registered office is situated at 4th Floor Peninsula Corporate Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai, 400013, Maharashtra, India.

*Nature of Business*

The objective of Piramal Structured Credit Opportunities Fund is to make INR denominated senior secured debt investments and / or mezzanine debt investments meeting the target investment returns in operating/holding companies in India in compliance with the investment conditions set out under the fund documents.

**7. India Resurgence Fund - Scheme 4**

*Corporate Information*

India Resurgence Fund – Scheme 4, a scheme of India Resurgence Fund, is a trust organised in India and is registered with the Securities and Exchange Board of India as a Category II AIF since June 28, 2017 vide registration number IN/AIF2/17-18/0346. Its corporate office is at 304, 3rd Floor, Piramal Tower, Peninsula Corporate Park Ganpatrao Kadam Marg, Lower Parel, Mumbai, 400013, Maharashtra, India.

*Nature of Business*

It is engaged in pooling capital from investors and undertaking investments in accordance with the SEBI (AIF) Regulations, 2012.

**8. India Resurgence Scheme 2 - Fund 2**

*Corporate Information*

India Resurgence Fund 2 - Scheme 2, a scheme of India Resurgence Fund 2, is a trust organised in India and is registered with the Securities and Exchange Board of India as a Category II AIF since November 2, 2023 vide registration number IN/AIF2/23-24/1376. Its corporate office is at 304, 3rd Floor, Piramal Tower, Peninsula Corporate Park Ganpatrao Kadam Marg, Lower Parel, Mumbai, 400013, Maharashtra, India.

*Nature of Business*

It is engaged in pooling capital from investors and undertaking investments in accordance with the SEBI (AIF) Regulations, 2012

**Amalgamation of certain of our subsidiaries**

Certain of our subsidiaries, namely PFPL, PFSSPL, DHL, DAIPL, PSTPL and PSL (collectively the "**Transferor Companies**") and PIASPL ("**Transferee Company**") and their respective shareholders have filed a scheme of amalgamation with the regional director under Section 233 of the Companies Act, 2013, and the regional director has forwarded the application to the NCLT on July 7, 2025. This petition is currently pending approval.

**Details of our Associates**

As on the date of this Information Memorandum, our Company has the following associate companies:

**1. DHFL Ventures Trustee Company Private Limited ("DHFL Ventures")**

*Corporate Information*

DHFL Ventures was incorporated as a private limited company under the Companies Act, 1956, and a certificate of incorporation dated June 9, 2005, was issued by the Registrar of Companies, Maharashtra at Mumbai at Maharashtra, having CIN U65991MH2005PTC153886. Its registered office is situated at B/205, Building 42, B-wing, Azad Nagar Sangam CHS, Azad Nagar, Andheri (West), Mumbai, 400 053, Maharashtra, India.

*Nature of Business*

The company has been a trustee for VCF, AIFs and schemes.

*Capital Structure*

The authorised share capital of DHFL Ventures is ₹ 10,00,000 divided into 1,00,000 equity shares of ₹ 10 each. The issued, subscribed and paid-up share capital of DHFL Ventures is ₹ 5,00,000 divided into 50,000 equity shares of ₹ 10 each.

*Shareholding Pattern*

The Shareholding Pattern as on the date of this Information Memorandum is set below:

| Sr. No. | Name of the shareholder | Number of equity Shares of face value of ₹ 10 each | Percentage of the issued and paid-up share capital (%) |
|---|---|---|---|
| 1 | Kapil Wadhawan | 9,000 | 18.00 |
| 2 | Bikram Sen | 1,000 | 2.00 |
| 3 | DHFL Investments Limited | 22,500 | 45.00 |
| 4 | Wadhawan Holdings Private Limited | 10,000 | 20.00 |
| 5 | Aruna Wadhawan | 6,000 | 12.00 |
| 6 | Dheeraj Wadhawan | 1,500 | 3.00 |
| **Total** | | **50,000** | **100.00** |

**2. Shriram Life Insurance Company Limited ("Shriram Life")**

*Corporate Information*

Shriram Life was incorporated as a public limited company under the Companies Act, 1956, and a certificate of incorporation dated March 15, 2005, was issued by the Registrar of Companies, Hyderabad, Andhra Pradesh. It received a certificate for commencement of business on October 19, 2005 having CIN U66010TG2005PLC045616. Its registered office is situated at Ramky Selenium, Plot No 31 & 32, Financial District, Gachibowli, Hyderabad, 500 032, Telangana, India.

*Nature of Business*

Shriram Life is engaged in the business of life insurance as authorized under the objects clause of its memorandum of association.

*Capital Structure*

The authorised share capital of Shriram Life is ₹ 5,50,15,00,000 divided into 55,01,50,000 equity shares of ₹ 10 each. The issued, subscribed and paid-up share capital of Shriram Life is ₹ 1,80,59,27,980 divided into 18,05,92,798 equity shares of ₹10 each.

*Shareholding Pattern*

The Shareholding Pattern as on the date of this Information Memorandum is set below:

| Name of the shareholder | Number of equity shares of face value of ₹ 10 each | Percentage of the issued and paid-up share capital (%) |
|---|---|---|
| Shriram Capital Private Limited | 8,54,35,007 | 47.00 |
| R Thyagarajan D V Ravi C/O Shriram Ownership Trust | 89,39,967 | 5.00 |
| R Thyagarajan | 1 | 0.00 |
| Sanlam Emerging Markets (Mauritius) Limited | 4,12,56,250 | 23.00 |
| Piramal Enterprises Limited[$] | 2,67,48,845 | 15.00 |
| TPG India Investments II INC, Mauritius | 1,26,19,900 | 7.00 |
| Others – Domestic | 55,92,828 | 3.00 |
| **Total** | **18,05,92,798** | **100.00** |

*[$]Piramal Enterprises Limited has merged with Piramal Finance Limited effective September 16, 2025. PEL's shareholding in Shriram Life is pursuant to a merger between Shriram Life and its holding company. The Insurance Regulatory and Development Authority filed a petition before the Supreme Court in relation to the merger and the matter is currently pending.*

**3. Shriram General Insurance Company Limited ("Shriram General")**

*Corporate Information*

Shriram General was incorporated as a public limited company under the Companies Act, 1956, and a certificate of incorporation dated July 28, 2006, was issued by the Registrar of Companies, Chennai at Tamil Nadu having CIN U66010RJ2006PLC029979. Subsequently, on August 20, 2009, the registered office was shifted to Rajasthan with its registered office being situated at E-8, EPIP, RIICO Industrial Area Sitapura, Jaipur, 302 022, Rajasthan, India.

*Nature of Business*

Shriram General is engaged in the business of general insurance as authorized under the objects clause of its memorandum of association.

*Capital Structure*

The authorised share capital of Shriram General is ₹ 7,00,10,00,000 divided into 70,01,00,000 equity shares of ₹ 10 each. The issued, subscribed and paid-up share capital of Shriram General is ₹ 2,59,16,27,500 divided into 25,91,62,750 equity shares of ₹ 10 each.

*Shareholding Pattern*

The Shareholding Pattern as on the date of this Information Memorandum is set below:

| Name of the shareholder | Number of equity shares of face value of ₹ 10 each | Percentage of the issued and paid- up share capital (%) |
|---|---|---|
| Shriram Capital Private Limited (*formerly Shriram Financial Ventures (Chennai) P Limited*) | 11,03,23,560 | 42.57 |
| R Thyagarajan and D. V. Ravi (*holding in trust for Shriram Ownership Trust*) | 1,15,44,319 | 4.45 |
| Sanlam Emerging Markets (Mauritius) Limited | 5,94,04,203 | 22.92 |
| Spinnex India Private Limited | 500 | Negligible |
| Piramal Enterprises Limited[§] | 3,45,41,201 | 13.33 |
| Non-Institutions – Individual share capital upto ₹ 2 lakhs | 33 | Negligible |
| TPG India Investments II Inc, Mauritius | 1,62,96,275 | 6.29 |
| Others- Individuals | 11,62,300 | 0.45 |
| Tangent Asia Holding II Pte. Ltd. (KKR) | 2,58,90,359 | 9.99 |
| **Total** | **25,91,62,750** | **100.00** |

[§]*Piramal Enterprises Limited has merged with Piramal Finance Limited effective September 16, 2025. PEL's shareholding in Shriram General is pursuant to a merger between Shriram General and its holding company. The Insurance Regulatory and Development Authority filed a petition before the Supreme Court in relation to the merger and the matter is currently pending.*

## SCHEME OF ARRANGEMENT

**Details of the Scheme**

The Composite Scheme of Arrangement amongst Piramal Enterprises Limited (the "**Transferor Company**"), Piramal Finance Limited (*formerly known as Piramal Capital & Housing Finance Limited*) (the "**Transferee Company**"), and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013, inter alia provides for:

i. the amalgamation of the Transferor Company into the Transferee Company and dissolution of the Transferor Company, and the consequent issuance and allotment of equity shares by Transferee Company ("**Merger Considerations Shares**") to the shareholders of the Transferor Company in consideration thereof;
ii. cancellation of the entire pre-Scheme share capital of the Transferee Company held by the Transferor Company;
iii. adjustment of debit balance of amalgamation adjustment reserve account in the books of the Transferee Company; and
iv. various other matters consequential and incidental thereto.

**Rationale for the Scheme**

i. The Transferor Company, registered with the RBI as an NBFC-ICC, provides diversified financial services, and has its equity shares and debentures listed on the Stock Exchanges, with its commercial papers listed on NSE. The Transferee Company, a wholly owned subsidiary of the Transferor Company, was previously a housing finance company but, after not meeting the criteria under RBI's Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 (based on audited financials as of March 31, 2024), converted to an NBFC-ICC pursuant to the receipt of the certificate of registration dated April 4, 2025 by the RBI. This led to two separate NBFC-ICCs within the group. However, under the registration certificate issued to the Transferee Company, the RBI has stipulated that no other entity part of the same group can hold an NBFC-ICC registration, necessitating the amalgamation of the two companies.

ii. Additionally, under the RBI's (Non-Banking Financial Company – Scale Based Regulation) Master Directions, 2023 ("**Scale Based Regulations**"), the Transferee Company, classified as an upper layer NBFC, must be mandatorily listed on the stock exchanges within three years of being identified as an upper layer NBFC, i.e., by September 30, 2025. The Company has, vide letter dated September 5, 2025, requested the RBI for an extension of timeline for the listing of Equity Shares of the Company on the Stock Exchanges until November 30, 2025, and the RBI has, vide letter dated September 30, 2025, granted an extension of timeline to the Company till November 30, 2025 for listing of its Equity Shares.

iii. Accordingly, the Transferor Company and Transferee Company have proposed to enter into a composite scheme of arrangement under Sections 230 to 232 read with Section 52, Section 66 and other applicable provisions of the Companies Act, 2013. The Scheme, inter alia, provides for (i) the amalgamation of the Transferor Company with the Transferee Company, (ii) adjustment of debit balance of amalgamation adjustment reserve account in the books of the Transferee Company, and (iii) various other matters consequential or otherwise integrally connected therewith.

iv. The amalgamation will enable the merged entity to focus on its core activities, optimize capital allocation, minimize regulatory overlap, and streamline operational management. As a result, the enlarged entity will have a unified customer and lender interface, improved operational efficiencies, and greater financial strength to support future growth. The unification will reduce complexities and dependencies, sharpen strategic focus, and deliver value to all stakeholders including shareholders, customers, employees, and creditors.

v. The scheme is expected to generate the following benefits:

a) Creation of a single, listed entity for the lending business, enhancing value visibility and facilitating direct ownership for all stakeholders;
b) Leads to an enhanced consolidated balance sheet would also bring efficiency with respect to the merged entity's treasury operations, thereby helping in the overall liability management of the organization;
c) Synergies from consolidation of operations, financial, technical, and human resources, leading to economies of scale and operational effectiveness;
d) Simplification of legal and regulatory compliance, better capital structure optimization, and enhanced capacity to finance and serve a wider customer base; and
e) Shareholders of the Transferor Company having direct ownership in one single listed entity, which houses all the operations, profits and in effect the entire value of the lending business under one roof.

vi. The Scheme is considered to be in the interest of all stakeholders of both the Transferor Company and the Transferee Company and the proposed amalgamation is expected to enhance optimisation of the capital structure, comply with applicable regulatory requirements, and maximise shareholders' value.

**Appointed Date and Effective Date for the Scheme**

As per the Scheme, the Appointed Date is April 1, 2024. The Effective Date of the Scheme means September 16, 2025 i.e. the date as notified by the Boards of the Transferor Company and the Transferee Company, on which all actions set out in clause 20 of the Scheme have been fulfilled, completed, or waived, as the case may be, as determined by the Boards of the Transferor Company and the Transferee Company in accordance with the Scheme.

The Scheme was sanctioned by the Hon'ble NCLT, Mumbai bench vide its order dated September 10, 2025 (certified true copy of the order received on September 12, 2025). Further, all the conditions precedent in the connection with the Scheme were fulfilled, and the Scheme has been made effective from the Appointed Date but shall become operative from the Effective Date.

**Salient Features of the Scheme**

The salient features of the Scheme are, inter-alia, as stated below. The capitalized terms used herein shall have the same meaning as assigned in the Scheme:

**Amalgamation and Vesting**

Upon coming into effect of the Scheme and with effect from the Appointed Date, all assets, liabilities, employees, contracts, permits, records of the Company shall stand transferred to and vest in the Transferee Company, without any further act, instrument or deed, together with all its properties, assets, liabilities, rights, benefits and interest therein, subject to the provisions of the Scheme, and in accordance with Sections 230-232 the Companies Act, 2013 and applicable provisions of Income Tax Act.

**Transfer of Liabilities**

Upon effectiveness of the Scheme, all liabilities of the Transferor Company as of the Appointed Date (or incurred thereafter) will automatically transfer to and vest in the Transferee Company on the same terms, becoming its exclusive obligations. No separate third-party consent or action is needed, and all existing agreements or instruments shall stand modified as required by these provisions.

The PEL debentures and PEL commercial papers issued and listed by the Transferor Company will also automatically become the debentures and commercial papers of the Transferee Company under Sections 230-232 of the Companies Act, retaining the same terms and conditions except as modified by the Scheme. Rights and obligations will transfer to the Transferee Company as if it was the original issuer, and these securities will continue to be listed and traded on relevant Stock Exchanges, subject to required documentation and compliance.

Holders of PEL debentures and commercial papers as on the Record Date (or their legal representatives/successors) will hold the same number and type of securities in the Transferee Company with unchanged terms. Any liabilities discharged by the Transferor Company after the Appointed Date but before the

Effective Date will be deemed to have been discharged for the Transferee Company. All liabilities incurred between the Appointed Date and Effective Date will also vest in the Transferee Company without further act or consent required, overriding any contrary terms in related documentation.

**Consideration for the Amalgamation**

Upon effectiveness of the Scheme, the Transferee Company shall, issue and allot to the shareholders of the Transferor Company 1 (one) equity share of the Transferee Company having a face value of ₹ 2 each for every 1 (one) equity share of the Transferor Company having a face value of ₹ 2 each fully paid up.

**For shareholders holding shares of the Transferor Company in dematerialized form:**

The Merger Consideration Shares shall mandatorily be issued in dematerialized form to those shareholders who hold shares of the Transferor Company in dematerialised form, into the account in which the shares of the Transferor Company are held or such other account as intimated in writing by the shareholders to the Transferor Company and its registrar at least 30 days before the Record Date.

**For shareholders holding shares in physical form:**

Shareholders of the Transferor Company holding shares in physical form will receive Merger Consideration Shares only in dematerialised form, provided they submit their depository account details in writing at least 30 days before the Record Date. If these details are not provided or do not enable electronic credit of shares, the Transferee Company will hold the shares in abeyance, escrow, or with a trustee, or as otherwise permitted by law, and will credit them to the shareholders' depository accounts once the required details are submitted, subject to applicable law.

**Fractional entitlements:**

If allocation of Merger Consideration Shares results in fractional shares for any shareholders of the Transferor Company, the Board of the Transferee Company will consolidate the fractional entitlements and allot corresponding shares into a dematerialized account held by a trustee. The trustee will hold these shares on behalf of the eligible shareholders, sell them on the Stock Exchanges within 90 days (or as otherwise required by law), and distribute the net sale proceeds, after tax and expenses, to the shareholders in proportion to their fractional entitlements.

**Reclassification and increase in the Authorised Share Capital of the Transferee Company**

Upon effectiveness of the Scheme, the authorized share capital of the Transferee Company will stand increased by an amount equal to the authorized share capital of the Transferor Company and reclassified such that upon the effectiveness of the Scheme, the authorized share capital shall be ₹ 3,12,45,39,00,240. The amendments to clause V of the memorandum of association of the Transferee Company will take effect at that time, and member's approval of the Scheme will be deemed approval for this increase, reclassification, and corresponding alteration of the memorandum.

**Cancellation of the Transferor Company's Shareholding in Transferee Company and Reduction of Capital**

Upon the Scheme becoming effective, all shares of the Transferee Company held by the Transferor Company will be cancelled without needing separate NCLT approval. This share capital reduction is integral to the Scheme and does not require separate proceedings under Section 66 of the Companies Act or other laws. The reduction would not involve either a diminution of liability in respect of unpaid capital, if any or payment to any shareholder of unpaid share capital.

**Treatment of, legal proceedings, employees, ESOP of the Transferor Company**

After the Scheme is effective, all litigations involving the Transferor Company as of the Effective Date will continue by or against the Transferee Company as if it were the original party. The Transferee Company will be substituted or added as a party in place of the Transferor Company, taking over exclusive responsibility for prosecution, defence, or enforcement, with both parties permitted to make necessary applications.

Employees of Transferor Company, will, from the Appointed Date, become employees of the Transferee Company on no less favourable terms and with continuity in service. Past service with the Transferor Company will count for all statutory compensation and benefits, with all ongoing entitlements and dues (including leave

and deferred benefits) transferring to the Transferee Company. The Transferee Company will take over the Transferor Company's role in all employee benefit funds (e.g., provident fund, gratuity, ESI, superannuation, staff welfare).

Funds and schemes will be continued or transferred under applicable law, with the Transferee Company assuming all related rights, obligations, and contributions. For any other government or employee benefit funds, the Transferee Company will become the substituted employer.

The ESOP scheme of Transferor Company shall be migrated to the Transferee Company with such modifications and amendments as the Board of the Transferee Company (or duly authorized committee thereof) may deem necessary (modified ESOP scheme) after the Effective Date. Vested but unexercised ESOPs in the Transferor Company will be cancelled and new options issued under the modified ESOP scheme in accordance with the share entitlement ratio and fractional options will be rounded up to the nearest higher integer. The exercise price may be adjusted as per the share exchange ratio. Vesting periods will account for the total time options were held under the Transferor Company, and all entitlements will continue with pro-rata adjustment. The Transferee Company itself or through ESOP trusts will administer the modified ESOP scheme of our Company, complying with SEBI ESOP Regulations and other applicable laws. Shareholder approval for the Scheme will be deemed consent for all ESOP modifications, and no further approvals are necessary under the Act or applicable laws. Both boards may take all actions and execute necessary documents for ESOP transition before and after the Effective Date.

**Dissolution of the Transferor Company**

Upon the Scheme becoming effective, the Transferor Company will be dissolved without winding up or further action. The Transferee Company may operate all bank accounts, realise monies, and complete or enforce pending contracts and transactions in the Transferor Company's name as needed, until the transfer of all rights and obligations to the Transferee Company is formally completed.

**Saving of Concluded Transactions**

The transfer and vesting under the Scheme will not impact any transactions or proceedings already completed by the Transferor Company for the Transferee Company up to the Effective Date. All such acts by the Transferor Company will be deemed to have been done by or on behalf of the Transferee Company, which will accept and adopt them accordingly.

**Accounting Treatment**

The amalgamation will be accounted for as a reverse acquisition in the books of account of the Transferee Company in accordance with Ind AS 103, along with Section 133 of the Companies Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. All intercompany balances and obligations between the Transferor and Transferee Companies will be cancelled, with corresponding accounting entries for assets, liabilities, and reserves.

The difference between the book values of assets, liabilities, and reserves (including investment in the Transferee by the Transferor and new equity issued by the Transferee):

a) If a surplus, it will be credited to a separate capital reserve;
b) If a deficit, it will first be adjusted against existing capital or revenue reserves; any remaining deficit will be recorded in an ‘Amalgamation Adjustment Deficit Account’ under ‘Other Equity’.

Comparative financials of the Transferee Company will be restated as if the amalgamation occurred from the start of the previous period, reflecting the merger from that date in the combined entity’s statements.

**Cancellation of the pre-scheme share capital of the Transferee Company**

Upon allotment of the Merger Considerations Shares, the entire pre-scheme paid up share capital of the Transferee Company shall stand cancelled and reduced, without any consideration and without any further act, instrument or deed, which shall be regarded as reduction of share capital of the Transferee Company.

**Conditions Precedent to the Scheme**

The Scheme is conditional upon and subject to, inter alia:

1. RBI granting NBFC-ICC registration /license to the Transferee Company;
2. NCLT Order sanctioning the Scheme being filed with the ROC;
3. Observation/no-objection letters by the Stock Exchanges as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the SEBI Scheme Circular and SEBI Debt Circular;
4. Compliance with all other conditions prescribed by SEBI under the SEBI Scheme Circular and SEBI Debt Circular;
5. Approval by requisite majority of shareholders and creditors (where applicable) of the Transferor Company and the Transferee Company, as required under the Act, subject to the dispensations that may be granted by the NCLT;
6. Satisfaction (or waiver in writing) of such other conditions precedent as mutually agreed between the Parties in writing;
7. Receipt of approval/ no objection certificate from the RBI for this Scheme and all matters related hereto as required under applicable law; and
8. Receipt of relevant approvals/ no objection certificate for this Scheme as may be required from relevant regulatory and governmental authorities, if any.

For further details relating to the Scheme, please refer to the Scheme of Arrangement which forms part of the material documents for inspection at the registered office of the Transferee Company until the listing of its Equity Shares on the Stock Exchanges. The Scheme is also available online on the website of the Stock Exchanges.

For details of the Shareholding of the Company pursuant to the allotment in terms of the Scheme, please refer to the section "*Capital Structure*" on page 33.

## OUR MANAGEMENT

The composition of our Board of Directors is governed by the provisions of the Companies Act, 2013, the rules prescribed thereunder, the SEBI Listing Regulations and the Articles of Association of our Company. The number of Directors on our Board shall not be less than 3 (three) and not more than 15 (fifteen).

As on the date of this Information Memorandum, our Board comprises of 9 (nine) Directors, of which 2 (two) are Executive Directors, 7 (seven) are Non-Executive Directors including 2 (two) woman Directors. The Company's Board comprises of more than 50 percent of Independent Directors. There are no nominee Directors representing any institution on the Board of the Company. The composition of the Board of Directors is in compliance with Section 149 of the Companies Act, 2013 and Regulation 17 of the SEBI Listing Regulations.

### Board of Directors

The following table sets forth details of our Board as of the date of filing of this Information Memorandum with the Stock Exchanges:

| Sl. No. | Name, DIN, age, designation, occupation, term and current period of Directorship | Age (Years) | Directorship in other companies |
|---|---|---|---|
| 1. | **Anand A Piramal**<br><br>***DIN***: 00286085<br><br>***Date of Birth***: October 27, 1984<br><br>***Designation***: Executive Chairman and Executive Director*<br><br>***Occupation***: Industrialist<br><br>***Term***: Five years with effect from August 1, 2025<br><br>***Period of directorship***: Director since September 30, 2021<br><br>***Nationality:*** Indian<br><br>***Address***: 96, Karuna Sindhu, Khan Abdul Gaffar Khan Road, Worli, Worli, Sea Face, Mumbai 400018, Maharashtra, India. | 40 | ***Indian Companies:***<br><br>1. Piramal Foundation for Education Leadership<br>2. Piramal Corporate Services Private Limited<br>3. PRL Developers Private Limited<br>4. Anutham Realty Private Limited<br>5. Piramal Alternatives Private Limited<br>6. India Resurgence Asset Management Business Private Limited<br><br>***Foreign Companies:*** Nil |
| 2. | **Jairam Sridharan**<br><br>***DIN***: 05165390<br><br>***Date of Birth***: August 27, 1974<br><br>***Designation***: Managing Director and Chief Executive Officer$<br><br>***Occupation***: Service<br><br>***Term***: Three years with effect from October 7, 2024, liable to retire by rotation<br><br>***Period of directorship***: Director since October 7, 2021<br><br>***Nationality:*** Indian<br><br>***Address***: Flat no.1601, Ashok Tower D, Dr. Babasaheb Ambedkar Road Opposite Bharat Mata Cinema, Mumbai 400012, Maharashtra, India. | 51 | ***Indian Companies:***<br><br>1. Pramerica Life Insurance Limited<br>2. Social Worth Technologies Private Limited<br>3. DHFL Investments Limited<br>4. Piramal Payment Services Limited<br><br>***Foreign Companies:*** Nil |
| 3. | **Shikha Sanjaya Sharma**<br><br>***DIN*:** 00043265 | 66 | ***Indian Companies:***<br><br>1. Tata Consumer Products Limited<br>2. Dr. Reddy's Laboratories Limited |

| Sl. No. | Name, DIN, age, designation, occupation, term and current period of Directorship | Age (Years) | Directorship in other companies |
|---|---|---|---|
| | ***Date of Birth***: November 19, 1958<br><br>***Designation*****:** Non-Executive – Non - Independent Director<br><br>***Occupation*****:** Professional<br><br>***Term***: With effect from September 24, 2025, liable to retire by rotation<br><br>***Period of directorship***: Director since September 24, 2025.<br><br>***Nationality:*** Indian<br><br>***Address:*** 4704, 360 West by Oberoi Realty, Near Century Bazaar, Dr. Annie Besant Road, Worli, Mumbai – 400025, Maharashtra, India. | | 3. Tech Mahindra Limited<br>4. Mahindra & Mahindra Limited<br>5. Mahindra Electric Automobile Limited<br><br>***Foreign Companies:*** Nil |
| 4. | **Gautam Bhailal Doshi**<br><br>***DIN:*** 00004612<br><br>***Date of Birth***: December 23, 1952<br><br>***Designation***: Non-Executive Independent Director<br><br>***Occupation***: Professional<br><br>***Term***: Five years with effect from September 30, 2021<br><br>***Period of directorship***: Director since September 30, 2021<br><br>***Nationality:*** Indian<br><br>***Address***: C 191, Grand Paradi August Kranti Marg, Kemps Corner, Mumbai 400036, Maharashtra, India. | 72 | ***Indian Companies:***<br><br>1. Sun Pharmaceutical Industries Limited<br>2. Suzlon Energy Limited<br>3. Sun Pharma Laboratories Limited<br>4. SE Forge Limited<br>5. Capricon Realty Private Limited<br>6. Connect Capital Private Limited<br>7. Aashni ECommerce Private Limited<br><br>***Foreign Companies*****:**<br><br>1. Sun Pharma Holdings, Mauritius<br>2. Sun Pharmaceutical Industries, Inc, Delaware, USA<br>3. Taro Pharmaceuticals, U.S.A Inc |
| 5. | **Suhail Amin Nathani**<br>***DIN***: 01089938<br><br>***Date of Birth***: May 3, 1965<br><br>***Designation***: Non-Executive Independent Director<br><br>***Occupation***: Professional<br><br>***Term***: Five years with effect from September 30, 2021<br><br>***Period of directorship***: Director since September 30, 2021<br><br>***Nationality:*** United States of America<br><br>***Address***: 801, Prabhu Kutir, 15 Altamonte Road, Mumbai 400 026, Maharashtra, India. | 60 | ***Indian Companies:***<br><br>1. Aga Khan Agency for Habitat India<br>2. Progressive Electoral Trust<br>3. Salaam Bombay Foundation<br>4. UTI Trustee Company Private Limited<br><br>***Foreign Companies:***<br><br>1. East Pipes Integrated Co. for Industry |
| 6. | **Anjali Bansal**<br><br>***DIN:*** 00207746<br><br>***Date of Birth***: February 25, 1971<br><br>***Designation:*** Non-Executive Independent Director | 54 | ***Indian Companies:***<br><br>1. The Tata Power Company Limited<br>2. Nestle India Limited<br>3. Gujarat International Finance Tec-City Company Limited<br>4. Tata Power Renewable Energy Limited |

| Sl. No. | Name, DIN, age, designation, occupation, term and current period of Directorship | Age (Years) | Directorship in other companies |
|---|---|---|---|
| | ***Occupation:*** Professional<br><br>***Term***: Five years with effect from September 24, 2025<br><br>***Period of directorship***: Director since September 24, 2025<br><br>***Nationality:*** Indian<br><br>***Address:*** Flat no. 3202, A-Wing, Vivarea Tower, Sane Guruji Marg, Jacob Circle, Mahalaxmi, Mumbai – 400 011, Maharashtra, India. | | 5. Open Network for Digital Commerce<br>6. Maruti Suzuki India Limited<br>7. Gujarat Foundation for Entrepreneurial Excellence<br><br>***Foreign Companies:*** Nil |
| 7. | **Rajiv Mehrishi**<br><br>***DIN:*** 00208189<br><br>***Date of Birth***: August 8, 1955<br><br>***Designation:*** Non-Executive Independent Director<br><br>***Occupation:*** Professional<br><br>***Term***: Five years with effect from September 24, 2025<br><br>***Period of directorship***: Director since September 24, 2025<br><br>***Nationality:*** *Indian*<br><br>***Address:*** A-41, Tilak Nagar, Jawaharlal Nagar, Jaipur 302204, Rajasthan, India | 70 | ***Indian Companies:***<br><br>1. Dabur India Limited<br>2. Infomerics Analytics and Research Private Limited<br>3. The Tata Power Company Limited<br>4. Tata Power Renewable Energy Limited<br>5. Reliance Retail Ventures Limited<br>6. Jio Financial Services Limited<br>7. Informerics Valuation and Rating Limited<br><br>***Foreign Companies:*** Nil |
| 8. | **Asheet Lalit Mehta**<br><br>***DIN:*** 10648593<br><br>***Date of Birth***: May 22, 1965<br><br>***Designation:*** Non-Executive Independent Director<br><br>***Occupation:*** Professional<br><br>***Term***: Five years with effect from September 24, 2025<br><br>***Period of directorship***: Director since September 24, 2025<br><br>***Nationality:*** United States of America<br><br>***Address:*** 176 East, 71st Street, PH-B, New York, United States, 10021 | 60 | ***Indian Companies:*** Nil<br><br>***Foreign Companies:***<br><br>1. Asia Society<br>2. Pagaya Technologies Limited |
| 9. | **Kunal Bahl**<br><br>***DIN***: 01761033<br><br>***Date of Birth***: August 23, 1983<br><br>***Designation***: Non-Executive Independent Director<br><br>***Occupation***: Business<br><br>***Term***: Five years, with effect from March 20, 2024<br><br>***Period of directorship***: Director since March 20, 2024<br><br>***Nationality:*** Indian | 42 | ***Indian Companies:***<br><br>1. Acevector Limited (*formerly known as Snapdeal Limited*)<br>2. Unicommerce Esolutions Limited<br><br>***Foreign Companies:***<br><br>1. Investcorp Acquisition Corp. |

| Sl. No. | Name, DIN, age, designation, occupation, term and current period of Directorship | Age (Years) | Directorship in other companies |
|---|---|---|---|
| | ***Address***: H. No. – 1, Punjabi Bagh West, New Delhi 110026, India | | |

*[*] Appointed as Executive Chairman pursuant to board resolution dated September 24, 2025.*

*[$] Re-designated as Managing Director and Chief Executive Officer pursuant to board resolution dated September 24, 2025.*

**Brief Profile of Directors**

**Anand A Piramal** is the Executive Chairman and Executive Director of the Company and is responsible for our financial services business. He was involved in transforming our financial services business from a wholesale dominated to a technology-first and retail lending franchise with penetration into semi urban and rural India market. Under his leadership, the retail lending business has grown significantly, serving over 50 lakh customers across the country. He holds a master's degree in business administration from Harvard Business School and a bachelor's degree in economics from the University of Pennsylvania. In 2024, he was recognised as one of India's '40 under 40' young leaders by The Economic Times and Fortune India.

**Jairam Sridharan** is the Managing Director and Chief Executive Officer of the Company. He holds a bachelor of technology degree in chemical engineering from Indian Institute of Technology, Delhi and a post graduate diploma in management from Indian Institute of Management, Kolkata where he was awarded a 'Roll of Honour' for academic excellence. Before joining Piramal, he was the chief financial officer of Axis Bank Limited. He has been awarded with the "FE Pillar of the BFSI Industry" award (2022), "Best CFO" by Institutional Investor (2019) and featured in The Economic Times "40 Under 40" (2015).

**Shikha Sanjaya Sharma** is a Non-Executive Non - Independent Director of the Company. She holds a B.A (Hons.) in economics from University of Delhi, post graduate diploma in software technology from National Centre for Software Development and Computing Techniques and post graduate Diploma in Management from IIM, Ahmedabad. She has previous experience in banking and insurance. She has been awarded with the 'Outstanding Businesswoman of the year' - CNBC TV18, AIMA JRD TATA Corporate Leadership, 'Banker of the Year' - Business Standard, and has been recognised 'Top 20 Women in Finance' by Finance Asia and '50 most powerful women in business' by Fortune. She is also on the board of directors of other companies such as Tata Consumer Products Limited, Tech Mahindra Limited, Mahindra & Mahindra Limited, Mahindra Electric Automobile Limited, and Dr. Reddy's Laboratories Limited. She is also an advisor / consultant to Google India Digital Services Private Limited, McKinsey & Company Singapore Pte. Ltd. and a member of the Board of Governors of Indian Institute of Management, Lucknow.

**Gautam Bhailal Doshi** is a Non-Executive Independent Director of the Company. He holds a master's degree in commerce from University of Bombay and is a qualified chartered accountant. He has been in professional practice for a period of over 45 years. His experience covers areas including advisory services in the field of mergers and acquisitions, direct, indirect and international taxation, accounting, corporate and commercial laws, domestic and cross-border mergers and restructuring transactions. He has served on the Western Region Council and all India Councils of Institute of Chartered Accountants of India. He has also served as chairman of committees on direct and indirect taxation of Indian Merchants' Chamber.

**Suhail Amin Nathani** is a Non-Executive Independent Director of the Company. He holds master of law degree from the University of Cambridge, England and has completed master of laws from Duke University. Besides India, he has been admitted to the state bar of New York**.** He is the managing partner at Economic Laws Practice and has over three decades of experience as a lawyer. He has been recognised amongst the 'top 30 International Trade Practitioners in the world' by the Best of the Best Expert Guides and that he has also been ranked by the Chambers Asia Pacific for his expertise in competition/ antitrust, corporate mergers and acquisitions, and international trade and have been recommended as a 'Leading Lawyer' by The Legal 500 Asia-Pacific for the past ten years. Additionally, he has featured as a 'Market Leading Lawyer' in IFLR1000 (Financial & Corporate) and in the India Business Law Journal's 'A List' as India's Top 100 Lawyers.

**Anjali Bansal** is a Non-Executive Independent Director of the Company. She has a bachelor's degree in computer engineering from Gujarat University and a master's degree in international affairs from Columbia University. She is the founding partner of Avaana Capital. Previously, she was also the non-executive chairperson of Dena Bank Company Limited, appointed by the Government of India in relation to the bank's resolution and merger with Bank of Baroda, managing director with TPG Growth PE and a strategy consultant with McKinsey in New York and India. She has been appointed on the Advisory Council of Open Network for Digital Commerce and the board

of Gujarat International Finance Tec-City. She has chaired the Federation of Indian Chambers of Commerce and Industry program for women on corporate boards. She has been listed as one of the 'Most Powerful Women' by Business Today, Fortune India, and Forbes India.

**Rajiv Mehrishi** is a Non-Executive Independent Director of the Company. He holds a bachelors and masters degree in history from St. Stephen's College, Delhi, and a master of business administration from the University of Strathclyde, Glasgow, Scotland. He is a retired Indian administrative service officer of the 1978 batch belonging to the Rajasthan cadre. He has also held the position of Union Home Secretary in the Central Government and the 13th Comptroller and Auditor General of India. In 2022, he was awarded with the Padma Bhushan, one of the highest civilian honours of India, by the President of India.

**Asheet Lalit Mehta** is a Non-Executive Independent Director of the Company. He has a bachelor of science from Columbia University and an master of business administration with high honors in finance and production management from the University of Chicago. He has been senior partner in McKinsey & Company's New York office. He previously led the financial services practice in the Americas region. He is currently on the board of the Asia Society and the board of visitors of Columbia University's School of Engineering and Applied Science.

**Kunal Bahl** is a Non-Executive Independent Director of the Company. He is a graduate from the Jerome Fisher programme in management and technology at the University of Pennsylvania and holds degrees in engineering and business from the Wharton School. He is a co-founder of Snapdeal and also a co-founder of Titan Capital. He is a member of India's National Startup Advisory Council and was the chairman of Confederation of Indian Industry's National Startup Council (2023-24, 2024-25). He has served as a member of NASSCOM Executive Council from 2019 to 2023 and as chairman of the Confederation of Indian Industry's E-commerce Council. He is also the promoter of Unicommerce Esolutions Limited.

***Relationship between Directors***

None of our Directors of the Company are inter-se related to each other.

***Details of directorship in companies suspended or delisted***

None of our Directors are, or was, a director of any listed company whose shares were suspended from being traded on any stock exchange during the term of their directorship in such company, in the five years prior to the date of this Information Memorandum.

None of our Directors are, or was, a director of any listed company which was delisted from any stock exchange, during the term of their directorship in such company.

***Arrangement or understanding with major Shareholders, customers, suppliers or others***

None of our Directors have been appointed to Directorship, or as a member of our senior management, pursuant to any other arrangement or understanding with our major Shareholders, customers, suppliers, or others.

***Service contracts with Directors***

There are no service contracts entered into between any of our Directors and our Company for the provision of any benefits upon termination of employment.

***Details of terms of appointment of our Executive Directors***

**Anand A Piramal** was initially appointed as a Director of the Company with effect from September 30, 2021 and further as the Executive Director of our Company for a period of five years with effect from August 1, 2025, pursuant to resolution(s) passed by our Board of Directors on July 29, 2025, and by the shareholders at their extra ordinary general meeting held on August 1, 2025. Our Executive Director was appointed as Executive Chairman of the Board with effect from September 24, 2025.

**Jairam Sridharan** was initially appointed as the Director of our Company pursuant to a resolution passed by our Board of Directors on October 7, 2021, and a special resolution passed by our Shareholders on November 30, 2021, for a period of five years with effect from October 7, 2021. He was re-appointed as the Managing Director of the Company pursuant to a resolution passed by Board of Directors on May 8, 2024, for a period three years

with effect from October 10, 2024. He has been re-designated as Managing Director and Chief Executive Officer with effect from September 24, 2025.

He is entitled to perquisites, benefits and allowances like furnished residential accommodation (or house rent allowance in lieu thereof), special allowance, reimbursement of telephone expenses, medical reimbursement for self and family, leave travel allowance, personal accident insurance, leave and encashment of leave, contributions to provident fund and superannuation or annuity fund, gratuity and/ or contribution to gratuity fund, chauffeur driven Company maintained / leased cars (or allowances in lieu thereof) chauffeur for personal car, club membership and such other payments in the nature of perquisites, benefits and allowances as per Company policy in force from time to time or as may otherwise be decided by the Board.

***Payment or Benefit to Directors***

The sitting fees/other remuneration paid to our Directors for Fiscal 2025 is as follows:

(a) **Remuneration paid to Managing Director and Executive Director**

Remuneration payable to the Executive Director is recommended by the Nomination and Remuneration Committee approved by the Board and is subject to the overall limits approved by the shareholders.

Details of remuneration paid to the Executive Director as approved by the Board is given below:

*(in ₹ lakhs)*

| Name | Designation | Total Amount* | |
|---|---|---|---|
| | | For the period April 1, 2025 to June 30, 2025 | For the Financial Year ended March 31, 2025 |
| Anand A Piramal | Executive Chairman and Executive Director | NA[&] | NA[&] |
| Jairam Sridharan | Managing Director and Chief Executive Officer | 236.80 | 842.20 |

[*] *The Company pays remuneration by way of salary, benefits, perquisites and allowances (fixed component) and performance linked incentive (variable component) to Executive Directors. The variable component of remuneration (Performance Linked Incentive) for Executive Director is determined on the basis of several criteria including his individual performance as measured by achievement of his respective key result areas, strategic initiatives taken and being implemented, their respective roles in the organization, fulfilment of their responsibilities and performance of the Company.*

[&] *Appointed as Executive Director with effect from August 1, 2025.*

(b) **Sitting fees paid to Non-Executive Directors including Independent Directors**

Details of sitting fees paid to the Non-Executive Director as approved by the Board for the Financial Year ended March 31, 2025 is given below:

*(in ₹ lakhs)*

| Name | Designation | Total Amount | |
|---|---|---|---|
| | | For the period April 1, 2025 to June 30, 2025 | For the Financial Year ended March 31, 2025 |
| Shikha Sanjaya Sharma[$] | Non-Executive Non-Independent Director | N.A. | N.A. |
| Gautam Bhailal Doshi | Non-Executive Independent Director | 2.50 | 10.50 |
| Suhail Amin Nathani | Non-Executive Independent Director | 2.50 | 10.00 |
| Anjali Bansal[$] | Non-Executive Independent Director | N.A. | N.A. |
| Rajiv Mehrishi[$] | Non-Executive Independent Director | N.A. | N.A. |
| Asheet Lalit Mehta[$] | Non-Executive Independent Director | N.A. | N.A. |
| Kunal Bahl | Non-Executive Independent Director | 1.00 | 5.00 |
| **Total** | | **6.00** | **25.50** |

[$] *Appointed as Directors of our Company with effect from September 24, 2025.*

No commission was paid to any Director during the Fiscal 2025.

***Bonus or profit-sharing plan for our Directors***

None of our Directors are party to any bonus (excluding performance linked incentive which is part of the remuneration of Executive Directors) or profit-sharing plan of our Company. The Non-Executive Directors are entitled to commission, if any, subject to the limit set out under the Companies Act, 2013 and rules/ schedules made thereunder.

***Shareholding of our Directors in our Company***

Our Articles of Association do not require that our Directors hold any qualification shares.

Except as disclosed in the section titled "*Capital Structure*" on page 33, none of our Directors hold any Equity Shares in our Company.

***Borrowing Powers of the Board***

In accordance with the Articles of Association of the Company, and subject to the provisions of section 180(1)(c) of the Companies Act, 2013, and the shareholders' resolution dated July 21, 2017, the Board may, from time to time, borrow monies, together with monies already borrowed, in excess of the aggregate of the paid-up capital and free reserves of the Issuer, not exceeding ₹2,00,000 crore at any time as applicable from time to time.

***Interest of Directors***

All our Directors may be deemed to be interested to the extent of remuneration and reimbursement of expenses, if any, payable to them, as well as the sitting fees and commission, if any, payable to them for attending meetings of our Board and/or committees thereof as approved by our Board and Shareholders.

The Directors may also be interested to the extent of Equity Shares of our Company and to the extent of any dividend payable to them, if any, held by them or by their relatives, and/ or held by the entities in which they are associated as promoters, directors, partners, proprietors or trustees or held by their relatives.

For further details regarding the shareholding of the Directors, please see the section titled "*Capital Structure-Shareholding of the Promoter*" on page 38 of this Information Memorandum.

None of the Directors are interested in any property acquired by the Company or proposed to be acquired by the Company or in any transaction in the acquisition of land, construction of building and supply of machinery, etc. in relation to our Company.

None of the Directors have any interest in promotion or formation of our Company (in terms of the SEBI ICDR Regulations) as on the date of this Information Memorandum.

No consideration in cash or shares or otherwise has been paid, or agreed to be paid to any of the Directors of the Company, or to the firms or companies in which they are interested as a member by any person either to induce such director to become, or to help such director to qualify as a Director, or otherwise for services rendered by him/her or by the firm or company in which he/she is interested, in connection with the promotion or formation of the Company.

No loan has been availed by our Directors from our Company and our Subsidiaries.

Except for Rajiv Mehrishi, one of our Non-Executive Independent Directors, who also serves as a director on the board of the Jio Financial Services Limited, which is also an NBFC, no other Directors have any interest in any entity that is involved in activities similar to those conducted by our Company.

Except as disclosed below, none of our Directors are interested in the contracts, transactions, agreements or arrangements entered into or to be entered into by the Company with any company in which they hold directorships or any partnership firm in which they are partners.

Our Company, in the ordinary course of its business, avails financial and legal advisory services from Economic Law Practice ("**ELP**"). Suhail Amin Nathani, one of our Directors, is also a managing partner at ELP. The

Company has or may have, within the regulatory permissible limits, from time to time entered into, transactions and agreements with ELP in connection with such advisory services, in the ordinary course of business.

***Employee stock option scheme***

For details of the employee stock option scheme of our Company, see "*Capital Structure –Employee Stock Option Plan of our Company*" on page 39.

***Changes in our Board in the last three years***

Except as provided below, there are no changes in our board in the last three years:

| Name | Designation | Date of appointment/cessation | Reason |
|---|---|---|---|
| Kunal Bahl | Non-Executive Independent Director | March 20, 2024 | Appointment |
| Anand A Piramal | Executive Director* | August 1, 2025 | Change in designation from Non-executive to Executive Director |
| Shikha Sanjaya Sharma | Non-Executive Non-Independent Director | September 24, 2025 | Appointment |
| Rajiv Mehrishi | Non-Executive Independent Director | September 24, 2025 | Appointment |
| Asheet Lalit Mehta | Non-Executive Independent Director | September 24, 2025 | Appointment |
| Anjali Bansal | Non-Executive Independent Director | September 24, 2025 | Appointment |
| Ajay G. Piramal | Non-Executive Director | September 24, 2025 | Resignation |
| Swati Ajay Piramal | Non-Executive Director | September 24, 2025 | Resignation |
| Puneet Yadu Dalmia | Non-Executive Independent Director | September 24, 2025 | Resignation |

**Anand A Piramal was appointed as Executive Chairman with effect from September 24, 2025*

**Corporate Governance**

The provisions relating to corporate governance prescribed under the SEBI Listing Regulations will be applicable to us immediately upon listing of the Equity Shares on the Stock Exchanges. We are in compliance with the requirements of applicable regulations, including the SEBI Listing Regulations and the Companies Act, 2013, in respect of corporate governance, including in relation to the constitution of the Board and Committees thereof.

***Committees of the Board***

In addition to the committees of our Board detailed below, our Board may, from time to time, constitute committees for various functions.

Our Company has constituted the following Board Committees in terms of the SEBI Listing Regulations and the Companies Act, 2013:

(a) Audit Committee;
(b) Nomination and Remuneration Committee;
(c) Stakeholders' Relationship Committee;
(d) Corporate Social Responsibility Committee; and
(e) Sustainability and Risk Management Committee.

Other than the aforesaid committees, our Company has other Board Committees as well.

***I. Audit Committee***

Our Audit Committee was constituted pursuant to a resolution of our Board dated September 24, 2025. The current constitution of the Audit Committee is as follows:

| Name of the Director | Position on the committee | Designation |
|---|---|---|
| Rajiv Mehrishi | Chairman | Non-Executive Independent Director |
| Gautam Bhailal Doshi | Member | Non-Executive Independent Director |
| Suhail Amin Nathani | Member | Non-Executive Independent Director |
| Jairam Sridharan | Member | Managing Director and Chief Executive Officer |

The scope and function of the Audit Committee is in accordance with Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI Listing Regulations and its terms of reference are as follows:

The broad terms of reference of the Audit Committee inter alia, includes the following:

1. oversight of financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
    i. 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 Companies Act, 2013;
    ii. changes, if any, in accounting policies and practices and reasons for the same;
    iii. major accounting entries involving estimates based on the exercise of judgment by management;
    iv. significant adjustments made in the financial statements arising out of audit findings;
    v. compliance with listing and other legal requirements relating to financial statements;
    vi. disclosure of any related party transactions;
    vii. modified opinion(s) in the draft audit report;
5. reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
6. 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 of proceeds of a public or rights issue or preferential issue or qualified institutions placement, and making appropriate recommendations to the Board to take up steps in this matter;
7. reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
8. approval or any subsequent modification of transactions of the listed entity with related parties;
9. scrutiny of inter-corporate loans and investments;
10. valuation of undertakings or assets of the listed entity, wherever it is necessary;
11. evaluation of internal financial controls and risk management systems;
12. reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. discussion with internal auditors of any significant findings and follow up there on;

15. 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;
16. 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;
17. to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. to review the functioning of the whistle blower mechanism;
19. approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
20. reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision;
21. to consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders.
22. to review the management discussion and analysis of financial condition and results of operations;
23. to review management letters / letters of internal control weaknesses issued by the statutory auditors;
24. to review internal audit reports relating to internal control weaknesses;
25. to review the appointment, removal and terms of remuneration of the head of the internal auditor;
26. to review statement of deviations of quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI Listing Regulations:
27. to review statement of deviations of annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the SEBI Listing Regulations;
28. to examine financial statement and the auditors' report thereon;
29. to review compliance with the provisions of SEBI Insider Trading Regulations (as amended from time to time), at least once in a financial year and verify that the systems for internal control are adequate and are operating effectively;
30. primarily responsible for overseeing the internal audit function in the organization.
31. to review the performance of Risk Based Internal Audit ("**RBIA**");
32. to approve the 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;
33. to formulate and maintain a quality assurance and improvement program that covers all aspects of the internal audit function;
34. to promote the use of new audit tools/ new technologies for reducing the extent of manual monitoring /transaction testing / compliance monitoring, etc.;
35. meet the head of internal audit at least once in a quarter, without the presence of the senior management (including the managing director, chief executive officer and whole-time director);
36. review and monitoring of all the frauds involving an amount of Rs. 1 crore and above;
37. ensure that an information system audit of the internal systems and processes is conducted at least once in two years to assess operational risks faced by the applicable NBFCs;
38. to ensure that an appropriate compliance policy is in place in the Company and to oversee the management of compliance risk on annual basis and implementation of the compliance policy across the Company;
39. to review the reports received from the chief compliance officer on compliance risk management activities;
40. to review the compliance policy annually;
41. to review and approve any adjustments to the expected credit loss ("**ECL**") model output (i.e. a management overlay);

42. monitoring of system of internal audit of all outsourced activities including direct assignment portfolio; and
43. undertake such other functions as may be entrusted to it by the Board or prescribed under applicable statutory / regulatory requirements from time to time.

### *II. Nomination and Remuneration Committee*

Our Nomination and Remuneration Committee was constituted pursuant to a resolution of our Board dated September 24, 2025. The current constitution of the Nomination and Remuneration Committee is as follows:

| Designation | Position on the committee | |
|---|---|---|
| Suhail Amin Nathani | Chairman | Non-Executive Independent Director |
| Kunal Bahl | Member | Non-Executive Independent Director |
| Anjali Bansal | Member | Non-Executive Independent Director |
| Anand A Piramal | Member | Chairman and Executive Director |

The scope and function of the Nomination and Remuneration Committee is in accordance with Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI Listing Regulations and its terms of reference are as follows:

1. To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and to recommend to the Board of Directors their appointment and removal;
2. For every appointment of an independent director, the Nomination and Remuneration Committee shall 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:
    a. use the services of an external agencies, if required;
    b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
    c. consider the time commitments of the candidates.
3. To formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board of Directors a policy relating to the remuneration of the Directors, key managerial personnel and other employees;
4. To formulate criteria for evaluation of performance of independent Directors and the Board of Directors;
5. To devise a policy on diversity of Board of Directors;
6. To extend or continue the term of appointment of the independent Director, on the basis of the report of performance evaluation of independent Directors;
7. To carry out evaluation of every Director's performance;
8. To recommend to the board, all remuneration, in whatever form, payable to senior management;
9. To carry out such additional functions as may be provided under applicable statutory regulatory requirements and/or as may be entrusted to it by the Board from time to time.

### *III. Stakeholders' Relationship Committee*

Our Stakeholders' Relationship Committee was constituted pursuant to a resolution of our Board dated September 24, 2025. The current constitution of the Stakeholders' Relationship Committee is as follows:

| Name of the Director | Position on the committee | Designation |
|---|---|---|
| Rajiv Mehrishi | Chairman | Non-Executive Independent Director |
| Gautam Bhailal Doshi | Member | Non-Executive Independent Director |
| Jairam Sridharan | Member | Managing Director and Chief Executive Officer |

The scope and function of the Stakeholders' Relationship Committee is in accordance with Section 178(6) of the Companies Act, 2013 and Regulation 20 of the SEBI Listing Regulations and its terms of reference are as follows:

1. To look into the redressal of grievances of debenture holders and other security holders (in addition to shareholders);
2. To resolve the grievances of the security holders of the company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.;
3. To review of measures taken for effective exercise of voting rights by shareholders;
4. To review of adherence to the service standards in respect of various services being rendered by the Registrar and Share Transfer Agent;
5. To review various measures and initiatives for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company; and
6. To undertake or perform such other role as required by law or as may be directed by the Board, from time to time.

### *IV. Corporate Social Responsibility Committee*

Our Corporate Social Responsibility Committee was constituted pursuant to a resolution of our Board dated September 24, 2025. The current constitution of the Corporate Social Responsibility Committee is as follows:

| Name of the Director | Position on the committee | Designation |
|---|---|---|
| Suhail Amin Nathani | Chairperson | Non-Executive Independent Director |
| Rajiv Mehrishi | Member | Non-Executive Independent Director |
| Anjali Bansal | Member | Non-Executive independent Director |

The scope and function of the Corporate Social Responsibility Committee is in accordance with Section 135 of the Companies Act, 2013 and its terms of reference are as follows:

1. To recommend to the Board, a CSR policy (and modifications thereto from time to time) which shall provide the approach and guiding principles for selection, implementation and monitoring of CSR activities to be undertaken by the Company as well as formulation of annual action plan(s);
2. To formulate and recommend annual action plan(s), and any modifications thereof, to the Board comprising of following information:

    a. the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
    b. the manner of execution of such projects or programmes;
    c. the modalities of utilisation of funds and implementation schedules for the projects or programmes;
    d. monitoring and reporting mechanism for the projects or programmes; and
    e. details of need and impact assessment, if any, for the projects undertaken by the Company.

3. To approve specific projects, either new or ongoing, in pursuance of the areas of interest outlined in the CSR policy, for inclusion in the annual action plan or for contributing to specific funds/ agencies as specified in Schedule VII of the Act;
4. To recommend to the Board, the amount of expenditure to be incurred on the CSR activities in a financial year and the amount to be transferred in case of ongoing projects and unspent amounts;
5. To review the progress of CSR initiatives undertaken by the Company;
6. To monitor the CSR policy of the Company from time to time and institute a transparent monitoring mechanism for implementation of the projects undertaken;

7. To review and recommend to the Board, the annual report on CSR activities to be included in Board's Report;
8. To review and recommend to the Board, the impact assessment report as may be obtained by the Company from time to time;
9. To undertake such activities and carry out such functions as may be provided under Section 135 of the Act and the rules framed thereunder, as well as amendments thereto from time to time; and
10. To carry out such additional functions as may be provided under applicable statutory /regulatory requirements and/or as may be entrusted to it by the Board from time to time.

**V. *Sustainability and Risk Management Committee:***

Our Sustainability and Risk Management Committee was constituted pursuant to a resolution of our Board dated September 24, 2025. The current constitution of the Sustainability and Risk Management Committee is as follows:

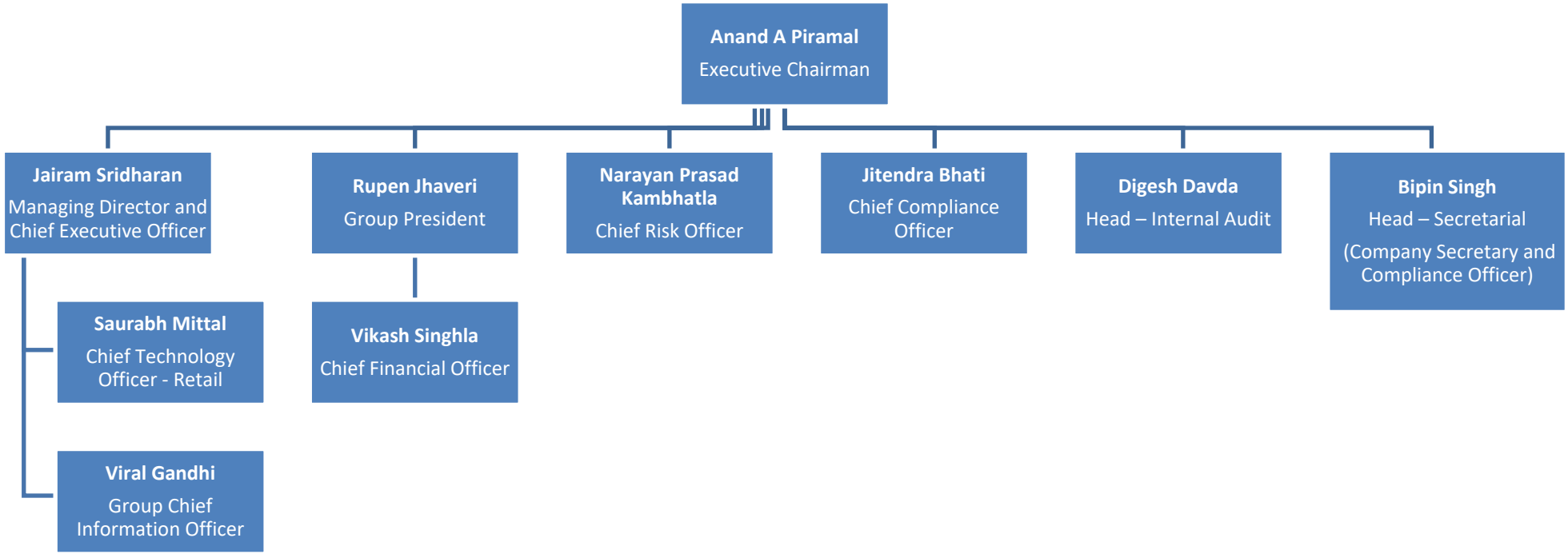
| Name of the Director | Position on the committee | Designation |
|---|---|---|
| Shikha Sanjaya Sharma | Chairperson | Non-Executive - Non Independent Director |
| Asheet Lalit Mehta | Member | Non-Executive Independent Director |
| Jairam Sridharan | Member | Managing Director and Chief Executive Officer |
| Anjali Bansal | Member | Non-Executive Independent Director |

The scope and function of the Sustainability and Risk Management Committee is in accordance with Regulation 21 of the SEBI Listing Regulations and its terms of reference are as follows:

1. to identify, monitor and measure the risk profile of the Company. To evaluate overall risks faced by the Company and determining the level of risks which will be in the best interest of the Company. To monitor and oversee implementation of the sustainability and risk management policy, including evaluating the adequacy of risk management systems during normal as well as stress scenarios;
2. to ensure that Company has a framework for identification of various internal and external risks including credit risk, operational risk, information security risk, liquidity, interest rate risk etc. and the integrated risks;
3. to ensure that the risk policies clearly spell out the quantitative prudential limits on various segments of Company's operations;
4. to implement measures for risk mitigation including systems and processes for comprehensive internal controls to mitigate the identified risks;
5. to ensure that appropriate methodology, processes and systems are in place to effectively monitor and evaluate business related risks commensurate with the size and complexity of the business;
6. to periodically review the sustainability and risk management policy including by considering the changing industry dynamics, evolving complexity and emerging risks;
7. to review the progress made in putting in place a proactive risk management system and sustainability and risk management policy and strategy followed by the Company;
8. to hold the line management accountable for the risks under their control, and the performance of the Company in that area;
9. to provide an independent and objective view of the information presented by management on various risks and mitigation plan;
10. to keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken;
11. to review appointment, removal and terms of remuneration of the chief risk officer;
12. to review and assess the nature, role, responsibility and authority of sustainability and risk management function within the Company and outline the scope of sustainability and risk management work;
13. to coordinate its activities with other committees, in instances where there is any overlap with activities of such committees; and

14. to undertake such other functions as may be entrusted to it by the Board or prescribed under applicable statutory / regulatory requirements from time to time.

**Management organisation structure**



**Key Managerial Personnel**

In addition to Anand A Piramal, our Executive Chairman and Executive Director and Jairam Sridharan, our Managing Director and Chief Executive Officer whose details are provided in "– *Brief profiles of our Directors*", the details of our Key Managerial Personnel are provided below:

**Vikash Singhla** is Chief Financial Officer of the Company and has held this role since March 31, 2022. He is a qualified chartered accountant from the Institute of Chartered Accountant of India and a rank holder from the Chartered Accountants Examination. He holds a bachelor's degree in commerce from Kurukshetra University. Prior to joining the Company, he was associated with the Reliance Anil Dhirubhai Ambani Group. In Fiscal 2025, he received an aggregate compensation of ₹ 3.56 crores from our Company.

**Bipin Singh** is the Company Secretary and Compliance Officer of the Company. He is associated with our company since September 24, 2025. He holds a bachelor's degree in commerce from the University of Ajmer and a bachelor's degree in law from the University of Bombay. He is also an associate member of the Institute of Company Secretaries of India. He has prior experience at Deutsche Bank and J.P Morgan India Private Limited. He is involved in, among others, corporate secretarial, compliance and corporate governance matters of the Company. In Fiscal 2025, he did not receive any remuneration from our Company.

**Senior Management**

In addition to Anand A Piramal as our Executive Chairman and Executive Director, Jairam Sridharan as our Managing Director and Chief Executive Officer, Vikash Singhla as our Chief Financial Officer and Bipin Singh as our Company Secretary and Compliance Officer whose details are provided in "- *Key Managerial Personnel*" following are the members of our Senior Management:

| Names of Senior Management | Designation of Senior Management |
|---|---|
| Viral Gandhi | Group Chief Information Officer |
| Rupen Jhaveri | Group President |
| Jitendra Bhati | Chief Compliance Officer |
| Narayan Prasad Kambhatla | Chief Risk Officer |
| Digesh Davda | Head - Internal Audit |
| Saurabh Mittal | Chief Technology Officer |

**Viral Gandhi** is our Group Chief Information Officer, he has been associated with our Company since June 2015. He has pursued executive leadership programme from Harvard Business School, USA and bachelor's degree in engineering from Veermata Jijabai Technological Institute, Mumbai. He was previously associated with Cox & Kings Limited.

**Rupen Jhaveri** is our Group President. He has been associated with our Company since January 2022. He has pursued bachelor of science from New York University, B.S., magna cum laude, from Leonard N. Stern School of Business of New York University. He was previously associated with KKR India Asset Finance Private Limited and Goldman Sachs & Co. LLC.

**Jitendra Bhati** is our Chief Compliance Officer. He has been associated with our Company since June 2025. He has pursued bachelor's degree in commerce from Jai Narain Vyas University, Jodhpur, law degree from University of Mumbai. He is an associate member of the Institute of Company Secretaries of India. He was previously associated with Aditya Birla Capital Limited and Indostar Capital Finance Limited.

**Narayan Prasad Kambhatla** is our Chief Risk Officer. He has been associated with our Company since October 2022. He has pursued master of business administration from Indian School of Business, and bachelor of engineering from Behrampur University. He was previously associated with SBICap Ventures Limited, Avendus Finance Private Limited and ICICI Bank Limited.

**Digesh Davda** is our head-Internal Audit. He has been associated with our Company since June 2021. He is an associate member of the Institute of Chartered Accounts of India. He was previously associated with HSBC Bank Limited, Kotak Mahindra Bank Limited and Credit Agricole.

**Saurabh Mittal** is our Chief Technology Officer. He has been associated with our Company since March 2021. He has pursued bachelor of technology from Indian Institute of Technology, Bombay. He was previously associated with Medlife International Private Limited.

***Relationship of Key Managerial Personnel and Senior Management***

None of our Key Managerial Personnel and Senior Management are related to each other.

***Arrangement or understanding with major Shareholders, customers, suppliers or others***

None of our Key Managerial Personnel and Senior Management have been appointed pursuant to any arrangement or understanding with our major Shareholders, customers, suppliers or others.

***Shareholding of the Key Managerial Personnel and Senior Management***

Except as disclosed in "*Capital Structure – Details of Equity Shares held by our Directors, Key Managerial Personnel and Senior Management*", none of the Key Managerial Personnel and Senior Management hold any Equity Shares in the Company, as on the date of this Information Memorandum.

***Change in our Key Managerial Personnel and Senior Management in the last three years***

| Name | Designation | Date of appointment/ cessation | Reason |
|---|---|---|---|
| Urmila Rao | Company Secretary and Compliance Officer | September 24, 2025 | Resignation |
| | | October 23, 2024 | Appointment |
| Bipin Singh | Company Secretary and Compliance Officer | September 24, 2025 | Appointment |
| | | October 16, 2024 | Resignation |
| Shilpi Saxena | Chief Compliance Officer | August 6, 2025 | Resignation |

***Service contracts with Key Managerial Personnel and Senior Management***

There are no service contracts entered into between any of our Key Managerial Personnel and Senior Management and our Company for provision of any benefits upon termination of employment.

***Bonus or profit-sharing plan for our Key Managerial Personnel and Senior Management***

As on the date of this Information Memorandum, there are no bonus or profit-sharing plan with the Key Managerial Personnel or Senior Management.

***Payment or Benefit to Key Managerial Personnel and Senior Management of our Company***

No non-salary related amount or benefit has been paid or given to any Key Managerial Personnel or Senior Management of the Company since the 2021 Reverse Merger or is intended to be paid or given, which are not part of their remuneration for services rendered in the capacity of being an employee.

***Attrition rate of Key Managerial Personnel and Senior Management***

Except as provided under "-*Change in our Key Managerial Personnel and Senior Management in the last three years*" on page 187, there has been no attrition in the Key Managerial Personnel and Senior Management of our Company in the last three years.

***Interests of Key Managerial Personnel and Senior Management***

The Key Managerial Personnel and Senior Management do not have any interest in our Company other than (i) as stated in "*Financial Statements*" on page 198; or (ii) to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them in the ordinary course of business. The Key Managerial Personnel and Senior Management may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of Equity Shares held by them in our Company.

None of the Key Managerial Personnel and Senior Management have been paid any consideration of any nature from our Company, other than their remuneration.

There is no contingent or deferred compensation payable to our Key Managerial Personnel, Senior Management or Directors, which does not form part of their remuneration.

## PROMOTER AND PROMOTER GROUP

### OUR PROMOTER

Ajay G. Piramal is the Promoter of the Company as on the date of this Information Memorandum.

As on date of this Information Memorandum, our Promoter holds an aggregate of 123,451 Equity Shares (including 155 Equity Shares, which are held by our Promoter in the capacity of an administrator to the estate of late K S Basu), representing 0.05 % of the issued, subscribed and paid-up equity share capital of our Company. Our Promoter has acquired shareholding in our Company pursuant to the Scheme. Prior to the Scheme being effective, Piramal Enterprises Limited was the promoter of our Company. For details, please see "*Capital Structure - Shareholding of the Promoter*" on page 38.

**Details of our Promoter**



Ajay G. Piramal, born on August 3, 1955, aged 70 years, is the only Promoter of our Company. He resides at 96, Karuna Sindhu, Khan Abdul Gaffar Khan Road, Worli, Worli, Sea Face, Mumbai 400018, Maharashtra, India. He holds a bachelor's degree in science from Mumbai University and a master's degree in management studies from the Jamnalal Bajaj Institute of Management Studies. He has completed an advanced management programme from the Harvard Business School and has been conferred with an honorary doctor of science (Honoris Causa) degree by Indian Institute of Technology, Indore, an honorary doctorate in philosophy (D. Phil) by Amity University, India, and an honorary doctorate by Rishihood University for his contribution in business and nation building.

His permanent account number is AAEPP7726Q.

Our Company confirms that the permanent account numbers, bank account numbers, passport numbers, Aadhar card numbers and driving license numbers of Promoter were submitted to the BSE and NSE at the time of filing the Information Memorandum.

**Other ventures of our Promoter**

The Promoter does not have any interest in any venture that is involved in any activities similar to those conducted by the Company.

**Common Pursuits**

There are no common pursuits between the Company and our Promoter.

**Change in control of our Company**

Except as disclosed below, there has been no change in the control of the Company from the date of 2021 Reverse Merger, till the date of this Information Memorandum:

The Company was a wholly owned subsidiary of Piramal Enterprises Limited till the Effective Date of the Scheme. Pursuant to the Scheme, the shareholders of Piramal Enterprises Limited have become the shareholders of the Company and the Company will now be controlled by the Promoter and the Promoter Group.

For details in relation to the shareholding of our Promoter and Promoter Group, and changes in shareholding of our Promoter, including in the five years preceding the date of this Information Memorandum, see "*Capital Structure*" on page 33.

**Interests of our Promoter**

The Promoter is interested in our Company to the extent (i) that he has promoted our Company; (ii) his shareholding in our Company; (iii) the dividends payable thereon; (iv) any other distributions in respect of his shareholding in our Company; and (v) shareholding of his relatives and entities in which they have interest. For further details, see *"Capital Structure - Details of Equity Shares held by the members of the Promoter Group"* beginning on page 38.

Additionally, our Promoter may be interested in transactions entered into by our Company with (i) them; (ii) other entities: (a) in which our Promoter hold shares, or (b) controlled by the Promoter. For further details of interest of our Promoter in our Company, see *"Financial Statements*" on page 198.

No consideration in cash or shares or otherwise has been paid, or agreed to be paid to our Promoter of the Company, or to the firms or companies in which our Promoter is interested as a member or promoter by any person either to induce such director

to become, or to help such director to qualify as a director, or otherwise for services rendered by him/her or by the firm or company in which he/she is interested, in connection with the promotion or formation of the Company.

**Interest of our Promoter in property, land, construction of building and supply of machinery of our Company**

The Promoter does not have any interest, whether direct or indirect, in any property acquired by the Company within the preceding three years from the date of this Information Memorandum or proposed to be acquired by our Company as on the date of filing of this Information Memorandum, or in any transaction by the Company for acquisition of land, construction of building and supply of machinery, etc.

**Payment or benefits to Promoter or Promoter Group**

Except as disclosed in "*Financial Statements*" on page 198, no payment made or benefits granted by our Company to our Promoter or any of the members of the Promoter Group from the date of 2021 Reverse Merger till the date of this Information Memorandum.

**Companies or firms with which our Promoter has disassociated in the last three years**

Except as provided below, our Promoter has not disassociated from any company or firm during the three years preceding the date of this Information Memorandum.

| Sl. No. | Entities disassociated from | Date of disassociation | Reasons for disassociation |
|---|---|---|---|
| 1. | Tata Sons Private Limited | August 25, 2025 | Expiry of term of directorship |
| 2. | PEL Management Services Private Limited | September 18, 2023 | Expiry of term of directorship |

**Material guarantees given by our Promoter to third parties with respect to Equity Shares**

As on the date of this Information Memorandum, our Promoter has not given any material guarantee to any third party with respect to the Equity Shares of the Company.

**PROMOTER GROUP**

As on the date of this Information Memorandum, in addition to our Promoter, the individuals and entities that form a part of the Promoter Group of the Company in terms of the SEBI ICDR Regulations and SEBI Listing Regulations are set out below:

*Natural person forming part of the Promoter Group:*

| S. No. | Name of Promoter | Name | Relationship |
|---|---|---|---|
| 1. | Ajay G. Piramal | Swati Ajay Piramal | Spouse |
| | | Anand A Piramal | Son |
| | | Nandini Ajay Piramal | Daughter |
| | | Late Lalita G. Piramal | Mother |
| | | Peter DeYoung | Daughter's spouse |
| | | Anya Piramal DeYoung | Granddaughter |
| | | Dev Piramal DeYoung | Grandson |

*Entities forming part of the Promoter Group:*

1. Ajay G. Piramal (*Karta of Ajay G. Piramal HUF*)
2. Ajay G. Piramal (*Karta of Gopikishan Piramal HUF*)
3. Semplice Corporate Solutions Private Limited (*formerly known as AASAN Corporate Solutions Private Limited)*
4. PRL Realtors LLP
5. The Ajay G. Piramal Foundation (*through its Trustee Ajay G. Piramal and Swati Ajay Piramal*)
6. The Sri Krishna Trust (*through its Trustee Ajay G. Piramal and Swati Ajay Piramal*)
7. Swati Piramal Trust
8. Nandini Piramal Trust (*through its Trustee Ajay G. Piramal, Swati Ajay Piramal and Nandini Ajay Piramal*)
9. Anand Piramal Trust (*through its Trustee Ajay G. Piramal, Swati Ajay Piramal and Anand Piramal*)
10. The Gulita Trust
11. The Sri Gopikrishna Trust
12. The Sri Govinda Trust

13. The Sri Hari Trust
14. V3 Designs LLP
15. Nithyam Realty Private Limited
16. Anutham Realty Private Limited
17. Sreekovil Realty Private Limited
18. Alpex InfraConstructions Private Limited
19. Glider Buildcon Realtors Private Limited
20. IndiaVenture Advisors Private Limited
21. Kaivalya Education Foundation
22. Montane Ventures Private Limited
23. Piramal Corporate Services Private Limited
24. Nival Developers Private Limited
25. PCE Developers Private Limited
26. PDL Realty Private Limited
27. PEL Finhold Private Limited
28. PEL Management Services Private Limited
29. Piramal Biotech Private Limited
30. Piramal Homes Private Limited
31. Piramal Commercial Estates Private Limited
32. Piramal Corporate Tower Private Limited (*formerly known as Piramal Consumer Products Private Limited*)
33. Piramal Corporate & Management Services Private Limited
34. Piramal Estates Private Limited
35. Piramal Foundation for Education Leadership
36. Piramal Fund Management Private Limited
37. Piramal Glass Private Limited
38. Piramal Foundation
39. Piramal International Consultants Private Limited
40. Piramal Investment Advisory Services Private Limited
41. Piramal Metals Private Limited
42. Piramal Natural Resources Private Limited
43. PRPL Enterprises Private Limited
44. Piramal Residences Private Limited
45. Piramal Retail Private Limited
46. Piramal Systems & Technologies Private Limited
47. Piramal Udgam Data Management Solutions
48. Piramal Realty & Developers Private Limited
49. Piramal Water Private Limited
50. Piramal Agastya Offices Private Limited (*formerly known as PRL Agastya Private Limited*)
51. PRL Developers Private Limited
52. PRL InfraConstructions & Developers Private Limited
53. PRL Properties LLP
54. Propiedades Realties Private Limited
55. The Piramal Art Foundation
56. Piramal Sons Private Limited
57. Piramal Trusteeship Services Private Limited
58. India Resurgence Asset Management Business Private Limited
59. Paladin Consultancy Private Limited (*formerly known as India Resurgence ARC Private Limited*)
60. Topzone Mercantile Private Limited
61. PRL Agastya Buildcon Private Limited
62. Piramal Pharma Limited
63. The Swastik Safe Deposit and Investments Limited
64. Piramal Welfare Trust

## GROUP COMPANIES

In accordance with the SEBI ICDR Regulations, the term 'group companies', shall include (i) such companies (other than the subsidiary(ies) with which there were related party transactions, during the period for which financial information is disclosed in the financial statements (as set out in this Information Memorandum below, as covered under the applicable accounting standards; and (ii) any other companies as considered 'material' by our Board of Directors.

Accordingly, for (i) above, all such companies (other than subsidiary(ies)) with which our Company entered into related party transactions during the period for which financial information is disclosed in this Information Memorandum and as covered under the relevant accounting standards (i.e. Ind AS 24), as per the Financial Statements, have been considered as Group Companies in terms of SEBI ICDR Regulations.

Accordingly, as of the date of this Information Memorandum, the details of our Group Companies are as set forth below:

1. Semplice Corporate Solutions Private Limited (*formerly known as AASAN Corporate Solutions Private Limited*);
2. Piramal Corporate Services Private Limited;
3. Pramerica Life Insurance Limited;
4. Piramal Foundation for Education Leadership;
5. Piramal Foundation;
6. Kaivalya Education Foundation;
7. Piramal Trusteeship Services Private Limited;
8. Analog Legalhub Technology Solutions Private Limited;
9. Social Worth Technologies Private Limited;
10. Paladin Consultancy Private Limited (*formerly known as India Resurgence ARC Private Limited*);
11. Piramal Pharma Limited;
12. PRL Developers Private Limited; and
13. Brickex Advisors Private Limited.

In accordance with the SEBI ICDR Regulations, financial information in relation to our top 5 Group Companies for the previous three financial years, derived from the respective Audited Financial Information are available on the website of our Company.

**Details of the top 5 Group Companies**

The top five group companies based on market capitalization for listed companies and based on net worth in case of unlisted companies are as follows:

1. Piramal Pharma Limited;
2. Pramerica Life Insurance Limited;
3. PRL Developers Private Limited;
4. Piramal Corporate Services Private Limited; and
5. Social Worth Technologies Private Limited.

**Details of the listed Group Companies**

The details of the listed group company is provided below:

1. ***Piramal Pharma Limited***

   ***Registered office***

   The registered office of Piramal Pharma Limited is situated at ground floor, Piramal Ananta, Agastya Corp. Park, Kamani Junction, LBS Marg, Kurla, Mumbai City, 400070, Maharashtra, India.

   ***Financial information***

   Information with respect to reserves (excluding revaluation reserves), sales, profit after tax, earnings per share, diluted earnings per share and net asset value, derived from the audited financial statements of Piramal Pharma Limited for the last three financial years, as required by the SEBI ICDR Regulations, is available on the website at www.piramalpharma.com.

**Details of the unlisted Group Companies**

The details of the unlisted group companies are provided below:

1. ***Pramerica Life Insurance Limited***

***Registered office***

The registered office of Pramerica Life Insurance Limited is situated at 4th Floor, Building No. 9, Tower B, Cyber City, DLF City Phase III, Gurgaon, 122002, Haryana, India.

***Financial information***

Information with respect to reserves (excluding revaluation reserves), sales, profit after tax, earnings per share, diluted earnings per share and net asset value, derived from the audited financial statements of Pramerica Life Insurance Limited for the last three financial years, as required by the SEBI ICDR Regulations, are as follows:

*(in ₹ crores)*

| Particulars | Fiscal 2025 | Fiscal 2024 | Fiscal 2023 |
|---|---|---|---|
| Reserves (excluding revaluation reserve) | 621.19 | 494.29 | 491.56 |
| Sales | 2,610.66 | 2,494.79 | 1,916.39 |
| Profit after tax / loss after tax | (83.73) | (143.66) | 41.90 |
| Earnings per share (₹) | (2.24) | (3.84) | (2.67) |
| Diluted earnings per share (₹) | (2.24) | (3.84) | (2.67) |
| Net asset value (₹) | 995.25 | 868.35 | 865.62 |

The above-mentioned financial information of Pramerica Life Insurance Limited is available at https://pramericalife.in/admin/assets/pdf/pdfST/1756982435-IND_As_Disclosures_PFL_listing.pdf.

2. ***PRL Developers Private Limited***

***Registered office***

The registered office of PRL Developers Private Limited is situated at Piramal Tower, 8th Floor, Ganpatrao Kadam Marg, Lower Parel, Mumbai, 400013, Maharashtra, India.

***Financial information***

Information with respect to reserves (excluding revaluation reserves), sales, profit after tax, earnings per share, diluted earnings per share and net asset value, derived from the audited financial statements of PRL Developers Private Limited for the last three financial years, as required by the SEBI ICDR Regulations, are as follows:

*(in ₹ crores)*

| Particulars | Fiscal 2025 | Fiscal 2024 | Fiscal 2023 |
|---|---|---|---|
| Reserves (excluding revaluation reserve) | (466.85) | (1,035.96) | (1,244.23) |
| Sales | 374.79 | 762.04 | 11.83 |
| Profit after tax / loss after tax | 569.16 | (191.63) | (482.98) |
| Earnings per share (₹) | 28.46 | (9.58) | (24.15) |
| Diluted earnings per share (₹) | 28.46 | (9.58) | (24.15) |
| Net asset value (₹) | (266.84) | (835.95) | (1,044.22) |

The above-mentioned financial information of PRL Developers Private Limited is available at www.piramalfinance.com/stakeholders/composite-scheme-of-arrangement-2024.

3. **Piramal Corporate Services Private Limited**

***Registered office***

The registered office of Piramal Corporate Services Private Limited is situated at 1st Floor, Piramal Tower, Peninsula Corporate Park, Ganpatrao Kadam Marg, Lower Parel, Delisle Road, Mumbai, 400013, Maharashtra, India.

***Financial information***

Information with respect to reserves (excluding revaluation reserves), sales, profit after tax, earnings per share, diluted earnings per share and net asset value, derived from the audited financial statements of Piramal Corporate Services Private Limited for the last three financial years, as required by the SEBI ICDR Regulations, are as follows:

*(in ₹ crores)*

| Particulars | Fiscal 2025 | Fiscal 2024 | Fiscal 2023 |
|---|---|---|---|
| Reserves (excluding revaluation reserve) | 783.72 | 633.96 | 259.84 |
| Sales | 282.17 | 416.36 | 377.37 |
| Profit after tax / loss after tax | 149.73 | 373.95 | 75.85 |
| Earnings per share (₹) | 0.85 | 2.13 | 0.43 |
| Diluted earnings per share (₹) | 0.85 | 2.13 | 0.43 |
| Net asset value (₹) | 2,537.51 | 2,387.75 | 2,013.63 |

The above-mentioned financial information of Piramal Corporate Services Private Limited is available at https://www.piramalfinance.com/stakeholders/composite-scheme-of-arrangement-2024.

4. **Social Worth Technologies Private Limited**

***Registered office***

The registered office of Social Worth Technologies Private Limited is situated at Unit No. 404, The Chambers Viman Nagar, Pune, 411014, Maharashtra, India.

***Financial information***

Information with respect to reserves (excluding revaluation reserves), sales, profit after tax, earnings per share, diluted earnings per share and net asset value, derived from the audited financial statements of Social Worth Technologies Private Limited for the last three financial years, as required by the SEBI ICDR Regulations, are as follows:

*(in ₹ crores)*

| Particulars | Fiscal 2025 | Fiscal 2024 | Fiscal 2023 |
|---|---|---|---|
| Reserves (excluding revaluation reserve) | 1,021.62 | 997.94 | 950.03 |
| Sales | 342.68 | 250.86 | 207.20 |
| Profit after tax / loss after tax | 19.64 | 44.76 | 15.56 |
| Earnings per share (₹) | 7,378.03 | 14,855.46 | 5,185.58 |
| Diluted earnings per share (₹) | 605.65 | 1,286.99 | 560.86 |
| Net asset value (₹) | 1,571.07 | 1,000.63 | 952.71 |

The above-mentioned financial information of Social Worth Technologies Private Limited is available at https://www.piramalfinance.com/stakeholders/composite-scheme-of-arrangement-2024.

**Details of other Group Companies**

1. ***Semplice Corporate Solutions Private Limited (formerly known as AASAN Corporate Solutions Private Limited)***

***Registered office***

The registered office of Semplice Corporate Solutions Private Limited (*formerly known as AASAN Corporate Solutions Private Limited*) is situated at 1st Floor, Piramal Tower, Peninsula Corporate Park, Ganpatrao Kadam Marg, Lower Parel, Delisle Road, Mumbai, 400013, Maharashtra, India.

2. ***Piramal Foundation for Education Leadership***

***Registered office***

The registered office of Piramal Foundation for Education Leadership is situated at 2nd Floor, Piramal Ananta, Piramal Agastya Corporate Park, LBS Marg, Kurla West, Mumbai City, 400070, Maharashtra, India.

3. ***Piramal Foundation***

***Registered office***

The registered office of Piramal Foundation is situated at 2nd Floor, Piramal Ananta, Piramal Agastya Corporate Park, LBS Marg, Kurla West, Mumbai City, 400070, Maharashtra, India.

4. ***Kaivalya Education Foundation***

***Registered office***

The registered office of Kaivalya Education Foundation is situated at 2nd Floor, Piramal Ananta, Piramal Agastya Corporate Park, LBS Marg, Kurla West, Mumbai City, 400070, Maharashtra, India.

5. ***Piramal Trusteeship Services Private Limited***

***Registered office***

The registered office of Piramal Trusteeship Services Private Limited is situated at 1st Floor, Piramal Tower, Peninsula Corporate Park, Ganpatrao Kadam Marg, Lower Parel, Delisle Road, Mumbai, 400013, Maharashtra, India.

6. ***Analog Legalhub Technology Solutions Private Limited***

***Registered office***

The registered office of Analog Legalhub Technology Solutions Private Limited is situated at E-44/3, ground Floor, Okhla Industrial Area, PH-II, Okhla Industrial Estate, South Delhi,110020, New Delhi, India.

7. ***Paladin Consultancy Private Limited (formerly known as India Resurgence ARC Private Limited)***

***Registered office***

The registered office of Paladin Consultancy Private Limited (*formerly known as India Resurgence ARC Private Limited*) is situated at 304, 3rd Floor, Piramal Tower, Peninsula Corporate Park Ganpatrao Kadam Marg, Lower Parel, Mumbai 400013, Maharashtra, India.

8. ***Brickex Advisors Private Limited***

***Registered office***

The registered office of Brickex Adivsors Private Limited is situated at Piramal Tower Annexe, 4th Floor, Ganpatrao Kadam Marg, Lower Parel, Mumbai City, 400013, Maharashtra, India.

**NATURE AND EXTENT OF INTEREST OF GROUP COMPANIES**

***In the promotion of the Company and in property, land, construction of building and supply of machinery of our Company***

As on the date of this Information Memorandum, our Group Companies do not have any interest in the promotion of the Company.

The Group Companies do not have any interest, whether direct or indirect, in any property acquired by our Company within the preceding three years from the date of this Information Memorandum or proposed to be acquired by our Company as on the date of filing of this Information Memorandum, or in any transaction by our Company for acquisition of land, construction of building and supply of machinery.

***Litigation involving Group Companies which has a material impact***

For more details, please see section titled "*Outstanding Litigation and Material Developments*" on page 577 of this Information Memorandum.

***Common pursuits among the Group Companies and Subsidiaries and our Company***

There are no common pursuits among our Company, Subsidiaries and Group Companies.

***Related business transactions within our Group Companies and significance on the financial performance of the Company`***

Except as disclosed in the note on related party transactions in the section titled "*Financial Statements*" on page 198 of this Information Memorandum, the Company has not entered into any other related party transactions with the Group Companies which are significant to the financial performance of the Company.

***Business interest of Group Companies***

Except in the ordinary course of business and as stated in the note on related party transactions in the section titled "*Financial Statements*" on page 198 of this Information Memorandum, our Group Companies do not have any business interest in the Company.

***Other Confirmations***

The shares of Piramal Pharma Limited are listed on BSE and NSE. Further, neither the securities of our Company nor of our Group Companies have been refused listing by any stock exchange in India or abroad, nor has our Company or our Group Companies have failed to meet the listing requirements of any stock exchange in India or abroad.

## RELATED PARTY TRANSACTIONS

For details of related party transactions of our Company, see "*Financial Statements*" on page 198.

## DIVIDEND POLICY

As on the date of this Information Memorandum, our Company has a formal dividend distribution policy approved by our Board of Directors at their meeting held on September 24, 2025. The declaration and payment of dividend on our Equity Shares, if any, will be recommended by our Board after taking the advice of the executive management, including the Executive Director and Chief Financial Officer and approved by our Shareholders, at their discretion, in accordance with provisions of our Articles of Association and applicable law, including the Companies Act, 2013 and will depend on a number of factors, including but not limited to profits, retained earnings, working capital requirements and expected future capital/ liquidity requirements. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board and will depend on factors that our Board deem relevant, including among others, macroeconomic conditions, taxation and other regulatory provisions, statutory restrictions, product/market expansion plan and working capital management in the Company. The Board may also declare interim dividend.

Company may pay dividend by cheque or warrant or ECS or RTGS or any other mode as may be permissible under the Companies Act, 2013 and applicable SEBI Regulations or may send through post to the registered address of the member or person entitled, or in the case of joint holders, to the registered address of the joint holders first named in the register.

Our Company has not declared any dividend from the date of 2021 Reverse Merger till the date of this Information Memorandum.

## SECTION VI - FINANCIAL INFORMATION

## FINANCIAL STATEMENTS

*(remainder of the page shall remain blank)*

**Singhi & Co.**
**Chartered Accountants**
**B2 402B Marathon Innova,4th Floor,**
**Off Ganpatrao Kadam Marg,**
**Opp. Peninsula Corporate Park**
**Lower Parel, Mumbai 400013, India**

**Lodha & Co. LLP**
**Chartered Accountants**
**6, Karim Chambers, 40,**
**Ambalal Doshi Marg**
**(Hamam Street),**
**Fort, Mumbai, 400001**

## Independent Auditors' Report on Interim Consolidated Financial Statement for the period ended June 30, 2025 of Piramal Finance Limited (formerly known as Piramal Capital & Housing Finance Limited)

**To the Board of Directors of Piramal Finance Limited**
**(formerly known as Piramal Capital & Housing Finance Limited)**

### Report on the Interim Consolidated Financial Statements

We have audited the accompanying Interim Consolidated Financial Statements of Piramal Finance Limited (formerly known as Piramal Capital and Housing Finance Limited) ("the Holding Company"), its subsidiaries (the Holding company and its subsidiaries together to be referred as "the Group") and its associate and joint venture as listed in Annexure 1, which comprise the Interim consolidated Balance Sheet as at June 30, 2025, the interim consolidated Statement of Profit and Loss including the Other Comprehensive Income, interim consolidated Cash Flow Statement and interim consolidated Statement of Changes in Equity for the period from April 01, 2025 to June 30, 2025, including a summary of material accounting policies and other selected explanatory information. These Interim Consolidated Financial Statements have been prepared by the Group for the limited purpose to facilitate the listing of equity shares of the Holding Company pursuant to SEBI Master Circular – SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023.

1. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Interim Consolidated Financial Statements give a true and fair view in conformity with the Indian Accounting Standard 34 (Ind AS 34) "Interim Financial Reporting" and Ind AS prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ('Ind AS') and other accounting principles generally accepted in India, of the state of affairs of the Group as at June 30, 2025, its consolidated profit including other comprehensive income, its consolidated cash flows and the consolidated changes in equity for the period ended on that date.

### Basis for Opinion

2. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 (hereinafter referred to as "the Act"). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the audit of the Interim Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Interim Consolidated Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Interim Consolidated Financial Statements.

### Emphasis of Matter

3. We draw attention to note 42B to the accompanying Interim Consolidated Financial Statement which states that the Holding Company has disclosed Rs. 2,188.32 crores as fair value adjustment under 'Other non-financial liabilities' in line with the presentation prescribed in the National Company Law Tribunal ('NCLT') order dated June 7, 2021 in respect of assets and liabilities acquired by the Holding Company through the Corporate Insolvency Resolution Process of Dewan Housing Finance Corporation Limited ('DHFL'), which is different from the presentation requirements of Ind AS 32, Financial Instruments Presentation, that requires such fair value adjustments to be netted off with the gross book value of corresponding assets.

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Our opinion is not modified in respect of this matter.

**Key Audit Matters**

4. Key audit matters are those matters that, in our professional judgment and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries, associate and joint venture, were of most significance in our audit of the Interim Consolidated Financial Statements of the current period. These matters were addressed in the context of our audit of the Interim 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 matter(s) described below to be the key audit matters to be communicated in our report.

| Key audit matter | How our audit addressed the key audit matter |
|---|---|
| **Expected Credit Loss allowance on financial assets**<br><br>Refer note 2.(iv) for material accounting policy and note 47.4 for financial disclosures in the accompanying financial statements.<br><br>As at June 30, 2025, the Holding Company has reported gross loan assets of Rs. 67,803.17 Crores against which an impairment loss allowance of Rs. 4,875.79 Crores has been recognised based on the Expected Credit Loss ("ECL") approach as laid down under 'Ind AS 109 – Financial Instruments' (Ind AS 109).<br><br>The estimation of ECL on financial assets is complex and involves significant management judgement and estimates, including the following:<br><br>• Models used to estimate ECL are inherently judgmental with high estimation uncertainty which involves determining Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD).<br><br>• Completeness and accuracy of the data from internal and external sources used in the models.<br><br>• Ind AS 109 requires the Holding Company to measure ECLs on a forward-looking basis reflecting future economic conditions. Significant management judgement is applied in determining the economic scenario used and probability weights applied to them.<br><br>• Qualitative adjustments are made by the Management to the results obtained from ECL models to address any identified impairment or emerging trends as well as | Our audit focused on assessing the appropriateness of the models used including management's judgment and estimates used in the expected credit loss assessment through procedures that included, but were not limited to, the following:<br><br>• Considered the Holding Company's accounting policies for expected credit loss of financial assets and assessed compliance of the policies in terms of Ind AS 109.<br><br>• Understood management's processes, systems and controls implemented in relation to ECL allowance process. Evaluated the design of operating effectiveness of key internal financial controls over such process.<br><br>• Assessed the governance framework over validation and implementation as per approval from Board of Directors.<br><br>• Obtained an understanding of the models adopted by the Holding Company including the key inputs and assumptions. Since modelling assumptions and parameters are based on historical as well as external data, we assessed whether the same were relevant and representative of current circumstances.<br><br>• Assessed the critical assumptions and input data used in the estimation of expected credit loss for specific key credit risk parameters, such as the classification of loan assets into stages as described in the accounting policy, Exposure at default (EAD), probability of default (PD) or loss given default (LGD); |

| | |
|---|---|
| risks not captured by models. These adjustments are inherently subjective and significant management judgement is involved in estimating these amounts.<br><br>• In respect of purchased or originated credit impaired financial assets, cumulative changes, at the portfolio level, in lifetime expected credit losses since initial recognition are recognised as a loss allowance. Significant management judgement is applied to assess such changes.<br><br>The disclosures prescribed under Ind AS 107 is also an area of focus for the management and auditors.<br><br>Considering the significance of ECL to the overall financial statements and the degree of management's estimates and judgments involved in this matter that requires significant auditor attention, we have considered expected credit loss allowance on financial assets to be a key audit matter. | • On sample basis tested the completeness and accuracy of the input data used for determining the PD and LGD rates and agreed the data with the underlying books of accounts and records;<br>• Evaluated whether the methodology applied by the Holding Company is compliant with the requirements of the relevant accounting standards and confirmed that the calculations are performed in accordance with the approved methodology, including mathematical accuracy of the workings.<br><br>• Assessed the appropriateness and adequacy of the related presentation and disclosures made in the accompanying financial statements in accordance with the applicable accounting standards. |
| **Recoverability of Deferred Tax Assets**<br><br>Refer note 2.(xii) for material accounting policy information and note 11 for financial disclosures in the accompanying financial statements.<br><br>As at June 30, 2025, the Group has recognised net deferred tax assets of Rs. 2,542.92 Crores including unadjusted tax losses and tax credits.<br><br>The deferred tax assets have been recognised on the basis of the Group's assessment of availability of sufficient future taxable profits to utilise such unadjusted tax losses and tax credits within the time period allowed under the Income Tax Act, 1961, which is based on forecast of business projections. Such financial projections are inherently subjective and depend on various factors including future market and economic conditions, which involve significant management judgement and estimation. Any change in aforesaid assumptions could have a material impact on the carrying value of the deferred tax assets.<br><br>Owing to the materiality of the balances, complexities and significant estimates and judgements involved as described above, we have considered recoverability of deferred tax assets to be a key audit matter. | Our audit on recoverability of deferred tax assets included, but was not limited to, the following procedures:<br><br>• Obtained an understanding of the management's process and evaluated the design and tested the operating effectiveness of internal controls with respect to recognition and assessment of recoverability of the deferred tax assets;<br><br>• Evaluated the appropriateness of the accounting policy adopted by the Group in respect of recognition of deferred tax assets in accordance with Ind AS 12, Income Tax;<br><br>• Assessed the reasonableness of the period of projections used in the deferred tax asset recoverability assessment in accordance with the time period allowed under the applicable tax laws with respect to utilisation of the said tax losses against future taxable profits;<br><br>• Obtained the business projections of future taxable profits estimated by the management and reviewed the key assumptions used therein, including future growth rates and relevant economic and industry estimates, based on our understanding of the business and market factors; |

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| | |
|---|---|
| The above matter is also considered to be fundamental to the understanding of the users of the interim financial statements. | • Traced the financial projections to approved business plans and assessed efficacy of management's process for financial projections basis past business performance;<br><br>• Tested the arithmetical accuracy of the computation of future taxable profits including assessed the impact of estimation uncertainty basis the sensitivity analysis performed by the management on the projections; and<br><br>• Assessed the appropriateness and adequacy of the disclosures included in the accompanying financial statements in accordance with the applicable accounting standards. |

**Responsibilities of the Management for the Interim Consolidated Financial Statements**

5. The accompanying Interim Consolidated Financial Statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors is responsible for the preparation and presentation of these Interim Consolidated Financial Statements that gives a true and fair view of the consolidated financial position, consolidated financial performance and total comprehensive income, consolidated changes in equity and consolidated cash flows of the Holding Company in accordance with the accounting principles generally accepted in India, including the Indian accounting Standards (Ind AS) prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended.

6. The respective Board of Directors of the Companies included in the Group is responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associate and joint venture 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 Interim Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

7. In preparing the Interim Consolidated Financial Statements, the respective Board of Directors of the Companies included in the Group is responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

8. The respective Board of Directors of the Companies, included in the Group is also responsible for overseeing the financial reporting process of the Group and of its associate and joint venture.

**Auditor's Responsibilities**

9. Our objectives are to obtain reasonable assurance about whether the Interim Consolidated Financial Statements 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.

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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 Interim Consolidated Financial Statements.

10. 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 Interim 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, but not for the purpose of expressing an opinion on the effectiveness of Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity'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 Interim 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 entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Interim Consolidated Financial Statements and whether the Interim Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Interim Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the Interim Consolidated Financial Statements of which we are the independent auditors. For the other entities included in the Interim Consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

11. We communicate with those charged with governance of the Holding Company of which we are the independent auditor's 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

12. 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.

13. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Interim Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare

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circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Other Matters:**

14. The comparative financial information for the period ended June 30, 2024 included in these interim consolidated financial statements have not been subjected to audit.

15. We did not audit the interim financial statements of two subsidiaries whose financial statements reflect total assets of ₹ 1026.33 crores as at June 30, 2025, total revenues of ₹ 0.01 crores and net cash inflows of ₹ 0.01 crores for the period ended on June 30, 2025, as considered in the Interim Consolidated Financial Statement. The Interim Consolidated Financial Statement also includes the Group's share of net profit after tax of ₹ 8.67 crores and total comprehensive loss of ₹ 2.32 crores for the period ended on June 30, 2025, as considered in the Interim Consolidated Financial Statement, in respect of joint venture and an associate, whose interim financial statements have not been audited by us. These interim financial statements have been furnished to us by the management, and our conclusion in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, joint venture and an associate are based solely on such unaudited financial information.

16. The Interim Consolidated Financial Statement includes the financial statement of one subsidiary whose financial statements reflect total assets of ₹ 835.20 crores as at June 30, 2025, total revenues of ₹ 25.64 crores and net cash inflows amounting to ₹ 1.93 crores for the period ended on June 30, 2025, as considered in the Interim Consolidated Financial Statement, audited by one of the current joint auditors (Lodha & Co. LLP). The said audit report has been furnished to Singhi & Co. and has been relied upon by them for the purpose of audit of the Interim Consolidated Financial Statement.

17. the Interim Consolidated Financial Statement includes the audited consolidated financial statements for the year ended March 31, 2025 which were audited by one of the current joint auditors (Singhi & Co) along with an erstwhile joint auditor (T R Chadha & Co LLP) whose reports dated May 6, 2025 expressed an unmodified opinion on those consolidated financial statements. The said audit report has been furnished to Lodha & Co. LLP and has been relied upon by them for the purpose of audit of the Interim Consolidated Financial Statement.

Our opinion is not modified in respect of these matters.

**Restriction on distribution or use**

18. The interim consolidated financial statement has been prepared by the Company's management solely for limited purpose to facilitate the listing of equity shares of the Company pursuant to SEBI Master Circular – SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 and therefore it may not be suitable for any other purpose and accordingly should not be used, referred to or distributed for any other purpose or to any other party without our prior written consent. Further, we do not accept or assume any liability or any duty of care for any other purpose for which or to any other person to whom this review report is shown or into whose hands it may come without our prior consent in writing.

**For Singhi & Co.**
Chartered Accountants
Firm's Registration No.: 302049E

**Ravi Kapoor**
Partner
Membership No.: 040404
UDIN: **25040404BMLAPY9240**

**Place**: Mumbai
**Date**: August 21, 2025

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**For Lodha & Co. LLP**
Chartered Accountants
Firm's Registration No.: 301051E/E300284

**R.P. Baradiya**
Partner
Membership No.: 044101
UDIN: **25044101BMIYUL5622**

**Place**: Mumbai
**Date**: August 21, 2025

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**Annexure 1 to the Independent Auditors' Report on Interim Consolidated Financial Statements for the period ended June 30, 2025 of Piramal Finance Limited (formerly known as Piramal Capital & Housing Finance Limited)**

**List of entities included in the Statement**

| Sr. No. | Name of Entity | Relationship |
|---|---|---|
| 1 | DHFL Investments Limited | Subsidiary |
| 2 | Piramal Payment Services Limited | Subsidiary |
| 3 | Piramal Agastya Offices Private Limited<br>(formerly known as PRL Agastya Private Limited) | Subsidiary |
| 4 | DHFL Venture Trustee Company Limited | Associate of Subsidiary |
| 5 | Pramerica Life Insurance Limited | Joint Venture of Subsidiary |






## Piramal Finance Limited

*(formerly known as Piramal Capital & Housing Finance Limited)*

### Consolidated Balance Sheet

*as at June 30, 2025*

(Currency : Rs in crores)

| | | Note | As at June 30, 2025 | As at March 31, 2025 |
|---|---|---|---|---|
| | **ASSETS** | | | |
| 1 | **Financial assets:** | | | |
| (a) | Cash and cash equivalents | 3 | 2,118.84 | 3,809.23 |
| (b) | Bank balances other than (a) above | 4 | 1,271.37 | 1,078.41 |
| (c) | Derivative financial instruments | 48 | 59.54 | 32.02 |
| (d) | Receivables | | | |
| | (i) Trade receivables | 5 | 2.08 | 1.50 |
| | (ii) Other receivables | 6 | 40.64 | 44.67 |
| (e) | Loans | 7 | 62,927.38 | 58,746.75 |
| (f) | Investments | 8 | 8,814.57 | 7,814.84 |
| (g) | Other financial assets | 9 | 1,196.23 | 1,108.52 |
| 2 | **Non- financial assets:** | | | |
| (a) | Current tax assets (net) | 10 | 210.28 | 311.26 |
| (b) | Deferred tax assets (net) | 11 | 2,542.92 | 2,554.20 |
| (c) | Property, plant and equipment | 13 | 203.93 | 219.19 |
| (d) | Right-of-use assets | 13 | 302.79 | 301.88 |
| (e) | Investment property | 13 | 953.73 | 955.44 |
| (f) | Intangible assets under development | 13 | 0.93 | 0.93 |
| (g) | Goodwill | 13 | 2.00 | 2.00 |
| (h) | Other intangible assets | 13 | 183.15 | 199.73 |
| (i) | Other non-financial assets | 12 | 431.50 | 466.72 |
| | **Total assets** | | **81,261.88** | 77,647.29 |
| | **LIABILITIES AND EQUITY** | | | |
| | **Liabilities** | | | |
| 1 | **Financial liabilities:** | | | |
| (a) | Payables | | | |
| | Trade payables | | | |
| | (i) Total outstanding dues of micro enterprises and small enterprises | 14 | 46.92 | 44.32 |
| | (ii) Total outstanding dues of creditors other than micro enterprises and small enterprises | 14 | 345.77 | 332.24 |
| (b) | Debt securities | 15 | 34,802.83 | 33,055.36 |
| (c) | Borrowings (other than debt securities) | 16 | 24,288.81 | 23,447.95 |
| (d) | Deposits | 17 | 583.28 | 179.55 |
| (e) | Subordinated debt liabilities | 18 | 130.55 | 127.51 |
| (f) | Other financial liabilities | 19 | 933.35 | 1,085.93 |
| 2 | **Non- financial liabilities:** | | | |
| (a) | Current tax liabilities (net) | 20 | 147.82 | 147.84 |
| (b) | Provisions | 21 | 64.27 | 65.84 |
| (c) | Other non- financial liabilities | 22 | 2,437.27 | 2,504.24 |
| 3 | **Equity** | | | |
| (a) | Equity share capital | 23 | 25,664.69 | 24,964.69 |
| (b) | Other equity | 24 | (8,183.68) | (8,308.18) |
| | **Total liabilities and equity** | | **81,261.88** | 77,647.29 |
| | Material accounting policies | 2 | | |

The notes referred to above forms an integral part of the consolidated interim financial statements.

As per our report of even date attached.

**For Singhi & Co**
*Chartered Accountants*
Firm Registration No. 302049E

**Ravi Kapoor**
*Partner*
Membership No. 040404

**For Lodha & Co. LLP**
*Chartered Accountants*
Firm Registration No: 301051E/E300284

**R P Baradiya**
*Partner*
Membership No. 044101

**For and on behalf of the Board of Directors of Piramal Finance Limited**
*(formerly known as Piramal Capital & Housing Finance Limited)*
(CIN - U64910MH1984PLC032639)

**Jairam Sridharan**
*Managing Director*
DIN: 05165390

**Gautam Doshi**
*Director*
DIN: 00004612
*(London)*

**Vikash Singhla**
*Chief Financial Officer*

**Urmila Rao**
*Company Secretary*

Mumbai, August 21, 2025

# Piramal Finance Limited

*(formerly known as Piramal Capital & Housing Finance Limited)*

## Consolidated Statement of Profit and Loss

*for the period ended June 30, 2025*

(Currency : Rs in crores)

| | Note | For the period ended June 30, 2025 | For the period ended June 30, 2024 |
|---|---|---|---|
| **Revenue from operations** | | | |
| Interest income | 25 (i) | 2,016.54 | 1,542.29 |
| Dividend income | 25 (ii) | - | - |
| Rental income | | 16.92 | 17.70 |
| Fees and commission income | 26 | 116.85 | 98.55 |
| Other operating income | 27 | 80.01 | 101.51 |
| **Total revenue from operations** | | **2,230.32** | 1,760.05 |
| Other income | 28 | 25.94 | 9.47 |
| **Total income** | | **2,256.26** | 1,769.52 |
| **Expenses** | | | |
| Finance costs | 29 | 1,296.03 | 1,008.78 |
| Fees and commission expenses | 30 | 2.24 | 6.66 |
| Net loss on fair value changes | 31 | 26.13 | 110.85 |
| Net loss on derecognition of financial instruments under amortised cost category | 32 | 259.50 | 99.68 |
| Impairment allowances/(reversals) on financial instruments | 33 | (111.90) | (86.33) |
| Employee benefits expenses | 34 | 390.81 | 320.50 |
| Depreciation, amortisation and impairment | 13 | 50.18 | 43.99 |
| Other expenses | 35 | 256.84 | 229.49 |
| **Total expenses** | | **2,169.83** | 1,733.62 |
| **Profit/(loss) before share of net profit/(loss) of joint venture, associate and tax** | | **86.43** | 35.90 |
| Share of net profit/(loss) of joint venture and associate | 42 A (i) | 8.67 | (6.63) |
| **Profit/(loss) after share of net profit/(loss) of associates and joint ventures and before tax** | | **95.10** | 29.27 |
| **Less: Tax expenses** | 36 | | |
| Current tax | | - | - |
| Reversal of tax Expenses – earlier years | | - | 0.01 |
| Deferred tax | | 1.12 | (0.11) |
| | | **1.12** | (0.10) |
| **Profit/(Loss) for the period/year** | | **93.98** | 29.37 |
| **Other comprehensive income** | | | |
| *Items that will not be reclassified to statement of profit or loss* | | | |
| Equity instruments measured through OCI | | 6.08 | 83.79 |
| Income tax relating to items that will not be reclassified to Statement of profit or loss | | (0.87) | (2.40) |
| *Items that will be reclassified to statement of profit or loss* | | | |
| Share of other comprehensive income of joint venture accounted for using the equity method | | (2.32) | 5.69 |
| Remeasurement gain/(loss) on hedge accounting | | 26.28 | (5.87) |
| Debt instruments measured through OCI | | 10.63 | 8.00 |
| Income tax relating to items that will be reclassified to statement of profit or loss | | (9.29) | (0.54) |
| **Other comprehensive income** | | **30.51** | 88.67 |
| **Total comprehensive income/(loss) for the period** | | **124.49** | 118.04 |
| **Earnings per equity share (Basic and diluted) (not annualised) (Rs.)** | 37 | **0.04** | 0.01 |
| Material accounting policies | 2 | | |

The notes referred to above forms an integral part of the consolidated interim financial statements.

As per our report of even date attached.

**For Singhi & Co**
*Chartered Accountants*
Firm Registration No 302049E

**Ravi Kapoor**
*Partner*
Membership No 040404

**For Lodha & Co. LLP**
*Chartered Accountants*
Firm Registration No: 301051E/E300284

**R P Baradiya**
*Partner*
Membership No. 044101

**For and on behalf of the Board of Directors of Piramal Finance Limited**
*(formerly known as Piramal Capital & Housing Finance Limited)*
(CIN - U64910MH1984PLC032639)

**Jairam Sridharan**
*Managing Director*
DIN: 05165390

**Gautam Doshi**
*Director*
DIN: 00004612
*(London)*

**Vikash Singhla**
*Chief Financial Officer*

**Urmila Rao**
*Company Secretary*

Mumbai, August 21, 2025

## Piramal Finance Limited

*(formerly known as Piramal Capital & Housing Finance Limited)*

### Consolidated Statement of Cash Flow

*for the period ended June 30, 2025*

(Currency : Rs in crores)

| | | For the period ended June 30, 2025 | For the period ended June 30, 2024 |
|---|---|---|---|
| **A.** | **Cash flow from operating activities** | | |
| | Profit before tax after exceptional items | **95.10** | 29.27 |
| | Adjustments: | | |
| | Realised gain on sale of treasury investments | (9.86) | (17.50) |
| | Share of net profit/(loss) of joint venture and associate | (8.67) | 6.63 |
| | Interest income from fixed deposits | (26.71) | (20.05) |
| | Unrealised net loss on fair valuation of loans and advances / investments | 81.92 | 134.16 |
| | Gain on pre-termination of lease | (0.41) | (0.54) |
| | Impairment allowances/(reversals) on financial instruments | (111.90) | (86.33) |
| | Interest cost on lease payment | 9.29 | 7.26 |
| | Finance costs expenses | 1,286.74 | 1,008.79 |
| | Finance cost paid | (853.49) | (1,028.56) |
| | Net loss on derecognition of financial instruments | 259.50 | 99.68 |
| | Gain on sale of property, plant and equipment | (0.91) | - |
| | Depreciation, amortisation and impairment | 50.18 | 43.99 |
| | **Cash generated from operations before working capital changes** | **770.78** | 176.81 |
| | Decrease / (Increase) in trade receivables | (0.58) | (2.20) |
| | Decrease / (Increase) in loans | (4,258.77) | (1,457.61) |
| | Decrease / (Increase) in investments | 103.92 | 292.11 |
| | Decrease / (Increase) in other receivables | 4.03 | 18.50 |
| | Decrease / (Increase) in other financial assets | (88.62) | (23.33) |
| | Decrease / (Increase) in other non financial assets | 29.47 | 2.47 |
| | (Decrease) / Increase in trade payables | 16.13 | 49.07 |
| | (Decrease) / Increase in provisions | 8.45 | 13.78 |
| | (Decrease) / Increase in other financial liabilities | (143.64) | (322.41) |
| | (Decrease) / Increase in other non financial liabilities | (79.92) | (131.66) |
| | **Cash generated from / (used in) operations** | **(3,639.75)** | (1,384.47) |
| | Income taxes refund (net) | 100.96 | (2.23) |
| | **Net cash generated from / (used in) operating activities (a)** | **(3,538.79)** | (1,386.70) |
| **B** | **Cash flow from investing activities** | | |
| | Purchase of property, plant and equipment | (18.16) | (21.46) |
| | Sale proceeds from property, plant and equipment | 5.31 | 1.31 |
| | Purchase of treasury investments | (113,472.45) | (35,271.00) |
| | Sale of treasury investments | 112,260.02 | 35,703.43 |
| | Interest income from fixed deposits | 38.55 | 19.26 |
| | Investment in fixed deposits | (2,444.18) | (145.69) |
| | Redemption from fixed deposits | 2,240.35 | 2.75 |
| | **Net cash generated from / (used in) investing activities (b)** | **(1,390.56)** | 288.60 |
| **C** | **Cash flow from financing activities** | | |
| | Payment of lease liabilities | (21.65) | (18.41) |
| | Borrowings taken during the period | 11,368.15 | 6,657.28 |
| | Borrowings repaid during the period | (8,807.54) | (5,835.50) |
| | Proceeds from issue of equity shares | 700.00 | - |
| | **Net cash generated from / (used in) financing activities (c)** | **3,238.96** | 803.38 |
| | **Net increase/ (decrease) in cash and cash equivalents (a+b+c)** | **(1,690.39)** | (294.72) |

## Piramal Finance Limited

*(formerly known as Piramal Capital & Housing Finance Limited)*

### Consolidated Statement of Cash Flow

*for the period ended June 30, 2025*

(Currency : Rs in crores)

| | For the period ended June 30, 2025 | For the period ended June 30, 2024 |
|---|---|---|
| Cash and cash equivalents as at beginning of the period | **3,809.23** | 1,957.06 |
| Cash and cash equivalents as at end of the period | **2,118.84** | 1,662.34 |
| **Cash and Cash Equivalents Comprise of:** | | |
| Cash on hand * | **0.01** | 0.04 |
| Balances with banks in current accounts | **1,618.51** | 1,662.30 |
| Fixed deposits (with original maturity less than 3 months) | **500.32** | - |
| | **2,118.84** | 1,662.34 |

**Amount below Rs. 0.50 lakhs has been rounded off.*

The consolidated statement of cash flow has been prepared under the 'Indirect Method' set out in Indian Accounting Standard-7, "Statement of cash flow".

The notes referred to above forms an integral part of the consolidated interim financial statements.

As per our report of even date attached.

**For Singhi & Co**
*Chartered Accountants*
Firm Registration No. 302049E

**Ravi Kapoor**
*Partner*
Membership No. 040404

**For Lodha & Co. LLP**
*Chartered Accountants*
Firm Registration No: 301051E/E300284

**R P Baradiya**
*Partner*
Membership No.: 044101

**For and on behalf of the Board of Directors of Piramal Finance Limited**
*(formerly known as Piramal Capital & Housing Finance Limited)*
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**Jairam Sridharan**
*Managing Director*
DIN: 05165390

**Gautam Doshi**
*Director*
DIN: 00004612
*(London)*

**Vikash Singhla**
*Chief Financial Officer*

**Urmila Rao**
*Company Secretary*

Mumbai, August 21, 2025

## Piramal Finance Limited

*(formerly known as Piramal Capital & Housing Finance Limited)*

### Consolidated Statement of changes in equity

*for the period ended June 30, 2025*

(Currency : Rs in crores)

**A. Equity Share Capital:**

| Particulars | Amount |
|---|---|
| **Balance as at March 31, 2024** | **23,364.69** |
| Add: Issue of shares during the year | 1,600.00 |
| **Balance as at March 31, 2025** | **24,964.69** |
| Add: Issue of shares during the period | 700.00 |
| **Balance as at June 30, 2025** | **25,664.69** |

**B. Other Equity:**

| Particulars | Reserves and Surplus | | | | | Other Comprehensive Income | | | Total |
|---|---|---|---|---|---|---|---|---|---|
| | Amalgamation Adjustment Reserve | Statutory Reserve | Capital Reserve | Securities Premium | Retained Earnings | Debt Instruments Measured through OCI | Equity Instruments Measured through OCI* | Cash flow hedging reserve | |
| **Balance as at March 31, 2024** | **(4,902.88)** | **2,445.63** | **172.65** | **2,208.85** | **(8,472.43)** | **0.01** | **76.53** | **1.65** | **(8,469.99)** |
| Add/(Less): Transfer during the year | - | 10.49 | - | - | (10.49) | - | - | - | - |
| Add/(Less): Adjustment on account of Business combination | - | - | (0.02) | - | - | - | - | - | (0.02) |
| Add/(Less): Profit/(Loss) during the year | - | - | - | - | (6.65) | - | - | - | (6.65) |
| Add/(Less): Other comprehensive income (net of tax) | - | - | - | - | 99.43 | 11.06 | 80.24 | (22.25) | 168.51 |
| **Balance as at March 31, 2025** | **(4,902.88)** | **2,456.12** | **172.63** | **2,208.85** | **(8,390.14)** | **11.07** | **156.77** | **(20.60)** | **(8,308.18)** |
| Add/(Less): Profit/(Loss) during the period | - | - | - | - | 93.98 | - | - | - | 93.98 |
| Add/(Less): Other comprehensive income (net of tax) | - | - | - | - | (2.31) | 7.96 | 5.21 | 19.66 | 30.51 |
| **Balance as at June 30, 2025** | **(4,902.88)** | **2,456.12** | **172.63** | **2,208.85** | **(8,298.47)** | **19.03** | **161.98** | **(0.94)** | **(8,183.68)** |

* that will not be reclassified to consolidated statement of profit or loss

The notes referred to above forms an integral part of the consolidated interim financial statements.

As per our report of even date attached.

**For Singhi & Co**
*Chartered Accountants*
Firm Registration No. 302049E

**Ravi Kapoor**
*Partner*
Membership No: 040404

**For Lodha & Co. LLP**
*Chartered Accountants*
Firm Registration No: 301051E/E300284

**R P Baradiya**
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Membership No.: 044101

**For and on behalf of the Board of Directors of**
**Piramal Finance Limited**
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**Jairam Sridharan**
*Managing Director*
DIN: 05165390

**Gautam Doshi**
*Director*
DIN: 00004612
*(London)*

**Vikash Singhla**
*Chief Financial Officer*

**Urmila Rao**
*Company Secretary*

Mumbai, August 21, 2025

## 1A. GENERAL INFORMATION

Piramal Finance Limited (formerly known as Piramal Capital & Housing Finance Limited (the Holding Company)) was incorporated in India on April 11, 1984. The holding Company and its subsidiaries (together referred to as "the Group") and its associate and joint venture has been carrying on, as its main business of providing loans to customers for construction or purchase of residential property, loans against property, loans to real estate developers, loans to SMEs, etc. and other activities. The Holding Company received its Certificate of Registration (CoR) as a Non-Banking Financial Company - Investment and Credit Company (NBFC-ICC) from the Reserve Bank of India (RBI) on April 4, 2025. On the same day, the Holding Company surrendered its CoR as a Housing Finance Company (HFC). Further, the name of the Holding Company has been changed from 'Piramal Capital & Housing Finance Limited' to 'Piramal Finance Limited' effective from March 22, 2025. The registered office of the Holding Company is in Unit No.601, 6th Floor, Amiti Building, Agastya Corporate Park, Kamani Junction, Opp. Fire Station, LBS Marg, Kurla West, Mumbai City, 400070.

The Holding Company is the wholly-owned subsidiary of Piramal Enterprises Limited.

The Holding Company is a public limited company and its debts are listed on the Bombay Stock Exchange (BSE India) and the National Stock Exchange (NSE), India.

The consolidated interim financial statements are authorised by the Board of Directors for issue in accordance with resolutions passed on August 21, 2025.

## 1B. Basis of Preparation

**i) Statement of compliance and basis of preparation and presentation of consolidated interim financial statements**

The consolidated interim financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) and the provisions of the Companies Act, 2013 ('the Act'). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter and the guidelines and directives issued by the Reserve Bank of India (RBI) to the extent applicable. The Consolidated interim Financial Statements have been prepared by the Company for the limited purpose to facilitate the listing of equity shares of the Company pursuant to SEBI Master Circular – SEBI/HO/CFD/POD-2/P/CIR/2023/93 Dated June 20, 2023.

The consolidated Balance Sheet, the consolidated Statement of Profit and Loss and the consolidated Statement of Changes in Equity are prepared and presented in the format prescribed in the Division III of Schedule III to the Companies Act, 2013 (the "Act"). The consolidated Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows". The consolidated Balance Sheet, consolidated Statement of Profit and Loss, consolidated Statement of Cash Flow, consolidated Statement of Changes in Equity, summary of the material accounting policies information and other explanatory information are together referred as the financial statements of the Group.

For Balance sheet, the comparative has been given for Previous year ended i.e. March 31, 2025 and for Statement of Profit & Loss and Statement of Cash Flow statement the comparative period disclosed is that of corresponding period i.e. period ended June 30, 2024.

Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

All amounts included in the consolidated interim financial statements are reported in crores of Indian rupees (Rs. in crores) except share and per share data, unless otherwise stated. Due to rounding off, the numbers presented throughout the document may not add up precisely to the totals and percentages may not precisely reflect the absolute figures.

**ii) Basis of Accounting**

The consolidated interim financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period. The consolidated interim financial statements are prepared and presented on going concern basis.

**iii) Use of Estimates and Judgements**

The preparation of the consolidated interim financial statements in conformity with Indian Accounting Standards ("Ind AS") requires the management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the consolidated interim financial statements and the reported amounts of revenues and expenses during the year. Accounting estimates could change from period to period. Actual results could differ from those estimates. Revisions to accounting estimates are recognised prospectively. The Management believes that the estimates used in preparation of the consolidated interim financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

Following areas entail a high degree of estimate and judgement or complexity in determining the carrying amount of certain assets and liabilities.

1. Business Combination - Note 2 (xix) & note 42B
2. Measurement of defined benefit obligations; key actuarial assumptions – Note 2 (vi) & note 44
3. Fair Valuation of financial assets and liabilities - Note 2 (xviii) & note 45
4. Impairment of financial assets – Note 2 (iv) & note 47 4
5. Impairment of non-financial assets – Note 2 (iii)
6. Derivative - Note 2 (iv) & note 48
7. Income tax - Note 2 (xii), note 11 & note 36
8. Evaluation of business Model - Note 2 (iv)
9. Provision and Liabilities - Note 2 (vii)
10. Useful Life of Property, Plant and Equipment (PPE) and Intangible assets - Note 2 (i) & 2 (ii)
11. Share Based Payments – Note 2 (vi) & note 44 (iv)
12. Effective Interest Rate (EIR) Method – Note 2 (iv)

(Currency : Rs in crores)

**iv) Principles of consolidation and equity accounting**

(a) Subsidiaries:

Subsidiaries are entities (including Structured entities) over which the group has control. Control is achieved when the Group has power over the investee, is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to use its power to affect its returns. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the group.

The group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and consolidated balance sheet respectively.

(b) Associates:

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. Investments in associates are accounted for using the equity method of accounting (see below), after initially being recognised at cost. Wherever necessary, adjustments are made to financial statements of associates to bring there accounting policies in line with those used by the other members of group.

(c) Joint Arrangements

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.

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities relating to the arrangement.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement.

Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The Group recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the consolidated interim financial statements under the appropriate headings.

Interests in joint ventures are accounted for using the equity method (see below), after initially being recognised at cost in the consolidated balance sheet.

(d) Equity method:

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of post acquisition profits or losses of the investee in consolidated profit and loss, and the group's share of consolidated other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates or joint ventures are recognised as a reduction in the carrying amount of the investment.

Unrealised gains on transactions between the group and its associates and joint ventures are eliminated to the extent of the group's interest in these entities.

Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The carrying amount of equity accounted investments are tested for impairment.

(e) Changes in ownership interests

The group treats transactions with non-controlling interests that do not result in loss of control as transactions with equity owners of the group. A change in the ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

(f) List of entities included in the consolidated interim financial statements:

a. Subsidiary Company
   i. DHFL Investments Limited
   ii. DHFL Holdings Limited (till January 16, 2025)
   iii. DHFL Advisory & Investments Private Limited (till January 16, 2025)
   iv. Piramal Payments Services Limited
   v. Piramal Finance Sales & Services Private Limited (till January 16, 2025)
   vi. Piramal Agastya Offices Private Limited (formerly known as PRL Agastya Private Limited)

b. Associate
   i. DHFL Venture Trustee Company Limited

c. Joint Venture
   i. Pramerica Life Insurance Limited









(Currency : Rs in crores)

## 2. MATERIAL ACCOUNTING POLICIES INFORMATION

**i) Property, plant and equipment**

All property, plant and equipment are stated at cost of acquisition, less accumulated depreciation and accumulated impairment losses, if any, except for fair valued assets on business combination carried out in earlier years. Direct costs are capitalised until the assets are ready for use and includes freight, duties, taxes and expenses incidental to acquisition and installation.

The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to consolidated profit or loss during the reporting period in which they are incurred.

Subsequent expenditures related to an item of property, plant and equipment are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Losses arising from the retirement of, and gains or losses arising from disposal of Property, Plant and Equipment are recognised in the Statement of Profit and Loss.

Property, plant and equipment is recognised when it is probable that future economic benefits associated with the item is expected to flow to the Group and the cost of the item can be measured reliably. An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included under other income/expenses in the consolidated Statement of Profit and Loss when the asset is derecognised.

Depreciation is provided on a pro-rata basis on the straight line method ('SLM') over the estimated useful lives of the assets less their residual values specified in Schedule II of the Companies Act, 2013.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Individual property, plant and equipment costing less than Rupees five thousand are depreciated fully in the year of purchase or acquisition.

The estimated useful lives of property, plant and equipment are as stated below:

| | |
|---|---|
| Building | 60 years |
| Office equipment | 1-5 years |
| Furniture and fixtures | 5-10 years |
| Computers servers and network | 6 years |
| Computer - End user device | 3 years |
| Motor vehicle | 8 years (Refer note below) |
| Leasehold improvements | Amortised on SLM over lease tenure or 5 years whichever is lower |
| Freehold Land | No Depreciation |

The Group has determined the remaining useful life of the PPE acquired on date of acquisition, as per Companies Act 2013. The value of PPE acquired is depreciated/amortised over such remaining useful life determined on straight line method basis which best reflects the usage of asset to the accounting acquirer.

For vehicles given to employee as a perquisite and forming the part of their employment, amortisation is done basis the employment agreement which may vary between 3 to 5 years.

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

Cost includes cost of land (including development rights and land under agreements to purchase), internal development costs, external development charges, construction costs, overheads and development/ construction materials.

The Group depreciates building component of investment property over 60 years from the date of original purchase.

Though the Group measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes (refer note 13). Fair values are determined based on an annual evaluation performed by an accredited external independent valuer applying a valuation model recommended by the International Valuation Standards Committee.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in statement of profit and loss in the period of derecognition.

For vehicles given to employee as a perquisite and forming the part of their employment, amortisation is done basis the employment agreement which may vary between 3 to 5 years

Electrical installation is a part of office equipment.

(Currency : Rs in crores)

**ii) Intangible Assets**

Intangible assets are stated at acquisition cost except for fair valued assets on business combination carried out in earlier year, net of accumulated amortisation and accumulated impairment losses, if any.

Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the disposal proceeds and the carrying amount of the asset and are recognised as income or expense in the consolidated Statement of Profit and Loss.

Intangible assets not ready for use on the date of consolidated Balance Sheet is disclosed as 'Intangible assets under development'.

Intangible Assets other than Goodwill are amortized on a straight line basis over their finite useful lives over the following period:

| | |
|---|---|
| Computer Software | 1-6 years |

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Individual intangible assets costing less than Rupees five thousand are depreciated fully in the year of purchase or acquisition.

Goodwill on acquisition is included in intangible assets. Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.

Goodwill is carried at cost less accumulated impairment losses.

**Self generated software**

The Group recognises internally generated intangible assets when it is certain that the future economic benefit attributable to the use of such intangible assets are probable to flow to the Group and the expenditure incurred for development of such intangible assets can be measured reliably. Research costs are treated as revenue expenses and charged off to the consolidated statement of profit and loss of respective year. The cost of an internally generated intangible asset comprises all directly attributable costs necessary to create, produce, and prepare the asset to be capable of operating in the manner intended by the Group. The intangible assets including those internally generated are amortised using the straight line method over a period of three to six years, basis IT expert confirmation. The useful lives of intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

**iii) Impairment of non financial assets**

The Group assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. For the purposes of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, the Group estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the consolidated Statement of Profit and Loss. If at the Balance Sheet date there is an indication that previously assessed impairment loss no longer exists or may have decreased, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

**iv) Financial instruments**

**Recognition and initial measurement**

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs 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. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

**Financial assets**

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows, and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are subsequently measured at fair value through Other Comprehensive Income (FVTOCI):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are subsequently measured at fair value through profit and loss (FVTPL).

Debt and other instruments

Subsequent measurement of debt and other instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt and other instruments:

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(Currency : Rs in crores)

iv) **Financial instruments *(Continued)***

Evaluation of Business Model

Classification and measurement of financial instruments depends on the results of the solely payments of principal and interest on the principal amount outstanding ("SPPI") and the business model test. The Group determines the business model at a level that reflects how the Group's financial instruments are managed together to achieve a business objective.

The Company monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Group's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those instruments.

Amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in consolidated statement of profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Effective interest rate method

Income is recognised on an effective interest rate basis for financial assets other than those financial assets classified as at FVTPL. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:
– the gross carrying amount of the financial asset; or
– the amortised cost of the financial liability.

When calculating the effective interest rate for financial instruments other than purchased or originated credit-impaired ('POCI') assets, the Group estimates future cash flows considering all contractual terms of the financial instrument, but not ECL. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated using estimated future cash flows including ECL.

The calculation of the effective interest rate includes transaction costs and fees that are an integral part of the contract. Transaction costs include incremental costs that are directly attributable to the acquisition of financial asset.

If expectations regarding the cash flows on the financial asset other than purchase or originated credit impaired are revised for reasons other than credit risk, the adjustment is recorded as a positive or negative adjustment to the carrying amount of the asset in the consolidated balance sheet with an increase or reduction in interest income. The adjustment is subsequently amortized through Interest income in the consolidated statement of profit and loss. In respect of purchased or originated credit impaired assets, such positive or negative adjustment to the carrying amount of the asset is reflected through change in lifetime ECL since initial recognition. Favourable changes in lifetime ECL are recognised as an impairment gain, even if the favourable changes are more than the amount, if any, previously recognised in profit or loss account as impairment losses.

The Group calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets. In case of credit impaired assets, interest income is recorded on receipt basis.

For financial assets that were credit-impaired on initial recognition, interest income is calculated by applying the credit-adjusted effective interest rate to the amortised cost of the asset. The calculation of interest income does not revert to a gross basis, even if the credit risk of the asset improves.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in consolidated statement of profit or loss incorporates any dividend or interest earned on the financial asset. Dividend on financial assets at FVTPL is recognised when the Group's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Changes in the fair value of financial assets at FVTPL are recognised in the consolidated statement of profit and loss.
Wholesale loan book acquired through business combination is accounted as FVTPL instruments.

Fair value through Other Comprehensive Income (FVTOCI):

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVTOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in the consolidated statement of profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to the consolidated statement of profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in other income using the effective interest rate method.

(Currency : Rs in crores)

**iv) Financial instruments *(Continued)***

Fair value measurement

Fair value measurements under Ind AS are categorised into fair value hierarchy based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access on measurement date
- Level 2 inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 where unobservable inputs are used for the valuation of assets or liabilities

For assets and liabilities that are recognized in the consolidated interim financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Impairment of financial assets

The Group applies the expected credit loss ("ECL") model for recognising impairment loss on financial assets measured at amortised cost, loan commitments, trade receivables and other contractual rights to receive cash or other financial asset.

Wholesale lending:

The expected credit loss is a product of exposure at default, probability of default and loss given default. The Group has devised an internal model to evaluate the probability of default and loss given default based on the parameters set out in Ind AS 109. In line with the same, the financial instruments are classified into Stage 1 – Standard Assets with zero to thirty days past due (DPD), Stage 2 – Significant Credit Deterioration or overdue between 31 to 90 days or standard OTR cases and Stage 3 – Default Assets with overdue for more than 90 days & restructured NPA. For Stage 1 & Stage 2, PD & LGD are arrived at using parametric scorecard in the internal ECL model.

The ECL calculation is also adjusted using forward looking inputs from anticipated change in future macro-economic conditions to comply with Ind AS 109.

Retail lending:

The Group uses ECL allowance for financial assets measured at amortised cost, which are not individually significant, and comprise of a large number of homogeneous loans that have similar characteristics. The expected credit loss is a product of exposure at default, probability of default and loss given default. Due to lack of sufficient internal data, the Group uses external data from credit bureau agency for potential credit losses and blends same with internal PD data. Further, the estimates from the above sources have been adjusted with forward looking inputs from anticipated change in future macro-economic conditions to comply with IndAS 109.

The financial instruments are classified into Stage 1 – Standard Assets with zero to thirty days past due (DPD), Stage 2 – Significant Credit Deterioration or overdue for more than thirty days to 90 days or standard OTR cases and Stage 3 – Default Assets with overdue for more than 90 days.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

Impairment - POCI Financial Assets

POCI financial assets are assets that are credit-impaired on initial recognition. For POCI assets, lifetime ECL are incorporated into the calculation of the effective interest rate on initial recognition. Consequently, POCI assets do not carry an impairment allowance on initial recognition. The amount recognised as a loss allowance subsequent to initial recognition is equal to the changes in lifetime ECL since initial recognition of the asset. A favourable change for such assets create an impairment gain.

Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of financial assets in entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable, is recognised in the consolidated statement of profit and loss.

Financial assets are written off either partially or in their entirety only when the Group has no reasonable expectation of recovery.

Derecognition of financial assets under amortised cost category:

Loans and investments debt instruments are written off when the Group has no reasonable expectations of recovering the financial asset (either in its entirety or a portion of it). This is the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. A write-off constitutes a derecognition event. The Group may apply enforcement activities to financial assets written off/ may assign / sell loan exposure to ARC / Bank / a financial institution for a negotiated consideration. Net loss on derecognition of financial assets measured at amortised cost is calculated as the difference between the gross book value (including impairment) and the proceeds received. The accumulated ECL provision on the financial asset is reversed. Subsequent recoveries resulting from the Group's enforcement activities could result in income recognised under 'other operating income' in the statement of profit and loss. The Group has a Board approved policy on Write off and one time settlement of loans as per the applicable RBI regulations.

In accordance with Ind AS 109, in case of substantial renegotiation/modification of the contractual cash flows of a financial asset would lead to the derecognition of the existing financial asset. When the modification of a financial asset results in the derecognition of the existing financial asset and the subsequent recognition of the modified financial asset, the modified asset is considered a 'new' financial asset.

(Currency : Rs in crores)

**iv) Financial instruments *(Continued)***

Repossession of collateral assets

The holding company provides secured loans to individuals and corporates. In the ordinary course of business, upon borrower default, the holding company may take possession of underlying collateral such as properties, vehicles, or other assets. Such repossessed assets are typically disposed of through auctions to recover outstanding dues or may be released back to customers upon settlement. Any surplus funds are returned to the customers/obligors. Repossessed assets are not recognized in the balance sheet unless legal title is transferred to the holding company and the asset satisfies the recognition criteria under Ind AS 105 as a non-current asset held for sale. The related loans continue to be classified and provided for in accordance with the Company's Expected Credit Loss (ECL) framework under Ind AS 109.

Reclassification of financial assets and liabilities

After initial recognition of financial assets and liabilities, no re-classification is made except for financial assets where there is a change in the business model for managing those assets. The Group's management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognized gains or losses (including impairment gains or losses) or interest.

Sale of Financial assets measured at Amortised Cost

Group reclassifies financial assets if the entity changes its business model for managing those financial assets. Such changes are expected to be very infrequent. Such changes are determined by the entity's senior management as a result of external or internal changes and must be significant to the entity's operations and demonstrable to external parties. Accordingly, a change in an entity's business model will occur only when an entity either begins or ceases to perform an activity that is significant to its operations;

The Group may occasionally sale portfolio classified under amortised pool for liquidity management, recovery management in case of stressed pool or for any specific regulatory compliance which will not lead to change in business model.
Further, if the sales are infrequent or insignificant in value, the sale of amortised cost pool will also not lead to Change in Business Model.

Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. For foreign currency denominated financial assets measured at amortised cost or FVTPL, the exchange differences are recognised in consolidated statement of profit or loss except for those which are designated as hedging instruments in a hedging

Classification as debt or equity

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Investments in Alternative Investment Funds (AIF) which falls under RBI Circular

Investment in AIF units are classified as investments at fair value through profit and loss. Pursuant to the requirements of RBI circular dated December 19, 2023 read with clarifications dated March 27, 2024, the Group has measured the AIF investments that are covered under the said RBI circular/clarification net of regulatory provision equivalent to the carrying amount of the investments. There is no subsequent remeasurement of the fair value of the AIF investments. Gains on subsequent reversal of provisions based on realisation/ recoveries are recognised in other operating income (Refer note 8 (a)).
Excess realisation/ recoveries over the gross carrying value of AIF Investments is recognised as gain under 'Net gain on fair value changes' in statement of profit and loss.

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 are recognised at the proceeds received.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest rate method or at FVTPL.

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Group as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in profit and loss

(Currency : Rs in crores)

**iv) Financial instruments *(Continued)***

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. An exchange between the Group and the lender of debt and other instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

**Derivatives and hedging activities**

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. Resulting gain/loss due to subsequent remeasurement of derivatives is recognised in the statement of profit and loss immediately unless the derivative is designated and is effective as a hedging instrument, in which event the timing of the recognition in the consolidated statement of profit and loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability.

Embedded derivatives

Derivatives embedded in a host contract that is an asset within the scope of Ind AS 109 are not separated. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Derivatives embedded in all other host contract are separated only if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host and are measured at fair value through profit or loss. Embedded derivatives closely related to the host contracts are not separated.

Embedded foreign currency derivatives

Embedded foreign currency derivatives are not separated from the host contract if they are closely related. Such embedded derivatives are closely related to the host contract, if the host contract is not leveraged, does not contain any option feature and requires payments in one of the following currencies:

- the functional currency of any substantial party to that contract,
- the currency in which the price of the related good or service that is acquired or delivered is routinely denominated in commercial transactions around the world,
- a currency that is commonly used in contracts to purchase or sell non-financial items in the economic environment in which the transaction takes place (i.e. relatively liquid and stable currency)

Foreign currency embedded derivatives which do not meet the above criteria are separated and the derivative is accounted for at fair value through profit and loss.

**Hedge accounting**

The Group designates certain hedging instruments, which include derivatives in respect of foreign currency risk, as either fair value hedges, cash flow hedges, or hedges of net investments in foreign operations. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges. The Group applies hedge accounting for transactions that meet specified criteria.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Group'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 Group 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 an on-going basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges that meet the criteria for cash flow hedge accounting are accounted as follows:

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 (such as all or some future interest payments on variable rate debt) or a highly probable forecast transaction 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 of the gain or loss on the hedging instrument is recognised immediately as finance cost in the statement of profit and loss.

The amount recognised in the cash flow hedge reserve is reclassified from OCI to profit or loss as a reclassification adjustment in the same period as the hedged cash flows affect profit or loss, and in the same line item in the consolidated statement of profit or loss.

If the hedging derivative expires or is sold, terminated or exercised, or the hedge no longer meets the criteria for cash flow hedge accounting, or the hedge designation is revoked, then hedge accounting is discontinued prospectively. If the hedged cash flows are no longer expected to occur, then the Group immediately reclassifies the cumulative amount in the hedging reserve from OCI to the consolidated statement of profit or loss.

Investment in Subsidiaries and Associates

Investment in subsidiaries and associates are recognized and carried at cost. Where the carrying amount of an investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is transferred to the consolidated Statement of Profit and Loss. On disposal of investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Profit and Loss.

(Currency : Rs in crores)

**v) Assets held for sale**

Assets are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use. Such assets are generally measured at the lower of their carrying amount and fair value less costs to sell. Losses on initial classification as held for sale and subsequent gains and losses on re-measurement are recognised in profit or loss.
Once classified as held-for-sale, assets and liabilities are no longer amortised or depreciated.

**vi) Employee Benefits**

Employee benefits include provident fund, compensated absences and gratuity. In case of Provident fund, contributions are made to the Regional Provident Fund Office.

**Defined Contribution Plans**

The Group's contribution to the Regional Provident Fund office are considered as defined contribution plans, as the Group does not carry any further obligations apart from the contributions made on a monthly basis and are charged as an expense based on the amount of contribution required to be made.

**Defined Benefit Plans**

The Group contributes to Defined Benefit Plans comprising of Gratuity and Compensated absences.

Gratuity. The Group provides for gratuity, a defined benefit plan (the "Gratuity Plan") in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the consolidated statement of changes in equity and in the consolidated balance sheet.

The Group has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each reporting period using projected unit credit method on the additional amount expected to be paid / availed as a result of the unused entitlement that has accumulated at the reporting period. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

**Employee Share-based payments**

The Ultimate Holding company has issued stock options to certain employees of the Group. These transactions are recognised as equity-settled share based payment transactions. The stock compensation expense is determined based on fair value of options and the holding company's estimate of options that will eventually vest and is recognised over the vesting period in the consolidated statement of profit and loss and is payable to the Holding Company.

**vii) Provisions, Contingent Liabilities and Commitments**

Provisions are recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.
Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.
Commitments are future liabilities for contractual expenditure. The commitments are classified and disclosed as follows:
i. The estimated amount of contracts remaining to be executed on capital account and not provided for; and
ii. Other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of the Management.

**viii) Revenue recognition**

**Interest income**

Interest income from a financial asset (including Lease rental discounting assets) is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Delayed payment interest (penal interest and the like) levied on customers for delay in repayments/ non payment of contractual cashflows is recognised on realisation.

**Fees and commission income**

Other income includes fees and charges that are not considered integral to the EIR. These are recognised in accordance with Ind AS 115 – Revenue from Contracts with Customers, when the performance obligation is satisfied and it is probable that economic benefits will flow to the Group. This includes login fees, Foreclosure/prepayment charges, arranger fees, etc.

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(Currency : Rs in crores)

**viii) Revenue recognition *(Continued)***

**Dividend Income**

Dividend income from investments is recognised when the Group's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of dividend income can be measured reliably).
The gain / loss on account of redemption of units of mutual funds is recognised in the period in which redemption occurs.

**Net gain/(loss) on fair value changes**

The Group designates certain financial instruments for subsequent measurement at fair value through profit or loss (FVTPL) or fair value through other comprehensive income (FVOCI) as per the criteria in Ind AS 109. The Company recognises gains/(losses) on fair value change of financial instruments and realised gains/(losses) on derecognition of financial instruments measured at FVTPL and FVOCI on net basis.

**Sale of Services**

In contracts involving the rendering of services/development contracts, revenue is recognised at the point in time in which services are rendered. In case of fixed price contracts, the customer pays a fixed amount based on the payment schedule. If the services rendered by the Group exceed the payment, a Contract asset (Unbilled Revenue) is recognised. If the payments exceeds the services rendered, a contract liability (Deferred Revenue) is recognised. If the contracts involve time-based billing, revenue is recognised in the amount to which the Group has a right to invoice.
Penal charges is levied on customers for delay in repayments/ non payment of contractual cashflows is recognised on realisation.

**Other operating income**

Other operating Income mainly includes reversal of AIF regulatory provisions based on its recovery patterns and recoveries made against loans/investments which were written off earlier.

**ix) Foreign Currency Transactions**

In preparing the financial statement, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in consolidated statement of profit or loss in the period in which they arise.

**x) Exceptional Items**

When items of income and expense within profit or loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the enterprise for the period, the nature and amount of such items is disclosed separately as exceptional items.

**xi) Leases**

The Group recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment.
The Group measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using incremental borrowing rate. Interest expense on the lease liability is a component of other borrowing cost. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Group is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The Group recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and consolidated statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognises any remaining amount of the re-measurement in consolidated statement of profit and loss.
The Group has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

**Security Deposits on leases**

At initial recognition the carrying value of the refundable deposits is taken at present value of all expected future principal repayments discounted using market rates prevailing at the time of inception. For Interest expenses, the difference between present market value and deposit made is recognised as prepayment and amortised in the Statement of Profit and loss over the benefit period on systematic basis. Interest income is recognised at the market rate prevailing at the time of inception.

(Currency : Rs in crores)

**xii) Taxes on Income**

Tax expense for the year, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the year. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.
Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting year.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.
While determining the tax provisions, the Group assesses whether each uncertain tax position is to be considered separately or together with one or more uncertain tax positions depending upon the nature and circumstances of each uncertain tax position.

**xiii) Cash and Cash Equivalents**

In the cash flow statement, Cash and cash equivalent comprises cash in hand, demand deposits and time deposits with original maturity of less than three months held with bank and debit balance in cash credit account. Credit balance in cash credit account are shown within borrowings in financial liabilities in the consolidated balance sheet.

**xiv) Finance Costs**

Borrowing costs directly attributable to acquisition or construction of qualifying assets (i.e. those fixed assets which necessarily take a substantial period of time to get ready for their intended use) are capitalised.
Borrowing costs include interest expense calculated using the EIR method. EIR includes interest, amortization of ancillary cost, incurred in connection with the borrowing of funds. Other borrowing costs are recognised as an expense in the period in which they are incurred.

**xv) Earnings per share**

Basic earnings per share
The basic earnings per share is computed by dividing the net profit attributable to the equity shareholders by weighted average number of equity shares outstanding during the reporting year.

Diluted earnings per share
Number of equity shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share and also weighted average number of equity shares which would have been issued on the conversion of all dilutive potential shares. In computing diluted earnings per share only potential equity shares that are dilutive are included.

**xvi) Segment accounting**

In accordance with Ind AS 108, Segment Reporting, the Chief Executive Officer and Managing Director is the Group's chief operating decision maker ("CODM"). The Group has identified only one reportable business segment & geographical segment as it deals mainly in lending business within India.

**xvii) Securitization and direct assignment (including co-lending)**

The Group transfers loans through securitisation and direct assignment (including co-lending) transactions. The transferred loans are de-recognised and gains/losses are accounted for, only if the Group transfers substantially all risks and rewards specified in the underlying assigned loan contract.

In accordance with Ind AS 109, in case of assignment transactions with complete transfer of risks and rewards without any retention of residual interest, gain arising on such assignment transactions is recorded upfront in the consolidated Statement of Profit and Loss and the corresponding asset is derecognized from the consolidated Balance Sheet immediately upon execution of such transaction. Further, the transfer of financial assets qualifies for derecognition in its entirety, the whole of the interest spread at its present value (discounted over the life of the asset) is recognized on the date of derecognition itself as interest only strip receivable (interest strip on assignment) and correspondingly recognized as profit on derecognition of financial asset.

(Currency : Rs in crores)

**xviii) Fair Valuation of financial assets and liabilities**

Certain financial assets of the Group are measured at fair value for financial reporting purposes. In estimating the fair value of an asset and liability, the Group uses market observable data to the extent it is available. When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques. In such cases, the Group usually engages third party qualified external valuer to establish the appropriate valuation techniques and inputs to the valuation model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in Note 45.

**xix) Business Combinations and Goodwill**

The acquisition method of accounting is used to account for all business combinations except under common control, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a business comprises the

- fair values of the assets transferred;
- liabilities incurred to the former owners of the acquired business;
- equity interests issued by the Group; and
- fair value of any asset or liability resulting from a contingent consideration arrangement.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the
- consideration transferred;
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Any impairment loss for goodwill is recognised in the consolidated statement of profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised as capital reserve in other equity.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss or other comprehensive income, as appropriate.

**xx) Other Expenses**

Expenses are recognised on accrual basis net of the goods and services tax, except where credit for the input tax is not statutorily permitted.

**xxi) Recent pronouncements on Indian Accounting Standards**

The Ministry of Corporate Affairs (MCA) has notified amendments to certain Indian Accounting Standards (Ind AS), including Ind AS 1, Ind AS 7, Ind AS 12, Ind AS 21, Ind AS 101, and others, through the Companies (Indian Accounting Standards) Amendment Rules, 2025 and the Companies (Indian Accounting Standards) Second Amendment Rules, 2025. These amendments are applicable to financial years beginning on or after April 1, 2025, with select provisions becoming effective from April 1, 2026.

The Group has evaluated the applicability of the aforesaid amendments and, based on its assessment, concluded that they do not have a material impact on the Company's financial statements for the current reporting period.

## Notes to the Consolidated Interim Financial Statements *(Continued)*

*as at June 30, 2025*

(Currency : Rs in crores)

| | As at June 30, 2025 | As at March 31, 2025 |
|---|---|---|
| **3 Cash and cash equivalents** | | |
| Cash on hand* | 0.01 | - |
| Balances with banks in current accounts | 1,618.51 | 2,408.31 |
| Fixed deposits (with original maturity less than 3 months) | 500.32 | 1,400.92 |
| **Total** | **2,118.84** | 3,809.23 |
| *Amount below 0.50 lakhs has been rounded off. | | |
| **4 Bank balances other than (a) above** | | |
| Fixed deposits (with original maturity more than 3 months) | 232.17 | 2.58 |
| Earmarked balances with banks* | 1,039.00 | 1,075.63 |
| Unclaimed dividend accounts | 0.20 | 0.20 |
| **Total** | **1,271.37** | 1,078.41 |

*(i) Deposits with banks to the extent of Rs. 1,039.00 crores (March 31, 2025 - Rs. 1,075.63 crores) offered as security against the borrowings and securitised transactions.
(ii) Net of fair valuation loss of Rs. 229.78 crores (March 31, 2025 - Rs. 229.78 crores) on account of value recognised in books for cash collateral for securitised pool created at the time of amalgamation with erstwhile Dewan Housing Finance Corporation Limited ("eDHFL").

| | | |
|---|---|---|
| **5 Trade Receivables** | | |
| Unsecured, considered good, others | 1.15 | 0.60 |
| Receivables from related parties, Unsecured | 0.93 | 0.90 |
| Credit impaired | - | - |
| Less: Allowance for impairment loss (expected credit loss allowance) | - | - |
| **Total** | **2.08** | **1.50** |

**Ageing Schedule**

| Trade Receivables as at June 30, 2025 | Outstanding for following periods from due date of payment | | | | | |
|---|---|---|---|---|---|---|
| | Less than 6 months | 6 months -1 year | 1 year - 2 years | 2 years - 3 years | 3 years and above | Total |
| Undisputed trade receivables - considered good | 2.08 | - | - | - | - | 2.08 |
| Disputed trade receivables - credit impaired | - | - | - | - | - | - |
| **Total** | 2.08 | - | - | - | - | 2.08 |

| Trade Receivables as at March 31, 2025 | Outstanding for following periods from due date of payment | | | | | |
|---|---|---|---|---|---|---|
| | Less than 6 months | 6 months -1 year | 1 year - 2 years | 2 years - 3 years | 3 years and above | Total |
| Undisputed Trade Receivables - considered good | 1.50 | - | - | - | - | 1.50 |
| Disputed Trade Receivables - credit impaired | - | - | - | - | - | - |
| **Total** | 1.50 | - | - | - | - | 1.50 |

| | As at June 30, 2025 | As at March 31, 2025 |
|---|---|---|
| **6 Other Receivables** | | |
| Receivables considered good - unsecured | 40.64 | 44.67 |
| Receivables - credit impaired (unsecured) | 0.79 | 0.79 |
| Less: Provision for other receivables | (0.79) | (0.79) |
| **Total** | **40.64** | **44.67** |

## 7 Loans

| | | As at June 30, 2025 | | | | As at March 31, 2025 | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | At amortised cost | At FVTPL | At FVOCI | Total | At amortised cost | At FVTPL | At FVOCI | Total |
| | **Loans in India - Term Loans** | | | | | | | | |
| A | (a) Secured by tangible assets | 49,420.56 | 1,447.82 | - | 50,868.38 | 45,815.68 | 1,401.62 | - | 47,217.30 |
| | (b) Unsecured | 16,934.79 | - | - | 16,934.79 | 16,514.02 | - | - | 16,514.02 |
| | **Gross** | 66,355.35 | 1,447.82 | - | 67,803.17 | 62,329.70 | 1,401.62 | - | 63,731.32 |
| | Less: Allowance for impairment loss (expected credit loss allowance) | (4,875.79) | - | - | (4,875.79) | (4,984.57) | - | - | (4,984.57) |
| | **Net** | **61,479.56** | **1,447.82** | - | **62,927.38** | 57,345.13 | 1,401.62 | - | 58,746.75 |
| B | Considered good | | | | | | | | |
| | - to Others | 59,894.51 | 1,447.82 | - | 61,342.33 | 56,049.91 | 1,401.62 | - | 57,451.53 |
| | Less: Allowance for impairment loss (expected credit loss allowance) | (836.44) | - | - | (836.44) | (910.79) | - | - | (910.79) |
| | Significant increase in credit risk | 1,445.34 | - | - | 1,445.34 | 1,411.63 | - | - | 1,411.63 |
| | Less: Allowance for impairment loss (expected credit loss allowance) | (184.57) | - | - | (184.57) | (223.84) | - | - | (223.84) |
| | Credit impaired | 4,347.31 | - | - | 4,347.31 | 4,148.02 | - | - | 4,148.02 |
| | Less: Allowance for impairment loss (expected credit loss allowance) | (3,501.82) | - | - | (3,501.82) | (3,484.26) | - | - | (3,484.26) |
| | Purchased or Originated Credit Impaired Assets (POCI) | 668.19 | - | - | 668.19 | 720.14 | - | - | 720.14 |
| | Less: Allowance for impairment loss (expected credit loss allowance) | (352.96) | - | - | (352.96) | (365.68) | - | - | (365.68) |
| | | **61,479.56** | **1,447.82** | - | 62,927.38 | 57,345.13 | 1,401.62 | - | 58,746.75 |
| | Loan to public sectors | | | | - | | | | - |
| | Loan to others | | | | 62,927.38 | | | | 58,746.75 |
| | **Total** | | | | **62,927.38** | | | | **58,746.75** |

Notes:

(a) During the period, there was no change in the business model under which the Holding Company holds financial assets and therefore no reclassifications were made.

(b) During the current period and previous year, the Holding Company had sold certain loans classified under amortised cost as part of Direct assignment and certain stressed portfolio classified under amortised cost for liquidity and recovery management strategy of the Company. Such sale of loans will not lead to change in business model as per the Holding Company's board approved policy and management's evaluation of business model.

(c) As per merger scheme of eDHFL (refer note 42B), retail loans are grossed up by Rs. 5,651.83 crores as on June 30, 2025 (March 31, 2025 - Rs. 5,649.48 crores). ECL provisions are grossed up by Rs. 3,463.51 crores as on June 30, 2025 (March 31, 2025 - Rs. 3,479.91 crores) and balance gross up is being reflected under Fair Value Adjustment on Merger under Note 22 for Rs. 2,188.32 crores as on June 30, 2025 (March 31, 2025 Rs. 2,169.57 crores).

(d) **Collateral held:** The Holding Company holds collateral and other credit enhancements against certain of its credit exposures. The loans are collateralised against equitable mortgage of property, pledge of shares, hypothecation of assets, corporate guarantees, hypothecation over receivables from funded project or other projects of the borrower or escrow account undertaking to create security.

(e) Refer note 49 for details of securitisation transactions

(f) FVTPL loan includes Rs. 504.20 crores (March 31, 2025 - Rs. 503.49 crores) pertaining to restructured accounts which are considered as NPA for regulatory purpose.

(Currency : Rs in crores)

## 8 Investments

| | As at June 30, 2025 | | | | | As at March 31, 2025 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | At amortised cost | At FVTPL | At FVOCI | At Cost | Total | At amortised cost | At FVTPL | At FVOCI | At Cost | Total |
| **Investments within India** | | | | | | | | | | |
| Equity Investment in Joint Venture and Associate: | | | | | | | | | | |
| DHFL Venture Trustee Company Private Limited | - | - | - | 0.04 | 0.04 | - | - | - | 0.04 | 0.04 |
| Pramerica Life Insurance Limited | - | - | - | 978.39 | 978.39 | - | - | - | 972.04 | 972.04 |
| Equity Instruments (Others than subsidiaries) | - | - | 1.04 | - | 1.04 | - | - | 1.03 | - | 1.03 |
| Preference Shares (Others than subsidiaries) | - | 0.69 | 276.35 | - | 277.04 | - | 0.69 | 270.29 | - | 270.98 |
| Project Receivables | - | 524.70 | - | - | 524.70 | - | 661.00 | - | - | 661.00 |
| Alternative Investment Funds (net of regulatory provisions) [a] | - | - | - | - | - | - | - | - | - | - |
| CROMS | 2,000.22 | - | - | - | 2,000.22 | 650.47 | - | - | - | 650.47 |
| Security Receipts | - | 2,970.03 | - | - | 2,970.03 | - | 3,037.48 | - | - | 3,037.48 |
| Optionally Convertible Debentures | - | 120.00 | - | - | 120.00 | - | 120.00 | - | - | 120.00 |
| T-Bill | - | - | 24.46 | - | 24.46 | - | - | 24.08 | - | 24.08 |
| Government Securities/Redeemable Bonds [b] | 177.77 | - | 1,219.28 | - | 1,397.05 | 176.30 | - | 1,330.75 | - | 1,507.05 |
| Redeemable Non Convertible Debentures | 347.99 | - | - | - | 347.99 | 375.95 | - | - | - | 375.95 |
| Investment in Mutual Funds [c] | - | 79.12 | - | - | 79.12 | - | 86.94 | - | - | 86.94 |
| Pass Through certificates | 108.84 | - | - | - | 108.84 | 118.28 | - | - | - | 118.28 |
| **Gross** | 2,634.82 | 3,694.54 | 1,521.13 | 978.43 | 8,828.92 | 1,321.00 | 3,906.11 | 1,626.15 | 972.08 | 7,825.34 |
| Less: Allowance for impairment loss (expected credit loss allowance) | (14.35) | - | - | - | (14.35) | (10.50) | - | - | - | (10.50) |
| **Total** | **2,620.47** | **3,694.54** | **1,521.13** | **978.43** | **8,814.57** | 1,310.50 | 3,906.11 | 1,626.15 | 972.08 | 7,814.84 |

[a] During the financial year 2023-24, the holding company had made regulatory provision of Rs. 1,657.68 crores (net off reversal of Rs. 205.24 crores) in respect of its investments in Alternative Investment Funds (AIFs) pursuant to the RBI Circular dated December 19, 2023. Based on recovery pattern from AIFs, Expert Advisory Committee (EAC) has opined that such recoveries from AIFs should not be presented as exceptional items, in the Statement of Profit and Loss. Accordingly, figures for the period ended June 30, 2024 amounting to Rs. 91.65 crores have been regrouped from "Exceptional items" to "Other operating income" to conform with the presentation, considering the nature of gains.
During the period, the holding company received Rs. Nil (Rs. 738.55 crores during year ended March 31, 2025, respectively) from Alternative Investment Funds (AIFs) which has been disclosed under "Other Operating Income" as a reversal of regulatory provisions.

[b] (i) During the previous year, the holding company has changed its Business model for Government Securities from "Held for collection till maturity" to "held for collection of contractual cash flows and for selling the financial assets" with effect from April 1, 2024 considering change in intention to hold such assets till maturity and liquidate basis market condition. Consequently, the holding company has re-classified the same from amortised cost to FVTOCI.
(ii) Government securities of Rs. 8 crores (March 31, 2025 - Rs. 8 crores) is pledge for availing lending/investment under triparty repo dealing and settlement (TREPs) facilities.

[c] As on June 30, 2025, investment in mutual funds amounting to Rs. 66.45 crores (March 31, 2025 - Rs. 65.52 crores) are lien marked against PTC deals.

(Currency : Rs in crores)

| | | As at June 30, 2025 | As at March 31, 2025 |
|---|---|---|---|
| **9** | **Other financial assets** | | |
| | Security deposits | 88.77 | 86.95 |
| | Interest strip asset on assignment | 672.69 | 601.86 |
| | Other receivable* | 504.07 | 487.39 |
| | Fixed deposit with original maturity of more than 12 months | 0.62 | 0.60 |
| | Less: Provision for Other Financial Assets | (69.92) | (68.28) |
| | **Total** | **1,196.23** | 1,108.52 |
| | * Majorly includes receivable on account of securitisation transactions | | |
| **10** | **Current tax assets (Net)** | | |
| | Advance tax & tax deducted at source (net of Provision of Rs. 378.90 crores (March 31, 2025 Rs. 372.71 crores) | 210.28 | 311.26 |
| | **Total** | **210.28** | 311.26 |

(Currency : Rs in crores)

| | | As at June 30, 2025 | As at March 31, 2025 |
|---|---|---|---|
| 11 | **Deferred tax liabilities/assets (net)** | | |
| | Deferred tax assets | 2,936.68 | 2,929.00 |
| | Deferred tax liabilities | (393.76) | (374.80) |
| | **Total** | **2,542.92** | **2,554.20** |

| | Opening balance as at April 1, 2025 | Recognised in profit or loss | Recognised in Other Comprehensive Income | Closing balance as at June 30, 2025 |
|---|---|---|---|---|
| **Movement in deferred tax balances:** | | | | |
| Property Plant & Equipment | 33.19 | 1.21 | - | 34.40 |
| Provision / unrealised losses on financial assets | 943.64 | 20.66 | - | 964.30 |
| Re-measurement of employee benefits | 12.27 | 9.02 | - | 21.29 |
| Adjustments pertaining to Income and expense recognition based on expected interest rate | (344.91) | (15.42) | - | (360.33) |
| Lease Liability / ROU | 14.68 | 0.64 | - | 15.32 |
| Transaction Cost | 6.47 | (6.47) | - | - |
| Business loss | 1,904.41 | (10.74) | - | 1,893.67 |
| Hedge Effectiveness | 6.94 | - | (6.62) | 0.32 |
| Instruments measured through OCI | (29.89) | - | (3.54) | (33.43) |
| Diminution of investment in DAIPL | - | - | - | - |
| Long Term Capital Loss | 7.38 | - | - | 7.38 |
| | **2,554.20** | **(1.12)** | **(10.16)** | **2,542.92** |

| | Opening balance as at April 1, 2024 | Recognised in profit or loss | Recognised in Other Comprehensive Income | Closing balance as at March 31, 2025 |
|---|---|---|---|---|
| **Movement in deferred tax balances:** | | | | |
| Property Plant & Equipment | 36.09 | (2.90) | - | 33.19 |
| Provision / unrealised losses on financial assets | 1,689.96 | (746.32) | - | 943.64 |
| Provisions other than those pertaining to expected | - | - | - | - |
| Re-measurement of employee benefits | 24.95 | (14.66) | 1.98 | 12.27 |
| Adjustments pertaining to Income and expense recognition based on expected interest rate | (274.74) | (70.17) | - | (344.91) |
| Lease Liability / ROU | 11.26 | 3.42 | - | 14.68 |
| Transaction Cost | 12.94 | (6.47) | - | 6.47 |
| Business loss | 1,072.97 | 831.44 | - | 1,904.41 |
| Hedge Effectiveness | (0.55) | - | 7.49 | 6.94 |
| Instruments measured through OCI | (25.75) | - | (4.14) | (29.89) |
| Diminution of investment in DAIPL | (8.85) | 8.85 | - | - |
| Long Term Capital Loss | - | 7.38 | - | 7.38 |
| | 2,538.29 | 10.57 | 5.33 | 2,554.20 |

As at June 30, 2025, the holding company has accumulated unabsorbed tax losses amounting upto Rs. 24,600.53 crores (March 31, 2025 - Rs. 24,742.96 crores ) (including assessed carried forward tax losses of Rs. 14,566.85 crores (March 31, 2025 - Rs. 14,566.85 crores)), which give rise to potential deferred tax assets (DTA) amounting upto to Rs. 6,177.76 crores (March 31, 2025 - Rs. 6,213.72 crores) on such carried forward losses within the time period allowed under the applicable tax laws. In accordance with the principles of prudence and based on a detailed assessment of projected future taxable income over the next five years, the Company has recognised deferred tax assets on carried forward losses to the extent of Rs. 1,893.67 crores (March 31, 2025 - Rs. 1,904.41 crores) which is dependent upon achievement of business plan as considered in the underlying future business projections. Expiry date of above unabsorbed tax losses on which deferred tax assets is not recognised is between financial year 2029-30 to financial year 2032-33.

| | | As at June 30, 2025 | As at March 31, 2025 |
|---|---|---|---|
| 12 | **Other non-financial assets** | | |
| | Capital advance | 7.61 | 1.29 |
| | Goods and service tax credit receivable | 317.81 | 347.59 |
| | Prepaid expenses | 48.95 | 45.38 |
| | Advance for expenses | 27.86 | 40.27 |
| | Others | 4.65 | 5.65 |
| | Advance processing fees paid | 158.61 | 160.53 |
| | Less: Provision for doubtful advances | (133.99) | (133.99) |
| | **Total** | **431.50** | 466.72 |

(Currency : Rs in crores)

## 13 Property, plant and equipment, Intangible Assets and Intangibles under development

| Particulars | Gross Block | | | | Depreciation / Amortisation | | | | Net Block |
|---|---|---|---|---|---|---|---|---|---|
| | Opening As at April 1, 2025 | Additions during the period | Deduction/ write offs/ impairment | As at June 30, 2025 (A) | Opening As at April 1, 2025 | Charge for the period | Deduction/ write offs/ impairment | As at June 30, 2025 (B) | As at June 30, 2025 (A-B) |
| **Tangible Assets** | | | | | | | | | |
| Freehold Land | **0.65** | - | - | **0.65** | - | - | - | - | **0.65** |
| Building | **41.56** | - | 4.64 | **36.92** | **3.42** | 0.22 | 0.30 | **3.34** | **33.58** |
| Office Equipment | **117.35** | 1.66 | 0.27 | **118.74** | **41.85** | 5.61 | 0.21 | **47.25** | **71.49** |
| Computer | **54.86** | 0.16 | 0.64 | **54.38** | **48.54** | 2.76 | 0.62 | **50.68** | **3.70** |
| Computer Server | **6.71** | 0.19 | 0.08 | **6.82** | **3.68** | 0.15 | 0.07 | **3.76** | **3.06** |
| Furniture | **52.81** | 0.57 | 0.03 | **53.34** | **15.43** | 1.42 | 0.03 | **16.82** | **36.52** |
| Motor Car | **2.48** | - | - | **2.48** | **1.34** | 0.08 | - | **1.42** | **1.06** |
| Leasehold Improvements | **89.09** | 0.96 | 0.78 | **89.26** | **32.07** | 4.12 | 0.79 | **35.40** | **53.86** |
| Plant and machinery | **0.05** | - | - | **0.05** | **0.04** | - | - | **0.04** | **0.01** |
| **Total (I)** | **365.56** | **3.54** | **6.44** | **362.64** | **146.36** | **14.37** | **2.02** | **158.71** | **203.93** |
| **Intangible Asset** | | | | | | | | | |
| Goodwill on amalgamation/Consolidation **(II)** | **2.00** | - | - | **2.00** | - | - | - | - | **2.00** |
| **Other Intangible Asset** | | | | | | | | | |
| Computer software | **127.23** | - | - | **127.23** | **55.17** | 7.05 | - | **62.23** | **65.00** |
| Self generated software | **179.94** | - | - | **179.94** | **52.27** | 9.53 | - | **61.80** | **118.15** |
| **Total (III)** | **307.17** | - | - | **307.17** | **107.44** | **16.59** | - | **124.03** | **183.15** |
| Right to Use Assets - Premises | **412.86** | 21.03 | 7.71 | **426.17** | **110.98** | 14.99 | 2.58 | **123.39** | **302.79** |
| **Total (IV)** | **412.86** | **21.03** | **7.71** | **426.17** | **110.98** | **14.99** | **2.58** | **123.39** | **302.79** |
| **Intangibles under development (V)** | **0.93** | - | - | **0.93** | - | - | - | - | **0.93** |
| **Grand Total (I+II+III+IV+V)** | **1,088.52** | **24.57** | **14.15** | **1,098.91** | **364.78** | **45.95** | **4.60** | **406.13** | **692.80** |

Certain property, plants and equipments are placed as collateral against borrowings, the details related to which have been described in note 15 & 16.

**Amount in Intangible assets under development as at June 30, 2025**

| Particulars | Less then 1 year | 1 year - 2 years | 2 years -3 years | 3 years and above | Total |
|---|---|---|---|---|---|
| Projects in progress | 0.26 | 0.67 | - | - | 0.93 |
| Project temporarily suspended | - | - | - | - | - |

There are no Intangible assets under development, whose completion is overdue or has exceeded its cost compared to its original plan.

(Currency : Rs in crores)

## 13 Property, plant and equipment, Intangible Assets and Intangibles under development

| Particulars | Gross Block | | | | Depreciation / Amortisation | | | | Net Block |
|---|---|---|---|---|---|---|---|---|---|
| | Opening As at April 1, 2024 | Additions during the year | Deduction/ write offs/ impairment | As at March 31, 2025 (A) | Opening As at April 1, 2024 | Charge for the year | Deduction/ write offs/ impairment | As at March 31, 2025 (B) | As at March 31, 2025 (A-B) |
| **Tangible Assets** | | | | | | | | | |
| Freehold Land | 0.65 | - | - | 0.65 | - | - | - | - | 0.65 |
| Land & Building | 218.98 | - | 177.42 | 41.56 | 11.47 | 2.85 | 10.90 | 3.42 | 38.14 |
| Office Equipment | 90.09 | 28.51 | 1.25 | 117.35 | 22.44 | 20.33 | 0.92 | 41.85 | 75.50 |
| Computer | 56.96 | 0.16 | 2.26 | 54.86 | 35.09 | 15.59 | 2.14 | 48.54 | 6.32 |
| Computer Server | 6.13 | 0.73 | 0.15 | 6.71 | 3.15 | 0.67 | 0.14 | 3.68 | 3.03 |
| Furniture | 43.39 | 9.88 | 0.46 | 52.81 | 9.57 | 6.18 | 0.32 | 15.43 | 37.38 |
| Motor Car | 3.64 | 0.25 | 1.41 | 2.48 | 2.03 | 0.33 | 1.02 | 1.34 | 1.14 |
| Leasehold Improvements | 75.35 | 21.06 | 7.32 | 89.09 | 23.25 | 15.63 | 6.82 | 32.07 | 57.02 |
| Plant and machinery | 0.05 | - | - | 0.05 | 0.04 | - | - | 0.04 | 0.01 |
| **Total (I)** | 495.24 | 60.59 | 190.27 | 365.56 | 107.03 | 61.59 | 22.26 | 146.36 | 219.19 |
| **Intangible Asset** | | | | | | | | | |
| Goodwill on amalgamation//Consolidation **(II)** | 2.00 | - | - | 2.00 | - | - | - | - | 2.00 |
| **Other Intangible Asset** | | | | | | | | | |
| Computer software | 82.18 | 45.05 | - | 127.23 | 39.07 | 16.10 | - | 55.17 | 72.06 |
| Self generated software | 163.28 | 16.66 | - | 179.94 | 17.81 | 34.46 | - | 52.27 | 127.67 |
| **Total (III)** | 245.46 | 61.72 | - | 307.17 | 56.88 | 50.56 | - | 107.44 | 199.73 |
| Right to Use Assets (IV) | 320.33 | 198.29 | 105.77 | 412.86 | 91.44 | 61.16 | 41.62 | 110.98 | 301.88 |
| **Intangibles under development (V)** | 10.07 | 52.58 | 61.72 | 0.93 | - | - | - | - | 0.93 |
| **Grand Total (I+II+III+IV+V)** | 1,073.09 | 373.18 | 357.76 | 1,088.52 | 255.36 | 173.31 | 63.88 | 364.78 | 723.73 |

**Amount in Intangible assets under development as at March 31, 2025**

| Particulars | Less then 1 year | 1 year - 2 years | 2 years -3 years | 3 years and above | Total |
|---|---|---|---|---|---|
| Projects in progress | 0.93 | - | - | - | 0.93 |
| Project temporarily suspended | - | - | - | - | - |

There are no Intangible assets under development, whose completion is overdue or has exceeded its cost compared to its original plan.

(Currency : Rs in crores)

## 13 Investment property & Investment property under construction

(i)

| Particulars | Gross Block | | | | Depreciation / Amortisation | | | | Net Block |
|---|---|---|---|---|---|---|---|---|---|
| | Opening As at April 1, 2025 | Additions during the period | Deduction/ write offs | As at June 30, 2025 (A) | Opening As at April 1, 2025 | Charge for the period | Deduction/ write offs | As at June 30, 2025 (B) | As at June 30, 2025 (A-B) |
| **Tangible Assets** | | | | | | | | | |
| Building | **818.38** | | | **818.38** | **91.59** | 3 44 | | **95.03** | **723.35** |
| Land | **179.27** | | | **179.27** | | | | | **179.27** |
| Furniture and fixtures | **7.59** | | | **7.59** | **4.62** | 0 19 | | **4.81** | **2.78** |
| Plant and machinery | **34.22** | 0 01 | | **34.23** | **16.93** | 0 60 | | **17.52** | **16.71** |
| **Total (I)** | **1,039.46** | **0.01** | | **1,039.47** | **113.14** | **4.23** | | **117.37** | **922.11** |
| **Investment property under construction** | | | | | | | | | |
| Investment property under construction | **29.12** | **2.50** | | **31.62** | | | | | **31.62** |
| **Total (II)** | **29.12** | **2.50** | | **31.62** | | | | | **31.62** |
| **Grand Total (I+II)** | **1.068.58** | **2.51** | | **1.071.09** | **113.14** | **4.23** | | **117.37** | **953.73** |

**Amount in Investment property under construction** at June 2025

| Investment property under construction | Less then 1 year | 1 year - 2 years | 2 years -3 years | 3 years and above | Total |
|---|---|---|---|---|---|
| Projects in progress | 2 50 | 11 98 | 16 41 | 0 72 | 31 62 |
| Project temporarily suspended | | | | | |

**Investment under**

| Investment property under construction | Less then 1 year | 1 year - 2 years | 2 years -3 years | 3 years and above | Total |
|---|---|---|---|---|---|
| Projects in progress | | | | 31 62 | 31 62 |
| Project temporarily suspended | | | | | |

Note: The Group has created charge on certain assets in favour Lenders (Refer Note 16)

| Particulars | Gross Block | | | | Depreciation / Amortisation | | | | Net Block |
|---|---|---|---|---|---|---|---|---|---|
| | Opening As at April 1, 2024 | Additions during the year | Deduction/ write offs | As at March 31, 2025 (A) | Opening As at April 1, 2024 | Charge for the year | Deduction/ write offs | As at March 31, 2025 (B) | As at March 31, 2025 (A-B) |
| **Tangible Assets** | | | | | | | | | |
| Building | **818.38** | | | **818.38** | 77 78 | 13 81 | | **91.59** | **726.78** |
| Land | **179.27** | | | **179.27** | | | | | **179.27** |
| Furniture and fixtures | **7.59** | | | **7.59** | 3 86 | 0 76 | | **4.62** | **2.97** |
| Plant and machinery | **34.18** | 0 04 | | **34.22** | 14 54 | 2 39 | | **16.92** | **17.31** |
| **Total (I)** | **1,039.42** | **0.04** | | **1.039.46** | **96.18** | **16.95** | | **113.13** | **926.33** |
| **Investment property under construction** | | | | | | | | | |
| Investment property under construction | **17.14** | **11.98** | | **29.12** | | | | | **29.12** |
| **Total (II)** | **17.14** | **11.98** | | **29.12** | | | | | **29.12** |
| **Grand Total (I+II)** | **1.056.56** | **12.02** | | **1.068.58** | **96.18** | **16.95** | | **113.13** | **955.44** |

**Amount in Investment property under construction** 2025

| Investment property under construction | Less then 1 year | 1 year - 2 years | 2 years -3 years | 3 years and above | Total |
|---|---|---|---|---|---|
| Projects in progress | 11 98 | 2 15 | 14 33 | 0 66 | 29 12 |
| Project temporarily suspended | | | | | |

**Investment under**

| Investment property under construction | Less then 1 year | 1 year - 2 years | 2 years -3 years | 3 years and above | Total |
|---|---|---|---|---|---|
| Projects in progress | | | | 29 13 | 29 13 |
| Project temporarily suspended | | | | | |

Note: The Company has created charge on certain assets in favour of Lenders (Refer Note 16)

(ii) **Amount and loss for investment**

| | For the period ended June 30, 2025 | For the year ended March 31, 2025 |
|---|---|---|
| Rental income derived from investment properties | 16 90 | 72 40 |
| Direct operating expenses (including repairs and maintenance) generating rental income | 5 93 | 21 66 |
| Profit arising from investment properties before depreciation and indirect expenses | 10 97 | 50 74 |
| Less: Depreciation | (3 87) | (15 48) |
| **t from leasing of investment properties** | **7.10** | **35.26** |

MUMBAI-01

(Currency : Rs in crores)

## 13 Investment property & Investment property under construction *(Continue)*

The Group's investment property and investment property under construction consists of commercial property situated at Kurla, Mumbai. As on June 30, 2025 the fair value of investment property is Rs. 1,013.77 crores approx. (March 31, 2025: Rs. 1,018.00 crores). The valuation is performed by an accredited registered independent valuer in accordance with the framework specified under Ind AS .

**Description of hierarchy, valuation technique used and key inputs to valuation are as below:**

| | Valuation Technique | Significant unobservable inputs | June 30, 2025 & March 31, 2025 |
|---|---|---|---|
| Commercial property for lease | Discounted Cash Flow and Residual Method (M22); Capitalisation rate method (M21) | Rent growth p.a. | 4.75% p.a. |
| | | Capitalisation rate | 8% p.a. |
| | | Occupancy rate | 97.50% |
| Wing -D Investment property under construction | Residual Method | Gross Turnover from the Project - Outgoings of the project | |

Under the valuation technique as mentioned above, fair value is estimated using assumptions regarding the benefits and liabilities of ownership over the asset's life including an exit or terminal value. This method involves the projection of a series of cash flows on a real property interest.

The duration of the cash flows and the specific timing of inflows and outflows are determined by events such as rent reviews, lease renewal and related re-letting, redevelopment, or refurbishment. The appropriate duration is typically driven by market behaviour that is a characteristic of the class of real property. Periodic cash flow is typically estimated as gross income less vacancy, non-recoverable expenses, collection losses, lease incentives, maintenance cost, agent and commission costs and other operating and management expenses. The series of periodic net operating income, along with an estimate of the terminal value anticipated at the end of the projection period, is then discounted.

Significant increases/ (decreases) in estimated rental value and rent growth per annum in isolation would result in a significantly higher/ (lower) fair value of the properties. Significant increases/ (decreases) in occupancy rate and discount rate/capitalisation rate in isolation would result in a significantly lower (higher) fair value.

**Lease income**

The Group's investment property consist of one commercial property in Kurla, Mumbai. The management has determined that the investment property consist of - Piramal Agastya Corporate Park (Phase I) based on the nature, characteristics and risks of property.

| Particulars | June 30, 2025 | March 31, 2025 |
|---|---|---|
| Not later than one year | 59.46 | 57.61 |
| Later than one year and not later than five years | 280.48 | 260.59 |
| Later than five years | - | - |
| Lease income recognised during the period/year in statement of profit and loss | 16.90 | 72.40 |

(Currency : Rs in crores)

| | | As at June 30, 2025 | As at March 31, 2025 |
|---|---|---|---|
| **14** | **Trade payables** | | |
| (i) | Total outstanding dues of micro enterprises and small enterprises (Refer note 39) | 46.92 | 44.32 |
| | **Total** | **46.92** | 44.32 |
| (ii)(a) | Total outstanding dues of creditors other than micro enterprises and small enterprises | 322.64 | 326.65 |
| (ii)(b) | Trade payables to related parties (Refer note 43) | 23.13 | 5.59 |
| | **Total** | **345.77** | **332.24** |

**Note :**

**Trade payables ageing as at June 30, 2025**

| Particulars | Unbilled Amount | Outstanding for following periods from due date of payment | | | | Total |
|---|---|---|---|---|---|---|
| | | Less than 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | |
| MSME | 43.43 | 3.44 | 0.00 | 0.02 | 0.03 | 46.92 |
| Others | 312.05 | 30.43 | 1.49 | 1.38 | 0.42 | 345.77 |
| Disputed dues -MSME | - | - | - | - | - | - |
| Disputed dues - Others | - | - | - | - | - | - |
| **Total** | **355.48** | **33.87** | **1.49** | **1.40** | **0.45** | **392.69** |

**Trade payables ageing as at March 31, 2025**

| Particulars | Unbilled Amount | Outstanding for following periods from due date of payment | | | | Total |
|---|---|---|---|---|---|---|
| | | Less than 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | |
| MSME | 37.79 | 6.25 | 0.23 | 0.05 | - | 44.32 |
| Others | 306.67 | 22.19 | 1.29 | 1.87 | 0.22 | 332.24 |
| Disputed dues -MSME | - | - | - | - | - | - |
| Disputed dues - Others | - | - | - | - | - | - |
| **Total** | **344.46** | **28.44** | **1.52** | **1.92** | **0.22** | **376.56** |

(Currency : Rs in crores)

| | As at June 30, 2025 | As at March 31, 2025 |
|---|---|---|
| **15 Debt Securities** | | |
| **Debt securities in India, unless otherwise specified** | | |
| **Measured at amortised cost** | | |
| Redeemable Non Convertible Debentures (secured) | 25,863.96 | 23,328.22 |
| Foreign Currency Bonds (secured) (from outside India) | 3,973.77 | 3,876.54 |
| Commercial Paper (unsecured) | 4,965.10 | 5,850.60 |
| **Total** | **34,802.83** | **33,055.36** |
| **16 Borrowings (Other than Debt Securities)** | | |
| **Borrowings in India, unless otherwise specified** | | |
| **Measured at amortised cost** | | |
| Term Loans (secured) | | |
| -From banks | 15,126.46 | 14,370.43 |
| -From Others | 899.82 | 833.51 |
| -FCNR Loan (from outside India) | 3,088.14 | 3,074.13 |
| Securitised Borrowings (Secured) | 5,174.39 | 5,169.88 |
| **Total** | **24,288.81** | 23,447.95 |
| **17 Deposits** | | |
| **Deposits in India** | | |
| **Measured at amortised cost** | | |
| Intercorporate deposit from related party (unsecured) (Refer note 43) | 583.28 | 179.55 |
| **Total** | **583.28** | 179.55 |
| **18 Subordinated Liabilities** | | |
| **Subordinated Liabilities in India** | | |
| **Measured at amortised cost** | | |
| Redeemable Non Convertible Debentures (unsecured) | 130.55 | 127.51 |
| **Total** | **130.55** | 127.51 |

LODHA & CO. LLP MUMBAI-01 Chartered Accountants

SINGHI & CO. Chartered Accountants

PIRAMAL FINANCE LIMITED

(Currency : Rs in crores)

**15 Debt Securities**

**A. Redeemable Non Convertible Debentures (secured)**

| Particulars | Nature of Security | Terms of repayment | Principal Outstanding as at June 30, 2025 | Principal Outstanding as at March 31, 2025 | Maturity Due Date | First Instalment payment date |
|---|---|---|---|---|---|---|
| 18,48,28,062 (At the time of Issue - 19,53,25,290) (payable semi annually) 6.75% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value 825 (Previous Year : Rs 875) | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage Property | The NCD's are repayable at 2.5% semi-annually for first 5 years and at 7.5% semi-annually for the next 5 years from the date of allotment | 15,248.32 | 15,248.32 | September 26, 2031 | March 28, 2022 |
| 10,000 (payable quarterly & at maturity) 9.08% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1,00,000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage Property | The NCD's are repayable after 394 days from the date of allotment | - | 100.00 | April 4, 2025 | NA |
| 20,000 (payable annually) 9.25% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 7,50,000 (Previous Year - 10,00,000) | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property | The NCD's are repayable in 4 equal instalments starting from 12 June 2025 | 1,500.00 | 2,000.00 | March 12, 2026 | June 12, 2025 |
| 20,500 (payable annually) 9.25% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 7,50,000 (Previous Year - 10,00,000) | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property | The NCD's are repayable in 4 equal instalments starting from 19 June 2025 | 1,537.50 | 2,050.00 | March 19, 2026 | June 19, 2025 |
| 5,000 (payable monthly) 7.96% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each having a face value of Rs. 10,00,000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property | The NCDs are redeemable at par in three instalments : 8th year-167 crore; 9th year-167crore; 10th year 166 crore | 500.00 | 500.00 | September 20, 2027 | September 19, 2025 |
| 350 (payable annually) 9.25% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property | The NCDs are repayable after 2555 days from the date of allotment | 35.00 | 35.00 | October 3, 2025 | NA |
| 10,000 (payable annually) 8.75% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1,00,000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage Property | The NCD's are repayable after 1130 days from the date of allotment | 100.00 | 100.00 | May 25, 2026 | NA |
| 1,07,455 (payable annually) 8.50% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1,000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage Property | The NCD's are repayable after 1826 days from the date of allotment | 10.75 | 10.75 | July 23, 2026 | NA |
| 8,08,680 (payable annually) 8.75% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1,000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage Property | The NCD's are repayable after 1826 days from the date of allotment | 80.87 | 80.87 | July 23, 2026 | NA |
| 5,000 (payable annually) 9.27% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property | The NCDs are redeemable at par in three instalments : 8th year-167.00 crores ; 9th year-167.00 crores; 10th year-166.00 crores | 500.00 | 500.00 | December 19, 2028 | December 18, 2026 |
| 15,000 (payable annually) 9.51% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property | The NCD's are repayable in 3 equal instalment of Rs 500 crores each payable after 8th year, 9th year, 10th year from the date of allotment | 1,500.00 | 1,500.00 | March 9, 2029 | March 11, 2027 |
| 500 (payable annually) 9.32% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property | The NCD's are repayable after 3650 days from the date of allotment | 50.00 | 50.00 | November 1, 2030 | NA |
| 250 (payable annually) 9.00% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property | The NCD's are repayable after 3650 days from the date of allotment | 25.00 | 25.00 | March 28, 2031 | NA |
| 200 (payable annually) 8.85% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property | The NCD's are repayable after 3650 days from the date of allotment | 20.00 | 20.00 | June 27, 2031 | NA |

(Currency : Rs in crores)

**15 Debt Securities (Continued)**

**A. Redeemable Non Convertible Debentures**

| Particulars | Nature of Security | Terms of repayment | Principal Outstanding as at June 30, 2025 | Principal Outstanding as at March 31, 2025 | Maturity Due Date | First Instalment payment date |
|---|---|---|---|---|---|---|
| 1,150 (payable annually) 8.75% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1,000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage Property | The NCD's are repayable after 3652 days from the date of allotment | 0.12 | 0.12 | July 23, 2031 | NA |
| 15,40,084 (payable annually) 9.00% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1,000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage Property | The NCD's are repayable after 3652 days from the date of allotment | 154.01 | 154.01 | July 23, 2031 | NA |
| 25000 (payable annually & at maturity) 9.30% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1,00,000/- | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage Property | The NCD's are repayable after 730 days from the date of allotment | 250.00 | 250.00 | January 7, 2027 | NA |
| 42500 (payable quarterly & at maturity) 9.30% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1,00,000/- | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage Property | The NCD's are repayable after 396 days from the date of allotment | 425.00 | 425.00 | February 23, 2026 | NA |
| 42500 (payable quarterly & at maturity) 9.30% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1,00,000/- | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage Property | The NCD's are repayable after 729 days from the date of allotment | 425.00 | 425.00 | January 22, 2027 | April 23, 2026 |
| 40,000 (payable annually and on redemption Date ) 9.30% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1,00,000/- | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage Property | The NCD's are repayable after 729 days from the date of allotment | 400.00 | - | May 7, 2027 | NA |
| 50,000 (payable annually and on redemption Date ) 9.10% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1,00,000/- | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage Property | The NCD's are repayable after 668 days from the date of allotment | 500.00 | - | April 16, 2027 | NA |
| 2,05,000 (payable annually and on redemption Date ) 9.15% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1,00,000/- | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage Property | The NCD's are repayable after 730 days from the date of allotment | 2,050.00 | - | June 17, 2027 | NA |
| 40,000 (payable quarterly & at maturity) 9.25% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1,00,000/- | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage Property | The NCD's are repayable after 1826 days from the date of allotment | 400.00 | - | June 17, 2030 | NA |

The contractual rate of interest for the above borrowings are in the range of 6.75% to 9.51% per annum

**15 Debt Securities (Continued)**

**B Foreign Currency Bonds (secured) (from outside India):**

| Particulars | Terms of Repayment | Principal Outstanding as at June 30, 2025 | Principal Outstanding as at March 31, 2025 | Maturity Due Date | First Instalment payment date |
|---|---|---|---|---|---|
| First pari-passu charge on the standard assets including receivables present and future | Repayable in 2 equal instalments after 39 months | 3,859.43 | 3,846.60 | January 29, 2028 | October 29, 2027 |

The contractual rate of interest for the above borrowings is 7.8% per annum

**C Commercial Paper:**

| Particulars | Terms of Repayment | Principal Outstanding as at June 30, 2025 | Principal Outstanding as at March 31, 2025 | Maturity Due Date |
|---|---|---|---|---|
| Commercial Paper | Repayable within 365 days from date of disbursement | 5,110.00 | 6,065.00 | Various |

The contractual rate of interest for the above borrowings are in the range of 7.6% to 9% per annum

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(Currency : Rs in crores)

### 16 Borrowings (Other than Debt Securities)

A. I Rupee Term Loan from Banks

| Nature of Security | Terms of repayment | Principal Outstanding as at June 30, 2025 | Principal Outstanding as at March 31, 2025 | Maturity Due Date | First Instalment payment date |
|---|---|---|---|---|---|
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayment of principal in 16 equal quarterly instalment after moratorium period of three year from drawdown date | 160.85 | 210.94 | May 17, 2026 | June 17, 2019 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Term Loan repayment in 24 equal quarterly instalments after a moratorium period of 1 year | 145.57 | 166.41 | January 30, 2027 | March 29, 2021 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 20 equal quarterly instalments | 109.64 | 147.23 | March 30, 2026 | June 30, 2021 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Term Loan repayment in 24 quarterly instalments post moratorium period of 1 year | - | 92.50 | April 4, 2025 | July 4, 2021 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Term Loan Repayment in 16 equal quarterly instalments post moratorium period of 1 year | - | 30.79 | April 2, 2025 | July 3, 2021 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Term Loan Repayment in 16 equal quarterly instalments post moratorium period of 1 year | 6.24 | 9.36 | December 11, 2025 | March 11, 2022 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 60 months including moratorium period of 1 year and post that payable in 16 equal quarterly instalments. | - | 65.61 | December 28, 2025 | March 28, 2022 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 28 equal quarterly instalments. | 116.05 | 133.91 | December 29, 2028 | March 31, 2022 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 20 equal quarterly instalments after the moratorium period of 24 months from the drawdown date | 62.24 | 83.13 | March 31, 2027 | June 17, 2022 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in eighteen quarterly instalments of Rs. 8 crores each and last instalment of Rs. 6 crores after a holiday period of 3 months from date of drawdown | 45.99 | 53.99 | December 24, 2026 | June 27, 2022 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 20 equal quarterly instalments. | 59.97 | 79.97 | March 30, 2027 | June 30, 2022 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 12 equal quarterly instalments from date of drawdown | - | 33.33 | May 12, 2025 | August 13, 2022 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 19 quarterly instalments with moratorium period of 3 months from date of drawdown | 27.57 | 31.52 | March 30, 2027 | September 30, 2022 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 19 quarterly instalments with moratorium period of 3 months from date of drawdown | 94.72 | 126.32 | March 30, 2027 | September 30, 2022 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 16 quarterly instalments with moratorium period of 6 months from date of drawdown | 24.92 | 37.44 | September 30, 2026 | December 31, 2022 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Term loan repayable in 20 equal quarterly instalments | 24.99 | 27.49 | October 31, 2027 | January 31, 2023 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Term loan repayable in 20 quarterly instalments from the end of the quarter of the first disbursement | 44.98 | 54.98 | October 31, 2027 | January 31, 2023 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in eight half yearly instalments after a moratorium period of 1 year from date of drawdown | 56.17 | 56.17 | August 31, 2026 | February 28, 2023 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Term loan repayable in 20 equal quarterly instalments from the end of the quarter of the first disbursement | 337.48 | 412.49 | December 19, 2027 | March 19, 2023 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | 18 equal quarterly instalments after 6 months moratorium | 80.84 | 104.00 | June 30, 2027 | March 31, 2023 |

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(Currency : Rs in crores)

**16 Borrowings (Other than Debt Securities)**

A. 1 Rupee Term Loan from Banks (Continued)

| Nature of Security | Terms of repayment | Principal Outstanding as at June 30, 2025 | Principal Outstanding as at March 31, 2025 | Maturity Due Date | First Instalment payment date |
|---|---|---|---|---|---|
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Term loan repayable in quarterly instalments over a period 15 years with NIL moratorium | 41.58 | 42.42 | December 30, 2037 | March 31, 2023 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | 18 equal quarterly instalments after 6M moratorium | 118.62 | 148.32 | September 26, 2027 | June 26, 2023 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 24 quarterly instalments with moratorium period of 1 year from date of drawdown | 124.95 | 133.30 | March 29, 2029 | June 30, 2023 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | 9 equal quarterly install after 9 month moratorium | 11.11 | 22.22 | August 4, 2025 | August 4, 2023 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 12 equal quarterly instalments after 1 year moratorium | 57.49 | 76.66 | May 30, 2026 | August 31, 2023 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 12 equal quarterly instalments after 1 year moratorium | 43.75 | 58.33 | June 2, 2026 | September 2, 2023 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | 12 equal quarterly install after 1 year moratorium | 55.67 | 69.58 | July 31, 2026 | October 31, 2023 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 14 quarterly instalments with moratorium period of 18 months from date of drawdown | 250.00 | 285.71 | March 7, 2027 | December 7, 2023 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | 16 equal quarterly instalments after 12 month moratorium | 28.12 | 31.25 | September 30, 2027 | December 31, 2023 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 12 quarterly instalments with moratorium period of 1 year from date of drawdown | 125.00 | 145.83 | March 9, 2027 | June 9, 2024 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 20 equal instalments from drawdown date | 162.47 | 174.98 | September 29, 2028 | December 29, 2023 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 20 equal instalments from drawdown date | 449.71 | 487.25 | June 27, 2028 | September 27, 2023 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 12 equal instalments from drawdown date | 125.00 | 145.83 | October 31, 2026 | January 31, 2024 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 14 equal instalments from drawdown date | 57.15 | 64.29 | June 28, 2027 | March 28, 2024 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 20 equal instalments from drawdown date | 209.95 | 239.96 | March 31, 2029 | June 29, 2024 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 12 equal instalments starting from 15 months from drawdown date | 316.46 | 348.33 | March 30, 2028 | June 30, 2025 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 12 equal instalments starting from 15 months from drawdown date | 79.12 | 87.08 | March 30, 2028 | June 30, 2025 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 12 equal quarterly instalments starting from 3 months from drawdown date | 41.67 | 50.00 | September 28, 2026 | December 28, 2023 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 16 quarterly instalments starting from 1 year from the drawdown date | 1,627.50 | 1,743.75 | November 30, 2028 | February 28, 2025 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 18 equal quarterly instalments starting from 9 months from drawdown date | 388.88 | 444.44 | March 12, 2029 | December 12, 2024 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Bullet payment on maturity | - | 250.00 | May 30, 2025 | May 30, 2025 |

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(Currency : Rs in crores)

**16 Borrowings (Other than Debt Securities)**

**A. 1 Rupee Term Loan from Banks (Continued)**

| Nature of Security | Terms of repayment | Principal Outstanding as at June 30, 2025 | Principal Outstanding as at March 31, 2025 | Maturity Due Date | First Instalment payment date |
|---|---|---|---|---|---|
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Bullet payment on maturity | - | 500.00 | June 9, 2025 | June 9, 2025 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Bullet payment on maturity | - | 250.00 | May 30, 2025 | May 30, 2025 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 12 equal instalments starting from 15 months from drawdown date | 95.97 | 104.72 | June 19, 2028 | September 19, 2025 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 5 equal instalment starting from 6 months from drawdown date | 159.91 | 239.97 | December 28, 2025 | December 28, 2024 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Bullet payment on maturity | 250.00 | 250.00 | December 29, 2025 | December 29, 2025 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 16 equal quarterly instalments starting from 9 months from drawdown date | 468.75 | 500.00 | July 25, 2028 | April 30, 2025 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 19 equal quarterly instalments starting from 6 months from drawdown date | 168.41 | 189.47 | September 23, 2029 | March 28, 2025 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 5 equal instalment starting from 6 months from drawdown date | 18.00 | 24.00 | March 25, 2026 | March 24, 2025 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 20 equal quarterly instalments starting from 3 months from drawdown date | 212.49 | 225.00 | September 26, 2029 | December 26, 2024 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 12 equal instalments starting from 15 months from drawdown date | 64.96 | 65.00 | September 30, 2028 | December 31, 2025 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 5 equal instalment starting from 6 months from drawdown date | 28.00 | 35.00 | April 25, 2026 | April 25, 2025 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 20 equal instalment starting from 3 months from drawdown date | 255.00 | 285.00 | November 21, 2029 | February 21, 2025 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 5 equal instalment starting from 6 months from drawdown date | 59.99 | 75.00 | June 3, 2026 | June 3, 2025 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 18 equal instalment starting from 9 months from drawdown date | 250.00 | 250.00 | December 24, 2029 | September 24, 2025 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 24 equal instalment starting from 15 months from drawdown date | 2,000.00 | 2,000.00 | December 31, 2031 | March 30, 2026 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Term loan repayable in 20 quarterly instalments from the end of the quarter of the first disbursement | 179.94 | 189.95 | December 31, 2029 | March 31, 2025 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 12 equal instalments starting from 15 months from drawdown date | 69.96 | 70.00 | December 31, 2028 | March 31, 2026 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 8 equal instalments starting from 3 months from drawdown date | 225.00 | 262.50 | December 31, 2026 | March 31, 2025 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Bullet payment on maturity | 250.00 | 250.00 | April 23, 2026 | April 23, 2026 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 5 equal instalment starting from 6 months from drawdown date | 50.00 | 50.00 | September 19, 2026 | September 19, 2025 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 16 equal instalments starting from 15 months from drawdown date | 299.99 | 300.00 | March 31, 2030 | June 30, 2026 |

(Currency Rs in crores)

## 16 Borrowings (Other than Debt Securities)

**A. 1 Rupee Term Loan from Banks (Continued)**

| Nature of Security | Terms of repayment | Principal Outstanding as at June 30, 2025 | Principal Outstanding as at March 31, 2025 | Maturity Due Date | First Instalment payment date |
|---|---|---|---|---|---|
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 12 equal instalments starting from 15 months from drawdown date | 175 00 | 175 00 | March 28, 2029 | June 30, 2026 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 20 equal instalments starting from 3 months from drawdown date | 475 00 | 500 00 | March 31, 2030 | June 30, 2025 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 16 equal instalments starting from 3 months from drawdown date | 50 00 | 50 00 | March 28, 2030 | June 30, 2026 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Bullet payment on maturity | 500 00 | - | June 3, 2026 | NA |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Bullet payment on maturity | 250 00 | - | June 23, 2026 | NA |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 7 instalments starting from 6 months from drawdown date | 670 00 | - | May 31, 2027 | November 30, 2025 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Bullet payment on maturity | 500 00 | - | July 10, 2026 | NA |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 20 quarterly structured instalments | 375 00 | - | June 13, 2030 | September 13, 2025 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 20 quarterly structured instalments | 375 00 | - | June 25, 2030 | September 25, 2025 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 16 equal instalments starting from 15 months from drawdown date | 300 00 | - | June 30, 2030 | September 30, 2026 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 20 equal instalment starting from 3 months from drawdown date | 120 00 | - | June 30, 2030 | September 30, 2025 |
| Secured by pari passu charge over unsold portion of Wing A Piramal Agastya Corporate Park (Phase I) along with the land corresponding to it, located at Kurla | Repayable in 144 months from drawdown date | 591 72 | 597 92 | December 15, 2034 | January 13, 2023 |

The contractual rate of interest for the above borrowings are in the range of 6 27% to 10 95% per annum

**A.2 Rupee Term Loan from Others**

| Nature of Security | Terms of repayment | Principal Outstanding as at June 30, 2025 | Principal Outstanding as at March 31, 2025 | Maturity Due Date | First Instalment payment date |
|---|---|---|---|---|---|
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Term loan repayable in 120 Equated Monthly Instalments | 640 44 | 649 68 | March 1, 2033 | May 1, 2023 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Term loan repayable in 36 Equated Monthly Instalments | 170 58 | 185 47 | December 5, 2027 | January 5, 2025 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Term loan repayable in 36 Equated Monthly Instalments | 85 00 | - | June 5, 2028 | July 5, 2025 |

The contractual rate of interest for the above borrowing are in the range of 9 50% to 9 75% per annum

## 16 Borrowings (Other than Debt Securities)

**A.3 FCNR Loan**

| Nature of Securities | Terms of repayment | Principal Outstanding as at June 30, 2025 | Principal Outstanding as at March 31, 2025 | Maturity Due Date | First Instalment payment date |
|---|---|---|---|---|---|
| First pari-passu charge on the standard assets including receivables present and future | Repayable after 36 months from drawdown date | 2,272 77 | 2,265 22 | March 27, 2028 | NA |
| First pari-passu charge on the standard assets including receivables present and future | Repayable after 36 months from drawdown date | 857 65 | 854 80 | May 28, 2027 | NA |

The contractual rate of interest for the above borrowings are in the range of 6 27% to 7 35% per annum

(Currency : Rs in crores)

**B.1 Securitised Borrowings**

| Nature of Security | Terms of repayment | Principal Outstanding as at June 30, 2025 | Principal Outstanding as at March 31, 2025 | Maturity Due Date | First Instalment payment date |
|---|---|---|---|---|---|
| Specific loan cash flows & underlying that are part of the Assignment pool | Repayable in 356 months from drawdown date | 24.80 | 26.30 | July 20, 2049 | November 20, 2019 |
| Specific loan cash flows & underlying that are part of the PTC pool | Repayable in 291 months from drawdown date | 144.59 | 152.06 | June 13, 2047 | April 13, 2023 |
| Specific loan cash flows & underlying that are part of the PTC pool | Repayable in 295 months from drawdown date | 258.34 | 274.04 | December 14, 2047 | June 14, 2023 |
| Specific loan cash flows & underlying that are part of the PTC pool | Repayable in 300 months from drawdown date | 282.29 | 297.03 | June 18, 2048 | July 18, 2023 |
| Specific loan cash flows & underlying that are part of the PTC pool | Repayable in 300 months from drawdown date | 342.51 | 361.51 | September 14, 2048 | October 13, 2023 |
| Specific loan cash flows & underlying that are part of the PTC pool | Repayable in 294 months from drawdown date | 509.75 | 538.54 | June 17, 2048 | January 17, 2024 |
| Specific loan cash flows & underlying that are part of the PTC pool | Repayable in 295 months from drawdown date | 251.19 | 266.51 | August 17, 2048 | February 16, 2024 |
| Specific loan cash flows & underlying that are part of the PTC pool | Repayable in 300 months from drawdown date | 190.85 | 202.51 | February 15, 2049 | March 15, 2024 |
| Specific loan cash flows & underlying that are part of the PTC pool | Repayable in 369 months from drawdown date | 119.27 | 125.64 | November 15, 2054 | March 15, 2024 |
| Specific loan cash flows & underlying that are part of the PTC pool | Repayable in 300 months from drawdown date | 198.65 | 208.17 | March 12, 2049 | April 12, 2024 |
| Specific loan cash flows & underlying that are part of the PTC pool | Repayable in 300 months from drawdown date | 116.76 | 124.17 | March 15, 2049 | April 15, 2024 |
| Specific loan cash flows & underlying that are part of the PTC pool | Repayable in 291 months from drawdown date | 169.45 | 179.78 | July 16, 2048 | May 16, 2024 |
| Specific loan cash flows & underlying that are part of the PTC pool | Repayable in 293 months from drawdown date | 67.83 | 73.45 | September 15, 2048 | May 15, 2024 |
| Specific loan cash flows & underlying that are part of the PTC pool | Repayable in 293 months from drawdown date | 261.06 | 276.10 | October 15, 2048 | June 14, 2024 |
| Specific loan cash flows & underlying that are part of the PTC pool | Repayable in 52 months from drawdown date | 79.84 | 96.50 | September 15, 2028 | June 14, 2024 |
| Specific loan cash flows & underlying that are part of the PTC pool | Repayable in 284 months from drawdown date | 62.47 | 65.36 | February 15, 2048 | June 18, 2024 |
| Specific loan cash flows & underlying that are part of the PTC pool | Repayable in 282 months from drawdown date | 28.51 | 30.47 | December 15, 2047 | July 15, 2024 |
| Specific loan cash flows & underlying that are part of the PTC pool | Repayable in 293 months from drawdown date | 148.88 | 157.64 | November 13, 2048 | July 12, 2024 |
| Specific loan cash flows & underlying that are part of the PTC pool | Repayable in 300 months from drawdown date | 71.94 | 77.82 | June 15, 2049 | July 15, 2024 |
| Specific loan cash flows & underlying that are part of the PTC pool | Repayable in 293 months from drawdown date | 427.24 | 447.83 | December 16, 2048 | August 16, 2024 |
| Specific loan cash flows & underlying that are part of the PTC pool | Repayable in 56 months from drawdown date | 106.38 | 126.34 | January 15, 2029 | June 14, 2024 |
| Specific loan cash flows & underlying that are part of the PTC pool | Repayable in 54 months from drawdown date | 83.73 | 99.29 | January 15, 2029 | August 14, 2024 |
| Specific loan cash flows & underlying that are part of the PTC pool | Repayable in 52 months from drawdown date | 52.31 | 59.40 | April 15, 2029 | January 15, 2025 |
| Specific loan cash flows & underlying that are part of the PTC pool | Repayable in 293 months from drawdown date | 508.11 | 532.77 | May 18, 2049 | January 17, 2025 |
| Specific loan cash flows & underlying that are part of the PTC pool | Repayable in 54 months from drawdown date | 215.90 | 255.67 | October 15, 2029 | May 15, 2025 |
| Specific loan cash flows & underlying that are part of the PTC pool | Repayable in 60 months from drawdown date | 127.32 | - | June 15, 2030 | July 15, 2025 |
| Specific loan cash flows & underlying that are part of the PTC pool | Repayable in 59 months from drawdown date | 226.19 | - | May 15, 2030 | August 15, 2025 |

The contractual rate of interest for the above borrowings are in the range of 8.25% to 10% per annum

## 17 Deposits

**Intercorporate deposit from related party**

| Particulars | Terms of Repayment | Principal Outstanding as at June 30, 2025 | Principal Outstanding as at March 31, 2025 | Maturity Due Date | First Instalment payment date |
|---|---|---|---|---|---|
| Intercorporate deposit | Repayable after 183 days from drawdown date | 400.00 | - | November 21, 2025 | NA |
| Intercorporate deposit | Bullet payment on maturity | 175.00 | 175.00 | December 12, 2027 | NA |

The contractual rate of interest for the above borrowings are in the range of 8.85% to 9.50% per annum

## 18 Subordinated Liabilities

**Redeemable Non Convertible Debentures**

| Particulars | Terms of Repayment | Principal Outstanding as at June 30, 2025 | Principal Outstanding as at March 31, 2025 | Maturity Due Date | First Instalment payment date |
|---|---|---|---|---|---|
| 1,276 (payable annually) 9.55% Unsecured, Subordinated, Tier II, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each having face value of Rs. 10,00,000 | The NCD's are repayable after 10 years from the date of allotment | 127.60 | 127.60 | March 8, 2027 | NA |

The contractual rate of interest for the above borrowing is 9.55% per annum

Notes:
(a) Property, Plant & Equipment, Investment and other assets are mortgaged / hypothecated to the extent of Rs. 66,267.63 crores (As on March 31, 2025: Rs. 62,299.41 crores) as a security against secured borrowings as at June 30, 2025.

(Currency : Rs in crores)

| | | As at June 30, 2025 | As at March 31, 2025 |
|---|---|---|---|
| **19** | **Other financial liabilities** | | |
| | Lease liability | 337.75 | 346.69 |
| | Payable to employees | 65.86 | 121.77 |
| | Unclaimed dividend | 0.20 | 0.20 |
| | Security and other deposits received | 22.72 | 25.62 |
| | Amounts payable on Securitised Loans | 236.09 | 269.93 |
| | Others* | 270.73 | 321.72 |
| | **Total** | **933.35** | 1,085.93 |
| | ** includes liability towards sold portfolio etc.* | | |
| **20** | **Current tax liabilities** | | |
| | Net provision for tax (net of advance tax of Rs. 1,303.56 crores, March 31, 2025 Rs. 1,303.54 crores) | 147.82 | 147.84 |
| | **Total** | **147.82** | 147.84 |
| **21** | **Provisions** | | |
| | Provision for Employee Benefits | | |
| | Gratuity (Refer note 44 (i)(b)) | 16.46 | 14.48 |
| | Compensated absences (Refer note 44 (ii)) | 45.23 | 38.75 |
| | Others | 0.10 | 0.11 |
| | Allowance for impairment on commitments (Refer note 47.4(b)) | 2.48 | 12.50 |
| | **Total** | **64.27** | 65.84 |
| **22** | **Other non- financial liabilities** | | |
| | Statutory dues payable | 61.66 | 156.49 |
| | Capital creditors | 2.00 | - |
| | Fair Valuation Adjustment on Merger (Refer note 42B) | 2,188.32 | 2,169.57 |
| | Advance received | 185.29 | 178.18 |
| | | **2,437.27** | 2,504.24 |

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(Currency : Rs in crores)

| | As at June 30, 2025 | As at March 31, 2025 |
|---|---|---|

## 23 Equity Share Capital

| | | |
|---|---|---|
| **Authorized share capital:** | | |
| 25,84,03,90,024 (March 31, 2025: 25,84,03,90,024) equity shares of Rs. 10 each | 25,840.39 | 25,840.39 |
| **Total** | **25,840.39** | 25,840.39 |
| 25,00,000 (March 31, 2025: 25,00,000) Non-Convertible Redeemable Cumulative Preference Shares of Rs. 1,000 each | 250.00 | 250.00 |
| **Total** | **250.00** | 250.00 |
| **Issued, subscribed and fully paid up capital:** | | |
| Opening balance | 24,964.69 | 23,364.69 |
| Add: Issue of shares during the period/year | 700.00 | 1,600.00 |
| **Total** | **25,664.69** | 24,964.69 |

**Reconciliation of the shares outstanding at the beginning and at the end of the reporting period/year**

| Equity shares | June 30, 2025 | | March 31, 2025 | |
|---|---|---|---|---|
| | No. of shares | Amount | No. of shares | Amount |
| At the beginning of the period/year | 24,96,46,91,751 | 24,964.69 | 23,36,46,91,751 | 23,364.69 |
| Add: Issue of shares during the period/year (Refer note 41(b)) | 70,00,00,000 | 700.00 | 1,60,00,00,000 | 1,600.00 |
| Outstanding at the end of the period/year | **25,66,46,91,751** | **25,664.69** | 24,96,46,91,751 | 24,964.69 |

**Details of shares held by Promoter**

| Particulars | June 30, 2025 | | March 31, 2025 | |
|---|---|---|---|---|
| | No. of shares | % Holding | No. of shares | % Holding |
| Piramal Enterprises Limited | 25,66,46,91,751 | 100% | 24,96,46,91,751 | 100% |

**Details of shareholder holding more than 5% shares in the Company**

| Particulars | June 30, 2025 | | March 31, 2025 | |
|---|---|---|---|---|
| | No. of shares | % Holding | No. of shares | % Holding |
| Piramal Enterprises Limited | 25,66,46,91,751 | 100% | 24,96,46,91,751 | 100% |

**Shares held by holding company:**

| Particulars | June 30, 2025 | | March 31, 2025 | |
|---|---|---|---|---|
| | No. of shares | Amount | No. of shares | Amount |
| Piramal Enterprises Limited | 25,66,46,91,751 | 25,664.69 | 24,96,46,91,751 | 24,964.69 |

**Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceding the balance sheet date:**

| Particulars | Financial year | No. of shares |
|---|---|---|
| Equity shares of Rs. 10 each allotted as fully paid-up pursuant to business combination | 2021-22 | 21,36,46,91,751 |

The Holding Company has only one class of equity shares having a face value of Rs. 10 per share. Each holder of equity share is entitled to one vote per share. The Holding Company declares and pays dividend in Indian Rupees.

There were no shares allotted as fully paid-up by way of bonus shares. There were no shares reserved for issue under options and contracts/commitments for the sale of shares/disinvestment. There were no shares forfeited during the year.

In the event of liquidation of the Holding Company, the holders of equity shares will be entitled to remaining assets of the Holding Company. The distribution will be in proportion to the number of equity shares held by the shareholders.

## 24 Other equity

| | | |
|---|---|---|
| Capital Reserve (refer note 24.1) | 172.63 | 172.63 |
| Securities Premium (refer note 24.2) | 2,208.85 | 2,208.85 |
| Cash flow hedge reserve (refer note 24.3) | (0.94) | (20.60) |
| Statutory reserve fund (refer note 24.4) | 2,456.12 | 2,456.12 |
| Amalgamation Adjustment Reserve (refer note 24.5) | (4,902.88) | (4,902.88) |
| Debt Instruments Measure through OCI (refer note 24.6) | 19.03 | 11.07 |
| Equity Instruments Measure through OCI (refer note 24.7) | 161.98 | 156.77 |
| Retained earnings (refer note 24.8) | (8,298.47) | (8,390.14) |
| **Total** | **(8,183.68)** | (8,308.18) |

### 24.1 Capital reserve

| | | |
|---|---|---|
| Opening balance | 172.63 | 172.65 |
| Add: Additions/deletions during the period/year | - | - |
| Add/(Less): Adjustment on account of Business combination / sale of subsidiaries (Refer 41(b)(ii)) | - | (0.02) |
| **Closing Balance** | **172.63** | 172.63 |

Capital reserve has been created on account of business combination of earlier years.

(Currency : Rs in crores)

| | As at June 30, 2025 | As at March 31, 2025 |
|---|---|---|
| **24.2 Securities Premium** | | |
| Opening balance | 2,208.85 | 2,208.85 |
| Add/(Less): Additions/deletions during the period/year | - | - |
| **Closing Balance** | **2,208.85** | 2,208.85 |

Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

| | | |
|---|---|---|
| **24.3 Cash flow hedge reserve** | | |
| Opening Balance | (20.60) | 1.65 |
| Add/(Less): Addition during the period/year (refer note 48) | 19.66 | (22.25) |
| **Closing Balance** | **(0.94)** | (20.60) |

The Group uses hedging instruments as part of its management of foreign currency risk and interest rate risk associated with variable interest rate borrowings, investment in floating rate bonds. For hedging foreign currency risk, the Group uses foreign currency forward contracts, which are designated as cash flow hedges. For hedging interest rate risk, the Group uses interest rate swaps which is also designated as cash flow hedges. To the extent these hedges are effective; the changes in fair value of the hedging instrument is recognised in the cash flow hedging reserve. Amount recognised in the cash flow hedging reserve is reclassified to statement of profit or loss when the hedged item affects statement of profit or loss (e.g. interest payments).

| | | |
|---|---|---|
| **24.4 Statutory reserve fund** | | |
| **Reserve fund U/s 29C of the NHB Act, 1987 / 45-IC(1) of RBI Act, 1934** | | |
| Opening Balance | 2,456.12 | 2,445.63 |
| Add/(Less): Addition during the period/year | - | 10.49 |
| **Closing Balance** | **2,456.12** | 2,456.12 |

Reserve Fund is required to be maintained u/s 29C of the NHB Act, 1987 for Housing Finance Companies and 45-IC(1) of Reserve Bank of India Act, 1934 for NBFCs. During the period ended June 30, 2025, the Company has transferred an amount of Rs. Nil crores being 20% of profit after tax. (March 31, 2025 - Rs. 10.49 crores). Statutory Reserve can be utilised only for the purposes as may be specified by the NHB/RBI from time to time and every such utilisation is required to be reported to the NHB/RBI within twenty-one days from the date of such utilisation.

| | | |
|---|---|---|
| **24.5 Amalgamation Adjustment Reserve** | | |
| Opening Balance | (4,902.88) | (4,902.88) |
| Add/(Less): Addition during the period/year | - | - |
| **Closing Balance** | **(4,902.88)** | (4,902.88) |

Amalgamation adjustment reserve has been created on account of business combination during the year 2021-22.

| | | |
|---|---|---|
| **24.6 Debt Instruments Measured through OCI** | | |
| Opening Balance | 11.07 | 0.01 |
| Add/(Less): Addition during the period/year | 7.96 | 11.06 |
| **Closing Balance** | **19.03** | 11.07 |

The Group recognises changes in the fair value of debt instruments held with a dual business objective of collect and sell in other comprehensive income. These changes are accumulated in the FVTOCI debt investments reserve. The Group transfers amounts from this reserve to profit or loss when the debt instrument is sold. Any impairment loss on such instruments is reclassified immediately to the Statement of Profit and Loss.

| | | |
|---|---|---|
| **24.7 Equity Instruments Measured through OCI** | | |
| Opening Balance | 156.77 | 76.53 |
| Add/(Less): Addition during the period/year | 5.21 | 80.24 |
| **Closing Balance** | **161.98** | 156.77 |

The Group has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated in the FVTOCI equity investments reserve. The Group transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

| | | |
|---|---|---|
| **24.8 Retained earnings** | | |
| Opening Balance | (8,390.14) | (8,472.43) |
| Net profit/(loss) for the period/year | 93.98 | (6.65) |
| Other comprehensive income arising from remeasurement of defined benefit obligation net of income tax | - | (5.89) |
| Share of other comprehensive income of joint venture accounted for using the equity method | (2.32) | 105.32 |
| Less: Transfer to statutory reserve fund | - | (10.49) |
| **Closing Balance** | **(8,298.47)** | (8,390.14) |

Retained earnings are the profits that the Group has earned till date, less any transfers to statutory reserve and dividends paid to investors. The amount that can be distributed by the Group as dividends to its equity shareholders is determined based on the financial statements of the Group and also considering the requirements of the Companies Act, 2013.

(Currency : Rs in crores)

| | | For the period ended June 30, 2025 | For the period ended June 30, 2024 |
|---|---|---|---|
| | **Revenue from operations** | | |
| **25 (i)** | **Interest income** | | |
| | Interest income on financial assets measured at amortised cost: | | |
| | - on investments | 41.15 | 19.88 |
| | - on loans and advances | 1,925.97 | 1,484.46 |
| | Interest income- on investments mandatorily measured at OCI | 22.71 | 17.90 |
| | Interest income on Fixed and other deposits | 26.71 | 20.05 |
| | **Total** | **2,016.54** | 1,542.29 |
| **25 (ii)** | **Dividend Income** | | |
| | Dividend income from equity shares* | - | - |
| | **Total** | - | - |
| | *Amount below 0.50 lakhs has been considered as 0. (Current period - Nil, Previous year - 0.0004 crores) | | |
| **26** | **Fees and commission income** | | |
| | Processing / arranger fees and other charges | 116.85 | 98.55 |
| | **Total** | **116.85** | 98.55 |
| **27** | **Other operating income** | | |
| | Recovery from written off accounts | 80.01 | 9.86 |
| | Reversal of regulatory provision on Alternative Investment Funds* | - | 91.65 |
| | **Total** | **80.01** | 101.51 |
| | *Refer note 8 (a) | | |
| **28** | **Other income** | | |
| | Other non-operating income | 25.03 | 2.79 |
| | Net gain on sale of property, plant and equipments & Other intangible assets and Investment property | 0.91 | (0.35) |
| | Interest on income tax refund | - | 7.03 |
| | **Total** | **25.94** | 9.47 |
| **29** | **Finance costs** | | |
| | Interest expense on financial liabilities measured at amortised cost: | | |
| | Interest on deposits | 21.99 | 20.65 |
| | Interest on borrowings | 554.90 | 408.72 |
| | Interest on debt securities | 706.81 | 568.53 |
| | Interest on subordinated liabilities | 3.04 | 3.03 |
| | Other interest expenses* | 9.29 | 7.85 |
| | **Total** | **1,296.03** | 1,008.78 |
| | * includes interest cost on lease liability & ineffective portion of derivative instrument taken for borrowings. | | |
| **30** | **Fees and commission expense** | | |
| | Other borrowing cost | 2.24 | 6.66 |
| | **Total** | **2.24** | 6.66 |

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(Currency : Rs in crores)

| | For the period ended June 30, 2025 | For the period ended June 30, 2024 |
|---|---|---|
| **31 Net loss on fair value changes** | | |
| (a) Gain/(Loss) on investments measured at fair value | | |
| Realised | (9.86) | (17.50) |
| Unrealised | 135.09 | 134.15 |
| **(b)** Gain/(Loss) on loans and advances measured at fair value | | |
| Realised | (45.93) | (5.80) |
| Unrealised | (53.17) | - |
| **Total** | **26.13** | 110.85 |
| **32 Net loss on derecognition of financial instruments-under amortised cost category** | | |
| Loss on derecognition of financial assets* | 359.73 | 158.48 |
| Gain on derecognition of financial assets** | (100.23) | (58.80) |
| **Total** | **259.50** | 99.68 |

*This includes, amounts prudentially written off (technical write off) as per the Board approved policy of the holding company.
** Gain on derecognition of financial assets is primarily on account of transfer of loan book as part of direct assignment and co-lending.

| | | |
|---|---|---|
| **33 Impairment allowances/(reversals) on financial instruments** | | |
| **Measured at Amortised Cost** | | |
| Loans | (111.96) | (80.38) |
| Investments | 5.92 | 0.14 |
| Commitments | (7.50) | (6.09) |
| Others | 1.64 | - |
| **Total** | **(111.90)** | (86.33) |
| **34 Employee benefits expense** | | |
| Salaries and wages | 334.12 | 269.02 |
| Contribution to provident and other funds (refer note 44(i)(a)) | 17.65 | 14.77 |
| Provision for leave encashment (refer note 44(ii)) | 7.98 | 6.69 |
| Staff welfare expenses | 19.03 | 14.91 |
| Provision for gratuity (refer note 44(i)(b)) | 4.01 | 4.72 |
| Share based payment expenses (refer note 44(iv)) | 8.02 | 10.39 |
| **Total** | **390.81** | 320.50 |
| **35 Other expenses** | | |
| Rent (refer note 38) | 6.60 | 7.06 |
| Rates and taxes, excluding taxes on income | 2.26 | 3.70 |
| Travelling and conveyance | 21.48 | 7.23 |
| Legal and professional fees | 141.87 | 123.69 |
| Royalty | 16.86 | 14.04 |
| Electricity expense | 6.54 | 6.30 |
| Repairs and maintenance | 12.19 | 11.58 |
| Business promotion and advertisement expenses | 13.50 | 24.48 |
| Postage and communication | 6.66 | 6.89 |
| Printing and stationery | 2.86 | 2.72 |
| Membership & subscription charges | 18.79 | 15.78 |
| Other expenses | 6.32 | 4.48 |
| **Payments to auditors *** | | |
| - as auditor | 0.84 | 1.30 |
| - for other services | 0.02 | 0.20 |
| - for reimbursement of expenses | 0.05 | 0.04 |
| **Total** | **256.84** | 229.49 |

*excludes fees amounting to Rs. nil (previous year Rs. 1.38 crores) paid in relation to borrowings included under Other borrowing cost and/or finance cost as part of EIR.

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(Currency : Rs in crores)

| | Period ended June 30, 2025 | Period ended June 30, 2024 |
|---|---|---|
| **36 Income Taxes** | | |
| **a. Recognised in the statement of profit and loss** | | |
| **Current Tax** | | |
| In respect of the current year | - | - |
| In respect of the previous years | - | 0.01 |
| **Deferred Tax** | | |
| In respect of the current year | 1.12 | (0.11) |
| **Total** | **1.12** | (0.10) |

**b. The income tax expense for the year can be reconciled to the accounting profit as follows:**

| | | | Effective tax rate reconciliation | |
|---|---|---|---|---|
| | Period ended June 30, 2025 | Period ended June 30, 2024 | Period ended June 30, 2025 | Period ended June 30, 2024 |
| Profit before tax from continuing operations | 95.10 | 29.27 | | |
| Income tax expense | 23.94 | 7.37 | 25.17% | 25.17% |
| Tax effect: | | | | |
| (a) ) Deferred tax assets not created earlier | (23.27) | - | -24.47% | 0.00% |
| (b) Deduction u/s 80JJA | - | - | 0.00% | 0.00% |
| (c) Profit after share of net profit of associates and joint ventures before exceptional items and tax | - | - | 0.00% | 0.00% |
| (d) Deferred tax assets on Business Losses net of Provisions | 2.57 | 2.26 | 2.70% | 7.72% |
| (e) Differential Tax rate Impact | - | (11.46) | 0.00% | -39.15% |
| (f) Deferred tax assets on Capital Loss | - | 1.67 | 0.00% | 5.70% |
| (e) Others | (2.12) | 0.07 | -2.23% | 0.24% |
| **Income tax expense recognised in the statement of profit and loss** | **1.12** | (0.11) | **1.17%** | -0.33% |
| Tax reversal for earlier years | - | 0.01 | | |
| **Income tax expense recognised in the statement of profit and loss** | **1.12** | (0.10) | | |
| **Effective Tax Rate** | **1.17%** | -0.36% | | |

**Note:**
(i) The tax rate used for the reconciliations above is the corporate tax rate of 25.17% as per new tax regime.









(Currency : Rs in crores)

## 37 Earnings per share (EPS)

Basic and diluted EPS is computed in accordance with Ind AS 33 'Earnings Per Share' specified under section 133 of the Companies Act

The computation of earnings per share is set out below:

| Description | For the period ended June 30, 2025 | For the period ended June 30, 2024 |
|---|---|---|
| Net profit/ (loss) attributable to equity shareholders | 93.98 | 29.37 |
| Weighted average number of equity shares outstanding during the period for calculation of EPS | 24,99,54,60,982 | 23,36,46,91,751 |
| Basic and Diluted EPS of face value of Rs. 10 (not annualised) | 0.04 | 0.01 |

The basic and diluted EPS is same as there are no potential dilutive equity shares.

## 38 Lease disclosure as lessee

The Group's significant operating lease arrangements are mainly in respect of office/branch premises. These lease arrangements are for a period exceeding three to nine years and are in most cases renewable by mutual consent, on mutually agreeable terms. Details for the operating lease as lessee are as under:

**Right-of-use assets**

Right-of-use assets related to lease properties

| Particulars | As at June 30, 2025 | As at March 31, 2025 |
|---|---|---|
| Opening Balance | 301.88 | 228.89 |
| Depreciation charge for the period | (14.99) | (61.16) |
| Addition to right-of-use assets | 21.03 | 198.29 |
| Derecognition of right-of-use assets (net) | (5.14) | (64.14) |
| **Closing Balance** | **302.79** | 301.88 |

**Lease liability**

Lease liability movement

| Particulars | As at June 30, 2025 | As at March 31, 2025 |
|---|---|---|
| Opening Balance | 346.69 | 265.34 |
| Add: Addition during the period | 13.54 | 197.02 |
| Add: Interest on lease liability | 9.66 | 41.15 |
| Less: Deletion during the period | (5.55) | (51.37) |
| Less: Lease rental payments | (26.58) | (105.46) |
| **Closing Balance** | **337.75** | 346.69 |

**Amount recognised in statement of profit and loss - Lease under Ind AS - 116**

| | For the period ended June 30, 2025 | For the period ended June 30, 2024 |
|---|---|---|
| Interest on lease liabilities | 9.66 | 41.15 |
| Income from sub-leasing right-of-use assets presented in 'Other Revenue' | 0.02 | 0.30 |
| Expenses Related to short-term lease | 8.90 | 30.21 |
| (Gain)/loss on pre-mature lease closure | 0.41 | 5.01 |
| Expenses related to leases of low-value assets, excluding short-term lease of low-value assets | 0.10 | 0.45 |
| Amortisation on ROU during the period/year | 14.99 | 61.16 |

**Amount recognised in the statement of cash flow**

| | For the period ended June 30, 2025 | For the period ended June 30, 2024 |
|---|---|---|
| Total Cashflow for lease | 21.65 | 18.41 |

**Contractual maturities of lease liabilities on an undiscounted basis**

| | As at June 30, 2025 | As at March 31, 2025 |
|---|---|---|
| Less than 1 year | 89.61 | 77.75 |
| 1-3 years | 161.90 | 150.43 |
| 3-5 years | 121.27 | 115.55 |
| More than 5 years | 107.21 | 112.35 |

(Currency : Rs in crores)

## 39 Disclosure under Micro, Small and Medium Enterprises Development Act, 2006

Under the Micro, Small and Medium Enterprises Development Act, 2006, ('MSMED') which came into force from October 2, 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. On the basis of the information and records available with Group including confirmations sought from suppliers on registration with specified authority under MSMED, the amount of principal and interest outstanding during the period/year is given below.

| Particulars | As at June 30, 2025 | As at March 31, 2025 |
|---|---|---|
| Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at period/year end | 46.92 | 44.02 |
| Interest due to suppliers registered under the MSMED Act and remaining unpaid as at period/year end | - | - |
| Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the period/year | 0.66 | 10.32 |
| Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the period/year | - | - |
| Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the period/year | - | - |
| Interest due and payable towards suppliers registered under MSMED Act, for payments already made | 0.00 | 0.30 |
| Further interest remaining due and payable for earlier years | - | - |

## 40 (a) Contingent liabilities

| Particulars | As at June 30, 2025 | As at March 31, 2025 |
|---|---|---|
| **Claim against the Group not acknowledged as debt** | | |
| Dues towards Income Tax | 503.89 | 503.89 |
| Dues towards Goods and Services Tax | 11.51 | 9.84 |
| Claims against the Group not acknowledged as debts | 11.68 | 11.82 |
| **Others** | | |
| Guarantees provided by bank on behalf of Group | 0.25 | 0.25 |
| Partly paid-up investment | 0.15 | 0.15 |
| Claims, other than against policies, not acknowledged as debts by the Insurer (Gross Value of Litigated Claims Rs. 0.06 crores (March 31, 2025 Rs. 0.06 crores ) and Provision held Rs. 0.03 crores (March 31, 2025 - Rs. 0.03 crores )) | 0.03 | 0.03 |
| Statutory demands/liabilities in dispute, not provided for* | 25.60 | 23.50 |
| Statutory Bonus (retrospective amendment stayed by Karnataka and Kerala High Courts) | 0.41 | 0.41 |
| Others – Insurance claims in Legal Matters net of provision and reinsurance (Gross Value of Litigated Claims Rs. 33.56 crores (March 31, 2025 - Rs. 34.14 crores), out of which reinsured claims Rs. 9.38 crores (March 31, 2025 - Rs. 10.38 crores) and Provision held Rs. 9.23 crores (March 31, 2025 - Rs. 9.13 crores)) | 14.94 | 14.63 |

*Statutory demands and liabilities in dispute, not provided for, relate to the show cause cum demand notices/assessment orders received by the Group from the respective tax authorities. The Group has filed appeals against the demand notices/assessment orders with the appellate authorities and has been advised by the experts that the grounds of appeal are well supported in law in view of which the Group does not expect any liability to arise in this regard.

The Group is of the view that the above demands may not devolve on the Group and hence no provision has been made.

The Group has a process whereby periodically all long term contracts are assessed for material foreseeable losses. At quarter/year end the Group has reviewed and ensured that adequate provision as required under any law / accounting standards for material foreseeable losses on such long term contracts has been made in the books of account.

The Group has also reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable, in its financial statements. The Group does not expect the outcome of these proceedings to have a materially adverse effect on its consolidated interim financial statement.

(Currency : Rs in crores)

## 40 (b) Capital and loan commitments

| Particulars | As at June 30, 2025 | As at March 31, 2025 |
|---|---|---|
| Undisbursed loan commitments | 1,742.68 | 3,040.70 |
| Other capital commitments | 26.30 | 32.69 |
| **Total** | **1,768.98** | 3,073.39 |

The undisbursed loan commitments represents the undrawn limits of the facilities sanctioned that are non-cancellable at sole and absolute discretion of the Group.

## 41 (a) Segment reporting

The chief operational decision maker monitors its principle business segment i.e. 'lending & investing' for the purpose of making decision about resource allocation and performance assessment. The Group is operating in a single reportable and geographical segment in accordance with Ind AS 108 - Operating Segments as notified u/s 133 of the Companies Act, 2013 and accordingly there are no separate reportable segments.
Further, no clients individually accounted for more than 10% of the revenue in period/year ended June 30, 2025 and March 31, 2025.

## 41 (b) Significant transactions

(i) During the period ended June 30, 2025, the Holding Company issued 70 crores equity shares through a rights issue at a face value of Rs. 10 each, aggregating to Rs. 700 crores to its holding company i.e. Piramal Enterprises Limited.
During the previous year, the Holding Company issued 160 crores equity shares through a rights issue at a face value of Rs. 10 each, aggregating to Rs. 1,600 crores to its parent company i.e. Piramal Enterprises Limited. The allotment was made on December 31, 2024 (100 crores equity shares) and March 26, 2025 (60 crores equity shares)

(ii) During the previous year, the Holding Company has sold its wholly owned subsidiaries namely, Piramal Finance Sales and Services Private Limited, DHFL Advisory & Investments Private Limited, and DHFL Holding Limited to Piramal Investment Advisory Services Private Limited, a wholly owned subsidiary of Piramal Enterprises Limited (Parent Company) for a consideration of Rs. 20.35 crores, Rs. 0.50 crores, and Rs. 0.04 crores respectively and cesses to subsidiary from January 17, 2025.

(Currency : Rs in crores)

## 42 A (i) Interests in other entities

### (a) Interest in Subsidiaries

The Group's subsidiaries at June 30, 2025 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the group, and the proportion of ownership interests held equals the voting rights held by the group. The country of incorporation or registration is also their principal place of business

| Sr. No. | Name of the Company | Principal place of business/Country of incorporation | Ownership interest held by the group % voting power held as at June 30, 2025 | Ownership interest held by non-controlling interests % voting power held as at June 30, 2025 | Ownership interest held by the group % voting power held as at March 31, 2025 | Ownership interest held by non-controlling interests % voting power held as at March 31, 2025 | Principal Activity |
|---|---|---|---|---|---|---|---|
| 1 | DHFL Investments Limited | India | 100% | - | 100% | - | Financial Services |
| 2 | DHFL Advisory & Investments Private Limited* | India | - | - | - | - | Financial Services |
| 3 | DHFL Holdings Limited* | India | - | - | - | - | Financial Services |
| 4 | Piramal Payment Services Limited | India | 100% | - | 100% | - | Financial Services |
| 5 | Piramal Finance Sales and Services Private Limited* | India | - | - | - | - | Manpower services |
| 6 | Piramal Agastya Offices Private Limited (formerly known as PRL Agastya Private Limited) | India | 100% | - | 100% | - | Leasing of Properties |

** During the financial year ended March 31, 2025, the Company has sold its wholly owned subsidiaries namely, Piramal Finance Sales and Services Private Limited, DHFL Advisory & Investments Private Limited, and DHFL Holding Limited to Piramal Investment Advisory Services Private Limited, a wholly owned subsidiary of Piramal Enterprises Limited (Parent Company) for a consideration of Rs. 20.35 crores, Rs. 0.50 crores, and Rs. 0.04 crores respectively and ceases to subsidiary from January 17, 2025*

### (b) Interest in Joint Ventures

| Sr. no. | Name of the Company | Principal place of business/Country of incorporation | Carrying Amount as at June 30, 2025 | Carrying Amount as at March 31, 2025 | Ownership interest held by the group |
|---|---|---|---|---|---|
| 1 | Pramerica Life Insurance Limited* | India | 978.39 | 972.04 | 50% |

** Investment through subsidiary (i.e. DHFL Investments Limited)*

### (c) Interest in Associates

| Sr. no. | Name of the Company | Principal place of business/Country of incorporation | Carrying Amount as at June 30, 2025 | Carrying Amount as at March 31, 2025 | Ownership interest held by the group |
|---|---|---|---|---|---|
| 1 | DHFL Venture Trustee Company Private Limited | India | 0.04 | 0.04 | 45% |

** Investment through subsidiary (i.e. DHFL Investments Limited)*

### (d) Share of profits from Associate and Joint Venture for the period/year ended:

| Sr. no | Particulars | Share of profits | | Share of Other Comprehensive Income | |
|---|---|---|---|---|---|
| | | June 30, 2025 | June 30, 2024 | June 30, 2025 | June 30, 2024 |
| 1 | Share of profit of Associate | - | - | - | - |
| 2 | Share of profit of Joint venture | 8.67 | (6.63) | (2.32) | 5.69 |

(Currency : Rs in crores)

**42 A (i) Interests in other entities *(Continued)***

**(e) Reconciliation to carrying amounts as at:**

| Sr. no | Particulars | As at June 30, 2025 | | As at March 31, 2025 | |
|---|---|---|---|---|---|
| | | Joint venture | Associate | Joint venture | Associate |
| 1 | Net Assets | 1,956.78 | 0.09 | 1,944.08 | 0.09 |
| 2 | Group's share in % | 50% | 45% | 50% | 45% |
| 3 | Proportion of the Group's ownership interest | 978.39 | - | 972.04 | 0.04 |
| 4 | Goodwill | - | - | - | - |
| 5 | Carrying amount | 978.39 | 0.04 | 972.04 | 0.04 |

**42 A (ii)** Additional Information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Interim Financial Statements to Schedule III to the Companies Act, 2013:

**For the period ended June 30, 2025**

| Sr. No. | Name of the entities | Share of Profit / (Loss) | | Share of Other comprehensive Income | | Share of total comprehensive Income | |
|---|---|---|---|---|---|---|---|
| | | As % of consolidated Profit or loss | Amount | As % of consolidated Other comprehensive income | Amount | As % of consolidated Total comprehensive income | Amount |
| 1 | Piramal Finance Limited (PFL) | 98% | 92.44 | 108% | 32.83 | 101% | 125.27 |
| | **Subsidiaries:** | | | | | | |
| 2 | DHFL Advisory & Investments Private Limited # | 0% | - | 0% | - | 0% | - |
| 3 | DHFL Holding Limited # | 0% | - | 0% | - | 0% | - |
| 4 | DHFL Investments Limited (DIL) * | 0% | (0.02) | 0% | - | 0% | (0.02) |
| 5 | Piramal Payment Services Limited | 0% | (0.20) | 0% | - | 0% | (0.20) |
| 6 | Piramal Finance Sales and Services Private Limited # | 0% | - | 0% | - | 0% | - |
| 7 | Piramal Agastya Offices Private Limited | -7% | (6.87) | 0% | - | -6% | (6.87) |
| | **Joint Venture:** | | | | | | |
| 8 | Pramerica Life Insurance Limited | 9% | 8.67 | -8% | (2.32) | 5% | 6.35 |
| | Inter Company elimination | 0% | (0.04) | 0% | - | 0% | (0.04) |
| | Total | 100% | 93.98 | 100% | 30.51 | 100% | 124.49 |

** DIL, an unlisted wholly-owned subsidiary of PFL, has availed exemption from the preparation of consolidated interim financial statements in accordance with Rule 6 of the Companies (Accounts) Rules, 2014, as its parent company, PFL, prepares and publishes consolidated interim financial statements in compliance with Ind AS, which are available in the public domain.*

*# Consolidated till subsidiary relationship exists i.e. till January 16, 2025.*

**For the period ended June 30, 2024**

| Sr. No. | Name of the entities | Share of Profit / (Loss) | | Share of Other comprehensive Income | | Share of total comprehensive Income | |
|---|---|---|---|---|---|---|---|
| | | As % of consolidated Profit or loss | Amount | As % of consolidated Other comprehensive income | Amount | As % of consolidated Total comprehensive income | Amount |
| 1 | Piramal Finance Limited (PFL) | 124% | 36.55 | 94% | 82.98 | 101% | 119.53 |
| | **Subsidiaries:** | 0% | | | | | |
| 2 | DHFL Advisory & Investments Private Limited | 0% | 0.00 | 0% | - | 0% | 0.00 |
| 3 | DHFL Holding Limited | 0% | 0.00 | 0% | - | 0% | 0.00 |
| 4 | DHFL Investments Limited (Consolidated) | 0% | (0.00) | 6% | 5.69 | 5% | 5.69 |
| 5 | Piramal Payment Services Limited | 0% | 0.00 | 0% | - | 0% | 0.00 |
| 6 | Piramal Finance Sales and Services Private Limited | 0% | (0.01) | 0% | - | 0% | (0.01) |
| 7 | Piramal Agastya Offices Private Limited | -4% | (1.27) | 0% | - | -1% | (1.27) |
| | **Joint Venture:** | | | | | | |
| 8 | Pramerica Life Insurance Limited | -23% | (6.63) | 0% | - | -6% | (6.63) |
| | Inter Company elimination | 2% | 0.73 | 0% | - | 1% | 0.73 |
| | Total | 100% | 29.37 | 100% | 88.67 | 100% | 118.04 |

SINGHI & CO. Chartered Accountants
LODHA & CO. LLP MUMBAI-01 Chartered Accountants
PIRAMAL FINANCE LIMITED

(Currency : Rs in crores)

**42 A (ii)** Additional Information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Interim Financial Statements to Schedule III to the Companies Act, 2013 (Continued):

| Sr. No. | Name of entities | As on June 30, 2025 | | As on March 31, 2025 | |
|---|---|---|---|---|---|
| | | Net Assets i.e. total assets less total liabilities | | Net Assets i.e. total assets less total liabilities | |
| | | As % of consolidated net assets | Amount | As % of consolidated net assets | Amount |
| 1 | Piramal Finance Limited (PFL) | 100% | 17,545.14 | 100% | 16,719.88 |
| | **Subsidiaries:** | | | | |
| 2 | DHFL Advisory & Investments Private Limited * | 0% | - | 0% | - |
| 3 | DHFL Holding Limited * | 0% | - | 0% | - |
| 4 | DHFL Investments Limited | 6% | 978.52 | 6% | 972.07 |
| 5 | Piramal Payment Services Limited | 0% | 6.05 | 0% | 6.25 |
| 6 | Piramal Finance Sales and Services Private Limited * | 0% | - | 0% | - |
| 7 | Piramal Agastya Offices Private Limited | 0% | 9.45 | 0% | 16.32 |
| | Inter Company elimination | -6% | (1,058.15) | -6% | (1,058.01) |
| | Total | 100% | 17,481.01 | 100% | 16,656.51 |

** The holding company has sold it's investments in these subsidiaries w.e.f. January 16, 2025, hence the net assets of these companies does not form part of above as on March 31, 2025 / June 30, 2025.*

## 42 B Amalgamation of Dewan Housing Finance Corporation Limited with erstwhile Piramal Capital & Housing Finance Limited

During financial year 2021-22, pursuant to the Resolution plan in respect of the Corporate Insolvency Resolution Process of Dewan Housing Finance Corporation Limited ("DHFL"), as approved by the Mumbai Bench of the Hon'ble National Company Law Tribunal, the Company merged into DHFL and concluded acquisition on September 30, 2021 (Implementation Date). The aforementioned business combination was accounted as a reverse acquisition for financial reporting purposes in accordance with Ind AS 103. In accordance with the aforesaid resolution plan, the Company had recognized Group A assets (loans) at gross book value with provision for impairment being presented as a reduction from such gross book values as appearing in the financial statements of DHFL immediately prior to the implementation date. Difference between such carrying value (gross values as reduced by provision for impairment) and fair value on the acquisition date is separately presented as a liability under fair value adjustment which currently aggregates to Rs. 2,188.32 crores, which is different from the presentation requirements of Ind AS 32, Financial Instruments Presentation, that requires such adjustment to be netted off with the book value of corresponding assets.

The Company holds 100% of equity share capital of DHFL Investments Limited (DIL). The wholly owned subsidiary of the Company, DIL holds 50% of equity share capital of Pramerica Life Insurance Company Limited (PLIL). Pursuant to the approval of the Resolution Plan by the Hon'ble NCLT (which has been affirmed by the Hon'ble Supreme Court on April 1, 2025), WGC and a limited liability partnership by the name of TDH Realty LLP, have pursued litigations in relation to the Resolution Plan, purportedly as the ultimate beneficiary of the CCDs. However, the litigation initiated by TDH Realty LLP before the NCLAT was disposed of as withdrawn by an order dated 27 September 2023, pursuant to settlement between the parties. Based on the approval of the Resolution Plan by Hon'ble NCLT, the Company has considered DIL as a subsidiary given its ability to exercise control over DIL with effect from the implementation date as per the Resolution Plan. Based on the evaluation of rights available under the shareholders agreement, PLIL has been considered as a joint venture and has been accounted based on equity method of accounting in the consolidated financial statements. Accordingly, the consolidated statement of profit and loss includes the Company's share of profit / (loss) of PLIL with effect from the implementation date.

According to the Resolution Plan, while the fraudulent loan accounts are valued at Rs. 1, the distribution of proceeds from recovery of fraudulent loans should go to the Successful Resolution Applicant (SRA). The aforesaid has been affirmed by the Hon'ble Supreme Court on April 1, 2025.

(Currency : Rs in crores)

**43 Information in accordance with the requirements of Indian Accounting Standard 24 on Related Party Disclosures.**

**List of Related Parties**

**A. Parent company**

Piramal Enterprises Limited ("PEL")

**B. Fellow subsidiaries having transaction during the period/year**

Piramal Fund Management Private Limited
Piramal Corporate Tower Private Limited (formerly known as Piramal Consumer Products Private Limited)
Piramal Investment Advisory Services Private Limited
Piramal Finance Sales & Services Private Limited (w.e.f. January 17, 2025)
DHFL Advisory & Investments Private Limited (w.e.f. January 17, 2025)
DHFL Holdings Limited (w.e.f. January 17, 2025)

**C. Other related parties having transaction during the period/year**

Semplice Corporate Solutions Private Limited (formerly known as Aasan Corporate Solutions Private Limited)
India Resurgence Asset Management Business Private Limited
India Resurgence ARC Private Limited
Piramal Corporate Services Private Limited
Piramal Alternatives Private Limited
Piramal Foundation for Educational Leadership
Piramal Foundation
Piramal Pharma Limited
Kaivalya Education Foundation
Piramal Trusteeship Services Private Limited
Social Worth Technologies Private Limited
Pramerica Life Insurance Limited (Joint Venture of DIL)
Economic Laws practise
PRL Developers Private Limited
Analog Legalhub Technology Private Limited

**D. Key Management Personnel**

Mr. Ajay G. Piramal - Chairman and Non-Executive Director
Dr. (Mrs.) Swati A. Piramal - Vice Chairman and Non-Executive Director
Mr. Anand Piramal - Non-Executive Director
Mr. Jairam Sridharan - Chief Executive Officer and Managing Director
Mr. Vikash Singhla - Chief Financial Officer
Mr. Bipin Singh - Company Secretary (till October 16, 2024)
Ms. Urmila Rao - Company Secretary (Appointed w.e.f. October 23, 2024)

**E. Non-Executive/Independent Directors**

Mr. Suhail Nathani
Mr. Puneet Dalmia
Mr. Gautam Doshi
Mr. Kunal Bahl

(Currency : Rs in crores)

## 43 Information in accordance with the requirements of Ind AS 24 on Related Party Disclosures. (Continued)

### F. Details of transactions with related parties

| Details of Transactions | Parent Company | | Fellow subsidiaries | | Other Related Parties | | Total | |
|---|---|---|---|---|---|---|---|---|
| | June 30, 2025 | June 30, 2024 | June 30, 2025 | June 30, 2024 | June 30, 2025 | June 30, 2024 | June 30, 2025 | June 30, 2024 |
| **Rent expenses** | | | | | | | | |
| - Piramal Corporate Tower Private Limited | - | - | 1.52 | 2.05 | - | - | 1.52 | 2.05 |
| **TOTAL** | **-** | **-** | **1.52** | **2.05** | **-** | **-** | **1.52** | **2.05** |
| **Royalty Expenses** | | | | | | | | |
| - Piramal Corporate Services Private Limited | - | - | - | - | 15.78 | 12.80 | 15.78 | 12.80 |
| **TOTAL** | **-** | **-** | **-** | **-** | **15.78** | **12.80** | **15.78** | **12.80** |
| **Premium expenses** | | | | | | | | |
| - Pramerica Life Insurance Limited | - | - | - | - | 0.31 | 0.43 | 0.31 | 0.43 |
| **TOTAL** | **-** | **-** | **-** | **-** | **0.31** | **0.43** | **0.31** | **0.43** |
| **Service Fees Income (including reimbursement)** | | | | | | | | |
| - Piramal Enterprises Limited | 0.42 | - | - | - | - | - | 0.42 | - |
| **TOTAL** | **0.42** | **-** | **-** | **-** | **-** | **-** | **0.42** | **-** |
| **Purchase of services** | | | | | | | | |
| - Piramal Trusteeship Services Private Limited | - | - | - | - | 0.01 | 0.01 | 0.01 | 0.01 |
| - Social Worth Technologies Private Limited | - | - | - | - | 1.11 | 3.67 | 1.11 | 3.67 |
| **TOTAL** | **-** | **-** | **-** | **-** | **1.12** | **3.68** | **1.12** | **3.68** |
| **Reimbursement of expenses paid** | | | | | | | | |
| - Piramal Corporate Tower Private Limited | - | - | 0.04 | 0.04 | - | - | 0.04 | 0.04 |
| - Piramal Enterprises Limited | 0.01 | - | - | - | - | - | 0.01 | - |
| - Piramal Foundation for Educational Leadership | - | - | - | - | 0.08 | 0.18 | 0.08 | 0.18 |
| - Piramal Corporate Services Private Limited | - | - | - | - | 0.58 | - | 0.58 | - |
| - Piramal Pharma Limited | - | - | - | - | 0.00 | - | 0.00 | - |
| **TOTAL** | **0.01** | **-** | **0.04** | **0.04** | **0.66** | **0.18** | **0.71** | **0.22** |
| **Reimbursement of expenses recovered** | | | | | | | | |
| - Piramal Finance Sales & Services Private Limited | - | - | 0.00 | - | - | - | 0.00 | - |
| - DHFL Holding Limited | - | - | - | - | 0.00 | - | 0.00 | - |
| - DHFL Advisory and Investments Private Limited | - | - | - | - | 0.00 | - | 0.00 | - |
| **TOTAL** | **-** | **-** | **0.00** | **-** | **0.00** | **-** | **0.00** | **-** |
| **Reimbursement of ESOP expenses** | | | | | | | | |
| - Piramal Enterprises Limited | 8.02 | 10.39 | - | - | - | - | 8.02 | 10.39 |
| **TOTAL** | **8.02** | **10.39** | **-** | **-** | **-** | **-** | **8.02** | **10.39** |
| **Interest expenses** | | | | | | | | |
| - Piramal Enterprises Limited | 21.99 | 20.66 | - | - | - | - | 21.99 | 20.66 |
| **TOTAL** | **21.99** | **20.66** | **-** | **-** | **-** | **-** | **21.99** | **20.66** |
| **Insurance Commission Income** | | | | | | | | |
| - Pramerica Life Insurance Limited | - | - | - | - | 41.87 | 25.35 | 41.87 | 25.35 |
| **TOTAL** | **-** | **-** | **-** | **-** | **41.87** | **25.35** | **41.87** | **25.35** |
| **Assignment Service Income** | | | | | | | | |
| - Piramal Enterprises Limited | 2.66 | 3.75 | - | - | - | - | 2.66 | 3.75 |
| **TOTAL** | **2.66** | **3.75** | **-** | **-** | **-** | **-** | **2.66** | **3.75** |

(Currency : Rs in crores)

## 43 Information in accordance with the requirements of Ind AS 24 on Related Party Disclosures. (Continued)

### F. Details of transactions with related parties. (Continued)

| Details of Transactions | Parent Company | | Fellow subsidiaries | | Other Related Parties | | Total | |
|---|---|---|---|---|---|---|---|---|
| | June 30, 2025 | June 30, 2024 | June 30, 2025 | June 30, 2024 | June 30, 2025 | June 30, 2024 | June 30, 2025 | June 30, 2024 |
| **Lease Rent Income (including reimbursement)** | | | | | | | | |
| - Piramal Enterprises Limited | 0.71 | 0.07 | - | - | - | - | 0.71 | 0.07 |
| - Piramal Fund Management Private Limited | - | - | 0.02 | - | - | - | 0.02 | - |
| - Pramerica Life Insurance Limited | - | - | - | - | 0.01 | - | 0.01 | - |
| - Piramal Pharma Limited | - | - | - | - | 1.73 | - | 1.73 | - |
| **TOTAL** | **0.71** | **0.07** | **0.02** | **-** | **1.74** | **-** | **2.47** | **0.07** |
| **ICD Taken** | | | | | | | | |
| - Piramal Enterprises Limited | 1,400.00 | 900.00 | - | - | - | - | 1,400.00 | 900.00 |
| **TOTAL** | **1,400.00** | **900.00** | **-** | **-** | **-** | **-** | **1,400.00** | **900.00** |
| **ICD repaid** | | | | | | | | |
| - Piramal Enterprises Limited | 1,000.00 | 1,000.00 | - | - | - | - | 1,000.00 | 1,000.00 |
| **TOTAL** | **1,000.00** | **1,000.00** | **-** | **-** | **-** | **-** | **1,000.00** | **1,000.00** |
| **FLDG Recovery** | | | | | | | | |
| - Social Worth Technologies Private Limited | - | - | - | - | 1.24 | 4.08 | 1.24 | 4.08 |
| **TOTAL** | **-** | **-** | **-** | **-** | 1.24 | **4.08** | **1.24** | **4.08** |
| **Security Deposit Refunded** | | | | | | | | |
| - Piramal Corporate Tower Private Limited | - | - | 0.07 | - | - | - | 0.07 | - |
| **TOTAL** | **-** | **-** | **0.07** | **-** | **-** | **-** | **0.07** | **-** |
| **Repayment of security deposits received** | | | | | | | | |
| - Pramerica Life Insurance Limited | - | - | - | - | 0.03 | - | 0.03 | - |
| **TOTAL** | **-** | **-** | **-** | **-** | **0.03** | **-** | **0.03** | **-** |
| **Issue of Shares** | | | | | | | | |
| - Piramal Enterprises Limited | 700.00 | - | - | - | - | - | 700.00 | - |
| **TOTAL** | **700.00** | **-** | **-** | **-** | **-** | **-** | **700.00** | **-** |

### G. Compensation paid to Directors, Key Managerial Personnel and It's relatives

The compensation of directors and other members of key managerial personnel and its relatives during the year was as follows:

| | June 30, 2025 | June 30, 2024 |
|---|---|---|
| 1 Short term employee benefits (including reimbursement of expenses) | 3.95 | 5.16 |
| 2 Post employment benefits # | 0.07 | - |
| 3 Share based payment * | 1.34 | 3.39 |
| 4 Sitting fees and reimbursement to non-executive/independent directors | 0.08 | 0.06 |
| **TOTAL** | **5.44** | 8.61 |

# Expenses towards gratuity, pension, leave encashment and leave travel allowance provisions are determined actuarially on overall Company basis at the end of each year and, accordingly, have not been considered in the above information.

*No ESOPs have been granted by the Holding Company to Key managerial personnel during the period ended June 30, 2025 and June 30, 2024. During the period ending June 30, 2025, 1,19,102 options have been exercised. (June 30, 2024 - 2,39,678)

SINGHI & CO. Chartered Accountants

LODHA & CO. LLP MUMBAI-01 Chartered Accountants

PIRAMAL FINANCE LIMITED

(Currency : Rs in crores)

## 43 Information in accordance with the requirements of Ind AS 24 on Related Party Disclosures. (Continued)

### H. Details of balances with related parties

| | Parent Company | | Fellow subsidiaries | | Other Related Parties | | Total | |
|---|---|---|---|---|---|---|---|---|
| | June 30, 2025 | Mar 31, 2025 | June 30, 2025 | Mar 31, 2025 | June 30, 2025 | Mar 31, 2025 | June 30, 2025 | Mar 31, 2025 |
| **Net Payable (includes provision for expenses)** | | | | | | | | |
| - Piramal Enterprises Limited | 79.64 | 93.49 | - | - | - | - | 79.64 | 93.49 |
| - Social Worth Technologies Private Limited | - | - | - | - | - | 0.39 | - | 0.39 |
| - Piramal Corporate Services Private Limited | - | - | - | - | - | 0.52 | - | 0.52 |
| - Piramal Fund Management Private Limited | - | - | - | 2.35 | - | - | - | 2.35 |
| - Piramal Foundation for Educational Leadership | - | - | - | - | - | 0.53 | - | 0.53 |
| - Piramal Corporate Tower Private Limited | - | - | - | 0.02 | - | - | - | 0.02 |
| **TOTAL** | **79.64** | **93.49** | **-** | **2.37** | **-** | **1.44** | **79.64** | **97.30** |
| **ICD Payable (including interest accrued)** | | | | | | | | |
| - Piramal Enterprises Limited | 583.28 | 179.55 | - | - | - | - | 583.28 | 179.55 |
| **TOTAL** | **583.28** | **179.55** | **-** | **-** | **-** | **-** | **583.28** | **179.55** |
| **Net Receivables** | | | | | | | | |
| - Pramerica Life Insurance Limited | - | - | - | - | - | 33.59 | - | 33.59 |
| - Piramal Pharma Limited | - | - | - | - | 0.36 | 0.90 | 0.36 | 0.90 |
| **TOTAL** | **-** | **-** | **-** | **-** | **0.36** | **34.49** | **0.36** | **34.49** |
| **NCD Outstanding (including interest accrued)** | | | | | | | | |
| - Pramerica Life Insurance Limited | - | - | - | - | 24.08 | 24.08 | 24.08 | 24.08 |
| **TOTAL** | **-** | **-** | **-** | **-** | **24.08** | **24.08** | **24.08** | **24.08** |
| **Security Deposits receivable** | | | | | | | | |
| - Piramal Corporate Tower Private Limited | - | - | 2.59 | 2.59 | - | - | 2.59 | 2.59 |
| **TOTAL** | **-** | **-** | **2.59** | **2.59** | **-** | **-** | **2.59** | **2.59** |
| **Security Deposits payable** | | | | | | | | |
| - Pramerica Life Insurance Limited | - | - | - | - | - | 0.07 | - | 0.07 |
| - Piramal Enterprises Limited | 1.21 | 1.21 | - | - | - | - | 1.21 | 1.21 |
| **TOTAL** | **1.21** | **1.21** | **-** | **-** | **-** | **0.07** | **1.21** | **1.28** |
| **Investments** | | | | | | | | |
| - Social Worth Technologies Private Limited* | - | - | - | - | 277.40 | 271.32 | 277.40 | 271.32 |
| **TOTAL** | **-** | **-** | **-** | **-** | **277.40** | **271.32** | **277.40** | **271.32** |

(* 'Social Worth Technologies Private Limited' has lien marked fixed deposit in favour of the Holding Company amounting to Rs. 13.85 crores (March 31, 2025 Rs. 13.81 crores) as FLDG cover against future delinquencies as on June 30, 2025)

SINGHI & CO. * Chartered Accountants *

LODHA & CO. LLP ★ MUMBAI-01 ★ Chartered Accountants

PIRAMAL FINANCE LIMITED

(Currency : Rs in crores)

## 44 Employee Benefits:

### (i) (a) Charge to the Consolidated Statement of Profit and Loss based on Defined Contribution Plans

| Particulars | June 30, 2025 | June 30, 2024 |
|---|---|---|
| Employer's contribution to Regional Provident Fund Office | 18.22 | 13.94 |
| Contribution to Pension Fund | 0.97 | 0.59 |
| Employer's contribution to Employees' State Insurance | 0.21 | 0.24 |
| | **19.40** | 14.77 |

### (i) (b) Disclosures for defined benefit plans based on actuarial valuation reports as on June 30, 2025

The Group has scheme for gratuity as part of post retirement plan. The Group has a defined benefit gratuity plan in India which is funded. The Group's defined benefit gratuity plan is a final salary plan for employees, which requires contributions to be made to a separately administered fund.
The fund is managed by Employees Group Gratuity Trusts which is governed by the Board of Trustees. The Board of Trustees are responsible for the administration of the plan assets and for the definition of the investment strategy.

### A. Change in Projected Benefit Obligation

| Particulars | Gratuity (Funded) Period Ended June 30, 2025 | Gratuity (Funded) Year Ended March 31, 2025 |
|---|---|---|
| Present Value of Benefit Obligation as at beginning of the period/year | 60.57 | 44.76 |
| Interest Cost | 0.99 | 3.12 |
| Current Service Cost | 3.76 | 6.92 |
| Past Service Cost | - | - |
| Liability Transferred Out/ Divestments | - | (0.52) |
| Benefits paid by Employer | (2.02) | (4.31) |
| Actuarial (Gains)/Losses on Obligations - Due to change in demographic assumptions | (6.75) | 5.46 |
| Actuarial (Gains)/Losses on Obligations - Due to change in financial assumptions | 1.60 | (0.89) |
| Actuarial (Gains)/Losses on Obligations - Due to experience | 6.71 | 6.03 |
| **Present Value of Defined Benefit Obligation as at the end of the period/year** | **64.86** | 60.57 |

### B. Fair value of plan assets

| | | |
|---|---|---|
| Fair Value of Plan Assets as at beginning of the period/year | 46.09 | 40.46 |
| Interest income | 0.75 | 2.88 |
| Return on Plan Assets, Excluding Interest Income | 1.55 | 2.75 |
| **Fair value of plan assets as at the end of the period/year** | **49.39** | 46.09 |

### C. Amount recognised in the Balance Sheet

| | | |
|---|---|---|
| Present Value of Benefit Obligation at the end of the period/year | (64.86) | (60.57) |
| Fair Value of Plan Assets at the end of the period/year | 49.39 | 46.09 |
| **Net (Liability)/Asset Recognized in the Balance Sheet** | **(15.47)** | (14.48) |

### D. Net interest cost for current period/year

| | Period Ended June 30, 2025 | Year Ended March 31, 2025 |
|---|---|---|
| Interest Cost | 0.99 | 3.12 |
| (Interest Income) | (0.75) | (2.88) |
| **Net Interest Cost/(Income) for current period/year** | **0.24** | 0.24 |

(Currency : Rs in crores)

## 44 Employee Benefits: *(Continued)*

### E. Expenses recognised in Statement of Profit and Loss

| Particulars | Gratuity (Funded) Period Ended June 30, 2025 | Gratuity (Funded) Period Ended June 30, 2024 |
|---|---|---|
| Current Service Cost | 3.76 | 1.50 |
| Interest Cost | 0.24 | 0.06 |
| Past Service Cost | - | - |
| **Total Expenses / (Income) recognised in the Statement of Profit and Loss** | **4.00** | 1.56 |
| **F. Expenses Recognized in the Other Comprehensive Income (OCI) for current period** | | |
| Actuarial (Gains)/Losses on Obligations | - | - |
| Return on Plan Assets, Excluding Interest Income | - | - |
| **Net (Income)/Expense For the period recognized in OCI** | - | - |
| **G. Principal actuarial assumptions used:** | | |
| Rate of discounting | 5.83% | 6.54% - 7.18% |
| Rate of salary increase | 9.00% & 10.00% as applicable | 6.50% - 9% |
| Rate of employee turnover | 10% - 60% | 10% - 60% |
| Mortality rate during employment | Indian Assured Lives Mortality 2012-14 (Urban) | Indian Assured Lives Mortality 2012-14 (Urban) |
| | **As at June 30, 2025** | As at March 31, 2025 |
| **H. Balance Sheet Reconciliation** | | |
| Opening Net Liability | 14.48 | 4.30 |
| Expenses Recognized in Statement of Profit or Loss | 4.00 | 1.56 |
| Expenses Recognized in OCI | - | - |
| Net Liability/(Asset) Transfer In | - | - |
| Net (Liability)/Asset Transfer Out | - | (0.52) |
| Benefit Paid | (2.02) | (4.31) |
| (Employer's Contribution) | - | - |
| **Net Liability/(Asset) Recognized in the Balance Sheet** | **16.46** | 1.03 |
| **I. Category of Assets** | | |
| Cash and cash equivalents | 1.57 | - |
| Insurance fund | 46.82 | 46.09 |
| **Total** | **48.39** | 46.09 |
| **J. Other Details** | | |
| No of active members | 15,747 | 15,792 |
| Per month salary for active members | 39.99 | 37.29 |
| Defined benefit obligation (DBO) - Total | 64.76 | 60.49 |
| Defined benefit obligation (DBO) - Due but not paid | - | 0.18 |
| Prescribed contribution for next year (12 Months) | 29.26 | 25.44 |

LODHA & CO. LLP MUMBAI-01 Chartered Accountants

SINGHI & CO. Chartered Accountants

PIRAMAL FINANCE LIMITED

## 44 Employee Benefits: *(Continued)*

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual change in the Defined Benefit Obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

**Notes:**

Gratuity is payable as per Group' scheme as detailed in the report.

Actuarial gains/losses are recognized in the period of occurrence under Other Comprehensive Income (OCI). All above reported figures of OCI are gross of taxation.

Salary escalation and attrition rate are in line with the industry practice considering promotion and demand and supply of the employees.

Maturity Analysis of Benefit Payments is undiscounted cashflows considering future salary, attrition & death in respective year for members as mentioned above.

Average Expected Future Service represents Estimated Term of Post - Employment Benefit Obligation.

Weighted Average Duration of the Defined Benefit Obligation is the weighted average of cash flow timing, where weights are derived from the present value of each cash flow to the total present value.

Any benefit payment and contribution to plan assets is considered to occur end of the year to depict liability and fund movement in the disclosures.

Value of asset provided by the entity is not audited by us and the same is considered as unaudited fair value of plan asset as on the reporting date.

In absence of specific communication as regards contribution by the entity, Expected Contribution in the next year is considered as the sum of net liability/assets at the end of the current year and current service cost for next year, subject to maximum allowable contribution to the Plan Assets over the next year as per the Income Tax Rules.

## 44 Employee Benefits: *(Continued)*

Qualitative Disclosures

**- Characteristics of defined benefit plan**

The entity has a defined benefit gratuity plan in India (funded). The entity's defined benefit gratuity plan is a final salary plan for employees, which requires contributions to be made to a separately administered fund. The fund is managed by a trust which is governed by the Board of Trustees. The Board of Trustees are responsible for the administration of the plan assets and for the definition of the investment strategy.

Gratuity is a defined benefit plan and entity is exposed to the Following Risks:

**Interest rate risk**

A fall in the discount rate which is linked to the G.Sec. rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

**Salary Risk**

The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

**Investment Risk**

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

**Asset Liability Matching Risk**

The plan faces the ALM risk as to the matching cash flow. Group has to manage pay-out based on pay as you go basis from own funds. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

**Mortality risk**

Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

**Concentration Risk:**

Plan is having a concentration risk as all the assets are invested with the insurance company

**- Characteristics of defined benefit plans**

During the year, there were no plan amendments, curtailments and settlements.

- A separate trust fund is created to manage the Gratuity plan and the contributions towards the trust fund is done as guided by rule 103 of Income Tax Rules, 1962.

### (ii) Compensated Absences

| Particulars | Compensated absence (Funded) Period ended June 30, 2025 | Compensated absence (Funded) Period ended June 30, 2024 |
|---|---|---|
| Expense recognised in the Statement of Profit and Loss | 7.98 | 6.69 |
| Discount rate (p.a.) | 5.83% p.a. - 6.09% p.a. | 6.55% p.a. |
| Salary escalation rate (p.a.) | 9.00% & 10.00% as applicable | 6.5-9% p.a. |

| | As at June 30, 2025 | As at March 31, 2025 |
|---|---|---|
| **Amount recognised in the Balance Sheet** | | |
| Present Value of Benefit Obligation at the end of the period/year | 45.03 | 38.81 |
| Fair Value of Plan Assets at the end of the period/year | (0.19) | 0.06 |
| Funded Status (surplus/ (deficit)) | (45.23) | (38.75) |
| **Net (Liability)/Asset Recognized in the Balance Sheet** | **(45.23)** | **(38.75)** |

### (iii) Long term service employee benefits

During the period/year, the Group has recognised long term service reward aggregating to Rs. 0.01 crores (March 31, 2025 - Rs. 0.11 crores) which is unfunded.

(Currency : Rs in crores)

## 44 Employee Benefits: *(Continued)*

### (iv) Share Based payment

The ultimate parent company (i.e. Piramal Enterprises Limited) has issued stock options to certain employees of the holding company. These transactions are recognized as equity-settled share based payment transactions. The Scheme allows the Grant of Stock Options to employees of the holding company that meet the eligibility criteria. Each option comprises one underlying Equity Share.
The stock compensation expense is determined based on fair value of options and the holding company's estimate of options that will eventually vest and is recognised over the vesting period in the statement of profit and loss with corresponding increase in liability payable to parent company as the cost is recovered by the parent company in entirety

**Employee Stock Option Scheme and related scheme wise details are as follows**

| Particulars | For 1/3 vesting start - March 31, 2024 | For 1/4 vesting start - May 1, 2024 | For 1/3 vesting start - August 1, 2025 |
|---|---|---|---|
| Date of Grant | March 31, 2023 | March 31, 2023 | March 31, 2023 |
| Number of options granted | 2,42,032 | 3,09,663 | 21,971 |
| Number of options exercisable as on June 30, 2025 | 30,056 | - | - |
| Number of options exercisable as on March 31, 2025 | 32,002 | - | - |
| Exercise price per option | 2 | 2 | 2 |
| Vesting Commencement date | 31-Mar-24 | 01-May-24 | 01-Aug-25 |
| Exercise period | 28 Months | 38 Months | 52 Months |
| Date of vesting | 1/3 on March 31, 2024<br>1/3 on August 1, 2024<br>1/3 on August 1, 2025 | 1/4 on May 1, 2024<br>1/4 on June 1, 2024<br>1/4 on June 1, 2025<br>1/4 on June 1, 2026 | 1/3 on August 1, 2025<br>1/3 on August 1, 2026<br>1/3 on August 1, 2027 |
| Method of Settlement | Equity settled | Equity settled | Equity settled |
| Modification to share based payment plans | NA | NA | NA |
| Basis of determination of volatility | The historical volatility of PEL stock price returns for a time frame corresponding to the remaining contractual life has been relied upon as a proxy for the expected volatility. | | |
| Vesting Conditions | Employee to remain in service and achievement of applicable performance on the date of vesting | | |

| Particulars | For 1/4 vesting start - May 1, 2024 | For 1/3 vesting start - July 17, 2024 | For 1/3 vesting start - July 24, 2025 |
|---|---|---|---|
| Date of Grant | April 13, 2023 | July 17, 2023 | July 24, 2024 |
| Number of options granted | 4,76,406 | 3,24,669 | 3,39,688 |
| Number of options exercisable as on June 30, 2025 | - | 28,293 | - |
| Number of options exercisable as on March 31, 2025 | - | 34,808 | - |
| Exercise price per option | 2 | 2 | 2 |
| Vesting Commencement date | May 01, 2024 | July 17, 2024 | July 24, 2025 |
| Exercise period | 38 Months | 36 Months | 36 Months |
| Date of vesting | 1/4 on May 1, 2024<br>1/4 on June 1, 2024<br>1/4 on June 1, 2025<br>1/4 on June 1, 2026 | 1/3 vesting on July 17, 2024<br>1/3 vesting on July 17, 2025<br>1/3 vesting on July 17, 2026 | 1/3 vesting on July 24, 2025<br>1/3 vesting on July 24, 2026<br>1/3 vesting on July 24, 2027 |
| Method of Settlement | Equity settled | Equity settled | Equity settled |
| Modification to share based payment plans | NA | NA | NA |
| Basis of determination of volatility | The historical volatility of PEL stock price returns for a time frame corresponding to the remaining contractual life has been relied upon as a proxy for the expected volatility. | | |
| Vesting Conditions | Employee to remain in service and achievement of applicable performance on the date of vesting | | |

(Currency : Rs in crores)

## 44 Employee Benefits: *(Continued)*

**Summary of stock options**

| Particulars | Number of options | Weighted- Average Exercise Price | Weighted- Average Remaining Contractual Life (Years) |
|---|---|---|---|
| Balance as on April 1, 2024 | 13,40,588 | 2 | 4 - 7.5 years |
| Granted during the year | 3,39,688 | 2 | 8 years |
| Transfer in/(out) | 33,711 | | |
| Exercised during the year | (5,86,787) | - | - |
| Forfeited/Lapsed during the year | (28,820) | - | - |
| Balance as on March 31, 2025 | 10,98,380 | 2 | 3 - 7.3 years |
| Granted during the period | - | - | - |
| Exercised during the period | (2,03,884) | - | - |
| Forfeited/Lapsed during the period | (15,723) | - | - |
| Balance as on June 30, 2025 | 8,78,773 | 2 | 3-7 years |

**The fair values of options granted which are outstanding:**

| Grant date | No. of Years vesting | Fair value per option |
|---|---|---|
| July 24, 2024 | 3 years | Rs. 829.64 - Rs 855.73 |
| July 17, 2023 | 3 years | Rs. 895.00 - Rs. 916.10 |
| April 13, 2023 | 3.14 years | Rs. 640.40 - Rs. 653.90 |
| March 31, 2023 | 3.28 years | Rs. 624.83 - Rs. 639.48 |

**The fair value has been calculated using the Black Scholes Options Pricing Model and the significant assumptions made in this regard are as follows:**

| | Grant dated July 24, 2024 | Grant dated July 17, 2023 |
|---|---|---|
| Risk free interest rate | 6.65% - 6.68% | 6.81% - 6.84% |
| Expected life | 3.50 - 5.50 years | 3.50 - 5.50 years |
| Expected volatility | 48.27% - 55.51% | 52.14% - 55.12% |
| Expected dividend yield | 2.08% - 2.39% | 1.74% - 2.07% |
| Exercise Price (Rs.) | 2 | 2 |
| Stock Price (Rs.) | 932 | 987 |

| | Grant dated April 13, 2023 | Grant dated March 31, 2023 |
|---|---|---|
| Risk free interest rate | 6.79% - 6.87% | 6.91% - 6.94% |
| Expected life | 3.55 - 5.64 years | 3.0 - 4.67 years |
| Expected volatility | 53.77% - 56.24% | 55.10% - 58.73% |
| Expected dividend yield | 1.58% - 1.91% | 1.71% - 1.91% |
| Exercise Price (Rs.) | 2 | 2 |
| Stock Price (Rs.) | 701 | 678 |

**Balance Sheet Reconciliation**

| | As at June 30, 2025 | As at March 31, 2025 |
|---|---|---|
| Opening liability | (0.26) | 14.30 |
| Expenses Recognized in Statement of Profit or Loss | 8.02 | 37.95 |
| Payment against liability | (7.76) | (52.50) |
| Closing liability | **0.00** | (0.26) |

The ESOP expenses is recognised over the vesting period in the statement of profit and loss with corresponding increase in liability payable to holding company as the cost is recovered by the holding company in entirety.

(Currency : Rs in crores)

## 45 Fair Value Disclosures

| a) Categories of Financial Instruments: | As at June 30, 2025 | | | As at March 31, 2025 | | |
|---|---|---|---|---|---|---|
| | FVTPL | FVOCI | Amortised Cost* | FVTPL | FVOCI | Amortised Cost* |
| **Financial Assets** | | | | | | |
| Investments | 3,694.54 | 1,521.13 | 2,634.82 | 3,906.11 | 1,626.15 | 1,321.00 |
| Loans | 1,447.82 | - | 66,355.35 | 1,401.62 | - | 62,329.70 |
| Derivative financial instruments | - | 59.54 | - | - | 32.02 | - |
| Cash and Bank Balances # | - | - | 3,390.21 | - | - | 4,887.64 |
| Receivables # | - | - | 42.72 | - | - | 46.17 |
| Other Financial Assets # | - | - | 1,266.15 | - | - | 1,176.80 |
| | **5,142.36** | **1,580.67** | **73,689.25** | 5,307.73 | 1,658.17 | 69,761.31 |
| **Financial liabilities** | | | | | | |
| Borrowings | - | - | 59,805.47 | - | - | 56,810.37 |
| Trade Payables # | - | - | 392.69 | - | - | 376.56 |
| Other Financial Liabilities # | - | - | 933.35 | - | - | 1,085.93 |
| | - | - | **61,131.51** | - | - | 58,272.86 |

\# The Company has not disclosed the fair value of cash and bank balances, other financial assets, trade payables and other financial liabilities, other receivables because their carrying amounts are a reasonable approximation of fair value.

* The value of investments, loans & other financial assets at amortised cost is gross of ECL provision

**b) Fair Value Hierarchy and Method of Valuation**

| Financial Instruments | Notes | As at June 30, 2025 | | | | |
|---|---|---|---|---|---|---|
| | | Carrying Value | Level 1 | Level 2 | Level 3 | Total |
| **Financial Assets** | | | | | | |
| **Measured at FVTPL** | | | | | | |
| **Investments** | | | | | | |
| Optionally Convertible Debentures | i. | 120.00 | - | - | 120.00 | **120.00** |
| Investments in Mutual Funds | ii. | 79.12 | 79.12 | - | - | **79.12** |
| Project Receivables | i. | 524.70 | - | - | 524.70 | **524.70** |
| Security Receipts | ii. | 2,970.03 | - | - | 2,970.03 | **2,970.03** |
| Investments in Preference Shares | i. | 0.69 | - | - | 0.69 | **0.69** |
| **Loans** | i. | 1,447.82 | - | - | 1,447.82 | **1,447.82** |
| **Measured at FVOCI** | | | | | | |
| **Investments** | | | | | | |
| Preference Shares (Others then subsidiaries) | iv. | 276.35 | - | - | 276.35 | **276.35** |
| Equity Instruments (Others then subsidiaries) | iv. | 1.04 | - | - | 1.04 | **1.04** |
| Government Securities/Redeemable Bonds | v. | 1,219.28 | 1,219.28 | - | - | **1,219.28** |
| T-Bill | v. | 24.46 | 24.46 | - | - | **24.46** |
| Derivative financial instruments | vi. | 59.54 | - | 59.54 | - | **59.54** |
| **Measured at Amortised Cost*** | | | | | | |
| **Investments** | | | | | | |
| Government Securities/Redeemable Bonds | v. | 177.77 | 184.48 | - | - | **184.48** |
| Redeemable Non Convertible Debentures | iii. | 347.99 | - | 95.50 | 258.26 | **353.75** |
| Pass Through certificates | iii. | 108.84 | - | - | 108.84 | **108.84** |
| CROMS | v. | 2,000.22 | 2,000.22 | - | - | **2,000.22** |
| **Loans #** | iii. | 66,355.35 | - | - | 60,193.37 | **60,193.37** |
| **Financial Liabilities** | | | | | | |
| **Measured at Amortised Cost** | | | | | | |
| Borrowings | iii. | 59,805.47 | - | - | 60,344.78 | **60,344.78** |

(Currency : Rs in crores)

## 45 Fair Value Disclosures (Continue)

| Financial Instruments | Notes | As at March 31, 2025 | | | | |
|---|---|---|---|---|---|---|
| | | Carrying Value | Level 1 | Level 2 | Level 3 | Total |
| **Financial Assets** | | | | | | |
| **Measured at FVTPL** | | | | | | |
| **Investments** | | | | | | |
| Optionally Convertible Debentures | i. | 120.00 | - | - | 120.00 | **120.00** |
| Investments in Mutual Funds | ii. | 86.94 | 86.94 | - | - | **86.94** |
| Project Receivables | i. | 661.00 | - | - | 661.00 | **661.00** |
| Security Receipts | ii. | 3,037.48 | - | - | 3,037.48 | **3,037.48** |
| Investments in Preference Shares | i. | 0.69 | - | - | 0.69 | **0.69** |
| **Loans** | i. | 1,401.62 | - | - | 1,401.62 | **1,401.62** |
| **Measured at FVOCI** | | | | | | |
| **Investments** | | | | | | |
| Preference Shares (Others then subsidiaries) | iv. | 270.29 | - | - | 270.29 | **270.29** |
| Equity Instruments (Others then subsidiaries) | iv. | 1.03 | - | - | 1.03 | **1.03** |
| Government Securities/Redeemable Bonds | v. | 1,330.75 | 1,330.75 | - | - | **1,330.75** |
| T-Bill | v. | 24.08 | 24.08 | - | - | **24.08** |
| Derivative financial instruments | vi. | 32.02 | - | 32.02 | - | **32.02** |
| **Measured at Amortised Cost*** | | | | | | |
| **Investments** | | | | | | |
| Government Securities/Redeemable Bonds | v. | 176.30 | 180.52 | - | - | **180.52** |
| Redeemable Non Convertible Debentures | iii. | 375.95 | - | 95.55 | 282.40 | **377.95** |
| Pass Through certificates | iii. | 118.28 | - | - | 118.28 | **118.28** |
| CROMS | v. | 650.47 | 650.47 | - | - | **650.47** |
| **Loans #** | iii. | 62,329.70 | - | - | 56,179.05 | **56,179.05** |
| **Financial Liabilities** | | | | | | |
| **Measured at Amortised Cost** | | | | | | |
| Borrowings | iii. | 56,810.37 | - | - | 57,644.62 | **57,644.62** |

**Notes:**

i. Discounted cash flow method has been used to determine the fair value. The yield used for discounting has been determined based on trades, market polls, levels for similar issuer with same maturity, spread over matrices, etc.

ii. Net Asset Value (NAV) as at the reporting period have been used to determine the Fair Value of the mutual fund investments/Security receipts.

iii. Discounted cash flow method has been used to determine the fair value. The discounting factor used has been arrived at after adjusting the rate of interest for the financial assets and financial liabilities by the difference in the G-SEC rates from date of initial recognition to the reporting dates.

iv. Fair value of Preference Shares and Equity Instruments (other than subsidiaries) has been determined using the Comparable Transactions Multiples (CTM) and Comparable Companies Multiples (CCM) methods.

v. Fair value of Government Securities, T-Bills, and CROMS has been determined based on market quotes or prices published by FBIL/CCIL.

vi. Derivative financial instruments are valued using market-based MTM rates and standard valuation models with observable inputs.

* The fair value of investments & loans at amortised cost is gross of ECL provision amounting to Rs. 1,043.61 crores (March 31, 2025 – Rs. 1,043.61 crores) excluding gross-up of retail loan as part of eDHFL merger, stage 3 and POCI loans which are presented net of ECL provision.

\# Carrying value of loans includes gross up as mentioned in note 7(c).

(Currency : Rs in crores)

## 45 Fair Value Disclosures (Continue)

**c) Fair value measurements using significant unobservable inputs (level 3)**

The following table presents the changes in level 3 items for the period ended June 30, 2025.

| Particulars | Other Investments | Debentures | Loans | Total |
|---|---|---|---|---|
| **As at March 31, 2024** | 5,365.71 | 394.00 | 1,110.16 | 6,869.87 |
| Transfer in/ (Out) | - | - | 503.49 | 503.49 |
| Acquisitions | (1,008.33) | (185.40) | (346.22) | (1,539.95) |
| (Losses)/Gain recognised in profit or loss/Other Comprehensive Income | (386.89) | (88.60) | 134.19 | (341.30) |
| **As at March 31, 2025** | **3,970.49** | **120.00** | **1,401.62** | **5,492.11** |
| Transfer in/ (Out) | - | - | - | - |
| Acquisitions | (67.60) | - | (9.10) | (76.71) |
| (Losses)/Gain recognised in profit or loss/Other Comprehensive Income | (130.08) | - | 55.30 | (74.78) |
| **As at June 30, 2025** | **3,772.81** | **120.00** | **1,447.82** | **5,340.63** |

**d) Sensitivity for FVTPL Instruments**

Impact on the Group's profit before tax if sale price of underlying project had been as given in the table below:

| Method | Nature of Instrument | Significant unobservable inputs | Increase / Decrease in the unobservable input | Sensitivity Impact Yield Increase | Sensitivity Impact Yield Decrease |
|---|---|---|---|---|---|
| Discounted Cash Flow Model as at June 30, 2025 | Investment | Sale Price | 5.0% | 18.80 | (17.81) |
| | Term Loan | Sale Price | 5.0% | 126.51 | (123.29) |
| Discounted Cash Flow Model as at March 31, 2025 | Investment | Sale Price | 5.0% | 81.50 | (52.00) |
| | Term Loan | Sale Price | 5.0% | 126.15 | (121.95) |

## 45A Changes in liabilities arising from financing activities

(a) **Changes in capital and asset structure arising from financing activities and investing activities (Ind AS 7 'Statement of Cash flows')**

The Group does not have any financing activities and investing activities which affect the capital and asset structure of the Group without the use of cash and cash equivalents.

(b) **Changes in liability arising from financing activities (Ind AS 7 'Statement of Cash Flows')**

| Particulars | As at April 1, 2025 | Cash flows | Exchange Difference | As at June 30, 2025 |
|---|---|---|---|---|
| Debt securities | 33,055.36 | 1,734.65 | 12.82 | 34,802.83 |
| Borrowings (other than debt securities) | 23,447.95 | 830.46 | 10.40 | 24,288.81 |
| Deposits | 179.55 | 403.73 | - | 583.28 |
| Subordinated debt liabilities | 127.51 | 3.04 | - | 130.55 |
| | **56,810.37** | **2,971.88** | **23.22** | **59,805.47** |

| Particulars | As at April 1, 2024 | Cash flows | Exchange Difference | As at June 30, 2024 |
|---|---|---|---|---|
| Debt securities | 28,714.66 | (986.33) | - | 27,728.33 |
| Borrowings (other than debt securities) | 16,388.32 | 1,833.47 | 0.02 | 18,221.81 |
| Deposits | 450.00 | (100.00) | - | 350.00 |
| Subordinated debt liabilities | 127.23 | 3.03 | - | 130.26 |
| | 45,680.21 | 750.17 | 0.02 | 46,430.40 |

(Currency : Rs in crores)

## 46 Capital Management

The Group manages its capital to ensure that it will be able to continue as going concern while maximizing the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Group consists of net debt (borrowings as detailed in notes 15 to 18 offset by cash and cash equivalents and earmarked balances with banks (excluding lien marked)) and total equity of the Group.

The Group determines the amount of capital required on the basis of annual as well as long term operating plans and other strategic investment plans. The funding requirements are met through equity or convertible / non convertible debt securities or other long-term /short-term borrowings. The Group monitors the capital structure on the basis of total debt to equity ratio and maturity profile of the overall debt portfolio of the Group.

| The capital components of the Group are as given below: | **June 30, 2025** | March 31, 2025 |
|---|---|---|
| **Total Equity** | 17,481.01 | 16,656.51 |
| Borrowings | 59,805.47 | 56,810.37 |
| **Total Debt** | **59,805.47** | **56,810.37** |
| Cash and Cash equivalents | (2,118.84) | (3,809.23) |
| Bank balances other than above (excluding lien marked) | (232.17) | (2.58) |
| **Net Debt** | **57,454.46** | **52,998.56** |
| **Debt equity ratio** | **3.42** | **3.41** |
| **Net Debt equity ratio** | **3.29** | **3.18** |

## 47 Risk management

Risk Management is an integral part of the Group's business strategy. The Risk Management oversight structure includes Committees of the Board and Management Committees. Group's risk philosophy is to develop and maintain a healthy portfolio which is within its risk appetite and the regulatory framework. While the Group is exposed to various types of risks, the most important among them are liquidity risk, interest rate risk, credit risk, regulatory risk, foreign exchange risk and fraud and operational risk. The measurement, monitoring and management of risks remain a key focus area for the Group.

The Risk Management Committee of the Board provides direction to and monitors the quality of the internal audit function and also monitors compliance with RBI and other regulators of the Company.

The Group's risk management strategy is based on a clear understanding of various risks, disciplined risk assessment and measurement procedures and continuous monitoring. The policies and procedures established for this purpose are continuously benchmarked with market best practices.

The Risk Management Committee of the Board ("RMC") reviews compliance with risk policies, monitors risk tolerance limits, reviews and analyse risk exposure and provides oversight of risk across the organization. The RMC nurtures a healthy and independent risk management function to inculcate a strong risk management culture in the Group and broadly perceives the risk arising from (i) liquidity risk, (ii) interest rate risk, (iii) credit risk and (iv) regulatory risk (v) fraud risk and operational risk and (vi) foreign exchange risk.

### 47.1 Liquidity Risk

Liquidity Risk refers to insufficiency of funds to meet the financial obligations. Liquidity Risk Management implies maintenance of sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit lines to meet obligations when due.

The Holding Company has an Asset Liability Management Policy in place, which is in line with NHB/RBI guidelines for Housing Finance Companies. The ALCO is responsible for the management of the companies funding and liquidity requirements. The Group manages liquidity risk by maintaining unutilised banking facilities, credit lines and by continuously monitoring forecast and actual cash flows, and by assessing the maturity profiles of financial assets and liabilities.

The Group has the following undrawn credit lines available as at the end of the reporting period.

| | **June 30, 2025** | March 31, 2025 |
|---|---|---|
| - Expiring within one year (including bank overdraft) | 165.00 | 165.00 |
| - Expiring beyond one year | - | 250.00 |
| Undrawn credit lines | **165.00** | 415.00 |

(Currency : Rs in crores)

## 47 Risk management *(Continued)*

### 47.1 Liquidity Risk *(Continued)*

The following tables detail the Group's remaining contractual maturity for its financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the rate applicable as of June 30, 2025 and March 31, 2025 respectively has been considered. The contractual maturity is based on the earliest date on which the Group may be required to pay.

| Maturities of Financial Liabilities | June 30, 2025 | | | |
|---|---|---|---|---|
| | Up to 1 year | 1 to 3 years | 3 to 5 years | 5 years and above |
| Borrowings | 20,593.55 | 30,781.84 | 12,317.17 | 12,593.45 |
| Trade Payables | 391.81 | - | - | - |
| Other Financial Liabilities* | 551.32 | 191.72 | 104.94 | 85.37 |
| | **21,536.68** | **30,973.56** | **12,422.11** | **12,678.82** |

| Maturities of Financial Liabilities | March 31, 2025 | | | |
|---|---|---|---|---|
| | Up to 1 year | 1 to 3 years | 3 to 5 years | 5 years and above |
| Borrowings | 21,578.11 | 26,965.05 | 11,736.67 | 13,250.27 |
| Trade Payables | 376.56 | - | - | - |
| Other Financial Liabilities* | 680.67 | 198.14 | 108.53 | 98.59 |
| | 22,635.34 | 27,163.19 | 11,845.20 | 13,348.86 |

*This includes lease liabilities

The following table details the Group's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Group's liquidity risk management as the liquidity is managed on a net asset and liability basis.

| Maturities of Financial Assets | June 30, 2025 | | | |
|---|---|---|---|---|
| | Up to 1 year | 1 to 3 years | 3 to 5 years | 5 years and above |
| Investments | 3,667.22 | 760.57 | 1,160.19 | 3,686.53 |
| Loans | 21,142.18 | 28,606.23 | 15,117.33 | 28,413.76 |
| Other Financial Assets | 571.75 | 208.69 | 111.32 | 319.82 |
| Receivables | 42.72 | - | - | - |
| | **25,423.87** | **29,575.49** | **16,388.84** | **32,420.11** |

| Maturities of Financial Assets | March 31, 2025 | | | |
|---|---|---|---|---|
| | Up to 1 year | 1 to 3 years | 3 to 5 years | 5 years and above |
| Investments | 2,479.80 | 897.95 | 1,316.49 | 4,066.18 |
| Loans | 20,019.76 | 26,797.06 | 13,587.07 | 25,725.09 |
| Other Financial Assets | 542.41 | 190.74 | 99.09 | 276.28 |
| Receivables | 46.17 | - | - | - |
| | 23,088.14 | 27,885.75 | 15,002.65 | 30,067.55 |

(Currency : Rs in crores)

## 47 Risk management *(Continued)*

### 47.2 Interest Rate Risk

**Retail lending:**
The Holding Company is exposed to minimal interest rate risk as it has assets and liabilities are based on floating interest rates. The Holding Company has an approved Asset and Liability Management Policy which empowers the ALCO assess the interest rate risk run by it and provide appropriate guidelines to the Treasury to manage the risk.

**Wholesale lending:**
The Group is exposed to interest rate risk as it has assets and liabilities based on both fixed and floating interest rates. The Holding Company has an approved Asset and Liability Management Policy which empowers the Asset and Liability Management Committee (ALCO) to assess the interest rate risk run by it and provide appropriate guidelines to the Treasury to manage the risk. The ALCO reviews the interest rate risk on periodic basis and decides on the asset profile and the appropriate funding mix. The ALCO reviews the interest rate gap statement and the interest rate sensitivity analysis.

**Borrowings:**
The exposure of the Group's borrowings to the interest rate risk at the end of the period/year for variable rate borrowing is Rs. 23,310.87 crores (March 31, 2025 - Rs. 21,974.54 crores) and fixed rate borrowings are Rs. 36,805.44 crores (March 31, 2025 - Rs. 34,835.83 crores)

The sensitivity analysis below have been determined based on the exposure to interest rates for assets and liabilities at the end of the reporting period. For floating rate assets and liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year and the rates are reset as per the applicable reset dates. The basis risk between various benchmarks used to reset the floating rate assets and liabilities has been considered to be insignificant.
Floating rate instruments that have been effectively hedged using derivative instruments are excluded from the sensitivity analysis, as they are no longer exposed to interest rate risk.

Impact on the Group's profit before tax if interest rates had been 100 basis points higher / lower is given below:

| Sensitivity Analysis on Floating Rate Instruments | As at June 30, 2025 | | As at March 31, 2025 | |
|---|---|---|---|---|
| | Higher | Lower | Higher | Lower |
| Sensitivity Analysis on Floating Rate Borrowings | (202.77) | 202.77 | (189.49) | 189.49 |
| Sensitivity Analysis on Floating Rate Assets | 389.88 | (389.88) | 361.54 | (361.54) |

### 47.3 The table below shows contractual maturity profile of carrying value of assets and liabilities:

| Particulars | As at June 30, 2025 | | |
|---|---|---|---|
| | Within 12 months | After 12 months | Total |
| **ASSETS** | | | |
| **Financial assets:** | | | |
| Cash and cash equivalents | 2,118.84 | - | 2,118.84 |
| Bank balances other than (a) above | 31.94 | 1,239.43 | 1,271.37 |
| Derivative financial instruments | 59.54 | - | 59.54 |
| Receivable | 42.72 | - | 42.72 |
| Loans | 14,203.85 | 48,723.54 | 62,927.38 |
| Investments | 3,601.39 | 5,213.18 | 8,814.57 |
| Other financial assets | 571.74 | 624.49 | 1,196.23 |
| **Non- financial assets:** | | | |
| Current tax assets (net) | 210.28 | - | 210.28 |
| Deferred tax assets (net) | - | 2,542.92 | 2,542.92 |
| Property, Plant and Equipment | - | 203.93 | 203.93 |
| Right-of-use assets | - | 302.79 | 302.79 |
| Investment property | - | 953.73 | 953.73 |
| Intangible assets under development | - | 0.93 | 0.93 |
| Goodwill | - | 2.00 | 2.00 |
| Other intangible assets | - | 183.15 | 183.15 |
| Other non-financial assets | 99.73 | 331.77 | 431.50 |
| **Total Assets** | **20,940.03** | **60,321.86** | **81,261.88** |

(Currency : Rs in crores)

**47.3 The table below shows contractual maturity profile of carrying value of assets and liabilities (Continued):**

| Particulars | As at June 30, 2025 Within 12 months | After 12 months | Total |
|---|---|---|---|
| **LIABILITIES** | | | |
| **Financial liabilities:** | | | |
| Trade payables | 392.69 | - | 392.69 |
| Debt securities | 9,836.96 | 24,965.87 | 34,802.83 |
| Borrowings (other than debt securities) | 5,764.41 | 18,524.40 | 24,288.81 |
| Deposits | 400.00 | 183.28 | 583.28 |
| Subordinated debt liabilities | - | 130.55 | 130.55 |
| Other financial liabilities | 551.31 | 382.04 | 933.35 |
| **Non- financial liabilities:** | | | |
| Current tax liabilities (net) | 147.82 | - | 147.82 |
| Provisions | 61.64 | 2.63 | 64.27 |
| Other non- financial liabilities | 245.07 | 2,192.20 | 2,437.27 |
| **Total liabilities** | **17,399.90** | **46,380.97** | **63,780.87** |

| Particulars | As at March 31, 2025 Within 12 months | After 12 months | Total |
|---|---|---|---|
| **ASSETS** | | | |
| **Financial assets:** | | | |
| Cash and cash equivalents | 3,809.23 | - | 3,809.23 |
| Bank balances other than (a) above | 42.70 | 1,035.71 | 1,078.41 |
| Derivative financial instruments | 32.02 | - | 32.02 |
| Trade Receivable | 46.17 | - | 46.17 |
| Loans | 13,634.58 | 45,112.17 | 58,746.75 |
| Investments | 2,449.94 | 5,364.90 | 7,814.84 |
| Other financial assets | 542.41 | 566.11 | 1,108.52 |
| **Non- financial assets:** | | | |
| Current tax assets (net) | 311.26 | - | 311.26 |
| Deferred tax assets (net) | - | 2,554.20 | 2,554.20 |
| Property, Plant and Equipment | - | 219.19 | 219.19 |
| Right-of-use assets | - | 301.88 | 301.88 |
| Investment property | - | 955.44 | 955.44 |
| Intangible assets under development | - | 0.93 | 0.93 |
| Goodwill | - | 2.00 | 2.00 |
| Other intangible assets | - | 199.73 | 199.73 |
| Other non-financial assets | 114.03 | 352.69 | 466.72 |
| **Total Assets** | 20,982.34 | 56,664.95 | 77,647.29 |
| **LIABILITIES** | | | |
| **Financial liabilities:** | | | |
| Trade payables | 376.56 | - | 376.56 |
| Debt securities | 11,543.33 | 21,512.03 | 33,055.36 |
| Borrowings (other than debt securities) | 5,652.07 | 17,795.88 | 23,447.95 |
| Deposits | - | 179.55 | 179.55 |
| Subordinated debt liabilities | - | 127.51 | 127.51 |
| Other financial liabilities | 680.67 | 405.26 | 1,085.93 |
| **Non- financial liabilities:** | | | |
| Current tax liabilities (net) | 147.84 | - | 147.84 |
| Provisions | 63.21 | 2.63 | 65.84 |
| Other non- financial liabilities | 334.55 | 2,169.69 | 2,504.24 |
| **Total liabilities** | 18,798.23 | 42,191.55 | 60,990.78 |

LODHA & CO. LLP MUMBAI-01 Chartered Accountants

SINGHI & CO. Chartered Accountants

PIRAMAL FINANCE LIMITED

(Currency : Rs in crores)

## 47 Risk management *(Continued)*

### 47.4 Credit Risk

The Group is exposed to Credit Risk through its lending activity. Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

**Retail lending:**
For retail lending the credit policy has been reviewed and approved by Risk Team. The Credit Risk management structure includes credit policies and procedures. The Credit Policy defines customer segments, income assessment criteria, underwriting standards, target market definition, appraisal and approval processes, product limits, Delegation of Authority metrics (DoA) and cover risk assessment for product offerings etc. to ensure consistency of credit buying patterns.

**Wholesale lending:**
The Group's Risk management team has developed proprietary internal rating models to evaluate risk credit risk for the loans and investments made by the Group. The output of traditional credit rating model is an estimate of probability of default. These models are different from the traditional credit rating models as they integrate both probability of default and loss given default into a single model.

**Credit Risk Management**

**For retail lending business, credit risk management is achieved by considering various factors like:**
• Assessment of borrower's capability to pay – detailed assessment of borrower's capability to pay is conducted. The approach to the assessment is uniform across the entire Group and is spelt out in the Credit Policy. For construction finance deals, the underlying project, the financial capability, past track record of repayments of the promoters is assessed by an independent risk team.

• Security cover – this is an assessment of the value of security under stress scenario which is further adjusted for factors like liquidity, enforceability, transparency in valuation, etc of the collateral.

• Geographic region – the Group monitors loan performances in a particular region to assess if there is any stress due to natural calamities, etc impacting the performance of loans in a particular geographic region

**For wholesale lending business, credit risk management is achieved by considering various factors like :**
• Promoter strength – This is an assessment of the promoter from financial, management and performance perspective.
• Industry & micro-market risk – This is an assessment of the riskiness of the industry and/or micro-market to which the borrower/project belongs
• Project risk – This is an assessment of the standalone project from which interest servicing and principal repayment is expected to be done.
• Structure risk – This is an assessment of the loan structure which is characterized by its repayment tenor, moratorium, covenants, etc.
• Security cover – This is an assessment of the value of the security under stress scenario which is further adjusted for factors like liquidity,
• Micro Market- This is an assessment of the micro-market in which the underlying project is located
Each of the above components of the risk analysis are assigned a specific weight which differ based on type of loan. The weights are then used with the scores of individual components for conversion to a risk rating.

Based on the above assessment the risk team categorises the deals in to the below Risk Grades

| Risk Grading | Description |
|---|---|
| Dark Green | Extremely good loan |
| Green | Good loan |
| Yellow | Moderate loan |
| Amber | Weak loan |
| Red | Extremely weak loan |

Further, a periodic review of the performance of the portfolio is also carried out by the Risk Team. The Risk Team adjusts the stress case considered during the initial approval based on actual performance of the deal, developments in the sector, regulatory changes etc. The deal level output is combined to form a portfolio snapshot. The trends from portfolio are used to provide strategic inputs to the management.

The credit risk on liquid funds and other financial instruments is limited because the counterparties are banks with high credit-ratings assigned by credit-rating agencies or mutual funds.

**Provision for Expected Credit Loss**

The Group has assessed the credit risk associated with its financial assets for provision of Expected Credit Loss (ECL) as at the reporting dates. For different product categories (Real Estate, Senior debt, Lease Rental Discounting, Loan Against Shares, Mezzanine etc), the Company has developed scorecard that makes use of various reasonable supportive forward looking parameters which are both qualitative as well as quantitative in nature. These scorecards helps in determining the change in credit risk and the probability of default. These parameters have been detailed out in Note No. iv of Material Accounting Policies information. Based on the result yielded by the above assessment the Financial assets are classified into (1) Standard (Performing) Asset, (2) Significant Credit Deteriorated (Under-Performing) Asset (3) Default (Non-Performing) Asset (Credit Impaired).
For the purpose of expected credit loss analysis the Group defines default as any asset with more than 90 days overdues. This is also as per the rebuttable presumption provided by the standard.

(Currency : Rs in crores)

## 47 Risk management *(Continued)*

### 47.4 Credit Risk *(Continued)*

The Group provides for expected credit loss based on the following:

| Category - Description | Stage | Basis for Recognition of Expected Credit Loss |
|---|---|---|
| Assets for which credit risk has not significantly increased from initial recognition | Stage 1 | 12 month ECL |
| Assets for which credit risk has increased significantly but not credit impaired | Stage 2 | Life time ECL |
| Assets for which credit risk has increased significantly and credit impaired | Stage 3 | Life time ECL |

For the period/year ended June 30, 2025 and March 31, 2025 the Group has developed a PD Matrix after considering some parameters as stated below :

For provisioning on the wholesale financial assets, the key parameters for various scorecards are highlighted as follows -Real Estate products (Construction Finance, Structured Debt, LRD) - (1) Developer Grade (2) Past Overdue History (3) Tenant profile (4) Sales and collection deviations (5) Stage of the project (6) Geography etc. Some of the Parameters for Non Real Estate products (Senior lending, mezzanine, project finance etc) - (1) Sponsor strength (2) Overdues (3) Average debt service coverage ratio (4) Regulatory Risk (5) Stability of EBITDA (6) Quality of underlying assets etc. Based on these parameters the holding company has computed the PD. The holding company has also in built model scorecards to determine the internal LGD. However, due to lack of default history to statistically substantiate the internal LGD, the holding company has made use of a combination of both internal as well as external LGD. The holding company also maintains Expected Credit Loss for undisbursed limits.

The holding company uses ECL allowance for retail financial assets measured at amortised cost, which are not individually significant, and comprise of a large number of homogeneous loans that have similar characteristics. The expected credit loss is a product of exposure at default, probability of default (PD) and loss given default. Due to lack of sufficient internal PD data, the holding company uses a mix of internal and external PD data from credit bureau agency (TransUnion) for last 7 years for potential credit losses. Further, the estimates from the above sources have been adjusted with forward looking inputs from anticipated change in future macro-economic conditions to comply with IndAS 109.

**Expected Credit Loss as at the Reporting period/year:**

| Particulars | Asset Group | Gross Carrying Value # | Expected Credit Loss | As at June 30, 2025 Net Amount |
|---|---|---|---|---|
| Assets for which credit risk has not significantly increased from initial recognition* | Investments | 435.42 | 9.38 | 426.04 |
| | Loans | 57,706.21 | 836.45 | 56,869.76 |
| Assets for which credit risk has increased significantly but not credit impaired | Investments | 4.88 | 0.23 | 4.65 |
| | Loans | 1,445.34 | 184.57 | 1,260.77 |
| Assets for which credit risk has increased significantly and credit impaired | Investments | 16.52 | 4.74 | 11.78 |
| | Loans | 4,347.31 | 3,501.82 | 845.49 |
| Purchased or Originated credit impaired (POCI) | Loans | 668.19 | 352.96 | 315.23 |
| **Total** | | **64,623.87** | **4,890.15** | **59,733.72** |

| Particulars | Asset Group | Gross Carrying Value # | Expected Credit Loss | As at March 31, 2025 Net Amount |
|---|---|---|---|---|
| Assets for which credit risk has not significantly increased from initial recognition* | Investments | 472.83 | 5.72 | 467.11 |
| | Loans | 53,880.36 | 910.80 | 52,969.57 |
| Assets for which credit risk has increased significantly but not credit impaired | Investments | 4.88 | 0.34 | 4.54 |
| | Loans | 1,411.63 | 223.84 | 1,187.79 |
| Assets for which credit risk has increased significantly and credit impaired | Investments | 16.52 | 4.44 | 12.08 |
| | Loans | 4,148.02 | 3,484.26 | 663.77 |
| Purchased or Originated credit impaired (POCI) | | 720.14 | 365.68 | 354.46 |
| **Total** | | 60,654.37 | 4,995.07 | 55,659.30 |

* Excluding Fair Valuation Adjustment on Merger of Rs. 2,169.57 crores (March 31, 2025 - Rs. 2,169.57 crores ) as same amount of liability is disclosed in Other Non-Financial Liabilities.

During earlier years, to cover for any possible uncertainties in the near future, the Company had created additional management overlay provision on certain real estate wholesale portfolio. This was duly approved by the Sustainability and Risk Management Committee and the Board of Directors of the Company. During the year ended March 31, 2025, Rs. 387.58 crores has been released as per the policy laid down. The total management overlay as on March 31, 2025 stood at Rs. 235.42 crores.

During the period ended June 30, 2025, there has been no utilization/ release as per the policy laid down. Accordingly, as of June 30, 2025, the management overlay stood at Rs. 235.42 crores.

As part of periodic ECL reviews, the Company has reviewed the management overlay for retail mortgage products which has resulted in reversal of provisions to the tune of ~ Rs 72 crores.
The change in the estimates has an impact on the ECL provision for future periods, which are impracticable to ascertain and hence not required to be disclosed.

# Gross Carrying Value represents instruments valued at amortised cost.
Investments covered investments in the nature of loan portfolio.

(Currency : Rs in crores)

## 47 Risk management *(Continued)*

### 47.4 Credit Risk *(Continued)*

**Reconciliation of Loss Allowance**

**a) Investments and Loans**

| | For the period ended June 30, 2025 | | | |
|---|---|---|---|---|
| | 12 months ECL - Stage 1 | Lifetime ECL not credit impaired - Stage 2 | ECL credit impaired - Stage 3 | POCI |
| Balance at the beginning of the year | 916.51 | 224.17 | 3,488.71 | 365.68 |
| Transfer on Account of Merger | - | - | - | - |
| Transferred to 12-month ECL (Stage 1) | 25.85 | (13.09) | (12.75) | - |
| Transferred to Lifetime ECL not credit impaired (Stage 2) | (21.64) | 23.19 | (1.55) | - |
| Transferred to Lifetime ECL credit impaired (Stage 3) | (11.78) | (53.66) | 65.45 | - |
| Bad debts written off | - | (61.06) | (183.28) | - |
| On Account of Rate (Reduction)/Increase | (134.85) | 73.13 | 160.38 | - |
| ECL on new loan disbursements | 96.48 | 0.51 | 0.11 | - |
| On Account of Repayments | (24.74) | (8.39) | (10.50) | (12.72) |
| **Balance at the end of the period** | **845.81** | **184.79** | **3,506.57** | **352.96** |

**a) Investments and Loans**

| | For the year ended March 31, 2025 | | | |
|---|---|---|---|---|
| | 12 months ECL - Stage 1 | Lifetime ECL not credit impaired - Stage 2 | ECL credit impaired - Stage 3 | POCI |
| Balance at the beginning of the year | 1,111.16 | 822.76 | 3,690.30 | 775.77 |
| Transfer on Account of Merger | - | - | - | - |
| Transferred to 12-month ECL (Stage 1) | 42.62 | (23.86) | (18.75) | - |
| Transferred to Lifetime ECL not credit impaired (Stage 2) | (28.15) | 31.07 | (2.92) | - |
| Transferred to Lifetime ECL credit impaired (Stage 3) | (15.33) | (144.68) | 160.00 | - |
| Bad debts written off | (7.51) | (282.65) | (516.63) | - |
| On Account of Rate (Reduction)/Increase | 85.91 | 17.14 | 339.03 | - |
| ECL on new loan disbursements | 352.00 | 44.56 | 97.78 | - |
| On Account of Repayments | (624.20) | (240.16) | (260.12) | (410.09) |
| **Balance at the end of the year** | **916.51** | **224.17** | **3,488.71** | **365.68** |

**b) Expected Credit Loss on undrawn loan commitments and letter of comfort:**

| Particulars | As at June 30, 2025 | As at March 31, 2025 |
|---|---|---|
| ECL on undrawn loan commitments (refer note 21) | 2.48 | 12.50 |

No letter of comfort is outstanding at the year end. The Group has not issued any letter of comfort during the year.

**c) Description of Collateral held as security and other credit enhancements**

The Group has set benchmarks on appropriate level of security cover for various types of deals. The Group periodically monitors the quality as well as the value of the security to meet the prescribed limits. The collateral held by the Group varies on case to case basis and includes:

i) First / Subservient charge on the Land and / or Building of the project or other projects, properties and vehicles
ii) First / Subservient charge on the fixed and current assets of the borrower
iii) Hypothecation over receivables from funded project or other projects of the borrower
iv) Pledge on Shares of the borrower or their related parties
v) Guarantees of Promoters / Promoter Undertakings
vi) Post dated / Undated cheques

As at the reporting date, the value of the collateral held as security for the credit impaired financial assets is higher than the exposure at default for these assets.

**d)** The credit impaired assets as at the reporting dates were secured by charge on land, building, properties, vehicles and project receivables amounting to

| Particulars | As at June 30, 2025 | As at March 31, 2025 |
|---|---|---|
| Secured portfolio | 1,077.36 | 866.57 |

(Currency : Rs in crores)

## 47 Risk management *(Continued)*

### 47.5 Regulatory Risk:

The Group requires certain statutory and regulatory approvals for conducting business and failure to obtain retain or renew these approvals in a timely manner, may adversely affect operations. Any change in laws or regulations made by the government or a regulatory body that governs the business of the Group may increase the costs of operating the business, reduce the attractiveness of investment and / or change the competitive landscape.

### 47.6 Fraud risk and operational risk:

Operational risk refers to the potential loss or disruption resulting from inadequate or failed internal processes, people, systems, or external events. It encompasses risks related to human error, technology failures, legal and compliance issues, and business continuity disruptions that can impact the operations of a finance company.

Operational Risk Management policy provides the structure and techniques that will facilitate consistent functioning of Operational Risk Management (ORM) framework. This Policy is focused on Operational Risk arising on account of People, Process, Systems, and external events. Company has Operational Risk Management Committee (ORMC) consisting of senior executives which monitors the ORM framework.

Fraud Risk Management policy focuses on prevention, detection, investigation of fraud and actions that Group should take in the event of fraud. Group has formulated Fraud Risk Management Committee (FRMC) consisting of senior executives. Group has also established a channel for employees to report frauds and related concern in timely manner.

The Group's risk management framework considers strategic, operations, financial reporting and external laws and regulations related risks

The Group has an elaborate system of internal audit and concurrent audit commensurate with the size, scale and complexity of its operations and covers funding operations, financial reporting, fraud control and compliance with laws and regulations.

Further, Concurrent audit helps prevent and address document related anomalies and deficiencies which strengthening quality assurance during onboarding and processing of transactions.

Internal Auditors monitors and evaluates the efficacy and adequacy of internal control systems in the Group, its compliance with laws and regulations, efficacy of its operating systems, adherence to the accounting procedures and policies at all offices of the Group and report directly to Audit Committee and Risk Management Committee of the Group.

### 47.7 Foreign exchange risk:

The Group is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the company's functional currency i.e. INR. The Group has taken foreign currency floating rate borrowing which is linked to various benchmark rates. The risk is measured through a forecast of highly probable foreign currency cash flows. The risk is hedged with the objective of minimising the volatility of the INR cash flows of highly probable forecast transactions.

The Group has entered into cross-currency interest rate swap (CCIRS), principal only swaps (POS), internal rate swaps (IRS) and forwards for the entire loan liability to manage the foreign exchange risk along with interest rate risk arising from changes in benchmark rates on such borrowings. As per the Group's policy, the critical terms of hedging instrument must align with the hedged items. Refer note 48 for accounting for the cash flow hedge and impact of hedge accounting on the statement of profit and loss.

There is no foreign currency asset/liability outstanding as on June 30, 2025 except External Commercial Borrowing of USD 365 million and Foreign currency bond of USD 450 million which are fully hedged (Refer note 48).

(Currency : Rs in crores)

## 48 Accounting for cash flow hedge

The Group deals with multiple financial instruments which are hedged by multiple derivative products. The details are as below:

| Financial Instrument (Hedged Item) | Notional amount | Maturity date | Type of risk hedged | Derivative instrument (Hedging instrument) | Key terms of the hedging instrument | Critical terms match[1] | Type of hedging relationship |
|---|---|---|---|---|---|---|---|
| External Commercial Borrowings (ECB) (based on LIBOR)[2] (ECB1) | 261.32 | June'2024 | - Interest rate risk due to changes in LIBOR<br>- Foreign currency risk on interest coupon and principal due to change in foreign exchange rates | Cross currency interest rate swap (CCIRS) | - Pay fixed rate interest<br>- Receive floating rate interest (based on LIBOR)<br>- Repayment of coupon and principal at fixed foreign exchange rate | Yes | Cash flow hedge |
| Investment in Floating rate government securities/bonds (linked to treasury bill rate)[3] (GOI_IRS) | 175.00 | September'2032 to August'2033 | Interest rate risk due to change in T bill rate | Interest Rate Swap (IRS) | - Pay floating rate interest (based on daily compounded overnight FBIL MIBOR)<br>- Receive fixed rate interest | No | Cash flow hedge |
| ECB (based on SOFR) (ECB2) | 832.40 | May'2027 | - Interest rate risk due to change in SOFR<br>- Foreign currency risk on interest coupon and principal due to change in foreign exchange rates | - IRS<br>- Forward contracts[4]<br>- Principal Only Swap (POS) | IRS<br>- Pay fixed rate interest<br>- Receive floating rate interest (SOFR)<br>Forward contracts<br>- Pay interest at fixed foreign exchange rate<br>POS<br>- Repayment of principal at fixed foreign exchange rate | Yes | Cash flow hedge |
| ECB (based on SOFR) (ECB3) | 2,270.76 | March'2028 | - Interest rate risk due to change in SOFR<br>- Foreign currency risk on interest coupon and principal due to change in foreign exchange rates | CCIRS | - Pay fixed rate interest<br>- Receive floating rate interest (SOFR)<br>- Repayment of coupon and principal at fixed foreign exchange rate | Yes | Cash flow hedge |
| Fixed interest Foreign Currency Denominated Bonds (FCCB) | 3,770.85 | January'2028 | Foreign currency risk on coupon and principal due to change in foreign exchange rates | - Forward contracts[4]<br>- POS | Forward contracts<br>- Pay interest at fixed foreign exchange rate<br>POS<br>- Pay principal at fixed foreign exchange rate | Yes | Cash flow hedge |
| Issue of floating interest rate Non- Convertible Debentures (NCDs) (linked to Overnight Index Swaps - OIS) | 850.00 | February'2026 to January'2027 | Interest rate risk due to change in OIS | IRS | - Pay fixed rate interest<br>- Receive floating rate interest (linked to OIS) | Yes | Cash flow hedge |

(Currency : Rs in crores)

## 48 Accounting for cash flow hedge (Continued)

[1] As the critical terms of the hedged item and the hedging instrument (notional, interest periods, underlying, repayment tenure and fixed rates) are matched and the interest cash flows are off setting, an economic relationship exists between the two. This ensures that the hedging instrument and hedged item have values that generally move in the opposite direction.

[2] The date on which the ECB and CCIRS were designated into hedging relationship is later than the date on which the respective contracts were entered into. This timing difference has caused hedge ineffectiveness to a certain extent, the effect of which has been recognised in profit or loss under the head net fair value changes

[3] As the critical terms of the hedged item and the hedging instrument (notional, interest periods, underlying, repayment tenure and fixed rates) are not exactly matched, the Company uses the hypothetical derivative method to assess effectiveness. The interest cash flows of the hypothetical derivative and interest rate swap are off setting, an economic relationship exists between the two. This ensures that the hedging instrument (interest rate swap) and hedged item (hypothetical derivative) have values that generally move in the opposite direction.

[4] The Company has excluded the foreign currency basis spread on the forward contracts and takes such excluded element through the income statement and measures it at FVTPL. Accordingly, the Company designates only the spot rate in the hedging relationship.

The derivative contracts are denominated in the same currency as the hedged items, therefore the hedge ratio is 1:1.
Hedge Effectiveness Testing is assessed at designation date of the hedging relationship, and on an ongoing basis. The ongoing assessment is performed at a minimum at each reporting date or upon a significant change in circumstances affecting the hedge effectiveness requirements, whichever comes first.

Following table provides quantitative information regarding the hedging instruments for Cash Flow Hedge:

| Type of risk/ hedge position | Carrying amount of hedging instruments-asset/ (liability) (included under "Derivative financial instruments") | Average contracted fixed interest rate & foreign currency rate | Changes in fair value of hedging instrument used as a basis for recognising hedge ineffectiveness Gain/(Loss) | Changes in value of hedged item used as a basis for recognising hedge ineffectiveness |
|---|---|---|---|---|
| **As on June 30, 2025** | | | | |
| Foreign currency and Interest rate risk | (15.29) | 8.33% | (4.80) | 4.80 |
| Interest rate risk | (42.76) | 6.55%-9.50% | (2.80) | 3.06 |
| Foreign currency risk | 117.61 | USD/INR 83.24 to 88.58 | 53.64 | (53.64) |
| | **59.54** | | | |
| **As on March 31, 2025** | | | | |
| Foreign currency and Interest rate risk | (10.50) | 8.33% - 9.30% | (9.48) | 9.48 |
| Interest rate risk | (21.48) | 6.55%-9.50% | (24.32) | 24.32 |
| Foreign currency risk | 64.00 | SD/INR 83.24 to 88.58 | 68.66 | (68.66) |
| | **32.02** | | | |

Following table provides the effects of hedge accounting on financial performance :

| Type of hedge | Changes in the value of hedging instruments recognised in Other comprehensive income | Hedge ineffectiveness recognised in profit or loss | Amount reclassified from cash flow hedge reserve to profit or loss | Line-item affected in statement of profit or loss because of reclassification |
|---|---|---|---|---|
| **For the period ended June 30, 2025** | | | | |
| **Cash flow hedge** | | | | |
| Foreign currency and Interest rate risk | (4.80) | - | (7.68) | Finance Cost |
| Interest rate risk | (2.98) | (0.12) | 2.23 | Finance Cost |
| Foreign currency risk | 60.96 | - | (21.51) | Finance Cost |
| **For the period ended June 30, 2024** | | | | |
| **Cash flow hedge** | | | | |
| Foreign currency and Interest rate risk | 1.02 | - | (0.38) | Finance cost / Other income |
| Interest rate risk | (6.48) | 0.06 | (0.10) | Finance Cost |
| Foreign currency risk | (0.01) | - | 0.08 | Finance Cost |

(Currency : Rs in crores)

## 48 Accounting for cash flow hedge (Continued)

The table below provides a profile of the timing of the nominal amounts of the Group's hedging instruments (based on residual tenor) along with the rate as applicable by risk category:

| | As at June 30, 2025 | | | |
|---|---|---|---|---|
| | Total | Less than 1 year | 1-5 years | Over 5 years |
| **Foreign currency risk:** | | | | |
| *POS* | | | | |
| **Net exposure (in INR)** | 4,603.25 | - | 4,603.25 | - |
| INR:USD forward contract rate | 83.24 to 83.80 | - | 83.24 to 83.80 | - |
| *CCIRS* | | | | |
| **Net exposure (in INR)** | 2,270.76 | - | 2,270.76 | - |
| Average forward contract rate | 85.69 | - | 85.69 | - |
| *Forward Contracts* | | | | |
| **Net exposure (in INR)** | 1,010.32 | 359.97 | 650.35 | - |
| Average forward contract rate | 87.91 to 88.58 | 86.63 to 86.21 | 89.19 to 89.84 | - |
| **Interest rate risk:** | | | | |
| *CCIRS* | | | | |
| **Net exposure (in INR)** | (5.15) | (54.93) | 49.79 | - |
| Average fixed interest rate | 8.33% | 8.33% | 8.33% | - |
| *Interest rate Swaps* | | | | |
| **Net exposure (in INR)** | (51.34) | (30.40) | (23.12) | 2.17 |
| Average fixed interest rate | 6.55% to 9.50% | 6.55% to 9.50% | 6.55% to 9.50% | 6.67% |

| | As at March 31, 2025 | | | |
|---|---|---|---|---|
| | Total | Less than 1 year | 1-5 years | Over 5 years |
| **Foreign currency risk:** | | | | |
| *POS* | | | | |
| **Net exposure (in INR)** | 4,603.25 | - | 4,603.25 | - |
| INR:USD forward contract rate | 83.24 to 83.80 | - | 83.24 to 83.80 | - |
| *CCIRS* | | | | |
| **Net exposure (in INR)** | 2,270.76 | - | 2,270.76 | - |
| Average forward contract rate | 85.69 | - | 85.69 | - |
| *Forward Contracts* | | | | |
| **Net exposure (in INR)** | 1,024.44 | 359.61 | 664.84 | - |
| Average forward contract rate | 87.62 to 88.58 | 86.08 to 86.21 | 88.86 to 89.84 | - |
| **Interest rate risk:** | | | | |
| *CCIRS* | | | | |
| **Net exposure (in INR)** | 2.57 | (52.24) | 54.82 | - |
| Average fixed interest rate | 8.33% | 8.33% | 8.33% | - |
| *Interest rate Swaps* | | | | |
| **Net exposure (in INR)** | (6.90) | 18.79 | (27.80) | 2.11 |
| Average fixed interest rate | 6.55% to 9.50% | 6.55% to 9.50% | 6.55% to 9.50% | 6.67% |

The following table provides a reconciliation by risk category of the components of equity and analysis of Other Comprehensive Income items resulting from hedge accounting:

| Particulars | Movement in Cash flow hedge reserve | |
|---|---|---|
| | For the period ended June 30, 2025 | For the year ended March 31, 2025 |
| Opening balance | (20.59) | 1.65 |
| **Effective portion of** | | |
| a) Interest rate and foreign currency risk | (4.79) | (9.48) |
| b) Interest rate | (2.97) | (24.34) |
| c) Foreign currency risk | 60.97 | 81.49 |
| Tax on movements on reserves during the year | (13.39) | (12.00) |
| **Net amount reclassified to profit or loss:** | | |
| a) Interest rate and foreign currency risk | (7.68) | 5.77 |
| b) Interest rate | 2.23 | 1.22 |
| c) Foreign currency risk | (21.50) | (84.40) |
| Tax on movements on reserves during the year | 6.78 | 19.48 |
| **Closing balance** | **(0.93)** | (20.60) |

(Currency : Rs in crores)

## 49 Transfer of Financial Assets

**(a) Transferred financial assets that are not derecognised in their entirety**

The following tables provide a summary of financial assets that have been transferred in such a way that part or all of the transferred financial assets do not qualify for derecognition, together with the associated liabilities:

| Securitisations | As at June 30, 2025 | As at March 31, 2025 |
|---|---|---|
| Carrying amount of transferred assets measured at amortised cost | 5,317.41 | 5,149.53 |
| Carrying amount of associated liabilities measured at amortised cost | 5,174.39 | 5,169.88 |
| Fair value of assets | 5,317.41 | 5,149.53 |
| Fair value of associated liabilities | 5,174.39 | 5,169.88 |
| Net position at Fair value | 143.02 | (20.35) |

**(b) Transferred Financial Assets that are derecognised in their entirety**

The Group has assigned loans (earlier measured at amortized cost) by way of direct assignment (including co-lending). As per the terms of deals, since substantial risk and rewards related to these assets were transferred to the buyer, the assets have been de-recognised from the Group's Balance Sheet. The table below summarised the carrying amount of the derecognised financial assets.

| Particulars | As at June 30, 2025 | As at March 31, 2025 |
|---|---|---|
| **Direct Assignment (excluding 100% direct assignment (including co-lending))** | | |
| Carrying amount of transferred assets measured at amortised cost | 13,947.39 | 13,034.29 |
| Carrying amount of exposures retained by the Company at amortized cost | 1,758.53 | 1,537.03 |

## 50 Foreign Currency Expenditure (on accrual basis)

| Particulars | For the period ended June 30, 2025 | For the period ended June 30, 2024 |
|---|---|---|
| Professional Fees | 0.56 | 0.57 |
| Membership & Subscription | 0.77 | - |

## 51 Disaggregate Revenue Information

| Particulars | For the period ended June 30, 2025 | For the period ended June 30, 2024 |
|---|---|---|
| **Type of services** | | |
| Rental income | 16.92 | 17.70 |
| Fees and commission income | | |
| Processing / arranger fees and other charges | 116.85 | 98.55 |
| | **133.77** | 116.25 |
| **Timing of revenue recognition** | | |
| Services transferred at a point in time | 116.85 | 98.55 |
| Services transferred over time | 16.92 | 17.70 |
| | **133.77** | 116.25 |

Note: Processing fees forming part of loan are amortised as a part of EIR.

## 52 (a) Conversion of the Company from HFC to NBFC-ICC

The Company received its Certificate of Registration (CoR) as a Non-Banking Financial Company - Investment and Credit Company (NBFC-ICC) from the Reserve Bank of India (RBI) on April 4, 2025. On the same day, the Company surrendered its CoR as a Housing Finance Company (HFC).

### (b) Composite Scheme of Arrangement for merger

The Board of Directors of the Company, in its meeting dated May 8, 2024, approved the Composite Scheme of Arrangement amongst the Company, Piramal Enterprises Limited ('PEL') (the holding company of Piramal Finance Limited ('PFL')) and their respective shareholders and creditors under Sections 230 to 232 read with Section 52 and Section 66 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder for merger of PEL with PFL ('Scheme'). The Scheme was modified by the Committee of Directors (Administration, Authorisation & Finance) of the Company at its meetings held on October 26, 2024 and April 9, 2025. The appointed date of the Scheme will be April 1, 2024.

RBI approval on Scheme was received on April 8, 2025 and the Company on April 10, 2025 has filed Application with the National Company Law Tribunal, Mumbai Bench for sanction of the Scheme which is pending before the NCLT.

## 53 Corporate Social Responsibility Expenditure

As per the Companies Act, Group has no obligation to contribute towards CSR for the current period and not incurred any such expenditure.

## 54 Events after reporting period

There have been no events after the reporting date that require disclosure in these financial statements except as mentioned in note 52.

(Currency : Rs in crores)

### 55 Additional Regulatory Information

(i) The Group has not granted any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person that are:

(a) repayable on demand; or
(b) without specifying any terms or period of repayment

(ii) The Group has not been declared a wilful Defaulters by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof in accordance with the guidelines on wilful defaulters issued by the RBI.

(iii) The Group has not done any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act.

(iv) The company has no pending charges creation for Term Loans as on June 30, 2025 and NCD charge creation is pending due to resubmission on ROC site.
There was no satisfaction of charge pending for term loans as on June 30, 2025, except standard chartered bank amounting to Rs. 500 crores towards borrowing from SCB due to non-receipt of No Due Certificate and wrt NCDs for ISIN no INE516Y07501 modification of charge amounting to Rs. 100 crs is pending due to resubmission on ROC site.

(v) The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.

(vi) The Group have not traded or invested in Crypto currency or Virtual Currency during the period.

(vii) During the period the Group have not advanced or loaned or invested funds to any other person (s)or entity (ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries); or

(b) Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(viii) During the period the Group have not received any fund from any person (s)or entity (ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall:

(a) 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

(b) Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ix) The Group have not had any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the period 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).

(x) The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017

(xi) Quarterly Asset cover statements submitted to Debenture and Security Trustee's are in agreement with the books of accounts.

**56** Previous periods/years figures have been regrouped or reclassified wherever necessary to conform to current period's presentation which are not considered to be material to the Consolidated Interim Financial Statements.

The notes referred to above forms an integral part of the consolidated interim financial statements.

**For and on behalf of the Board of Directors of**
**Piramal Finance Limited**
*(formerly known as Piramal Capital & Housing Finance Limited)*
(CIN - U64910MH1984PLC032639)

**Jairam Sridharan**
*Managing Director*
DIN: 05165390

**Gautam Doshi**
*Director*
DIN: 00004612
*(London)*

**Vikash Singhla**
*Chief Financial Officer*

**Urmila Rao**
*Company Secretary*

Mumbai, August 21, 2025

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**Independent Auditors' Report**

**To the Members of Piramal Finance Limited**
**(Formerly known as Piramal Capital & Housing Finance Limited)**

**Report on the Audit of the Consolidated Financial Statements**

**Opinion**

1. We have audited the accompanying consolidated financial statements of Piramal Finance Limited (Formerly known as Piramal Capital & Housing Finance Limited) ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), its associate and joint venture, as listed in Annexure 1, which comprise the Consolidated Balance Sheet as at 31 March 2025, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a material accounting policy information and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries, associate and joint venture, 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 ('Ind AS') specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India of the consolidated state of affairs of the Group, its associate and joint venture, as at 31 March 2025, and their consolidated loss, other comprehensive income, consolidated cash flows and the consolidated changes in equity for the year ended on that date.

**Basis for Opinion**

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, its associate and joint venture in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the rules 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 we have obtained together with the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 17 of the Other Matters section below, is sufficient and appropriate to provide a basis for our opinion.

**Emphasis of Matter**

4. We draw attention to Note 42B to the accompanying consolidated financial statement which states that the Company has disclosed Rs. 216,957 lakhs as fair value adjustment under 'Other non-financial liabilities' in line with the presentation prescribed in the National Company Law Tribunal ('NCLT') order dated 7 June 2021 in respect of assets and liabilities acquired by the Company through the Corporate Insolvency Resolution Process of Dewan Housing Finance Corporation Limited ('DHFL'), which is different from the presentation requirements of Ind AS 32, Financial Instruments Presentation, that requires such fair value adjustments to be netted off with the gross book value of corresponding assets.

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5. We draw attention to note 53(a) to the accompanying consolidated financial statements, which describes that the Board of Directors of Holding Company has approved conversion of the Holding Company from a Housing Finance Company (HFC) to Non-Banking Financial Company– Investment and Credit Company (NBFC-ICC) in its meeting held on 08 May 2024.

   The Holding Company received its Certificate of Registration (CoR) as a Non-Banking Financial Company – Investment and Credit Company (NBFC-ICC) from the Reserve Bank of India (RBI) on April 4, 2025. On the same date, it surrendered its CoR as a Housing Finance Company (HFC) and accordingly Principle Business Criteria (PBC) requirement is no longer required w.e.f. April 04, 2025. Since the Company was classified as HFC as of March 31, 2025, its financial statements have been prepared accordingly, including all disclosures applicable to an HFC. Further, the Holding Company's name has been changed from 'Piramal Capital & Housing Finance Limited' to 'Piramal Finance Limited', effective March 22, 2025.

   Our opinion is not modified in respect of these matter.

**Key Audit Matters**

6. Key audit matters are those matters that, in our professional judgment and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries, associate and joint venture, were of most significance in our audit of the consolidated financial statements of the current period. 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.

7. We have determined the matter(s) described below to be the key audit matters to be communicated in our report.

| Key audit matter | How our audit addressed the key audit matter |
|---|---|
| **Expected Credit Loss allowance on financial assets**<br>*Refer note 2.(iv) for material accounting policy and note 47.4 for financial disclosures in the accompanying financial statements*<br>As at 31 March 2025, the Holding Company has reported gross loan assets of Rs. 62,32,970 lakhs against which an impairment loss allowance of Rs. 4,98,457 lakhs has been recognised based on the Expected Credit Loss ("ECL") approach as laid down under 'Ind AS 109 – Financial Instruments' (Ind AS 109).<br>The estimation of ECL on financial assets is complex and involves significant management judgement and estimates, including the following:<br>• Models used to estimate ECL are inherently judgmental with high estimation uncertainty which involves determining Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD).<br>• Completeness and accuracy of the data from internal and external sources used in the models.<br>• Ind AS 109 requires the Holding Company to measure ECL on a forward-looking basis reflecting future economic conditions. | Our audit focused on assessing the appropriateness of the models used including management's judgment and estimates used in the expected credit loss assessment through procedures that included, but were not limited to, the following:<br>• Considered the Holding Company's accounting policies for expected credit loss of financial assets and assessed compliance of the policies in terms of Ind AS 109.<br>• Understood management's processes, systems and controls implemented in relation to ECL allowance process. Evaluated the design and tested the operating effectiveness of key internal financial controls over such process.<br>• Assessed the governance framework over validation and implementation as per approval from Board of Directors.<br>• Obtained an understanding of the models adopted by the Company including the key inputs and assumptions. Since modelling assumptions and parameters are based on historical as well as external data, we |

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| Significant management judgement is applied in determining the economic scenario used and probability weights applied to them.<br>• Qualitative adjustments are made by the Management to the results obtained from ECL models to address any identified impairment or emerging trends as well as risks not captured by models. These adjustments are inherently subjective and significant management judgement is involved in estimating these amounts.<br>• In respect of purchased or originated credit impaired financial assets, cumulative changes, at the portfolio level, in lifetime expected credit losses since initial recognition are recognised as a loss allowance. Significant management judgement is applied to assess such changes.<br><br>The disclosures prescribed under Ind AS 107 and RBI directives is also an area of focus for the management and auditors.<br>Considering the significance of ECL to the overall financial statements and the degree of management's estimates and judgments involved in this matter that requires significant auditor attention, we have considered expected credit loss allowance on financial assets to be a key audit matter. | assessed whether the same were relevant and representative of current circumstances.<br>• Assessed the critical assumptions and input data used in the estimation of expected credit loss for specific key credit risk parameters, such as the classification of loan assets into stages as described in the accounting policy, Exposure at default (EAD), probability of default (PD) or loss given default (LGD);<br>• On sample basis tested the completeness and accuracy of the input data used for determining the PD and LGD rates and agreed the data with the underlying books of accounts and records;<br>• Evaluated whether the methodology applied by the Holding Company is compliant with the requirements of the relevant accounting standards and confirmed that the calculations are performed in accordance with the approved methodology, including mathematical accuracy of the workings.<br>• Assessed the appropriateness and adequacy of the related presentation and disclosures made in the accompanying financial statements in accordance with the applicable accounting standards and related RBI circulars and guidelines. |
| **Information Technology (IT) systems and controls impacting financial reporting**<br><br>The IT environment of the Holding Company is complex and involves a number of independent and interdependent IT systems used in the operations of the Company for processing and recording a large volume of transactions. As a result, there is a high degree of reliance and dependency on such IT systems for the financial reporting process of the Company.<br><br>Appropriate IT general controls and IT application controls are required to ensure that such IT systems are able to process the data as required, completely, accurately, and consistently for reliable financial reporting.<br>We have identified certain key IT systems ('in-scope' IT systems) which have an impact on the financial reporting process and the related control testing as a key audit matter because of the high level of automation, significant number of systems being used by the Holding Company for processing financial transactions, the complexity of the IT architecture and its impact on the | Our audit procedures with respect to this matter included the following:<br>In assessing the controls over the IT systems of the Holding Company, we involved our technology specialists to obtain an understanding of the IT environment, IT infrastructure and IT systems.<br>We evaluated and tested relevant IT general controls and IT application controls of the 'in-scope' IT systems identified as relevant for our audit of the consolidated financial statements and financial reporting process of the Holding Company.<br>On such "in-scope" IT systems, we have tested key IT general controls with respect to the following domains:<br><br>a. User access management, which includes user access provisioning, de-provisioning, access review, password management, sensitive access rights and segregation of duties to ensure that privilege access to applications, operating system and |

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| financial records and financial reporting process of the Holding Company. | databases in the production environment were granted only to authorized personnel.<br><br>b. Program change management, which includes controls on moving that program changes to production environment as per defined procedures and relevant segregation of environments.<br><br>c. Other areas that were assessed under the IT control environment included backup management, incident management, interface, batch processing and interface.<br><br>We also evaluated the design and tested the operating effectiveness of key IT application controls within key business processes, which included testing automated calculations, automated accounting procedures, system interfaces, system reconciliation controls and key system generated reports, as applicable.<br><br>Where control deficiencies were identified, we tested compensating controls or performed alternative audit procedures, where necessary. |
| **Recoverability of Deferred Tax Assets**<br>Refer note 2.(xii) for material accounting policy information and note 11 for financial disclosures in the accompanying financial statements.<br><br>As at 31 March 2025, the Group has recognised deferred tax assets of Rs. 255,420 lakhs on unadjusted tax losses and tax credits.<br>The deferred tax assets have been recognised on the basis of the Group's assessment of availability of sufficient future taxable profits to utilise such unadjusted tax losses and tax credits within the time period allowed under the Income Tax Act, 1961, which is based on forecast of business projections. Such financial projections are inherently subjective and depend on various factors including future market and economic conditions, which involve significant management judgement and estimation. Any change in aforesaid assumptions could have a material impact on the carrying value of the deferred tax assets.<br>Owing to the materiality of the balances, complexities and significant estimates and judgements involved as described above, we have considered recoverability of deferred tax assets to be a key audit matter | Our audit on recoverability of deferred tax assets included, but was not limited to, the following procedures:<br>• Obtained an understanding of the management's process and evaluated the design and tested the operating effectiveness of internal controls with respect to recognition and assessment of recoverability of the deferred tax assets;<br>• Evaluated the appropriateness of the accounting policy adopted by the Group in respect of recognition of deferred tax assets in accordance with Ind AS 12, Income Tax;<br>• Assessed the reasonableness of the period of projections used in the deferred tax asset recoverability assessment in accordance with the time period allowed under the applicable tax laws with respect to utilisation of the said tax losses against future taxable profits;<br>• Obtained the business projections of future taxable profits estimated by the management and critically reviewed the key assumptions used therein, including future growth rates and relevant economic and industry estimates, based on our understanding of the business and market factors;<br>• Traced the financial projections to approved business plans and assessed efficacy of |

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| The above matter is also considered to be fundamental to the understanding of the users of the financial statements. | management's process for financial projections basis past business performance;<br>• Tested the arithmetical accuracy of the computation of future taxable profits including assessed the impact of estimation uncertainty basis the sensitivity analysis performed by the management on the projections; and<br>• Assessed the appropriateness and adequacy of the disclosures included in the accompanying financial statements in accordance with the applicable accounting standards. |

**Information other than the Consolidated Financial Statements and Auditor's Report thereon**

8. The Holding Company's Board of Directors are 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.

**Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

9. The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group including its associate and joint venture in accordance with the Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and its associate and joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group, its associate and joint venture 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

10. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associate and joint venture are responsible for assessing the ability of

the Group and of its associate and 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 intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

11. Those respective Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group and of its associate and joint venture.

**Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

12. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing 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.

13. As part of an audit in accordance with Standards on Auditing specified under section 143(10) of the Act, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

- Conclude on the appropriateness of 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 Group and its associate and 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 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 Group and its associate and joint venture to cease to continue as a going concern;

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and

- Obtain sufficient appropriate audit evidence regarding the financial information/ financial statements of the entities or business activities within the Group, and its associate and joint venture, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the financial statements, of which we are the independent auditors. For the other

entities included in the financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

14. 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.

15. 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.

16. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period 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.

**Other Matter**

17. The Consolidated Statement includes the audited financial statement of the Holding Company for the year ended 31 March 2024 which were audited by one of the current joint auditors (T R Chadha & Co LLP) along with an erstwhile joint auditor (Walker Chandiok & Co. LLP) whose reports dated 08 May 2024 expressed an unmodified opinion on those financial statement. The said audit report has been furnished to Singhi & Co. and has been relied upon by them for the purpose of audit of the Financial Statement.

    Our Opinion is not modified in respect of this matter.

18. We did not audit the financial statements of three subsidiaries included in the Statement, whose financial statements reflects total assets of Rs 181,912 lakhs as at 31 March 2025, total revenues of Rs 10,687 lakhs, total net loss after tax of Rs. 748 Lakh and cash outflows (net) of Rs 1,031 lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss after tax of Rs 4,187 lakhs for the year ended 31 March 2025, as considered in the consolidated financial statements, in respect of one joint venture, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose audit reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and 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 subsidiaries and joint venture, is based solely on the reports of the other auditors.

    Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors.

19. The Holding Company has disposed-off three subsidiaries during the year and the consolidated financial statements includes unaudited financial statements in respect of these subsidiaries till the date of their disposal, whose financial statements have not been audited by us. The unaudited financial Statements of these three subsidiaries included in the consolidated financial information reflects total, total revenues of Rs 148 lakhs, total net profit after tax of Rs 85 lakhs, and cash out flows (net) of Rs 306 lakhs for the year ended on that date, as considered in the consolidated financial statement. The consolidated financial statements also include the Group's share of net loss (including other comprehensive income) of Rs 0 lakhs for the year ended 31 March 2025, as considered in the

consolidated financial statements, in respect of one associate, whose financial statements have not been audited by us. These financial statements are unaudited and have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the aforesaid subsidiaries and associate is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the management, these financial statements are not material to the Group.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matter with respect to our reliance on the financial statements certified by the management.

20. The following other matter paragraph is given by the joint auditors of Pramerica Life Insurance Limited ('PLIL') vide their report dated 02 May 2025 on the financial statements, the Joint Venture of subsidiary company of the Holding Company, which is reproduced by us as under:

The actuarial valuation of liabilities for life policies in force is the responsibility of the Company's appointed actuary ("the Appointed Actuary"). The actuarial valuation of liabilities for policies in force as at 31 March 2025 has been duly certified by the Appointed Actuary. The Appointed Actuary has also certified that the assumptions for such valuation are in accordance with the guidelines and norms issued by the Insurance Regulatory and Development Authority of India (IRDAI) and the Institute of Actuaries of India in concurrence with IRDAI. We have relied upon the Appointed Actuary's certificate in this regard.

The valuation of liability of embedded derivatives in insurance contracts as at 31 March 2025 has been duly certified by the Appointed Actuary. We have relied upon the Appointed Actuary's certificate in this regard.

Our opinion is not modified in respect of these matters.

**Report on Other Legal and Regulatory Requirements**

21. As required by section 197(16) of the Act based on our audit and on the consideration of the reports of the other auditors, referred to in paragraph 17, on separate financial statements of the subsidiaries, associate and joint venture, we report that the Holding Company, its subsidiaries, associate and joint venture incorporated in India whose financial statements have been audited under the Act have paid remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.

22. As required by clause (xxi) of paragraph 3 of Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act based on the consideration of the Order reports issued till date by us and by the respective other auditors as mentioned in paragraph 18 above, of companies included in the consolidated financial statements and covered under the Act we report that there are no qualifications or adverse remarks reported in the respective Order reports of such companies. Further, following are the companies included in the consolidated financial statements for the year ended 31 March 2025 and covered under that Act that are not audited by other auditors, for which the respective reports under section 143(11) of the Act of such companies have not yet been issued by the respective other auditors. These financial statements are unaudited and have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the following subsidiaries and associate is based solely on such unaudited financial statements.

| Name | CIN | Subsidiary/ Associate/ Joint Venture |
|---|---|---|
| DHFL Venture Trustee Company Private Limited | U65991MH2005PTC153886 | Associate of Subsidiary Company |

| | | |
|---|---|---|
| DHFL Holdings Limited | U65999MH2018PLC314283 | Subsidiary - up to January 16th 2025 |
| DHFL Advisory & Investments Private Limited | U67190MH2016PTC273074 | Subsidiary - up to January 16th 2025 |
| Piramal Finance Sales & Services Private Limited | U67200MH2020PTC345642 | Subsidiary - up to January 16th 2025 |

23. As required by section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements and other financial information of the subsidiaries, associate and joint venture incorporated in India whose financial statements have been audited under the Act, 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 purpose 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 and the reports of the other auditors except for the matters stated in paragraph 23(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);

c) The consolidated financial statements 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 Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, the relevant circulars, guidelines and directions issued by the Reserve bank of India (RBI) from time to time ('RBI guidelines'), note 42B to the extent effect given in accordance with the accounting treatment prescribed in resolution plan approved by the National Company Law Tribunal vide their order dated 7 June 2021 as is more fully described in the said note;

e) On the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company, and the reports of the statutory auditors of its subsidiaries and joint venture, covered under the Act, none of the directors of the Group companies and joint venture company, are disqualified as on 31 March 2025 from being appointed as a director in terms of section 164(2) of the Act.

f) The remark relating to the maintenance of accounts and other matters connected therewith with respect to the consolidated financial statements are as stated in paragraph 23(b) above on reporting under section 143(3)(b) of the Act and paragraph 23(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);

g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, and its subsidiaries and joint venture covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure B' wherein we have expressed an unmodified opinion; 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 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements and other financial information of the subsidiaries, associate and joint venture incorporated in India whose financial statements have been audited under the Act:

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associate and joint venture as detailed in Note 40(a) to the consolidated financial statements;

ii. The Group, its associate and joint venture did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, and its subsidiaries, associate and joint venture during the year ended 31 March 2025;

iv.

a. The respective managements of the Holding Company and its subsidiaries, associate and joint venture incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries, associate and joint venture respectively that, to the best of their knowledge and belief as disclosed in note 56 (vii) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Holding Company or its subsidiaries, associate and joint venture to or in any person(s) or entity(ies), including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company, or any such subsidiaries, associate and joint venture ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

b. The respective managements of the Holding Company and its subsidiaries, associate and joint venture incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries, associate and joint venture respectively that, to the best of their knowledge and belief, as disclosed in the note 56 (viii) to the accompanying consolidated financial statements, no funds have been received by the Holding Company or its subsidiaries, associate and joint venture from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Holding Company, or any such subsidiaries, associate and joint venture shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c. Based on such audit procedures performed by us and that performed by the auditors of the subsidiaries, associate and joint venture, as considered reasonable and appropriate in the circumstances, nothing has come to our or other auditors' notice that has caused us or the other auditors to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.

v. The Holding Company, its subsidiaries, associate and joint venture have not declared or paid any dividend during the year ended 31 March 2025;

vi. Based on our examination which included test checks and that performed by the respective auditors of the subsidiaries and joint venture of the Holding Company which are companies incorporated in India and audited under the Act, except for the instances mentioned below, the Holding Company, its subsidiaries and Joint venture, in respect of financial year commencing on 1 April 2024, have used accounting software for maintaining their books of account which have a feature of recording audit trail (edit log) facility and the same has been operated

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throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we and respective auditors of the above referred subsidiaries and joint venture did not come across any instance of audit trail feature being tampered with, other than the consequential impact of the exception given below.

Pursuant to the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014, which came into effect from April 1, 2024, and in accordance with the requirements of Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, we report that, based on our audit procedures and the information and explanations provided to us, the Company has duly maintained and preserved the audit trail, as per the applicable statutory requirements for record retention other than the consequential impact of the exception given below.

| Nature of exception noted | Details of Exception |
|---|---|
| Instances of accounting software for maintaining books of account for which the feature of recording audit trail (edit log) facility was not operated throughout the year for all relevant transactions recorded in the software. | The audit trail feature was not enabled at the database level for two accounting software to log any direct data changes, used for maintenance of all accounting records by the Company.<br><br>Additionally, the audit trail feature in respect of one software at database/application and audit trail feature in respect of 1 software at database level was enabled w.e.f. May 2024. |
| Instances of accounting software maintained by a third party where we are unable to comment on the audit trail feature | The accounting software used for maintenance of customer documentation of the holding company is operated by a third-party service provider.<br>• In the absence of an 'Independent Service Auditor's Assurance Report on the Description of Controls, their Design, and Operating Effectiveness' (Type 2 report) for the period April 2024 to March 2025, we are unable to comment on whether the audit trail feature within the software was enabled and operational during the said period. |

For **T R Chadha & Co LLP**
Chartered Accountants
Firm's Registration No: 006711N/N500028

**Hitesh Garg**
Partner
Membership No:502955
UDIN: 25502955BMLWNM4694
Place: Mumbai
Date: May 06, 2025

For **Singhi & Co**
Chartered Accountants
Firm's Registration No: 302049E

**Ravi Kapoor**
Partner
Membership No:040404
UDIN: 25040404BMLAPA9056
Place: Mumbai
Date: May 06, 2025

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**Annexure 1**

**List of entities included in the Consolidated Financial Statements**

a. Subsidiary Company
   i. DHFL Investments Limited
   ii. DHFL Holdings Limited (up to January 16th 2025)
   iii. DHFL Advisory & Investments Private Limited (up to January 16th 2025)
   iv. Piramal Payments Services Limited
   v. Piramal Finance Sales & Services Private Limited (up to January 16th 2025)
   vi. PRL Agastya Offices Private Limited (formerly PRL Agastya Private Limited)

b. Associate
   i. DHFL Venture Trustee Company Limited

c. Joint Venture of the Subsidiary Company
   i. Pramerica Life Insurance Limited

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**Annexure A**

**Independent Auditors' Report on the internal financial controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

1. In conjunction with our audit of the consolidated financial statements of Piramal Finance Limited (Formerly known as Piramal Capital & Housing Finance Limited) ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), its associate and joint venture as at and for the year ended 31 March 2025, we have audited the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies, its associate company and joint venture company, which are companies covered under the Act, as at that date.

**Responsibilities of Management and Those Charged with Governance for Internal Financial Controls**

2. The respective Board of Directors of the Holding Company, its subsidiary companies, its associate company and joint venture company, which are companies covered under the Act, are 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 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'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the respective Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**Auditors' Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements**

3. Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies, its associate company and joint venture company, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. 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 financial statements of the Holding Company, its subsidiary companies, its associate company and joint venture company as aforesaid.

T R Chadha & Co LLP
Chartered Accountants
E 2001, 20th Floor, Lotus Corporate Park
Ram Mandir Station Road, Goregaon East
Mumbai - 400 063

Singhi & Co
Chartered Accountants
B2 402B Marathon Innova, 4th Floor,
Off Ganpatrao Kadam Marg,
Opp. Peninsula Corporate Park,
Lower Parel, Mumbai 400013, India

**Meaning of Internal Financial Controls with Reference to Financial Statements**

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls with Reference to Financial Statements**

7. Because of the inherent limitations of internal financial controls with reference to 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 financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

8. In our opinion and based on the consideration of the reports of the other auditors on internal financial controls with reference to financial statements of the subsidiary companies and joint venture company as were audited by other auditors and with respect to three subsidiary companies and one associate as referred to in para 10 solely based on the consideration of the internal financial controls with reference to financial statements, financial information certified by Holding Company's management, the Holding Company, its subsidiary companies, its associate company and joint venture company, which are companies covered under the Act, have in all material respects, adequate internal financial controls with refence to financial statements and such controls were operating effectively as at 31 March 2025 and 16 January 2025 (three subsidiaries as referred in para 10), based on the internal financial controls with reference to financial statements criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

**Other Matters**

9. We did not audit the internal financial control with reference to financial statements insofar as related to three subsidiaries companies, which are companies covered under the Act, whose financial statement reflect total assets of Rs 181,912 lakhs and net assets of Rs 99,194 lakhs as at 31 March 2025, total revenues of Rs 10,687 lakhs, total net loss after tax of Rs. 748 Lakh and cash outflows (net) of Rs 1,031 lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss after tax of Rs 4,187 lakhs for the year ended 31 March 2025, in respect of one joint venture company, which is company covered under the Act, whose internal financial control with reference to financial statements have not been audited by us. The internal financial controls with reference to financial statements in so far as it relates to such subsidiary companies and joint venture company have been audited by other auditors whose reports have been furnished to us by the management and our report on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements for the Holding Company, subsidiary companies and joint venture company, as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to such

subsidiary companies and joint venture company is based solely on the reports of the auditors of such companies.

Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on the reports of the other auditors.

10. The Holding Company has disposed-off three subsidiaries during the year and the consolidated financial statements includes unaudited financial statements in respect of these subsidiaries till the date of their disposal, whose financial statements have not been audited by us. The unaudited financial Statements of these three subsidiaries included in the consolidated financial information reflects total, total revenues of Rs 148 lakhs, total net profit after tax of Rs 85 lakhs, and cash out flows (net) of Rs 306 lakhs for the year ended on that date, as considered in the Statement. The consolidated financial Statements also include the Group's share of net loss (including other comprehensive income) of Rs 0 lakhs for the year ended 31 March 2025, as considered in the consolidated financial statements, in respect of one associate, whose financial statements have not been audited by us. The internal financial controls with refence to financial statements of these subsidiaries and associate company, which is covered under the Act, are unaudited and our opinion under Section 143(3)(i) of the Act on adequacy and operating effectiveness of the internal financial controls with reference to financial statements in so far as it relate to the aforesaid subsidiaries and associate is solely based on the corresponding internal financial controls with reference to financial statements report certified by the management of such companies. In our opinion and according to the information and explanation given to us by the management, these financial information's are not material to the Group. Our opinion is not modified in respect of the above matter with respect to our reliance on the internal financial controls with refence t0 financial statements report certified by the management.

For **T R Chadha & Co LLP**
Chartered Accountants
Firm's Registration No: 006711N/N500028

**Hitesh Garg**
Partner
Membership No:502955
UDIN: 25502955BMLWNM4694
Place: Mumbai
Date: May 06, 2025

For **Singhi & Co**
Chartered Accountants
Firm's Registration No: 302049E

**Ravi Kapoor**
Partner
Membership No:040404
UDIN: 25040404BMLAPA9056
Place: Mumbai
Date: May 06, 2025

## Piramal Finance Limited

*(formerly known as Piramal Capital & Housing Finance Limited)*

### Consolidated Balance Sheet

*as at March 31, 2025*

(Currency : Rs in lakhs)

| | | Note | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|---|---|
| | **ASSETS** | | | |
| 1 | **Financial assets:** | | | |
| (a) | Cash and cash equivalents | 3 | 380,923 | 195,706 |
| (b) | Bank balances other than (a) above | 4 | 107,841 | 99,252 |
| (c) | Derivative financial instruments | 48 | 3,202 | 5,398 |
| (d) | Receivables | | | |
| | (i) Trade Receivables | 5 | 150 | 234 |
| | (ii) Other Receivables | 6 | 4,467 | 5,358 |
| (e) | Loans | 7 | 5,874,675 | 4,827,591 |
| (f) | Investments | 8 | 781,484 | 830,728 |
| (g) | Other financial assets | 9 | 110,852 | 94,381 |
| 2 | **Non- financial assets:** | | | |
| (a) | Current tax assets (net) | 10 | 31,126 | 54,048 |
| (b) | Deferred tax assets (net) | 11 | 255,420 | 253,829 |
| (c) | Property, Plant and Equipment | 13 | 21,919 | 38,820 |
| (d) | Right-of-use assets | 13 | 30,188 | 22,889 |
| (e) | Investment property | 13 | 95,544 | 96,038 |
| (f) | Intangible assets under development | 13 | 93 | 1,007 |
| (g) | Goodwill | 13 | 200 | 200 |
| (h) | Other intangible assets | 13 | 19,973 | 18,857 |
| (i) | Other non-financial assets | 12 | 46,672 | 41,481 |
| | **Total Assets** | | **7,764,729** | 6,585,817 |
| | **LIABILITIES AND EQUITY** | | | |
| | **Liabilities** | | | |
| 1 | **Financial liabilities:** | | | |
| (a) | Payables | | | |
| | Trade payables | | | |
| | (i) Total outstanding dues of micro enterprises and small enterprises | 14 | 4,432 | 2,980 |
| | (ii) Total outstanding dues of creditors other than micro enterprises and small enterprises | 14 | 33,224 | 32,621 |
| (b) | Debt securities | 15 | 3,305,536 | 2,871,466 |
| (c) | Borrowings (other than debt securities) | 16 | 2,344,795 | 1,638,832 |
| (d) | Deposits | 17 | 17,955 | 45,000 |
| (e) | Subordinated debt liabilities | 18 | 12,751 | 12,723 |
| (f) | Other financial liabilities | 19 | 108,593 | 125,965 |
| 2 | **Non- financial liabilities:** | | | |
| (a) | Current tax liabilities (net) | 20 | 14,784 | 7,911 |
| (b) | Provisions | 21 | 6,584 | 6,271 |
| (c) | Other non- financial liabilities | 22 | 250,424 | 352,578 |
| 3 | **Equity** | | | |
| (a) | Equity share capital | 23 | 2,496,469 | 2,336,469 |
| (b) | Other equity | 24 | (830,818) | (846,999) |
| | **Total Liabilities and Equity** | | **7,764,729** | 6,585,817 |
| | Material accounting policies | 2 | | |

The notes referred to above forms an integral part of the consolidated financial statements.

As per our report of even date attached.

**For Singhi & Co**
*Chartered Accountants*
Firm Registration No. 302049E

**Ravi Kapoor**
*Partner*
Membership No: 040404

**For T R Chadha & Co LLP**
*Chartered Accountants*
Firm's Registration No: 006711N/N500028

**Hitesh Garg**
*Partner*
Membership No: 502955

**For and on behalf of the Board of Directors of Piramal Finance Limited**
*(formerly known as Piramal Capital & Housing Finance Limited)*
(CIN - U64910MH1984PLC032639)

**Jairam Sridharan**
*Managing Director*
DIN: 05165390

**Ajay Piramal**
*Chairman*
DIN: 00028116
New York, USA

**Vikash Singhla**
*Chief Financial Officer*

**Urmila Rao**
*Company Secretary*

Mumbai, May 6, 2025

## Piramal Finance Limited

*(formerly known as Piramal Capital & Housing Finance Limited)*

### Consolidated Statement of Profit and Loss

*for the year ended March 31, 2025*

(Currency : Rs in lakhs)

| | Note | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|---|---|---|
| **Revenue from operations** | | | |
| Interest income | 25 (i) | 684,509 | 583,863 |
| Dividend Income | 25 (ii) | - | - |
| Rental income | | 7,270 | 6,510 |
| Fees and commission income | 26 | 43,224 | 56,699 |
| Other operating income | 27 | 89,245 | 23,252 |
| **Total Revenue from operations** | | **824,248** | 670,324 |
| Other income | 28 | 21,946 | 6,602 |
| **Total Income** | | **846,194** | 676,926 |
| **Expenses** | | | |
| Finance costs | 29 | 447,536 | 368,735 |
| Fees and commission expenses | 30 | 2,135 | 1,807 |
| Net loss on fair value changes | 31 | 33,253 | 26,237 |
| Net loss on derecognition of financial instruments under amortised cost category | 32 | 225,330 | 301,619 |
| Impairment allowances/(reversals) on financial instruments | 33 | (117,339) | (66,632) |
| Employee benefits expenses | 34 | 137,039 | 114,640 |
| Depreciation, amortisation and impairment | 13 | 19,026 | 15,242 |
| Other expenses | 35 | 96,719 | 103,890 |
| **Total Expenses** | | **843,699** | 865,538 |
| **Profit/(loss) before share of net profit/(loss) of joint ventures, exceptional items and tax** | | **2,495** | (188,612) |
| Share of net profit/(loss) of joint venture | 42 A (i) | (4,187) | (7,183) |
| **Profit/(Loss) after share of net profit/(loss) of associates and joint ventures before exceptional items and tax** | | (1,692) | (195,795) |
| **Less: Exceptional items** | | | |
| Regulatory Provision on investments in alternative investment funds | 8 | - | 165,768 |
| **Profit/(Loss) after share of net profit/(loss) of associates and joint ventures and before tax** | | **(1,692)** | (361,563) |
| **Less: Tax expenses** | 36 | | |
| Current tax | | 29 | 213 |
| Reversal of tax Expenses – Earlier years | | 1 | (53,027) |
| Deferred tax | | (1,057) | (111,221) |
| | | **(1,027)** | (164,035) |
| **(Loss) for the year** | | **(665)** | (197,528) |
| **Other comprehensive income** | | | |
| *Items that will not be reclassified to Statement of profit or loss* | | | |
| Remeasurement of the defined benefit plan | | (785) | (558) |
| Equity Instruments Measured through OCI | | 8,066 | 1,247 |
| Income tax relating to items that will not be reclassified to Statement of profit or loss | | 156 | (173) |
| *Items that will be reclassified to Statement of profit or loss* | | | |
| Share of other comprehensive income of joint venture accounted for using the equity method | | 10,532 | 7,320 |
| Remeasurement gain/(loss) on hedge accounting | | (2,974) | (289) |
| Debt Instruments Measured through OCI | | 1,479 | 1,706 |
| Income tax relating to items that will be reclassified to Statement of profit or loss | | 377 | (357) |
| **Net other comprehensive income** | | **16,851** | 8,896 |
| **Total comprehensive income/(loss) for the year** | | **16,186** | (188,632) |
| **Earnings per equity share (Basic and Diluted) (Rs.)** | 37 | **(0.00)** | (0.92) |
| Material accounting policies | 2 | | |

The notes referred to above forms an integral part of the consolidated financial statements.

As per our report of even date attached.

**For Singhi & Co**
*Chartered Accountants*
Firm Registration No. 302049E

**Ravi Kapoor**
*Partner*
Membership No: 040401

**For T R Chadha & Co LLP**
*Chartered Accountants*
Firm's Registration No: 006711N/N500028

**Hitesh Garg**
*Partner*
Membership No: 502955

**For and on behalf of the Board of Directors of Piramal Finance Limited**
*(formerly known as Piramal Capital & Housing Finance Limited)*
(CIN - U64910MH1984PLC032639)

**Jairam Sridharan**
*Managing Director*
DIN: 05165390

**Ajay Piramal**
*Chairman*
DIN: 00028116
New York, USA

**Vikash Singhi**
*Chief Financial Officer*

**Urmila Rao**
*Company Secretary*

Mumbai, May 6, 2025

## Piramal Finance Limited

*(formerly known as Piramal Capital & Housing Finance Limited)*

### Consolidated Statement of Cash Flow

*for the year ended March 31, 2025*

(Currency : Rs in lakhs)

| | | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|---|---|---|
| **A.** | **Cash flow from operating activities** | | |
| | (Loss) before tax after exceptional items | **(1,692)** | (361,563) |
| | Adjustments: | | |
| | Realised gain on sale of treasury investments | (5,943) | (4,780) |
| | Share of net profit/(loss) of joint ventures | 4,187 | 7,183 |
| | Interest income from fixed deposits | (10,189) | (7,071) |
| | Unrealised net loss on fair valuation of loans and advances / investments | 47,402 | 100,064 |
| | Regulatory provision on AIF | - | 165,768 |
| | Gain on pre-termination of lease | (501) | (201) |
| | Impairment allowances/(reversals) on financial instruments | (117,339) | (66,632) |
| | Interest cost on lease payment | 3,641 | 2,510 |
| | Finance costs expenses | 443,895 | 365,944 |
| | Finance cost paid | (432,574) | (361,467) |
| | Net loss on derecognition of financial instruments | 225,330 | 301,619 |
| | Gain on sale of property, plant and equipment | (6,347) | (825) |
| | Depreciation and amortisation | 19,026 | 15,242 |
| | **Cash generated from operations before working capital changes** | **168,897** | 155,791 |
| | Decrease / (Increase) in trade receivables | 84 | 217 |
| | Decrease / (Increase) in loans | (1,254,557) | (974,858) |
| | Decrease / (Increase) in investments | 129,556 | 188,855 |
| | Decrease / (Increase) in other receivables | 891 | (4,179) |
| | Decrease / (Increase) in other financial assets | (16,562) | (11,740) |
| | Decrease / (Increase) in other non financial assets | (6,667) | (2,929) |
| | (Decrease) / Increase in trade payables | 2,035 | 6,267 |
| | (Decrease) / Increase in provisions | 1,789 | 1,352 |
| | (Decrease) / Increase in other financial liabilities | (25,458) | (45,489) |
| | (Decrease) / Increase in other non financial liabilities | (6,923) | 22,346 |
| | **Cash generated from / (used in) operations** | **(1,006,915)** | (664,367) |
| | Income taxes refund (net) | 29,765 | 21,310 |
| | **Net cash generated from / (used in) operating activities (a)** | **(977,150)** | (643,057) |
| **B** | **Cash flow from investing activities** | | |
| | Purchase of property, plant and equipment | (11,012) | (25,300) |
| | Sale proceeds from property, plant and equipment | 23,138 | 3,127 |
| | Purchase of treasury investments | (28,789,669) | (7,663,495) |
| | Sale of treasury investments | 28,685,762 | 7,715,671 |
| | Interest income from fixed deposits | 10,394 | 7,071 |
| | Investment in fixed deposits | (586,479) | (122,326) |
| | Redemption from fixed deposits | 577,736 | 92,289 |
| | **Net cash generated from / (used in) investing activities (b)** | **(90,130)** | 7,037 |
| **C** | **Cash flow from financing activities** | | |
| | Payment of lease liabilities | (8,420) | (5,487) |
| | Borrowings taken during the year | 3,342,673 | 2,541,500 |
| | Borrowings repaid during the year | (2,241,756) | (2,097,089) |
| | Issue of equity shares | 160,000 | 200,000 |
| | **Net cash generated from / (used in) financing activities (c)** | **1,252,497** | 638,924 |
| | **Net increase/ (decrease) in cash and cash equivalents (a+b+c)** | **185,217** | 2,904 |

## Piramal Finance Limited

*(formerly known as Piramal Capital & Housing Finance Limited)*

### Consolidated Statement of Cash Flow

*for the year ended March 31, 2025*

(Currency : Rs in lakhs)

| | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|---|---|
| Cash and cash equivalents as at beginning of the year | **195,706** | 192,802 |
| Add: Cash and cash equivalent transferred due to acquisition during the year | **-** | - |
| Cash and cash equivalents as at end of the year | **380,923** | 195,706 |
| **Cash and Cash Equivalents Comprise of:** | | |
| Cash on hand * | **-** | - |
| Balances with banks in current accounts | **240,831** | 195,706 |
| Fixed deposits (with original maturity less than 3 months) | **140,092** | - |
| | **380,923** | 195,706 |

**Amount below 0.50 lakhs has been rounded off.*

The consolidated statement of cash flow has been prepared under the 'Indirect Method' set out in Indian Accounting Standard-7, "Statement of cash flow".

The notes referred to above forms an integral part of the consolidated financial statements.

As per our report of even date attached.

**For Singhi & Co**
*Chartered Accountants*
Firm Registration No. 302049E

**Ravi Kapoor**
*Partner*
Membership No: 040404

**For T R Chadha & Co LLP**
*Chartered Accountants*
Firm's Registration No: 006711N/N500028

**Hitesh Garg**
*Partner*
Membership No: 502955

**For and on behalf of the Board of Directors of Piramal Finance Limited**
*(formerly known as Piramal Capital & Housing Finance Limited)*
(CIN - U64910MH1984PLC032639)

**Jairam Sridharan**
*Managing Director*
DIN: 05165390

**Ajay Piramal**
*Chairman*
DIN: 00028116
New York, USA

Mumbai, May 6, 2025

**Vikash Singhla**
*Chief Financial Officer*

**Urmila Rao**
*Company Secretary*

## Piramal Finance Limited

*(formerly known as Piramal Capital & Housing Finance Limited)*

### Consolidated Statement of changes in equity

*for the year ended March 31, 2025*

(Currency : Rs in lakhs)

**A. Equity Share Capital:**

| Particulars | Amount |
|---|---|
| **Balance as at March 31, 2023** | **2,136,469** |
| Add: Issue of shares during the year | 200,000 |
| **Balance as at March 31, 2024** | **2,336,469** |
| Add: Issue of shares during the year | 160,000 |
| **Balance as at March 31, 2025** | **2,496,469** |

**B. Other Equity:**

| Particulars | Reserves and Surplus | | | | | Other Comprehensive Income | | | Total |
|---|---|---|---|---|---|---|---|---|---|
| | Amalgamation Adjustment Reserve | Statutory Reserve | Capital Reserve | Securities Premium | Retained Earnings | Debt Instruments Measured through OCI | Equity Instruments Measured through OCI* | Cash flow hedging reserve | |
| **Balance as at March 31, 2023** | (490,288) | 244,563 | 17,265 | 220,885 | (656,615) | (1,276) | 6,720 | 381 | (658,365) |
| Add/(Less) Transfer during the year | - | - | - | - | - | - | - | - | - |
| Add/(Less) Profit/(Loss) during the year | - | - | - | - | (197,528) | - | - | - | (197,528) |
| Add/(Less) Other comprehensive income (net of tax) | - | - | - | - | 6,900 | 1,277 | 933 | (216) | 8,896 |
| **Balance as at March 31, 2024** | (490,288) | 244,563 | 17,265 | 220,885 | (847,243) | 1 | 7,653 | 165 | (846,999) |
| Add/(Less) Transfer during the year | - | 1,049 | - | - | (1,049) | - | - | - | - |
| Add/(Less) Adjustment on account of Business combination | - | - | (2) | - | - | - | - | - | (2) |
| Add/(Less) Profit/(Loss) during the year | - | - | - | - | (665) | - | - | - | (665) |
| Add/(Less) Other comprehensive income (net of tax) | - | - | - | - | 9,943 | 1,106 | 8,024 | (2,225) | 16,851 |
| **Balance as at March 31, 2025** | (490,288) | 245,612 | 17,263 | 220,885 | (839,014) | 1,107 | 15,677 | (2,060) | (830,818) |

* that will not be reclassified to Statement of profit or loss

The notes referred to above forms an integral part of the consolidated financial statements.

As per our report of even date attached.

**For Singhi & Co**
*Chartered Accountants*
Firm Registration No. 302049E

**Ravi Kapoor**
*Partner*
Membership No. 040404

**For T R Chadha & Co LLP**
*Chartered Accountants*
Firm's Registration No. 006711N/N500028

**Hitesh Garg**
*Partner*
Membership No. 502955

**For and on behalf of the Board of Directors of**
**Piramal Finance Limited**
*(formerly known as Piramal Capital & Housing Finance Limited)*
(CIN - U64910MH1984PLC032639)

**Jairam Sridharan**
*Managing Director*
DIN: 05165390

**Ajay Piramal**
*Chairman*
DIN: 00028116
New York, USA

Mumbai, May 6, 2025

**Vikash Singhla**
*Chief Financial Officer*

**Urmila Rao**
*Company Secretary*

## 1A. GENERAL INFORMATION

Piramal Finance Limited (formerly known as Piramal Capital & Housing Finance Limited (the Holding Company)) was incorporated in India on April 11, 1984. The holding Company and its subsidiaries (together referred to as "the Group") and its associate and joint venture has been carrying on, as its main business of providing loans to customers for construction or purchase of residential property, loans against property, loans to real estate developers, loans to SMEs, etc. and other activities. The Holding Company is registered with National Housing Bank (NHB) under Section 29A of the National Housing Bank Act, 1987. The HoldingCompany received its Certificate of Registration (CoR) as a Non-Banking Financial Company - Investment and Credit Company (NBFC-ICC) from the Reserve Bank of India (RBI) on April 4, 2025. On the same day, the Holding Company surrendered its CoR as a Housing Finance Company (HFC) and accordingly PBC requirement is no longer required w.e.f. April 4, 2025. Further, the name of the Holding Company has been changed from 'Piramal Capital & Housing Finance Limited' to 'Piramal Finance limited' effective from March 22, 2025. The registered office of the Holding Company is in Unit No.601, 6th Floor, Amiti Building, Agastya Corporate Park, Kamani Junction, Opp. Fire Station, LBS Marg, Kurla West, Mumbai City, 400070.

The Holding Company is the wholly-owned subsidiary of Piramal Enterprises Limited.

The Holding Company is a public limited company and its debts are listed on the Bombay Stock Exchange (BSE India) and the National Stock Exchange (NSE), India.

The consolidated financial statements are authorised by the Board of Directors for issue in accordance with resolutions passed on May 6, 2025.

## 1B. Basis of Preparation

**i) Statement of compliance and basis of preparation and presentation of consolidated financial statements**

The consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) and the provisions of the Companies Act, 2013 ('the Act'). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter and the guidelines and directives issued by the Reserve Bank of India (RBI) and National Housing Bank ("NHB") to the extent applicable. Since the holding company was classified as a HFC as of March 31, 2025, its financial statements have been prepared and presented as the financial statements of a HFC, including all applicable

The consolidated Balance Sheet, the consolidated Statement of Profit and Loss and the consolidated Statement of Changes in Equity are prepared and presented in the format prescribed in the Division III of Schedule III to the Companies Act, 2013 (the "Act"). The consolidated Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows". The consolidated Balance Sheet, consolidated Statement of Profit and Loss, consolidated Statement of Cash Flow, consolidated Statement of Changes in Equity, summary of the material accounting policies information and other explanatory information are together referred as the financial statements of the Group.

Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.
All amounts included in the consolidated financial statements are reported in lakhs of Indian rupees (Rs. in lakhs) except share and per share data, unless otherwise stated. Due to rounding off, the numbers presented throughout the document may not add up precisely to the totals and percentages may not precisely reflect the absolute figures.

**ii) Basis of Accounting**

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period. The consolidated financial statements are prepared and presented on going concern basis.

**iii) Use of Estimates and Judgements**

The preparation of the consolidated financial statements in conformity with Indian Accounting Standards ("Ind AS") requires the management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the year. Accounting estimates could change from period to period. Actual results could differ from those estimates. Revisions to accounting estimates are recognised prospectively. The Management believes that the estimates used in preparation of the consolidated financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

Following areas entail a high degree of estimate and judgement or complexity in determining the carrying amount of certain assets and liabilities.

1. Business Combination - Note 2 (xix) & note 42B
2. Measurement of defined benefit obligations; key actuarial assumptions – Note 2 (vi) & note 44
3. Fair Valuation of financial assets and liabilities - Note 2 (xviii) & note 45
4. Impairment of financial assets – Note 2 (iv) & note 47.4
5. Impairment of non-financial assets – Note 2 (iii)
6. Derivative - Note 2 (iv) & note 48
7. Income tax - Note 2 (xii), note 11 & note 36
8. Evaluation of business Model - Note 2 (iv)
9. Provision and Liabilities - Note 2 (vii)
10. Useful Life of Property, Plant and Equipment (PPE) and Intangible assets - Note 2 (i) & 2 (ii)
11. Share Based Payments – Note 2 (vi) & note 44 (iv)
12. Effective Interest Rate (EIR) Method – Note 2 (iv)

(Currency : Rs in lakhs)

**iv) Principles of consolidation and equity accounting**

(a) Subsidiaries:

Subsidiaries are entities (including Structured entities) over which the group has control. Control is achieved when the Group has power over the investee, is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to use its power to affect its returns. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the group.

The group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and consolidated balance sheet respectively.

(b) Associates:

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. Investments in associates are accounted for using the equity method of accounting (see below), after initially being recognised at cost. Wherever necessary, adjustments are made to financial statements of associates to bring there accounting policies in line with those used by the other members of group.

(c) Joint Arrangements:

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.

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities relating to the arrangement.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement.

Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The Group recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the consolidated financial statements under the appropriate headings.

Interests in joint ventures are accounted for using the equity method (see below), after initially being recognised at cost in the consolidated balance sheet.

(d) Equity method:

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of post acquisition profits or losses of the investee in consolidated profit and loss, and the group's share of consolidated other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates or joint ventures are recognised as a reduction in the carrying amount of the investment.

Unrealised gains on transactions between the group and its associates and joint ventures are eliminated to the extent of the group's interest in these entities.

Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The carrying amount of equity accounted investments are tested for impairment.

(e) Changes in ownership interests

The group treats transactions with non-controlling interests that do not result in loss of control as transactions with equity owners of the group. A change in the ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

(f) List of entities included in the consolidated financial statements:

a. Subsidiary Company
   i. DHFL Investments Limited
   ii. DHFL Holdings Limited (till January 16, 2025)
   iii. DHFL Advisory & Investments Private Limited (till January 16, 2025)
   iv. Piramal Payments Services Limited
   v. Piramal Finance Sales & Services Private Limited (till January 16, 2025)
   vi. Piramal Agastya Offices Private Limited (formerly known as PRL Agastya Private Limited)

b. Associate
   i. DHFL Venture Trustee Company Limited

c. Joint Venture
   i. Pramerica Life Insurance Limited

(Currency : Rs in lakhs)

## 2. MATERIAL ACCOUNTING POLICIES INFORMATION

### i) Property, plant and equipment

All property, plant and equipment are stated at cost of acquisition, less accumulated depreciation and accumulated impairment losses, if any, except for fair valued assets on business combination carried out in earlier years. Direct costs are capitalised until the assets are ready for use and includes freight, duties, taxes and expenses incidental to acquisition and installation.

The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to consolidated profit or loss during the reporting period in which they are incurred.

Subsequent expenditures related to an item of property, plant and equipment are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Losses arising from the retirement of, and gains or losses arising from disposal of Property, Plant and Equipment are recognised in the Statement of Profit and Loss.

Property, plant and equipment is recognised when it is probable that future economic benefits associated with the item is expected to flow to the Group and the cost of the item can be measured reliably. An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and
the carrying amount of the asset) is included under other income/expenses in the consolidated Statement of Profit and Loss when the asset is derecognised.

Depreciation is provided on a pro-rata basis on the straight line method ('SLM') over the estimated useful lives of the assets less their residual values specified in Schedule II of the Companies Act, 2013.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Individual property, plant and equipment costing less than Rupees five thousand are depreciated fully in the year of purchase or acquisition.

The estimated useful lives of property, plant and equipment are as stated below:

| | |
|---|---|
| Building | 60 years |
| Office equipment | 1-5 years |
| Furniture and fixtures | 5-10 years |
| Computers servers and network | 6 years |
| Computer - End user device | 3 years |
| Motor vehicle | 8 years (Refer note below) |
| Leasehold improvements | Amortised on SLM over lease tenure or 5 years whichever is lower |
| Freehold Land | No Depreciation |

The Group has determined the remaining useful life of the PPE acquired on date of acquisition, as per Companies Act 2013. The value of PPE acquired is depreciated/amortised over such remaining useful life determined on straight line method basis which best reflects the usage of asset to the accounting acquirer.

For vehicles given to employee as a perquisite and forming the part of their employment, amortisation is done basis the employment agreement which may vary between 3 to 5 years.

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

Cost includes cost of land (including development rights and land under agreements to purchase), internal development costs, external development charges, construction costs, overheads and development/ construction materials.

The Group depreciates building component of investment property over 60 years from the date of original purchase.

Though the Group measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes (refer note 13). Fair values are determined based on an annual evaluation performed by an accredited external independent valuer applying a valuation model recommended by the International Valuation Standards Committee.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in statement of profit and loss in the period of derecognition.

For vehicles given to employee as a perquisite and forming the part of their employment, amortisation is done basis the employment agreement which may vary between 3 to 5 years.

Electrical installation is a part of office equipment.









(Currency : Rs in lakhs)

**ii) Intangible Assets**

Intangible assets are stated at acquisition cost except for fair valued assets on business combination carried out in earlier year, net of accumulated amortisation and accumulated impairment losses, if any.

Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the disposal proceeds and the carrying amount of the asset and are recognised as income or expense in the consolidated Statement of Profit and Loss.

Intangible assets not ready for use on the date of consolidated Balance Sheet is disclosed as 'Intangible assets under development'.

Intangible Assets other than Goodwill are amortized on a straight line basis over their finite useful lives over the following period:

| | |
|---|---|
| Computer Software | 1-6 years |

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Individual intangible assets costing less than Rupees five thousand are depreciated fully in the year of purchase or acquisition.

Goodwill on acquisition is included in intangible assets. Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.

Goodwill is carried at cost less accumulated impairment losses.

**Self generated software**

The Group recognises internally generated intangible assets when it is certain that the future economic benefit attributable to the use of such intangible assets are probable to flow to the Group and the expenditure incurred for development of such intangible assets can be measured reliably. Research costs are treated as revenue expenses and charged off to the consolidated statement of profit and loss of respective year. The cost of an internally generated intangible asset comprises all directly attributable costs necessary to create, produce, and prepare the asset to be capable of operating in the manner intended by the Group. The intangible assets including those internally generated are amortised using the straight line method over a period of three to six years, basis IT expert confirmation. The useful lives of intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

**iii) Impairment of non financial assets**

The Group assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. For the purposes of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, the Group estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the consolidated Statement of Profit and Loss. If at the Balance Sheet date there is an indication that previously assessed impairment loss no longer exists or may have decreased, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

**iv) Financial instruments**

**Recognition and initial measurement**

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs 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. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

**Financial assets**

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are subsequently measured at fair value through Other Comprehensive Income (FVTOCI):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are subsequently measured at fair value through profit and loss (FVTPL).

Debt and other instruments

Subsequent measurement of debt and other instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt and other instruments:

(Currency : Rs in lakhs)

**iv) Financial instruments *(Continued)***

Evaluation of Business Model

Classification and measurement of financial instruments depends on the results of the solely payments of principal and interest on the principal amount outstanding ("SPPI") and the business model test. The Group determines the business model at a level that reflects how the Group's financial instruments are managed together to achieve a business objective.

The Company monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Group's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those instruments.

Amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in consolidated statement of profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Effective interest rate method

Income is recognised on an effective interest rate basis for financial assets other than those financial assets classified as at FVTPL. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

– the gross carrying amount of the financial asset; or
– the amortised cost of the financial liability.

When calculating the effective interest rate for financial instruments other than purchased or originated credit-impaired ('POCI') assets, the Group estimates future cash flows considering all contractual terms of the financial instrument, but not ECL. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated using estimated future cash flows including ECL.

The calculation of the effective interest rate includes transaction costs and fees that are an integral part of the contract. Transaction costs include incremental costs that are directly attributable to the acquisition of financial asset.

If expectations regarding the cash flows on the financial asset other than purchase or originated credit impaired are revised for reasons other than credit risk, the adjustment is recorded as a positive or negative adjustment to the carrying amount of the asset in the consolidated balance sheet with an increase or reduction in interest income. The adjustment is subsequently amortized through Interest income in the consolidated statement of profit and loss. In respect of purchased or originated credit impaired assets, such positive or negative adjustment to the carrying amount of the asset is reflected through change in lifetime ECL since initial recognition. Favourable changes in lifetime ECL are recognised as an impairment gain, even if the favourable changes are more than the amount, if any, previously recognised in profit or loss account as impairment losses.

The Group calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets. In case of credit impaired assets, interest income is recorded on receipt basis.

For financial assets that were credit-impaired on initial recognition, interest income is calculated by applying the credit-adjusted effective interest rate to the amortised cost of the asset. The calculation of interest income does not revert to a gross basis, even if the credit risk of the asset improves.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in consolidated statement of profit or loss incorporates any dividend or interest earned on the financial asset. Dividend on financial assets at FVTPL is recognised when the Group's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Changes in the fair value of financial assets at FVTPL are recognised in the consolidated statement of profit and loss.

Wholesale loan book acquired through business combination is accounted as FVTPL instruments.

Fair value through Other Comprehensive Income (FVTOCI):

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVTOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in the consolidated statement of profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to the consolidated statement of profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in other income using the effective interest rate method.

(Currency : Rs in lakhs)

iv) **Financial instruments *(Continued)***

Fair value measurement

Fair value measurements under Ind AS are categorised into fair value hierarchy based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access on measurement date.
- Level 2 inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 where unobservable inputs are used for the valuation of assets or liabilities.

For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Impairment of financial assets

The Group applies the expected credit loss ("ECL") model for recognising impairment loss on financial assets measured at amortised cost, loan commitments, trade receivables and other contractual rights to receive cash or other financial asset.

Wholesale lending:

The expected credit loss is a product of exposure at default, probability of default and loss given default. The Group has devised an internal model to evaluate the probability of default and loss given default based on the parameters set out in Ind AS 109. In line with the same, the financial instruments are classified into Stage 1 – Standard Assets with zero to thirty days past due (DPD), Stage 2 – Significant Credit Deterioration or overdue between 31 to 90 days or standard OTR cases and Stage 3 – Default Assets with overdue for more than 90 days & restructured NPA. For Stage 1 & Stage 2, PD & LGD are arrived at using parameteric scorecard in the internal ECL model.

The ECL calculation is also adjusted using forward looking inputs from anticipated change in future macro-economic conditions to comply with Ind AS 109.

Retail lending:

The Group uses ECL allowance for financial assets measured at amortised cost, which are not individually significant, and comprise of a large number of homogeneous loans that have similar characteristics. The expected credit loss is a product of exposure at default, probability of default and loss given default. Due to lack of sufficient internal data, the Group uses external data from credit bureau agency for potential credit losses and blends same with internal PD data. Further, the estimates from the above sources have been adjusted with forward looking inputs from anticipated change in future macro-economic conditions to comply with IndAS 109.

The financial instruments are classified into Stage 1 – Standard Assets with zero to thirty days past due (DPD), Stage 2 – Significant Credit Deterioration or overdue for more than thirty days to 90 days or standard OTR cases and Stage 3 – Default Assets with overdue for more than 90 days.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

Impairment - POCI Financial Assets

POCI financial assets are assets that are credit-impaired on initial recognition. For POCI assets, lifetime ECL are incorporated into the calculation of the effective interest rate on initial recognition. Consequently, POCI assets do not carry an impairment allowance on initial recognition. The amount recognised as a loss allowance subsequent to initial recognition is equal to the changes in lifetime ECL since initial recognition of the asset. A favourable change for such assets create an impairment gain.

Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of financial assets in entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable, is recognised in the consolidated statement of profit and loss.

Financial assets are written off either partially or in their entirety only when the Group has no reasonable expectation of recovery.

Derecognition of financial assets under amortised cost category:

Loans and investments debt instruments are written off when the Group has no reasonable expectations of recovering the financial asset (either in its entirety or a portion of it). This is the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. A write-off constitutes a derecognition event. The Group may apply enforcement activities to financial assets written off/ may assign / sell loan exposure to ARC / Bank / a financial institution for a negotiated consideration. Net loss on derecognition of financial assets measured at amortised cost is calculated as the difference between the gross book value (including impairment) and the proceeds received. The accumulated ECL provision on the financial asset is reversed. Subsequent recoveries resulting from the Group's enforcement activities could result in income recognised under 'other operating income' in the statement of profit and loss. The Group has a Board approved policy on Write off and one time settlement of loans as per the applicable RBI regulations.

In accordance with Ind AS 109, in case of substantial renegotiation/modification of the contractual cash flows of a financial asset would lead to the derecognition of the existing financial asset. When the modification of a financial asset results in the derecognition of the existing financial asset and the subsequent recognition of the modified financial asset, the modified asset is considered a 'new' financial asset.

TR Chadha & Co. LLP NOIDA Chartered Accountants
SINGHI & CO. Chartered Accountants
PIRAMAL FINANCE LIMITED

(Currency : Rs in lakhs)

**iv) Financial instruments *(Continued)***

Repossession of collateral assets

The holding company provides secured loans to individuals and corporates. In the ordinary course of business, upon borrower default, the holding company may take possession of underlying collateral such as properties, vehicles, or other assets. Such repossessed assets are typically disposed of through auctions to recover outstanding dues or may be released back to customers upon settlement. Any surplus funds are returned to the customers/obligors. Repossessed assets are not recognized in the balance sheet unless legal title is transferred to the holding company and the asset satisfies the recognition criteria under Ind AS 105 as a non-current asset held for sale. The related loans continue to be classified and provided for in accordance with the Company's Expected Credit Loss (ECL) framework under Ind AS 109.

Reclassification of financial assets and liabilities

After initial recognition of financial assets and liabilities, no re-classification is made except for financial assets where there is a change in the business model for managing those assets. The Group's management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognized gains or losses (including impairment gains or losses) or interest.

Sale of Financial assets measured at Amortised Cost

Group reclassifies financial assets if the entity changes its business model for managing those financial assets. Such changes are expected to be very infrequent. Such changes are determined by the entity's senior management as a result of external or internal changes and must be significant to the entity's operations and demonstrable to external parties. Accordingly, a change in an entity's business model will occur only when an entity either begins or ceases to perform an activity that is significant to its operations;

The Group may occasionally sale portfolio classified under amortised pool for liquidity management, recovery management in case of stressed pool or for any specific regulatory compliance which will not lead to change in business model.
Further, if the sales are infrequent or insignificant in value, the sale of amortised cost pool will also not lead to Change in Business Model.

Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. For foreign currency denominated financial assets measured at amortised cost or FVTPL, the exchange differences are recognised in consolidated statement of profit or loss except for those which are designated as hedging instruments in a hedging relationship.

Classification as debt or equity

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Investments in Alternative Investment Funds (AIF) which falls under RBI Circular

Investment in AIF units are classified as investments at fair value through profit and loss. Pursuant to the requirements of RBI circular dated December 19, 2023 read with clarifications dated March 27, 2024, the Group has measured the AIF investments that are covered under the said RBI circular/clarification net of regulatory provision equivalent to the carrying amount of the investments. There is no subsequent remeasurement of the fair value of the AIF investments. Gains on subsequent reversal of provisions based on realisation/ recoveries are recognised in other operating income (Refer note 8(a)).
Excess realisation/ recoveries over the gross carrying value of AIF Investments is recognised as gain under 'Net gain on fair value changes' in statement of profit and loss.

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 are recognised at the proceeds received.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest rate method or at FVTPL.

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Group as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in profit and loss.

(Currency : Rs in lakhs)

iv) **Financial instruments *(Continued)***

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. An exchange between the Group and the lender of debt and other instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

**Derivatives and hedging activities**

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. Resulting gain/loss due to subsequent remeasurement of derivatives is recognised in the statement of profit and loss immediately unless the derivative is designated and is effective as a hedging instrument, in which event the timing of the recognition in the consolidated statement of profit and loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability

Embedded derivatives

Derivatives embedded in a host contract that is an asset within the scope of Ind AS 109 are not separated. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Derivatives embedded in all other host contract are separated only if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host and are measured at fair value through profit or loss. Embedded derivatives closely related to the host contracts are not separated.

Embedded foreign currency derivatives

Embedded foreign currency derivatives are not separated from the host contract if they are closely related. Such embedded derivatives are closely related to the host contract, if the host contract is not leveraged, does not contain any option feature and requires payments in one of the following currencies:

- the functional currency of any substantial party to that contract,
- the currency in which the price of the related good or service that is acquired or delivered is routinely denominated in commercial transactions around the world,
- a currency that is commonly used in contracts to purchase or sell non-financial items in the economic environment in which the transaction takes place (i.e. relatively liquid and stable currency)

Foreign currency embedded derivatives which do not meet the above criteria are separated and the derivative is accounted for at fair value through profit and loss.

**Hedge accounting**

The Group designates certain hedging instruments, which include derivatives in respect of foreign currency risk, as either fair value hedges, cash flow hedges, or hedges of net investments in foreign operations. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges. The Group applies hedge accounting for transactions that meet specified criteria.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Group'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 Group 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 an on-going basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges that meet the criteria for cash flow hedge accounting are accounted as follows:

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 (such as all or some future interest payments on variable rate debt) or a highly probable forecast transaction 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 of the gain or loss on the hedging instrument is recognised immediately as finance cost in the statement of profit and loss.

The amount recognised in the cash flow hedge reserve is reclassified from OCI to profit or loss as a reclassification adjustment in the same period as the hedged cash flows affect profit or loss, and in the same line item in the consolidated statement of profit or loss.

If the hedging derivative expires or is sold, terminated or exercised, or the hedge no longer meets the criteria for cash flow hedge accounting, or the hedge designation is revoked, then hedge accounting is discontinued prospectively. If the hedged cash flows are no longer expected to occur, then the Group immediately reclassifies the cumulative amount in the hedging reserve from OCI to the consolidated statement of profit or loss.

Investment in Subsidiaries and Associates

Investment in subsidiaries and associates are recognized and carried at cost. Where the carrying amount of an investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is transferred to the consolidated Statement of Profit and Loss. On disposal of investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Profit and Loss.

(Currency : Rs in lakhs)

**v) Assets held for sale**

Assets are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use. Such assets are generally measured at the lower of their carrying amount and fair value less costs to sell. Losses on initial classification as held for sale and subsequent gains and losses on re-measurement are recognised in profit or loss.
Once classified as held-for-sale, assets and liabilities are no longer amortised or depreciated.

**vi) Employee Benefits**

Employee benefits include provident fund, compensated absences and gratuity. In case of Provident fund, contributions are made to the Regional Provident Fund Office.

**Defined Contribution Plans**

The Group's contribution to the Regional Provident Fund office are considered as defined contribution plans, as the Group does not carry any further obligations apart from the contributions made on a monthly basis and are charged as an expense based on the amount of contribution required to be made.

**Defined Benefit Plans**

The Group contributes to Defined Benefit Plans comprising of Gratuity and Compensated absences.

Gratuity: The Group provides for gratuity, a defined benefit plan (the "Gratuity Plan") in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the consolidated statement of changes in equity and in the consolidated balance sheet.

The Group has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each reporting period using projected unit credit method on the additional amount expected to be paid / availed as a result of the unused entitlement that has accumulated at the reporting period. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

**Employee Share-based payments**

The Ultimate Holding company has issued stock options to certain employees of the Group. These transactions are recognised as equity-settled share based payment transactions. The stock compensation expense is determined based on fair value of options and the holding company's estimate of options that will eventually vest and is recognised over the vesting period in the consolidated statement of profit and loss and is payable to the Holding Company.

**vii) Provisions, Contingent Liabilities and Commitments**

Provisions are recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.
Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.
Commitments are future liabilities for contractual expenditure. The commitments are classified and disclosed as follows:
i. The estimated amount of contracts remaining to be executed on capital account and not provided for; and
ii. Other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of the Management.

**viii) Revenue recognition**

**Interest income**

Interest income from a financial asset (including Lease rental discounting assets) is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Delayed payment interest (penal interest and the like) levied on customers for delay in repayments/ non payment of contractual cashflows is recognised on realisation.

**Fees and commission income**

Other income includes fees and charges that are not considered integral to the EIR. These are recognised in accordance with Ind AS 115 – Revenue from Contracts with Customers, when the performance obligation is satisfied and it is probable that economic benefits will flow to the Group. This includes login fees, Foreclosure/prepayment charges, arranger fees, etc.

(Currency : Rs in lakhs)

**viii) Revenue recognition *(Continued)***

**Dividend Income**

Dividend income from investments is recognised when the Group's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of dividend income can be measured reliably).
The gain / loss on account of redemption of units of mutual funds is recognised in the period in which redemption occurs.

**Net gain/(loss) on fair value changes**

The Group designates certain financial instruments for subsequent measurement at fair value through profit or loss (FVTPL) or fair value through other comprehensive income (FVOCI) as per the criteria in Ind AS 109. The Company recognises gains/(losses) on fair value change of financial instruments and realised gains/(losses) on derecognition of financial instruments measured at FVTPL and FVOCI on net basis.

**Sale of Services**

In contracts involving the rendering of services/development contracts, revenue is recognised at the point in time in which services are rendered. In case of fixed price contracts, the customer pays a fixed amount based on the payment schedule. If the services rendered by the Group exceed the payment, a Contract asset (Unbilled Revenue) is recognised. If the payments exceeds the services rendered, a contract liability (Deferred Revenue) is recognised. If the contracts involve time-based billing, revenue is recognised in the amount to which the Group has a right to invoice.
Penal charges is levied on customers for delay in repayments/ non payment of contractual cashflows is recognised on realisation.

**Other operating income**

Other operating Income mainly includes reversal of AIF regulatory provisions based on its recovery patterns and recoveries made against loans/investments which were written off earlier.

**ix) Foreign Currency Transactions**

In preparing the financial statement, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in consolidated statement of profit or loss in the period in which they arise.

**x) Exceptional Items**

When items of income and expense within profit or loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the enterprise for the period, the nature and amount of such items is disclosed separately as exceptional items.

**xi) Leases**

The Group recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment.
The Group measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using incremental borrowing rate. Interest expense on the lease liability is a component of other borrowing cost. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Group is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The Group recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and consolidated statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognises any remaining amount of the re-measurement in consolidated statement of profit and loss.
The Group has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

**Security Deposits on leases**

At initial recognition the carrying value of the refundable deposits is taken at present value of all expected future principal repayments discounted using market rates prevailing at the time of inception. For Interest expenses, the difference between present market value and deposit made is recognised as prepayment and amortised in the Statement of Profit and loss over the benefit period on systematic basis. Interest income is recognised at the market rate prevailing at the time of inception.

(Currency : Rs in lakhs)

**xii) Taxes on Income**

Tax expense for the year, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the year. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.
Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting year.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.
While determining the tax provisions, the Group assesses whether each uncertain tax position is to be considered separately or together with one or more uncertain tax positions depending upon the nature and circumstances of each uncertain tax position.

**xiii) Cash and Cash Equivalents**

In the cash flow statement, Cash and cash equivalent comprises cash in hand, demand deposits and time deposits with original maturity of less than three months held with bank and debit balance in cash credit account. Credit balance in cash credit account are shown within borrowings in financial liabilities in the consolidated balance sheet.

**xiv) Finance Costs**

Borrowing costs directly attributable to acquisition or construction of qualifying assets (i.e. those fixed assets which necessarily take a substantial period of time to get ready for their intended use) are capitalised.
Borrowing costs include interest expense calculated using the EIR method. EIR includes interest, amortization of ancillary cost, incurred in connection with the borrowing of funds. Other borrowing costs are recognised as an expense in the period in which they are incurred.

**xv) Earnings per share**

Basic earnings per share
The basic earnings per share is computed by dividing the net profit attributable to the equity shareholders by weighted average number of equity shares outstanding during the reporting year.

Diluted earnings per share
Number of equity shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share and also weighted average number of equity shares which would have been issued on the conversion of all dilutive potential shares. In computing diluted earnings per share only potential equity shares that are dilutive are included.

**xvi) Segment accounting**

In accordance with Ind AS 108, Segment Reporting, the Chief Executive Officer and Managing Director is the Group's chief operating decision maker ("CODM"). The Group has identified only one reportable business segment & geographical segment as it deals mainly in lending business within India.

**xvii) Securitization and direct assignment (including co-lending)**

The Group transfers loans through securitisation and direct assignment (including co-lending) transactions. The transferred loans are de-recognised and gains/losses are accounted for, only if the Group transfers substantially all risks and rewards specified in the underlying assigned loan contract.

In accordance with Ind AS 109, in case of assignment transactions with complete transfer of risks and rewards without any retention of residual interest, gain arising on such assignment transactions is recorded upfront in the consolidated Statement of Profit and Loss and the corresponding asset is derecognized from the consolidated Balance Sheet immediately upon execution of such transaction. Further, the transfer of financial assets qualifies for derecognition in its entirety, the whole of the interest spread at its present value (discounted over the life of the asset) is recognized on the date of derecognition itself as interest only strip receivable (interest strip on assignment) and correspondingly recognized as profit on derecognition of financial asset.

(Currency : Rs in lakhs)

**xviii) Fair Valuation of financial assets and liabilities**

Certain financial assets of the Group are measured at fair value for financial reporting purposes.In estimating the fair value of an asset and liability, the Group uses market observable data to the extent it is available. When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques. In such cases, the Group usually engages third party qualified external valuer to establish the appropriate valuation techniques and inputs to the valuation model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in Note 45.

**xix) Business Combinations and Goodwill**

The acquisition method of accounting is used to account for all business combinations except under common control, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a business comprises the:

- fair values of the assets transferred;
- liabilities incurred to the former owners of the acquired business;
- equity interests issued by the Group; and
- fair value of any asset or liability resulting from a contingent consideration arrangement.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the
- consideration transferred;
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Any impairment loss for goodwill is recognised in the consolidated statement of profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised as capital reserve in other equity.
Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.
If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss or other comprehensive income, as appropriate.

**xx) Other Expenses**

Expenses are recognised on accrual basis net of the goods and services tax, except where credit for the input tax is not statutorily permitted.

**xxi) Recent pronouncements on Indian Accounting Standards**

The Ministry of Corporate Affairs ("MCA") notifies new standards or amendment to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2025, MCA has notified Ind AS – 117 Insurance contracts and amendments to Ind AS 116 – Leases, relating to sale and leaseback transactions, applicable to the Company w.e.f. April 1, 2024. The Group has reviewed the new pronouncements based on its evaluation has determined that it does not have any significant impact in its financial statements.

(Currency : Rs in lakhs)

| | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| **3 Cash and cash equivalents** | | |
| Cash on hand* | - | - |
| Balances with banks in current accounts | 240,831 | 195,706 |
| Fixed deposits (with original maturity less than 3 months) | 140,092 | - |
| **Total** | **380,923** | 195,706 |

*Amount below 0.50 lakhs has been rounded off.

| | | |
|---|---|---|
| **4 Bank balances other than (a) above** | | |
| Fixed deposits (with original maturity more than 3 months) | 258 | 1,668 |
| Earmarked balances with banks* | 107,563 | 97,524 |
| Unclaimed dividend Accounts | 20 | 60 |
| **Total** | **107,841** | 99,252 |

*(i) Deposits with banks to the extent of Rs. 107,563 lakhs (March 31, 2024 - Rs. 97,524 lakhs) offered as security against the borrowings, investments and guarantees.
(ii) Net of fair valuation loss of Rs. 22,978 lakhs (March 31, 2024 - Rs. 22,978 lakhs) on account of value recognised in books for cash collateral for securitised pool created at the time of amalgamation with erstwhile Dewan Housing Finance Corporation Limited ("eDHFL")

| | | |
|---|---|---|
| **5 Trade Receivables** | | |
| Unsecured, considered good, others | 60 | 234 |
| Receivables from related parties | 90 | - |
| Credit impaired | - | 270 |
| Less: Allowance for impairment loss (expected credit loss allowance) | - | (270) |
| **Total** | **150** | **234** |

**Ageing Schedule**

| | Outstanding for following periods from due date of payment | | | | | |
|---|---|---|---|---|---|---|
| **Trade Receivables as at March 31, 2025** | **Less than 6 months** | **6 months -1 year** | **1 year - 2 years** | **2 years - 3 years** | **3 years and above** | **Total** |
| Undisputed Trade Receivables - considered good | 150 | - | - | - | - | 150 |
| Disputed Trade Receivables - credit impaired | - | - | - | - | - | - |
| **Total** | 150 | - | - | - | - | 150 |

| | Outstanding for following periods from due date of payment | | | | | |
|---|---|---|---|---|---|---|
| **Trade Receivables as at March 31, 2024** | **Less than 6 months** | **6 months -1 year** | **1 year - 2 years** | **2 years - 3 years** | **3 years and above** | **Total** |
| Undisputed Trade Receivables - considered good | 90 | 92 | 52 | - | - | 234 |
| Disputed Trade Receivables - credit impaired | - | - | 7 | 72 | 191 | 270 |
| **Total** | 90 | 92 | 59 | 72 | 191 | 504 |

| | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| **6 Other Receivables** | | |
| Receivables considered good - Unsecured | 4,467 | 5,358 |
| Receivables - credit impaired | 79 | - |
| Less: Provision for Other receivables | (79) | - |
| **Total** | **4,467** | **5,358** |

## Notes to the Consolidated Financial Statements *(Continued)*

*as at March 31, 2025*

(Currency : Rs in lakhs)

| | | March 31, 2025 | | | | March 31, 2024 | | | |
|---|---|---|---|---|---|---|---|---|---|
| **7** | **Loans** | **At amortised cost** | **At FVTPL** | **At FVOCI** | **Total** | **At amortised cost** | **At FVTPL** | **At FVOCI** | **Total** |
| | **Loans in India - Term Loans** | | | | | | | | |
| **A** | (a) Secured by tangible assets | 4,581,568 | 140,162 | - | 4,721,730 | 3,973,499 | 111,016 | - | 4,084,515 |
| | (b) Unsecured | 1,651,402 | - | - | 1,651,402 | 1,379,968 | - | - | 1,379,968 |
| | **Gross** | 6,232,970 | 140,162 | - | 6,373,132 | 5,353,467 | 111,016 | - | 5,464,483 |
| | Less: Allowance for impairment loss (expected credit loss allowance) | (498,457) | - | - | (498,457) | (636,892) | - | - | (636,892) |
| | **Net** | **5,734,513** | **140,162** | - | **5,874,675** | 4,716,575 | 111,016 | - | 4,827,591 |
| **B** | Considered good | | | | | | | | |
| | - to Others | 5,604,991 | 140,162 | - | 5,745,153 | 4,403,344 | 111,016 | - | 4,514,360 |
| | Less: Allowance for impairment loss (expected credit loss allowance) | (91,079) | - | - | (91,079) | (109,843) | - | - | (109,843) |
| | Significant increase in Credit Risk | 141,163 | - | - | 141,163 | 355,342 | - | - | 355,342 |
| | Less: Allowance for impairment loss (expected credit loss allowance) | (22,384) | - | - | (22,384) | (82,276) | - | - | (82,276) |
| | Credit impaired | 414,802 | - | - | 414,802 | 415,178 | - | - | 415,178 |
| | Less: Allowance for impairment loss (expected credit loss allowance) | (348,426) | - | - | (348,426) | (367,196) | - | - | (367,196) |
| | Purchased or Originated Credit Impaired Assets (POCI) | 72,014 | - | - | 72,014 | 179,603 | - | - | 179,603 |
| | Less: Allowance for impairment loss (expected credit loss allowance) | (36,568) | - | - | (36,568) | (77,577) | - | - | (77,577) |
| | | **5,734,513** | **140,162** | - | **5,874,675** | 4,716,575 | 111,016 | - | 4,827,591 |
| | Loan to Public Sectors | | | | - | | | | - |
| | Loan to Others | | | | 5,874,675 | | | | 4,827,591 |
| | **Total** | | | | **5,874,675** | | | | **4,827,591** |

**Notes:**

(a) During the year, there was no change in the business model under which the Holding Company holds financial assets and therefore no reclassifications were made due to change in business model.

(b) During the year, the Holding Company has sold certain loans classified under amortised cost as part of Direct assignment and certain stressed portfolio classified under amortised cost for liquidity and recovery management strategy of the Holding Company. Such sale of loans will not lead to change in business model as per the Holding Company's board approved policy and management's evaluation of business model.

(c) As per merger scheme of eDHFL (refer note 42B), retail loans are grossed up by Rs. 564,948 lakhs as on March 31, 2025 (March 31, 2024 - Rs. 704,319 lakhs). ECL provisions are grossed up by Rs. 347,991 lakhs as on March 31, 2025 (March 31, 2024 - Rs. 392,131 lakhs) and balance gross up is being reflected under Fair Value Adjustment on Merger under Note 21 for Rs. 216,957 lakhs as on March 31, 2025 (March 31, 2024 Rs. 312,188 lakhs).

(d) **Collateral held:** The Company holds collateral and other credit enhancements against certain of its credit exposures. The loans are collateralised against equitable mortgage of property, pledge of shares, hypothecation of assets, corporate guarantees, hypothecation over receivables from funded project or other projects of the borrower or escrow account undertaking to create security.

(e) Refer note 49 for details of securitisation transactions

(f) FVTPL loan includes Rs. 50,349 lakhs (March 31, 2024 - Nil) pertaining to restructured accounts which are considered as NPA for regulatory purpose.

(Currency : Rs in lakhs)

## 8 Investments

| | March 31, 2025 | | | | | March 31, 2024 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | At amortised cost | At FVTPL | At FVOCI | At Cost | Total | At amortised cost | At FVTPL | At FVOCI | At Cost | Total |
| **Investments within India** | | | | | | | | | | |
| Equity Investment in Joint Venture and Associate: | | | | | | | | | | |
| DHFL Venture Trustee Company Private Limited | - | - | - | 4 | 4 | - | - | - | 4 | 4 |
| Pramerica Life Insurance Limited | - | - | - | 97,204 | 97,204 | - | - | - | 90,858 | 90,858 |
| Equity Instruments (Others than subsidiaries) | - | - | 103 | - | 103 | - | - | 72 | - | 72 |
| Preference Shares (Others than subsidiaries) | - | 69 | 27,029 | - | 27,098 | - | - | 18,994 | - | 18,994 |
| Project Receivables | - | 66,100 | - | - | 66,100 | - | 101,856 | - | - | 101,856 |
| Alternative Investment Funds (net of regulatory provisions) [a] | - | - | - | - | - | - | - | - | - | - |
| CROMS | 65,047 | - | - | - | 65,047 | - | - | - | - | - |
| Security Receipts | - | 303,748 | - | - | 303,748 | - | 415,644 | - | - | 415,644 |
| Optionally Convertible Debentures | - | 12,000 | - | - | 12,000 | - | 23,800 | - | - | 23,800 |
| T-Bill | - | - | 2,408 | - | 2,408 | - | - | - | - | - |
| Redeemable Bonds | - | - | - | - | - | - | - | 5 | - | 5 |
| Government Securities/Redeemable Bonds [b] | 17,630 | - | 133,075 | - | 150,705 | 109,805 | - | - | - | 109,805 |
| Redeemable Non Convertible Debentures | 37,595 | - | - | - | 37,595 | 36,246 | 15,600 | - | - | 51,846 |
| Investment in Mutual Funds [c] | - | 8,694 | - | - | 8,694 | - | 5,800 | - | - | 5,800 |
| Pass Through certificates | 11,828 | - | - | - | 11,828 | 15,152 | - | - | - | 15,152 |
| **Gross** | 132,100 | 390,611 | 162,615 | 97,208 | 782,534 | 161,203 | 562,700 | 19,071 | 90,862 | 833,836 |
| Less: Allowance for impairment loss (expected credit loss allowance) | (1,050) | - | - | - | (1,050) | (3,108) | - | - | - | (3,108) |
| **Total** | **131,050** | **390,611** | **162,615** | **97,208** | **781,484** | 158,095 | 562,700 | 19,071 | 90,862 | 830,728 |

[a] During the financial year 2023-24, the holding company had made regulatory provision of Rs. 165,768 lakhs (net off reversal of Rs. 20,524 Lakhs) in respect of its investments in Alternative Investment Funds (AIFs) pursuant to the RBI Circular dated December 19, 2023 and the same has been disclosed under 'exceptional items'.
During the year, the holding company received Rs. 73,855 lakhs from Alternative Investment Funds (AIFs), which has been disclosed under "Other Operating Income" as a reversal of regulatory provisions. As a result, the outstanding regulatory provisions stood at Rs. 91,913 lakhs as of March 31, 2025. This is based on the opinion from the Expert Advisory Committee (EAC) of the Institute of Chartered Accountants of India (ICAI), wherein EAC has opined that such recoveries from AIFs should not be presented as exceptional items, in the Statement of Profit and Loss.

[b] (i) During the year, the holding company has changed its Business model for Government Securities from "Held for collection till maturity" to "held for collection of contractual cash flows and for selling the financial assets" with effect from April 1, 2024 considering change in intention to hold such assets till maturity and liquidate basis market condition. Consequently, the holding company has re-classified the same from amortised cost to FVTOCI.
(ii) Government securities of Rs. 800 Lakhs (March 31, 2024 - Rs. 500 Lakhs) is pledge for availing lending/investment under triparty repo dealing and settlement (TREPs) facilities.

[c] As on March 31, 2025, investment in mutual funds amounting to Rs. 6,552 lakhs (March 31, 2024 - Rs. 3,426 Lakhs) are lien marked against PTC deals.

## Notes to the Consolidated Financial Statements *(Continued)*

*as at March 31, 2025*

(Currency : Rs in lakhs)

| | | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|---|
| **9** | **Other financial assets** | | |
| | Interest receivable* | - | 18 |
| | Security deposits | 8,695 | 10,448 |
| | Interest strip asset on assignment | 60,186 | 29,583 |
| | Other receivable** | 48,739 | 60,549 |
| | Fixed deposit with original maturity of more than 12 months | 60 | - |
| | Less: Provision for Other Financial Assets | (6,828) | (6,217) |
| | **Total** | **110,852** | 94,381 |
| | * Lien against Bank and Government Agencies | | |
| | ** Majorly includes receivable on account of securitisation transactions | | |
| **10** | **Current tax assets (Net)** | | |
| | Advance tax & tax deducted at source (net of Provision of Rs. 37,271 Lakhs (March 31, 2024 Rs. 56,707 Lakhs) | 31,126 | 54,048 |
| | **Total** | **31,126** | 54,048 |

(Currency : Rs in lakhs)

| | | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|---|
| 11 | **Deferred tax liabilities/assets (net)** | | |
| | Deferred tax assets | 292,900 | 284,818 |
| | Deferred tax liabilities | (37,480) | (30,989) |
| | **Total** | **255,420** | **253,829** |

| | Opening balance as at April 1, 2024 | Recognised in profit or loss | Recognised in Other Comprehensive Income | Closing balance as at March 31, 2025 |
|---|---|---|---|---|
| **Movement in deferred tax balances:** | | | | |
| Property Plant & Equipment | 3,609 | (290) | - | 3,319 |
| Provision / unrealised losses on financial assets | 168,996 | (74,632) | - | 94,364 |
| Provisions other than those pertaining to expected credit loss | - | - | - | - |
| Re-measurement of employee benefits | 2,495 | (1,466) | 198 | 1,227 |
| Adjustments pertaining to Income and expense recognition based on expected interest rate | (27,474) | (7,017) | - | (34,491) |
| Lease Liability / ROU | 1,126 | 342 | - | 1,468 |
| Transaction Cost | 1,294 | (647) | - | 647 |
| Business loss | 107,297 | 83,144 | - | 190,441 |
| Hedge Effectiveness | (55) | - | 749 | 694 |
| Instruments measured through OCI | (2,575) | - | (414) | (2,989) |
| Diminution of investment in DAIPL | (885) | 885 | - | - |
| Long Term Capital Loss | - | 738 | - | 738 |
| | 253,829 | 1,057 | 533 | 255,420 |

| | Opening balance as at April 1, 2023 | Recognised in profit or loss | Recognised in Other Comprehensive Income | Closing balance as at March 31, 2024 |
|---|---|---|---|---|
| **Movement in deferred tax balances:** | | | | |
| Property Plant & Equipment | 4,492 | (883) | - | 3,609 |
| Provision / unrealised losses on financial assets | 121,013 | 47,984 | - | 168,996 |
| Provisions other than those pertaining to expected | 477 | (477) | - | - |
| Re-measurement of employee benefits | 2,161 | 194 | 140 | 2,495 |
| Adjustments pertaining to Income and expense recognition based on expected interest rate | (26,437) | (1,037) | - | (27,474) |
| Lease Liability / ROU | 534 | 592 | - | 1,126 |
| Transaction Cost | 1,208 | 86 | - | 1,294 |
| Business loss | 42,536 | 64,762 | - | 107,297 |
| Hedge Effectiveness | (129) | - | 74 | (55) |
| Instruments measured through OCI | (1,831) | - | (744) | (2,575) |
| Diminution of investment in DAIPL | (885) | - | - | (885) |
| | 143,140 | 111,221 | (530) | 253,829 |

*As at March 31, 2025, the holding company has accumulated unabsorbed tax losses amounting upto Rs. 24,74,296 lakhs (March 31, 2024 - Rs. 24,67,777 lakhs ) (including assessed carried forward tax losses of Rs. 14,56,685 lakhs (March 31, 2024 - Rs. 10,61,971 lakhs.)), which give rise to potential deferred tax assets (DTA) amounting upto to Rs. 6,21,372 Lakhs (March 31, 2024 - Rs. 6,20,929 lakhs) on such carried forward losses within the time period allowed under the applicable tax laws. In accordance with the principles of prudence and based on a detailed assessment of projected future taxable income over the next five years, the holding company has recognised deferred tax assets on carried foward losses to the extent of Rs. 190,441 lakhs (March 31, 2024 - Rs. 107,297 lakhs) which is dependent upon achievement of business plan as considered in the underlying future business projections. Expiry date of above unabsorbed tax losses on which deferred tax assets is not recognised is between financial year 2029-30 to financial year FY 2032-33.*

| | | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|---|
| 12 | **Other non-financial assets** | | |
| | Capital advance | 129 | 1,605 |
| | Goods and service tax credit receivable | 34,759 | 33,196 |
| | Prepaid expenses | 4,538 | 2,170 |
| | Advance for expenses | 4,027 | 3,298 |
| | Others | 565 | 1,073 |
| | Advance processing fees paid | 16,053 | 13,538 |
| | Less: Provision for doubtful advances | (13,399) | (13,399) |
| | **Total** | **46,672** | 41,481 |



TR Chadha & Co. LLP NOIDA Chartered Accountants
SINGHI & CO. Chartered Accountants
PIRAMAL FINANCE LIMITED

## 13 Property, plant and equipment, Intangible Assets and Intangibles under development

| Particulars | Gross Block | | | | Depreciation / Amortisation | | | | Net Block |
|---|---|---|---|---|---|---|---|---|---|
| | Opening As at April 1, 2024 | Additions during the year | Deduction/ write offs/ impairment | As at March 31, 2025 (A) | Opening As at April 1, 2024 | Charge for the year | Deduction/ write offs/ impairment | As at March 31, 2025 (B) | As at March 31, 2025 (A-B) |
| **Tangible Assets** | | | | | | | | | |
| Land & Building | **21,963** | - | 17,742 | **4,221** | **1,147** | 285 | 1,090 | **342** | **3,879** |
| Office Equipment | **9,009** | 2,851 | 125 | **11,735** | **2,244** | 2,033 | 92 | **4,185** | **7,550** |
| Computer | **5,696** | 16 | 226 | **5,486** | **3,509** | 1,559 | 214 | **4,854** | **632** |
| Computer Server | **613** | 73 | 15 | **671** | **315** | 67 | 14 | **368** | **303** |
| Furniture | **4,339** | 988 | 46 | **5,281** | **957** | 618 | 32 | **1,543** | **3,738** |
| Motor Car | **364** | 25 | 141 | **248** | **203** | 33 | 102 | **134** | **114** |
| Leasehold Improvements | **7,535** | 2,106 | 732 | **8,909** | **2,325** | 1,563 | 682 | **3,207** | **5,702** |
| Plant and machinery | **5** | - | - | **5** | **4** | - | - | **4** | **1** |
| **Total (I)** | **49,524** | **6,059** | **19,027** | **36,556** | **10,703** | **6,159** | **2,226** | **14,636** | **21,919** |
| **Intangible Asset** | | | | | | | | | |
| Goodwill on amalgamation/Consolidation **(II)** | **200** | - | - | **200** | - | - | - | - | **200** |
| **Other Intangible Asset** | | | | | | | | | |
| Computer software | **8,218** | 4,505 | - | **12,723** | **3,907** | 1,610 | - | **5,517** | **7,206** |
| Self generated software | **16,328** | 1,666 | - | **17,994** | **1,781** | 3,446 | - | **5,227** | **12,767** |
| **Total (III)** | **24,546** | **6,172** | - | **30,717** | **5,688** | **5,056** | - | **10,744** | **19,973** |
| Right to Use Assets - Premises | **32,033** | 19,829 | 10,577 | **41,286** | **9,144** | 6,116 | 4,162 | **11,098** | **30,188** |
| **Total (IV)** | **32,033** | **19,829** | **10,577** | **41,286** | **9,144** | **6,116** | **4,162** | **11,098** | **30,188** |
| **Intangibles under development (V)** | **1,007** | 5,258 | 6,172 | **93** | - | - | - | - | **93** |
| **Grand Total (I+II+III+IV+V)** | **107,309** | **37,318** | **35,776** | **108,852** | **25,536** | **17,331** | **6,388** | **36,478** | **72,373** |

Certain property, plants and equipments are placed as collateral against borrowings, the details related to which have been described in note 15 & 16.

**Amount in Intangible assets under development as at March 31, 2025**

| CWIP | Less then 1 year | 1 year - 2 years | 2 years -3 years | 3 years and above | Total |
|---|---|---|---|---|---|
| Projects in progress | 93 | - | - | - | 93 |
| Project temporarily suspended | - | - | - | - | - |

There are no Intangible assets under development, whose completion is overdue or has exceeded its cost compared to its original plan.

Title Deeds of all the immovable properties are in the name of the Holding Company except certain properties which were transferred on account of business combination and are in the name of erstwhile Dewan Housing Finance Corporation Limited

(Currency : Rs in lakhs)

## 13 Property, plant and equipment, Intangible Assets and Intangibles under development

| Particulars | Gross Block | | | | Depreciation / Amortisation | | | | Net Block |
|---|---|---|---|---|---|---|---|---|---|
| | Opening As at April 1, 2023 | Additions during the year | Deduction/ write offs/ impairment | As at March 31, 2024 (A) | Opening As at April 1, 2023 | Charge for the year | Deduction/ write offs/ impairment | As at March 31, 2024 (B) | As at March 31, 2024 (A-B) |
| **Tangible Assets** | | | | | | | | | |
| Land & Building | 25,127 | - | 3,164 | 21,963 | 825 | 458 | 136 | 1,147 | 20,816 |
| Office Equipment | 2,907 | 6,156 | 54 | 9,009 | 914 | 1,373 | 43 | 2,244 | 6,766 |
| Computer | 5.641 | 336 | 281 | 5,696 | 2,043 | 1,738 | 272 | 3,509 | 2,187 |
| Computer Server | 371 | 275 | 33 | 613 | 301 | 41 | 27 | 315 | 298 |
| Furniture | 1,162 | 3,185 | 8 | 4,339 | 228 | 732 | 3 | 957 | 3,382 |
| Motor Car | 309 | 55 | - | 364 | 159 | 44 | - | 203 | 161 |
| Leasehold Improvements | 3,205 | 4,838 | 508 | 7,535 | 1,943 | 890 | 507 | 2,325 | 5,210 |
| Plant and machinery | 5 | - | - | 5 | 3 | 1 | - | 4 | 1 |
| **Total (I)** | 38,727 | 14,845 | 4,048 | 49,524 | 6,416 | 5,277 | 988 | 10,704 | 38,820 |
| **Intangible Asset** | | | | | | | | | |
| Goodwill on amalgamation//Consolidation **(II)** | 200 | - | - | 200 | - | - | - | - | 200 |
| **Other Intangible Asset** | | | | | | | | | |
| Computer software | 7,980 | 238 | - | 8,218 | 2,543 | 1,364 | - | 3,907 | 4,310 |
| Self generated software | 6,242 | 10,086 | - | 16,328 | 30 | 1,751 | - | 1,781 | 14,547 |
| **Total (III)** | 14,222 | 10,324 | - | 24,546 | 2,573 | 3,115 | - | 5,688 | 18,857 |
| Right to Use Assets (IV) | 27,186 | 14,326 | 9,479 | 32,033 | 7,198 | 5,158 | 3,212 | 9,144 | 22,889 |
| **Intangibles under development (V)** | 353 | 10,978 | 10,324 | 1,007 | - | - | - | - | 1,007 |
| **Grand Total (I+II+III+IV+V)** | 80,688 | 50,473 | 23,851 | 107,309 | 16,188 | 13,551 | 4,200 | 25,535 | 81,771 |

**Amount in Intangible assets under development as at March 31, 2024**

| CWIP | Less then 1 year | 1 year - 2 years | 2 years -3 years | 3 years and above | Total |
|---|---|---|---|---|---|
| Projects in progress | 792 | 215 | - | - | 1,007 |
| Project temporarily suspended | - | - | - | - | - |

There are no Intangible assets under development, whose completion is overdue or has exceeded its cost compared to its original plan.

Title Deeds of all the immovable properties are in the name of the Holding Company except certain properties which were transferred on account of business combination and are in the name of erstwhile Dewan Housing Finance Corporation Limited

## 13 Investment property & Investment property under construction

(i)

| Particulars | Gross Block | | | | Depreciation / Amortisation | | | | Net Block |
|---|---|---|---|---|---|---|---|---|---|
| | Opening As at April 1, 2024 | Additions during the year | Deduction/ write offs | As at March 31, 2025 (A) | Opening As at April 1, 2024 | Charge for the year | Deduction/ write offs | As at March 31, 2025 (B) | As at March 31, 2025 (A-B) |
| **Tangible Assets** | | | | | | | | | |
| Building | 81,838 | - | - | 81,838 | 7,778 | 1,381 | - | 9,159 | 72,679 |
| Land | 17,927 | - | - | 17,927 | - | - | - | - | 17,927 |
| Furniture and fixtures | 759 | - | - | 759 | 386 | 76 | - | 462 | 297 |
| Plant and machinery | 3,418 | 4 | - | 3,422 | 1,454 | 239 | - | 1,693 | 1,729 |
| **Total (I)** | 103,942 | 4 | - | 103,946 | 9,618 | 1,695 | - | 11,314 | 92,632 |
| **Investment property under construction** | | | | | | | | | |
| Investment property under construction | 1,714 | 1,198 | - | 2,912 | - | - | - | - | 2,912 |
| **Total (II)** | 1,714 | 1,198 | - | 2,912 | - | - | - | - | 2,912 |
| **Grand Total (I+II)** | 105,656 | 1,202 | - | 106,858 | 9,618 | 1,695 | - | 11,314 | 95,544 |

**Amount in Investment property under constructions at March 31, 2025**

| Investment property under construction | Less then 1 year | 1 year - 2 years | 2 years -3 years | 3 years and above | Total |
|---|---|---|---|---|---|
| Projects in progress | 1,198 | 215 | 1,433 | 66 | 2,913 |
| Project temporarily suspended | - | - | - | - | - |

**Amount in Investment property under construction to be completed in**

| Investment property under construction | Less then 1 year | 1 year - 2 years | 2 years -3 years | 3 years and above | Total |
|---|---|---|---|---|---|
| Projects in progress | - | - | - | 2,913 | 2,913 |
| Project temporarily suspended | - | - | - | - | - |

Note: The Group has created charge on certain assets in favour of Lenders (Refer Note 16)

| Particulars | Gross Block | | | | Depreciation / Amortisation | | | | Net Block |
|---|---|---|---|---|---|---|---|---|---|
| | Opening As at April 1, 2023 | Additions during the year | Deduction/ write offs | As at March 31, 2024 (A) | Opening As at April 1, 2023 | Charge for the year | Deduction/ write offs | As at March 31, 2024 (B) | As at March 31, 2024 (A-B) |
| **Tangible Assets** | | | | | | | | | |
| Building | 81,838 | - | - | 81,838 | 6,397 | 1,381 | - | 7,778 | 74,060 |
| Land | 17,927 | - | - | 17,927 | - | - | - | - | 17,927 |
| Furniture and fixtures | 741 | 18 | - | 759 | 311 | 75 | - | 386 | 373 |
| Plant and machinery | 3,416 | 2 | - | 3,418 | 1,218 | 236 | - | 1,454 | 1,964 |
| **Total (I)** | 103,922 | 20 | - | 103,942 | 7,926 | 1,692 | - | 9,618 | 94,324 |
| **Investment property under construction** | | | | | | | | | |
| Investment property under construction | 1,499 | 215 | - | 1,714 | - | - | - | - | 1,714 |
| **Total (II)** | 1,499 | 215 | - | 1,714 | - | - | - | - | 1,714 |
| **Grand Total (I+II)** | 105,421 | 235 | - | 105,656 | 7,926 | 1,692 | - | 9,618 | 96,038 |

**Amount in Investment property under constructions at March 31, 2024**

| Investment property under construction | Less then 1 year | 1 year - 2 years | 2 years -3 years | 3 years and above | Total |
|---|---|---|---|---|---|
| Projects in progress | 214 | 1,433 | 2 | 65 | 1,714 |
| Project temporarily suspended | - | - | - | - | - |

**Amount in Investment property under construction to be completed in**

| Investment property under construction | Less then 1 year | 1 year - 2 years | 2 years -3 years | 3 years and above | Total |
|---|---|---|---|---|---|
| Projects in progress | - | - | - | 1,714 | 1,714 |
| Project temporarily suspended | - | - | - | - | - |

Note: The Company has created charge on certain assets in favour of Lenders (Refer Note 16)

(ii) **Amount Recognised in statement of profit and loss for investment properties:**

| | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|---|---|
| Rental income derived from investment properties | 7,240 | 6,412 |
| Direct operating expenses (including repairs and maintenance) generating rental income | 2,166 | 1,978 |
| Profit arising from investment properties before depreciation and indirect expenses | 5,074 | 4,435 |
| Less: Depreciation | (1,548) | (1,548) |
| **Profit from leasing of investment properties** | **3,526** | **2,887** |

## 13 Investment property & Investment property under construction *(Continue)*

The Group's investment property and investment property under construction consists of commercial property situated at Kurla, Mumbai. As on March 31, 2025 the fair value of investment property is Rs. 101,800 lakhs approx (March 31, 2024: Rs. 99,860 lakhs). The valuation is performed by an accredited registered independent valuer in accordance with the framework specified under Ind AS .

**Description of hierarchy, valuation technique used and key inputs to valuation are as below:**

| | Valuation Technique | Significant unobservable inputs | March 31, 2025 |
|---|---|---|---|
| Commercial property for lease | Discounted Cash Flow and Residual Method (M22); Capitalisation rate method (M21) | Rent growth p.a. | 4.75% p.a. |
| | | Capitalisation rate | 8% p.a. |
| | | Occupancy rate | 97.50% |
| Wing -D Investment property under construction | Residual Method | Gross Turnover from the Project - Outgoings of the project | |

| | Valuation Technique | Significant unobservable inputs | March 31, 2024 |
|---|---|---|---|
| Commercial property for lease | Discounted Cash Flow and Residual Method (M22); Capitalisation rate method (M21) | Rent growth p.a. | 4.77% p.a. |
| | | Capitalisation rate | 8% p.a. |
| | | Occupancy rate | 97.50% |
| Wing -D Investment property under construction | Residual Method | Gross Turnover from the Project - Outgoings of the project | |

Under the valuation technique as mentioned above, fair value is estimated using assumptions regarding the benefits and liabilities of ownership over the asset's life including an exit or terminal value. This method involves the projection of a series of cash flows on a real property interest.

The duration of the cash flows and the specific timing of inflows and outflows are determined by events such as rent reviews, lease renewal and related re-letting, redevelopment, or refurbishment. The appropriate duration is typically driven by market behaviour that is a characteristic of the class of real property. Periodic cash flow is typically estimated as gross income less vacancy, non-recoverable expenses, collection losses, lease incentives, maintenance cost, agent and commission costs and other operating and management expenses. The series of periodic net operating income, along with an estimate of the terminal value anticipated at the end of the projection period, is then discounted.

Significant increases/ (decreases) in estimated rental value and rent growth per annum in isolation would result in a significantly higher/ (lower) fair value of the properties. Significant increases/ (decreases) in occupancy rate and discount rate/capitalisation rate in isolation would result in a significantly lower (higher) fair value.

**Lease income**

The Group's investment property consist of one commercial property in Kurla, Mumbai. The management has determined that the investment property consist of - Piramal Agastya Corporate Park (Phase I) based on the nature, characteristics and risks of property.

| Particulars | March 31, 2025 | March 31, 2024 |
|---|---|---|
| Not later than one year | 5,761 | 2,847 |
| Later than one year and not later than five years | 26,059 | 12,800 |
| Later than five years | - | - |
| Lease income recognised during the year in statement of profit and loss | 7,240 | 6,412 |



Confidential

(Currency : Rs in lakhs)

| | | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|---|
| **14** | **Trade payables** | | |
| (i) | Total outstanding dues of micro enterprises and small enterprises (Refer note 39) | 4,432 | 2,980 |
| | **Total** | **4,432** | **2,980** |
| (ii)(a) | Total outstanding dues of creditors other than micro enterprises and small enterprises | 32,665 | 30,365 |
| (ii)(b) | Trade payables to related parties (Refer note 43) | 559 | 2,256 |
| | **Total** | **33,224** | **32,621** |

**Note :**

**Trade payables ageing as at March 31, 2025**

| Particulars | Unbilled Amount | Outstanding for following periods from due date of payment | | | | Total |
|---|---|---|---|---|---|---|
| | | Less than 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | |
| MSME | 3,779 | 625 | 23 | 5 | - | 4,432 |
| Others | 30,667 | 2,219 | 129 | 187 | 22 | 33,224 |
| Disputed dues -MSME | - | - | - | - | - | - |
| Disputed dues - Others | - | - | - | - | - | - |
| **Total** | **34,446** | **2,844** | **152** | **192** | **22** | **37,656** |

**Trade payables ageing as at March 31, 2024**

| Particulars | Unbilled Amount | Outstanding for following periods from due date of payment | | | | Total |
|---|---|---|---|---|---|---|
| | | Less than 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | |
| MSME | 2,598 | 339 | 43 | - | - | 2,980 |
| Others | 25,953 | 6,029 | 415 | 2 | 222 | 32,621 |
| Disputed dues -MSME | - | - | - | - | - | - |
| Disputed dues - Others | - | - | - | - | - | - |
| **Total** | **28,551** | **6,368** | **458** | **2** | **222** | **35,601** |

## Notes to the Consolidated Financial Statements *(Continued)*

*as at March 31, 2025*

(Currency : Rs in lakhs)

| | | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|---|
| **15** | **Debt Securities** | | |
| | **Debt securities in India, unless otherwise specified** | | |
| | **Measured at amortised cost** | | |
| | Redeemable Non Convertible Debentures (secured) | 2,332,822 | 2,579,213 |
| | Foreign Currency Bonds (secured) (from outside India) | 387,654 | - |
| | Commercial Paper (unsecured) | 585,060 | 292,253 |
| | **Total** | **3,305,536** | **2,871,466** |
| **16** | **Borrowings (Other than Debt Securities)** | | |
| | **Borrowings in India, unless otherwise specified** | | |
| | **Measured at amortised cost** | | |
| | Term Loans (secured) | | |
| | -From banks | 1,437,043 | 1,173,967 |
| | -From Others | 83,351 | 69,913 |
| | -FCNR Loan (from outside India) | 307,413 | 31,973 |
| | Securitised Borrowings (Secured) | 516,988 | 348,940 |
| | **Working capital demand loan/short term borrowings (secured)** | | |
| | -From banks | - | 14,039 |
| | **Total** | **2,344,795** | **1,638,832** |
| **17** | **Deposits** | | |
| | **Deposits in India** | | |
| | **Measured at amortised cost** | | |
| | Intercorporate deposit from related party (unsecured) (Refer note 43) | 17,955 | 45,000 |
| | **Total** | **17,955** | **45,000** |
| **18** | **Subordinated Liabilities** | | |
| | **Subordinated Liabilities in India** | | |
| | **Measured at amortised cost** | | |
| | Redeemable Non Convertible Debentures (unsecured) | 12,751 | 12,723 |
| | **Total** | **12,751** | **12,723** |

SINGHI & CO. * Chartered Accountants *

TR Chadha & Co. LLP * NOIDA * Chartered Accountants

PIRAMAL FINANCE LIMITED

(Currency : Rs in lakhs)

### 15 Debt Securities

**A. Redeemable Non Convertible Debentures (secured)**

| Particulars | Nature of Security | Terms of repayment | Principal Outstanding as at March 31, 2025 | Principal Outstanding as at March 31, 2024 | Maturity Due Date | First Instalment payment date |
|---|---|---|---|---|---|---|
| 18,48,28,062 (At the time of Issue - 19,53,25,290) (payable semi annually) 6.75% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value 825 (Previous Year Rs 875) | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage Property | The NCD's are repayable at 2.5% semi-annually for first 5 years and at 7.5% semi-annually for the next 5 years from the date of allotment | 1,524,832 | 1,617,246 | September 26, 2031 | March 28, 2022 |
| Nil (Previous Year 1800) (payable semi annually) 10% Secured, Rated, Unlisted, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 5,00,000 (Previous Year - 10,00,000) | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property | 50% of NCDs are repayable after 53 months from the date of allotment & balance after 65 months from the date of allotment. | - | 9,000 | November 8, 2024 | November 8, 2023 |
| Nil (Previous Year 250) (payable annually) 8.75% Secured, Rated, Listed , Redeemable Non Convertible Debentures (NCD's) each having a face value of Rs. 10,00,000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property | The NCD's are repayable after 2556 days from the date of allotment | - | 2,500 | May 3, 2024 | NA |
| Nil (Previous Year 50,000) (payable quarterly) 8.95% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1,00,000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage Property | The NCD's are repayable after 379 days from the date of allotment | - | 50,000 | May 17, 2024 | NA |
| Nil (Previous Year 13,770) (payable annually) 8.25% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1,000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage Property | The NCD's are repayable after 1096 days from the date of allotment | - | 138 | July 23, 2024 | NA |
| Nil (Previous Year 15,42,637) (payable annually) 8.50% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1,000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage Property | The NCD's are repayable after 1096 days from the date of allotment | - | 15,426 | July 23, 2024 | NA |
| Nil (Previous Year 60,000) (payable annually & maturity) 8.80% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1,00,000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage Property | The NCD's are repayable after 536 days from the date of allotment | - | 60,000 | December 30, 2024 | NA |
| Nil (Previous Year 80,000) (payable quarterly & maturity) 8.91% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1,00,000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage Property | The NCD's are repayable after 457 days (60000 lakhs) & 388 days (20000 lakhs) from the date of allotment. | - | 80,000 | February 21, 2025 | NA |
| Nil (Previous Year 50,000) (payable quarterly & maturity) 9.22% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1,00,000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage Property | The NCD's are repayable after 379 days from the date of allotment | - | 50,000 | February 26, 2025 | NA |
| 10,000 (payable quarterly & at maturity) 9.08% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1,00,000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage Property | The NCD's are repayable after 394 days from the date of allotment | 10,000 | 10,000 | April 4, 2025 | NA |
| 20,000 (payable annually) 9.25% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property | The NCD's are repayable in 4 equal instalments starting from 12 June 2025 | 200,000 | 200,000 | March 12, 2026 | June 12, 2025 |
| 20,500 (payable annually) 9.25% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property | The NCD's are repayable in 4 equal instalments starting from 19 June 2025 | 205,000 | 205,000 | March 19, 2026 | June 19, 2025 |
| 5,000 (payable monthly) 7.96% Secured, Rated , Listed, Redeemable Non Convertible Debentures (NCD's) each having a face value of Rs. 10,00,000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property | The NCDs are redeemable at par in three instalments : 8th year-16,700 lakh; 9th year-16,700 lakhs; 10th year-16,600 lakhs | 50,000 | 50,000 | September 20, 2027 | September 19, 2025 |

## Notes to the Consolidated Financial Statements (Continued)

*as at March 31, 2025*

(Currency : Rs in lakhs)

### 15 Debt Securities (Continued)

**A. Redeemable Non Convertible Debentures**

| Particulars | Nature of Security | Terms of repayment | Principal Outstanding as at March 31, 2025 | Principal Outstanding as at March 31, 2024 | Maturity Due Date | First Instalment payment date |
|---|---|---|---|---|---|---|
| 350 (payable annually) 9.25% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property | The NCDs are repayable after 2555 days from the date of allotment | 3,500 | 3,500 | October 3, 2025 | NA |
| 10,000 (payable annually) 8.75% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1,00,000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage Property | The NCD's are repayable after 1130 days from the date of allotment | 10,000 | 10,000 | May 25, 2026 | NA |
| 1,07,455 (payable annually) 8.50% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1,000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage Property | The NCD's are repayable after 1826 days from the date of allotment | 1,075 | 1,075 | July 23, 2026 | NA |
| 8,08,680 (payable annually) 8.75% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1,000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage Property | The NCD's are repayable after 1826 days from the date of allotment | 8,087 | 8,087 | July 23, 2026 | NA |
| 5,000 (payable annually) 9.27% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property | The NCDs are redeemable at par in three instalments : 8th year-16,700 lakhs; 9th year-16,700 lakhs; 10th year-16,600 lakhs | 50,000 | 50,000 | December 19, 2028 | December 18, 2026 |
| 15,000 (payable annually) 9.51% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property | The NCD's are repayable in 3 equal instalment of Rs 50000 lakhs each payable after 8th year, 9th year, 10th year from the date of allotment | 150,000 | 150,000 | March 9, 2029 | March 11, 2027 |
| 500 (payable annually) 9.32% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property | The NCD's are repayable after 3650 days from the date of allotment | 5,000 | 5,000 | November 1, 2030 | NA |
| 250 (payable annually) 9.00% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property | The NCD's are repayable after 3650 days from the date of allotment | 2,500 | 2,500 | March 28, 2031 | NA |
| 200 (payable annually) 8.85% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property | The NCD's are repayable after 3650 days from the date of allotment | 2,000 | 2,000 | June 27, 2031 | NA |
| 1,150 (payable annually) 8.75% Secured, Rated, Listed. Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1,000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage Property | The NCD's are repayable after 3652 days from the date of allotment | 12 | 12 | July 23, 2031 | NA |
| 15,40,084 (payable annually) 9.00% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1,000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage Property | The NCD's are repayable after 3652 days from the date of allotment | 15,401 | 15,401 | July 23, 2031 | NA |
| 2500 (payable annually & at maturity) 9.30% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1,00,000/- | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage Property | The NCD's are repayable after 730 days from the date of allotment | 25,000 | - | January 7, 2027 | NA |
| 4250 (payable quarterly & at maturity) 9.30% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1,00,000/- | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage Property | The NCD's are repayable after 396 days from the date of allotment | 42,500 | - | February 23, 2026 | NA |
| 4250 (payable quarterly & at maturity) 9.30% Secured, Rated, Listed. Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1,00,000/- | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage Property | The NCD's are repayable after 729 days from the date of allotment | 42,500 | - | January 22, 2027 | April 23, 2026 |

The contractual rate of interest for the above borrowings are in the range of 6.75% to 10% per annum



SINGHI & CO. Chartered Accountants
TR Chadha & Co. LLP NOIDA Chartered Accountants
PIRAMAL FINANCE LIMITED

(Currency : Rs in lakhs)

### 15 Debt Securities (Continued)

**B Foreign Currency Bonds (secured) (from outside India):**

| Particulars | Terms of Repayment | Principal Outstanding as at March 31, 2025 | Principal Outstanding as at March 31, 2024 | Maturity Due Date | First Instalment payment date |
|---|---|---|---|---|---|
| First pari-passu charge on the standard assets including receivables present and future | Repayable in 2 equal instalments after 39 months | 384,660 | - | January 29, 2028 | October 29, 2027 |

The contractual rate of interest for the above borrowings are in the range of 7.8 % per annum

**B Commercial Paper:**

| Particulars | Terms of Repayment | Principal Outstanding as at March 31, 2025 | Principal Outstanding as at March 31, 2024 | Maturity Due Date |
|---|---|---|---|---|
| Commercial Paper | Repayable within 365 days from date of disbursement | 606,500 | 297,500 | Various |

The effective costs for the above loans are in the range of 8.35% to 9.00 % per annum

### 16 Borrowings (Other than Debt Securities)

**A. 1 Rupee Term Loan from Banks**

| Nature of Security | Terms of repayment | Principal Outstanding as at March 31, 2025 | Principal Outstanding as at March 31, 2024 | Maturity Due Date | First Instalment payment date |
|---|---|---|---|---|---|
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayment of principal in 16 equal quarterly instalment after moratorium period of three year from drawdown date | 21,094 | 37,968 | May 17, 2026 | June 17, 2019 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 18 equal quarterly instalments after the moratorium period of 6 months from the drawdown date | - | 6,598 | December 24, 2024 | June 29, 2020 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Term Loan to be repaid in 19 equal quarterly instalments starting from 1 quarter from date of first disbursement | - | 10,535 | March 31, 2025 | September 30, 2020 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Term Loan repayment in 16 equal quarterly instalments after a moratorium period of 1 year | - | 9,271 | December 26, 2024 | March 26, 2021 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Term Loan repayment in 24 equal quarterly instalments after a moratorium period of 1 year | 16,641 | 24,977 | January 30, 2027 | March 29, 2021 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 20 equal quarterly instalments | 14,723 | 29,738 | March 30, 2026 | June 30, 2021 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Term Loan repayment in 24 quarterly instalments post moratorium period of 1 year | 9,250 | 72,250 | April 4, 2027 | July 4, 2021 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 20 equal quarterly instalments | - | 25,000 | September 28, 2026 | December 27, 2021 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Term Loan Repayment in 16 equal quarterly instalments post moratorium period of 1 year | 3,079 | 15,579 | April 2, 2025 | July 3, 2021 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Term Loan Repayment in 16 equal quarterly instalments post moratorium period of 1 year | 936 | 2,186 | December 11, 2025 | March 11, 2022 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 60 months including moratorium period of 1 year and post that payable in 16 equal quarterly instalments | 6,561 | 15,311 | December 28, 2025 | March 28, 2022 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 28 equal quarterly instalments | 13,391 | 16,964 | December 29, 2028 | March 31, 2022 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 20 equal quarterly instalments after the moratorium period of 24 months from the drawdown date | 8,313 | 12,490 | March 31, 2027 | June 17, 2022 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in eighteen quarterly instalments of Rs. 800 lakhs each and last instalment of Rs. 600 lakhs after a holiday period of 3 months from date of drawdown | 5,399 | 8,599 | December 24, 2026 | June 27, 2022 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 12 equal quarterly instalments | - | 3,333 | March 30, 2025 | June 30, 2022 |

(Currency : Rs in lakhs)

## 16 Borrowings (Other than Debt Securities)

**A. 1 Rupee Term Loan from Banks (Continued)**

| Nature of Security | Terms of repayment | Principal Outstanding as at March 31, 2025 | Principal Outstanding as at March 31, 2024 | Maturity Due Date | First Instalment payment date |
|---|---|---|---|---|---|
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 20 equal quarterly instalments | 7,997 | 11,990 | March 30, 2027 | June 30, 2022 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 12 equal quarterly instalments from date of drawdown | 3,333 | 16,667 | May 12, 2025 | August 13, 2022 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in ten quarterly instalments with moratorium period of 6 months from date of drawdown | - | 7,496 | November 30, 2024 | August 31, 2022 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 19 quarterly instalments with moratorium period of 3 months from date of drawdown | 3,152 | 4,732 | March 30, 2027 | September 30, 2022 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 19 quarterly instalments with moratorium period of 3 months from date of drawdown | 12,632 | 18,947 | March 30, 2027 | September 30, 2022 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 16 quarterly instalments with moratorium period of 6 months from date of drawdown | 3,744 | 6,245 | September 30, 2026 | December 31, 2022 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Term loan repayable in 20 equal quarterly instalments | 2,749 | 3,750 | October 31, 2027 | January 31, 2023 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Term loan repayable in 20 quarterly instalments from the end of the quarter of the first disbursement | 5,498 | 7,498 | October 31, 2027 | January 31, 2023 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in eight half yearly instalments after a moratorium period of 1 year from date of drawdown | 5,617 | 9,370 | August 31, 2026 | February 28, 2023 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Term loan repayable in 20 equal quarterly instalments from the end of the quarter of the first disbursement | 41,249 | 56,249 | December 19, 2027 | March 19, 2023 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | 18 equal quarterly instalments after 6 months moratorium | 10,400 | 15,021 | June 30, 2027 | March 31, 2023 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Term loan repayable in quarterly instalments over a period 15 years with NIL moratorium | 4,242 | 4,579 | December 30, 2037 | March 31, 2023 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | 18 equal quarterly instalments after 6M moratorium | 14,832 | 20,766 | September 26, 2027 | June 26, 2023 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 24 quarterly instalments with moratorium period of 1 year from date of drawdown | 13,330 | 16,665 | March 29, 2029 | June 30, 2023 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | 9 equal quarterly install after 9 month moratorium | 2,222 | 6,666 | August 4, 2025 | August 4, 2023 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 12 equal quarterly instalments after 1 year moratorium | 7,666 | 17,250 | May 30, 2026 | August 31, 2023 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 12 equal quarterly instalments after 1 year moratorium | 5,833 | 13,125 | June 2, 2026 | September 2, 2023 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | 12 equal quarterly install after 1 year moratorium | 6,958 | 13,917 | July 31, 2026 | October 31, 2023 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 14 quarterly instalments with moratorium period of 18 months from date of drawdown | 28,571 | 42,857 | March 7, 2027 | December 7, 2023 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | 16 equal quarterly instalments after 12 month moratorium | 3,125 | 4,375 | September 30, 2027 | December 31, 2023 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 12 quarterly instalments with moratorium period of 1 year from date of drawdown | 14,583 | 25,000 | March 9, 2027 | June 9, 2024 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 5 equal instalment starting from 6 months from drawdown date | - | 20,000 | February 25, 2025 | February 28, 2024 |

(Currency : Rs in lakhs)

## 16 Borrowings (Other than Debt Securities)

**A. 1 Rupee Term Loan from Banks (Continued)**

| Nature of Security | Terms of repayment | Principal Outstanding as at March 31, 2025 | Principal Outstanding as at March 31, 2024 | Maturity Due Date | First Instalment payment date |
|---|---|---|---|---|---|
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 20 equal instalments from drawdown date | 17,498 | 22,500 | September 29, 2028 | December 29, 2023 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 20 equal instalments from drawdown date | 48,725 | 63,749 | June 27, 2028 | September 27, 2023 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Bullet payment on maturity | - | 20,000 | January 8, 2025 | NA |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 12 equal instalments from drawdown date | 14,583 | 22,902 | October 31, 2026 | January 31, 2024 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 14 equal instalments from drawdown date | 6,429 | 9,286 | June 28, 2027 | March 28, 2024 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 20 equal instalments from drawdown date | 23,996 | 30,000 | March 31, 2029 | June 29, 2024 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 12 equal instalments starting from 15 months from drawdown date | 34,833 | 38,000 | March 30, 2028 | June 30, 2025 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 12 equal instalments starting from 15 months from drawdown date | 8,708 | 9,500 | March 30, 2028 | June 30, 2025 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 12 equal quarterly instalments starting from 3 months from drawdown date | 5,000 | 8,333 | September 28, 2026 | December 28, 2023 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 16 quarterly instalments starting from 1 year from the drawdown date | 174,375 | 186,000 | November 30, 2028 | February 28, 2025 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 18 equal quarterly instalments starting from 9 months from drawdown date | 44,444 | 50,000 | March 12, 2029 | December 12, 2024 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Bullet payment on maturity | - | 25,000 | June 6, 2024 | NA |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Bullet payment on maturity | 25,000 | - | May 30, 2025 | May 30, 2025 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Bullet payment on maturity | 50,000 | - | June 9, 2025 | June 9, 2025 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Bullet payment on maturity | 25,000 | - | May 30, 2025 | May 30, 2025 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 12 equal instalments starting from 15 months from drawdown date | 10,472 | - | June 19, 2028 | September 19, 2025 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 5 equal instalment starting from 6 months from drawdown date | 23,997 | - | December 28, 2025 | December 28, 2024 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Bullet payment on maturity | 25,000 | - | December 29, 2025 | December 29, 2025 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 16 equal quarterly instalments starting from 9 months from drawdown date | 50,000 | - | July 25, 2028 | April 30, 2025 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 19 equal quarterly instalments starting from 6 months from drawdown date | 18,947 | - | September 23, 2029 | March 28, 2025 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 5 equal instalment starting from 6 months from drawdown date | 2,400 | - | March 25, 2026 | March 24, 2025 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 20 equal quarterly instalments starting from 3 months from drawdown date | 22,500 | - | September 26, 2029 | December 26, 2024 |

(Currency : Rs in lakhs)

## 16 Borrowings (Other than Debt Securities)

**A. 1 Rupee Term Loan from Banks (Continued)**

| Nature of Security | Terms of repayment | Principal Outstanding as at March 31, 2025 | Principal Outstanding as at March 31, 2024 | Maturity Due Date | First Instalment payment date |
|---|---|---|---|---|---|
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 12 equal instalments starting from 15 months from drawdown date | 6,500 | - | September 30, 2028 | December 31, 2025 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 5 equal instalment starting from 6 months from drawdown date | 3,500 | - | April 25, 2026 | April 25, 2025 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 20 equal instalment starting from 3 months from drawdown date | 28,500 | - | November 21, 2029 | February 21, 2025 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 5 equal instalment starting from 6 months from drawdown date | 7,500 | - | June 3, 2026 | June 3, 2025 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 18 equal instalment starting from 9 months from drawdown date | 25,000 | - | December 24, 2029 | September 24, 2025 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 24 equal instalment starting from 15 months from drawdown date | 200,000 | - | December 31, 2031 | March 30, 2026 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Term loan repayable in 20 quarterly instalments from the end of the quarter of the first disbursement | 18,995 | - | December 31, 2029 | March 31, 2025 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 12 equal instalments starting from 15 months from drawdown date | 7,000 | - | December 31, 2028 | March 31, 2026 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 8 equal instalments starting from 3 months from drawdown date | 26,250 | - | December 31, 2026 | March 31, 2025 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Bullet payment on maturity | 25,000 | - | April 23, 2026 | April 23, 2026 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 5 equal instalment starting from 6 months from drawdown date | 5,000 | - | September 19, 2026 | September 19, 2025 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 16 equal instalments starting from 15 months from drawdown date | 30,000 | - | March 31, 2030 | June 30, 2026 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 12 equal instalments starting from 15 months from drawdown date | 17,500 | - | March 28, 2029 | June 30, 2026 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 20 equal instalments starting from 15 months from drawdown date | 50,000 | - | March 31, 2030 | June 30, 2025 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 16 equal instalments starting from 15 months from drawdown date | 5,000 | - | March 28, 2030 | June 30, 2026 |
| Secured by pari passu charge over unsold portion of Wing A Piramal Agastya Corporate Park (Phase I) along with the land corresponding to it, located at Kurla. | Repayable in 144 months from drawdown date | 59,792 | 62,139 | December 15, 1934 | January 13, 2023 |

The contractual rate of interest for the above borrowings are in the range of 7.16% to 11.35 % per annum

**A.2 Rupee Term Loan from Others**

| Nature of Security | Terms of repayment | Principal Outstanding as at March 31, 2025 | Principal Outstanding as at March 31, 2024 | Maturity Due Date | First Instalment payment date |
|---|---|---|---|---|---|
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Term loan repayable in 120 Equated Monthly Instalments | 64,968 | 70,230 | March 1, 2033 | May 1, 2023 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Term loan repayable in 36 Equated Monthly Instalments | 18,547 | - | December 5, 2027 | January 5, 2025 |

The contractual rate of interest for the above borrowing are in the range of 9.50% to 9.75 % per annum

## 16 Borrowings (Other than Debt Securities)

**A.3 FCNR Loan**

| Nature of Securities | Terms of repayment | Principal Outstanding as at March 31, 2025 | Principal Outstanding as at March 31, 2024 | Maturity Due Date | First Instalment payment date |
|---|---|---|---|---|---|
| First pari-passu charge on the standard assets including receivables present and future | Repayable after 65 months from drawdown date | - | 31,215 | June 14, 2024 | NA |
| First pari-passu charge on the standard assets including receivables present and future | Repayable after 36 months from drawdown date | 226,522 | - | March 27, 2028 | NA |
| First pari-passu charge on the standard assets including receivables present and future | Repayable after 36 months from drawdown date | 85,480 | - | May 28, 2027 | NA |

The contractual rate of interest for the above borrowing are in the range of 6.27% to 7.76% per annum

**B.1 Securitised Borrowings**

| Nature of Security | Terms of repayment | Principal Outstanding as at March 31, 2025 | Principal Outstanding as at March 31, 2024 | Maturity Due Date | First Instalment payment date |
|---|---|---|---|---|---|
| Specific loan cash flows & underlying that are part of the Assignment pool | Repayable in 356 months from drawdown date | 2,630 | 3,357 | July 20, 2049 | November 20, 2019 |
| Specific loan cash flows & underlying that are part of the PTC pool | Repayable in 291 months from drawdown date | 15,206 | 19,613 | June 13, 2047 | April 13, 2023 |
| Specific loan cash flows & underlying that are part of the PTC pool | Repayable in 295 months from drawdown date | 27,404 | 34,984 | December 14, 2047 | June 14, 2023 |
| Specific loan cash flows & underlying that are part of the PTC pool | Repayable in 300 months from drawdown date | 29,703 | 36,160 | June 18, 2048 | July 18, 2023 |
| Specific loan cash flows & underlying that are part of the PTC pool | Repayable in 300 months from drawdown date | 36,151 | 44,382 | September 14, 2048 | October 13, 2023 |
| Specific loan cash flows & underlying that are part of the PTC pool | Repayable in 294 months from drawdown date | 53,854 | 68,443 | June 17, 2048 | January 17, 2024 |
| Specific loan cash flows & underlying that are part of the PTC pool | Repayable in 295 months from drawdown date | 26,651 | 32,784 | August 17, 2048 | February 16, 2024 |
| Specific loan cash flows & underlying that are part of the PTC pool | Repayable in 300 months from drawdown date | 20,251 | 26,721 | February 15, 2049 | March 15, 2024 |
| Specific loan cash flows & underlying that are part of the PTC pool | Repayable in 369 months from drawdown date | 12,564 | 16,114 | November 15, 2054 | March 15, 2024 |
| Specific loan cash flows & underlying that are part of the PTC pool | Repayable in 300 months from drawdown date | 20,817 | - | March 12, 2049 | April 12, 2024 |
| Specific loan cash flows & underlying that are part of the PTC pool | Repayable in 300 months from drawdown date | 12,417 | - | March 15, 2049 | April 15, 2024 |
| Specific loan cash flows & underlying that are part of the PTC pool | Repayable in 291 months from drawdown date | 17,978 | - | July 16, 2048 | May 16, 2024 |
| Specific loan cash flows & underlying that are part of the PTC pool | Repayable in 293 months from drawdown date | 7,345 | - | September 15, 2048 | May 15, 2024 |
| Specific loan cash flows & underlying that are part of the PTC pool | Repayable in 293 months from drawdown date | 27,610 | - | October 15, 2048 | June 14, 2024 |
| Specific loan cash flows & underlying that are part of the PTC pool | Repayable in 52 months from drawdown date | 9,650 | - | September 15, 2028 | June 14, 2024 |
| Specific loan cash flows & underlying that are part of the PTC pool | Repayable in 284 months from drawdown date | 6,536 | - | February 15, 2048 | June 18, 2024 |
| Specific loan cash flows & underlying that are part of the PTC pool | Repayable in 282 months from drawdown date | 3,047 | - | December 15, 2047 | July 15, 2024 |
| Specific loan cash flows & underlying that are part of the PTC pool | Repayable in 293 months from drawdown date | 15,764 | - | November 13, 2048 | July 12, 2024 |
| Specific loan cash flows & underlying that are part of the PTC pool | Repayable in 300 months from drawdown date | 7,782 | - | June 15, 2049 | July 15, 2024 |
| Specific loan cash flows & underlying that are part of the PTC pool | Repayable in 293 months from drawdown date | 44,783 | - | December 16, 2048 | August 16, 2024 |
| Specific loan cash flows & underlying that are part of the PTC pool | Repayable in 56 months from drawdown date | 12,634 | - | January 15, 2029 | June 14, 2024 |
| Specific loan cash flows & underlying that are part of the PTC pool | Repayable in 54 months from drawdown date | 9,929 | - | January 15, 2029 | August 14, 2024 |
| Specific loan cash flows & underlying that are part of the PTC pool | Repayable in 52 months from drawdown date | 5,940 | - | April 15, 2029 | January 15, 2025 |
| Specific loan cash flows & underlying that are part of the PTC pool | Repayable in 293 months from drawdown date | 53,277 | - | May 18, 2049 | January 17, 2025 |
| Specific loan cash flows & underlying that are part of the PTC pool | Repayable in 54 months from drawdown date | 25,567 | - | October 15, 2029 | May 15, 2025 |

The contractual rate of interest for the above borrowings are in the range of 8.25% to 10% per annum

(Currency : Rs in lakhs)

## 16 Borrowings (Other than Debt Securities)

**C.1 Working Capital Demand Loan from banks/short term borrowings:**

| Nature of Security | Principal Outstanding as at March 31, 2025 | Principal Outstanding as at March 31, 2024 |
|---|---|---|
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future | - | 14,000 |

The rate of interest for the above borrowing is 8.90% per annum

## 17 Deposits

**Intercorporate deposit from related party**

| Particulars | Terms of Repayment | Principal Outstanding as at March 31, 2025 | Principal Outstanding as at March 31, 2024 | Maturity Due Date | First Instalment payment date |
|---|---|---|---|---|---|
| Intercorporate deposit | Repayable after Sixty months from drawdown date | - | 30,000 | June 25, 2025 | NA |
| Intercorporate deposit | Repayable after Twelve months from drawdown date | - | 15,000 | February 27, 2025 | NA |
| Intercorporate deposit | Bullet payment on maturity | 17,500 | - | December 12, 2027 | NA |

The effective costs for the above borrowings are in the range of 8.25% to 9.50% per annum

## 18 Subordinated Liabilities

**Redeemable Non Convertible Debentures**

| Particulars | Terms of Repayment | Principal Outstanding as at March 31, 2025 | Principal Outstanding as at March 31, 2024 | Maturity Due Date | First Instalment payment date |
|---|---|---|---|---|---|
| 1,276 (payable annually) 9.55% Unsecured, Subordinated, Tier II, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each having face value | The NCD's are repayable after 10 years from the date of allotment | 12,760 | 12,760 | March 8, 2027 | NA |

The rate of interest for the above borrowing is 9.55% per annum

Notes:

(a) Property, Plant & Equipment, Investment and other assets are mortgaged / hypothecated to the extent of Rs. 62,29,941 Lakhs (As on March 31, 2024: Rs. 52,87,309 lakhs) as a security against secured borrowings as at March 31, 2025.

(b) The holding company has a covenant in its borrowing documents, which states that it shall comply with RBI Regulations in order to qualify as Non-Banking Finance Company – Housing Finance Company within March 31, 2024 or as extended by RBI. The holding company could not fulfil the PBC criteria as on March 31, 2024 and March 31, 2025 and the holding company has converted into NBFC-ICC with effect from April 4, 2025 and accordingly PBC requirement is no longer required w.e.f. April 4, 2025 (Refer note 53(a)).

*(Currency : Rs in lakhs)*

| | | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|---|
| **19** | **Other financial liabilities** | | |
| | Lease liability | 34,669 | 26,534 |
| | Payable to employees | 12,177 | 9,885 |
| | Unclaimed dividend | 20 | 60 |
| | Security and other deposits received | 2,562 | 2,162 |
| | Amounts payable on Securitised Loans | 26,993 | 42,401 |
| | Others* | 32,172 | 44,923 |
| | **Total** | **108,593** | 125,965 |
| | ** includes liability towards sold portfolio etc.* | | |
| **20** | **Current tax liabilities** | | |
| | Net provision for tax (net of advance tax of Rs. 130,354 Lakhs, March 31, 2024 Rs. 121,147 Lakhs) | 14,784 | 7,911 |
| | **Total** | **14,784** | 7,911 |
| **21** | **Provisions** | | |
| | Provision for Employee Benefits | | |
| | Gratuity (Refer note 44 (i)(b)) | 1,448 | 430 |
| | Compensated absences (Refer note 44 (ii)) | 3,875 | 2,321 |
| | Others | 11 | 9 |
| | Allowance for impairment on commitments (Refer note 47.4(b)) | 1,250 | 3,511 |
| | **Total** | **6,584** | 6,271 |
| **22** | **Other non- financial liabilities** | | |
| | Statutory dues payable | 15,649 | 13,658 |
| | Fair Valuation Adjustment on Merger (Refer note 42B) | 216,957 | 312,188 |
| | Advance received | 17,818 | 26,732 |
| | | **250,424** | 352,578 |

(Currency : Rs in lakhs)

| | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| **23 Equity Share Capital** | | |
| **Authorized share capital:** | | |
| 25,840,390,024 (March 31, 2024: 25,840,390,024) equity shares of Rs. 10 each | 2,584,039 | 2,584,039 |
| **Total** | **2,584,039** | 2,584,039 |
| 2,500,000 (March 31, 2024: 2,500,000) Non-Convertible Redeemable Cumulative Preference Shares of Rs. 1,000 each | 25,000 | 25,000 |
| **Total** | **25,000** | 25,000 |
| **Issued, subscribed and fully paid up capital:** | | |
| Opening balance | 2,336,469 | 2,136,469 |
| Add: Issue of shares during the year | 160,000 | 200,000 |
| **Total** | **2,496,469** | 2,336,469 |

**Reconciliation of the shares outstanding at the beginning and at the end of the reporting year**

| Equity shares | March 31, 2025 | | March 31, 2024 | |
|---|---|---|---|---|
| | No. of shares | Amount | No. of shares | Amount |
| At the beginning of the year | 23,364,691,751 | 2,336,469 | 21,364,691,751 | 2,136,469 |
| Add: Issue of shares during the year | 1,600,000,000 | 160,000 | 2,000,000,000 | 200,000 |
| Outstanding at the end of the year | **24,964,691,751** | **2,496,469** | 23,364,691,751 | 2,336,469 |

**Details of shares held by Promoter**

| Particulars | March 31, 2025 | | March 31, 2024 | |
|---|---|---|---|---|
| | No. of shares | % Holding | No. of shares | % Holding |
| Piramal Enterprises Limited | 24,964,691,751 | 100% | 23,364,691,751 | 100% |

**Details of shareholder holding more than 5% shares in the Company**

| Particulars | March 31, 2025 | | March 31, 2024 | |
|---|---|---|---|---|
| | No. of shares | % Holding | No. of shares | % Holding |
| Piramal Enterprises Limited | 24,964,691,751 | 100% | 23,364,691,751 | 100% |

**Shares held by holding company:**

| Particulars | March 31, 2025 | | March 31, 2024 | |
|---|---|---|---|---|
| | No. of shares | Amount | No. of shares | Amount |
| Piramal Enterprises Limited | 24,964,691,751 | 2,496,469 | 23,364,691,751 | 2,336,469 |

**Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceding the balance sheet date:**

| Particulars | Financial year | No. of shares |
|---|---|---|
| Equity shares of Rs. 10 each allotted as fully paid-up pursuant to business combination | 2021-22 | 21,364,691,751 |

The Holding Company has only one class of equity shares having a face value of ₹ 10 per share. Each holder of equity share is entitled to one vote per share. The Holding Company declares and pays dividend in Indian Rupees.

There were no shares allotted as fully paid-up by way of bonus shares. There were no shares reserved for issue under options and contracts/commitments for the sale of shares/disinvestment. There were no shares forfeited during the year.

In the event of liquidation of the Holding Company, the holders of equity shares will be entitled to remaining assets of the Holding Company. The distribution will be in proportion to the number of equity shares held by the shareholders.

| | | | |
|---|---|---|---|
| **24** | **Other equity** | | |
| | Capital Reserve (refer note 24.1) | 17,263 | 17,265 |
| | Securities Premium (refer note 24.2) | 220,885 | 220,885 |
| | Cash flow hedge reserve (refer note 24.3) | (2,060) | 165 |
| | Statutory reserve fund (refer note 24.4) | 245,612 | 244,563 |
| | Amalgamation Adjustment Reserve (refer note 24.5) | (490,288) | (490,288) |
| | Debt Instruments Measure through OCI (refer note 24.6) | 1,107 | 1 |
| | Equity Instruments Measure through OCI (refer note 24.7) | 15,677 | 7,653 |
| | Retained earnings (refer note 24.8) | (839,014) | (847,243) |
| | **Total** | **(830,818)** | (846,999) |
| **24.1** | **Capital reserve** | | |
| | Opening balance | 17,265 | 17,265 |
| | Add: Additions/deletions duing the year | - | - |
| | Add/(Less): Adjustment on account of Business combination (Refer 41(b)(ii)) | (2) | - |
| | **Closing Balance** | **17,263** | 17,265 |

Capital reserve has been created on account of business combination of earlier years.

(Currency : Rs in lakhs)

| | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **24.2 Securities Premium** | | |
| Opening balance | 220,885 | 220,885 |
| Add/(Less): Additions/deletions duing the year | - | - |
| **Closing Balance** | **220,885** | 220,885 |

Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

| | | |
|---|---|---|
| **24.3 Cash flow hedge reserve** | | |
| Opening Balance | 165 | 381 |
| Add/(Less): Addition during the year (refer note 48) | (2,225) | (216) |
| **Closing Balance** | **(2,060)** | 165 |

The Group uses hedging instruments as part of its management of foreign currency risk and interest rate risk associated with variable interest rate borrowings, investment in floating rate bonds. For hedging foreign currency risk, the Group uses foreign currency forward contracts, which are designated as cash flow hedges. For hedging interest rate risk, the Group uses interest rate swaps which is also designated as cash flow hedges. To the extent these hedges are effective; the changes in fair value of the hedging instrument is recognised in the cash flow hedging reserve. Amount recognised in the cash flow hedging reserve is reclassified to statement of profit or loss when the hedged item affects statement of profit or loss (e.g. interest payments).

| | | |
|---|---|---|
| **24.4 Statutory reserve fund** | | |
| **Reserve fund U/s 29C of the NHB Act, 1987** | | |
| Opening Balance | 244,563 | 244,563 |
| Add/(Less): Addition during the year | 1,049 | - |
| **Closing Balance** | **245,612** | 244,563 |

Reserve Fund is required to be maintained u/s 29C of the NHB Act, 1987 for Housing Finance Companies. During the year ended March 31, 2025, the holding Company has transferred an amount of Rs. 1,049 lakhs during the year being 20% of profit after tax. (March 31, 2024 Rs. NIL). Statutory Reserve can be utilised only for the purposes as may be specified by the NHB from time to time and every such utilisation is required to be reported to the NHB within twenty-one days from the date of such utilisation.

| | | |
|---|---|---|
| **24.5 Amalgamation Adjustment Reserve** | | |
| Opening Balance | (490,288) | (490,288) |
| Add/(Less): Addition during the year | - | - |
| **Closing Balance** | **(490,288)** | (490,288) |

Amalgamation adjustment reserve has been created on account of business combination during the year 2021-22.

| | | |
|---|---|---|
| **24.6 Debt Instruments Measure through OCI** | | |
| Opening Balance | 1 | (1,276) |
| Add/(Less): Addition during the year | 1,106 | 1,277 |
| **Closing Balance** | **1,107** | 1 |

The Group recognises changes in the fair value of debt instruments held with a dual business objective of collect and sell in other comprehensive income. These changes are accumulated in the FVTOCI debt investments reserve. The Group transfers amounts from this reserve to profit or loss when the debt instrument is sold. Any impairment loss on such instruments is reclassified immediately to the Statement of Profit and Loss.

| | | |
|---|---|---|
| **24.7 Equity Instruments Measure through OCI** | | |
| Opening Balance | 7,653 | 6,720 |
| Add/(Less): Addition during the year | 8,024 | 933 |
| **Closing Balance** | **15,677** | 7,653 |

The Group has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated in the FVTOCI equity investments reserve. The Group transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

| | | |
|---|---|---|
| **24.8 Retained earnings** | | |
| Opening Balance | (847,243) | (656,615) |
| Net profit/(loss) for the year | (665) | (197,528) |
| Other comprehensive income arising from remeasurement of defined benefit obligation net of income tax | 9,943 | 6,900 |
| Less: Transfer to statutory reserve fund | (1,049) | - |
| **Closing Balance** | **(839,014)** | (847,243) |

Retained earnings are the profits that the Group has earned till date, less any transfers to statutory reserve and dividends paid to investors. The amount that can be distributed by the Group as dividends to its equity shareholders is determined based on the financial statements of the Group and also considering the requirements of the Companies Act, 2013. Thus, the amounts reported above are not distributable in entirely.

(Currency : Rs in lakhs)

| | | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|---|---|---|
| | **Revenue from operations** | | |
| **25 (i)** | **Interest income** | | |
| | Interest income on financial assets measured at amortised cost: | | |
| | - on investments | 12,125 | 24,679 |
| | - on loans and advances | 652,375 | 542,497 |
| | Interest income- on investments mandatorily measured at FVTPL | - | 5,262 |
| | Interest income- on investments mandatorily measured at OCI | 9,821 | 4,354 |
| | Interest income on Fixed deposits | 10,189 | 7,071 |
| | **Total** | **684,510** | 583,863 |
| **25 (ii)** | **Dividend Income** | | |
| | Dividend income from equity shares* | - | - |
| | **Total** | - | |
| | *Amount below 0.50 lakhs has been considered as 0. (Current year - 0.04 lakhs, Previous year - Nil) | | |
| **26** | **Fees and commission income** | | |
| | Processing / arranger fees and other charges | 43,224 | 56,699 |
| | **Total** | **43,224** | 56,699 |
| **27** | **Other operating income** | | |
| | Recovery from written off accounts | 15,390 | 23,252 |
| | Reversal of regulatory provision on Alternative Investment Funds* | 73,855 | 0 |
| | **Total** | **89,245** | 23,252 |
| | *Refer note 8 (a) | | |
| **28** | **Other income** | | |
| | Other non-operating income | 10,015 | 3,161 |
| | Net gain on sale of property, plant and equipments & Other intangible assets and Investment property | 6,347 | 825 |
| | Interest on income tax refund | 5,583 | 2,616 |
| | **Total** | **21,945** | 6,602 |
| **29** | **Finance costs** | | |
| | Interest expense on financial liabilities measured at amortised cost: | | |
| | Interest on deposits | 2,478 | 7,278 |
| | Interest on borrowings | 181,691 | 127,742 |
| | Interest on debt securities | 258,434 | 229,670 |
| | Interest on subordinated liabilities | 1,253 | 1,254 |
| | Other interest expenses* | 3,680 | 2,791 |
| | **Total** | **447,536** | 368,735 |
| | * includes interest cost on lease liability & ineffective portion of derivative instrument taken for borrowings. | | |
| **30** | **Fees and commission expense** | | |
| | Other borrowing cost | 2,135 | 1,807 |
| | **Total** | **2,135** | 1,807 |

SINGHI & CO. Chartered Accountants

TR Chadha & Co. LLP NOIDA Chartered Accountants

PIRAMAL FINANCE LIMITED

(Currency : Rs in lakhs)

| | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|---|---|
| **31 Net loss on fair value changes** | | |
| (a) Gain/(Loss) on investments measured at fair value | | |
| Realised | (378) | (16,138) |
| Unrealised | 47,114 | 99,972 |
| **(b)** Gain/(Loss) on loans and advances measured at fair value | | |
| Realised | (13,771) | (57,688) |
| Unrealised | 288 | 92 |
| **Total** | **33,253** | 26,238 |
| **32 Net loss on derecognition of financial instruments-under amortised cost category** | | |
| Loss on derecognition of financial assets* | 262,103 | 320,526 |
| Gain on derecognition of financial assets** | (36,773) | (18,907) |
| **Total** | **225,330** | 301,619 |
| **33 Impairment allowances/(reversals) on financial instruments** | | |
| **Measured at Amortised Cost** | | |
| Loans | (114,066) | (31,692) |
| Investments | (1,702) | (33,075) |
| Commitments | (2,261) | (1,982) |
| Others | 690 | 117 |
| **Total** | **(117,339)** | (66,632) |
| **34 Employee benefits expense** | | |
| Salaries and wages | 116,686 | 96,441 |
| Contribution to provident and other funds (refer note 44(i)(a)) | 6,278 | 5,459 |
| Provision for leave encashment (refer note 44(ii)) | 1,539 | 736 |
| Staff welfare expenses | 8,025 | 6,026 |
| Provision for gratuity (refer note 44(i)(b)) | 716 | 465 |
| Share based payment expenses (refer note 44(iv)) | 3,795 | 5,513 |
| **Total** | **137,039** | 114,640 |
| **35 Other expenses** | | |
| Corporate social responsibility expenses (refer note 54) | - | 6,750 |
| Rent (refer note 38) | 2,393 | 1,521 |
| Rates and taxes, excluding taxes on income | 1,387 | 3,039 |
| Travelling and conveyance | 5,254 | 3,315 |
| Legal and professional fees | 52,548 | 57,389 |
| Royalty | 5,758 | 5,272 |
| Electricity expense | 2,484 | 2,027 |
| Repairs and maintenance | 4,996 | 3,656 |
| Business promotion and advertisement expenses | 8,416 | 9,047 |
| Postage and communication | 2,654 | 2,032 |
| Printing and stationery | 889 | 827 |
| Membership & subscription charges | 7,040 | 5,990 |
| Other expenses | 2,443 | 2,448 |
| **Payments to auditors** | | |
| - as auditor | 339 | 519 |
| - for other services | 98 | 39 |
| - for reimbursement of expenses | 21 | 19 |
| **Total** | **96,720** | 103,890 |

**excludes fees amounting to Rs. 138 lakhs (previous year Rs. Nil) paid in relation to borrowings included under Other borrowing cost and/or finance cost as part of EIR.*

**33** Impairment allowances/(reversals) on financial instruments

* This includes, amounts prudentially written off (technical write off) as per the Board approved policy of the holding company. During the year ending March 31, 2025, the holding company has prudentially written off certain loans from wholesale business amounting to Rs. 133,705 lakhs (March 31, 2024 - Rs. 52,536 Lakhs ) and from retail business amounting to Rs 57,704 Lakhs (March 31, 2024 - Rs. 34,387 lakhs).

** Gain on derecognition of financial assets is primarily on account of transfer of loan book as part of direct assignment and co-lending.

(Currency : Rs in lakhs)

| | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---|---|---|
| **36 Income Taxes** | | |
| **a. Recognised in the statement of profit and loss** | | |
| **Current Tax** | | |
| In respect of the current year | 29 | 213 |
| In respect of the previous years (Refer foot note (ii)) | 1 | (53,027) |
| **Deferred Tax** | | |
| In respect of the current year | (1,057) | (111,221) |
| **Total** | **(1,027)** | (164,035) |

**b. The income tax expense for the year can be reconciled to the accounting profit as follows:**

| | | | Effective tax rate reconciliation | |
|---|---|---|---|---|
| | Year ended March 31, 2025 | Year ended March 31, 2024 | Year ended March 31, 2025 | Year ended March 31, 2024 |
| Profit before tax from continuing operations | (1,692) | (361,563) | | |
| Income tax expense | (426) | (91,005) | 25.18% | 25.17% |
| Tax effect: | | | | |
| (a) Effect of expenses that are not deductible in determining taxable profit -Donation | - | 1,700 | 0.00% | -0.47% |
| (b) Deduction u/s 80JJA | - | (258) | 0.00% | 0.07% |
| (c) Profit after share of net profit of associates and joint ventures before exceptional items and tax | - | 1,808 | 0.00% | -0.50% |
| (d) Deferred tax assets on Business Losses net of Provisions | 634 | (22,559) | -37.45% | 6.24% |
| (e) Differential Tax rate Impact | (525) | - | 31.02% | 0.00% |
| (f) Deferred tax assets on Capital Loss | (738) | - | 43.62% | 0.00% |
| (e) Others | 28 | (694) | -1.64% | 0.19% |
| **Income tax expense recognised in the statement of profit and loss** | **(1,028)** | (111,008) | **60.73%** | 30.70% |
| Tax reversal for earlier years | 1 | (53,027) | | |
| **Income tax expense recognised in the statement of profit and loss** | **(1,027)** | (164,035) | | |
| **Effective Tax Rate** | **60.73%** | 30.70% | | |

**Notes:**

(i) The tax rate used for the reconciliations above is the corporate tax rate of 25.17% as per new tax regime.

(ii) During the previous year, the holding company has reversed excess provision for tax of Rs. 40,525 lakhs for assessment year 2022-23 post receipt of assessment order. Further, the Hodling Company has recognised tax refund for eDHFL for assessment year 2020-21 from income tax department of Rs. 12,407 lakhs as "Reversal of tax expenses – Earlier years."

(Currency : Rs in lakhs)

## 37 Earnings per share (EPS)

Basic and diluted EPS is computed in accordance with Ind AS 33 'Earnings Per Share' specified under section 133 of the Companies Act

The computation of earnings per share is set out below:

| Description | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|---|---|
| Net profit/ (loss) attributable to equity shareholders | (665) | (197,529) |
| Weighted average number of equity shares outstanding during the year for calculation of EPS | 23,623,869,833 | 21,397,478,636 |
| Basic and Diluted EPS of face value of Rs. 10 | (0.00) | (0.92) |

The basic and diluted EPS is same as there are no potential dilutive equity shares.

## 38 Lease disclosure as lessee

The Group's significant operating lease arrangements are mainly in respect of office/branch premises. These lease arrangements are for a period exceeding three to nine years and are in most cases renewable by mutual consent, on mutually agreeable terms. Details for the operating lease as lessee are as under:

**Right-of-use assets**

Right-of-use assets related to lease properties

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Opening Balance | 22,889 | 19,988 |
| Depreciation charge for the year | (6,116) | (5,158) |
| Addition to right-of-use assets | 19,829 | 14,326 |
| Derecognition of right-of-use assets (net) | (6,414) | (6,267) |
| **Closing Balance** | **30,188** | 22,889 |

**Lease liability**

Lease liability movement

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Opening Balance | 26,534 | 21,655 |
| Add: Addition during the year | 19,702 | 10,996 |
| Add: Interest on lease liability | 4,115 | 3,370 |
| Less: Deletion during the year | (5,137) | (1,547) |
| Less: Lease rental payments | (10,546) | (7,940) |
| **Closing Balance** | **34,669** | 26,534 |

**Amount recognised in statement of profit and loss - Lease under Ind AS - 116**

| | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Interest on lease liabilities | 4,115 | 3,373 |
| Income from sub-leasing right-of-use assets presented in 'Other Revenue' | 30 | 98 |
| Expenses Related to short-term lease | 3,021 | 2,063 |
| (Gain)/loss on pre-mature lease closure | 501 | 201 |
| Expenses related to leases of low-value assets, excluding short-term lease of low-value assets | 45 | 46 |
| Amortisation on ROU during the year | 6,116 | 5,158 |

**Amount recognised in the statement of cash flow**

| | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Total Cashflow for lease | 8,420 | 5,487 |

**Contractual maturities of lease liabilities on an undiscounted basis**

| | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Less than 1 year | 7,775 | 6,047 |
| 1-3 years | 15,043 | 12,670 |
| 3-5 years | 11,555 | 7,251 |
| More than 5 years | 11,235 | 8,674 |

(Currency : Rs in lakhs)

## 39 Disclosure under Micro, Small and Medium Enterprises Development Act, 2006

Under the Micro, Small and Medium Enterprises Development Act, 2006, ('MSMED') which came into force from October 2, 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. On the basis of the information and records available with Group including confirmations sought from suppliers on registration with specified authority under MSMED, the amount of principal and interest outstanding during the year is given below.

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end | 4,402 | 2,980 |
| Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end | - | 1 |
| Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year | 1,032 | 3,019 |
| Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year | - | - |
| Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year | - | - |
| Interest due and payable towards suppliers registered under MSMED Act, for payments already made | 30 | - |
| Further interest remaining due and payable for earlier years | - | - |

## 40 (a) Contingent liabilities

| Particulars | March 31, 2025 | March 31, 2024 |
|---|---|---|
| **Claim against the Group not acknowledged as debt** | | |
| Dues towards Income Tax | 50,389 | 8,210 |
| Dues towards Goods and Services Tax | 984 | - |
| Claims against the Group not acknowledged as debts | 1,182 | 810 |
| **Others** | | |
| Guarantees provided by bank on behalf of Group | 25 | 11,725 |
| Partly paid-up investment | 15 | 18 |
| Claims, other than against policies, not acknowledged as debts by the Insurer (Gross Value of Litigated Claims Rs. 6 lakhs (March 31, 2024 Rs. 18 lakhs) and Provision held Rs. 3 lakhs (March 31, 2024 - Rs. 11 lakh)) | 3 | 8 |
| Statutory demands/liabilities in dispute, not provided for* | 2,350 | 853 |
| Statutory Bonus (retrospective amendment stayed by Karnataka and Kerala High Courts) | 41 | 41 |
| Others – Insurance claims in Legal Matters net of provision and reinsurance (Gross Value of Litigated Claims Rs. 3,414 lakhs (March 31, 2024 - Rs. 3159 lakhs), out of which reinsured claims Rs. 1,038 lakhs (March 31, 2024 - Rs. 993 lakhs) and Provision held Rs. 913 lakhs (March 31, 2024 - Rs. 758 lakhs)) | 1,463 | 1,407 |

*Statutory demands and liabilities in dispute, not provided for, relate to the show cause cum demand notices/assessment orders received by the Group from the respective tax authorities. The Group has filed appeals against the demand notices/assessment orders with the appellate authorities and has been advised by the experts that the grounds of appeal are well supported in law in view of which the Group does not expect any liability to arise in this regard.

The Group is of the view that the above demands may not devolve on the Group and hence no provision has been made.

The Group has a process whereby periodically all long term contracts are assessed for material foreseeable losses. At year end the Group has reviewed and ensured that adequate provision as required under any law / accounting standards for material foreseeable losses on such long term contracts has been made in the books of account.

The Group has also reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable, in its financial statements. The Group does not expect the outcome of these proceedings to have a materially adverse effect on its consolidated financial statement.



SINGHI & CO. Chartered Accountants
TR Chadha & Co. LLP NOIDA Chartered Accountants
PIRAMAL FINANCE LIMITED

(Currency : Rs in lakhs)

## 40 (b) Capital and loan commitments

| Particulars | March 31, 2025 | March 31, 2024 |
|---|---|---|
| Undisbursed loan commitments | 304,070 | 346,988 |
| Other capital commitments | 3,269 | 3,915 |
| **Total** | **307,339** | 350,903 |

The undisbursed loan commitments represents the undrawn limits of the facilities sanctioned that are non-cancellable at sole and absolute discretion of the Group.

## 41 (a) Segment reporting

The chief operational decision maker monitors its principle business segment i.e. 'financing segment' for the purpose of making decision about resource allocation and performance assessment. The Group is operating in a single reportable and geographical segment in accordance with Ind AS 108 - Operating Segments as notified u/s 133 of the Companies Act, 2013 and accordingly there are no separate reportable segments. Further, no clients individually accounted for more than 10% of the revenue in financial year ended March 31, 2025 and March 31, 2024.

## 41 (b) Significant transactions during the year

(i) During the current year, the Holding Company issued 16,000 lakhs equity shares through a rights issue at a face value of Rs. 10 each, aggregating to Rs. 160,000 lakhs to its parent company i.e. Piramal Enterprises Limited. The allotment was made on December 31, 2024 (10,000 lakhs equity shares) and March 26, 2025 (6,000 lakhs equity shares) the paid up equity share capital increased from Rs. 23,36,469 lakhs to Rs. 24,96,469 lakhs post rights issue. These proceeds are being directed towards the designated purposes of the issue and for general corporate utilization.

During the previous year, the Holding Company issued 20,000 lakhs equity shares through a rights issue at a face value of Rs. 10 each, aggregating to Rs. 200,000 lakhs to its parent company (i.e. Piramal Enterprises Limited). The allotment was made on March 26, 2024 and the paid up Equity share capital increased from Rs. 21,36,469 lakhs to Rs. 23,36,469 lakhs post rights issue. These proceeds are being directed towards the designated purposes of the issue and for general corporate utilization.

(ii) During the year, the Holding Company has sold its wholly owned subsidiaries namely, Piramal Finance Sales and Services Private Limited, DHFL Advisory & Investments Private Limited, and DHFL Holding Limited to Piramal Investment Advisory Services Private Limited, a wholly owned subsidiary of Piramal Enterprises Limited (Parent Company) for a consideration of Rs. 2035 lakhs, Rs. 50 lakhs, and Rs. 4 lakhs respectively and cesses to subsidiary from January 17, 2025.

## 42 A (i) Interests in other entities

### (a) Interest in Subsidiaries

The Group's subsidiaries at March 31, 2025 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the group, and the proportion of ownership interests held equals the voting rights held by the group. The country of incorporation or registration is also their principal place of business

| Sr. No. | Name of the Company | Principal place of business/Country of incorporation | Ownership interest held by the group | Ownership interest held by non-controlling interests | Ownership interest held by the group | Ownership interest held by non-controlling interests | Principal Activity |
|---|---|---|---|---|---|---|---|
| | | | % voting power held as at March 31, 2025 | % voting power held as at March 31, 2025 | % voting power held as at March 31, 2024 | % voting power held as at March 31, 2024 | |
| 1 | DHFL Investments Limited | India | 100% | - | 100% | - | Financial Services |
| 2 | DHFL Advisory & Investments Private Limited* | India | - | - | 100% | - | Financial Services |
| 3 | DHFL Holdings Limited* | India | - | - | 100% | - | Financial Services |
| 4 | Piramal Payment Services Limited | India | 100% | - | 100% | - | Financial Services |
| 5 | Piramal Finance Sales and Services Private Limited* | India | - | - | 100% | - | Manpower services |
| 6 | Piramal Agastya Offices Private Limited (formerly known as PRL Agastya Private Limited) | India | 100% | - | 100% | - | Leasing of Properties |

** During the year, the Company has sold its wholly owned subsidiaries namely, Piramal Finance Sales and Services Private Limited, DHFL Advisory & Investments Private Limited, and DHFL Holding Limited to Piramal Investment Advisory Services Private Limited, a wholly owned subsidiary of Piramal Enterprises Limited (Parent Company) for a consideration of Rs. 2035 lakhs, Rs. 50 lakhs, and Rs. 4 lakhs respectively and cesses to subsidiary from January 17, 2025.*

### (b) Interest in Joint Ventures

| Sr. no. | Name of the Company | Principal place of business/Country of incorporation | Carrying Amount as at Mar 31, 2025 | Carrying Amount as at Mar 31, 2024 | Ownership interest held by the group |
|---|---|---|---|---|---|
| 1 | Pramerica Life Insurance Limited* | India | 97,204 | 90,858 | 50% |

** Investment through subsidiary (i.e. DHFL Investments Limited)*

### (c) Interest in Associates

| Sr. no. | Name of the Company | Principal place of business/Country of incorporation | Carrying Amount as at Mar 31, 2025 | Carrying Amount as at Mar 31, 2024 | Ownership interest held by the group |
|---|---|---|---|---|---|
| 1 | DHFL Venture Trustee Company Private Limited | India | 4 | 4 | 45% |

** Investment through subsidiary (i.e. DHFL Investments Limited)*

### (d) Share of profits from Associate and Joint Venture for the year ended:

| Sr. no | Particulars | Share of profits | | Share of Other Comprehensive Income | |
|---|---|---|---|---|---|
| | | March 31, 2025 | March 31, 2024 | March 31, 2025 | March 31, 2024 |
| 1 | Share of profit of Associate | - | - | - | - |
| 2 | Share of profit of Joint venture | (4,187) | (7,183) | 10,532 | 7,320 |

**42 A (i) Interests in other entities *(Continued)***

**(e) Reconciliation to carrying amounts as at:**

| Sr. no | Particulars | March 31, 2025 | | March 31, 2024 | |
|---|---|---|---|---|---|
| | | Joint venture | Associate | Joint venture | Associate |
| 1 | Net Assets | 194,408 | 10 | 181,716 | 9 |
| 2 | Group's share in % | 50% | 45% | 50% | 45% |
| 3 | Proportion of the Group's ownership interest | 97,204 | 4 | 90,858 | 4 |
| 4 | Goodwill | - | - | - | - |
| 5 | Carrying amount | 97,204 | 4 | 90,858 | 4 |

**42 A (ii)** 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:

**For the year ended March 31, 2025:**

| Sr. No. | Name of the entities | Share of Profit / (Loss) | | Share of Other comprehensive Income | | Share of total comprehensive Income | |
|---|---|---|---|---|---|---|---|
| | | As % of consolidated Profit or loss | Amount | As % of consolidated Other comprehensive income | Amount | As % of consolidated Total comprehensive income | Amount |
| 1 | Piramal Finance Limited (PFL) | 789% | 5,245 | 38% | 6,320 | 71% | 11,565 |
| | **Subsidiaries:** | | | | | | |
| 2 | DHFL Advisory & Investments Private Limited # | 0% | (2) | 0% | - | 0% | (2) |
| 3 | DHFL Holding Limited # | 0% | (0) | 0% | - | 0% | - |
| 4 | DHFL Investments Limited (DIL) * | -1% | (6) | 0% | - | 0% | (6) |
| 5 | Piramal Payment Services Limited | -3% | (21) | 0% | - | 0% | (21) |
| 6 | Piramal Finance Sales and Services Private Limited # | 13% | 87 | 0% | - | 1% | 87 |
| 7 | Piramal Agastya Offices Private Limited | -108% | (721) | 0% | (1) | -4% | (722) |
| | **Joint Venture:** | | | | | | |
| 8 | Pramerica Life Insurance Limited | -630% | (4,187) | 62% | 10,532 | 39% | 6,346 |
| | Inter Company elimination | -159% | (1,060) | 0% | - | -7% | (1,060) |
| | Total | -100% | (665) | 100% | 16,851 | 100% | 16,186 |

** DIL, an unlisted wholly-owned subsidiary of PFL, has availed exemption from the preparation of consolidated financial statements in accordance with Rule 6 of the Companies (Accounts) Rules, 2014, as its parent company, PFL, prepares and publishes consolidated financial statements in compliance with Ind AS, which are available in the public domain.*

*# Consolidated till subsidiary relationship exists i.e. till January 16, 2025.*

**For the year ended March 31, 2024:**

| Sr. No. | Name of the entities | Share of Profit / (Loss) | | Share of Other comprehensive Income | | Share of total comprehensive Income | |
|---|---|---|---|---|---|---|---|
| | | As % of consolidated Profit or loss | Amount | As % of consolidated Other comprehensive income | Amount | As % of consolidated Total comprehensive income | Amount |
| 1 | Piramal Finance Limited (PFL) | 97% | (191,135) | 18% | 1,573 | 100% | (189,562) |
| | **Subsidiaries:** | 0% | | | | | |
| 2 | DHFL Advisory & Investments Private Limited | 0% | (4) | 0% | - | 0% | (4) |
| 3 | DHFL Holding Limited | 0% | (1) | 0% | - | 0% | (1) |
| 4 | DHFL Investments Limited (Consolidated) | 0% | (4) | 0% | 1 | 0% | (3) |
| 5 | Piramal Payment Services Limited | 0% | (40) | 0% | - | 0% | (40) |
| 6 | Piramal Finance Sales and Services Private Limited | -1% | 1,833 | 0% | 1 | -1% | 1,834 |
| 7 | Piramal Agastya Offices Private Limited | 1% | (1,423) | 0% | 1 | 1% | (1,422) |
| | **Joint Venture:** | | | | | | |
| 8 | Pramerica Life Insurance Limited | 4% | (7,183) | 82% | 7,320 | 0% | 137 |
| | Inter Company elimination | 0% | 429 | 0% | - | 0% | 429 |
| | Total | 100% | (197,528) | 100% | 8,896 | 100% | (188,632) |

(Currency : Rs in lakhs)

**42 A (ii)** 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 (Continued):

| Sr. No. | Name of entities | As on March 31, 2025: Net Assets i.e. total assets less total liabilities | | As on March 31, 2024: Net Assets i.e. total assets less total liabilities | |
|---|---|---|---|---|---|
| | | As % of consolidated net assets | Amount | As % of consolidated net assets | Amount |
| 1 | Piramal Finance Limited (PFL) | 100% | 1,671,988 | 101% | 1,500,424 |
| | **Subsidiaries:** | | | | |
| 2 | DHFL Advisory & Investments Private Limited * | 0% | - | 0% | 49 |
| 3 | DHFL Holding Limited * | 0% | - | 0% | 2 |
| 4 | DHFL Investments Limited | 6% | 97,207 | 6% | 90,870 |
| 5 | Piramal Payment Services Limited | 0% | 625 | 0% | 496 |
| 6 | Piramal Finance Sales and Services Private Limited * | 0% | - | 0% | 2,014 |
| 7 | Piramal Agastya Offices Private Limited | 0% | 1,632 | 0% | 2,354 |
| | Inter Company elimination | -6% | (105,801) | -7% | (106,738) |
| | Total | 100% | 1,665,651 | 100% | 1,489,470 |

** The holding company has sold it's investments in these subsidiaries w.e.f. January 16, 2025, hence the net assets of these companies does not form part of above as on March 31, 2025.*

## 42 B Amalgamation of Dewan Housing Finance Corporation Limited with erstwhile Piramal Capital & Housing Finance Limited

During financial year 2021-22, pursuant to the Resolution plan in respect of the Corporate Insolvency Resolution Process of Dewan Housing Finance Corporation Limited ("DHFL"), as approved by the Mumbai Bench of the Hon'ble National Company Law Tribunal, the Company merged into DHFL and concluded acquisition on September 30, 2021 (Implementation Date). The aforementioned business combination was accounted as a reverse acquisition for financial reporting purposes in accordance with Ind AS 103. In accordance with the aforesaid resolution plan, the Company had recognized Group A assets (loans) at gross book value with provision for impairment being presented as a reduction from such gross book values as appearing in the financial statements of DHFL immediately prior to the implementation date. Difference between such carrying value (gross values as reduced by provision for impairment) and fair value on the acquisition date is separately presented as a liability under fair value adjustment which currently aggregates to Rs. 216,957 lakhs, which is different from the presentation requirements of Ind AS 32, Financial Instruments Presentation, that requires such adjustment to be netted off with the book value of corresponding assets.

The Company holds 100% of equity share capital of DHFL Investments Limited (DIL). The wholly owned subsidiary of the Company, DIL holds 50% of equity share capital of Pramerica Life Insurance Company Limited (PLIL). Pursuant to the approval of the Resolution Plan by the Hon'ble NCLT (which has been affirmed by the Hon'ble Supreme Court on April 1, 2025), WGC and a limited liability partnership by the name of TDH Realty LLP, have pursued litigations in relation to the Resolution Plan, purportedly as the ultimate beneficiary of the CCDs. However, the litigation initiated by TDH Realty LLP before the NCLAT was disposed of as withdrawn by an order dated 27 September 2023, pursuant to settlement between the parties. Based on the approval of the Resolution Plan by Hon'ble NCLT, the Company has considered DIL as a subsidiary given its ability to exercise control over DIL with effect from the implementation date as per the Resolution Plan. Based on the evaluation of rights available under the shareholders agreement, PLIL has been considered as a joint venture and has been accounted based on equity method of accounting in the consolidated financial statements. Accordingly, the consolidated statement of profit and loss includes the Company's share of profit / (loss) of PLIL with effect from the implementation date.

According to the Resolution Plan, while the fraudulent loan accounts are valued at Rs. 1, the distribution of proceeds from recovery of fraudulent loans should go to the Successful Resolution Applicant (SRA). The aforesaid has been affirmed by the Hon'ble Supreme Court on April 1, 2025.

(Currency : Rs in lakhs)

**43 Information in accordance with the requirements of Indian Accounting Standard 24 on Related Party Disclosures.**

**List of Related Parties**

**A. Parent company**

Piramal Enterprises Limited ("PEL")

**B. Fellow subsidiaries having transaction during the year**

Piramal Fund Management Private Limited
Piramal Corporate Tower Private Limited (formerly known as Piramal Consumer Products Private Limited)
Piramal Investment Advisory Services Private Limited
Piramal Finance Sales & Services Private Limited (w.e.f. January 17, 2025)
DHFL Advisory & Investments Private Limited (w.e.f. January 17, 2025)
DHFL Holdings Limited (w.e.f. January 17, 2025)

**C. Other related parties having transaction during the year**

Semplice Corporate Solutions Private Limited (formerly known as Aasan Corporate Solutions Private Limited)
India Resurgence Asset Management Business Private Limited
India Resurgence ARC Private Limited
Piramal Corporate Services Private Limited
Piramal Alternatives Private Limited
Piramal Foundation for Educational Leadership
Piramal Foundation
Piramal Pharma Limited
Kaivalya Education Foundation
Piramal Trusteeship Services Private Limited
Social Worth Technologies Private Limited
Pramerica Life Insurance Limited (Joint Venture of DIL)
Economic Laws practise
PRL Developers Private Limited
Analog Legalhub Technology Private Limited

**D. Key Management Personnel**

Mr. Ajay G. Piramal - Chairman and Non-Executive Director
Dr. (Mrs.) Swati A. Piramal - Vice Chairman and Non-Executive Director
Mr. Anand Piramal - Non-Executive Director
Mr. Jairam Sridharan - Chief Executive Officer and Managing Director
Mr. Vikash Singhla - Chief Financial Officer
Mr. Bipin Singh - Company Secretary (till October 16, 2024)
Ms. Urmila Rao - Company Secretary (Appointed w.e.f. October 23, 2024)

**E. Non-Executive/Independent Directors**

Mr. Suhail Nathani
Mr. Puneet Dalmia
Mr. Gautam Doshi
Mr. Kunal Bahl (Appointed w.e.f. March 20, 2024)

(Currency : Rs in lakhs)

## 43 Information in accordance with the requirements of Ind AS 24 on Related Party Disclosures. (Continued)

### G. Details of transactions with related parties

| Details of Transactions | Parent Company | | Fellow subsidiaries | | Other Related Parties | | Total | |
|---|---|---|---|---|---|---|---|---|
| | March 31, 2025 | March 31, 2024 | March 31, 2025 | March 31, 2024 | March 31, 2025 | March 31, 2024 | March 31, 2025 | March 31, 2024 |
| **Rent expenses** | | | | | | | | |
| - Semplice Corporate Solutions Private Limited | - | - | - | - | - | 572 | - | 572 |
| - Piramal Corporate Tower Private Limited | - | - | 656 | 200 | - | - | 656 | 200 |
| **TOTAL** | - | - | **656** | **200** | - | **572** | **656** | **771** |
| **Royalty Expenses** | | | | | | | | |
| - Piramal Corporate Services Private Limited | - | - | - | - | 5,286 | 4,841 | 5,286 | 4,841 |
| **TOTAL** | - | - | - | - | **5,286** | **4,841** | **5,286** | **4,841** |
| **Premium expenses** | | | | | | | | |
| - Pramerica Life Insurance Limited | - | - | - | - | 501 | 378 | 501 | 378 |
| **TOTAL** | - | - | - | - | **501** | **378** | **501** | **378** |
| **Service Fees Income (including reimbursement)** | | | | | | | | |
| - Piramal Enterprises Limited | 165 | 347 | - | - | - | - | 165 | 347 |
| - Pramerica Life Insurance Limited | - | - | - | - | - | 491 | - | 491 |
| **TOTAL** | **165** | **347** | - | - | - | **491** | **165** | **838** |
| **Donation expense** | | | | | | | | |
| - Piramal Foundation for Educational Leadership | - | - | - | - | - | 1,632 | - | 1,632 |
| - Piramal Foundation | - | - | - | - | - | 1,852 | - | 1,852 |
| - Kaivalya Education Foundation | - | - | - | - | - | 532 | - | 532 |
| **TOTAL** | - | - | - | - | - | **4,016** | - | **4,016** |
| **Purchase of services** | | | | | | | | |
| - Piramal Trusteeship Services Private Limited | - | - | - | - | 21 | 8 | 21 | 8 |
| - Piramal Fund Management Private Limited | - | - | 293 | - | - | - | 293 | - |
| - Analog Legalhub Technology Private Limited | - | - | - | - | - | 45 | - | 45 |
| - Economic Laws practise | - | - | - | - | 3 | - | 3 | - |
| - Social Worth Technologies Private Limited | - | - | - | - | 937 | 487 | 937 | 487 |
| - Piramal Finance Sales & Services Private Limited | - | - | 65 | - | - | - | 65 | - |
| **TOTAL** | - | - | **358** | - | **961** | **540** | **1,319** | **540** |
| **Reimbursement of expenses paid** | | | | | | | | |
| - Semplice Corporate Solutions Private Limited | - | - | - | - | 11 | 29 | 11 | 29 |
| - Piramal Corporate Tower Private Limited | - | - | 23 | 13 | - | - | 23 | 13 |
| - Piramal Enterprises Limited | 135 | 46 | - | - | - | - | 135 | 46 |
| - Piramal Foundation for Educational Leadership | - | - | - | - | 93 | 2 | 93 | 2 |
| - Piramal Corporate Services Private Limited | - | - | - | - | 103 | - | 103 | - |
| - Piramal Pharma Limited | - | - | - | - | - | 10 | - | 10 |
| **TOTAL** | **135** | **46** | **23** | **13** | **207** | **40** | **364** | **98** |
| **Reimbursement of expenses received** | | | | | | | | |
| - Piramal Corporate Services Private Limited | - | - | - | - | - | 4 | - | 4 |
| - Piramal Alternatives Private Limited | - | - | - | 5 | - | - | - | 5 |
| - India Resurgence ARC Private Limited | | - | - | - | 6 | - | 6 | - |
| - India Resurgence Asset Management Private Limited | - | - | - | - | 6 | - | 6 | - |
| **TOTAL** | - | - | - | **5** | **12** | **4** | **12** | **9** |
| **Sale/Transfer of Assets/Fixed Assets** | | | | | | | | |
| - Piramal Pharma Limited | - | - | - | - | - | 10 | - | 10 |
| **TOTAL** | - | - | - | - | - | **10** | - | **10** |

(Currency : Rs in lakhs)

## 43 Information in accordance with the requirements of Ind AS 24 on Related Party Disclosures. (Continued)

### G. Details of transactions with related parties. (Continued)

| Details of Transactions | Parent Company | | Fellow subsidiaries | | Other Related Parties | | Total | |
|---|---|---|---|---|---|---|---|---|
| | March 31, 2025 | March 31, 2024 | March 31, 2025 | March 31, 2024 | March 31, 2025 | March 31, 2024 | March 31, 2025 | March 31, 2024 |
| **Reimbursement of expenses recovered** | | | | | | | | |
| - Piramal Fund Management Private Limited | - | - | 116 | - | - | - | 116 | - |
| - Piramal Finance Sales & Services Private Limited | - | - | 1 | - | - | - | 1 | - |
| - DHFL Holding Limited | - | - | 1 | - | - | - | 1 | - |
| - DHFL Advisory and Investments Private Limited | - | - | 1 | - | - | - | 1 | - |
| **TOTAL** | - | - | **119** | - | - | - | **119** | - |
| **Reimbursement of ESOP expenses** | | | | | | | | |
| - Piramal Enterprises Limited | 3,795 | 5,513 | - | - | - | - | 3,795 | 5,513 |
| **TOTAL** | **3,795** | **5,513** | - | - | - | - | **3,795** | **5,513** |
| **Interest expense** | | | | | | | | |
| - Piramal Enterprises Limited | 2,984 | 7,278 | - | - | - | - | 2,984 | 7,278 |
| - Pramerica Life Insurance Limited | - | - | - | - | 171 | 180 | 171 | 180 |
| **TOTAL** | **2,984** | **7,278** | - | - | **171** | **180** | **3,155** | **7,458** |
| **Insurance Commission Income** | | | | | | | | |
| - Pramerica Life Insurance Limited | - | - | - | - | 14,311 | 10,232 | 14,311 | 10,232 |
| **TOTAL** | - | - | - | - | **14,311** | **10,232** | **14,311** | **10,232** |
| **Advertisement & Marketing Income** | | | | | | | | |
| - Pramerica Life Insurance Limited | - | - | - | - | 1,158 | - | 1,158 | - |
| **TOTAL** | - | - | - | - | **1,158** | - | **1,158** | - |
| **Assignment Service Income** | | | | | | | | |
| - Piramal Enterprises Limited | 1,333 | 1,288 | - | - | - | - | 1,333 | 1,288 |
| **TOTAL** | **1,333** | **1,288** | - | - | - | - | **1,333** | **1,288** |
| **Lease Rent Income (including reimbursement)** | | | | | | | | |
| - Piramal Enterprises Limited | 245 | 86 | - | - | - | - | 245 | 86 |
| - Piramal Fund Management Private Limited | - | - | 4 | - | - | - | 4 | - |
| - Pramerica Life Insurance Limited | - | - | - | - | 16 | 13 | 16 | 13 |
| - Piramal Pharma Limited | - | - | - | - | 542 | 587 | 542 | 587 |
| **TOTAL** | **245** | **86** | **4** | - | **557** | **600** | **806** | **686** |
| **ICD Taken** | | | | | | | | |
| - Piramal Enterprises Limited | 127,500 | 400,000 | - | - | - | - | 127,500 | 400,000 |
| **TOTAL** | **127,500** | **400,000** | - | - | - | - | **127,500** | **400,000** |
| **ICD repaid** | | | | | | | | |
| - Piramal Enterprises Limited | 155,000 | 385,000 | - | - | - | - | 155,000 | 385,000 |
| **TOTAL** | **155,000** | **385,000** | - | - | - | - | **155,000** | **385,000** |
| **Partial redemption of NCD** | | | | | | | | |
| - Pramerica Life Insurance Limited | - | - | - | - | 146 | 146 | 146 | 146 |
| **TOTAL** | - | - | - | - | **146** | **146** | **146** | **146** |
| **Purchase of Loans/Investments** | | | | | | | | |
| - Piramal Enterprises Limited | **42,661** | - | - | - | - | - | 42,661 | - |
| **TOTAL** | **42,661** | - | - | - | - | - | **42,661** | - |

(Currency : Rs in lakhs)

## 43 Information in accordance with the requirements of Ind AS 24 on Related Party Disclosures. (Continued)

### G. Details of transactions with related parties. (Continued)

| Details of Transactions | Parent Company | | Fellow subsidiaries | | Other Related Parties | | Total | |
|---|---|---|---|---|---|---|---|---|
| | March 31, 2025 | March 31, 2024 | March 31, 2025 | March 31, 2024 | March 31, 2025 | March 31, 2024 | March 31, 2025 | March 31, 2024 |
| **Loan portfolio transferred to** | | | | | | | | |
| - Piramal Enterprises Limited | - | 302,840 | - | - | - | - | - | 302,840 |
| **TOTAL** | - | **302,840** | - | - | - | - | - | **302,840** |
| **FLDG Recovery** | | | | | | | | |
| - Social Worth Technologies Private Limited | - | - | - | - | 330 | 1,078 | 330 | 1,078 |
| **TOTAL** | - | - | - | - | 330 | **1,078** | **330** | **1,078** |
| **Security Deposit Taken** | | | | | | | | |
| - Piramal Enterprises Limited | 121 | - | - | - | - | - | 121 | - |
| **TOTAL** | **121** | - | - | - | - | - | **121** | - |
| **Security Deposit Refunded** | | | | | | | | |
| - Piramal Corporate Tower Private Limited | - | - | 93 | - | - | - | 93 | - |
| **TOTAL** | - | - | **93** | - | - | - | **93** | - |
| **Security deposit placed** | | | | | | | | |
| - Semplice Corporate Solutions Private Limited | - | - | - | - | - | 12 | - | 12 |
| **TOTAL** | - | - | - | - | - | **12** | - | **12** |
| **Sale of Investment in subsidiaries** | | | | | | | | |
| - Piramal Investment Advisory Services Private Limited | - | - | 2,089 | - | - | - | 2,089 | - |
| **TOTAL** | - | - | **2,089** | - | - | - | **2,089** | - |
| **Issue of Shares** | | | | | | | | |
| - Piramal Enterprises Limited | 160,000 | 200,000 | - | - | - | - | 160,000 | 200,000 |
| **TOTAL** | **160,000** | **200,000** | - | - | - | - | **160,000** | **200,000** |
| **Acquisition of shares of Subsidiaries from** | | | | | | | | |
| - PRL Developers Private Limited | - | - | - | - | - | 758 | - | 758 |
| **TOTAL** | - | - | - | - | - | **758** | - | **758** |

### H. Compensation paid to Directors, Key Managerial Personnel and It's relatives

The compensation of directors and other members of key managerial personnel and its relatives during the year was as follows:

| | March 31, 2025 | March 31, 2024 |
|---|---|---|
| 1. Short term employee benefits (including reimbursement of expenses) | 1,218 | 607 |
| 2. Post employment benefits # | 26 | 21 |
| 3. Share based payment * | 828 | 2,002 |
| 4. Sitting fees and reimbursement to non-executive/independent directors | 32 | 33 |
| **TOTAL** | **2,104** | 2,663 |

*# Expenses towards gratuity, pension, leave encashment and leave travel allowance provisions are determined actuarially on overall Company basis at the end of each year and, accordingly, have not been considered in the above information.*

**6,139 ESOPs (March 31, 2024 -4,81,968 ESOPs) have been granted by the Holding Company to Key managerial personnel during the year 2024-25. During the year ending March 31, 2025, 2,43,008 options have been exercised. (March 31, 2024-Nil)*

SINGHI & CO. Chartered Accountants

TR Chadha & Co. LLP NOIDA Chartered Accountants

PIRAMAL FINANCE LIMITED

(Currency : Rs in lakhs)

## 43 Information in accordance with the requirements of Ind AS 24 on Related Party Disclosures. (Continued)

### I. Details of balances with related parties

| | Parent Company | | Fellow subsidiaries | | Other Related Parties | | Total | |
|---|---|---|---|---|---|---|---|---|
| | March 31, 2025 | March 31, 2024 | March 31, 2025 | March 31, 2024 | March 31, 2025 | March 31, 2024 | March 31, 2025 | March 31, 2024 |
| **Net Payable (includes provision for expenses)** | | | | | | | | |
| - Piramal Enterprises Limited | 9,349 | 13,730 | - | - | - | - | 9,349 | 13,730 |
| - Analog Legalhub Technology Private Limited | - | - | - | - | - | 44 | - | 44 |
| - Social Worth Technologies Private Limited | - | - | - | - | 39 | 164 | 39 | 164 |
| - Piramal Corporate Services Private Limited | - | - | - | - | 52 | - | 52 | - |
| - Piramal Fund Management Private Limited | - | - | 235 | - | - | - | 235 | - |
| - Piramal Foundation for Educational Leadership | - | - | - | - | 53 | 2 | 53 | 2 |
| - Piramal Corporate Tower Private Limited | - | - | 2 | 85 | - | - | 2 | 85 |
| **TOTAL** | **9,349** | **13,730** | **238** | **85** | **144** | **210** | **9,731** | **14,025** |
| **ICD Payable (including interest accrued)** | | | | | | | | |
| - Piramal Enterprises Limited | 17,955 | 45,000 | - | - | - | - | 17,955 | 45,000 |
| **TOTAL** | **17,955** | **45,000** | - | - | - | - | **17,955** | **45,000** |
| **Net Receivables** | | | | | | | | |
| - Piramal Corporate Services Private Limited | - | - | - | - | - | 76 | - | 76 |
| - Piramal Alternatives Private Limited | - | - | - | 6 | - | - | - | 6 |
| - Pramerica Life Insurance Limited | - | - | - | - | 3,359 | 3,623 | 3,359 | 3,623 |
| - Piramal Pharma Limited | - | - | - | - | 90 | - | 90 | - |
| **TOTAL** | - | - | - | **6** | **3,449** | **3,699** | **3,449** | **3,705** |
| **NCD Outstanding (including interest accrued)** | | | | | | | | |
| - Pramerica Life Insurance Limited | - | - | - | - | 2,408 | 2,554 | 2,408 | 2,554 |
| **TOTAL** | - | - | - | - | **2,408** | **2,554** | **2,408** | **2,554** |
| **Security Deposits received** | | | | | | | | |
| - Pramerica Life Insurance Limited | - | - | - | - | 7 | 7 | 7 | 7 |
| **TOTAL** | - | - | - | - | **7** | **7** | **7** | **7** |
| **Security Deposits payable** | | | | | | | | |
| - Piramal Corporate Tower Private Limited | - | - | 259 | 352 | - | - | 259 | 352 |
| - Piramal Enterprises Limited | 121 | - | - | - | - | - | 121 | - |
| **TOTAL** | **121** | - | **259** | **352** | - | - | **379** | **352** |
| **Investments** | | | | | | | | |
| - Social Worth Technologies Private Limited* | - | - | - | - | 27,132 | 19,066 | 27,132 | 19,066 |
| **TOTAL** | - | - | - | - | **27,132** | **19,066** | **27,132** | **19,066** |

*(* 'Social Worth Technologies Private Limited' has lien marked fixed deposit in favour of the Company amounting to Rs. 1381 lakhs (March 31, 2024 - Rs. 1,050 lakhs) as FLDG cover against future delinquencies)*

(Currency : Rs in lakhs)

## 44 Employee Benefits:

### (i) (a) Charge to the Consolidated Statement of Profit and Loss based on Defined Contribution Plans

| Particulars | March 31, 2025 | March 31, 2024 |
|---|---|---|
| Employer's contribution to Regional Provident Fund Office | 5,914 | 5,080 |
| Contribution to Pension Fund | 244 | 207 |
| Employer's contribution to Employees' State Insurance | 120 | 172 |

### (i) (b) Disclosures for defined benefit plans based on actuarial valuation reports as on March 31, 2025

The Group has scheme for gratuity as part of post retirement plan. The Group has a defined benefit gratuity plan in India which is funded. The Group's defined benefit gratuity plan is a final salary plan for employees, which requires contributions to be made to a separately administered fund.
The fund is managed by Employees Group Gratuity Trusts which is governed by the Board of Trustees. The Board of Trustees are responsible for the administration of the plan assets and for the definition of the investment strategy.

### A. Change in Projected Benefit Obligation

| Particulars | Gratuity (Funded) Year Ended March 31, 2025 | Gratuity (Funded) Year Ended March 31, 2024 |
|---|---|---|
| Present Value of Benefit Obligation as at beginning of the year | 4,476 | 3,552 |
| Interest Cost | 312 | 256 |
| Current Service Cost | 692 | 459 |
| Past Service Cost | - | 18 |
| Liability Transferred Out/ Divestments | (52) | - |
| Benefits paid by Employer | (431) | (455) |
| Actuarial (Gains)/Losses on Obligations - Due to change in demographic assumptions | 546 | 40 |
| Actuarial (Gains)/Losses on Obligations - Due to change in financial assumptions | (89) | 8 |
| Actuarial (Gains)/Losses on Obligations - Due to experience | 603 | 598 |
| **Present Value of Defined Benefit Obligation as at the end of the year** | **6,057** | 4,476 |

### B. Fair value of plan assets

| | | |
|---|---|---|
| Fair Value of Plan Assets as at beginning of the year | 4,046 | 3,693 |
| Interest income | 288 | 266 |
| Return on Plan Assets, Excluding Interest Income | 275 | 87 |
| **Fair value of plan assets as at the end of the year** | **4,609** | 4,046 |

### C. Amount recognised in the Balance Sheet

| | | |
|---|---|---|
| Present Value of Benefit Obligation at the end of the year | (6,057) | (4,476) |
| Fair Value of Plan Assets at the end of the year | 4,609 | 4,046 |
| **Net (Liability)/Asset Recognized in the Balance Sheet** | **(1,448)** | (430) |

### D. Net interest cost for current year

| | | |
|---|---|---|
| Present Value of Benefit Obligation at the Beginning of the year | 4,476 | 3,552 |
| (Fair Value of Plan Assets at the Beginning of the year) | (4,046) | (3,693) |
| Net Liability/(Asset) at the Beginning | 430 | (141) |
| Interest Cost | 312 | 256 |
| (Interest Income) | (288) | (266) |
| **Net Interest Cost/(Income) for current year** | **24** | (10) |

(Currency : Rs in lakhs)

## 44 Employee Benefits: *(Continued)*

### E. Expenses recognised in Statement of Profit and Loss

| Particulars | Gratuity (Funded) Year Ended March 31, 2025 | Gratuity (Funded) Year Ended March 31, 2024 |
|---|---|---|
| Current Service Cost | 692 | 457 |
| Interest Cost | 24 | (10) |
| Past Service Cost | - | 18 |
| **Total Expenses / (Income) recognised in the Statement of Profit and Loss** | **716** | 465 |

### F. Expenses Recognized in the Other Comprehensive Income (OCI) for current year

| | | |
|---|---|---|
| Actuarial (Gains)/Losses on Obligations | 1,060 | 645 |
| Return on Plan Assets, Excluding Interest Income | (275) | (87) |
| **Net (Income)/Expense For the year recognized in OCI** | **785** | 558 |

### G. Principal actuarial assumptions used:

| Particulars | (Funded) Year Ended March 31, 2025 | (Funded) Year Ended March 31, 2024 |
|---|---|---|
| Rate of discounting | 6.54% - 7.18% | 7.14% - 7.44% |
| Rate of salary increase | 6.50% - 9% | 6.50% - 10% |
| Rate of employee turnover | 10% - 60% | 5% - 60% |
| Mortality rate during employment | Indian Assured Lives Mortality 2012-14 (Urban) | Indian Assured Lives Mortality 2012-14 (Urban) |

### H. Balance Sheet Reconciliation

| | | |
|---|---|---|
| Opening Net Liability | 430 | (140) |
| Expenses Recognized in Statement of Profit or Loss | 716 | 465 |
| Expenses Recognized in OCI | 785 | 558 |
| Net Liability/(Asset) Transfer In | - | - |
| Net (Liability)/Asset Transfer Out | (52) | - |
| Benefit Paid | (431) | (455) |
| (Employer's Contribution) | - | - |
| **Net Liability/(Asset) Recognized in the Balance Sheet** | **1,448** | 430 |

### I. Category of Assets

| | | |
|---|---|---|
| Insurance fund | 4,609 | 4,046 |
| **Total** | **4,609** | 4,046 |

### J. Other Details

| | | |
|---|---|---|
| No of active members | 15,792 | 13,417 |
| Per month salary for active members | 3,729 | 2,363 |
| Weighted average duration of the projected benefit obligation | 5 | 3 |
| Average expected future service | 2 | 1 |
| Projected benefit obligation (PBO) | 6,049 | 4,374 |
| Prescribed contribution for next year (12 Months) | 2,544 | 921 |

### K. Net Interest Cost for Next Year

| Particulars | March 31, 2025 | March 31, 2024 |
|---|---|---|
| Present value of benefit obligation at the end of the year | 6,057 | 4,476 |
| Fair value of plan assets at the end of the year | (4,609) | (4,046) |
| Net liability/(asset) at the end of the year | **1,449** | 430 |
| Interest cost | 393 | 318 |
| (Interest income) | (299) | (288) |
| **Net Interest Cost / (Income) for Next Year** | **94** | 30 |

(Currency : Rs in lakhs)

## 44 Employee Benefits: *(Continued)*

**L. Expenses Recognized in the Statement of Profit or Loss for Next Year:**

| Particulars | March 31, 2025 | March 31, 2024 |
|---|---|---|
| Current Service Cost | 1,106 | 603 |
| Net Interest Cost | 95 | 31 |
| (Expected Contributions by the Employees) | - | - |
| **Expenses Recognized for Next Year** | **1,201** | 634 |

**M. Maturity Analysis of the Benefit Payments: from the Employer:**

| Projected Benefits Payable in Future Years from the Date of Reporting | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| 1st Following Year | 1,050 | 1,105 |
| 2nd Following Year | 807 | 828 |
| 3rd Following Year | 898 | 748 |
| 4th Following Year | 811 | 655 |
| 5th Following Year | 742 | 537 |
| Sum of Years 6 To 10 | 2,327 | 1,268 |
| Sum of Years 11 and above | 1,611 | - |

**N. Sensitivity Analysis**

| Projected Benefits Payable in Future Years from the Date of Reporting | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Projected Benefit Obligation on Current Assumptions | 6,057 | 4,476 |
| Delta Effect of +1% Change in Rate of Discounting | (231) | (135) |
| Delta Effect of -1% Change in Rate of Discounting | 252 | 106 |
| Delta Effect of +1% Change in Rate of Salary Increase | 244 | 102 |
| Delta Effect of -1% Change in Rate of Salary Increase | (228) | (133) |
| Delta Effect of +1% Change in Rate of Employee Turnover | (73) | (55) |
| Delta Effect of -1% Change in Rate of Employee Turnover | 76 | 22 |

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual change in the Defined Benefit Obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

**Notes:**

Gratuity is payable as per Group' scheme as detailed in the report.

Actuarial gains/losses are recognized in the period of occurrence under Other Comprehensive Income (OCI). All above reported figures of OCI are gross of taxation.

Salary escalation and attrition rate are in line with the industry practice considering promotion and demand and supply of the employees.

Maturity Analysis of Benefit Payments is undiscounted cashflows considering future salary, attrition & death in respective year for members as mentioned above.

Average Expected Future Service represents Estimated Term of Post - Employment Benefit Obligation.

Weighted Average Duration of the Defined Benefit Obligation is the weighted average of cash flow timing, where weights are derived from the present value of each cash flow to the total present value.

Any benefit payment and contribution to plan assets is considered to occur end of the year to depict liability and fund movement in the disclosures.

Value of asset provided by the entity is not audited by us and the same is considered as unaudited fair value of plan asset as on the reporting date.

In absence of specific communication as regards contribution by the entity, Expected Contribution in the next year is considered as the sum of net liability/assets at the end of the current year and current service cost for next year, subject to maximum allowable contribution to the Plan Assets over the next year as per the Income Tax Rules.

(Currency : Rs in lakhs)

## 44 Employee Benefits: *(Continued)*

Qualitative Disclosures

**- Characteristics of defined benefit plan**

The entity has a defined benefit gratuity plan in India (funded). The entity's defined benefit gratuity plan is a final salary plan for employees, which requires contributions to be made to a separately administered fund. The fund is managed by a trust which is governed by the Board of Trustees. The Board of Trustees are responsible for the administration of the plan assets and for the definition of the investment strategy.

Gratuity is a defined benefit plan and entity is exposed to the Following Risks:

**Interest rate risk**

A fall in the discount rate which is linked to the G.Sec. rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

**Salary Risk**

The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

**Investment Risk**

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

**Asset Liability Matching Risk**

The plan faces the ALM risk as to the matching cash flow. Group has to manage pay-out based on pay as you go basis from own funds. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

**Mortality risk**

Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

**Concentration Risk:**

Plan is having a concentration risk as all the assets are invested with the insurance company

**- Characteristics of defined benefit plans**

During the year, there were no plan amendments, curtailments and settlements.

- A separate trust fund is created to manage the Gratuity plan and the contributions towards the trust fund is done as guided by rule 103 of Income Tax Rules, 1962.

### (ii) Compensated Absences

| Particulars | Compensated absence (Funded) For the year ended March 31, 2025 | Compensated absence (Funded) For the year ended March 31, 2024 |
|---|---|---|
| Expense recognised in the Statement of Profit and Loss | 1,539 | 736 |
| Discount rate (p.a.) | 6.55% p.a. | 7.20% p.a. |
| Salary escalation rate (p.a.) | 6.50% - 9% | 6.5-10% p.a. |
| **Amount recognised in the Balance Sheet** | | |
| Present Value of Benefit Obligation at the end of the year | 3,881 | (2,913) |
| Fair Value of Plan Assets at the end of the year | 6 | (593) |
| Funded Status (surplus/ (deficit)) | (3,875) | 2,321 |
| **Net (Liability)/Asset Recognized in the Balance Sheet** | **(3,875)** | **2,321** |

### (iii) Long term service employee benefits

During the year, the Group has recognised long term service reward aggregating to Rs. 11 lakhs (March 31, 2024 - Rs. 9 lakhs) which is unfunded.

(Currency : Rs in lakhs)

## 44 Employee Benefits: *(Continued)*

### (iv) Share Based payment

The ultimate parent company (i.e. Piramal Enterprises Limited) has issued stock options to certain employees of the holding company. These transactions are recognized as equity-settled share based payment transactions. The Scheme allows the Grant of Stock Options to employees of the holding company that meet the eligibility criteria. Each option comprises one underlying Equity Share.

The stock compensation expense is determined based on fair value of options and the holding company's estimate of options that will eventually vest and is recognised over the vesting period in the statement of profit and loss with corresponding increase in liability payable to parent company as the cost is recovered by the parent company in entirety

**Employee Stock Option Scheme and related scheme wise details are as follows**

| Particulars | For 1/3 vesting start - March 31, 2024 | For 1/4 vesting start - May 1, 2024 | For 1/3 vesting start - August 1, 2025 |
|---|---|---|---|
| Date of Grant | March 31, 2023 | March 31, 2023 | March 31, 2023 |
| Number of options granted | 242,032 | 309,663 | 21,971 |
| Number of options exercisable as on March 31, 2024 | 72,997 | - | - |
| Number of options exercisable as on March 31, 2025 | 32,002 | - | - |
| Exercise price per option | 2 | 2 | 2 |
| Vesting Commencement date | 31-Mar-24 | 01-May-24 | 01-Aug-25 |
| Exercise period | 28 Months | 38 Months | 52 Months |
| Date of vesting | 1/3 on March 31, 2024<br>1/3 on August 1, 2024<br>1/3 on August 1, 2025 | 1/4 on May 1, 2024<br>1/4 on June 1, 2024<br>1/4 on June 1, 2025<br>1/4 on June 1, 2026 | 1/3 on August 1, 2025<br>1/3 on August 1, 2026<br>1/3 on August 1, 2027 |
| Method of Settlement | Equity settled | Equity settled | Equity settled |
| Modification to share based payment plans | NA | NA | NA |
| Basis of determination of volatility | The historical volatility of PEL stock price returns for a time frame corresponding to the remaining contractual life has been relied upon as a proxy for the expected volatility. | | |
| Vesting Conditions | Employee to remain in service and achivement of applicable performance on the date of vesting | | |

| Particulars | For 1/4 vesting start - May 1, 2024 | For 1/3 vesting start - July 17, 2024 | For 1/3 vesting start - July 17, 2025 |
|---|---|---|---|
| Date of Grant | April 13, 2023 | July 17, 2023 | July 24, 2024 |
| Number of options granted | 476,406 | 324,669 | 339,688 |
| Number of options exercisable as on March 31, 2024 | - | - | - |
| Number of options exercisable as on March 31, 2025 | - | 34,808 | - |
| Exercise price per option | 2 | 2 | 2 |
| Vesting Commencement date | May 01, 2024 | July 17, 2024 | July 24, 2025 |
| Exercise period | 38 Months | 36 Months | 36 Months |
| Date of vesting | 1/4 on May 1, 2024<br>1/4 on June 1, 2024<br>1/4 on June 1, 2025<br>1/4 on June 1, 2026 | 1/3 vesting on July 17, 2024<br>1/3 vesting on July 17, 2025<br>1/3 vesting on July 17, 2026 | 1/3 vesting on July 24, 2025<br>1/3 vesting on July 24, 2026<br>1/3 vesting on July 24, 2027 |
| Method of Settlement | Equity settled | Equity settled | Equity settled |
| Modification to share based payment plans | NA | NA | NA |
| Basis of determination of volatility | The historical volatility of PEL stock price returns for a time frame corresponding to the remaining contractual life has been relied upon as a proxy for the expected volatility. | | |
| Vesting Conditions | Employee to remain in service and achivement of applicable performance on the date of vesting | | |

(Currency : Rs in lakhs)

## 44 Employee Benefits: *(Continued)*

**Summary of stock options**

| Particulars | Number of options | Weighted- Average Exercise Price | Weighted- Average Remaining Contractual Life (Years) |
|---|---|---|---|
| Balance as on April 1, 2023 | 573,666 | 2 | 4-5 years |
| Granted during the year | 801,075 | 2 | 8 years |
| Exercised during the year | - | - | - |
| Forfeited/Lapsed during the year | (34,153) | - | - |
| Balance as on March 31, 2024 | 1,340,588 | 2 | 4 - 7.5 years |
| Granted during the year | 339,688 | 2 | 8 years |
| Transfer in/(out) | 33,711 | | |
| Exercised during the year | (586,787) | - | - |
| Forfeited/Lapsed during the year | (28,820) | - | - |
| Balance as on March 31, 2025 | 1,098,380 | **2** | **3-7.3 years** |

**The fair values of options granted which are outstanding:**

| Grant date | No. of Years vesting | Fair value per option |
|---|---|---|
| July 24, 2024 | 3 years | Rs. 829.64 - Rs 855.73 |
| July 17, 2023 | 3 years | Rs. 895.00 - Rs. 916.10 |
| April 13, 2023 | 3.14 years | Rs. 640.40 - Rs. 653.90 |
| March 31, 2023 | 3.28 years | Rs. 624.83 - Rs. 639.48 |

**The fair value has been calculated using the Black Scholes Options Pricing Model and the significant assumptions made in this regard are as follows:**

| | Grant dated July 24, 2024 | Grant dated July 17, 2023 |
|---|---|---|
| Risk free interest rate | 6.65% - 6.68% | 6.81% - 6.84% |
| Expected life | 3.50 - 5.50 years | 3.50 - 5.50 years |
| Expected volatility | 48.27% - 55.51% | 52.14% - 55.12% |
| Expected dividend yield | 2.08% - 2.39% | 1.74% - 2.07% |
| Exercise Price (Rs.) | 2 | 2 |
| Stock Price (Rs.) | 932 | 987 |

| | Grant dated April 13, 2023 | Grant dated March 31, 2023 |
|---|---|---|
| Risk free interest rate | 6.79% - 6.87% | 6.91% - 6.94% |
| Expected life | 3.55 - 5.64 years | 3.0 - 4.67 years |
| Expected volatility | 53.77% - 56.24% | 55.10% - 58.73% |
| Expected dividend yield | 1.58% - 1.91% | 1.71% - 1.91% |
| Exercise Price (Rs.) | 2 | 2 |
| Stock Price (Rs.) | 701 | 678 |

**Balance Sheet Reconciliation**

| | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Opening liability | 1,430 | 7 |
| Expenses Recognized in Statement of Profit or Loss | 3,795 | 5,513 |
| Payment against liability | (5,250) | (4,090) |
| Closing liability | **(26)** | 1,430 |

The ESOP expenses is recognised over the vesting period in the statement of profit and loss with corresponding increase in liability payable to holding company as the cost is recovered by the holding company in entirety.

(Currency : Rs in lakhs)

## 45 Fair Value Disclosures

| a) Categories of Financial Instruments: | March 31, 2025 | | | March 31, 2024 | | |
|---|---|---|---|---|---|---|
| | FVTPL | FVOCI | Amortised Cost* | FVTPL | FVOCI | Amortised Cost* |
| **Financial Assets** | | | | | | |
| Investments | 390,611 | 162,615 | 132,100 | 562,700 | 19,071 | 161,203 |
| Loans | 140,162 | - | 6,232,970 | 111,016 | - | 5,353,467 |
| Derivative financial instruments | - | 3,202 | - | - | 5,398 | - |
| Cash and Bank Balances # | - | - | 488,764 | - | - | 294,958 |
| Receivables # | - | - | 4,617 | - | - | 5,862 |
| Other Financial Assets # | - | - | 117,680 | - | - | 100,598 |
| | **530,773** | **165,817** | **6,976,131** | 673,716 | 24,469 | 5,916,088 |
| **Financial liabilities** | | | | | | |
| Borrowings | - | - | 5,681,037 | - | - | 4,568,021 |
| Trade Payables # | - | - | 37,656 | - | - | 35,601 |
| Other Financial Liabilities # | - | - | 108,593 | - | - | 125,965 |
| | - | - | **5,827,286** | - | - | 4,729,587 |

\# The Company has not disclosed the fair value of cash and bank balances, other financial assets, trade payables and other financial liabilities, other receivables because their carrying amounts are a reasonable approximation of fair value.

* The value of investments, loans & other financial assets at amortised cost is gross of ECL provision

**b) Fair Value Hierarchy and Method of Valuation**

| Financial Instruments | Notes | March 31, 2025 | | | | |
|---|---|---|---|---|---|---|
| | | Carrying Value | Level 1 | Level 2 | Level 3 | Total |
| **Financial Assets** | | | | | | |
| **Measured at FVTPL** | | | | | | |
| **Investments** | | | | | | |
| Optionally Convertible Debentures | i. | 12,000 | - | - | 12,000 | **12,000** |
| Investments in Mutual Funds | ii. | 8,694 | 8,694 | - | - | **8,694** |
| Project Receivables | i. | 66,100 | - | - | 66,100 | **66,100** |
| Security Receipts | ii. | 303,748 | - | - | 303,748 | **303,748** |
| Investments in Preference Shares | i. | 69 | - | - | 69 | **69** |
| **Loans** | i. | 140,162 | - | - | 140,162 | **140,162** |
| **Measured at FVOCI** | | | | | | |
| **Investments** | | | | | | |
| Preference Shares (Others then subsidiaries) | iv. | 27,029 | - | - | 27,029 | **27,029** |
| Equity Instruments (Others then subsidiaries) | iv. | 103 | - | - | 103 | **103** |
| Government Securities/Redeemable Bonds | v. | 133,075 | 133,075 | - | - | **133,075** |
| T-Bill | v. | 2,408 | 2,408 | - | - | **2,408** |
| Derivative financial instruments | vi. | 3,202 | - | 3,202 | - | **3,202** |
| **Measured at Amortised Cost*** | | | | | | |
| **Investments** | | | | | | |
| Government Securities/Redeemable Bonds | v. | 17,630 | 18,052 | - | - | **18,052** |
| Redeemable Non Convertible Debentures | iii. | 37,595 | - | 9,555 | 28,240 | **37,795** |
| Pass Through certificates | iii. | 11,828 | - | - | 11,828 | **11,828** |
| CROMS | v. | 65,047 | 65,047 | - | - | **65,047** |
| **Loans** | iii. | 6,232,970 | - | - | 5,617,905 | **5,617,905** |
| **Financial Liabilities** | | | | | | |
| **Measured at Amortised Cost** | | | | | | |
| Borrowings | iii. | 5,681,037 | - | - | 5,764,462 | **5,764,462** |

(Currency : Rs in lakhs)

## 45 Fair Value Disclosures (Continue)

| Financial Instruments | Notes | March 31, 2024 | | | | |
|---|---|---|---|---|---|---|
| | | Carrying Value | Level 1 | Level 2 | Level 3 | Total |
| **Financial Assets** | | | | | | |
| **Measured at FVTPL** | | | | | | |
| **Investments** | | | | | | |
| Redeemable Non-Convertible Debentures | i. | 15,600 | - | - | 15,600 | **15,600** |
| Optionally Convertible Debentures | i. | 23,800 | - | - | 23,800 | **23,800** |
| Investments in Mutual Funds | ii. | 5,800 | 5,800 | - | - | **5,800** |
| Project Receivables | i. | 101,856 | - | - | 101,856 | **101,856** |
| Security Receipts | ii. | 415,644 | - | - | 415,644 | **415,644** |
| **Loans** | i. | 111.016 | - | - | 111.016 | **111.016** |
| **Measured at FVOCI** | | | | | | |
| **Investments** | | | | | | |
| Preference Shares (Others then subsidiaries) | iv. | 18,994 | - | - | 18,994 | **18,994** |
| Equity Instruments (Others then subsidiaries) | iv. | 72 | - | - | 72 | **72** |
| Redeemable Bonds | v. | 5 | - | - | 5 | **5** |
| Derivative financial instruments | vi. | 5,398 | - | 5,398 | - | **5,398** |
| **Measured at Amortised Cost*** | | | | | | |
| **Investments** | | | | | | |
| Government Securities/Redeemable Bonds | v. | 109,805 | 111,280 | - | - | **111,280** |
| Redeemable Non Convertible Debentures | iii. | 36,246 | - | - | 291,984 | **291,984** |
| Pass Through certificates | iii. | 15,152 | - | - | 15,152 | **15,152** |
| **Loans** | iii. | 5,353,467 | - | - | 4,593,201 | **4,593,201** |
| **Financial Liabilities** | | | | | | |
| **Measured at Amortised Cost** | | | | | | |
| Borrowings | iii. | 4,568,021 | - | - | 4,527,703 | **4,527,703** |

**Notes:**

i. Discounted cash flow method has been used to determine the fair value. The yield used for discounting has been determined based on trades, market polls, levels for similar issuer with same maturity, spread over matrices, etc.

ii. Net Asset Value (NAV) as at the reporting period have been used to determine the Fair Value of the mutual fund investments/Security receipts.

iii. Discounted cash flow method has been used to determine the fair value. The discounting factor used has been arrived at after adjusting the rate of interest for the financial assets and financial liabilities by the difference in the G-SEC rates from date of initial recognition to the reporting dates.

iv. Fair value of Preference Shares and Equity Instruments (other than subsidiaries) has been determined using the Comparable Transactions Multiples (CTM) and Comparable Companies Multiples (CCM) methods.

v. Fair value of Government Securities, T-Bills, and CROMS has been determined based on market quotes or prices published by FBIL/CCIL.

vi. Derivative financial instruments are valued using market-based MTM rates and standard valuation models with observable inputs.

* The fair value of investments & loans at amortised cost is gross of ECL provision amounting to Rs. 1,04,361 lakhs (March 31, 2024 – Rs 1,92,118 lakhs) excluding gross-up of retail loan as part of eDHFL merger, stage 3 and POCI loans which are presented net of ECL provision.

(Currency : Rs in lakhs)

## 45 Fair Value Disclosures (Continue)

**c) Fair value measurements using significant unobservable inputs (level 3)**

The following table presents the changes in level 3 items for the year ended March 31, 2025.

| Particulars | Other Investments | Debentures | Loans | Total |
|---|---|---|---|---|
| **As at March 31, 2023** | 749,567 | 52,000 | 133,868 | 935,435 |
| Acquisitions/Disposal during the year (Net) | 31,847 | - | (49,782) | (17,935) |
| Regulatory Provision on AIF | (165,768) | - | - | (165,768) |
| (Losses)/Gain recognised in profit or loss/Other Comprehensive Income | (79,075) | (12,600) | 26,930 | (64,745) |
| **As at March 31, 2024** | **536,571** | **39,400** | **111,016** | **686,987** |
| Transfer in/ (Out) | - | - | 50,349 | 50,349 |
| Acquisitions | (100,833) | (18,540) | (34,622) | (153,995) |
| (Losses)/Gain recognised in profit or loss/Other Comprehensive Income | (38,689) | (8,860) | 13,419 | (34,130) |
| **As at March 31, 2025** | **397,049** | **12,000** | **140,162** | **549,211** |

**d) Sensitivity for FVTPL Instruments**

Impact on the Group's profit before tax if sale price of underlying project had been as given in the table below:

| Method | Nature of Instrument | Significant unobservable inputs | Increase / Decrease in the unobservable input | Sensitivity Impact Yield Increase | Yield Decrease |
|---|---|---|---|---|---|
| Discounted Cash Flow Model as at March 31, 2025 | Investment | Sale Price | 5.0% | 8,150 | (5,200) |
| | Term Loan | Sale Price | 5.0% | 12,615 | (12,195) |
| Discounted Cash Flow Model as at March 31, 2024 | Investment | Sale Price | 5.0% | 9,802 | (13,795) |
| | Term Loan | Sale Price | 5.0% | 8,510 | (9,440) |

## 45A Changes in liabilities arising from financing activities

(a) **Changes in capital and asset structure arising from financing activities and investing activities (Ind AS 7 'Statement of Cash flows')**

The Group does not have any financing activities and investing activities which affect the capital and asset structure of the Group without the use of cash and cash equivalents.

(b) **Changes in liability arising from financing activities (Ind AS 7 'Statement of Cash Flows')**

| Particulars | As at April 1, 2024 | Cash flows | Exchange Difference | Other | March 31, 2025 |
|---|---|---|---|---|---|
| Debt securities | 2,871,466 | 426,417 | 7,653 | - | 3,305,536 |
| Borrowings (other than debt securities) | 1,638,832 | 709,423 | (3,460) | - | 2,344,795 |
| Deposits | 45,000 | (27,045) | - | - | 17,955 |
| Subordinated debt liabilities | 12,723 | 28 | - | - | 12,751 |
| | **4,568,021** | **1,108,823** | **4,193** | **-** | **5,681,037** |

| Particulars | As at April 1, 2023 | Cash flows | Exchange Difference | Other | March 31, 2024 |
|---|---|---|---|---|---|
| Debt securities | 2,696,168 | 175,298 | - | - | 2,871,466 |
| Borrowings (other than debt securities) | 1,382,848 | 255,367 | 528 | 89 | 1,638,832 |
| Deposits | 31,552 | 13,448 | - | - | 45,000 |
| Subordinated debt liabilities | 12,688 | 35 | - | - | 12,723 |
| | 4,123,256 | 444,148 | 528 | 89 | 4,568,021 |

(Currency : Rs in lakhs)

## 46 Capital Management

The Group manages its capital to ensure that it will be able to continue as going concern while maximizing the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Group consists of net debt (borrowings as detailed in notes 15 to 18 offset by cash and cash equivalents and earmarked balances with banks (excluding lien marked)) and total equity of the Group.

The Group determines the amount of capital required on the basis of annual as well as long term operating plans and other strategic investment plans. The funding requirements are met through equity or convertible / non convertible debt securities or other long-term /short-term borrowings. The Group monitors the capital structure on the basis of total debt to equity ratio and maturity profile of the overall debt portfolio of the Group.

| The capital components of the Group are as given below: | **March 31, 2025** | March 31, 2024 |
|---|---|---|
| **Total Equity** | 1,665,651 | 1,489,470 |
| Borrowings | 5,681,037 | 4,568,021 |
| **Total Debt** | **5,681,037** | **4,568,021** |
| Cash and Cash equivalents | (380,923) | (195,706) |
| Bank balances other than above (excluding lien marked) | (258) | (1,668) |
| **Net Debt** | **5,299,856** | **4,370,647** |
| **Debt equity ratio** | **3.41** | **3.07** |
| **Net Debt equity ratio** | **3.18** | **2.93** |

## 47 Risk management

Risk Management is an integral part of the Group's business strategy. The Risk Management oversight structure includes Committees of the Board and Management Committees. Group's risk philosophy is to develop and maintain a healthy portfolio which is within its risk appetite and the regulatory framework. While the Group is exposed to various types of risks, the most important among them are liquidity risk, interest rate risk, credit risk, regulatory risk, foreign exchange risk and fraud and operational risk. The measurement, monitoring and management of risks remain a key focus area for the Group.

The Risk Management Committee of the Board provides direction to and monitors the quality of the internal audit function and also monitors compliance with NHB and other regulators of the Company.

The Group's risk management strategy is based on a clear understanding of various risks, disciplined risk assessment and measurement procedures and continuous monitoring. The policies and procedures established for this purpose are continuously benchmarked with market best practices.

The Risk Management Committee of the Board ("RMC") reviews compliance with risk policies, monitors risk tolerance limits, reviews and analyse risk exposure and provides oversight of risk across the organization. The RMC nurtures a healthy and independent risk management function to inculcate a strong risk management culture in the Group and broadly perceives the risk arising from (i) liquidity risk, (ii) interest rate risk, (iii) credit risk and (iv) regulatory risk (v) fraud risk and operational risk and (vi) foreign exchange risk.

## 47.1 Liquidity Risk

Liquidity Risk refers to insufficiency of funds to meet the financial obligations. Liquidity Risk Management implies maintenance of sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit lines to meet obligations when due.

The Holding Company has an Asset Liability Management Policy in place, which is in line with NHB/RBI guidelines for Housing Finance Companies. The ALCO is responsible for the management of the companies funding and liquidity requirements. The Group manages liquidity risk by maintaining unutilised banking facilities, credit lines and by continuously monitoring forecast and actual cash flows, and by assessing the maturity profiles of financial assets and liabilities.

The Group has the following undrawn credit lines available as at the end of the reporting period.

| | **March 31, 2025** | March 31, 2024 |
|---|---|---|
| - Expiring within one year (including bank overdraft) | 16,500 | 1,000 |
| - Expiring beyond one year | 25,000 | - |
| Undrawn credit lines | **41,500** | 1,000 |

(Currency : Rs in lakhs)

## 47 Risk management *(Continued)*

### 47.1 Liquidity Risk *(Continued)*

The following tables detail the Group's remaining contractual maturity for its financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the rate applicable as of March 31, 2025 and March 31, 2024 respectively has been considered. The contractual maturity is based on the earliest date on which the Group may be required to pay.

| Maturities of Financial Liabilities | March 31, 2025 | | | |
|---|---|---|---|---|
| | Up to 1 year | 1 to 3 years | 3 to 5 years | 5 years and above |
| Borrowings | 2,157,811 | 2,696,505 | 1,173,667 | 1,325,027 |
| Trade Payables | 37,656 | - | - | - |
| Other Financial Liabilities* | 68,067 | 19,814 | 10,853 | 9,859 |
| | **2,263,534** | **2,716,319** | **1,184,520** | **1,334,886** |

| Maturities of Financial Liabilities | March 31, 2024 | | | |
|---|---|---|---|---|
| | Up to 1 year | 1 to 3 years | 3 to 5 years | 5 years and above |
| Borrowings | 1,484,984 | 1,854,622 | 1,207,405 | 1,461,442 |
| Trade Payables | 35,601 | - | - | - |
| Other Financial Liabilities* | 70,992 | 14,043 | 6,868 | 34,063 |
| | 1,591,577 | 1,868,665 | 1,214,273 | 1,495,504 |

*This includes lease liabilities

The following table details the Group's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Group's liquidity risk management as the liquidity is managed on a net asset and liability basis.

| Maturities of Financial Assets | March 31, 2025 | | | |
|---|---|---|---|---|
| | Up to 1 year | 1 to 3 years | 3 to 5 years | 5 years and above |
| Investments | 247,980 | 89,795 | 131,649 | 406,618 |
| Loans | 2,001,976 | 2,679,706 | 1,358,707 | 2,572,509 |
| Other Financial Assets | 54,241 | 19,074 | 9,909 | 27,628 |
| Receivables | 4,617 | - | - | - |
| | **2,308,814** | **2,788,575** | **1,500,265** | **3,006,755** |

| Maturities of Financial Assets | March 31, 2024 | | | |
|---|---|---|---|---|
| | Up to 1 year | 1 to 3 years | 3 to 5 years | 5 years and above |
| Investments | 96,535 | 158,612 | 166,763 | 553,603 |
| Loans | 1,651,896 | 2,161,413 | 1,199,696 | 1,796,126 |
| Other Financial Assets | 88,951 | - | - | 5,431 |
| Receivables | 5,591 | - | - | - |
| | 1,842,973 | 2,320,025 | 1,366,459 | 2,355,160 |

(Currency : Rs in lakhs)

## 47 Risk management *(Continued)*

### 47.2 Interest Rate Risk

**Retail lending:**
The Holding Company is exposed to minimal interest rate risk as it has assets and liabilities are based on floating interest rates. The Holding Company has an approved Asset and Liability Management Policy which empowers the ALCO assess the interest rate risk run by it and provide appropriate guidelines to the Treasury to manage the risk.

**Wholesale lending:**
The Group is exposed to interest rate risk as it has assets and liabilities based on both fixed and floating interest rates. The Holding Company has an approved Asset and Liability Management Policy which empowers the Asset and Liability Management Committee (ALCO) to assess the interest rate risk run by it and provide appropriate guidelines to the Treasury to manage the risk. The ALCO reviews the interest rate risk on periodic basis and decides on the asset profile and the appropriate funding mix. The ALCO reviews the interest rate gap statement and the interest rate sensitivity analysis.

**Borrowings:**
The exposure of the Group's borrowings to the interest rate risk at the end of the year for variable rate borrowing is Rs. 2,197,454 lakhs (March 31, 2024 - Rs. 1,778,609 lakhs) and fixed rate borrowings are Rs. 3,483,583 lakhs (March 31, 2024 - Rs. 2,727,788 lakhs)

The sensitivity analysis below have been determined based on the exposure to interest rates for assets and liabilities at the end of the reporting period. For floating rate assets and liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year and the rates are reset as per the applicable reset dates. The basis risk between various benchmarks used to reset the floating rate assets and liabilities has been considered to be insignificant.

Floating rate instruments that have been effectively hedged using derivative instruments are excluded from the sensitivity analysis, as they are no longer exposed to interest rate risk.

Impact on the Group's profit before tax if interest rates had been 100 basis points higher / lower is given below:

| Sensitivity Analysis on Floating Rate Instruments | For the Year Ended March 31, 2025 | | For the Year Ended March 31, 2024 | |
|---|---|---|---|---|
| | Higher | Lower | Higher | Lower |
| Sensitivity Analysis on Floating Rate Borrowings | (18,949) | 18,949 | (18,127) | 18,127 |
| Sensitivity Analysis on Floating Rate Assets | 36,154 | (36,154) | 31,332 | (31,332) |

### 47.3 The table below shows contractual maturity profile of carrying value of assets and liabilities:

| Particulars | As at March 31, 2025 | | |
|---|---|---|---|
| | Within 12 months | After 12 months | Total |
| **ASSETS** | | | |
| **Financial assets:** | | | |
| Cash and cash equivalents | 380,923 | - | 380,923 |
| Bank balances other than (a) above | 4,270 | 103,571 | 107,841 |
| Derivative financial instruments | 3,202 | - | 3,202 |
| Receivable | 4,617 | - | 4,617 |
| Loans | 1,363,458 | 4,511,217 | 5,874,675 |
| Investments | 244,994 | 536,490 | 781,484 |
| Other financial assets | 54,241 | 56,611 | 110,852 |
| **Non- financial assets:** | | | |
| Current tax assets (net) | 31,126 | - | 31,126 |
| Deferred tax assets (net) | - | 255,420 | 255,420 |
| Property, Plant and Equipment | - | 21,919 | 21,919 |
| Right-of-use assets | - | 30,188 | 30,188 |
| Investment property | - | 95,544 | 95,544 |
| Intangible assets under development | - | 93 | 93 |
| Goodwill | - | 200 | 200 |
| Other intangible assets | - | 19,973 | 19,973 |
| Other non-financial assets | 11,403 | 35,269 | 46,672 |
| **Total Assets** | **2,098,234** | **5,666,495** | **7,764,729** |

(Currency : Rs in lakhs)

## 47.3 The table below shows contractual maturity profile of carrying value of assets and liabilities (Continued):

| Particulars | As at March 31, 2025 | | |
|---|---|---|---|
| | Within 12 months | After 12 months | Total |
| **LIABILITIES** | | | |
| **Financial liabilities:** | | | |
| Trade payables | 37,656 | - | 37,656 |
| Debt securities | 1,154,333 | 2,151,203 | 3,305,536 |
| Borrowings (other than debt securities) | 565,207 | 1,779,588 | 2,344,795 |
| Deposits | - | 17,955 | 17,955 |
| Subordinated debt liabilities | - | 12,751 | 12,751 |
| Other financial liabilities | 68,067 | 40,526 | 108,593 |
| **Non- financial liabilities:** | | | |
| Current tax liabilities (net) | 14,784 | - | 14,784 |
| Provisions | 6,321 | 263 | 6,584 |
| Other non- financial liabilities | 33,455 | 216,969 | 250,424 |
| **Total liabilities** | **1,879,823** | **4,219,255** | **6,099,078** |

| Particulars | As at March 31, 2024 | | |
|---|---|---|---|
| | Within 12 months | After 12 months | Total |
| **ASSETS** | | | |
| **Financial assets:** | | | |
| Cash and cash equivalents | 195,706 | - | 195,706 |
| Bank balances other than (a) above | 2,836 | 96,416 | 99,252 |
| Derivative financial instruments | 5,112 | 286 | 5,398 |
| Trade Receivable | 5,592 | - | 5,592 |
| Loans | 1,149,324 | 3,678,267 | 4,827,591 |
| Investments | 80,902 | 749,826 | 830,728 |
| Other financial assets | 90,163 | 4,217 | 94,381 |
| **Non- financial assets:** | | | |
| Current tax assets (net) | 51,677 | 2,371 | 54,048 |
| Deferred tax assets (net) | - | 253,829 | 253,829 |
| Property, Plant and Equipment | - | 38,820 | 38,820 |
| Right-of-use assets | - | 22,889 | 22,889 |
| Investment property | - | 96,038 | 96,038 |
| Intangible assets under development | - | 1,007 | 1,007 |
| Goodwill | - | 200 | 200 |
| Other intangible assets | - | 18,857 | 18,857 |
| Other non-financial assets | 6,161 | 35,320 | 41,481 |
| **Total Assets** | 1,587,474 | 4,998,343 | 6,585,817 |
| **LIABILITIES** | | | |
| **Financial liabilities:** | | | |
| Trade payables | 35,601 | - | 35,601 |
| Debt securities | 649,292 | 2,222,174 | 2,871,466 |
| Borrowings (other than debt securities) | 484,862 | 1,153,970 | 1,638,832 |
| Deposits | 15,000 | 30,000 | 45,000 |
| Subordinated debt liabilities | - | 12,723 | 12,723 |
| Other financial liabilities | 72,927 | 53,038 | 125,965 |
| **Non- financial liabilities:** | | | |
| Current tax liabilities (net) | 7,911 | - | 7,911 |
| Provisions | 5,950 | 321 | 6,271 |
| Deferred tax liabilities (net) | | | - |
| Other non- financial liabilities | 40,390 | 312,188 | 352,578 |
| **Total liabilities** | 1,311,933 | 3,784,414 | 5,096,347 |

(Currency : Rs in lakhs)

## 47 Risk management *(Continued)*

### 47.4 Credit Risk

The Group is exposed to Credit Risk through its lending activity. Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

**Retail lending:**
For retail lending the credit policy has been reviewed and approved by Risk Team. The Credit Risk management structure includes credit policies and procedures. The Credit Policy defines customer segments, income assessment criteria, underwriting standards, target market definition, appraisal and approval processes, product limits, Delegation of Authority metrics (DoA) and cover risk assessment for product offerings etc. to ensure consistency of credit buying patterns.

**Wholesale lending:**
The Group's Risk management team has developed proprietary internal rating models to evaluate risk credit risk for the loans and investments made by the Group. The output of traditional credit rating model is an estimate of probability of default. These models are different from the traditional credit rating models as they integrate both probability of default and loss given default into a single model.

**Credit Risk Management**

**For retail lending business, credit risk management is achieved by considering various factors like:**
• Assessment of borrower's capability to pay – detailed assessment of borrower's capability to pay is conducted. The approach to the assessment is uniform across the entire Group and is spelt out in the Credit Policy. For construction finance deals, the underlying project, the financial capability, past track record of repayments of the promoters is assessed by an independent risk team.

• Security cover – this is an assessment of the value of security under stress scenario which is further adjusted for factors like liquidity, enforceability, transparency in valuation, etc of the collateral.
• Geographic region – the Group monitors loan performances in a particular region to assess if there is any stress due to natural calamities, etc impacting the performance of loans in a particular geographic region

**For wholesale lending business, credit risk management is achieved by considering various factors like :**
• Promoter strength – This is an assessment of the promoter from financial, management and performance perspective.
• Industry & micro-market risk – This is an assessment of the riskiness of the industry and/or micro-market to which the borrower/project belongs
• Project risk – This is an assessment of the standalone project from which interest servicing and principal repayment is expected to be done.
• Structure risk – This is an assessment of the loan structure which is characterized by its repayment tenor, moratorium, covenants, etc.
• Security cover – This is an assessment of the value of the security under stress scenario which is further adjusted for factors like liquidity,
• Micro Market- This is an assessment of the micro-market in which the underlying project is located
Each of the above components of the risk analysis are assigned a specific weight which differ based on type of loan. The weights are then used with the scores of individual components for conversion to a risk rating.

Based on the above assessment the risk team categorises the deals in to the below Risk Grades

| Risk Grading | Description |
|---|---|
| Dark Green | Extremely good loan |
| Green | Good loan |
| Yellow | Moderate loan |
| Amber | Weak loan |
| Red | Extremely weak loan |

Further, a periodic review of the performance of the portfolio is also carried out by the Risk Group. The Risk Group adjusts the stress case considered during the initial approval based on actual performance of the deal, developments in the sector, regulatory changes etc. The deal level output is combined to form a portfolio snapshot. The trends from portfolio are used to provide strategic inputs to the management.

The credit risk on liquid funds and other financial instruments is limited because the counterparties are banks with high credit-ratings assigned by credit-rating agencies or mutual funds.

**Provision for Expected Credit Loss**

The Group has assessed the credit risk associated with its financial assets for provision of Expected Credit Loss (ECL) as at the reporting dates. For different product categories (Real Estate, Senior debt, Lease Rental Discounting, Loan Against Shares, Mezzanine etc), the Company has developed scorecard that makes use of various reasonable supportive forward looking parameters which are both qualitative as well as quantitative in nature. These scorecards helps in determining the change in credit risk and the probability of default. These parameters have been detailed out in Note No. iv of Material Accounting Policies information. Based on the result yielded by the above assessment the Financial assets are classified into (1) Standard (Performing) Asset, (2) Significant Credit Deteriorated (Under-Performing) Asset (3) Default (Non-Performing) Asset (Credit Impaired).
For the purpose of expected credit loss analysis the Group defines default as any asset with more than 90 days overdues. This is also as per the rebuttable presumption provided by the standard.

(Currency : Rs in lakhs)

## 47 Risk management *(Continued)*

### 47.4 Credit Risk *(Continued)*

The Group provides for expected credit loss based on the following:

| Category - Description | Stage | Basis for Recognition of Expected Credit Loss |
|---|---|---|
| Assets for which credit risk has not significantly increased from initial recognition | Stage 1 | 12 month ECL |
| Assets for which credit risk has increased significantly but not credit impaired | Stage 2 | Life time ECL |
| Assets for which credit risk has increased significantly and credit impaired | Stage 3 | Loss Given Default (LGD) |

For the year ended March 31, 2025 and March 31, 2024 the Group has developed a PD Matrix after considering some parameters as stated below :

For provisioning on the wholesale financial assets, the key parameters for various scorecards are highlighted as follows -Real Estate products (Construction Finance, Structured Debt, LRD) - (1) Developer Grade (2) Past Overdue History (3) Tenant profile (4) Sales and collection deviations (5) Stage of the project (6) Geography etc. Some of the Parameters for Non Real Estate products (Senior lending, mezzanine, project finance etc) - (1) Sponsor strength (2) Overdues (3) Average debt service coverage ratio (4) Regulatory Risk (5) Stability of EBITDA (6) Quality of underlying assets etc. Based on these parameters the holding company has computed the PD. The holding company has also in built model scorecards to determine the internal LGD. However, due to lack of default history to statistically substantiate the internal LGD, the holding company has made use of a combination of both internal as well as external LGD. The holding company also maintains Expected Credit Loss for undisbursed limits.

The holding company uses ECL allowance for retail financial assets measured at amortised cost, which are not individually significant, and comprise of a large number of homogeneous loans that have similar characteristics. The expected credit loss is a product of exposure at default, probability of default (PD) and loss given default. Due to lack of sufficient internal PD data, the holding company uses a mix of internal and external PD data from credit bureau agency (TransUnion) for last 7 years for potential credit losses. Further, the estimates from the above sources have been adjusted with forward looking inputs from anticipated change in future macro-economic conditions to comply with IndAS 109.

**Expected Credit Loss as at the Reporting year:**

| Particulars | Asset Group | Gross Carrying Value # | Expected Credit Loss | As at March 31, 2025 Net Amount |
|---|---|---|---|---|
| Assets for which credit risk has not significantly increased from initial recognition* | Investments | 47,283 | 572 | 46,711 |
| | Loans | 5,388,036 | 91,080 | 5,296,957 |
| Assets for which credit risk has increased significantly but not credit impaired | Investments | 488 | 34 | 454 |
| | Loans | 141,163 | 22,384 | 118,779 |
| Assets for which credit risk has increased significantly and credit impaired | Investments | 1,652 | 444 | 1,208 |
| | Loans | 414,802 | 348,426 | 66,377 |
| Purchased or Originated credit impaired (POCI) | Loans | 72,014 | 36,568 | 35,446 |
| **Total** | | **6,065,437** | **499,507** | **5,565,930** |

| Particulars | Asset Group | Gross Carrying Value # | Expected Credit Loss | As at March 31, 2024 Net Amount |
|---|---|---|---|---|
| Assets for which credit risk has not significantly increased from initial recognition* | Investments | 49,565 | 1,275 | 48,290 |
| | Loans | 4,091,157 | 109,842 | 3,981,315 |
| Assets for which credit risk has increased significantly but not credit impaired | Investments | - | - | - |
| | Loans | 355,342 | 82,276 | 273,066 |
| Assets for which credit risk has increased significantly and credit impaired | Investments | 1,833 | 1,833 | - |
| | Loans | 415,178 | 367,196 | 47,982 |
| Purchased or Originated credit impaired (POCI) | | 179,603 | 77,577 | 102,026 |
| **Total** | | 5,092,678 | 640,000 | 4,452,679 |

* Excluding Fair Valuation Adjustment on Merger of Rs. 216,957 Lakhs (March 31, 2024 - Rs. 312,188 Lakhs) as same amount of liability is disclosed in Other Non-Financial Liabilities.

During the previous year, to cover for any possible uncertainties in the near future, the holding company had created additional management overlay provision on certain real estate wholesale portfolio amounting to Rs. 42,900 lakhs. This was duly approved by the Risk Management Committee and the Board of Directors of the holding company. The total management overlay as on March 31, 2024 stood at Rs. 62,300 lakhs (including continuing provisions of Rs. 19,400 lakhs created in financial year 2022-23).

During the year ended March 31, 2025, Rs. 38,758 lakhs has been released as per the policy laid down. Accordingly, as of March 31, 2025, the management overlay stood at Rs. 23,542 lakhs.

# Gross Carrying Value represents instruments valued at amortised cost.
Investments covered investments in the nature of loan portfolio.

(Currency : Rs in lakhs)

## 47 Risk management *(Continued)*

### 47.4 Credit Risk *(Continued)*

**Reconciliation of Loss Allowance**

**a) Investments and Loans**

| | For the year ended March 31, 2025 | | | |
|---|---|---|---|---|
| | 12 months ECL - Stage 1 | Lifetime ECL not credit impaired - Stage 2 | ECL credit impaired - Stage 3 | POCI |
| Balance at the beginning of the year | 111,116 | 82,276 | 369,030 | 77,577 |
| Transfer on Account of Merger | - | - | - | - |
| Transferred to 12-month ECL (Stage 1) | 4,262 | (2,386) | (1,875) | - |
| Transferred to Lifetime ECL not credit impaired (Stage 2) | (2,815) | 3,107 | (292) | - |
| Transferred to Lifetime ECL credit impaired (Stage 3) | (1,533) | (14,468) | 16,000 | - |
| Bad debts written off | (751) | (28,265) | (51,663) | - |
| On Account of Rate (Reduction)/Increase | 8,591 | 1,714 | 33,903 | - |
| ECL on new loan disbursements | 35,200 | 4,456 | 9,778 | - |
| On Account of Repayments | (62,420) | (24,016) | (26,012) | (41,009) |
| **Balance at the end of the year** | **91,651** | **22,417** | **348,871** | **36,568** |

**a) Investments and Loans**

| | For the year ended March 31, 2024 | | | |
|---|---|---|---|---|
| | 12 months ECL - Stage 1 | Lifetime ECL not credit impaired - Stage 2 | ECL credit impaired - Stage 3 | POCI |
| Balance at the beginning of the year | 132,401 | 106,177 | 375,411 | 106,501 |
| Transfer on Account of Merger | - | - | - | - |
| Transferred to 12-month ECL (Stage 1) | 6,881 | (4,144) | (2,737) | - |
| Transferred to Lifetime ECL not credit impaired (Stage 2) | (12,108) | 12,595 | (487) | - |
| Transferred to Lifetime ECL credit impaired (Stage 3) | (7,742) | (3,317) | 11,059 | - |
| Bad debts written off | (12,500) | (38,325) | (43,273) | - |
| On Account of Rate (Reduction)/Increase | (15,902) | 23,089 | 31,706 | - |
| ECL on new loan disbursements | 35,760 | 6,268 | 14,014 | - |
| On Account of Repayments | (15,674) | (20,067) | (16,663) | (28,924) |
| **Balance at the end of the year** | **111,116** | **82,276** | **369,030** | **77,577** |

**b) Expected Credit Loss on undrawn loan commitments and letter of comfort:**

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| ECL on undrawn loan commitments (refer note 21) | 1,250 | 3,511 |

No letter of comfort is outstanding at the year end. The Group has not issued any letter of comfort during the year.

**c) Description of Collateral held as security and other credit enhancements**

The Group has set benchmarks on appropriate level of security cover for various types of deals. The Group periodically monitors the quality as well as the value of the security to meet the prescribed limits. The collateral held by the Group varies on case to case basis and includes:

i) First / Subservient charge on the Land and / or Building of the project or other projects, properties and vehicles
ii) First / Subservient charge on the fixed and current assets of the borrower
iii) Hypothecation over receivables from funded project or other projects of the borrower
iv) Pledge on Shares of the borrower or their related parties
v) Guarantees of Promoters / Promoter Undertakings
vi) Post dated / Undated cheques

As at the reporting date, the value of the collateral held as security for the credit impaired financial assets is higher than the exposure at default for these assets.

**d)** The credit impaired assets as at the reporting dates were secured by charge on land, building, properties, vehicals and project receivables amounting to:

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Secured portfolio | 86,657 | 72,408 |

(Currency : Rs in lakhs)

## 47 Risk management *(Continued)*

### 47.5 Regulatory Risk:

The Group requires certain statutory and regulatory approvals for conducting business and failure to obtain retain or renew these approvals in a timely manner, may adversely affect operations. Any change in laws or regulations made by the government or a regulatory body that governs the business of the Group may increase the costs of operating the business, reduce the attractiveness of investment and / or change the competitive landscape.

### 47.6 Fraud risk and operational risk:

Operational risk refers to the potential loss or disruption resulting from inadequate or failed internal processes, people, systems, or external events. It encompasses risks related to human error, technology failures, legal and compliance issues, and business continuity disruptions that can impact the operations of a finance company.

Operational Risk Management policy provides the structure and techniques that will facilitate consistent functioning of Operational Risk Management (ORM) framework. This Policy is focused on Operational Risk arising on account of People, Process, Systems, and external events. Company has Operational Risk Management Committee (ORMC) consisting of senior executives which monitors the ORM framework.

Fraud Risk Management policy focuses on prevention, detection, investigation of fraud and actions that Group should take in the event of fraud. Group has formulated Fraud Risk Management Committee (FRMC) consisting of senior executives. Group has also established a channel for employees to report frauds and related concern in timely manner.

The Group's risk management framework considers strategic, operations, financial reporting and external laws and regulations related risks

The Group has an elaborate system of internal audit and concurrent audit commensurate with the size, scale and complexity of its operations and covers funding operations, financial reporting, fraud control and compliance with laws and regulations.

Further, Concurrent audit helps prevent and address document related anomalies and deficiencies which strengthening quality assurance during onboarding and processing of transactions.

Internal Auditors monitors and evaluates the efficacy and adequacy of internal control systems in the Group, its compliance with laws and regulations, efficacy of its operating systems, adherence to the accounting procedures and policies at all offices of the Group and report directly to Audit Committee and Risk Management Committee of the Group.

### 47.7 Foreign exchange risk:

The Group is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the company's functional currency i.e. INR. The Group has taken foreign currency floating rate borrowing which is linked to various benchmark rates. The risk is measured through a forecast of highly probable foreign currency cash flows. The risk is hedged with the objective of minimising the volatility of the INR cash flows of highly probable forecast transactions.

The Group has entered into cross-currency interest rate swap (CCIRS), principal only swaps (POS), internal rate swaps (IRS) and forwards for the entire loan liability to manage the foreign exchange risk along with interest rate risk arising from changes in bechmark rates on such borrowings. As per the Group's policy, the critical terms of hedging instrument must align with the hedged items. Refer note 48 for accounting for the cash flow hedge and impact of hedge accounting on the statement of profit and loss.

There is no foreign currency asset/liability outstanding as on March 31, 2025 except External Commercial Borrowing of USD 365 million and Foreign currency bond of USD 450 million which are fully hedged (Refer note 48).

(Currency : Rs in lakhs)

## 48 Accounting for cash flow hedge

The Group deals with multiple financial instruments which are hedged by multiple derivative products. The details are as below:

| Financial Instrument (Hedged Item) | Notional amount | Maturity date | Type of risk hedged | Derivative instrument (Hedging instrument) | Key terms of the hedging instrument | Critical terms match[1] | Type of hedging relationship |
|---|---|---|---|---|---|---|---|
| External Commercial Borrowings (ECB) (based on LIBOR)[2] (ECB1) | 26,132 | June'2024 | - Interest rate risk due to changes in LIBOR<br>- Foreign currency risk on interest coupon and principal due to change in foreign exchange rates | Cross currency interest rate swap (CCIRS) | - Pay fixed rate interest<br>- Receive floating rate interest (based on LIBOR)<br>- Repayment of coupon and principal at fixed foreign exchange rate | Yes | Cash flow hedge |
| Investment in Floating rate government securities/bonds (linked to treasury bill rate)[3] (GOI_IRS) | 17,500 | September'2032 to August'2033 | Interest rate risk due to change in T bill rate | Interest Rate Swap (IRS) | - Pay floating rate interest (based on daily compounded overnight FBIL MIBOR)<br>- Receive fixed rate interest | No | Cash flow hedge |
| ECB (based on SOFR) (ECB2) | 83,240 | May'2027 | - Interest rate risk due to change in SOFR<br>- Foreign currency risk on interest coupon and principal due to change in foreign exchange rates | - IRS<br>- Forward contracts[4]<br>- Principal Only Swap (POS) | IRS<br>- Pay fixed rate interest<br>- Receive floating rate interest (SOFR)<br>Forward contracts<br>- Pay interest at fixed foreign exchange rate<br>POS<br>- Repayment of principal at fixed foreign exchange rate | Yes | Cash flow hedge |
| ECB (based on SOFR) (ECB3) | 227,076 | March'2028 | - Interest rate risk due to change in SOFR<br>- Foreign currency risk on interest coupon and principal due to change in foreign exchange rates | CCIRS | - Pay fixed rate interest<br>- Receive floating rate interest (SOFR)<br>- Repayment of coupon and principal at fixed foreign exchange rate | Yes | Cash flow hedge |
| Fixed interest Foreign Currency Denominated Bonds (FCCB) | 377,085 | January'2028 | Foreign currency risk on coupon and principal due to change in foreign exchange rates | - Forward contracts[4]<br>- POS | Forward contracts<br>- Pay interest at fixed foreign exchange rate<br>POS<br>- Pay principal at fixed foreign exchange rate | Yes | Cash flow hedge |
| Issue of floating interest rate Non- Convertible Debentures (NCDs) (linked to Overnight Index Swaps - OIS) | 85,000 | February'2026 to January'2027 | Interest rate risk due to change in OIS | IRS | - Pay fixed rate interest<br>- Receive floating rate interest (linked to OIS) | Yes | Cash flow hedge |

(Currency : Rs in lakhs)

## 48 Accounting for cash flow hedge (Continued)

[1] As the critical terms of the hedged item and the hedging instrument (notional, interest periods, underlying, repayment tenure and fixed rates) are matched and the interest cash flows are off setting, an economic relationship exists between the two. This ensures that the hedging instrument and hedged item have values that generally move in the opposite direction.

[2] The date on which the ECB and CCIRS were designated into hedging relationship is later than the date on which the respective contracts were entered into. This timing difference has caused hedge ineffectiveness to a certain extent, the effect of which has been recognised in profit or loss under the head net fair value changes .

[3] As the critical terms of the hedged item and the hedging instrument (notional, interest periods, underlying, repayment tenure and fixed rates) are not exactly matched, the Company uses the hypothetical derivative method to assess effectiveness. The interest cash flows of the hypothetical derivative and interest rate swap are off setting, an economic relationship exists between the two. This ensures that the hedging instrument (interest rate swap) and hedged item (hypothetical derivative) have values that generally move in the opposite direction.

[4] The Company has excluded the foreign currency basis spread on the forward contracts and takes such excluded element through the income statement and measures it at FVTPL. Accordingly, the Company designates only the spot rate in the hedging relationship.

The derivative contracts are denominated in the same currency as the hedged items, therefore the hedge ratio is 1:1.
Hedge Effectiveness Testing is assessed at designation date of the hedging relationship, and on an ongoing basis. The ongoing assessment is performed at a minimum at each reporting date or upon a significant change in circumstances affecting the hedge effectiveness requirements, whichever comes first.

Following table provides quantitative information regarding the hedging instruments for Cash Flow Hedge:

| Type of risk/ hedge position | Carrying amount of hedging instruments-asset/ (liability) (included under "Derivative financial instruments") | Average contracted fixed interest rate & foreign currency rate | Changes in fair value of hedging instrument used as a basis for recognising hedge ineffectiveness Gain/(Loss) | Changes in value of hedged item used as a basis for recognising hedge ineffectiveness |
|---|---|---|---|---|
| **As on March 31, 2025:** | | | | |
| Foreign currency and Interest rate risk | (1,050) | 8.33% - 9.30% | (948) | 948 |
| Interest rate risk | (2,148) | 6.55%-9.50% | (2,432) | 2,432 |
| Foreign currency risk | 6,400 | USD/INR 83.24 to 88.58 | 6,866 | (6,866) |
| | **3,202** | | | |
| **As on March 31, 2024:** | | | | |
| Foreign currency and Interest rate risk | 5,112 | 9.30% | 356 | (356) |
| Interest rate risk | 286 | 6.67% | 57 | (59) |
| | 5,398 | | | |

Following table provides the effects of hedge accounting on financial performance :

| Type of hedge | Changes in the value of hedging instruments recognised in Other comprehensive income | Hedge ineffectiveness recognised in profit or loss | Amount reclassified from cash flow hedge reserve to profit or loss | Line-item affected in statement of profit or loss because of reclassification |
|---|---|---|---|---|
| **For the year ended March 31, 2025** | | | | |
| **Cash flow hedge** | | | | |
| Foreign currency and Interest rate risk | (948) | - | 577 | Finance Cost |
| Interest rate risk | (2,434) | - | 122 | Finance Cost/Interest income |
| Foreign currency risk | 8,149 | - | (8,440) | Finance Cost |
| **For the year ended March 31, 2024** | | | | |
| **Cash flow hedge** | | | | |
| Foreign currency and Interest rate risk | 356 | - | (629) | Finance Cost |
| Interest rate risk | (28) | 13 | 12 | Finance Cost/Interest income |

(Currency : Rs in lakhs)

## 48 Accounting for cash flow hedge (Continued)

The table below provides a profile of the timing of the nominal amounts of the Group's hedging instruments (based on residual tenor) along with the rate as applicable by risk category:

| | As at March 31, 2025 | | | |
|---|---|---|---|---|
| | **Total** | **Less than 1 year** | **1-5 years** | **Over 5 years** |
| **Foreign currency risk:** | | | | |
| *POS* | | | | |
| **Net exposure (in INR)** | 460,325 | - | 460,325 | - |
| INR:USD forward contract rate | 83.24 to 83.80 | - | 83.24 to 83.80 | - |
| *CCIRS* | | | | |
| **Net exposure (in INR)** | 227,076 | - | 227,076 | - |
| Average forward contract rate | 85.69 | - | 85.69 | - |
| *Forward Contracts* | | | | |
| **Net exposure (in INR)** | 102,444 | 35,961 | 66,484 | - |
| Average forward contract rate | 87.62 to 88.58 | 86.08 to 86.21 | 88.86 to 89.84 | - |
| **Interest rate risk:** | | | | |
| *CCIRS* | | | | |
| **Net exposure (in INR)** | 257 | (5,224) | 5,482 | - |
| Average fixed interest rate | 8.33% | 8.33% | 8.33% | - |
| *Interest rate Swaps* | | | | |
| **Net exposure (in INR)** | (690) | 1,879 | (2,780) | 211 |
| Average fixed interest rate | 6.55% to 9.50% | 6.55% to 9.50% | 6.55% to 9.50% | 6.67% |

| | As at March 31, 2024 | | | |
|---|---|---|---|---|
| | **Total** | **Less than 1 year** | **1-5 years** | **Over 5 years** |
| **Foreign currency risk:** | | | | |
| **Net exposure (in INR)** | 26,132 | 26,132 | - | - |
| INR:USD forward contract rate | 69.69 | 69.69 | - | - |
| **Interest rate risk:** | | | | |
| **Net exposure (in INR)** | (14) | (14) | - | - |
| Average fixed interest rate | 9.30% | 9.30% | - | - |
| **Interest rate risk:** | | | | |
| **Net exposure (in INR)** | 165 | (9) | 120 | 54 |
| Average fixed interest rate | 6.67% | 6.67% | 6.67% | 6.67% |

The following table provides a reconciliation by risk category of the components of equity and analysis of Other Comprehensive Income items resulting from hedge accounting:

| **Particulars** | **Movement in Cash flow hedge reserve for the year ended** | |
|---|---|---|
| | **March 31, 2025** | March 31, 2024 |
| Opening balance | 165 | 381 |
| **Effective portion of** | | |
| a) Interest rate and foreign currency risk | (948) | 328 |
| b) Interest rate | (2,434) | - |
| c) Foreign currency risk | 8,149 | - |
| Tax on movements on reserves during the year | (1,200) | (82) |
| **Net amount reclassified to profit or loss:** | | |
| a) Interest rate and foreign currency risk | 577 | (629) |
| b) Interest rate | 122 | 12 |
| c) Foreign currency risk | (8,440) | - |
| Tax on movements on reserves during the year | 1,948 | 155 |
| **Closing balance** | **(2,060)** | 165 |

## Notes to the Consolidated Financial Statements *(Continued)*

*for the year ended March 31, 2025*

(Currency : Rs in lakhs)

### 49 Transfer of Financial Assets

**(a) Transferred financial assets that are not derecognised in their entirety**

The following tables provide a summary of financial assets that have been transferred in such a way that part or all of the transferred financial assets do not qualify for derecognition, together with the associated liabilities:

| Securitisations | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Carrying amount of transferred assets measured at amortised cost | 514,953 | 339,941 |
| Carrying amount of associated liabilities measured at amortised cost | 516,988 | 348,940 |
| Fair value of assets | 514,953 | 339,941 |
| Fair value of associated liabilities | 516,988 | 348,940 |
| Net position at Fair value | (2,035) | (8,999) |

**(b) Transferred Financial Assets that are derecognised in their entirety**

The Group has assigned loans (earlier measured at amortized cost) by way of direct assignment (including co-lending). As per the terms of deals, since substantial risk and rewards related to these assets were transferred to the buyer, the assets have been de-recognised from the Group's Balance Sheet. The table below summarised the carrying amount of the derecognised financial assets:

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| **Direct Assignment (excluding 100% direct assignment (including co-lending))** | | |
| Carrying amount of transferred assets measured at amortised cost | 1,303,429 | 917,718 |
| Carrying amount of exposures retained by the Company at amortized cost | 153,703 | 106,407 |

### 50 Foreign Currency Expenditure (on accrual basis)

| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|---|---|
| Professional Fees | 257 | 120 |
| Legal Fees | 0 | 3 |
| Membership & Subscription | 137 | 170 |
| Repairs & Maintenance | 4 | 18 |

### 51

### (a) Disclosure for Insurance commission as required under Insurance regulatory and development Authority (IRDA)

| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|---|---|
| Cholamandalam MS General Insurance Company Limited | 1,423 | 847 |
| Pramerica Life Insurance Limited* | 14,311 | 10,232 |
| HDFC Ergo General Insurance Company Limited | 1,302 | 595 |
| Care Health Insurance Limited | 783 | 75 |
| TATA AIG General Insurance Company Limited | 1,701 | 799 |
| Go Digit General Insurance Limited | 7 | 94 |
| **Total** | **19,526** | 12,642 |

(* including Reward Commission Rs. 11,857 lakhs, March 31, 2024 - 8,298 lakhs)

### (b) Disclosure in respect of income from insurance companies where Corporate agency agreement exits:

| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|---|---|
| Commission income * | 19,526 | 12.642 |
| Rental Income | 13 | 12 |
| Marketing and branding services | 1,158 | - |
| Manpower services | - | 491 |

(* including Reward Commission Rs. 11,857 lakhs, March 31, 2024 - 8,298 lakhs)

### 52 Disaggregate Revenue Information

| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|---|---|
| **Type of services** | | |
| Rental income | 7.270 | 6,510 |
| Fees and commission income | | |
| Processing / arranger fees and other charges | 43,224 | 56,699 |
| | **50,494** | 63,209 |
| **Timing of revenue recognition** | | |
| Services transferred at a point in time | 43,224 | 56,699 |
| Services transferred over time | 7,270 | 6,510 |
| | **50,494** | 63,209 |

(Currency : Rs in lakhs)

## 53 (a) Conversion of the Company from HFC to NBFC-ICC

As per para 4.1.17 of Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 ('RBI Directions'), Piramal Finance Limited (Formerly known as Piramal Capital & Housing Finance Limited) ('the Company' or 'PFL') was required to comply with Principal Business Criteria ('PBC') for Housing Finance Companies (HFCs). However, the holding company could not fulfil the PBC criteria as on March 31, 2024.

As per above referred RBI Directions, para 5.3, HFCs that were unable to fulfil the PBC criteria as on March 31, 2024 were required to approach the Reserve Bank of India (RBI) for conversion of their Certificate of Registration from HFC to NBFC – Investment and Credit Companies ('NBFC-ICC'). In line with the above, the Board of Directors had approved the conversion of it's Certificate of Registration from HFC to NBFC-ICC in it's meeting dated May 8, 2024 and the holding company had submitted the application to the RBI as required under the said RBI Directions. The holding company received its Certificate of Registration (CoR) as a Non-Banking Financial Company - Investment and Credit Company (NBFC-ICC) from the Reserve Bank of India (RBI) on April 4, 2025. On the same day, the Company surrendered its CoR as a Housing Finance Company (HFC) and accordingly PBC requirement is no longer required w.e.f. April 4, 2025. However, since the holding company was classified as a HFC as of March 31, 2025, its financial statements have been prepared and presented as the financial statements of a HFC, including all applicable disclosures.

### (b) Composite Scheme of Arrangement for merger

The Board of Directors of the holding company, in its meeting dated May 8, 2024, approved the Composite Scheme of Arrangement amongst the Company, Piramal Enterprises Limited ('PEL') (the holding company of PFL) and their respective shareholders and creditors under Sections 230 to 232 read with Section 52 and Section 66 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder ('Scheme'). The Scheme was modified by the Committee of Directors (Administration, Authorisation & Finance) of the holding company at its meetings held on October 26, 2024 and April 9, 2025. The appointed date of the Scheme will be April 1, 2024.

RBI approval on Scheme was received on April 8, 2025 and the holding company on April 10, 2025 has filed Application with the National Company Law Tribunal, Mumbai Bench.

## 54 Corporate Social Responsibility Expenditure

| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|---|---|
| Amount required to be spent by the Group during the year | - | 934 |
| Amount spent during the year from Group's bank A/c | - | 6,750 |
| Closing Balance in Separate CSR Unspent Bank A/c | - | - |
| Shortfall at the end of the year, | - | - |
| Total of previous years shortfall, | - | - |
| Reason for shortfall, | - | - |
| Nature of CSR activities | - | Promoting healthcare and education |
| Details of related party transactions, e.g., contribution to a trust controlled by the Group in relation to CSR expenditure as per relevant Accounting Standard, | - | 4,016 |
| Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately | - | - |

## 55 Events after reporting period

There have been no events other then referred in note no. 53 after the reporting date that require disclosure in these financial statements.

(Currency : Rs in lakhs)

### 56 Additional Regulatory Information

(i) The Group has not granted any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person that are:

(a) repayable on demand; or

(b) without specifying any terms or period of repayment

(ii) The Group has not been declared a wilful Defaulters by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof in accordance with the guidelines on wilful defaulters issued by the RBI.

(iii) The Group has not done any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956 except:

| Name of the struck off company | Nature of transactions with struck off company | Balance outstanding | Relationship with the struck off company, if any, to be disclosed |
|---|---|---|---|
| Leela Trade Link Private Limited | Lodging and boarding | Nil | Hotel stay for employees |
| Green Park Hotels & Resorts Limited | Lodging and boarding | Nil | Hotel stay for employees |

(iv) The Group has pending charges amounting to Rs. 30,000 lakhs towards borrowing from HDFC bank to be registered with ROC due to pending finalisation of document There was no satisfaction of charge pending as on March 31, 2025 except Punjab National Bank loans where loan repaid during the year for Rs. 40,000 lakhs due to non-receipt of No Due Certificate, Modification of charge amounting to Rs. 80,000 lakhs for NCD having ISIN no INE516Y07485 due to resubmission on ROC site. With respect to the assets acquired under business combination, the Company is in the process of satisfying the charges on those assets which is procedural.

(v) The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.

(vi) The Group have not traded or invested in Crypto currency or Virtual Currency during the year.

(vii) During the year the Group have not advanced or loaned or invested funds to any other person (s)or entity (ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries); or

(b) Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(viii) During the year the Group have not received any fund from any person (s)or entity (ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall:

(a) 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

(b) Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ix) The Group have not had 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).

(x) The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017

(xi) Quarterly Asset cover statements submitted to Debenture and Security Trustee's are in agreement with the books of accounts.

(Currency : Rs in lakhs)

57 Previous years figures have been regrouped or reclassified wherever necessary to conform to current year's presentation which are not considered to be material to the Consolidated Financial Statements

The notes referred to above forms an integral part of the consolidated financial statements.

As per our report of even date attached.

**For Singhi & Co**
*Chartered Accountants*
Firm Registration No. 302049E

**Ravi Kapoor**
*Partner*
Membership No: 040404

**For T R Chadha & Co LLP**
*Chartered Accountants*
Firm's Registration No: 006711N/N500028

**Hitesh Garg**
*Partner*
Membership No: 502955

**For and on behalf of the Board of Directors of Piramal Finance Limited**
*(formerly known as Piramal Capital & Housing Finance Limited)*
(CIN - U64910MH1984PLC032639)

**Jairam Sridharan**
*Managing Director*
DIN: 05165390

**Ajay Piramal**
*Chairman*
DIN: 00028116
New York, USA

Mumbai, May 6, 2025

**Vikash Singhvi**
*Chief Financial Officer*

**Urmila Rao**
*Company Secretary*

**Walker Chandiok & Co LLP**
**Chartered Accountants**
**16th Floor, Tower III, One International Centre**
**S B Marg, Prabhadevi (W)**
**Mumbai - 400 013**

**T R Chadha & Co LLP**
**Chartered Accountants**
**E 2001, 20th Floor, Lotus Corporate Park**
**Ram Mandir Station Road, Goregaon East**
**Mumbai - 400 063**

## Independent Auditor's Report

### To the Members of Piramal Capital & Housing Finance Limited

### Report on the Audit of the Consolidated Financial Statements

### Opinion

1. We have audited the accompanying consolidated financial statements of **Piramal Capital & Housing Finance Limited** ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), its associate and joint venture, as listed in Annexure 1, which comprise the Consolidated Balance Sheet as at 31 March 2024, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a material accounting policy information and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries, associate and joint venture, 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 ('Ind AS') specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, the relevant circulars, guidelines and directions issued by the Reserve Bank of India (RBI) from time to time ('RBI Guidelines') and other accounting principles generally accepted in India of the consolidated state of affairs of the Group, its associate and joint venture, as at 31 March 2024, and their consolidated loss (including other comprehensive income), consolidated cash flows and the consolidated changes in equity for the year ended on that date.

### Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, its associate and joint venture in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the rules 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 we have obtained together with the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 17 of the Other Matters section below, is sufficient and appropriate to provide a basis for our opinion.

### Emphasis of Matter – Principal Business Criteria

4. We draw attention to note 53 (b) to the accompanying consolidated financial statements, which describes that the Board of Directors of Holding Company has approved conversion of the Holding Company from a Housing Finance Company (HFC) to Non-Banking Financial Company–Investment and Credit Company (NBFC-ICC) in its meeting held on 8 May 2024, consequent to the Holding Company not meeting the regulatory requirement prescribed under paragraph 5.3 of Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 ('RBI Directions') with respect to the Principal Business Criteria ('PBC') for HFCs. The Company expects to submit the conversion application to the RBI along with necessary documents as required under the said RBI Directions in near future.

Our opinion is not modified in respect of this matter.






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**S B Marg, Prabhadevi (W)**
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**Emphasis of Matter – Business Combination – Presentation of specified financial assets**

5. We draw attention to Note 42B to the accompanying consolidated financial statement which states that the Holding Company has disclosed Rs. 312,188 lakhs as fair value adjustment under 'Other non-financial liabilities' in line with the presentation prescribed in the National Company Law Tribunal ('NCLT') order dated 7 June 2021 in respect of assets and liabilities acquired by the Company through the Corporate Insolvency Resolution Process of Dewan Housing Finance Corporation Limited ('DHFL'), which is different from the presentation requirements of Ind AS 32, Financial Instruments Presentation, that requires such fair value adjustments to be netted off with the gross book value of corresponding assets.

Our opinion is not modified in respect of this matter.

**Key Audit Matters**

6. Key audit matters are those matters that, in our professional judgment and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries, associate and joint venture, were of most significance in our audit of the consolidated financial statements of the current period. 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.

7. We have determined the matters described below to be the key audit matters to be communicated in our report.

| Key audit matter | How our audit addressed the key audit matter |
|---|---|
| **Expected Credit Loss allowance on financial assets**<br><br>Refer note 2(iv) for material accounting policy information and note 47.4 for financial disclosures in the accompanying financial statements<br><br>As at 31 March 2024, the Company has reported gross loan assets of Rs. 5,464,483 lakhs against which an impairment loss allowance of Rs. 636,892 lakhs has been recognised based on the Expected Credit Loss ("ECL") approach as laid down under 'Ind AS 109 – Financial Instruments' (Ind AS 109).<br>The estimation of ECL on financial assets is complex and involves significant management judgement and estimates, including the following:<br>• Models used to estimate ECL are inherently judgmental with high estimation uncertainty which involves determining Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD).<br>• Completeness and accuracy of the data from internal and external sources used in the models. | Our audit focused on assessing the appropriateness of the models used including management's judgment and estimates used in the expected credit loss assessment through procedures that included, but were not limited to, the following:<br>• Considered the Company's accounting policies for expected credit loss of financial assets and assessed compliance of the policies in terms of Ind AS 109.<br>• Understood management's processes, systems and controls implemented in relation to ECL allowance process. Evaluated the design and tested the operating effectiveness of key internal financial controls over such process.<br>• Assessed the governance framework over validation and implementation as per approval from Board of Directors.<br>• Obtained an understanding of the models adopted by the Company including the key inputs and assumptions. Since modelling assumptions and parameters are based on historical as well as external data, we assessed whether the same were relevant and representative of current circumstances. |

| | |
|---|---|
| • Ind AS 109 requires the Company to measure ECLs on a forward-looking basis reflecting future economic conditions. Significant management judgement is applied in determining the economic scenario used and probability weights applied to them.<br>• Qualitative adjustments are made by the Management to the results obtained from ECL models to address any identified impairment or emerging trends as well as risks not captured by models. These adjustments are inherently subjective and significant management judgement is involved in estimating these amounts.<br>• In respect of purchased or originated credit impaired financial assets, cumulative changes, at the portfolio level, in lifetime expected credit losses since initial recognition are recognised as a loss allowance. Significant management judgement is applied to assess such changes.<br><br>The disclosures prescribed under Ind AS 107 and RBI directives is also an area of focus for the management and auditors.<br>Considering the significance of ECL to the overall financial statements and the degree of management's estimates and judgments involved in this matter that requires significant auditor attention, we have considered expected credit loss allowance on financial assets to be a key audit matter. | • Assessed the critical assumptions and input data used in the estimation of expected credit loss for specific key credit risk parameters, such as the classification of loan assets into stages as described in the accounting policy, Exposure at default (EAD), probability of default (PD) or loss given default (LGD);<br>• On sample basis tested the completeness and accuracy of the input data used for determining the PD and LGD rates and agreed the data with the underlying books of accounts and records;<br>• Evaluated whether the methodology applied by the Company is compliant with the requirements of the relevant accounting standards and confirmed that the calculations are performed in accordance with the approved methodology, including mathematical accuracy of the workings.<br>• Assessed the appropriateness and adequacy of the related presentation and disclosures made in the accompanying financial statements in accordance with the applicable accounting standards and related RBI circulars and guidelines. |
| **Information Technology (IT) systems and controls impacting financial reporting**<br><br>The IT environment of the Company is complex and involves a number of independent and interdependent IT systems used in the operations of the Company for processing and recording a large volume of transactions. As a result, there is a high degree of reliance and dependency on such IT systems for the financial reporting process of the Company.<br><br>Appropriate IT general controls and IT application controls are required to ensure that such IT systems are able to process the data as required, completely, accurately, and consistently for reliable financial reporting. | Our audit procedures with respect to this matter included, but were not limited to the following:<br><br>In assessing the controls over the IT systems of the Company, we involved our technology specialists to obtain an understanding of the IT environment, IT infrastructure and IT systems. We evaluated and tested relevant IT general controls and IT application controls of the 'in-scope' IT systems identified as relevant for our audit of the standalone financial statements and financial reporting process of the Company.<br><br>On such 'in-scope' IT systems, we have tested key IT general controls with respect to the following domains: |

| | |
|---|---|
| We have identified certain key IT systems ('in-scope' IT systems) which have an impact on the financial reporting process and the related control testing as a key audit matter because of the high level of automation, significant number of systems being used by the Company for processing financial transactions, the complexity of the IT architecture and its impact on the financial records and financial reporting process of the Company. | a. User access management which includes user access provisioning, de-provisioning, access review, password management, sensitive access rights and segregation of duties to ensure that privilege access to applications, operating system and databases in the production environment were granted only to authorized personnel.<br><br>b. Program change management which includes controls on moving program changes to production environment as per defined procedures and with relevant segregation of environments.<br><br>c. Other areas that were assessed under the IT control environment included backup management, incident management, batch processing and interfaces.<br><br>We also evaluated the design and tested the operating effectiveness of key IT application controls within key business processes, which included testing automated calculations, automated accounting procedures, system interfaces, system reconciliation controls and key system generated reports, as applicable.<br><br>Where control deficiencies were identified, we tested compensating controls or performed alternative audit procedures, where necessary. |
| **Recoverability of Deferred Tax Assets**<br><br>Refer note 2 (xii) for material accounting policy information and note 11 for financial disclosures in the accompanying financial statements.<br><br>As at 31 March 2024, the Group has recognised deferred tax assets of Rs. 253,829 lakhs on unadjusted tax losses and tax credits.<br><br>The deferred tax assets have been recognised on the basis of the Group's assessment of availability of sufficient future taxable profits to utilise such unadjusted tax losses and tax credits within the time period allowed under the Income Tax Act, 1961, which is based on forecast of business projections. Such financial projections are inherently subjective and depend on various factors including future market and economic conditions, which involve significant management judgement and estimation. Any | Our audit on recoverability of deferred tax assets included, but was not limited to, the following procedures:<br>• Obtained an understanding of the management's process and evaluated the design and tested the operating effectiveness of internal controls with respect to recognition and assessment of recoverability of the deferred tax assets;<br>• Evaluated the appropriateness of the accounting policy adopted by the Company in respect of recognition of deferred tax assets in accordance with Ind AS 12, Income Tax;<br>• Assessed the reasonableness of the period of projections used in the deferred tax asset recoverability assessment in accordance with the time period allowed under the applicable tax laws with respect to utilisation of the said tax losses against future taxable profits; |

| | |
|---|---|
| change in aforesaid assumptions could have a material impact on the carrying value of the deferred tax assets.<br><br>Owing to the materiality of the balances, complexities and significant estimates and judgements involved as described above, we have considered recoverability of deferred tax assets to be a key audit matter.<br><br>The above matter is also considered to be fundamental to the understanding of the users of the financial statements. | • Obtained the business projections of future taxable profits estimated by the management and critically reviewed the key assumptions used therein, including future growth rates and relevant economic and industry estimates, based on our understanding of the business and market factors;<br>• Traced the financial projections to approved business plans and assessed efficacy of management's process for financial projections basis past business performance;<br>• Tested the arithmetical accuracy of the computation of future taxable profits including assessed the impact of estimation uncertainty basis the sensitivity analysis performed by the management on the projections; and<br><br>• Assessed the appropriateness and adequacy of the disclosures included in the accompanying financial statements in accordance with the applicable accounting standards. |

**Information other than the Consolidated Financial Statements and Auditor's Report thereon**

8. The Holding Company's Board of Directors are 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.

**Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

9. The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group including its associate and joint venture in accordance with the Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, the relevant circulars, guidelines and directions issued by the Reserve Bank of India (RBI) from time to time ('RBI Guidelines') and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and its associate and joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate

accounting policies; making judgments and estimates that are reasonable and prudent; and 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

10. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associate and joint venture are responsible for assessing the ability of the Group and of its associate and 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 intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

11. Those respective Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group and of its associate and joint venture.

**Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

12. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing 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.

13. As part of an audit in accordance with Standards on Auditing specified under section 143(10) of the Act, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

- Conclude on the appropriateness of 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 Group and its associate and 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 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 Group and its associate and joint venture to cease to continue as a going concern;

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and

- Obtain sufficient appropriate audit evidence regarding the financial information/ financial statements of the entities or business activities within the Group, and its associate and joint venture, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the financial statements, of which we are the independent auditors. For the other entities included in the financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

14. 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.

15. 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.

16. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period 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.

**Other Matters**

17. We did not audit the financial statements of six subsidiaries, whose financial statements reflects total assets of Rs. 179,477 lakhs as at 31 March 2024, total revenues of Rs. 41,526 lakhs and net cash inflows amounting to Rs. 1,143 lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss (including other comprehensive income) of Rs. 7,183 lakhs for the year ended 31 March 2024, as considered in the consolidated financial statements, in respect of one joint venture, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and 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 subsidiaries and joint venture, is based solely on the reports of the other auditors.

    Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors.

18. The consolidated financial statements also include the Group's share of net loss (including other comprehensive income) of Rs. 0 lakh for the year ended 31 March 2024, as considered in the consolidated financial statements, in respect of one associate, whose financial statements have not been audited by us. These financial statements are unaudited and have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the aforesaid associate is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the management, these financial information are not material to the Group.

    Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matter with respect to our reliance on the financial information certified by the management.

19. The following other matter paragraph is given by the joint auditors of Pramerica Life Insurance Limited ('PLIL') vide their report dated 30 April 2024 on the financial statements, the Joint Venture of subsidiary company of the Holding Company, which is reproduced by us as under:

"The actuarial valuation of liabilities for life policies in force is the responsibility of the Company's appointed actuary ("the Appointed Actuary"). The actuarial valuation of liabilities for policies in force as at 31 March 2024 has been duly certified by the Appointed Actuary. The Appointed Actuary has also certified that the assumptions for such valuation are in accordance with the guidelines and norms issued by the Insurance Regulatory and Development Authority of India (IRDAI) and the Institute of Actuaries of India in concurrence with IRDAI. We have relied upon the Appointed Actuary's certificate in this regard.

The valuation of liability of embedded derivatives in insurance contracts as at 31 March 2024 has been duly certified by the Appointed Actuary. We have relied upon the Appointed Actuary's certificate in this regard."

Our opinion is not modified in respect of these matters.

**Report on Other Legal and Regulatory Requirements**

20. As required by section 197(16) of the Act based on our audit and on the consideration of the reports of the other auditors, referred to in paragraph 17, on separate financial statements of the subsidiaries and joint venture, we report that the Holding Company, its subsidiaries and joint venture incorporated in India whose financial statements have been audited under the Act have paid remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act. Further as per information and explanation given to us by the management of the holding company no remuneration has been paid to the directors of the associate company.

21. As required by clause (xxi) of paragraph 3 of Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act based on the consideration of the Order reports issued till date by us and by the respective other auditors as mentioned in paragraph 17 above, of companies included in the consolidated financial statements and covered under the Act we report that there are no qualifications or adverse remarks reported in the respective Order reports of such companies. Further, following company included in the consolidated financial statements for the year ended 31 March 2024 and covered under that Act that is not audited by other auditor and the report under section 143(11) of the Act has not yet been issued, as per information and explanation given to us by the management in this respect

| Name | CIN | Subsidiary/ Associate/ Joint Venture |
|---|---|---|
| DHFL Venture Trustee Company Private Limited | U65991MH2005PTC153886 | Associate of Subsidiary Company |

22. As required by section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements and other financial information of the subsidiaries and joint venture incorporated in India whose financial statements have been audited under the Act and with respect to an associate referred to in para 18 solely based on the consideration of the financial information certified by the Holding Company's management, 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 purpose 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 and the reports of the other auditors except for the matters stated in paragraph 22(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);

c) The consolidated financial statements 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 Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, the relevant circulars, guidelines and directions issued by the Reserve bank of India (RBI) from time to time ('RBI guidelines'), except to the extent, as mentioned in note 42B, effect given in accordance with the accounting treatment prescribed in resolution plan approved by the National Company Law Tribunal vide their order dated 7 June 2021 as is more fully described in the said note;

e) On the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company, and the reports of the statutory auditors of its subsidiaries and joint venture, covered under the Act, none of the directors of the Group companies and joint venture company, are disqualified as on 31 March 2024 from being appointed as a director in terms of section 164(2) of the Act.

f) The adverse remark relating to the maintenance of accounts and other matters connected therewith with respect to the consolidated financial statements are as stated in paragraph 22(b) above on reporting under section 143(3)(b) of the Act and paragraph 22(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);

g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, and its subsidiaries, associate and joint venture covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure B' wherein we have expressed an unmodified opinion; 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 (as amended), 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 Group, its associate and joint venture as detailed in Note 40(a) to the consolidated financial statements;

ii. Provision has been made in these consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, on long-term contracts including derivative contracts, as detailed in note 48 to the consolidated financial statements;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, and its subsidiaries, associate and joint venture during the year ended 31 March 2024;

iv.

a. The respective managements of the Holding Company and its subsidiaries and joint venture incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries and joint venture respectively that, to the best of their knowledge and belief as disclosed in note 56 (vii) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Holding Company or its subsidiaries, associate and joint venture to or in any person(s) or entity(ies), including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company, or any such subsidiaries, associate and joint venture ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

b. The respective managements of the Holding Company and its subsidiaries and joint venture incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries and joint venture respectively that, to the best of their knowledge and belief, as disclosed in the note 56 (viii) to the accompanying consolidated financial statements, no funds have been received by the Holding Company or its subsidiaries, associate and joint venture from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Holding Company, or any such subsidiaries, associate and joint venture shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c. Based on such audit procedures performed by us and that performed by the auditors of the subsidiaries and joint venture, as considered reasonable and appropriate in the circumstances, nothing has come to our or other auditors' notice that has caused us or the other auditors to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.

v. The Holding Company, its subsidiaries, associate and joint venture have not declared or paid any dividend during the year ended 31 March 2024;

vi. Based on our examination which included test checks and that performed by the respective auditors of the subsidiaries and joint venture of the Holding Company which are companies incorporated in India and audited under the Act, except for the instances mentioned below, the Holding Company, its subsidiaries and Joint venture, in respect of financial year commencing on 1 April 2023, have used accounting software for maintaining their books of account which have a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we and respective auditors of the above referred subsidiaries and joint venture did not come across any instance of audit trail feature being tampered with, other than the consequential impact of the exception given below.

| Nature of exception noted | Details of Exception |
|---|---|
| Instances of accounting software for maintaining books of account for which the feature of recording audit trail (edit log) facility was not operated throughout the year for all relevant transactions recorded in the software. | The audit trail feature was not enabled at the database level for ten accounting software to log any direct data changes, used for maintenance of all accounting records by the Holding Company. |
| Instances of accounting software maintained by a third party where we are unable to comment on the audit trail feature | The accounting software used for maintenance of customer documentation of the Holding Company is operated by a third-party service provider.<br>1. In the absence of 'Independent Service Auditor's Assurance Report on the Description of Controls, their Design and Operating Effectiveness' ('Type 2 report') for the month April 2023 and for the period 1 Nov 2023 to 31 March 2024, we are unable to comment on whether audit trail feature at the database level of the said software was enabled and operated for the said period. |

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**Chartered Accountants**
**16th Floor, Tower III, One International Centre**
**S B Marg, Prabhadevi (W)**
**Mumbai - 400 013**

**T R Chadha & Co LLP**
**Chartered Accountants**
**E 2001, 20th Floor, Lotus Corporate Park**
**Ram Mandir Station Road, Goregaon East**
**Mumbai - 400 063**

| | |
|---|---|
| | 2. For the period 1 May 2023 to 31 October 2023 the 'Independent Service Auditor's Assurance Report on the Description of Controls, their Design and Operating Effectiveness' ('Type 2 report' issued in accordance with ISAE 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information)' does not provide sufficient audit evidence on audit trail (edit logs) for any direct changes made at the database level. Accordingly, we are unable to comment on whether audit trail feature with respect to the database of the said software was operated throughout the year. |

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

**Rakesh Rathi**
Partner
Membership No.: 045228

**UDIN:** 24045228BKGPLN6150

**Place**: Mumbai
**Date**: 8 May 2024

For **T R Chadha & Co LLP**
Chartered Accountants
Firm's Registration No.: 006711N/N500028

**Hitesh Garg**
Partner
Membership No.: 502955

**UDIN:** 24502955BKEHVK7064

**Place**: Mumbai
**Date**: 8 May 2024

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**Mumbai - 400 063**

**Annexure 1**

**List of entities included in the Consolidated Financial Statements**

a. Subsidiary Companies
   i. DHFL Investments Limited
   ii. DHFL Holdings Limited
   iii. DHFL Advisory & Investments Private Limited
   iv. Piramal Payments Services Limited (w.e.f 29 April 2022)
   v. Piramal Finance Sales & Services Private Limited (w.e.f 28 September 2022)
   vi. PRL Agastya Offices Private Limited (formerly PRL Agastya Private Limited) (w.e.f. 12 December 2022)

b. Associate
   i. DHFL Venture Trustee Company Limited

c. Joint Venture
   i. Pramerica Life Insurance Limited

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**Annexure A**

**Independent Auditor's Report on the internal financial controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

1. In conjunction with our audit of the consolidated financial statements of **Piramal Capital & Housing Finance Limited** ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), its associate and joint venture as at and for the year ended 31 March 2024, we have audited the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies, its associate company and joint venture company, which are companies covered under the Act, as at that date.

**Responsibilities of Management and Those Charged with Governance for Internal Financial Controls**

2. The respective Board of Directors of the Holding Company, its subsidiary companies, its associate company and joint venture company, which are companies covered under the Act, are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to 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'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements**

3. Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies, its associate company and joint venture company, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies, its associate company and joint venture company as aforesaid.

**Walker Chandiok & Co LLP**
**Chartered Accountants**
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**Annexure A (Continued)**

**Meaning of Internal Financial Controls with Reference to Financial Statements**

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls with Reference to Financial Statements**

7. Because of the inherent limitations of internal financial controls with reference to 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 financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

8. In our opinion and based on the consideration of the reports of the other auditors on internal financial controls with reference to financial statements of the subsidiary companies and joint venture company and with respect to an associate referred to in para 10 solely based on the consideration of the internal financial controls with reference to financial statements financial information certified by the Holding Company's management, the Holding Company, its subsidiary companies, its associate company and joint venture company, which are companies covered under the Act, have in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2024, based on the internal financial controls with reference to financial statements criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

**Other Matters**

9. We did not audit the internal financial controls with reference to financial statements insofar as it relates to six subsidiary companies, which are companies covered under the Act, whose financial statements reflect total assets of Rs. 179,477 lakhs and net assets of Rs. 95,784 lakhs as at 31 March 2024, total revenues of Rs. 41,526 lakhs and net cash inflows amounting to Rs. 1,143 lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss (including other comprehensive income) of Rs. 7,183 lakhs for the year ended 31 March 2024, in respect of one joint venture company, which is company covered under the Act, whose internal financial controls with reference to financial statements have not been audited by us. The internal financial controls with reference to financial statements in so far as it relates to such subsidiary companies and joint venture company have been audited by other auditors whose reports have been furnished to us by the management and our report on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements for the Holding Company, its subsidiary companies and joint venture companies, as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to such subsidiary companies and joint venture companies is based solely on the reports of the auditors of such companies. Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on the reports of the other auditors.

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**Chartered Accountants**
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**S B Marg, Prabhadevi (W)**
**Mumbai - 400 013**

**T R Chadha & Co LLP**
**Chartered Accountants**
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**Ram Mandir Station Road, Goregaon East**
**Mumbai - 400 063**

**Annexure A (Continued)**

10. We did not audit the internal financial controls with reference to financial statements in so far as it relates to one associate company, which is covered under the Act, in respect of which, the Group's share of net loss (including other comprehensive income) of Rs. 0 lakh for the year ended 31 March 2024 has been considered in the consolidated financial statements. The internal financial controls with reference to financial statements of this associate company, which is covered under the Act, are unaudited and our opinion under Section 143(3)(i) of the Act on adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to the aforesaid associate is solely based on the corresponding internal financial controls with reference to financial statements report certified by the management of such company. In our opinion and according to the information and explanations given to us by the management, these financial information are not material to the Group. Our opinion is not modified in respect of the above matter with respect to our reliance on the internal financial controls with reference to financial statements report certified by the management.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No:001076N/N500013

**Rakesh Rathi**
Partner
Membership No:045228

**UDIN:** 24045228BKGPLN6150

Place: Mumbai
Date: 8 May 2024

For **T R Chadha & Co LLP**
Chartered Accountants
Firm's Registration No:006711N/N500028

**Hitesh Garg**
Partner
Membership No:502955

**UDIN:** 24502955BKEHVK7064

Place: Mumbai
Date: 8 May 2024

## Consolidated Balance Sheet

*as at March 31, 2024*

(Currency : Rs in lakhs)

| | | Note | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|---|
| | **ASSETS** | | | |
| 1 | **Financial assets:** | | | |
| (a) | Cash and cash equivalents | 3 | 195,706 | 192,802 |
| (b) | Bank balances other than (a) above | 4 | 99,252 | 69,191 |
| (c) | Derivative financial instruments | 48 | 5,398 | 9,811 |
| (d) | Receivables | | | |
| | (i) Trade Receivables | 5 | 234 | 451 |
| | (ii) Other Receivables | 6 | 5,358 | 1,179 |
| (e) | Loans | 7 | 4,827,591 | 4,156,482 |
| (f) | Investments | 8 | 830,728 | 1,296,565 |
| (g) | Other financial assets | 9 | 94,381 | 82,641 |
| 2 | **Non- financial assets:** | | | |
| (a) | Current tax assets (net) | 10 | 54,048 | 73,841 |
| (b) | Deferred tax assets (net) | 11 | 253,829 | 143,138 |
| (c) | Property, Plant and Equipment | 13 | 38,820 | 32,312 |
| (d) | Right-of-use assets | 13 | 22,889 | 19,988 |
| (e) | Investment property | 13 | 96,038 | 97,495 |
| (f) | Intangible assets under development | 13 | 1,007 | 353 |
| (g) | Goodwill | 13 | 200 | 200 |
| (h) | Other intangible assets | 13 | 18,857 | 11,648 |
| (i) | Other non-financial assets | 12 | 41,481 | 38,552 |
| | **Total Assets** | | **6,585,817** | **6,226,649** |
| | **LIABILITIES AND EQUITY** | | | |
| | **Liabilities** | | | |
| 1 | **Financial liabilities:** | | | |
| (a) | Payables | | | |
| | Trade payables | | | |
| | (i) Total outstanding dues of micro enterprises and small enterprises | 14 | 2,980 | 277 |
| | (ii) Total outstanding dues of creditors other than micro enterprises and small enterprises | 14 | 32,621 | 29,057 |
| (b) | Debt securities | 15 | 2,871,466 | 2,696,168 |
| (c) | Borrowings (other than debt securities) | 16 | 1,638,832 | 1,382,848 |
| (d) | Deposits | 17 | 45,000 | 31,552 |
| (e) | Subordinated debt liabilities | 18 | 12,723 | 12,688 |
| (f) | Other financial liabilities | 19 | 125,965 | 166,613 |
| 2 | **Non- financial liabilities:** | | | |
| (a) | Current tax liabilities (net) | 20 | 7,911 | 59,208 |
| (b) | Provisions | 21 | 6,271 | 6,345 |
| (c) | Other non- financial liabilities | 22 | 352,578 | 363,789 |
| 3 | **Equity** | | | |
| (a) | Equity share capital | 23 | 2,336,469 | 2,136,469 |
| (b) | Other equity | 24 | (846,999) | (658,365) |
| | **Total Liabilities and Equity** | | **6,585,817** | **6,226,649** |
| | Material accounting policies | 2 | | |

The notes referred to above forms an integral part of the financial statements.

As per our report of even date attached.

**For Walker Chandiok & Co LLP**
*Chartered Accountants*
Firm Registration No. 001076N/N500013

**Rakesh Rathi**
*Partner*
Membership No: 045228

**For T R Chadha & Co LLP**
*Chartered Accountants*
Firm's Registration No: 006711N/N500028

**Hitesh Garg**
*Partner*
Membership No: 502955

**For and on behalf of the Board of Directors of Piramal Capital & Housing Finance Limited**

**Jairam Sridharan**
*Managing Director*
DIN: 05165390

**Ajay Piramal**
*Chairman*
DIN: 00028116

**Vikash Singhla**
*Chief Financial Officer*

**Bipin Singh**
*Company Secretary*

Mumbai, May 8, 2024

## Consolidated Statement of Profit and Loss

*for the year ended March 31, 2024*

(Currency : Rs in lakhs)

| | Note | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|---|
| **Revenue from operations** | | | |
| Interest income | 25 | 583,863 | 631,419 |
| Rental income | | 6,510 | 2,395 |
| Fees and commission income | 26 | 56,699 | 26,817 |
| Other operating income | 27 | 23,252 | - |
| **Total Revenue from operations** | | **670,324** | 660,631 |
| Other income | 28 | 6,602 | 6,284 |
| **Total Income** | | **676,926** | 666,915 |
| **Expenses** | | | |
| Finance costs | 29 | 365,944 | 346,997 |
| Fees and commission expenses | 30 | 4,598 | 2,877 |
| Net loss on fair value changes | 31 | 26,237 | 77,117 |
| Net loss on derecognition of financial instruments under amortised cost category | 32 | 301,619 | 326,553 |
| Impairment allowances/(reversals) on financial instruments | 33 | (66,632) | (15,928) |
| Employee benefits expenses | 34 | 114,640 | 71,171 |
| Depreciation, amortisation and impairment | 13 | 15,242 | 9,725 |
| Other expenses | 35 | 103,890 | 104,170 |
| **Total Expenses** | | **865,538** | 922,682 |
| **Profit/(loss) before share of net profit/(loss) of joint ventures, exceptional items and tax** | | **(188,612)** | (255,767) |
| Share of net profit/(loss) of joint ventures | 42 A (i) | (7,183) | 2,096 |
| Profit/(Loss) after share of net profit/(loss) of associates and joint ventures before exceptional items and tax | | (195,795) | (253,671) |
| **Less: Exceptional items** | | | |
| Impairment of Goodwill | 53 | - | 1,025,681 |
| Regulatory Provision on investments in alternative investment funds | 8 | 165,768 | - |
| **Profit/(Loss) after share of net profit/(loss) of associates and joint ventures and before tax** | | **(361,563)** | (1,279,352) |
| **Less: Tax expenses** | 36 | | |
| Current tax | | 213 | 91 |
| Reversal of tax Expenses – Earlier years | | (53,027) | (332,754) |
| Deferred tax | | (111,221) | (206,553) |
| | | **(164,035)** | (539,216) |
| **Profit/(Loss) for the year** | | **(197,528)** | (740,136) |
| **Other comprehensive income** | | | |
| *Items that will not be reclassified to Statement of profit or loss* | | | |
| Remeasurement of the defined benefit plan | | (558) | 151 |
| Equity Instruments Measured through OCI | | 1,247 | 8,981 |
| Income tax relating to items that will not be reclassified to Statement of profit or loss | | (173) | (2,298) |
| *Items that will be reclassified to Statement of profit or loss* | | | |
| Share of other comprehensive income of joint ventures accounted for using the equity method | | 7,320 | (7,089) |
| Remeasurement gain/(loss) on hedge accounting | | (289) | 1,343 |
| Debt Instruments Measured through OCI | | 1,706 | (1,705) |
| Income tax relating to items that will be reclassified to Statement of profit or loss | | (357) | 91 |
| **Net other comprehensive income** | | **8,896** | (526) |
| **Total comprehensive income/(loss) for the year** | | **(188,632)** | (740,662) |
| **Earnings per equity share (Basic and Diluted) (Rs.)** | 37 | **(0.92)** | (3.46) |
| Material accounting policies | 2 | | |

The notes referred to above forms an integral part of the financial statements.

As per our report of even date attached.

**For Walker Chandiok & Co LLP**
*Chartered Accountants*
Firm Registration No. 001076N/N500013

**Rakesh Rathi**
*Partner*
Membership No: 045228

**For T R Chadha & Co LLP**
*Chartered Accountants*
Firm's Registration No: 006711N/N500028

**Hitesh Garg**
*Partner*
Membership No: 502955

**For and on behalf of the Board of Directors of Piramal Capital & Housing Finance Limited**

**Jairam Sridharan**
*Managing Director*
DIN: 05165390

**Ajay Piramal**
*Chairman*
DIN: 00028116

**Vikash Singhla**
*Chief Financial Officer*

**Bipin Singh**
*Company Secretary*

Mumbai, May 8, 2024

## Consolidated Statement of Cash Flow

*for the year ended March 31, 2024*

(Currency : Rs in lakhs)

| | | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|---|
| **A.** | **Cash flow from operating activities** | | |
| | Profit/(Loss) before tax | **(361,563)** | (1,279,352) |
| | Gain on Sale of Investments | 83,833 | (8,374) |
| | Share of net profit/(loss) of joint ventures | 7,183 | (2,096) |
| | Interest income from fixed deposits | (7,071) | (4,829) |
| | Provision for Doubtful Advance | - | 13,399 |
| | Goodwill written off | - | 1,025,681 |
| | (Gain)/Loss on fair valuation | (57,596) | 85,585 |
| | Lease rent payment | - | (969) |
| | Regulatory Provision on AIF | 165,768 | - |
| | Impairment allowances/(reversals) on financial instruments | (66,632) | (15,928) |
| | Interest cost on lease payment | 2,510 | 1,972 |
| | Finance Costs | 365,944 | 348,559 |
| | Net loss on derecognition of financial instruments | 301,619 | 326,553 |
| | Bad debts written off | - | 2 |
| | Gain on sale of property, plant and equipment & Other intangible assets and investment property | (825) | (262) |
| | Depreciation and amortisation | 15,242 | 10,011 |
| | **Cash generated from operations before working capital changes** | **448,412** | 499,952 |
| | Decrease / (Increase) in Trade Receivables | 217 | 1,489 |
| | Decrease / (Increase) in Loans | (917,167) | 186,482 |
| | Decrease / (Increase) in Investments | 288,826 | (143,666) |
| | Decrease / (Increase) in Other receivables | (4,179) | (1,179) |
| | Decrease / (Increase) in Other financial assets | (11,740) | 29,858 |
| | Decrease / (Increase) in Other non financial assets | (2,929) | (2,883) |
| | (Decrease) / Increase in Trade Payables | 6,267 | (3,924) |
| | (Decrease) / Increase in Provisions | 1,352 | 797 |
| | (Decrease) / Increase in Other financial liabilities | (45,489) | 58,361 |
| | (Decrease) / Increase in Other non financial liabilities | 22,346 | 6,723 |
| | **Cash generated from / (used in) operations** | **(214,084)** | 632,010 |
| | Income taxes paid (net of refund) | 21,310 | 40,303 |
| | **Net cash generated from / (used in) operating activities (a)** | **(192,774)** | 672,313 |
| **B** | **Cash flow from investing activities** | | |
| | Purchase of property, plant and equipment & Other intangible assets | (25,299) | (14,475) |
| | Sale proceeds from property, plant and equipment & Other intangible assets | 3,127 | 11,541 |
| | Purchase of Treasury Investments | (7,663,495) | (5,602,611) |
| | Sale of Treasury Investments | 7,627,059 | 5,622,067 |
| | Payment of consideration for business combination | - | (200) |
| | Interest income from fixed deposits | 7,071 | 4,873 |
| | Investment in fixed deposits | (122,326) | (104,208) |
| | Redemption from fixed deposits | 92,289 | 90,170 |
| | **Net cash generated from / (used in) investing activities (b)** | **(81,574)** | 7,157 |
| **C** | **Cash flow from financing activities** | | |
| | Payment of Lease Liabilities | (5,689) | (2,015) |
| | Borrowings taken during the year | 2,541,500 | 782,806 |
| | Borrowings repaid during the year | (2,458,556) | (1,729,453) |
| | Issue of equity shares | 200,000 | - |
| | **Net cash generated from / (used in) financing activities (c)** | **277,255** | (948,662) |
| | **Net increase/ (decrease) in cash and cash equivalents (a+b+c)** | **2,905** | (269,192) |

## Consolidated Statement of Cash Flow

*for the year ended March 31, 2024*

(Currency : Rs in lakhs)

| | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|
| Cash and cash equivalents as at beginning of the year | **192,802** | 461,925 |
| Add: Cash and cash equivalent transferred due to acquisition during the year | - | 69 |
| Cash and cash equivalents as at end of the year | **195,706** | 192,802 |
| **Cash and Cash Equivalents Comprise of:** | | |
| Cash on hand | - | - |
| Balances with banks in current accounts | **195,706** | 192,802 |
| | **195,706** | 192,802 |

The consolidated statement of cash flow has been prepared under the 'Indirect Method' set out in Indian Accounting Standard-7, "Statement of cash flow".

The notes referred to above forms an integral part of the financial statements.

As per our report of even date attached.

**For Walker Chandiok & Co LLP**
*Chartered Accountants*
Firm Registration No. 001076N/N500013

**Rakesh Rathi**
*Partner*
Membership No: 045228

**For T R Chadha & Co LLP**
*Chartered Accountants*
Firm's Registration No: 006711N/N500028

**Hitesh Garg**
*Partner*
Membership No: 502955

**For and on behalf of the Board of Directors of Piramal Capital & Housing Finance Limited**

**Jairam Sridharan**
*Managing Director*
DIN: 05165390

**Ajay Piramal**
*Chairman*
DIN: 00028116

**Vikash Singhla**
*Chief Financial Officer*

**Bipin Singh**
*Company Secretary*

Mumbai, May 8, 2024

## Consolidated Statement of changes in equity

*for the year ended March 31, 2024*

(Currency : Rs in lakhs)

**A. Equity Share Capital:**

| Particulars | Amount |
|---|---|
| **Balance as at March 31, 2022** | **2,136,469** |
| Add: Issue of shares during the year | - |
| **Balance as at March 31, 2023** | **2,136,469** |
| Add: Issue of shares during the year | 200,000 |
| **Balance as at March 31, 2024** | **2,336,469** |

**B. Other Equity:**

| Particulars | Reserves and Surplus | | | | | Other Comprehensive Income | | | Total |
|---|---|---|---|---|---|---|---|---|---|
| | Amalgamation Adjustment Reserve | Statutory Reserve | Capital Reserve | Securities Premium | Retained Earnings | Debt Instruments Measured through OCI | Equity Instruments Measured through OCI* | Cash flow hedging reserve | |
| **Balance as at March 31, 2022** | **(490,288)** | **244,563** | **17,263** | **220,885** | **90,501** | - | - | **(624)** | **82,298** |
| Add/(Less): Transfer during the year | - | - | 2 | - | - | (1,276) | 6,720 | 1,005 | 6,451 |
| Add/(Less): Profit/(Loss) during the year | - | - | - | - | (740,136) | - | - | - | (740,136) |
| Add/(Less): Other comprehensive income (net of | - | - | - | - | (6,980) | - | - | - | (6,980) |
| **Balance as at March 31, 2023** | **(490,288)** | **244,563** | **17,265** | **220,885** | **(656,615)** | **(1,276)** | **6,720** | **381** | **(658,365)** |
| Add/(Less): Transfer during the year | - | - | - | - | - | 1,277 | 933 | (216) | 1,994 |
| Add/(Less): Profit/(Loss) during the year | - | - | - | - | (197,528) | - | - | - | (197,528) |
| Add/(Less): Other comprehensive income (net of | - | - | - | - | 6,900 | - | - | - | 6,900 |
| **Balance as at March 31, 2024** | **(490,288)** | **244,563** | **17,265** | **220,885** | **(847,243)** | **1** | **7,653** | **165** | **(846,999)** |

* that will not be reclassified to Statement of profit or loss

The notes referred to above forms an integral part of the financial statements.

As per our report of even date attached.

**For Walker Chandiok & Co LLP**
*Chartered Accountants*
Firm Registration No. 001076N/N500013

**Rakesh Rathi**
*Partner*
Membership No: 045228

**For T R Chadha & Co LLP**
*Chartered Accountants*
Firm's Registration No: 006711N/N500028

**Hitesh Garg**
*Partner*
Membership No: 502955

**For and on behalf of the Board of Directors of**
**Piramal Capital & Housing Finance Limited**

**Jairam Sridharan**
*Managing Director*
DIN: 05165390

**Ajay Piramal**
*Chairman*
DIN: 00028116

**Vikash Singhla**
*Chief Financial Officer*

**Bipin Singh**
*Company Secretary*

Mumbai, May 8, 2024

## Notes to the Consolidated Financial Statements

*for the year ended March 31, 2024*

(Currency : Rs in lakhs)

## 1A. GENERAL INFORMATION

Piramal Capital & Housing Finance Limited (the Holding Company) was incorporated in India on April 11, 1984. The holding Company and its subsidiaries (together referred to as "the Group") and its associate and joint venture has been carrying on, as its main business of providing loans to customers for construction or purchase of residential property, loans against property, loans to real estate developers, loans to SMEs, etc. and other activities. The Holding Company is registered with National Housing Bank (NHB) under Section 29A of the National Housing Bank Act, 1987. The registered office of the Holding Company is in Unit No.601, 6th Floor, Amiti Building, Agastya Corporate Park, Kamani Junction, Opp. Fire Station, LBS Marg, Kurla West, Mumbai City, 400070.

The Holding Company is the wholly-owned subsidiary of Piramal Enterprises Limited.

The Holding Company is a public limited Company and its debts are listed on the Bombay Stock Exchange (BSE India) and the National Stock Exchange (NSE), India.

The consolidated financial statements are authorised by the Board of Directors for issue in accordance with resolutions passed on May 8 , 2024.

## 1B. Basis of Preparation

**i) Statement of compliance and basis of preparation and presentation of consolidated financial statements**

The consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) and the provisions of the Companies Act, 2013 ('the Act'). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter and the guidelines and directives issued by the Reserve Bank of India (RBI) and National Housing Bank ("NHB") to the extent applicable.

The Balance Sheet, the Statement of Profit and Loss and the Statement of Changes in Equity are prepared and presented in the format prescribed in the Division III of Schedule III to the Companies Act, 2013 (the "Act"). The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows". The Balance Sheet, Statement of Profit and Loss, Statement of Cash Flow, Statement of Changes in Equity, summary of the material accounting policies information and other explanatory information are together referred as the financial statements of the Group.

Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

All amounts included in the financial statements are reported in lakhs of Indian rupees (Rs. in lakhs) except share and per share data, unless otherwise stated. Due to rounding off, the numbers presented throughout the document may not add up precisely to the totals and percentages may not precisely reflect the absolute figures.

**ii) Basis of Accounting**

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period. The consolidated financial statements are prepared and presented on going concern basis.

**iii) Use of Estimates and Judgements**

The preparation of the financial statements in conformity with Indian Accounting Standards ("Ind AS") requires the management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Accounting estimates could change from period to period. Actual results could differ from those estimates. Revisions to accounting estimates are recognised prospectively. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

Following areas entail a high degree of estimate and judgement or complexity in determining the carrying amount of certain assets and liabilities.

1. Business Combination - Note 2 (xix) & note 42B
2. Measurement of defined benefit obligations; key actuarial assumptions – Note 2 (vi) & note 44
3. Fair Valuation of financial assets and liabilities - Note 2 (xviii) & note 45
4. Impairment of financial assets – Note 2 (iv) & note 47.4
5. Impairment of non-financial assets – Note 2 (iii)
6. Impairment of Goodwill – Note 2 (xix) & note 53
7. Income tax - Note 2 (xii), note 11 & note 36
8. Evaluation of business Model - Note 2 (iv)
9. Provision and Liabilities - Note 2 (vii)
10. Useful Life of Property, Plant and Equipment (PPE) and Intangible assets - Note 2 (i)
11. Share Based Payments – Note 2 (vi) & note 44 (iv)
12. Effective Interest Rate (EIR) Method – Note 2 (iv)

## Notes to the Consolidated Financial Statements *(Continued)*

*for the year ended March 31, 2024*

(Currency : Rs in lakhs)

**iv) Principles of consolidation and equity accounting**

(a) Subsidiaries:

Subsidiaries are entities (including Structured entities) over which the group has control. Control is achieved when the Group has power over the investee, is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to use its power to affect its returns. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the group.

The group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

(b) Associates:

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. Investments in associates are accounted for using the equity method of accounting (see below), after initially being recognised at cost. Wherever necessary, adjustments are made to financial statements of associates to bring there accounting policies in line with those used by the other members of group.

(c) Joint Arrangements:

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.

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities relating to the arrangement.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement.

Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The Group recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings.

Interests in joint ventures are accounted for using the equity method (see below), after initially being recognised at cost in the consolidated balance sheet.

(d) Equity method:

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of post acquisition profits or losses of the investee in profit and loss, and the group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates or joint ventures are recognised as a reduction in the carrying amount of the investment.

Unrealised gains on transactions between the group and its associates and joint ventures are eliminated to the extent of the group's interest in these entities.

Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The carrying amount of equity accounted investments are tested for impairment.

(e) Changes in ownership interests

The group treats transactions with non-controlling interests that do not result in loss of control as transactions with equity owners of the group. A change in the ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

(f) List of entities included in the consolidated financial statements:

a. Subsidiary Company
   i. DHFL Investments Limited
   ii. DHFL Holdings Limited
   iii. DHFL Advisory & Investments Private Limited
   iv. Piramal Payments Services Limited (w.e.f. 29 April 2022)
   v. Piramal Finance Sales and Services Private Limited (w.e.f. 28 September 2022)
   vi. Piramal Agastya Offices Private Limited (formerly known as PRL Agastya Private Limited) (w.e.f. 12 December 2022)

b. Associate
   i. DHFL Venture Trustee Company Limited

c. Joint Venture
   i. Pramerica Life Insurance Limited

(Currency : Rs in lakhs)

## 2. MATERIAL ACCOUNTING POLICIES INFORMATION

### i) Property, plant and equipment

All Property, Plant and Equipment are stated at cost of acquisition, less accumulated depreciation and accumulated impairment losses, if any, except for fair valued assets on business combination carried out in earlier years. Direct costs are capitalised until the assets are ready for use and includes freight, duties, taxes and expenses incidental to acquisition and installation.
The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.
Subsequent expenditures related to an item of Property, Plant and Equipment are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.
Losses arising from the retirement of, and gains or losses arising from disposal of Property, Plant and Equipment are recognised in the Statement of Profit and Loss.

Property, plant and equipment is recognised when it is probable that future economic benefits associated with the item is expected to flow to the Company and the cost of the item can be measured reliably. An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and
the carrying amount of the asset) is included under other income/expenses in the Statement of Profit and Loss when the asset is derecognised.

Depreciation is provided on a pro-rata basis on the straight line method ('SLM') over the estimated useful lives of the assets less their residual values specified in Schedule II of the Companies Act, 2013.
The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Individual Property, Plant and Equipment costing less than Rupees five thousand are depreciated fully in the year of purchase or acquisition.

The estimated useful lives of Property, Plant and Equipment are as stated below:

| | |
|---|---|
| Building | 60 years |
| Office Equipment | 5 years |
| Furniture and fixtures | 10 years |
| Computers Servers and Network | 6 years |
| Computer - End user device | 3 years |
| Motor Vehicle | 8 years (Refer note below) |
| Leasehold Improvements | Amortised on SLM over lease tenure or 5 years whichever is lower |

The Group has determined the remaining useful life of the PPE acquired on date of acquisition, as per Companies Act 2013. The value of PPE acquired is depreciated/amortised over such remaining useful life determined on straight line method basis which best reflects the usage of asset to the accounting acquirer.

For vehicles given to employee as a perquisite and forming the part of their employment, amortisation is done basis the employment agreement which may vary between 3 to 5 years.

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

Cost includes cost of land (including development rights and land under agreements to purchase), internal development costs, external development charges, construction costs, overheads and development/ construction materials.

The Company depreciates building component of investment property over 60 years from the date of original purchase.
Though the Company measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes (refer note 13). Fair values are determined based on an annual evaluation performed by an accredited external independent valuer applying a valuation model recommended by the International Valuation Standards Committee.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in statement of profit and loss in the period of derecognition.

### ii) Intangible Assets

Intangible assets are stated at acquisition cost except for fair valued assets on business combination, net of accumulated amortisation and accumulated impairment losses, if any.
Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the disposal proceeds and the carrying amount of the asset and are recognised as income or expense in the Statement of Profit and Loss.

Intangible assets not ready for use on the date of Balance Sheet is disclosed as 'Intangible assets under development'.

Intangible Assets other than Goodwill are amortized on a straight line basis over their finite useful lives over the following period:

| | |
|---|---|
| Computer Software | 6 years |

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Individual intangible assets costing less than Rupees five thousand are depreciated fully in the year of purchase or acquisition.
Goodwill on acquisition is included in intangible assets. Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.
Goodwill is carried at cost less accumulated impairment losses.

**Self generated software**

The Company recognises internally generated intangible assets when it is certain that the future economic benefit attributable to the use of such intangible assets are probable to flow to the Company and the expenditure incurred for development of such intangible assets can be measured reliably. The cost of an internally generated intangible asset comprises all directly attributable costs necessary to create, produce, and prepare the asset to be capable of operating in the manner intended by the Company. The intangible assets including those internally generated are amortised using the straight line method over a period of three to six years, which is the Management's estimate of its useful life. The useful lives of intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

**iii) Impairment of non financial assets**

The Group assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. For the purposes of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, the Group estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If at the Balance Sheet date there is an indication that previously assessed impairment loss no longer exists or may have decreased, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

**iv) Financial instruments**

**Recognition, initial measurement and classification**

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments.
Financial assets and financial liabilities are initially measured at fair value. Transaction costs 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. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

**Financial assets**

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are subsequently measured at fair value through Other Comprehensive Income (FVTOCI):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are subsequently measured at fair value through profit and loss (FVTPL).

Debt and other instruments

Subsequent measurement of debt and other instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt and other instruments:

Evaluation of Business Model

Classification and measurement of financial instruments depends on the results of the solely payments of principal and interest on the principal amount outstanding ("SPPI") and the business model test. The Company determines the business model at a level that reflects how the Company's financial instruments are managed together to achieve a business objective.

The Company monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those instruments.

Amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

(Currency : Rs in lakhs)

**iv) Financial instruments *(Continued)***

Effective interest rate method

Income is recognised on an effective interest rate basis for financial assets other than those financial assets classified as at FVTPL. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:
– the gross carrying amount of the financial asset; or
– the amortised cost of the financial liability.

When calculating the effective interest rate for financial instruments other than purchased or originated credit-impaired ('POCI') assets, the Group estimates future cash flows considering all contractual terms of the financial instrument, but not ECL. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated using estimated future cash flows including ECL.

The calculation of the effective interest rate includes transaction costs and fees that are an integral part of the contract. Transaction costs include incremental costs that are directly attributable to the acquisition of financial asset.

If expectations regarding the cash flows on the financial asset other than purchase or originated credit impaired are revised for reasons other than credit risk, the adjustment is recorded as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income. The adjustment is subsequently amortized through Interest income in the statement of profit and loss. In respect of purchased or originated credit impaired assets, such positive or negative adjustment to the carrying amount of the asset is reflected through change in lifetime ECL since initial recognition. Favourable changes in lifetime ECL are recognised as an impairment gain, even if the favourable changes are more than the amount, if any, previously recognised in profit or loss account as impairment losses.

The Group calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets.

For financial assets that were credit-impaired on initial recognition, interest income is calculated by applying the credit-adjusted effective interest rate to the amortised cost of the asset. The calculation of interest income does not revert to a gross basis, even if the credit risk of the asset improves.

The Group considers only DSA cost while calculating interest income for retail loans by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets. Since the processing fees income collected from the customers approximately equates to the corresponding file cost incurred, the same is not considered for EIR computation.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset. Dividend on financial assets at FVTPL is recognised when the Group's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Changes in the fair value of financial assets at FVTPL are recognised in the statement of profit and loss.
Wholesale loan book acquired through business combination is accounted as FVTPL instruments.

Fair value through Other Comprehensive Income (FVTOCI):

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVTOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in the statement of profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to the statement of profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in other income using the effective interest rate method.

Fair value measurement

Fair value measurements under Ind AS are categorised into fair value hierarchy based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:
• Level 1 quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access on measurement date.
• Level 2 inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
• Level 3 where unobservable inputs are used for the valuation of assets or liabilities.
For assets and liabilities that are recognized in the Financial Statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Impairment of financial assets

The Group applies the expected credit loss ("ECL") model for recognising impairment loss on financial assets measured at amortised cost, loan commitments, trade receivables and other contractual rights to receive cash or other financial asset.

Wholesale lending:

The expected credit loss is a product of exposure at default, probability of default and loss given default. The Company has devised an internal model to evaluate the probability of default and loss given default based on the parameters set out in Ind AS 109. In line with the same, the financial instruments are classified into Stage 1 – Standard Assets with zero to thirty days past due (DPD), Stage 2 – Significant Credit Deterioration or overdue between 31 to 90 days or standard old cases and Stage 3 – Default Assets with overdue for more than 90 days & restructured NPA. For Stage 1 & Stage 2, PD & LGD are arrived at using parameteric scorecard in the internal ECL model.

The ECL calculation is also adjusted using forward looking inputs from the anticipated change in future macro-economic conditions to comply with Ind AS 109.

(Currency : Rs in lakhs)

**iv) Financial instruments *(Continued)***

Retail lending:

The Company uses ECL allowance for financial assets measured at amortised cost, which are not individually significant, and comprise of a large number of homogeneous loans that have similar characteristics. The expected credit loss is a product of exposure at default, probability of default and loss given default. Due to lack of sufficient 5-year internal data, the Company uses external data from credit bureau agency for potential credit losses. Further, the estimates from the above sources have been adjusted with forward looking inputs from anticipated change in future macro-economic conditions to comply with IndAS 109.

The financial instruments are classified into Stage 1 – Standard Assets with zero to thirty days past due (DPD), Stage 2 – Significant Credit Deterioration or overdue for more than thirty days to 90 days or standard OTR cases and Stage 3 – Default Assets with overdue for more than 90 days.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

Impairment - POCI Financial Assets

POCI financial assets are assets that are credit-impaired on initial recognition. For POCI assets, lifetime ECL are incorporated into the calculation of the effective interest rate on initial recognition. Consequently, POCI assets do not carry an impairment allowance on initial recognition. The amount recognised as a loss allowance subsequent to initial recognition is equal to the changes in lifetime ECL since initial recognition of the asset. A favourable change for such assets create an impairment gain.

Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of financial assets in entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable, is recognised in the statement of profit and loss.

Financial assets are written off either partially or in their entirety only when the Company has no reasonable expectation of recovery.

Reclassification of financial assets and liabilities

After initial recognition of financial assets and liabilities, no re-classification is made except for financial assets where there is a change in the business model for managing those assets. The Group's management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognized gains or losses (including impairment gains or losses) or interest.

Sale of Financial assets measured at Amortised Cost

Entity reclassifies financial assets if the entity changes its business model for managing those financial assets. Such changes are expected to be very infrequent. Such changes are determined by the entity's senior management as a result of external or internal changes and must be significant to the entity's operations and demonstrable to external parties. Accordingly, a change in an entity's business model will occur only when an entity either begins or ceases to perform an activity that is significant to its operations;

The Group may occasionally sale portfolio classified under amortised pool for liquidity management, recovery management in case of stressed pool or for any specific regulatory compliance which will not lead to change in business model.

Further, if the sales are infrequent or insignificant in value, the sale of amortised cost pool will also not lead to Change in Business Model.

Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. For foreign currency denominated financial assets measured at amortised cost or FVTPL, the exchange differences are recognised in profit or loss except for those which are designated as hedging instruments in a hedging relationship.

Classification as debt or equity

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity Instrument

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 are recognised at the proceeds received.

## Notes to the Consolidated Financial Statements *(Continued)*

*for the year ended March 31, 2024*

(Currency : Rs in lakhs)

**iv) Financial instruments *(Continued)***

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest rate method or at FVTPL.

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Group as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in profit and loss.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. An exchange between the Group and the lender of debt and other instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

**Derivatives and hedging activities**

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. Resulting gain/loss due to subsequent remeasurement of derivatives is recognised in the statement of profit and loss immediately unless the derivative is designated and is effective as a hedging instrument, in which event the timing of the recognition in the statement of profit and loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability

Embedded derivatives

Derivatives embedded in a host contract that is an asset within the scope of Ind AS 109 are not separated. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Derivatives embedded in all other host contract are separated only if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host and are measured at fair value through profit or loss. Embedded derivatives closely related to the host contracts are not separated.

Embedded foreign currency derivatives

Embedded foreign currency derivatives are not separated from the host contract if they are closely related. Such embedded derivatives are closely related to the host contract, if the host contract is not leveraged, does not contain any option feature and requires payments in one of the following currencies:

- the functional currency of any substantial party to that contract,
- the currency in which the price of the related good or service that is acquired or delivered is routinely denominated in commercial transactions around the world,
- a currency that is commonly used in contracts to purchase or sell non-financial items in the economic environment in which the transaction takes place (i.e. relatively liquid and stable currency)

Foreign currency embedded derivatives which do not meet the above criteria are separated and the derivative is accounted for at fair value through profit and loss.

## Notes to the Consolidated Financial Statements *(Continued)*

*for the year ended March 31, 2024*

(Currency : Rs in lakhs)

**iv) Financial instruments *(Continued)***

**Hedge accounting**

The Group designates certain hedging instruments, which include derivatives in respect of foreign currency risk, as either fair value hedges, cash flow hedges, or hedges of net investments in foreign operations. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges. The Group applies hedge accounting for transactions that meet specified criteria.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Group'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 Group 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 an on-going basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges that meet the criteria for cash flow hedge accounting are accounted as follows:

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 (such as all or some future interest payments on variable rate debt) or a highly probable forecast transaction 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 of the gain or loss on the hedging instrument is recognised immediately as finance cost in the statement of profit and loss.

The amount recognised in the cash flow hedge reserve is reclassified from OCI to profit or loss as a reclassification adjustment in the same period as the hedged cash flows affect profit or loss, and in the same line item in the statement of profit or loss.

If the hedging derivative expires or is sold, terminated or exercised, or the hedge no longer meets the criteria for cash flow hedge accounting, or the hedge designation is revoked, then hedge accounting is discontinued prospectively. If the hedged cash flows are no longer expected to occur, then the Group immediately reclassifies the cumulative amount in the hedging reserve from OCI to the statement of profit or loss.

Investment in Subsidiaries and Associates

Investment in subsidiaries and associates are recognized and carried at cost. Where the carrying amount of an investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is transferred to the Statement of Profit and Loss. On disposal of investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Profit and Loss.

**v) Assets held for sale**

Assets are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use. Such assets are generally measured at the lower of their carrying amount and fair value less costs to sell. Losses on initial classification as held for sale and subsequent gains and losses on re-measurement are recognised in profit or loss.
Once classified as held-for-sale, assets and liabilities are no longer amortised or depreciated.

**vi) Employee Benefits**

Employee benefits include provident fund, compensated absences and gratuity. In case of Provident fund, contributions are made to the Regional Provident Fund Office.

**Defined Contribution Plans**

The Group's contribution to the Regional Provident Fund office are considered as defined contribution plans, as the Group does not carry any further obligations apart from the contributions made on a monthly basis and are charged as an expense based on the amount of contribution required to be made.

**Defined Benefit Plans**

The Group contributes to Defined Benefit Plans comprising of Gratuity and Compensated absences.

Gratuity: The Group provides for gratuity, a defined benefit plan (the "Gratuity Plan") in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

The Group has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each reporting period using projected unit credit method on the additional amount expected to be paid / availed as a result of the unused entitlement that has accumulated at the reporting period. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

**Employee Share-based payments**

The Ultimate Holding company has issued stock options to certain employees of the Group. These transactions are recognised as equity-settled share based payment transactions. The stock compensation expense is determined based on fair value of options and the holding company's estimate of options that will eventually vest and is recognised over the vesting period in the statement of profit and loss and is payable to the Holding Company.

## Notes to the Consolidated Financial Statements *(Continued)*

*for the year ended March 31, 2024*

(Currency : Rs in lakhs)

### vii) Provisions, Contingent Liabilities and Commitments

Provisions are recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

Commitments are future liabilities for contractual expenditure. The commitments are classified and disclosed as follows:

i. The estimated amount of contracts remaining to be executed on capital account and not provided for; and

ii. Other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of the Management.

### viii) Revenue recognition

**Interest income**

Interest income from a financial asset (including Lease rental discounting assets) is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Delayed payment interest (penal interest and the like) levied on customers for delay in repayments/ non payment of contractual cashflows is recognised on realisation.

**Fees and commission income**

Fee based income are recognised when they become measurable and when it is probable to expect their ultimate collection. Loan processing fees income is accounted for on effective interest basis except for processing fees income collected from the customers which approximates to the corresponding file cost incurred. Arranger fees income is accounted for on accrual basis.

**Dividend Income**

Dividend income from investments is recognised when the Group's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of dividend income can be measured reliably).

The gain / loss on account of redemption of units of mutual funds is recognised in the period in which redemption occurs.

**Net gain/(loss) on fair value changes**

The Company designates certain financial instruments for subsequent measurement at fair value through profit or loss (FVTPL) or fair value through other comprehensive income (FVOCI) as per the criteria in Ind AS 109. The Company recognises gains/(losses) on fair value change of financial instruments and realised gains/(losses) on derecognition of financial instruments measured at FVTPL and FVOCI on net basis.

**Sale of Services**

In contracts involving the rendering of services/development contracts, revenue is recognised at the point in time in which services are rendered. In case of fixed price contracts, the customer pays a fixed amount based on the payment schedule. If the services rendered by the Company exceed the payment, a Contract asset (Unbilled Revenue) is recognised. If the payments exceeds the services rendered, a contract liability (Deferred Revenue) is recognised. If the contracts involve time-based billing, revenue is recognised in the amount to which the Company has a right to invoice.

### ix) Foreign Currency Transactions

In preparing the financial statement, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

### x) Exceptional Items

When items of income and expense within profit or loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the enterprise for the period, the nature and amount of such items is disclosed separately as exceptional

## Notes to the Consolidated Financial Statements *(Continued)*

*for the year ended March 31, 2024*

(Currency : Rs in lakhs)

**xi) Leases**

The Group recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment.

The Group measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using incremental borrowing rate. Interest expense on the lease liability is a component of other borrowing cost. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Group is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The Group recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognises any remaining amount of the re-measurement in statement of profit and loss.

The Group has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

**xii) Taxes on Income**

Tax expense for the year, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the year. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting year.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

While determining the tax provisions, the Company assesses whether each uncertain tax position is to be considered separately or together with one or more uncertain tax positions depending upon the nature and circumstances of each uncertain tax position.

**xiii) Cash and Cash Equivalents**

In the cash flow statement, Cash and cash equivalent comprises cash in hand, demand deposits and time deposits with original maturity of less than three months held with bank and debit balance in cash credit account. Credit balance in cash credit account are shown within borrowings in financial liabilities in the balance sheet.

**xiv) Finance Costs**

Borrowing costs directly attributable to acquisition or construction of qualifying assets (i.e. those fixed assets which necessarily take a substantial period of time to get ready for their intended use) are capitalised.

Borrowing costs include interest expense calculated using the EIR method. EIR includes interest, amortization of ancillary cost, incurred in connection with the borrowing of funds. Other borrowing costs are recognised as an expense in the period in which they are incurred.

**xv) Earnings per share**

Basic earnings per share

The basic earnings per share is computed by dividing the net profit attributable to the equity shareholders by weighted average number of equity shares outstanding during the reporting year.

Diluted earnings per share

Number of equity shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share and also weighted average number of equity shares which would have been issued on the conversion of all dilutive potential shares. In computing diluted earnings per share only potential equity shares that are dilutive are included.

## Notes to the Consolidated Financial Statements *(Continued)*

*for the year ended March 31, 2024*

(Currency : Rs in lakhs)

**xvi) Segment accounting**

In accordance with Ind AS 108, Segment Reporting, the Chief Executive Officer and Managing Director is the Group's chief operating decision maker ("CODM"). The Group has identified only one reportable business segment & geographical segment as it deals mainly in lending business within India.

**xvii) Securitization and direct assignment (including co-lending)**

The Group transfers loans through securitisation and direct assignment (including co-lending) transactions. The transferred loans are de-recognised and gains/losses are accounted for, only if the Group transfers substantially all risks and rewards specified in the underlying assigned loan contract.

In accordance with Ind AS 109, in case of assignment transactions with complete transfer of risks and rewards without any retention of residual interest, gain arising on such assignment transactions is recorded upfront in the Statement of Profit and Loss and the corresponding asset is derecognized from the Balance Sheet immediately upon execution of such transaction. Further, the transfer of financial assets qualifies for derecognition in its entirety, the whole of the interest spread at its present value (discounted over the life of the asset) is recognized on the date of derecognition itself as interest only strip receivable (interest strip on assignment) and correspondingly recognized as profit on derecognition of financial asset.

**xviii) Fair Valuation of financial assets and liabilities**

Certain financial assets of the Company are measured at fair value for financial reporting purposes.In estimating the fair value of an asset and liability, the Company uses market observable data to the extent it is available. When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques. In such cases, the Company usually engages third party qualified external valuer to establish the appropriate valuation techniques and inputs to the valuation model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in Note 45.

**xix) Business Combinations and Goodwill**

The acquisition method of accounting is used to account for all business combinations except under common control, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a business comprises the:

- fair values of the assets transferred;
- liabilities incurred to the former owners of the acquired business;
- equity interests issued by the Group; and
- fair value of any asset or liability resulting from a contingent consideration arrangement.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the
- consideration transferred;
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Any impairment loss for goodwill is recognised in the statement of profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised as capital reserve in other equity.
Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.
If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss or other comprehensive income, as appropriate.

**xx) Recent pronouncements on Indian Accounting Standards**

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

WALKER CHANDIOK & Co LLP CHARTERED ACCOUNTANTS MUMBAI

TR Chadha & Co. LLP Chartered Accountants MUMBAI



Piramal Capital & Housing Finance Ltd.

**Notes to the Consolidated Financial Statements *(Continued)***

*as at March 31, 2024*

(Currency : Rs in lakhs)

| | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **3 Cash and cash equivalents** | | |
| Cash on hand* | - | - |
| Balances with banks in current accounts | 195,706 | 192,802 |
| **Total** | **195,706** | 192,802 |

*Amount below 0.50 lakhs has been considered as 0.

| | | |
|---|---|---|
| **4 Bank balances other than (a) above** | | |
| Fixed deposits (with original maturity more than 3 months) | 1,668 | 1,259 |
| Earmarked balances with banks* | 97,524 | 67,834 |
| Unclaimed dividend Accounts | 60 | 98 |
| **Total** | **99,252** | 69,191 |

*(i) Deposits with banks to the extent of Rs. 97,462 lakhs (March 31, 2023 - Rs. 67,834 lakhs) held as security against the borrowings, guarantees and Government agencies.
(ii) Net of fair valuation loss of Rs. 22,978 lakhs (March 31, 2023 - Rs. 22,978 lakhs) on account of value recognised in books for cash collateral for securitised pool created at the time of amalgamation with erstwhile Dewan Housing Finance Corporation Limited ("eDHFL")

| | | |
|---|---|---|
| **5 Trade Receivables** | | |
| Unsecured, considered good | 234 | 381 |
| Credit impaired | 270 | 270 |
| Receivables from related parties | - | 70 |
| Less: Allowance for impairment loss (expected credit loss allowance) | (270) | (270) |
| **Total** | **234** | **451** |

**Ageing Schedule**

| Trade Receivables as at March 31, 2024 | Outstanding for following periods from due date of payment | | | | | |
|---|---|---|---|---|---|---|
| | Less than 6 months | 6 months -1 year | 1 year - 2 years | 2 years - 3 years | 3 years and above | Total |
| Undisputed Trade Receivables - considered good | 90 | 92 | 52 | - | - | 234 |
| Disputed Trade Receivables - credit impaired | - | - | 7 | 72 | 191 | 270 |
| **Total** | 90 | 92 | 59 | 72 | 191 | 504 |

| Trade Receivables as at March 31, 2023 | Outstanding for following periods from due date of payment | | | | | |
|---|---|---|---|---|---|---|
| | Less than 6 months | 6 months -1 year | 1 year - 2 years | 2 years - 3 years | 3 years and above | Total |
| Undisputed Trade Receivables - considered good | 380 | 71 | - | - | - | 451 |
| Disputed Trade Receivables - credit impaired | - | 7 | 72 | 191 | - | 270 |
| **Total** | 380 | 78 | 72 | 191 | - | 721 |

| | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **6 Other Receivables** | | |
| Receivables considered good - Unsecured | 5,358 | 1,179 |
| **Total** | **5,358** | **1,179** |

## Notes to the Consolidated Financial Statements *(Continued)*

*as at March 31, 2024*

(Currency : Rs in lakhs)

| | | As at March 31, 2024 | | | | As at March 31, 2023 | | | |
|---|---|---|---|---|---|---|---|---|---|
| **7** | **Loans** | **At amortised cost** | **At FVTPL** | **At FVOCI** | **Total** | **At amortised cost** | **At FVTPL** | **At FVOCI** | **Total** |
| | **Loans in India - Term Loans** | | | | | | | | |
| **A** | (a) Secured by tangible assets | 3,973,499 | 111,016 | - | 4,084,515 | 3,783,273 | 133,868 | - | 3,917,141 |
| | (b) Unsecured | 1,379,968 | - | - | 1,379,968 | 923,696 | - | - | 923,696 |
| | **Gross** | 5,353,467 | 111,016 | - | 5,464,483 | 4,706,969 | 133,868 | - | 4,840,837 |
| | Less: Allowance for impairment loss (expected credit loss allowance) | (636,892) | - | - | (636,892) | (684,355) | - | - | (684,355) |
| | **Net** | **4,716,575** | **111,016** | - | **4,827,591** | 4,022,614 | 133,868 | - | 4,156,482 |
| **B** | Considered good | | | | | | | | |
| | - to Others | 4,403,344 | 111,016 | - | 4,514,360 | 3,689,319 | 133,868 | - | 3,823,187 |
| | Less: Allowance for impairment loss (expected credit loss allowance) | (109,843) | - | - | (109,843) | (122,675) | - | - | (122,675) |
| | Significant increase in Credit Risk | 355,342 | - | - | 355,342 | 341,858 | - | - | 341,858 |
| | Less: Allowance for impairment loss (expected credit loss allowance) | (82,276) | - | - | (82,276) | (96,273) | - | - | (96,273) |
| | Credit impaired | 415,178 | - | - | 415,178 | 426,792 | - | - | 426,792 |
| | Less: Allowance for impairment loss (expected credit loss allowance) | (367,196) | - | - | (367,196) | (358,906) | - | - | (358,906) |
| | Purchased or Originated Credit Impaired Assets (POCI) | 179,603 | - | - | 179,603 | 249,000 | - | - | 249,000 |
| | Less: Allowance for impairment loss (expected credit loss allowance) | (77,577) | - | - | (77,577) | (106,501) | - | - | (106,501) |
| | | **4,716,575** | **111,016** | - | **4,827,591** | 4,022,614 | 133,868 | - | 4,156,482 |
| | Loan to Public Sectors | | | | - | | | | - |
| | Loan to Others | | | | 4,827,591 | | | | 4,156,482 |
| | **Total** | | | | **4,827,591** | | | | **4,156,482** |

**Note:** During the current and prior reporting periods, there was no change in the business model under which the Company holds financial assets and therefore no reclassifications were made due to change in business model.
During the year, the Company has sold certain loans classified under amortised cost as part of direct assignment (including co-lending) transaction basis the board approval to meet Principal business criteria and liquidity criteria as per NHB and RBI guidelines. Also, the Company has sold certain stressed portfolio classified under amortised cost for liquidity and recovery management strategy of the Company. Such sale of loans will not lead to change in business model as per the company's board approved policy and management's evaluation of business model.

As per merger scheme of DHFL (refer note 42B), retail loans are grossed up by Rs. 704,319 lakhs as on March 31, 2024 (March 31, 2023 - Rs. 773,498 lakhs). ECL provisions are grossed up by Rs. 392,131 lakhs (March 31, 2023 - Rs. 427,700 lakhs) and balance grossup is being reflected under Fair Value Adjustment on Merger under Note 22 for Rs. 312,188 lakhs as on March 31, 2024 (March 31, 2023 Rs. 345,798 lakhs).

**Collateral held:** The Company holds collateral and other credit enhancements against certain of its credit exposures. The loans are collateralised against equitable mortgage of property, pledge of shares, hypothecation of assets, corporate guarantees, hypothecation over receivables from funded project or other projects of the borrower or escrow account undertaking to create security.
Refer note 46 for details of securitisation transactions

## Notes to the Consolidated Financial Statements *(Continued)*

*as at March 31, 2024*

(Currency : Rs in lakhs)

| 8 Investments | As at March 31, 2024 | | | | | As at March 31, 2023 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | At amortised cost | At FVTPL | At FVOCI | At Cost | Total | At amortised cost | At FVTPL | At FVOCI | At Cost | Total |
| **Investments within India** | | | | | | | | | | |
| Equity Investment in Joint Venture and Associate: | | | | | | | | | | |
| DHFL Venture Trustee Company Private Limited | - | - | - | 4 | 4 | - | - | - | 4 | 4 |
| Pramerica Life Insurance Limited | - | - | - | 90,858 | 90,858 | - | - | - | 90,722 | 90,722 |
| Equity Instruments (Others than subsidiaries) | - | - | 72 | - | 72 | - | - | 67 | - | 67 |
| Preference Shares (Others than subsidiaries) | - | - | 18,994 | - | 18,994 | - | - | 17,752 | - | 17,752 |
| Project Receivables | - | 101,856 | - | - | 101,856 | - | 161,740 | - | - | 161,740 |
| Alternative Investment Funds@ | - | - | - | - | - | - | 215,642 | - | - | 215,642 |
| Venture Capital Fund | - | - | - | - | - | - | 1,399 | - | - | 1,399 |
| Security Receipts | - | 415,644 | - | - | 415,644 | - | 302,241 | - | - | 302,241 |
| Optionally Convertible Debentures | - | 23,800 | - | - | 23,800 | - | 34,000 | - | - | 34,000 |
| T-Bill | - | - | - | - | - | - | - | 9,497 | - | 9,497 |
| Redeemable Bonds | - | - | 5 | - | 5 | - | - | 50,726 | - | 50,726 |
| Government Securities/Redeemable Bonds# | 109,805 | - | - | - | 109,805 | 104,031 | - | - | - | 104,031 |
| Redeemable Non Convertible Debentures | 36,246 | 15,600 | - | - | 51,846 | 306,373 | 18,000 | - | - | 324,373 |
| Investment in Mutual Funds** | - | 5,800 | - | - | 5,800 | - | - | - | - | - |
| Pass Through certificates | 15,152 | - | - | - | 15,152 | 20,504 | - | - | - | 20,504 |
| **Gross** | 161,203 | 562,700 | 19,071 | 90,862 | 833,836 | 430,908 | 733,022 | 78,042 | 90,726 | 1,332,699 |
| Less: Allowance for impairment loss (expected credit loss allowance) | (3,108) | - | - | - | (3,108) | (36,134) | - | - | - | (36,134) |
| **Total** | **158,095** | **562,700** | **19,071** | **90,862** | **830,728** | 394,774 | 733,022 | 78,042 | 90,726 | 1,296,565 |

* During the pervious year, the Group has changed its Business model for Redeemable Bonds from "Held for collection till maturity" to "held for collection of contractual cash flows and for selling the financial assets" with effect from April 1, 2022 considering change in intention to hold such assets till maturity and liquidate basis market condition. Consequently, the Group has re-classified the same from amortised cost to FVTOCI.

** As on March 31, 2024, investment in mutual funds amounting to Rs. 3,426 Lakhs are lien marked against PTC deals.

@ During the year ended March 31, 2024, the Holding Company has made a regulatory provision of Rs. 165,768 lakhs (net of reversal of Rs. 20,524 lakhs due to subsequent realisation) in respect of its investments in Alternative Investment Funds (AIFs) pursuant to the RBI circulars dated December 19, 2023 and March 27, 2024 and the same has been disclosed under 'exceptional items'.

# Government securities of Rs. 500 lakhs (previous year Nil) is pledge for availing lending/investment under triparty repo dealing and settlement (TREPs) facilities.

## Notes to the Consolidated Financial Statements *(Continued)*

*as at March 31, 2024*

(Currency : Rs in lakhs)

| | | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| **9** | **Other financial assets** | | |
| | Interest receivable* | 18 | 16 |
| | Security deposits | 10,448 | 9,400 |
| | Interest strip asset on assignment | 29,583 | 30,242 |
| | Other receivable** | 60,549 | 49,083 |
| | Less: Provision for Other Financial Assets | (6,217) | (6,100) |
| | **Total** | **94,381** | 82,641 |
| | * Lien against Bank and Government Agencies | | |
| | ** Majorly includes receivable on account of securitisation transactions | | |
| **10** | **Current tax assets (Net)** | | |
| | Advance tax & tax deducted at source (net of Provision of Rs. 38,051 Lakhs (March 31, 2023 Rs. 37,932 Lakhs) | 54,048 | 73,841 |
| | **Total** | **54,048** | 73,841 |

## Notes to the Consolidated Financial Statements *(Continued)*

*as at March 31, 2024*

(Currency : Rs in lakhs)

| | | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| 11 | **Deferred tax liabilities/assets (net)** | | |
| | Deferred tax assets | 284,818 | 175,352 |
| | Deferred tax liabilities | (30,989) | (32,214) |
| | **Total** | **253,829** | **143,138** |

| | Opening balance as at April 1, 2023 | Adjustment on account of business combination | Recognised in profit or loss | Recognised in Other Comprehensive Income | Closing balance as at March 31, 2024 |
|---|---|---|---|---|---|
| **Movement in deferred tax balances:** | | | | | |
| Property Plant & Equipment & Intangible Assets | 4,492 | - | (883) | - | 3,609 |
| Expected Credit Loss | 80,247 | - | (12,712) | - | 67,535 |
| Provisions other than those pertaining to expected credit loss | 477 | - | (477) | - | - |
| Financial Asset at FVTPL | 40,766 | - | 14,140 | - | 54,906 |
| Re-measurement of employee benefits | 2,161 | - | 194 | 140 | 2,495 |
| Adjustments pertaining to Income and expense recognition based on expected interest rate | (18,825) | - | (1,266) | - | (20,091) |
| Lease Liability / ROU | 534 | - | 592 | - | 1,126 |
| Receivable on Assigned loans | (7,612) | - | 229 | - | (7,383) |
| Transaction Cost | 1,208 | - | 86 | - | 1,294 |
| Business loss | 42,536 | - | 64,761 | - | 107,297 |
| Hedge Effectiveness | (128) | - | - | 73 | (55) |
| Instruments measured through OCI | (1,832) | - | - | (743) | (2,575) |
| Diminution of investment in DAIPL | (885) | - | - | - | (885) |
| Security Receipts | - | - | 4,832 | - | 4,832 |
| Regulatory Provision on investments in AIFs | - | - | 41,724 | - | 41,724 |
| | 143,138 | - | 111,221 | (530) | 253,829 |

| | Opening balance as at April 1, 2022 | Adjustment on account of business combination | Recognised in profit or loss | Recognised in Other Comprehensive Income | Closing balance as at March 31, 2023 |
|---|---|---|---|---|---|
| **Movement in deferred tax balances:** | | | | | |
| Property Plant & Equipment | (4,188) | 399 | 11,221 | (7) | 7,424 |
| Intangible Assets - Other than Goodwill | (307) | - | (2,625) | - | (2,932) |
| Intangible Assets - Goodwill | (258,164) | - | 258,164 | - | - |
| Capital Gain Tax on balance of Unclaimed Goodwill | 115,026 | - | (115,026) | - | - |
| Expected Credit Loss | 61,710 | - | 18,537 | - | 80,247 |
| Provisions other than those pertaining to expected credit loss | 884 | - | (406) | - | 477 |
| Financial Asset at FVTPL | 17,828 | - | 22,938 | - | 40,766 |
| Re-measurement of employee benefits | 836 | 26 | 1,329 | (31) | 2,161 |
| Adjustments pertaining to Income and expense | (1,278) | - | (17,547) | - | (18,825) |
| Lease Liability / ROU | 563 | - | (29) | - | 534 |
| Receivable on Assigned loans | 3,261 | - | (10,873) | - | (7,612) |
| Transaction Cost | 2,874 | - | (1,666) | - | 1,208 |
| Business loss | - | - | 42,536 | - | 42,536 |
| Hedge Effectiveness | 210 | - | - | (338) | (128) |
| Instruments measured through OCI | - | - | - | (1,832) | (1,832) |
| Diminution of investment in DAIPL | (885) | - | - | - | (885) |
| | (61,631) | 425 | 206,553 | (2,207) | 143,138 |

As on March 31, 2024, based on the assessment of availability of future taxable profits against which these unadjusted tax losses and tax credits can be utilised within the time period allowed under Income Tax Act, 1961, the Company has recognised Deferred Tax Assets of Rs. 107,297 lakhs on such unadjusted tax losses.

| | | | |
|---|---|---|---|
| 12 | **Other non-financial assets** | | |
| | Capital advance | 1,605 | 966 |
| | Goods and service tax credit receivable | 33,196 | 30,010 |
| | Prepaid expenses | 2,170 | 1,733 |
| | Advance for expenses | 3,298 | 3,847 |
| | Others | 1,073 | 874 |
| | Gratuity Funded Assets (refer Note 43) | - | 227 |
| | Advance processing fees paid | 13,538 | 14,294 |
| | Less: Provision for doubtful advances | (13,399) | (13,399) |
| | **Total** | 41,481 | 38,552 |

(Currency : Rs in lakhs)

## 13 Property, plant and equipment, Intangible Assets and Intangibles under development

| Particulars | Gross Block | | | | | Depreciation / Amortisation | | | | | Net Block |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Opening As at April 1, 2023 | Acquisition through business combination (net) (Refer Note 42C) | Additions during the year | Deduction/ write offs/ impairment | As at March 31, 2024 (A) | Opening As at April 1, 2023 | Acquisition through business combination (net) (Refer Note 42C) | Charge for the year | Deduction/ write offs/ impairment | As at March 31, 2024 (B) | As at March 31, 2024 (A-B) |
| **Tangible Assets** | | | | | | | | | | | |
| Land & Building | 25,127 | - | - | 3,164 | 21,963 | 825 | - | 458 | 136 | 1,147 | 20,816 |
| Office Equipment | 2,907 | - | 6,156 | 54 | 9,009 | 914 | - | 1,373 | 43 | 2,244 | 6,765 |
| Computer | 5,641 | - | 336 | 281 | 5,696 | 2,043 | - | 1,738 | 272 | 3,509 | 2,187 |
| Computer Server | 371 | - | 275 | 33 | 613 | 301 | - | 41 | 27 | 315 | 298 |
| Furniture | 1,162 | - | 3,185 | 8 | 4,339 | 228 | - | 732 | 3 | 957 | 3,382 |
| Motor Car | 309 | - | 55 | - | 364 | 159 | - | 44 | - | 203 | 161 |
| Leasehold Improvements | 3,205 | - | 4,838 | 508 | 7,535 | 1,943 | - | 890 | 507 | 2,325 | 5,210 |
| Plant and machinery | 5 | - | - | - | 5 | 3 | - | 1 | - | 4 | 1 |
| **Total (I)** | 38,727 | - | 14,845 | 4,048 | 49,524 | 6,416 | | 5,277 | 988 | 10,704 | 38,820 |
| **Intangible Asset** | | | | | | | | | | | |
| Goodwill on amalgamation/Consolidation **(II)** | 200 | - | - | - | 200 | - | - | - | - | - | 200 |
| **Other Intangible Asset** | | | | | | | | | | | |
| Computer software | 7,980 | - | 238 | - | 8,218 | 2,543 | - | 1,364 | - | 3,907 | 4,310 |
| Self generated software | 6,242 | - | 10,086 | - | 16,328 | 30 | - | 1,751 | - | 1,781 | 14,547 |
| **Total (III)** | 14,222 | - | 10,324 | - | 24,546 | 2,573 | - | 3,115 | - | 5,688 | 18,857 |
| Right to Use Assets - Premises | 27,186 | - | 14,326 | 9,479 | 32,033 | 7,198 | - | 5,158 | 3,212 | 9,144 | 22,889 |
| **Total (IV)** | 27,186 | - | 14,326 | 9,479 | 32,033 | 7,198 | - | 5,158 | 3,212 | 9,144 | 22,889 |
| **Intangibles under development (V)** | 353 | - | 10,978 | 10,324 | 1,007 | - | - | - | - | - | 1,007 |
| **Grand Total (I+II+III+IV+V)** | 80,688 | - | 50,473 | 23,851 | 107,309 | 16,187 | - | 13,551 | 4,200 | 25,536 | 81,772 |

Certain property, plants and equipments are placed as collateral against borrowings, the details related to which have been described in note 15 to 18.

**Amount in Intangible assets under development as at March 31, 2024**

| CWIP | Less then 1 year | 1 year - 2 years | 2 years -3 years | 3 years and above | Total |
|---|---|---|---|---|---|
| Projects in progress | 792 | 215 | - | - | 1,007 |
| Project temporarily suspended | - | - | - | - | - |

**Amount in Intangible assets under development to be completed in**

| CWIP | Less then 1 year | 1 year - 2 years | 2 years -3 years | 3 years and above | Total |
|---|---|---|---|---|---|
| Projects in progress | 1,007 | - | - | - | 1,007 |
| Project temporarily suspended | - | - | - | - | - |

There have been no project overruns exceeding the original planned expenditure

Title Deeds of all the immovable properties are in the name of the Holding Company except certain properties which were transferred on account of business combination and are in the name of erstwhile Dewan Housing Finance Corporation Limited

**Notes to the Consolidated Financial Statements *(Continued)***

*as at March 31, 2024*

(Currency : Rs in lakhs)

## 13 Property, plant and equipment, Intangible Assets and Intangibles under development

| Particulars | Gross Block | | | | | Depreciation / Amortisation | | | | | Net Block |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Opening As at April 1, 2022 | Acquisition through business combination (net) (Refer Note 42C) | Additions during the year | Deduction/ write offs/ impairment | As at March 31, 2023 (A) | Opening As at April 1, 2022 | Acquisition through business combination (net) (Refer Note 42C) | Charge for the year | Deduction/ write offs/ impairment | As at March 31, 2023 (B) | As at March 31, 2023 (A-B) |
| **Tangible Assets** | | | | | | | | | | | |
| Land & Building | 36,668 | - | - | 11,541 | 25,127 | 439 | - | 723 | 338 | 825 | 24,302 |
| Office Equipment | 720 | 121 | 2,127 | 61 | 2,907 | 489 | 116 | 363 | 53 | 914 | 1,992 |
| Computer | 1,532 | 28 | 4,089 | 7 | 5,641 | 864 | 28 | 1,158 | 6 | 2,043 | 3,598 |
| Computer Server | 371 | - | - | - | 371 | 241 | - | 59 | - | 301 | 71 |
| Furniture | 305 | 1 | 929 | 73 | 1,162 | 130 | 1 | 136 | 39 | 228 | 934 |
| Motor Car | 288 | 20 | 50 | 49 | 309 | 104 | 19 | 36 | - | 159 | 150 |
| Leasehold Improvements | 2,854 | - | 1,121 | 770 | 3,205 | 1,952 | - | 543 | 552 | 1,943 | 1,263 |
| Plant and machinery | - | 5 | - | - | 5 | - | 3 | - | - | 3 | 2 |
| **Total (I)** | 42,738 | 174 | 8,316 | 12,500 | 38,727 | 4,219 | 166 | 3,019 | 988 | 6,416 | 32,312 |
| **Intangible Asset** | | | | | | | | | | | |
| Goodwill on amalgamation//Consolidation * **(II)** | 1,025,681 | - | 200 | 1,025,681 | 200 | - | - | - | - | - | 200 |
| **Other Intangible Asset** | | | | | | | | | | | |
| Computer software | 6,962 | 5 | 1,014 | 1 | 7,980 | 1,283 | 5 | 1,255 | 1 | 2,543 | 5,436 |
| Self generated software | - | - | 6,242 | - | 6,242 | - | - | 30 | - | 30 | 6,212 |
| **Total (III)** | 6,962 | 5 | 7,256 | 1 | 14,222 | 1,283 | 5 | 1,285 | 1 | 2,573 | 11,648 |
| Right to Use Assets (IV) | 17,983 | - | 13,064 | 3,861 | 27,186 | 5,812 | - | 4,864 | 3,478 | 7,198 | 19,988 |
| **Intangibles under development (V)** | 1,217 | - | 6,392 | 7,256 | 353 | - | - | - | - | - | 353 |
| **Grand Total (I+II+III+IV+V)** | 1,094,580 | 179 | 35,228 | 1,049,299 | 80,488 | 11,314 | 171 | 9,169 | 4,467 | 16,187 | 64,501 |

* Refer note 53 on impairment of goodwill

**Amount in Intangible assets under development as at March 31, 2023**

| CWIP | Less then 1 year | 1 year - 2 years | 2 years -3 years | 3 years and above | Total |
|---|---|---|---|---|---|
| Projects in progress | 345 | 8 | - | - | 353 |
| Project temporarily suspended | - | - | - | - | - |

**Amount in Intangible assets under development to be completed in**

| CWIP | Less then 1 year | 1 year - 2 years | 2 years -3 years | 3 years and above | Total |
|---|---|---|---|---|---|
| Projects in progress | 353 | - | - | - | 353 |
| Project temporarily suspended | - | - | - | - | - |

## 13 Investment property & Investment property under construction

(i)

| Particulars | Gross Block | | | | | Depreciation / Amortisation | | | | | Net Block |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Opening As at April 1, 2023 | Acquisition | Additions during the year | Deduction/ write offs | As at March 31, 2024 (A) | Opening As at April 1, 2023 | Acquisition | Charge for the year | Deduction/ write offs | As at March 31, 2024 (B) | As at March 31, 2024 (A-B) |
| **Tangible Assets** | | | | | | | | | | | |
| Building | 81,838 | - | - | - | 81,838 | 6,397 | - | 1,381 | - | 7,778 | 74,060 |
| Land | 17,927 | - | - | - | 17,927 | - | - | - | - | - | 17,927 |
| Furniture and fixtures | 741 | - | 18 | - | 759 | 311 | - | 75 | - | 386 | 373 |
| Plant and machinery | 3,416 | - | 2 | - | 3,418 | 1,218 | - | 236 | - | 1,454 | 1,964 |
| **Total (I)** | 103,922 | - | 20 | - | 103,942 | 7,926 | - | 1,692 | - | 9,618 | 94,324 |
| **Investment property under construction** | | | | | | | | | | | |
| Investment property under construction | 1,499 | - | 215 | - | 1,714 | - | - | - | - | - | 1,714 |
| **Total (II)** | 1,499 | - | 215 | - | 1,714 | - | - | - | - | - | 1,714 |
| **Grand Total (I+II)** | 105,421 | - | 235 | - | 105,656 | 7,926 | - | 1,692 | - | 9,618 | 96,038 |

**Amount in Investment property under constructions at March 31, 2024**

| Investment property under construction | Less then 1 year | 1 year - 2 years | 2 years -3 years | 3 years and above | Total |
|---|---|---|---|---|---|
| Projects in progress | 214 | 1,433 | 2 | 65 | 1,714 |
| Project temporarily suspended | - | - | - | - | - |

**Amount in Investment property under construction to be completed in**

| Investment property under construction | Less then 1 year | 1 year - 2 years | 2 years -3 years | 3 years and above | Total |
|---|---|---|---|---|---|
| Projects in progress | - | - | - | 1,714 | 1,714 |
| Project temporarily suspended | - | - | - | - | - |

Note The Company has created charge on certain assets in favour of Lenders (Refer Note 16)

| Particulars | Gross Block | | | | | Depreciation / Amortisation | | | | | Net Block |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Opening As at April 1, 2022 | Acquisition | Additions during the year | Deduction/ write offs | As at March 31, 2023 (A) | Opening As at April 1, 2022 | Acquisition | Charge for the year | Deduction/ write offs | As at March 31, 2023 (B) | As at March 31, 2023 (A-B) |
| **Tangible Assets** | | | | | | | | | | | |
| Building | - | 81,838 | - | - | 81,838 | - | 5,945 | 453 | - | 6,397 | 75,440 |
| Land | - | 17,927 | - | - | 17,927 | - | - | - | - | - | 17,927 |
| Furniture and fixtures | - | 741 | - | - | 741 | - | 286 | 25 | - | 311 | 430 |
| Plant and machinery | - | 3,416 | - | - | 3,416 | - | 1,139 | 79 | - | 1,218 | 2,198 |
| **Total (I)** | - | 103,922 | - | - | 103,922 | - | 7,370 | 556 | - | 7,926 | 95,996 |
| **Investment property under construction** | | | | | | | | | | | |
| Investment property under construction | - | 1,499 | - | - | 1,499 | - | - | - | - | - | 1,499 |
| **Total (II)** | - | 1,499 | - | - | 1,499 | - | - | - | - | - | 1,499 |
| **Grand Total (I+II)** | - | 105,421 | - | - | 105,421 | - | 7,370 | 556 | - | 7,926 | 97,495 |

**Amount in Investment property under constructions at March 31, 2023**

| Investment property under construction | Less then 1 year | 1 year - 2 years | 2 years -3 years | 3 years and above | Total |
|---|---|---|---|---|---|
| Projects in progress | 1,433 | 2 | - | 65 | 1,499 |
| Project temporarily suspended | - | - | - | - | - |

**Amount in Investment property under construction to be completed in**

| Investment property under construction | Less then 1 year | 1 year - 2 years | 2 years -3 years | 3 years and above | Total |
|---|---|---|---|---|---|
| Projects in progress | - | - | - | 1,499 | 1,499 |
| Project temporarily suspended | - | - | - | - | - |

(ii) **Amount Recognised in statement of profit and loss for investment properties:**

| | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|
| Rental income derived from investment properties | 6,412 | 2,277 |
| Direct operating expenses (including repairs and maintenance) generating rental income | 1,978 | 1,730 |
| Profit arising from investment properties before depreciation and indirect expenses | 4,435 | 546 |
| Less Depreciation | (1,548) | (514) |
| **Profit from leasing of investment properties** | **2,887** | **32** |

## 13 Investment property & Investment property under construction (Continue)

The Group's investment property and investment property under construction consists of commercial property situated at Kurla, Mumbai. As on March 31, 2024 the fair value of investment property is Rs. 99,860 lakhs (March 31, 2023 Rs 98,051 lakhs). The valuation is performed by an accredited registered independent valuer in accordance with the framework specified under Ind AS .

**Description of hierarchy, valuation technique used and key inputs to valuation are as below:**

| | Valuation Technique | Significant unobservable inputs | March 31, 2024 |
|---|---|---|---|
| Commercial property for lease | Discounted Cash Flow and Residual Method (M22); Capitalisation rate method (M21) | Rent growth p.a. | 4.77% p.a. |
| | | Capitalisation rate | 8% p.a. |
| | | Occupancy rate | 97.50% |
| Wing -D Investment property under construction | Residual Method | Gross Turnover from the Project - Outgoings of the project | |

| | Valuation Technique | Significant unobservable inputs | March 31, 2023 |
|---|---|---|---|
| Wing A- Land | Discounted Cash Flow and Residual Method (M22); Capitalisation rate method (M21) | Rent growth p.a. | 5.12% p.a. |
| | | Capitalisation rate | 8% p.a. |
| | | Occupancy rate | 95.00% |
| Wing D- Land | Market Survey Method | Based on the land (38,000 sq. m.) sold to Lodha group @ Rs. 120 Crores | |
| Wing D- Building | Depreciated Replacement Cost method | Based on the book value of building as on March 31, 2019 | |

Under the valuation technique as mentioned above, fair value is estimated using assumptions regarding the benefits and liabilities of ownership over the asset's life including an exit or terminal value. This method involves the projection of a series of cash flows on a real property interest.

The duration of the cash flows and the specific timing of inflows and outflows are determined by events such as rent reviews, lease renewal and related re-letting, redevelopment, or refurbishment. The appropriate duration is typically driven by market behaviour that is a characteristic of the class of real property. Periodic cash flow is typically estimated as gross income less vacancy, non-recoverable expenses, collection losses, lease incentives, maintenance cost, agent and commission costs and other operating and management expenses. The series of periodic net operating income, along with an estimate of the terminal value anticipated at the end of the projection period, is then discounted.

Significant increases/ (decreases) in estimated rental value and rent growth per annum in isolation would result in a significantly higher/ (lower) fair value of the properties. Significant increases/ (decreases) in occupancy rate and discount rate/capitalisation rate in isolation would result in a significantly lower (higher) fair value.

**Lease income**

The Group's investment property consist of one commercial property in Kurla, Mumbai. The management has determined that the investment property consist of - Piramal Agastya Corporate Park (Phase 1) based on the nature, characteristics and risks of property.

| Particulars | March 31, 2024 | March 31, 2023 |
|---|---|---|
| Not later than one year | 2,847 | 5,100 |
| Later than one year and not later than five years | 12,800 | 10,633 |
| Later than five years | - | - |
| Lease income recognised during the year in statement of profit and loss | 6,412 | 5,346 |



Confidential

**Notes to the Consolidated Financial Statements *(Continued)***
*as at March 31, 2024*

(Currency : Rs in lakhs)

| | | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| **14** | **Trade payables** | | |
| (i) | Total outstanding dues of micro enterprises and small enterprises (Refer Note 39) | 2,980 | 277 |
| | **Total** | **2,980** | **277** |
| (ii)(a) | Total outstanding dues of creditors other than micro enterprises and small enterprises | 30,365 | 28,513 |
| (ii)(b) | Trade payables to related parties (refer note 43) | 2,256 | 544 |
| | **Total** | **32,621** | **29,057** |

**Note :**

**Trade payables ageing as at March 31, 2024**

| Particulars | Unbilled Amount | Outstanding for following periods from due date of payment | | | | Total |
|---|---|---|---|---|---|---|
| | | Less than 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | |
| MSME | 2,598 | 339 | 43 | - | - | 2,980 |
| Others | 25,953 | 6,029 | 415 | 2 | 222 | 32,621 |
| Disputed dues -MSME | - | - | - | - | - | - |
| Disputed dues - Others | - | - | - | - | - | - |
| **Total** | **28,551** | **6,368** | **458** | **2** | **222** | **35,601** |

**Trade payables ageing as at March 31, 2023**

| Particulars | Unbilled Amount | Outstanding for following periods from due date of payment | | | | Total |
|---|---|---|---|---|---|---|
| | | Less than 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | |
| MSME | 13 | 256 | 8 | - | - | 277 |
| Others | 26,133 | 2,635 | 42 | 66 | 181 | 29,057 |
| Disputed dues -MSME | - | - | - | - | - | - |
| Disputed dues - Others | - | - | - | - | - | - |
| **Total** | **26,146** | **2,891** | **50** | **66** | **181** | **29,334** |

## Notes to the Consolidated Financial Statements *(Continued)*

*as at March 31, 2024*

(Currency : Rs in lakhs)

| | | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| **15** | **Debt Securities** | | |
| | **Debt securities in India** | | |
| | **Measured at amortised cost** | | |
| | Redeemable Non Convertible Debentures (secured) | 2,579,213 | 2,552,399 |
| | Commercial Paper (unsecured) | 292,253 | 143,769 |
| | **Total** | **2,871,466** | **2,696,168** |
| **16** | **Borrowings (Other than Debt Securities)** | | |
| | **Borrowings in India, unless otherwise specified** | | |
| | **Measured at amortised cost** | | |
| | Term Loans (secured) | | |
| | -From banks | 1,173,967 | 1,059,263 |
| | -From Others | 69,913 | 74,632 |
| | -FCNR Loan (from outside India) | 31,973 | 62,951 |
| | Securitised Borrowings (Secured) | 348,940 | 109,157 |
| | **Working capital demand loan/short term borrowings (secured)** | | |
| | -From banks | 14,039 | - |
| | -From others | - | 76,845 |
| | **Total** | **1,638,832** | **1,382,848** |
| **17** | **Deposits** | | |
| | **Deposits in India** | | |
| | **Measured at amortised cost** | | |
| | Intercorporate deposit from related party (Unsecured) (Refer note 43) | 45,000 | 31,552 |
| | **Total** | **45,000** | **31,552** |
| **18** | **Subordinated Liabilities** | | |
| | **Subordinated Liabilities in India** | | |
| | **Measured at amortised cost** | | |
| | Redeemable Non Convertible Debentures (unsecured) | 12,723 | 12,688 |
| | **Total** | **12,723** | **12,688** |

WALKER CHANDIOK & Co LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

TR Chadha & Co. LLP ★ MUMBAI ★ Chartered Accountants

Piramal Capital & Housing Finance Ltd.

## Notes to the Consolidated Financial Statements (Continued)

*as at March 31, 2024*

(Currency : Rs in lakhs)

### 15 Debt Securities

**A. Redeemable Non Convertible Debentures (secured)**

| Particulars | Nature of Security | Terms of repayment | Principal Outstanding as at March 31, 2024 | Principal Outstanding as at March 31, 2023 | Maturity Due Date | First Instalment payment date |
|---|---|---|---|---|---|---|
| Nil (Previous Year 1,666) (payable annually) 8.50% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property | The NCD's are repayable in 3 equal tranches starting from July 30, 2021 | - | 16,660 | July 31, 2023 | July 31, 2021 |
| 18,48,28,062 (At the time of Issue - 19,53,25,290) (payable semi annually) 6.75% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value 875 (Previous Year Rs 925) | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage Property | The NCD's are repayable at 2.5% semi-annually for first 5 years and at 7.5% semi-annually for the next 5 years from the date of allotment | 1,617,246 | 1,709,660 | September 26, 2031 | March 28, 2022 |
| Nil(Previous Year 1700)(payable on maturity) 8.25% Secured, Rated, Listed, Redeemable Principal Protected Market Linked Non-Convertible Debentures (NCD's) each of a face value Rs 10,00,000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property | The NCD's are repayable after 24 months from the date of allotment | - | 17,000 | April 14, 2023 | NA |
| Nil(Previous Year 2,500)(payable annually) 8.75% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property | The NCD's are repayable after 3 years from the date of allotment | - | 25,000 | May 12, 2023 | NA |
| Nil(Previous Year 3,250) (payable annually) 8.75% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property | The NCD's are repayable after 35 months from the date of allotment | - | 32,500 | May 31, 2023 | NA |
| Nil(Previous Year 4,95,486) (payable on maturity) 8.35% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1,000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage Property | The NCD's are repayable after 26 months from the date of allotment | - | 4,955 | September 23, 2023 | NA |
| Nil(Previous Year 52,480) (payable annually) 8.10% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1,000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage Property | The NCD's are repayable after 26 months from the date of allotment | - | 525 | September 23, 2023 | NA |
| Nil(Previous Year 34,66,413)(payable annually) 8.35% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1,000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage Property | The NCD's are repayable after 26 months from the date of allotment | - | 34,664 | September 23, 2023 | NA |
| Nil(Previous Year 12,300) (payable on maturity) 8.10% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1,000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage Property | The NCD's are repayable after 26 months from the date of allotment | - | 123 | September 23, 2023 | NA |
| Nil(Previous Year 250) (payable annually) 9.75% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property | The NCDs are repayable after 1826 days from the date of allotment | - | 2,500 | November 2, 2023 | NA |
| 1800 (Previous Year 1800) (payable semi annually) 10% Secured, Rated, Unlisted, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 5,00,000 (Previous Year - 10,00,000) | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property | 50% of NCDs are repayable after 53 months from the date of allotment & balance after 65 months from the date of allotment. | 9,000 | 18,000 | November 8, 2024 | November 8, 2023 |
| Nil(Previous Year 50) (payable annually) 8.95% Secured Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each having face value of Rs. 10,00,000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property | The NCD's are repayable after 2555 days from the date of allotment. | - | 500 | March 8, 2024 | NA |
| 250 (payable annually) 8.75% Secured, Rated, Listed , Redeemable Non Convertible Debentures (NCD's) each having a face value of Rs. 10,00,000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property | The NCD's are repayable after 2556 days from the date of allotment | 2,500 | 2,500 | May 3, 2024 | NA |
| 50,000 (payable quarterly) 8.95% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1,00,000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property | The NCD's are repayable after [illegible] days from the date of allotment | 50,000 | - | May 17, 2024 | [illegible] |

## Notes to the Consolidated Financial Statements (Continued)

*as at March 31, 2024*

(Currency : Rs in lakhs)

### 15 Debt Securities (Continued)

**A. Redeemable Non Convertible Debentures**

| Particulars | Nature of Security | Terms of repayment | Principal Outstanding as at March 31, 2024 | Principal Outstanding as at March 31, 2023 | Maturity Due Date | First Instalment payment date |
|---|---|---|---|---|---|---|
| 13,770 (payable annually) 8.25% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1,000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage Property | The NCD's are repayable after 1096 days from the date of allotment | 138 | 138 | July 23, 2024 | NA |
| 15,42,637 (payable annually) 8.50% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1,000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage Property | The NCD's are repayable after 1096 days from the date of allotment | 15,426 | 15,426 | July 23, 2024 | NA |
| 60,000 (payable annually & maturiy) 8.80% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1,00,000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage Property | The NCD's are repayable after 536 days from the date of allotment | 60,000 | - | December 30, 2024 | NA |
| 80,000 (payable quarterly & maturiy) 8.91% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1,00,000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage Property | The NCD's are repayable after 457 days (600 crs) & 388 days (200 crs) from the date of allotment | 80,000 | - | February 21, 2025 | NA |
| 50,000 (payable quarterly & maturiy) 9.22% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1,00,000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage Property | The NCD's are repayable after 379 days from the date of allotment | 50,000 | - | February 26, 2025 | NA |
| 10,000 (payable quarterly & at maturiy) 9.08% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1,00,000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage Property | The NCD's are repayable after 394 days from the date of allotment | 10,000 | - | April 4, 2025 | NA |
| 20,000 (payable annually) 9.25% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property | The NCD's are repayable in 4 equal instalments starting from 12 June 2025 | 200,000 | 200,000 | March 12, 2026 | June 12, 2025 |
| 20,500 (payable annually) 9.25% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property | The NCD's are repayable in 4 equal instalments starting from 19 June 2025 | 205,000 | 205,000 | March 19, 2026 | June 19, 2025 |
| 5,000 (payable monthly) 7.96% Secured, Rated , Listed, Redeemable Non Convertible Debentures (NCD's) each having a face value of Rs 10,00,000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property | The NCDs are redeemable at par in three instalments : 8th year-167 crore; 9th year-167crore; 10th year-166 crore | 50,000 | 50,000 | September 20, 2027 | September 19, 2025 |
| 350 (payable annually) 9.25% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property | The NCDs are repayable after 2555 days from the date of allotment | 3,500 | 3,500 | October 3, 2025 | NA |
| 10,000 (payable annually) 8.75% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1,00,000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage Property | The NCD's are repayable after 1130 days from the date of allotment | 10,000 | - | May 25, 2026 | NA |
| 1,07,455 (payable annually) 8.50% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1,000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage Property | The NCD's are repayable after 1826 days from the date of allotment | 1,075 | 1,075 | July 23, 2026 | NA |
| 8,08,680 (payable annually) 8.75% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1,000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage Property | The NCD's are repayable after 1826 days from the date of allotment | 8,087 | 8,087 | July 23, 2026 | NA |
| 5,000 (payable annually) 9.27% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property | The NCDs are redeemable at par in three instalments : 8th year-167 crore; 9th year-167crore; 10th year-166 crore | 50,000 | 50,000 | December 19, 2028 | December 18, 2026 |

## Notes to the Consolidated Financial Statements (Continued)

*as at March 31, 2024*

(Currency : Rs in lakhs)

### 15 Debt Securities (Continued)

**A. Redeemable Non Convertible Debentures (Continued)**

| Particulars | Nature of Security | Terms of repayment | Principal Outstanding as at March 31, 2024 | Principal Outstanding as at March 31, 2023 | Maturity Due Date | First Instalment payment date |
|---|---|---|---|---|---|---|
| 15,000 (payable annually) 9.51% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property | The NCD's are repayable in 3 equal instalment of Rs 50000 lakhs each payable after 8th year, 9th year, 10th year from the date of allotment | 150,000 | 150,000 | March 9, 2029 | March 11, 2027 |
| 500 (payable annually) 9.32% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property | The NCD's are repayable after 3650 days from the date of allotment | 5,000 | 5,000 | November 1, 2030 | NA |
| 250 (payable annually) 9.00% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property | The NCD's are repayable after 3650 days from the date of allotment | 2,500 | 2,500 | March 28, 2031 | NA |
| 200 (payable annually) 8.85% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property | The NCD's are repayable after 3650 days from the date of allotment | 2,000 | 2,000 | June 27, 2031 | NA |
| 1,150 (payable annually) 8.75% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1,000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage Property | The NCD's are repayable after 3652 days from the date of allotment | 12 | 12 | July 23, 2031 | NA |
| 15,40,084 (payable annually) 9.00% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1,000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage Property | The NCD's are repayable after 3652 days from the date of allotment | 15,401 | 15,401 | July 23, 2031 | NA |

The contractual rate of interest for the above loans are in the range of 6.75% to 10% per annum

**B Commercial Paper:**

| Particulars | Terms of Repayment | Principal Outstanding as at March 31, 2024 | Principal Outstanding as at March 31, 2023 | Maturity Due Date |
|---|---|---|---|---|
| Commercial Paper | Repayable within 365 days from date of disbursement | 297,500 | 148,500 | Various |

The effective costs for the above loans are in the range of 8.45% to 9.25 % per annum

### 16 Borrowings (Other than Debt Securities)

**A. 1 Rupee Term Loan from Banks**

| Nature of Security | Terms of repayment | Principal Outstanding as at March 31, 2024 | Principal Outstanding as at March 31, 2023 | Maturity Due Date | First Instalment payment date |
|---|---|---|---|---|---|
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in nineteen quarterly instalments commencing after a moratorium period of 3 months from the date of drawdown | - | 228 | May 28, 2023 | August 31, 2018 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayment of principal in 16 equal quarterly instalment after moratorium period of three year from drawdown date | 37,968 | 54,844 | May 17, 2026 | June 17, 2019 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayment of principle in 16 quarterly instalment of Rs. 623 lakhs after moratorium period of 3 months from the date of 1st drawdown | - | 2,500 | September 27, 2023 | June 27, 2019 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayment of principle in 18 quarterly instalment after moratorium period of 6 months from the date of 1st drawdown | - | 44,443 | January 19, 2024 | July 31, 2019 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 18 equal quarterly instalments after the moratorium period of 6 months from the drawdown date | 6,598 | 17,717 | December 24, 2024 | June 29, 2020 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Term Loan to be repaid in 19 equal quarterly instalments starting from 1 quarter from date of first disbursement | 10,535 | 21,059 | March 31, 2025 | September 30, 2020 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Term Loan repayment in 16 equal quarterly instalments after a moratorium period of 1 year | 9,271 | 19,271 | December 26, 2024 | March 26, 2021 |

**Notes to the Consolidated Financial Statements (Continued)**
*as at March 31, 2024*

(Currency : Rs in lakhs)

**16 Borrowings (Other than Debt Securities) (Continued)**

**A. 1 Rupee Term Loan from Banks (Continued)**

| Nature of Security | Terms of repayment | Principal Outstanding as at March 31, 2024 | Principal Outstanding as at March 31, 2023 | Maturity Due Date | First Instalment payment date |
|---|---|---|---|---|---|
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Term Loan repayment in 24 equal quarterly instalments after a moratorium period of 1 year. | 24,977 | 33,317 | January 30, 2027 | March 29, 2021 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayment of Principle in 12 equal quarter instalment of Rs. 2500 lakhs after moratorium period of the 2 years from the date of drawdown | - | 9,978 | March 26, 2024 | June 30, 2021 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 20 equal quarterly instalments. | 29,738 | 44,738 | March 30, 2026 | June 30, 2021 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Term Loan repayment in 24 quarterly instalments post moratorium period of 1 year. | 72,250 | 135,250 | April 4, 2027 | July 4, 2021 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 20 equal quarterly instalments. | 25,000 | 35,000 | September 28, 2026 | December 27, 2021 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Term Loan Repayment in 16 equal quarterly instalments post moratorium period of 1 year. | 15,579 | 28,079 | April 2, 2025 | July 3, 2021 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Term Loan Repayment in 16 equal quarterly instalments post moratorium period of 1 year. | 2,186 | 3,436 | December 11, 2025 | March 11, 2022 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 60 months including moratorium period of 1 year and post that payable in 16 equal quarterly instalments. | 15,311 | 24,062 | December 28, 2025 | March 28, 2022 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 28 equal quarterly instalments. | 16,964 | 20,535 | December 29, 2028 | March 31, 2022 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 20 equal quarterly instalments after the moratorium period of 24 months from the drawdown date | 12,490 | 16,673 | March 31, 2027 | June 17, 2022 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in eighteen quarterly instalments of Rs. 800 lakhs each and last instalment of Rs. 600 lakhs after a holiday period of 3 months from date of drawdown | 8,599 | 11,800 | December 24, 2026 | June 27, 2022 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 12 equal quarterly instalments. | 3,333 | 6,667 | March 30, 2025 | June 30, 2022 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 20 equal quarterly instalments. | 11,990 | 15,999 | March 30, 2027 | June 30, 2022 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 12 equal quarterly instalments from date of drawdown | 16,667 | 30,000 | May 12, 2025 | August 13, 2022 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in ten quarterly instalments with moratorium period of 6 months from date of drawdown | 7,496 | 17,499 | November 30, 2024 | August 31, 2022 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 19 quarterly instalments with moratorium period of 3 months from date of drawdown | 4,732 | 6,316 | March 30, 2027 | September 30, 2022 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 19 quarterly instalments with moratorium period of 3 months from date of drawdown | 18,947 | 25,263 | March 30, 2027 | September 30, 2022 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 16 quarterly instalments with moratorium period of 6 months from date of drawdown | 6,245 | 8,750 | September 30, 2026 | December 31, 2022 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Term loan repayable in 20 equal quarterly instalments | 3,750 | 4,750 | October 31, 2027 | January 31, 2023 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Term loan repayable in 20 quarterly instalments from the end of the quarter of the first disbursement | 7,498 | 9,498 | October 31, 2027 | January 31, 2023 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in eight half yearly instalments after a moratorium period of 1 year from date of drawdown | 9,370 | 13,121 | August 31, 2026 | February 28, 2023 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Term loan repayable in 20 equal quarterly instalments from the end of the quarter of the first disbursement | 56,249 | 71,250 | December 19, 2027 | March 19, 2023 |

**Notes to the Consolidated Financial Statements (Continued)**
*as at March 31, 2024*

(Currency : Rs in lakhs)

**16 Borrowings (Other than Debt Securities) (Continued)**

**A. 1 Rupee Term Loan from Banks (Continued)**

| Nature of Security | Terms of repayment | Principal Outstanding as at March 31, 2024 | Principal Outstanding as at March 31, 2023 | Maturity Due Date | First Instalment payment date |
|---|---|---|---|---|---|
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | 18 equal quarterly instalments after 6M moratorium | 15,021 | 19,644 | June 30, 2027 | March 31, 2023 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Term loan repayable in quarterly instalments over a period 15 years with NIL moratorium | 4,579 | 4,916 | December 30, 2037 | March 31, 2023 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Bullet payment on maturity | - | 25,000 | May 25, 2023 | NA |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | 18 equal quarterly instalments after 6M moratorium | 20,766 | 26,700 | September 26, 2027 | June 26, 2023 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 24 quarterly instalments with moratorium period of 1 year from date of drawdown | 16,665 | 20,000 | March 29, 2029 | June 30, 2023 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | 9 equal quarterly install after 9 month moratorium | 6,666 | 10,000 | August 4, 2025 | August 4, 2023 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 12 equal quarterly instalments after 1 year moratorium | 17,250 | 23,000 | May 30, 2026 | August 31, 2023 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 12 equal quarterly instalments after 1 year moratorium | 13,125 | 17,500 | June 2, 2026 | September 2, 2023 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | 12 equal quarterly install after 1 year moratorium | 13,917 | 16,700 | July 31, 2026 | October 31, 2023 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 14 quarterly instalments with moratorium period of 18 months from date of drawdown | 42,857 | 50,000 | March 7, 2027 | December 7, 2023 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | 16 equal quarterly instalments after 12 month moratorium | 4,375 | 5,000 | September 30, 2027 | December 31, 2023 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Bullet payment on maturity | - | 30,000 | January 17, 2024 | NA |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 12 quarterly instalments with moratorium period of 1 year from date of drawdown | 25,000 | 25,000 | March 9, 2027 | June 9, 2024 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 5 equal instalment starting from 6 months from drawdown date | 20,000 | - | February 25, 2025 | February 25, 2024 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 20 equal instalments from drawdown date | 22,500 | - | September 29, 2028 | December 29, 2023 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 20 equal instalments from drawdown date | 63,749 | - | June 27, 2028 | September 27, 2023 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Bullet payment on maturity | 20,000 | - | January 8, 2025 | NA |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 12 equal instalments from drawdown date | 22,902 | - | October 31, 2026 | January 31, 2024 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 14 equal instalments from drawdown date | 9,286 | - | June 28, 2027 | March 28, 2024 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 20 equal instalments from drawdown date | 30,000 | - | March 31, 2029 | June 29, 2024 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 12 equal instalments starting from 15 months from drawdown date | 38,000 | - | March 30, 2028 | June 30, 2025 |

**Notes to the Consolidated Financial Statements (Continued)**
*as at March 31, 2024*

(Currency : Rs in lakhs)

## 16 Borrowings (Other than Debt Securities) (Continued)

**A. 1 Rupee Term Loan from Banks (Continued)**

| Nature of Security | Terms of repayment | Principal Outstanding as at March 31, 2024 | Principal Outstanding as at March 31, 2023 | Maturity Due Date | First Instalment payment date |
|---|---|---|---|---|---|
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 12 equal instalments starting from 15 months from drawdown date | 9,500 | - | March 30, 2028 | June 30, 2025 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 12 equal quarterly installments starting from 3 months from drawdown date | 8,333 | - | September 28, 2026 | December 28, 2023 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 16 quarterly instalments starting from 1 year from the drawdown date | 186,000 | - | November 30, 2028 | February 28, 2025 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 18 equal quarterly installments starting from 9 months from drawdown date | 50,000 | - | March 12, 2029 | December 12, 2024 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Bullet payment on maturity | 25,000 | - | June 6, 2024 | NA |
| Secured by pari passu charge over unsold portion of Wing A Piramal Agastya Corporate Park (Phase I) along with the land corresponding to it, located at Kurla | Repayable in 144 months from drawdown date | 62,139 | 62,139 | December 15, 2034 | NA |

The contractual rate of interest for the above loans are in the range of 7.81% to 10.50 % per annum

**A. 2 Rupee Term Loan from Others**

| Nature of Security | Terms of repayment | Principal Outstanding as at March 31, 2024 | Principal Outstanding as at March 31, 2023 | Maturity Due Date | First Instalment payment date |
|---|---|---|---|---|---|
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Term loan repayable in 120 Equated Monthly Instalments | 70,230 | 75,000 | March 1, 2033 | May 1, 2023 |

The contractual rate of interest for the above loans is 9.50% per annum

**A.3 FCNR Loan**

| Nature of Securities | Terms of repayment | Principal Outstanding as at March 31, 2024 | Principal Outstanding as at March 31, 2023 | Maturity Due Date | First Instalment payment date |
|---|---|---|---|---|---|
| First pari-passu charge on the standard assets including receivables present and future | Repayable after 53 months from drawdown date | - | 30,816 | June 14, 2023 | NA |
| First pari-passu charge on the standard assets including receivables present and future | Repayable after 65 months from drawdown date | 31,215 | 30,816 | June 14, 2024 | NA |

The rate of interest for the above loans is 9.30% per annum

**B.1 Securitised Borrowings**

| Nature of Security | Terms of repayment | Principal Outstanding as at March 31, 2024 | Principal Outstanding as at March 31, 2023 | Maturity Due Date | First Instalment payment date |
|---|---|---|---|---|---|
| Specific loan cash flows & underlying that are part of the Assignment pool | Repayable in 356 months from drawdown date | 3,357 | 4,657 | July 20, 2049 | November 20, 2019 |
| Specific loan cash flows & underlying that are part of the PTC pool | Repayable in 188 months from drawdown date | - | 2,870 | August 31, 2035 | October 11, 2019 |
| Specific loan cash flows & underlying that are part of the PTC pool | Repayable in 292 months from drawdown date | 19,613 | 25,413 | June 13, 2047 | April 13, 2023 |
| Specific loan cash flows & underlying that are part of the PTC pool | Repayable in 290 months from drawdown date | 34,984 | - | April 18, 2047 | June 14, 2023 |
| Specific loan cash flows & underlying that are part of the PTC pool | Repayable in 298 months from drawdown date | 36,160 | - | January 18, 2048 | July 18, 2023 |
| Specific loan cash flows & underlying that are part of the PTC pool | Repayable in 298 months from drawdown date | 44,382 | - | April 14, 2048 | October 13, 2023 |
| Specific loan cash flows & underlying that are part of the PTC pool | Repayable in 292 months from drawdown date | 68,443 | - | January 17, 2048 | January 17, 2024 |
| Specific loan cash flows & underlying that are part of the PTC pool | Repayable in 298 months from drawdown date | 32,784 | - | August 17, 2048 | February 16, 2024 |
| Specific loan cash flows & underlying that are part of the PTC pool | Repayable in 298 months from drawdown date | 26,721 | - | September 15, 2048 | March 15, 2024 |
| Specific loan cash flows & underlying that are part of the PTC pool | Repayable in 373 months from drawdown date | 16,114 | - | November 15, 2054 | March 15, 2024 |
| Specific loan cash flows & underlying that are part of the PTC pool | Repayable in 298 months from drawdown date | 26,015 | - | October 13, 2048 | April 12, 2024 |
| Specific loan cash flows & underlying that are part of the PTC pool | Repayable in 303 months from drawdown date | 17,890 | - | March 15, 2049 | April 15, 2024 |

The contractual rate of interest for the above loans are in the range of 8.20% to 8.90% per annum

MUKESH M. KANU & CO. LLP CHARTERED ACCOUNTANTS MUMBAI
R. Chadha & Co. LLP Chartered Accountants MUMBAI
Piramal Capital & Housing Finance Ltd.

## Notes to the Consolidated Financial Statements (Continued)

*as at March 31, 2024*

(Currency : Rs in lakhs)

**C.1 Working Capital Demand Loan from banks/short term borrowings:**

| Nature of Security | Principal Outstanding as at March 31, 2024 | Principal Outstanding as at March 31, 2023 |
|---|---|---|
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future | 14,000 | - |

The rate of interest for the above loan is 8.90% per annum

## 16 Borrowings (Other than Debt Securities) (Continued)

**C.2 Working Capital Demand Loan from Others:**

| Nature of Security | Principal Outstanding as at March 31, 2024 | Principal Outstanding as at March 31, 2023 |
|---|---|---|
| Exclusive charge on Government Securities | - | 76,734 |

The contractual rate of interest for the above loans are in the range of 6.90% to 6.95% per annum

## 17 Deposits

**Intercorporate deposit from related party**

| Particulars | Terms of Repayment | Principal Outstanding as at March 31, 2024 | Principal Outstanding as at March 31, 2023 | Maturity Due Date | First Instalment payment date |
|---|---|---|---|---|---|
| Intercorporate deposit | Repayable after Sixty months from drawdown date | 30,000 | 30,000 | June 25, 2025 | NA |
| Intercorporate deposit | Repayable after Twelve months from drawdown date | 15,000 | - | February 27, 2025 | NA |

The effective costs for the above loans are in the range of 8.25% to 9.05 % per annum

## 18 Subordinated Liabilities

**Redeemable Non Convertible Debentures**

| Particulars | Terms of Repayment | Principal Outstanding as at March 31, 2024 | Principal Outstanding as at March 31, 2023 | Maturity Due Date | First Instalment payment date |
|---|---|---|---|---|---|
| 1,276 (payable annually) 9.55% Unsecured, Subordinated, Tier II, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each having face value | The NCD's are repayable after 10 years from the date of allotment | 12,760 | 12,760 | March 8, 2027 | NA |

The rate of interest for the above loans is 9.55% per annum

Note:

(a) Property, Plant & Equipment, Investment and other assets are mortgaged / hypothecated to the extent of Rs. 51,88,711 Lakhs (As on March 31, 2023: Rs. 51,85,354 Lakhs) as a security against secured borrowings as at March 31, 2024.

(b) The Company has a covenant in its borrowing documents, which states that it shall comply with RBI Regulations in order to qualify as Non-Banking Finance Company – Housing Finance Company within March 31, 2024 or as extended by RBI. The Company could not fulfill the PBC criteria as on March 31, 2024 (Refer note 53(b)) and is in the process of converting to NBFC.

## Notes to the Consolidated Financial Statements *(Continued)*

*as at March 31, 2024*

*(Currency : Rs in lakhs)*

| | | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| **19** | **Other financial liabilities** | | |
| | Lease liability | 26,534 | 21,655 |
| | Payable to employees | 9,885 | 10,677 |
| | Unclaimed dividend | 60 | 98 |
| | Security and other deposits received | 2,162 | 2,158 |
| | Amounts payable on Securitised Loans | 42,401 | 63,248 |
| | Others* | 44,923 | 68,777 |
| | **Total** | **125,965** | 166,613 |

* includes liability towards sold portfolio etc.

During the previous year ended March 31, 2023, the Company had recovered Rs. 30,914 lakhs, against whom Avoidance Applications were filed by the Administrator, by way of settlement agreements entered by the Company with these parties under Section 7 of Insolvency and Bankruptcy Code, 2016 as full and final settlement of financial dues and withdrawal of all pending cases against these parties in connection with the disputes and / or finance documents and / or financial debt, if any, before any forum / court / tribunal / authority and / or otherwise, under any / all applicable laws. Considering the complexity of the matter, amount of Rs. 27,495 lakhs (after adjustment of recovery against Section 66) was not been recognized as income and shown as liability in financial statements for year ended March 31, 2023.

During the current financial year, by way of orders dated March 28, 2024, National Company Law Appellate Tribunal (NCLAT), New Delhi, has deleted name of the certain entities from the Avoidance Applications from whom recovery was made during previous year. Based on NCLAT order dated March 28, 2024, an amount of Rs. 22,751 lakhs has been recognised as income as an "Net (gain)/loss on fair value changes".

| | | | |
|---|---|---|---|
| **20** | **Current tax liabilities** | | |
| | Net provision for tax (net of advance tax of Rs. 121,147 Lakhs, March 31, 2023 Rs. 162,576 Lakhs) | 7,911 | 59,208 |
| | **Total** | **7,911** | 59,208 |
| **21** | **Provisions** | | |
| | Provision for Employee Benefits | | |
| | Gratuity (Refer note 44 (i)(b)) | 430 | 87 |
| | Compensated absences (Refer note 44 (ii)) | 2,321 | 763 |
| | Others | 9 | - |
| | Allowance for impairment on commitments (refer note 47.4(b)) | 3,511 | 5,495 |
| | **Total** | **6,271** | 6,345 |
| **22** | **Other non- financial liabilities** | | |
| | Statutory dues payable | 13,658 | 3,948 |
| | Fair Valuation Adjustment on Merger (Refer note 42B) | 312,188 | 345,798 |
| | Advance received | 26,732 | 14,043 |
| | | **352,578** | 363,789 |









**Notes to the Consolidated Financial Statements *(Continued)***

*as at March 31, 2024*

(Currency : Rs in lakhs)

| | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **23 Equity Share Capital** | | |
| **Authorized share capital:** | | |
| 25,840,390,024 (March 31, 2023: 25,840,390,024) equity shares of Rs. 10 each | 2,584,039 | 2,584,039 |
| **Total** | **2,584,039** | 2,584,039 |
| 2,500,000 (March 31, 2023: 2,500,000) Non-Convertible Redeemable Cumulative Preference Shares of Rs. 1,000 | 25,000 | 25,000 |
| **Total** | **25,000** | 25,000 |
| **Issued, subscribed and fully paid up capital:** | | |
| Opening balance | 2,136,469 | 2,136,469 |
| Add: Issue of shares during the year | 200,000 | - |
| **Total** | **2,336,469** | 2,136,469 |

**Reconciliation of the shares outstanding at the beginning and at the end of the reporting year**

| Equity shares | March 31, 2024 | | March 31, 2023 | |
|---|---|---|---|---|
| | No. of shares | Amount | No. of shares | Amount |
| At the beginning of the year | 21,364,691,751 | 2,136,469 | 21,364,691,751 | 2,136,469 |
| Add: Issue of shares during the year | 2,000,000,000 | 200,000 | - | - |
| Outstanding at the end of the year | **23,364,691,751** | **2,336,469** | 21,364,691,751 | 2,136,469 |

**Details of shares held by Promoter**

| Particulars | March 31, 2024 | | March 31, 2023 | |
|---|---|---|---|---|
| | No. of shares | % Holding | No. of shares | % Holding |
| Piramal Enterprises Limited | 23,364,691,751 | 100% | 21,364,691,751 | 100% |

**Details of shareholder holding more than 5% shares in the Company**

| Particulars | March 31, 2024 | | March 31, 2023 | |
|---|---|---|---|---|
| | No. of shares | % Holding | No. of shares | % Holding |
| Piramal Enterprises Limited | 23,364,691,751 | 100% | 21,364,691,751 | 100% |

**Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceding the balance sheet date:**

| Particulars | Financial year | No. of shares |
|---|---|---|
| Equity shares of Rs. 10 each allotted as fully paid-up pursuant to business combination | 2021-22 | 21,364,691,751 |

The Holding Company has only one class of equity shares having a face value of ₹ 10 per share. Each holder of equity share is entitled to one vote per share. The Holding Company declares and pays dividend in Indian Rupees.

There were no shares allotted as fully paid-up by way of bonus shares. There were no shares reserved for issue under options and contracts/commitments for the sale of shares/disinvestment. There were no shares forfeited during the year.

In the event of liquidation of the Holding Company, the holders of equity shares will be entitled to remaining assets of the Holding Company. The distribution will be in proportion to the number of equity shares held by the shareholders.

| | | |
|---|---|---|
| **24 Other equity** | | |
| Capital Reserve (refer note 24.1) | 17,265 | 17,265 |
| Securities Premium (refer note 24.2) | 220,885 | 220,885 |
| Cash flow hedge reserve (refer note 24.3) | 165 | 381 |
| Statutory reserve fund (refer note 24.4) | 244,563 | 244,563 |
| Amalgamation Adjustment Reserve (refer note 24.5) | (490,288) | (490,288) |
| Debt Instruments Measure through OCI (refer note 24.6) | 1 | (1,276) |
| Equity Instruments Measure through OCI (refer note 24.7) | 7,653 | 6,720 |
| Retained earnings (refer note 24.8) | (847,243) | (656,615) |
| **Total** | **(846,999)** | (658,365) |
| **24.1 Capital reserve** | | |
| Opening balance | 17,265 | 17,263 |
| Add: Additions/deletions during the year | - | - |
| Add: Adjustment on account of Business combination (Refer Note 42C) | - | 2 |
| **Closing Balance** | **17,265** | 17,265 |

Capital reserve has been created on account of business combination of earlier years

## Notes to the Consolidated Financial Statements *(Continued)*

*as at March 31, 2024*

(Currency : Rs in lakhs)

| | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **24.2 Securities Premium** | | |
| Opening balance | 220,885 | 220,885 |
| Add: Additions/deletions duing the year | - | - |
| **Closing Balance** | **220,885** | 220,885 |

Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

| | | |
|---|---|---|
| **24.3 Cash flow hedge reserve** | | |
| Opening Balance | 381 | (624) |
| Add: Addition during the year (refer note 48) | (216) | 1,005 |
| **Closing Balance** | **165** | 381 |

The Group uses hedging instruments as part of its management of foreign currency risk and interest rate risk associated with variable interest rate borrowings, investment in floating rate bonds. For hedging foreign currency risk, the Group uses foreign currency forward contracts, which are designated as cash flow hedges. For hedging interest rate risk, the Group uses interest rate swaps which is also designated as cash flow hedges. To the extent these hedges are effective; the changes in fair value of the hedging instrument is recognised in the cash flow hedging reserve. Amount recognised in the cash flow hedging reserve is reclassified to statement of profit or loss when the hedged item affects statement of profit or loss (e.g. interest payments).

| | | |
|---|---|---|
| **24.4 Statutory reserve fund** | | |
| **Reserve fund U/s 29C of the NHB Act, 1987** | | |
| Opening Balance | 244,563 | 244,563 |
| Addition during the year | - | - |
| **Closing Balance** | **244,563** | 244,563 |

Reserve Fund is required to be maintained u/s 29C of the NHB Act, 1987 for Housing Finance Companies. During the year ended March 31, 2024, the Holding Company has transferred an amount of Rs. NIL during the year. (March 31, 2023 Rs. NIL being 20% of profit after tax). Statutory Reserve can be utilised only for the purposes as may be specified by the NHB from time to time and every such utilisation is required to be reported to the NHB within twenty-one days from the date of such utilisation.

| | | |
|---|---|---|
| **24.5 Amalgamation Adjustment Reserve** | | |
| Opening Balance | (490,288) | (490,288) |
| Addition during the year | - | - |
| **Closing Balance** | **(490,288)** | (490,288) |

Amalgamation adjustment reserve has been created on account of business combination during the year 2021-22.

| | | |
|---|---|---|
| **24.6 Debt Instruments Measure through OCI** | | |
| Opening Balance | (1,276) | - |
| Addition during the year | 1,277 | (1,276) |
| **Closing Balance** | **1** | (1,276) |

The Group recognises changes in the fair value of debt instruments held with a dual business objective of collect and sell in other comprehensive income. These changes are accumulated in the FVTOCI debt investments reserve. The Group transfers amounts from this reserve to profit or loss when the debt instrument is sold. Any impairment loss on such instruments is reclassified immediately to the Statement of Profit and Loss.

| | | |
|---|---|---|
| **24.7 Equity Instruments Measure through OCI** | | |
| Opening Balance | 6,720 | - |
| Addition during the year | 933 | 6,720 |
| **Closing Balance** | **7,653** | 6,720 |

The Group has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated in the FVTOCI equity investments reserve. The Group transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

| | | |
|---|---|---|
| **24.8 Retained earnings** | | |
| Opening Balance | (656,615) | 90,501 |
| Net profit/(loss) for the year | (197,528) | (740,136) |
| Other comprehensive income arising from remeasurement of defined benefit obligation net of income tax | 6,900 | (6,980) |
| **Closing Balance** | **(847,243)** | (656,615) |

Retained earnings are the profits that the Group has earned till date, less any transfers to statutory reserve and dividends paid to investors. The amount that can be distributed by the Group as dividends to its equity shareholders is determined based on the financial statements of the Group and also considering the requirements of the Companies Act, 2013. Thus, the amounts reported above are not distributable in entirety.

## Notes to the Consolidated Financial Statements *(Continued)*

*for the year ended March 31, 2024*

(Currency : Rs in lakhs)

| | | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|---|
| | **Revenue from operations** | | |
| **25** | **Interest income** | | |
| | Interest income on financial assets measured at amortised cost: | | |
| | - on investments | 24,679 | 69,421 |
| | - on loans and advances | 542,497 | 505,581 |
| | Interest income- on investments mandatorily measured at FVTPL | 5,262 | 40,860 |
| | Interest income- on investments mandatorily measured at OCI | 4,354 | 10,728 |
| | Interest income on Fixed deposits | 7,071 | 4,829 |
| | **Total** | **583,863** | 631,419 |
| **26** | **Fees and commission income** | | |
| | - processing / arranger fees | 31,013 | 16,101 |
| | - other operating Income | 25,686 | 10,716 |
| | **Total** | **56,699** | 26,817 |
| **27** | **Other operating income** | | |
| | - Recovery from written off accounts | 23,252 | - |
| | **Total** | **23,252** | - |
| **28** | **Other income** | | |
| | Other non-operating income | 3,161 | 2,286 |
| | Net gain on sale of property, plant and equipments & Other intangible assets and Investment property | 825 | 262 |
| | Interest on income tax refund | 2,616 | 3,736 |
| | **Total** | **6,602** | 6,284 |
| **29** | **Finance costs** | | |
| | Interest expense on financial liabilities measured at amortised cost: | | |
| | Interest on deposits | 7,278 | 12,894 |
| | Interest on borrowings | 127,742 | 109,801 |
| | Interest on debt securities | 229,670 | 223,055 |
| | Interest on subordinated liabilities | 1,254 | 1,247 |
| | **Total** | **365,944** | 346,997 |
| **30** | **Fees and commission expense** | | |
| | Other borrowing cost* | 4,598 | 2,877 |
| | **Total** | **4,598** | 2,877 |
| | *includes interest cost on lease liability | | |
| **31** | **Net loss on fair value changes** | | |
| | (a) Gain/(Loss) on investments measured at fair value | | |
| | Realised | (16,138) | 205,292 |
| | Unrealised | 99,971 | - |
| | **(b)** Gain/(Loss) on loans and advances measured at fair value | | |
| | Realised (Refer note 19) | (57,688) | (125,222) |
| | Unrealised | 92 | (2,953) |
| | **Total** | **26,237** | 77,117 |

## Notes to the Consolidated Financial Statements *(Continued)*

*for the year ended March 31, 2024*

(Currency : Rs in lakhs)

| | | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|---|
| **32** | **Net loss on derecognition of financial instruments-under amortised cost category** | | |
| | Loss on derecognition of financial assets* | 320,526 | 360,022 |
| | Gain on derecognition of financial assets | (18,907) | (533) |
| | Gain on derecognition of financial Liabilities ** | - | (32,936) |
| | **Total** | **301,619** | 326,553 |

*This includes, amounts prudentially written off (technical write off) as per the Board approved policy of the Holding Company. During the year ending March 31, 2024, the Holding Company has prudentially written off certain loans from wholesale business amounting to Rs 52,536 Lakhs (March 31, 2023 - Rs. 94,365 Lakhs ) and from retail business amounting to Rs 34,387 Lakhs (March 31, 2023 - Rs. 6,754 lakhs).

** During the year March 31, 2023, includes, gain on derecognition of financial Liabilities on buyback of 6.75% 10,497,228 Non-convertible debentures having face value of Rs. 950 with buyback prices of Rs 823.28 per debentures (including Accrued Interest of Rs. 14.76). Due to such buyback, the Holding Company has recognised Rs. 12,936 lakhs as gain on de-recognition of financial liability.

| | | | |
|---|---|---|---|
| **33** | **Impairment allowances/(reversals) on financial instruments** | | |
| | **Measured at Amortised Cost** | | |
| | Loans | (31,692) | 59,910 |
| | Investments | (33,075) | (71,919) |
| | Commitments | (1,982) | (4,619) |
| | Others | 117 | 700 |
| | **Total** | **(66,632)** | (15,928) |
| **34** | **Employee benefits expense** | | |
| | Salaries and wages | 96,441 | 62,677 |
| | Contribution to provident and other funds (refer note 44) | 5,459 | 3,450 |
| | Provision for leave encashment (refer note 44) | 736 | 1,527 |
| | Staff welfare expenses | 6,026 | 2,750 |
| | Provision for gratuity (refer note 44) | 465 | 767 |
| | ESOP Expenses | 5,513 | - |
| | **Total** | **114,640** | 71,171 |
| **35** | **Other expenses** | | |
| | Corporate social responsibility expenses (refer note 53) | 6,750 | 5,467 |
| | Rent (refer note 38) | 1,521 | 109 |
| | Rates and taxes, excluding taxes on income | 3,039 | 1,139 |
| | Travelling and conveyance | 3,315 | 1,615 |
| | Legal and professional fees | 57,389 | 59,277 |
| | Royalty | 5,272 | 5,341 |
| | Electricity expense | 2,027 | 1,143 |
| | Repairs and maintenance | 3,656 | 2,580 |
| | Business promotion and advertisement expenses | 9,047 | 4,344 |
| | Postage and communication | 2,032 | 1,619 |
| | Printing and stationery | 827 | 633 |
| | Provision for non-financial assets | - | 13,399 |
| | Membership & subscription charges | 5,990 | 3,845 |
| | Other expenses | 2,448 | 3,065 |
| | **Payments to auditors** | | |
| | - as auditor | 519 | 557 |
| | - for other services | 39 | 5 |
| | - for reimbursement of expenses | 19 | 32 |
| | **Total** | **103,890** | 104,170 |

## Notes to the Consolidated Financial Statements *(Continued)*

*as at March 31, 2024*

(Currency : Rs in lakhs)

| | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---|---|
| **36 Income Taxes** | | |
| **a. Recognised in the statement of profit and loss** | | |
| **Current Tax** | | |
| In respect of the current year | 213 | 91 |
| In respect of the previous years (Refer foot note (ii)) | (53,027) | (332,754) |
| **Deferred Tax** | | |
| In respect of the current year | (111,221) | (206,553) |
| **Total** | **(164,035)** | (539,216) |

**b. The income tax expense for the year can be reconciled to the accounting profit as follows:**

| | | | Effective tax rate reconciliation | |
|---|---|---|---|---|
| | Year ended March 31, 2024 | Year ended March 31, 2023 | Year ended March 31, 2024 | Year ended March 31, 2023 |
| Profit before tax from continuing operations | (361,563) | (1,279,352) | | |
| Income tax expense | (91,005) | (322,013) | 25.17% | 25.17% |
| Tax effect: | | | | |
| Effect of expenses that are not deductible in determining taxable profit | | | | |
| -Donation | 1,700 | 1,377 | -0.47% | -0.11% |
| Deduction u/s 80JJA | (258) | - | | |
| Profit after share of net profit of associates and joint ventures before exceptional items and tax | 1,808 | (528) | -0.50% | 0.04% |
| Additional Deferred tax assets on Business Losses | (22,559) | - | 6.24% | 0.00% |
| Reversal of Deferred tax asset on account of impairement of Goodwill | - | 115,026 | 0.00% | -8.99% |
| Others | (694) | (324) | 0.19% | 0.03% |
| **Income tax expense recognised in the statement of profit and loss** | **(111,008)** | (206,462) | **30.63%** | 16.14% |
| Tax reversal for earlier years | (53,027) | (332,754) | | |
| **Income tax expense recognised in the statement of profit and loss** | **(164,035)** | (539,216) | | |
| **Effective Tax Rate** | **30.70%** | 16.14% | | |

**Note:**

i. The tax rate used for the reconciliations above is the corporate tax rate of 25.17% as per new tax regime.

ii. During the previous year, the Holding Company had received an Assessment Order under section 143(3) of the Income Tax Act, 1961 from Income Tax Department for the financial year ended March 31, 2021 wherein Holding Company's submissions relating to the above said matters were accepted by the Assessing Officer. Further, for financial year ended March 31, 2020, the assessment is time barred as per Section 153 of the Income Tax Act 1961. Accordingly, the Holding Company has reversed the provision of Rs. 332,754 lakhs (Out of the total contingent tax liabilities provided earlier of Rs. 343,700 lakhs) and disclosed the same as "Reversal of tax expenses – Earlier years" in these financial statements.

During the current year, the Holding Company has reversed excess provision for tax of Rs. 40,525 lakhs for assessment year 2022-23 post receipt of assessment order. Further, the Hodling Company has recognised tax refund for eDHFL for assessment year 2020-21 from income tax department of Rs. 12,407 lakhs as "Reversal of tax expenses – Earlier years."

## Notes to the Consolidated Financial Statements *(Continued)*

*for the year ended March 31, 2024*

(Currency : Rs in lakhs)

### 37 Earnings per share (EPS)

Basic and diluted EPS is computed in accordance with Ind AS 33 'Earnings Per Share' specified under section 133 of the Companies Act

The computation of earnings per share is set out below:

| Description | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|
| Net profit/ (loss) attributable to equity shareholders | (197,528) | (740,136) |
| Weighted average number of equity shares outstanding during the year for calculation of EPS | 21,397,478,636 | 21,364,691,751 |
| Basic and Diluted EPS of face value of Rs. 10 | (0.92) | (3.46) |

The basic and diluted EPS is same as there are no potential dilutive equity shares.

### 38 Lease disclosure as lessee

Ind AS 116 introduced a single, on balance sheet accounting model for lessees. As a result, the Group, as a lessee, has recognised the right-of-use assets representing its right to use the underlying assets and lease liabilities representing its obligations to make lease payments.

At transition, for leases classified as operating leases under Ind AS 17, lease liabilities were measured at the present value of the outstanding lease payments, discounted at the Group's incremental borrowing rate as at April 01, 2019. The respective right-of-use asset was recognised at an amount equal to the lease liability, adjusted by the amount of any prepaid/advance lease payments or accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of initial application.

The Group's significant operating lease arrangements are mainly in respect of office/branch premises. These lease arrangements are for a period exceeding five years and are in most cases renewable by mutual consent, on mutually agreeable terms. Details for the operating lease as lessee are as under:

**Right-of-use assets**

Right-of-use assets related to lease properties

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Opening Balance | 19,988 | 12,171 |
| Depreciation charge for the year | (5,158) | (4,864) |
| Addition to right-of-use assets | 14,326 | 13,064 |
| Derecognition of right-of-use assets (net) | (6,267) | (382) |
| **Closing Balance** | **22,889** | 19,988 |

**Lease liability**

Lease liability movement

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Opening Balance | 21,655 | 13,097 |
| Add: Addition during the year | 10,996 | 13,434 |
| Add: Interest on lease liability | 3,370 | 1,971 |
| Less: Deletion during the year | (1,547) | (875) |
| Less: Lease rental payments | (7,940) | (5,972) |
| **Closing Balance** | **26,534** | 21,655 |

**Amount recognised in statement of profit and loss - Lease under Ind AS - 116**

| | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Interest on lease liabilities | 3,373 | 1,848 |
| Income from sub-leasing right-of-use assets presented in 'Other Revenue' | 98 | 118 |
| Expenses Related to short-term lease | 2,063 | 109 |
| (Gain)/loss on pre-mature lease closure | 201 | - |
| Expenses related to leases of low-value assets, excluding short-term lease of low-value assets | 46 | - |
| Amortisation on ROU during the year | 7,125 | 4,864 |

**Amount recognised in the statement of cash flow**

| | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Total Cashflow for lease | 5,689 | 2,015 |

**Contractual maturities of lease liabilities on an undiscounted basis**

| | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Less than 1 year | 6,047 | 5,676 |
| 1-3 years | 12,670 | 9,060 |
| 3-5 years | 7,251 | 7,419 |
| More than 5 years | 8,674 | 5,550 |

## Notes to the Consolidated Financial Statements *(Continued)*

*for the year ended March 31, 2024*

(Currency : Rs in lakhs)

### 39 Disclosure under Micro, Small and Medium Enterprises Development Act, 2006

Under the Micro, Small and Medium Enterprises Development Act, 2006, ('MSMED') which came into force from October 2, 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. On the basis of the information and records available with Group including confirmations sought from suppliers on registration with specified authority under MSMED, the amount of principal and interest outstanding during the year is given below.

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end | 2,980 | 277 |
| Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end | 1 | 1 |
| Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year | 3,019 | 5,984 |
| Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year | - | - |
| Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year | - | - |
| Interest due and payable towards suppliers registered under MSMED Act, for payments already made | - | - |
| Further interest remaining due and payable for earlier years | - | - |

### 40 (a) Contingent liabilities

| Particulars | March 31, 2024 | March 31, 2023 |
|---|---|---|
| **Claim against the Group not acknowledged as debt** | | |
| Dues towards Income Tax for AY 2014-2015 | 130 | 130 |
| Dues towards Income Tax for AY 2015-2016 | 7 | 7 |
| Dues towards Income Tax for AY 2017-2018 | 5,634 | 5,634 |
| Dues towards Income Tax for AY 2018-2019 | 661 | 661 |
| Dues towards Income Tax for AY 2019-2020 | 510 | 510 |
| Dues towards Income Tax for AY 2020-2021 | 1,268 | 1,268 |
| **Others** | | |
| Guarantees provided by bank on behalf of Company | 11,725 | 11,700 |
| Partly paid-up investment | 18 | 16 |
| Claims, other than against policies, not acknowledged as debts by the Insurer (Gross Value of Litigated Claims Rs. 18 lakhs (March 31, 2023 Rs. 3 lakhs) and Provision held Rs. 11 lakhs (March 31, 2023 - Rs. 1 lakh)) | 8 | 2 |
| Statutory demands/liabilities in dispute, not provided for* | 853 | 688 |
| Statutory Bonus (retrospective amendment stayed by Karnataka and Kerala High Courts) | 41 | 41 |
| Others – Insurance claims in Legal Matters net of provision and reinsurance (Gross Value of Litigated Claims Rs. 3159 lakhs (March 31, 2023 - Rs. 2,986 lakhs), out of which reinsured claims Rs. 993 lakhs (March 31, 2023 - Rs. 922 lakhs) and Provision held Rs. 758 lakhs (March 31, 2023 - Rs. 589 lakhs)) | 1,407 | 1,475 |
| Claims against the Group not acknowledged as debts | 810 | 959 |

*Statutory demands and liabilities in dispute, not provided for, relate to the show cause cum demand notices/assessment orders received by the Group from the respective tax authorities. The Group has filed appeals against the demand notices/assessment orders with the appellate authorities and has been advised by the experts that the grounds of appeal are well supported in law in view of which the Group does not expect any liability to arise in this regard.

The Group is of the view that the above demands may not devolve on the Group and hence no provision has been made.

The Group has a process whereby periodically all long term contracts are assessed for material foreseeable losses. At year end the Group has reviewed and ensured that adequate provision as required under any law / accounting standards for material foreseeable losses on such long term contracts has been made in the books of account.

The Group has also reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable, in its financial statements. The Group does not expect the outcome of these proceedings to have a materially adverse effect on its consolidated financial statement.

## Notes to the Consolidated Financial Statements *(Continued)*

*for the year ended March 31, 2024*

(Currency : Rs in lakhs)

### 40 (b) Capital commitments

| Particulars | March 31, 2024 | March 31, 2023 |
|---|---|---|
| Undisbursed loan commitments | 346,988 | 328,730 |
| Other capital commitments | 3,915 | 2,060 |
| **Total** | **350,903** | 330,790 |

The undisbursed loan commitments represents the undrawn limits of the facilities sanctioned that are non-cancellable at sole and absolute discretion of the Group.

### 41 (a) Segment reporting

The chief operational decision maker monitors its principle business segment i.e. 'financing segment' for the purpose of making decision about resource allocation and performance assessment. The Group is operating in a single reportable and geographical segment in accordance with Ind AS 108 - Operating Segments as notified u/s 133 of the Companies Act, 2013 and accordingly there are no separate reportable segments.

Further, no clients individually accounted for more than 10% of the consolidated revenue in financial year ended March 31, 2024.

### 41 (b) Significant transactions during the year

During the year ending March 31, 2024, the Holding Company issued 2,000,000,000 equity shares through a rights issue at a face value of Rs. 10 each, aggregating to Rs. 200,000 lakhs to its ultimate holding company (i.e. Piramal Enterprises Limited). The allotment was made on March 26, 2024 and the paid up Equity share capital increased from Rs. 21,36,469 lakhs to Rs. 23,36,469 lakhs post rights issue. These proceeds are being directed towards the designated purposes of the issue and for general corporate utilization.

**Notes to the Consolidated Financial Statements *(Continued)***

*for the year ended March 31, 2024*

(Currency : Rs in lakhs)

## 42 A (i) INTERESTS IN OTHER ENTITIES

### a Interest in Subsidiaries

The Group's subsidiaries at March 31, 2024 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the group, and the proportion of ownership interests held equals the voting rights held by the group. The country of incorporation or registration is also their principal place of business

| Sr. No. | Name of the Company | Principal place of business/Country of incorporation | Ownership interest held by the group | Ownership interest held by non-controlling interests | Ownership interest held by the group | Ownership interest held by non-controlling interests | Principal Activity |
|---|---|---|---|---|---|---|---|
| | | | % voting power held as at March 31, 2024 | % voting power held as at March 31, 2024 | % voting power held as at March 31, 2023 | % voting power held as at March 31, 2023 | |
| 1 | DHFL Investments Limited | India | 100% | - | 100% | - | Financial Services |
| 2 | DHFL Advisory & Investments Private Limited | India | 100% | - | 100% | - | Financial Services |
| 3 | DHFL Holdings Limited | India | 100% | - | 100% | - | Financial Services |
| 4 | Piramal Payment Services Limited @ | India | 100% | - | 100% | - | Financial Services |
| 5 | Piramal Finance Sales and Services Private Limited * | India | 100% | - | 100% | - | Manpower services |
| 6 | Piramal Agastya Offices Private Limited (formerly known as PRL Agastya Private Limited) ** | India | 100% | - | 100% | - | Leasing of Properties |

@ with effect from April 29, 2022
* with effect from September 28, 2022
** with effect from December 12, 2022

### b Interest in Joint Ventures

| Sr. no. | Name of the Company | Principal place of business/Country of incorporation | Carrying Amount as at Mar 31, 2024 | Carrying Amount as at Mar 31, 2023 | Ownership interest held by the group |
|---|---|---|---|---|---|
| 1 | Pramerica Life Insurance Limited | India | 90,858 | 90,722 | 50% |

### c Interest in Associates

| Sr. no. | Name of the Company | Principal place of business/Country of incorporation | Carrying Amount as at Mar 31, 2024 | Carrying Amount as at Mar 31, 2023 | Ownership interest held by the group |
|---|---|---|---|---|---|
| 1 | DHFL Venture Trustee Company Private Limited | India | 4 | 4 | 45% |

### d Share of profits from Associates and Joint Venture for the year ended:

| Sr. no | Particulars | Share of profits | | Share of Other Comprehensive Income | |
|---|---|---|---|---|---|
| | | March 31, 2024 | March 31, 2023 | March 31, 2024 | March 31, 2023 |
| 1 | Share of profit of Associate | - | - | - | - |
| 2 | Share of profit of Joint venture | (7,183) | 2,096 | 7,320 | (7,089) |

WALKER CHANDIOK & Co LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

TR Chadha & Co. LLP ★ MUMBAI ★ Chartered Accountants

Piramal Capital & Housing Finance Ltd.

**Notes to the Consolidated Financial Statements *(Continued)***

*for the year ended March 31, 2024*

(Currency : Rs in lakhs)

**42 A (i) INTERESTS IN OTHER ENTITIES (Continue)**

**e Reconciliation to carrying amounts as at:**

| S. no | Particulars | March 31, 2024 | | March 31, 2023 | |
|---|---|---|---|---|---|
| | | Joint venture | Associate | Joint venture | Associate |
| 1 | Net Assets | 181,716 | 9 | 181,443 | 9 |
| 2 | Group's share in % | 50% | 45% | 50% | 45% |
| 3 | Proportion of the Group's ownership interest | 90,858 | 4 | 90,722 | 4 |
| 4 | Goodwill | - | - | - | - |
| 5 | Carrying amount | 90,858 | 4 | 90,722 | 4 |

**42 A (ii)** 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:

**For the year ended March 31, 2024:**

| Sr. No. | Name of the entities | Share of Profit / (Loss) | | Share of Other comprehensive Income | | Share of total comprehensive Income | |
|---|---|---|---|---|---|---|---|
| | | As % of consolidated Profit or loss | Amount | As % of consolidated Other comprehensive income | Amount | As % of consolidated Total comprehensive income | Amount |
| 1 | Piramal Capital & Housing Finance Limited | 97% | (191,135) | 18% | 1,573 | 100% | (189,562) |
| | **Subsidiaries:** | | | | | | |
| 2 | DHFL Advisory & Investments Private Limited | 0% | (4) | 0% | - | 0% | (4) |
| 3 | DHFL Holding Limited | 0% | (1) | 0% | - | 0% | (1) |
| 4 | DHFL Investments Limited (Consolidated) | 4% | (7,187) | 82% | 7,321 | 0% | 134 |
| 5 | Piramal Payment Services Limited | 0% | (41) | 0% | - | 0% | (41) |
| 6 | Piramal Finance Sales and Services Private Limited | -1% | 1,833 | 0% | 1 | -1% | 1,834 |
| 7 | Piramal Agastya Offices Private Limited (formerly known as PRL Agastya Private Limited) | 1% | (1,423) | 0% | 1 | 1% | (1,422) |
| | Inter Company elimination | 0% | 429 | 0% | - | 0% | 429 |
| | Total | 100% | (197,528) | 100% | 8,896 | 100% | (188,632) |

**For the year ended March 31, 2023:**

| Sr. No. | Name of the entities | Share of Profit / (Loss) | | Share of Other comprehensive Income | | Share of total comprehensive Income | |
|---|---|---|---|---|---|---|---|
| | | As % of consolidated Profit or loss | Amount | As % of consolidated Other comprehensive income | Amount | As % of consolidated Total comprehensive income | Amount |
| 1 | Piramal Capital & Housing Finance Limited | 100% | (742,483) | -1244% | 6,547 | 99% | (735,936) |
| | **Subsidiaries:** | | | | | | |
| 2 | DHFL Advisory & Investments Private Limited | 0% | (5) | 0% | - | 0% | (5) |
| 3 | DHFL Holding Limited | 0% | (1) | 0% | - | 0% | (1) |
| 4 | DHFL Investments Limited (Consolidated) | 0% | 2,088 | 1347% | (7,089) | 1% | (5,001) |
| 5 | Piramal Payment Services Limited | 0% | (14) | 0% | - | 0% | (14) |
| 6 | Piramal Finance Sales and Services Private Limited | 0% | 153 | 1% | (3) | 0% | 150 |
| 7 | Piramal Agastya Offices Private Limited (formerly known as PRL Agastya Private Limited) | 0% | (652) | -4% | 19 | 0% | (633) |
| | Inter Company elimination | 0% | 777 | 0% | - | 0% | 777 |
| | Total | 100% | (740,136) | 100% | (526) | 100% | (740,662) |

WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS MUMBAI

TR Chadha & Co. LLP Chartered Accountants MUMBAI

Piramal Capital & Housing Finance Ltd.

**Notes to the Consolidated Financial Statements *(Continued)***

*for the year ended March 31, 2024*

(Currency : Rs in lakhs)

**42 A (ii)** 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 (Continued):

| Sr. No. | Name of entities | As on March 31, 2024: Net Assets i.e. total assets less total liabilities | | As on March 31, 2023: Net Assets i.e. total assets less total liabilities | |
|---|---|---|---|---|---|
| | | As % of consolidated net assets | Amount | As % of consolidated net assets | Amount |
| 1 | Piramal Capital & Housing Finance Limited | 101% | 1,500,425 | 101% | 1,489,987 |
| | **Subsidiaries:** | | | | |
| 2 | DHFL Advisory & Investments Private Limited | 0% | 49 | 0% | 53 |
| 3 | DHFL Holding Limited | 0% | 2 | 0% | (0) |
| 4 | DHFL Investments Limited (Consolidated) | 6% | 90,870 | 6% | 90,737 |
| 5 | Piramal Payment Services Limited | 0% | 496 | 0% | 536 |
| 6 | Piramal Finance Sales and Services Private Limited | 0% | 2,014 | 0% | 178 |
| 7 | Piramal Agastya Offices Private Limited (formerly known as PRL Agastya Private Limited) | 0% | 2,354 | -1% | (13,103) |
| | Inter Company elimination | -7% | (106,738) | -6% | (90,282) |
| | Total | 100% | 1,489,470 | 100% | 1,478,104 |

## 42 B Amalgamation of Dewan Housing Finance Corporation Limited with erstwhile Piramal Capital & Housing Finance Limited

During financial year 2021-22, pursuant to the Resolution plan in respect of the Corporate Insolvency Resolution Process of Dewan Housing Finance Corporation Limited ("DHFL"), as approved by the Mumbai bench of the Hon'ble National Company Law Tribunal, the Company merged into DHFL and concluded acquisition on September 30, 2021 (Implementation Date). The aforementioned business combination was accounted as a reverse acquisition for financial reporting purposes in accordance with Ind AS 103. In accordance with the aforesaid resolution plan, the Company had recognized Group A assets (loans) at gross book value with provision for impairment being presented as a reduction from such gross book values as appearing in the financial statements of DHFL immediately prior to the implementation date. Difference between such carrying value (gross values as reduced by provision for impairment) and fair value on the acquisition date is separately presented as a liability under fair value adjustment which currently aggregates to Rs. 312,188 lakhs, which is different from the presentation requirements of Ind AS 32, Financial Instruments Presentation, that requires such adjustment to be netted off with the book value of corresponding assets.

At the time of aforesaid merger, based on the expert opinion, net deferred tax assets potentially amounting to Rs. 620,900 lakhs relating to the fair value adjustments considered in aforementioned business combination had not been recognized due to uncertainty associated with allowability of such adjustments under the applicable tax laws.
Based on the tax position taken by the Company and assessment order received for assessment year 2022-23 from the income tax authorities and further based on the assessment of availability of future taxable profits against which these unadjusted tax losses and credits can be utilised within the time period allowed under Income Tax Act, 1961, the Company has recognised deferred tax assets amounting to Rs. 64,761 lakhs in the current year. (Also refer note 11)

The Company holds 100% of equity share capital of DHFL Investments Limited (DIL). The wholly owned subsidiary of the Company, DIL holds 50% of equity share capital of Pramerica Life Insurance Company Limited (PLIL). Pursuant to the approval of the Resolution Plan by the Hon'ble NCLT, WGC and a limited liability partnership by the name of TDH Realty LLP, have pursued litigations in relation to the Resolution Plan, purportedly as the ultimate beneficiary of the CCDs. However, the litigation initiated by TDH Realty LLP before the NCLAT was disposed of as withdrawn by an order dated 27 September 2023, pursuant to settlement between the parties. Based on the approval of the Resolution Plan by Hon'ble NCLT, the Company has considered DIL as a subsidiary given its ability to exercise control over DIL with effect from the implementation date as per the Resolution Plan. Based on the evaluation of rights available under the shareholders agreement, PLIL has been considered as a joint venture and has been accounted based on equity method of accounting in the consolidated financial statements. Accordingly, the consolidated statement of profit and loss includes the Company's share of profit / (loss) of PLIL with effect from the implementation date.

According to the Resolution Plan, while the fraudulent loan accounts are valued at Re. 1, the distribution of proceeds from recovery of fraudulent loans should go to the Successful Resolution Applicant (SRA). There is a litigation with respect to distribution of such recoveries pending before the appropriate forum. According to the Company, the DHFL acquisition remains unaffected by the above said order. Further there will be no adverse impact on the consolidated financial statements for the year ended March 31, 2023 and 2024 even in the eventuality of the matter being decided against the Company.

## 42 C Acquisition of Piramal Finance Sales & Services Private Limited ("PFSSPL") by Piramal Capital & Housing Finance Limited ("The Company")

The Company acquired "Piramal Finance Sales and Service Private Limited" from Piramal Enterprises Limited as on September 28, 2022. The financial statements presented above are not comparable with the previous period financial statements for the year ended March 31, 2022 which comprise the result of the Company without considering pre-acquisition period of PFSSPL.

Details in respect of business combination is provided below:

| No | Particulars | (Rs. in lakhs) Amount |
|---|---|---|
| A | **Consideration transferred** | |
| | Cash | 30 |
| | **Total consideration (A)** | **30** |
| B | **Fair value of assets identifiable assets and liabilities recognised as a result of the Acquisition** | |
| | **Assets** | |
| | Total assets acquired | 3,348 |
| | Total liabilities acquired | 3,315 |
| | **Net assets recognised pursuant to the Scheme (B)- (a-b)** | **32** |
| C | **Goodwill/(Capital Reserve) (A-B)** | **(2)** |

Capital reserve represents the gain on bargain purchase which is directly recognized in the equity as capital reserve.

## 42 D Acquisition of Piramal Agastya Offices Private Limited (formerly known as PRL Agastya Private Limited) by Piramal Capital & Housing Finance Limited ("The Company")

The Company has acquired "Piramal Agastya Offices Private Limited (formerly known as PRL Agastya Private Limited)" (wholly owned subsidiary Company) from PRL Developers Private Limited as on December 11, 2022. The financial statements presented above are not comparable with the previous period financial statements for the year ended March 31, 2022 which comprise the result of the Company without considering pre-acquisition period of Piramal Agastya Offices Private Limited .

Details in respect of business combination is provided below:

| No | Particulars | (Rs. in lakhs) Amount |
|---|---|---|
| A | **Consideration transferred** | |
| | Cash* | 9,012 |
| | **Total consideration (A)** | **9,012** |
| B | **Fair value of assets identifiable assets and liabilities recognised as a result of the Acquisition** | |
| | **Assets** | |
| | Total assets acquired | 101,248 |
| | Total liabilities acquired | 92,436 |
| | **Net assets recognised pursuant to the Scheme (B)- (a-b)** | **8,813** |
| C | **Goodwill/(Capital Reserve) (A-B)** | **200** |

Goodwill represents the loss on bargain purchase which is directly recognized in the balance sheet.

* includes stamp duty of Rs. 12 lakhs.

During the current year, the Holding Company has recorded a loss of Rs. 758 lakhs due to fair value adjustments pertaining to payment of contingent consideration arising from the acquisition of its wholly-owned subsidiary, Piramal Agastya Offices Private Limited (formerly known as PRL Agastya Private Limited), in December 2022 from PRL Developer Private Limited ('PDPL'). The additional purchase consideration has been paid to PDPL, as outlined in the Share Purchase Agreement, which includes a provision for additional payments to PDPL.

## Notes to the Consolidated Financial Statements (Continued)

*for the year ended March 31, 2024*

(Currency : Rs in lakhs)

### 43 Information in accordance with the requirements of Indian Accounting Standard 24 on Related Party Disclosures.

**List of Related Parties**

**A. Parent company**

Piramal Enterprises Limited ("PEL")

**B. Fellow subsidiaries having transaction during the year**

Piramal Fund Management Private Limited
Piramal Securities Limited
Piramal Finance Sales & Services Private Limited (till September 27, 2022)

**C. Other related parties having transaction during the year**

Aasan Corporate Solutions Private Limited
Analog Legalhub Technology Private Limited
Brickex Advisors Private Limited (merged with Piramal Corporate Services Private Limited since March 9, 2023)
Piramal Corporate Services Private Limited
Piramal Alternatives Private Limited
Piramal Foundation for Educational Leadership
India Resurgence ARC Private Limited
Piramal Corporate Tower Private Limited (formerly known as Piramal Consumer Products Private Limited)
Piramal Foundation
Piramal Pharma Limited
Kaivalya Education Foundation
Piramal Trusteeship Services Private Limited
Social Worth Technologies Private Limited
Pramerica Life Insurance Limited (Joint Venture of DIL)
Piramal Agastya Offices Private Limited (formerly known as PRL Agastya Private Limited) (till December 11, 2022)
DHFL Venture Trustee Company Private Limited (Associate of DIL)
PRL Developers Private Limited

**D. Key Management Personnel**

Mr. Ajay G. Piramal - Chairman and Executive Director
Dr. (Mrs ) Swati A. Piramal - Vice Chairman and Executive Director
Mr. Anand Piramal - Executive Director
Jairam Sridharan - Chief Executive Officer and Managing Director
Vikash Singhla - Chief Financial Officer
Bipin Singh - Company Secretary

**E. Non-Executive/Independent Directors**

Suhail Nathani
Puneet Dalmia
Gautam Doshi
Kunal Bahl (Appointed w.e.f. March 20, 2024)

## Notes to the Consolidated Financial Statements (Continued)

*for the year ended March 31, 2024*

(Currency : Rs in lakhs)

### 43 Information in accordance with the requirements of Indian Accounting Standard 24 on Related Party Disclosures. (Continued)

### G. Details of transactions with related parties

| Details of Transactions | Parent Company | | Fellow subsidiaries | | Other Related Parties | | Key Management Personnel | | Non-Executive/ Independent Directors | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | March 31, 2024 | March 31, 2023 | March 31, 2024 | March 31, 2023 | March 31, 2024 | March 31, 2023 | March 31, 2024 | March 31, 2023 | March 31, 2024 | March 31, 2023 | March 31, 2024 | March 31, 2023 |
| **Rent expenses** | | | | | | | | | | | | |
| - Aasan Corporate Solutions Private Limited | - | - | - | - | 623 | 850 | - | - | - | - | 623 | 850 |
| - Piramal Corporate Tower Private Limited | - | - | - | - | 218 | - | - | - | - | - | 218 | - |
| - Piramal Agastya Offices Private Limited (formerly known as PRL Agastya Private Limited)) | - | - | - | - | - | 280 | - | - | - | - | - | 280 |
| **TOTAL** | - | - | - | - | **841** | **1,130** | - | - | - | - | **841** | **1,130** |
| **Royalty Expenses** | | | | | | | | | | | | |
| - Piramal Corporate Services Private Limited | - | - | - | - | 5,272 | 5,341 | - | - | - | - | 5,272 | 5,341 |
| **TOTAL** | - | - | - | - | **5,272** | **5,341** | - | - | - | - | **5,272** | **5,341** |
| **Premium expenses** | | | | | | | | | | | | |
| - Pramerica Life Insurance Limited | - | - | - | - | 378 | 136 | - | - | - | - | 378 | 136 |
| **TOTAL** | - | - | - | - | **378** | **136** | - | - | - | - | **378** | **136** |
| **Service Fees Income (including reimbursement)** | | | | | | | | | | | | |
| - Piramal Enterprises Limited | 347 | - | - | - | - | - | - | - | - | - | 347 | - |
| **TOTAL** | **347** | - | - | - | - | - | - | - | - | - | **347** | - |
| **Donation expense (including reimbursement)** | | | | | | | | | | | | |
| - Piramal Foundation for Educational Leadership | - | - | - | - | 1,634 | 490 | - | - | - | - | 1,634 | 490 |
| - Piramal Foundation | - | - | - | - | 1,852 | 2,838 | - | - | - | - | 1,852 | 2,838 |
| - Kaivalya Education Foundation | - | - | - | - | 532 | 573 | - | - | - | - | 532 | 573 |
| **TOTAL** | - | - | - | - | **4,018** | **3,901** | - | - | - | - | **4,018** | **3,901** |
| **Fees (expense)** | | | | | | | | | | | | |
| - Piramal Trusteeship Services Private Limited | - | - | - | - | 9 | 10 | - | - | - | - | 9 | 10 |
| - Piramal Fund Management Private Limited | - | - | - | 453 | - | - | - | - | - | - | - | 453 |
| - Analog Legalhub Technology Private Limited | - | - | - | - | 49 | - | - | - | - | - | 49 | - |
| - Social Worth Technologies Private Limited | - | - | - | - | 531 | 4,618 | - | - | - | - | 531 | 4,618 |
| - Piramal Finance Sales & Services Private Limited | - | - | - | 10,233 | - | - | - | - | - | - | - | 10,233 |
| **TOTAL** | - | - | - | **10,686** | **589** | **4,628** | - | - | - | - | **589** | **15,314** |

## Notes to the Consolidated Financial Statements (Continued)

*for the year ended March 31, 2024*

(Currency : Rs in lakhs)

**43 Information in accordance with the requirements of Indian Accounting Standard 24 on Related Party Disclosures. (Continued)**

**G. Details of transactions with related parties. (Continued)**

| Details of Transactions | Parent Company | | Fellow subsidiaries | | Other Related Parties | | Key Management Personnel | | Non-Executive/ Independent Directors | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | March 31, 2024 | March 31, 2023 | March 31, 2024 | March 31, 2023 | March 31, 2024 | March 31, 2023 | March 31, 2024 | March 31, 2023 | March 31, 2024 | March 31, 2023 | March 31, 2024 | March 31, 2023 |
| **Reimbursement of expenses paid** | | | | | | | | | | | | |
| - Aasan Corporate Solutions Private Limited | - | - | - | - | 31 | 43 | - | - | - | - | 31 | 43 |
| - Piramal Corporate Tower Private Limited | - | - | - | - | 14 | - | - | - | - | - | 14 | - |
| - Piramal Enterprises Limited | 46 | 100 | - | - | - | - | - | - | - | - | 46 | 100 |
| - Piramal Trusteeship Services Private Limited | - | - | - | - | - | 5 | - | - | - | - | - | 5 |
| - Social Worth Technologies Private Limited | - | - | - | - | - | 87 | - | - | - | - | - | 87 |
| - Piramal Pharma Limited | - | - | - | - | 10 | - | - | - | - | - | 10 | - |
| - Piramal Agastya Offices Private Limited (formerly known as PRL Agastya Private Limited)) | - | - | - | - | - | 81 | - | - | - | - | - | 81 |
| **TOTAL** | **46** | **100** | **-** | **-** | **55** | **216** | **-** | **-** | **-** | **-** | **101** | **316** |
| **Reimbursement of expenses received** | | | | | | | | | | | | |
| - Piramal Corporate Services Private Limited | - | - | - | - | 4 | - | - | - | - | - | 4 | - |
| - Piramal Alternatives Private Limited | - | - | 5 | - | - | - | - | - | - | - | 5 | - |
| **TOTAL** | **-** | **-** | **5** | **-** | **4** | **-** | **-** | **-** | **-** | **-** | **9** | **-** |
| **Sale/Transfer of Assets/Fixed Assets** | | | | | | | | | | | | |
| - Piramal Pharma Limited | - | - | - | - | 10 | - | - | - | - | - | 10 | - |
| **TOTAL** | **-** | **-** | **-** | **-** | **10** | **-** | **-** | **-** | **-** | **-** | **10** | **-** |
| **Reimbursement of ESOP expenses** | | | | | | | | | | | | |
| - Piramal Enterprises Limited | 5,513 | 7 | - | - | - | - | - | - | - | - | 5,513 | 7 |
| **TOTAL** | **5,513** | **7** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **5,513** | **7** |
| **Sitting Fees paid to Non-Executive/Independent Directors** | | | | | | | | | | | | |
| - Gautam Doshi | - | - | - | - | - | - | - | - | 13 | 11 | 13 | 11 |
| - Puneet Dalmia | - | - | - | - | - | - | - | - | 5 | 3 | 5 | 3 |
| - Kunal Bahl | - | - | - | - | - | - | - | - | 1 | - | 1 | - |
| - Suhail Nathani | - | - | - | - | - | - | - | - | 15 | 15 | 15 | 15 |
| **TOTAL** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **34** | **29** | **34** | **29** |

## Notes to the Consolidated Financial Statements (Continued)

*for the year ended March 31, 2024*

(Currency : Rs in lakhs)

**43 Information in accordance with the requirements of Indian Accounting Standard 24 on Related Party Disclosures. (Continued)**

**G. Details of transactions with related parties. (Continued)**

| Details of Transactions | Parent Company | | Fellow subsidiaries | | Other Related Parties | | Key Management Personnel | | Non-Executive/ Independent Directors | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | March 31, 2024 | March 31, 2023 | March 31, 2024 | March 31, 2023 | March 31, 2024 | March 31, 2023 | March 31, 2024 | March 31, 2023 | March 31, 2024 | March 31, 2023 | March 31, 2024 | March 31, 2023 |
| **Interest expense** | | | | | | | | | | | | |
| - Piramal Enterprises Limited | 7,278 | 12,808 | - | - | - | - | - | - | - | - | 7,278 | 12,808 |
| - Pramerica Life Insurance Limited | - | - | - | - | 180 | 189 | - | - | - | - | 180 | 189 |
| **TOTAL** | **7,278** | **12,808** | - | - | **180** | **189** | - | - | - | - | **7,458** | **12,997** |
| **Interest Income** | | | | | | | | | | | | |
| - Piramal Enterprises Limited | - | 4,983 | - | - | - | - | - | - | - | - | - | 4,983 |
| **TOTAL** | - | **4,983** | - | **0** | - | - | - | - | - | - | - | **4,983** |
| **Insurance Commission Income** | | | | | | | | | | | | |
| - Pramerica Life Insurance Limited | - | - | - | - | 10,232 | 946 | - | - | - | - | 10,232 | 946 |
| **TOTAL** | - | - | - | - | **10,232** | **946** | - | - | - | - | **10,232** | **946** |
| **Assignment Service Income** | | | | | | | | | | | | |
| - Piramal Enterprises Limited | 1,288 | 201 | - | - | - | - | - | - | - | - | 1,288 | 201 |
| **TOTAL** | **1,288** | **201** | - | - | - | - | - | - | - | - | **1,288** | **201** |
| **Lease Rent Income** | | | | | | | | | | | | |
| - Piramal Enterprises Limited | 86 | 86 | - | - | - | - | - | - | - | - | 86 | 86 |
| - Piramal Securities Limited | - | - | - | 7 | - | - | - | - | - | - | - | 7 |
| - Pramerica Life Insurance Limited | - | - | - | - | 13 | 11 | - | - | - | - | 13 | 11 |
| - Pramerica Pharma Limited | - | - | - | - | 587 | - | - | - | - | - | 587 | - |
| **TOTAL** | **86** | **86** | - | **7** | **600** | **11** | - | - | - | - | **686** | **104** |
| **ICD Taken** | | | | | | | | | | | | |
| - Piramal Enterprises Limited | 400,000 | - | - | - | - | - | - | - | - | - | 400,000 | - |
| **TOTAL** | **400,000** | - | - | - | - | - | - | - | - | - | **400,000** | - |
| **ICD repaid** | | | | | | | | | | | | |
| - Piramal Enterprises Limited | 385,000 | 236,600 | - | - | - | - | - | - | - | - | 385,000 | 236,600 |
| **TOTAL** | **385,000** | **236,600** | - | - | - | - | - | - | - | - | **385,000** | **236,600** |

## Notes to the Consolidated Financial Statements (Continued)

*for the year ended March 31, 2024*

(Currency : Rs in lakhs)

### 43 Information in accordance with the requirements of Indian Accounting Standard 24 on Related Party Disclosures. (Continued)

### G. Details of transactions with related parties. (Continued)

| Details of Transactions | Parent Company | | Fellow subsidiaries | | Other Related Parties | | Key Management Personnel | | Non-Executive/ Independent Directors | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | March 31, 2024 | March 31, 2023 | March 31, 2024 | March 31, 2023 | March 31, 2024 | March 31, 2023 | March 31, 2024 | March 31, 2023 | March 31, 2024 | March 31, 2023 | March 31, 2024 | March 31, 2023 |
| **Repayment of ICD Given** | | | | | | | | | | | | |
| - Piramal Enterprises Limited | - | 70,075 | - | - | - | - | - | - | - | - | - | 70,075 |
| **TOTAL** | - | **70,075** | - | - | - | - | - | - | - | - | - | **70,075** |
| **Partial redemption of NCD** | | | | | | | | | | | | |
| - Pramerica Life Insurance Limited | - | - | - | - | 146 | 146 | - | - | - | - | 146 | 146 |
| **TOTAL** | - | - | - | - | **146** | **146** | - | - | - | - | **146** | **146** |
| **Net Advance repaid (Including advance adjusted against provision)** | | | | | | | | | | | | |
| - Brickex Advisors Private Limited | - | - | - | - | - | 91 | - | - | - | - | - | 91 |
| **TOTAL** | - | - | - | - | - | **91** | - | - | - | - | - | **91** |
| **Services fees (income)** | | | | | | | | | | | | |
| - Pramerica Life Insurance Limited | - | - | - | - | 491 | - | - | - | - | - | 491 | - |
| **TOTAL** | - | - | - | - | **491** | - | - | - | - | - | **491** | - |
| **Loan portfolio transferred to** | | | | | | | | | | | | |
| - Piramal Enterprises Limited | 302,840 | 184,173 | - | - | - | - | - | - | - | - | 302,840 | 184,173 |
| - India Resurgence ARC Private Limited | - | - | - | - | - | 71,000 | - | - | - | - | - | 71,000 |
| **TOTAL** | **302,840** | **184,173** | - | - | - | **71,000** | - | - | - | - | **302,840** | **255,173** |
| **FLDG Recovery** | | | | | | | | | | | | |
| - Social Worth Technologies Private Limited | - | - | - | - | 1,078 | 964 | - | - | - | - | 1,078 | 964 |
| **TOTAL** | - | - | - | - | 1,078 | **964** | - | - | - | - | **1,078** | **964** |
| **Redemption of Security Receipt** | | | | | | | | | | | | |
| - India Resurgence ARC Private Limited | - | - | - | - | - | 54,677 | - | - | - | - | - | 54,677 |
| **TOTAL** | - | - | - | - | - | **54,677** | - | - | - | - | - | **54,677** |

WALKER CHANDIOK & Co LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS
TR Chadha & Co LLP ★ MUMBAI ★ Chartered Accountants
Piramal Capital & Housing Finance Ltd.

## Notes to the Consolidated Financial Statements (Continued)

*for the year ended March 31, 2024*

(Currency : Rs in lakhs)

**43 Information in accordance with the requirements of Indian Accounting Standard 24 on Related Party Disclosures. (Continued)**

**G. Details of transactions with related parties. (Continued)**

| Details of Transactions | Parent Company | | Fellow subsidiaries | | Other Related Parties | | Key Management Personnel | | Non-Executive/ Independent Directors | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | March 31, 2024 | March 31, 2023 | March 31, 2024 | March 31, 2023 | March 31, 2024 | March 31, 2023 | March 31, 2024 | March 31, 2023 | March 31, 2024 | March 31, 2023 | March 31, 2024 | March 31, 2023 |
| **Security Deposit Refunded** | | | | | | | | | | | | |
| - Aasan Corporate Solutions Private Limited | - | - | - | - | - | 141 | - | - | - | - | - | 141 |
| **TOTAL** | - | - | - | - | - | **141** | - | - | - | - | - | **141** |
| **Security deposit placed** | | | | | | | | | | | | |
| - Piramal Agastya Offices Private Limited (formerly known as PRL Agastya Private Limited) | - | - | - | - | - | 475 | - | - | - | - | - | 475 |
| - Aasan Corporate Solutions Private Limited | - | - | - | - | 12 | 73 | - | - | - | - | 12 | 73 |
| **TOTAL** | - | - | - | - | **12** | **548** | - | - | - | - | **12** | **548** |
| **Investment in shares** | | | | | | | | | | | | |
| - Social Worth Technologies Private Limited | - | - | - | - | - | 5,095 | - | - | - | - | - | 5,095 |
| **TOTAL** | - | - | - | - | - | **5,095** | - | - | - | - | - | **5,095** |
| **Issue of Shares** | | | | | | | | | | | | |
| - Piramal Enterprises Limited | 200,000 | - | - | - | - | - | - | - | - | - | 200,000 | - |
| **TOTAL** | **200,000** | - | - | - | - | - | - | - | - | - | **200,000** | - |
| **Acquisition of shares of Subsidiaries from** | | | | | | | | | | | | |
| - Piramal Enterprises Limited | - | 30 | - | - | - | - | - | - | - | - | - | 30 |
| - PRL Developers Private Limited (Refer note 42D) | - | - | - | - | 758 | 9,000 | - | - | - | - | 758 | 9,000 |
| **TOTAL** | - | **30** | - | - | **758** | **9,000** | - | - | - | - | **758** | **9,030** |

## Notes to the Consolidated Financial Statements (Continued)

*for the year ended March 31, 2024*

(Currency : Rs in lakhs)

### 43 Information in accordance with the requirements of Indian Accounting Standard 24 on Related Party Disclosures. (Continued)

#### H. Compensation paid to Directors, Key Managerial Personnel and It's relatives

The compensation of directors and other members of key managerial personnel and its relatives during the year was as follows:

| | March 31, 2024 | March 31, 2023 |
|---|---|---|
| 1. Short term employee benefits | 607 | 443 |
| 2. Post employee benefits | 21 | - |
| 3. Other long-term benefits | - | - |
| 4. Termination benefit, and | - | - |
| 5. Share based payment | 2,002 | - |
| **TOTAL** | **2,630** | **443** |

# Expenses towards gratuity, pension, leave encashment and leave travel allowance provisions are determined actuarially on overall Company basis at the end of each year and, accordingly, have not been considered in the above information.

*4,81,968 ESOPs (March 31, 2023 - 4,429 ESOPs) have been granted by the Holding Company to Key managerial personnel during the year 2023-24, out of which no options have been exercised till March 31, 2024).

#### I. Details of balances with related parties

| | Parent Company | | Fellow subsidiaries | | Other Related Parties | | Key Management Personnel | | Non-Executive/ Independent Directors | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | March 31, 2024 | March 31, 2023 | March 31, 2024 | March 31, 2023 | March 31, 2024 | March 31, 2023 | March 31, 2024 | March 31, 2023 | March 31, 2024 | March 31, 2023 | March 31, 2024 | March 31, 2023 |
| **Net Payable (includes provision for expenses)** | | | | | | | | | | | | |
| - Piramal Enterprises Limited | 13,730 | 7,196 | - | - | - | - | - | - | - | - | 13,730 | 7,196 |
| - Aasan Corporate Solutions Private Limited | - | - | - | - | - | 7 | - | - | - | - | - | 7 |
| - Analog Legalhub Technology Private Limited | - | - | - | - | 44 | - | - | - | - | - | 44 | - |
| - Social Worth Technologies Private Limited | - | - | - | - | 164 | 532 | - | - | - | - | 164 | 532 |
| - Piramal Corporate Services Private Limited | - | - | - | - | - | 483 | - | - | - | - | - | 483 |
| - Piramal Foundation for Educational Leadership | - | - | - | - | 2 | - | - | - | - | - | 2 | - |
| - Piramal Corporate Tower Private Limited | - | - | - | - | 85 | - | | | | | 85 | - |
| **TOTAL** | **13,730** | **7,196** | - | - | **295** | **1,022** | - | - | - | - | **14,025** | **8,218** |

## Notes to the Consolidated Financial Statements (Continued)

*for the year ended March 31, 2024*

(Currency : Rs in lakhs)

### 43 Information in accordance with the requirements of Indian Accounting Standard 24 on Related Party Disclosures. (Continued)

### I. Details of balances with related parties. (Continued)

| | Parent Company | | Fellow subsidiaries | | Other Related Parties | | Key Management Personnel | | Non-Executive/ Independent Directors | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | March 31, 2024 | March 31, 2023 | March 31, 2024 | March 31, 2023 | March 31, 2024 | March 31, 2023 | March 31, 2024 | March 31, 2023 | March 31, 2024 | March 31, 2023 | March 31, 2024 | March 31, 2023 |
| **Net Receivables** | | | | | | | | | | | | |
| - Piramal Alternatives Private Limited | - | - | 6 | - | - | - | - | - | - | - | 6 | - |
| - Piramal Corporate Services Private Limited | - | - | - | - | 76 | - | - | - | - | - | 76 | - |
| - Pramerica Life Insurance Limited | - | - | - | - | 3,623 | 558 | - | - | - | - | 3,623 | 558 |
| **TOTAL** | - | - | **6** | - | **3,699** | **558** | - | - | - | - | **3,705** | **559** |
| **ICD Payable** | | | | | | | | | | | | |
| - Piramal Enterprises Limited | 45,000 | 31,552 | - | - | - | - | - | - | - | - | 45,000 | 31,552 |
| **TOTAL** | **45,000** | **31,552** | - | - | - | - | - | - | - | - | **45,000** | **31,552** |
| **NCD Outstanding (including interest accrued)** | | | | | | | | | | | | |
| - Pramerica Life Insurance Limited | - | - | - | - | 2,554 | 2,698 | - | - | - | - | 2,554 | 2,698 |
| **TOTAL** | - | - | - | - | **2,554** | **2,698** | - | - | - | - | **2,554** | **2,698** |
| **Security Receipts Outstanding** | | | | | | | | | | | | |
| - India Resurgence ARC Private Limited | - | - | - | - | - | 5,673 | - | - | - | - | - | 5,673 |
| **TOTAL** | - | - | - | - | - | **5,673** | - | - | - | - | - | **5,673** |
| **Security Deposits** | | | | | | | | | | | | |
| - Aasan Corporate Solutions Private Limited | - | - | - | - | - | 339 | - | - | - | - | - | 339 |
| - Piramal Corporate Tower Private Limited | - | - | - | - | 352 | - | - | - | - | - | 352 | - |
| **TOTAL** | - | - | - | - | **352** | **339** | - | - | - | - | **352** | **339** |
| **Investments** | | | | | | | | | | | | |
| - Social Worth Technologies Private Limited* | - | - | - | - | 19,066 | 17,819 | - | - | - | - | 19,066 | 17,819 |
| **TOTAL** | - | - | - | - | **19,066** | **17,819** | - | - | - | - | **19,066** | **17,819** |

(* 'Social Worth Technologies Private Limited' has lien marked fixed deposit in favour of the Company amounting to Rs. 1,050 lakhs as FLDG cover against future delinquencies)

## 44 Employee Benefits:

**(i) (a) Charge to the Consolidated Statement of Profit and Loss based on Defined Contribution Plans**

| Particulars | March 31, 2024 | March 31, 2023 |
|---|---|---|
| Employer's contribution to Regional Provident Fund Office | 5,080 | 3,697 |
| Contribution to Pension Fund | 207 | 153 |
| Employer's contribution to Employees' State Insurance | 172 | 176 |

**(i) (b) Disclosures for defined benefit plans based on actuarial valuation reports as on March 31, 2024**

The Group has scheme for gratuity as part of post retirement plan. The Group has a defined benefit gratuity plan in India which is funded. The Group's defined benefit gratuity plan is a final salary plan for employees, which requires contributions to be made to a separately administered fund. The fund is managed by Employees Group Gratuity Trusts which is governed by the Board of Trustees. The Board of Trustees are responsible for the administration of the plan assets and for the definition of the investment strategy.

**A. Change in Projected Benefit Obligation**

| Particulars | Gratuity (Funded) Year Ended March 31, 2024 | Gratuity (Funded) Year Ended March 31, 2023 |
|---|---|---|
| Present Value of Benefit Obligation as at beginning of the year | 3,552 | 3,809 |
| Interest Cost | 256 | 260 |
| Current Service Cost | 459 | 535 |
| Past Service Cost | 18 | - |
| Liability transferred in | - | 95 |
| Liability Transferred Out/ Divestments | - | - |
| Benefit Paid From the Fund | - | (252) |
| Benefits paid by Employer | (455) | (680) |
| Actuarial (Gains)/Losses on Obligations - Due to change in demographi | 40 | (443) |
| Actuarial (Gains)/Losses on Obligations - Due to change in financial ass | 8 | 36 |
| Actuarial (Gains)/Losses on Obligations - Due to experience | 598 | 194 |
| **Present Value of Defined Benefit Obligation as at the end of the year** | **4,476** | 3,552 |

**B. Fair value of plan assets**

| | | |
|---|---|---|
| Fair Value of Plan Assets as at beginning of the year | 3,693 | 3,756 |
| Interest income | 266 | 252 |
| Contributions by the Employer | - | - |
| Assets transferred in/ Acquisition | - | - |
| Benefit Paid from the Fund | - | (252) |
| Return on Plan Assets, Excluding Interest Income | 87 | (63) |
| **Fair value of plan assets as at the end of the year** | **4,046** | 3,693 |

**C. Amount recognised in the Balance Sheet**

| | | |
|---|---|---|
| Present Value of Benefit Obligation at the end of the year | (4,476) | (3,552) |
| Fair Value of Plan Assets at the end of the year | 4,046 | 3,693 |
| **Net (Liability)/Asset Recognized in the Balance Sheet** | **(430)** | 141 |

**D. Net interest cost for current year**

| | | |
|---|---|---|
| Present Value of Benefit Obligation at the Beginning of the year | 3,552 | 3,809 |
| Liability transferred in | - | 95 |
| (Fair Value of Plan Assets at the Beginning of the year) | (3,693) | (3,756) |
| **Net Liability/(Asset) at the Beginning** | (141) | 148 |
| Interest Cost | 256 | 260 |
| (Interest Income) | (266) | (252) |
| **Net Interest Cost/(Income) for current year** | **(10)** | **8** |

## Notes to the Consolidated Financial Statements *(Continued)*

*for the year ended March 31, 2024*

(Currency : Rs in lakhs)

### 44 Employee Benefits: *(Continued)*

**E. Expenses recognised in Statement of Profit and Loss**

| Particulars | Gratuity (Funded) Year Ended March 31, 2024 | Gratuity (Funded) Year Ended March 31, 2023 |
|---|---|---|
| Current Service Cost | 457 | 507 |
| Interest Cost | -10 | 8 |
| Past Service Cost | 18 | - |
| **Total Expenses / (Income) recognised in the Statement of Profit and Loss** | **465** | **515** |

**F. Expenses Recognized in the Other Comprehensive Income (OCI) for current year**

| | | |
|---|---|---|
| Actuarial (Gains)/Losses on Obligations - due to demographic assumptions | 40 | (188) |
| Actuarial (Gains)/Losses on Obligations | 8 | - |
| Actuarial (Gains)/Losses on Obligations - Due to Experience | 598 | (25) |
| Return on Plan Assets, Excluding Interest Income | (87) | 63 |
| **Net (Income)/Expense For the year recognized in OCI** | **558** | **(150)** |

**G. Principal actuarial assumptions used:**

| Particulars | (Funded) Year Ended - | (Funded) Year Ended 0-Jan-00 |
|---|---|---|
| Rate of discounting | 7 14% - 7 44% | 6 98% - 7 29% |
| Rate of salary increase | 6 50% - 10% | 6 50% - 10% |
| Rate of employee turnover | 5% - 60% | 30% - 60% |
| Mortality rate during employment | Indian Assured Lives Mortality 2012-14 (Urban) | Indian Assured Lives Mortality 2012-14 (Urban) |

**H. Balance Sheet Reconciliation**

| | | |
|---|---|---|
| Opening Net Liability | (140) | 53 |
| Expenses Recognized in Statement of Profit or Loss | 465 | 543 |
| Expenses Recognized in OCI | 558 | (150) |
| Net Liability/(Asset) Transfer In | - | 95 |
| Net (Liability)/Asset Transfer Out | - | - |
| Benefit Paid | (455) | (680) |
| (Employer's Contribution) | - | - |
| **Net Liability/(Asset) Recognized in the Balance Sheet** | **430** | **(140)** |

**I. Category of Assets**

| | | |
|---|---|---|
| Insurance fund | 4,046 | 3,693 |
| **Total** | **4,046** | **3,693** |

**J. Other Details**

| | | |
|---|---|---|
| No of Active Members | 13,417 | 11,998 |
| Per Month Salary For Active Members | 2,363 | 1,865 |
| Weighted Average Duration of the Projected Benefit Obligation | 3 | 3 |
| Average Expected Future Service | 1 | 2 |
| Projected Benefit Obligation (PBO) | 4,374 | 3,466 |
| Prescribed Contribution For Next Year (12 Months) | 921 | 218 |

**K. Net Interest Cost for Next Year**

| Particulars | Estimated for the year ended March 31, 2024 | Estimated for the year ended March 31, 2023 |
|---|---|---|
| Present Value of Benefit Obligation at the End of the year | 4,476 | 3,552 |
| (Fair Value of Plan Assets at the End of the year) | (4,046) | (3,693) |
| Net Liability/(Asset) at the End of the year | **430** | (140) |
| Interest Cost | 318 | 256 |
| (Interest Income) | (288) | (266) |
| **Net Interest Cost / (Income) for Next Year** | **30** | (10) |

## Notes to the Consolidated Financial Statements *(Continued)*

*for the year ended March 31, 2024*

(Currency : Rs in lakhs)

### 44 Employee Benefits: *(Continued)*

**L. Expenses Recognized in the Statement of Profit or Loss for Next Year:**

| Particulars | Estimated for the year ended March 31, 2024 | Estimated for the year ended March 31, 2023 |
|---|---|---|
| Current Service Cost | 603 | 459 |
| Net Interest Cost | 31 | (10) |
| (Expected Contributions by the Employees) | - | - |
| **Expenses Recognized for Next Year** | **634** | 449 |

**M. Maturity Analysis of the Benefit Payments: from the Employer:**

| Projected Benefits Payable in Future Years from the Date of Reporting | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| 1st Following Year | 1,105 | 1,057 |
| 2nd Following Year | 828 | 740 |
| 3rd Following Year | 748 | 575 |
| 4th Following Year | 655 | 453 |
| 5th Following Year | 537 | 379 |
| Sum of Years 6 To 10 | 1,268 | 850 |

**N. Sensitivity Analysis**

| Projected Benefits Payable in Future Years from the Date of Reporting | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Projected Benefit Obligation on Current Assumptions | 4,476 | 3,553 |
| Delta Effect of +1% Change in Rate of Discounting | (135) | (77) |
| Delta Effect of -1% Change in Rate of Discounting | 106 | 82 |
| Delta Effect of +1% Change in Rate of Salary Increase | 102 | 78 |
| Delta Effect of -1% Change in Rate of Salary Increase | (133) | (75) |
| Delta Effect of +1% Change in Rate of Employee Turnover | (55) | (19) |
| Delta Effect of -1% Change in Rate of Employee Turnover | 22 | 20 |

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual change in the Defined Benefit Obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

**Notes:**

Gratuity is payable as per Group' scheme as detailed in the report.

Actuarial gains/losses are recognized in the period of occurrence under Other Comprehensive Income (OCI). All above reported figures of OCI are gross of taxation.

Salary escalation and attrition rate are in line with the industry practice considering promotion and demand and supply of the employees.

Cash flow projection is done considering future salary, attrition and death in respective year for members as mentioned above.

Maturity Analysis of Benefit Payments is undiscounted cashflows considering future salary, attrition & death in respective year for members as mentioned above.

Average Expected Future Service represents Estimated Term of Post - Employment Benefit Obligation.

Weighted Average Duration of the Defined Benefit Obligation is the weighted average of cash flow timing, where weights are derived from the present value of each cash flow to the total present value.

Any benefit payment and contribution to plan assets is considered to occur end of the year to depict liability and fund movement in the disclosures.

## Notes to the Consolidated Financial Statements *(Continued)*

*for the year ended March 31, 2024*

(Currency : Rs in lakhs)

### 44 Employee Benefits: (Continued)

Qualitative Disclosures

**- Characteristics of defined benefit plan**

The entity has a defined benefit gratuity plan in India (funded). The entity's defined benefit gratuity plan is a final salary plan for employees, which requires contributions to be made to a separately administered fund. The fund is managed by a trust which is governed by the Board of Trustees. The Board of Trustees are responsible for the administration of the plan assets and for the definition of the investment strategy.

**- These plans typically expose the Group to actuarial risks such as: interest rate risk, salary risk, investment risk, asset liability matching risk, mortality risk and concentration risk.**

**Interest rate risk**

A fall in the discount rate which is linked to the G.Sec. rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

**Salary Risk**

The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

**Investment Risk**

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

**Asset Liability Matching Risk**

The plan faces the ALM risk as to the matching cash flow. Group has to manage pay-out based on pay as you go basis from own funds. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

**Mortality risk**

Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

**Concentration Risk:**

Plan is having a concentration risk as all the assets are invested with the insurance company

**- Characteristics of defined benefit plans**

There is a change in the benefit scheme during the year. Change in liability (if any) due to this scheme change is recognised as past service cost.The change in the benefit scheme is change in retirement age from 58 years to 60 years

- A separate trust fund is created to manage the Gratuity plan and the contributions towards the trust fund is done as guided by rule 103 of Income Tax Rules, 1962.

### (ii) Compensated Absences

| Particulars | Compensated absence (Funded) For the year ended March 31, 2024 | Compensated absence (Funded) For the year ended March 31, 2023 |
|---|---|---|
| Expense recognised in the Statement of Profit and Loss | 736 | 1,527 |
| Discount rate (p.a.) | 7.20% p.a. | 7.20% p.a. |
| Salary escalation rate (p.a.) | 6.5-10% p.a. | 6.5-10% p.a. |
| **Amount recognised in the Balance Sheet** | | |
| Present Value of Benefit Obligation at the end of the year* | (2,913) | (2,538) |
| Fair Value of Plan Assets at the end of the year | (593) | (1,776) |
| Funded Status (surplus/ (deficit)) | 2,321 | 762 |
| **Net (Liability)/Asset Recognized in the Balance Sheet** | **2,321** | **762** |

*includes Short term compensated absences of Nil (March 31, 2023 - Rs. 122 lakhs)

### (iii) Long term service employee benefits

During the year, the Group has recognised long term service reward aggregating to Rs 9 lakhs (March 31, 2023 - Rs. 4 lakhs) which is unfunded.

## Notes to the Consolidated Financial Statements *(Continued)*

*for the year ended March 31, 2024*

(Currency : Rs in lakhs)

### 44 Employee Benefits: (Continued)

### (iv) Share Based payment

The Holding Company (i.e. Piramal Enterprises Limited) has issued stock options to certain employees of the Company. These transactions are recognized as equity-settled share based payment transactions. The Scheme allows the Grant of Stock Options to employees of the Company that meet the eligibility criteria. Each option comprises one underlying Equity Share.

The stock compensation expense is determined based on fair value of options and the holding company's estimate of options that will eventually vest and is recognised over the vesting period in the statement of profit and loss with corresponding increase in liability payable to holding company as the cost is recovered by the holding company in entirety

**Employee Stock Option Scheme and related scheme wise details are as follows**

| Particulars | For 1/3 vesting start - March 31, 2024 | For 1/4 vesting start - May 1, 2024 | For 1/3 vesting start - August 1, 2025 |
|---|---|---|---|
| Date of Grant | 31-Mar-23 | 31-Mar-23 | 31-Mar-23 |
| Number of options granted | 242,032 | 309,663 | 21,971 |
| Number of options exercisable as on March 31, 2023 | - | - | - |
| Number of options exercisable as on March 31, 2024 | 80,677 | - | - |
| Exercise price per option | 2 | 2 | 2 |
| Vesting Commencement date | 31-Mar-24 | 01-May-24 | 01-Aug-25 |
| Exercise period | 28 Months | 38 Months | 52 Months |
| Date of vesting | 1/3 on March 31, 2024<br>1/3 on August 1, 2024<br>1/3 on August 1, 2025 | 1/4 on May 1, 2024<br>1/4 on June 1, 2024<br>1/4 on June 1, 2025<br>1/4 on June 1, 2026 | 1/3 on August 1, 2025<br>1/3 on August 1, 2026<br>1/3 on August 1, 2027 |
| Method of Settlement | Equity settled | Equity settled | Equity settled |
| Modification to share based payment plans | NA | NA | NA |
| Basis of determination of volatility | The historical volatility of PEL stock price returns for a time frame corresponding to the remaining contractual life has been relied upon as a proxy for the expected volatility. | | |
| Vesting Conditions | Employee to remain in service and achivement of applicable performance | | |

| Particulars | For 1/4 vesting start - May 1, 2024 | For 1/3 vesting start - July 17, 2024 |
|---|---|---|
| Date of Grant | April 13, 2023 | July 17, 2023 |
| Number of options granted | 476,406 | 324,669 |
| Number of options exercisable as on March 31, 2024 | - | - |
| Exercise price per option | 2 | 2 |
| Vesting Commencement date | May 01, 2024 | July 17, 2024 |
| Exercise period | 38 Months | 36 Months |
| Date of vesting | 1/4 on May 1, 2024<br>1/4 on June 1, 2024<br>1/4 on June 1, 2025<br>1/4 on June 1, 2026 | 1/3 vesting on July 17, 2024<br>1/3 vesting on July 17, 2025<br>1/3 vesting on July 17, 2026 |
| Method of Settlement | Equity settled | Equity settled |
| Modification to share based payment plans | NA | NA |
| Basis of determination of volatility | The historical volatility of PEL stock price returns for a time frame corresponding to the remaining contractual life has been relied upon as a proxy for the expected volatility. | |
| Vesting Conditions | Employee to remain in service and achivement of applicable performance on the date of vesting | |

## Notes to the Consolidated Financial Statements *(Continued)*

*for the year ended March 31, 2024*

(Currency : Rs in lakhs)

### 44 Employee Benefits: (Continued)

**Summary of stock options**

| Particulars | Number of options | Weighted- Average | Weighted- Average |
|---|---|---|---|
| Balance as on April 1, 2022 | - | - | - |
| Granted during the year | 573,666 | 2 | 4 - 5 years |
| Exercised during the year | - | - | - |
| Forfeited/Lapsed during the year | - | - | - |
| Granted during the year | 801,075 | 2 | 8 years |
| Exercised during the year | - | - | - |
| Forfeited/Lapsed during the year | (34,153) | - | - |
| Balance as on March 31, 2024 | 1,405,760 | **2** | **4 - 7.5 years** |

**The fair values of options granted during the year are as follows:**

| Grant date | No. of Years vesting | Fair value per option |
|---|---|---|
| July 17, 2023 | 3 years | Rs. 895.00 - Rs. 916.10 |
| April 13, 2023 | 3.14 years | Rs. 640.40 - Rs. 653.90 |
| March 31, 2023 | 3.28 years | Rs. 624.83 - Rs. 639.48 |

**The fair value has been calculated using the Black Scholes Options Pricing Model and the significant assumptions made in this regard are as follows:**

| | Grant dated July 17, 2023 | Grant dated April 13, 2023 | Grant dated March 31, 2023 |
|---|---|---|---|
| Risk free interest rate | 6.81% - 6.84% | 6.79% - 6.87% | 6.91% - 6.94% |
| Expected life | 3.50 - 5.50 years | 3.55 - 5.64 years | 3.0 - 4.67 years |
| Expected volatility | 52.14% - 55.12% | 53.77% - 56.24% | 55.10% - 58.73% |
| Expected dividend yield | 1.74% - 2.07% | 1.58% - 1.91% | 1.71% - 1.91% |
| Exercise Price (Rs.) | 2 | 2 | 2 |
| Stock Price (Rs.) | 987 | 701 | 678 |

**Balance Sheet Reconciliation**

| | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Opening liability | 7 | - |
| Expenses Recognized in Statement of Profit or Loss | 5,513 | 7 |
| Payment against liability | (2,538) | - |
| Closing liability | **2,982** | 7 |

The ESOP expenses is recognised over the vesting period in the statement of profit and loss with corresponding increase in liability payable to holding company as the cost is recovered by the holding company in entirety.

## Notes to the Consolidated Financial Statements *(Continued)*

*for the year ended March 31, 2024*

(Currency : Rs in lakhs)

## 45 Fair Value Disclosures

| a) Categories of Financial Instruments: | March 31, 2024 | | | March 31, 2023 | | |
|---|---|---|---|---|---|---|
| | FVTPL | FVOCI | Amortised Cost* | FVTPL | FVOCI | Amortised Cost* |
| **Financial Assets** | | | | | | |
| Investments | 562,700 | 19,071 | 161,203 | 733,022 | 78,042 | 430,908 |
| Loans | 111,016 | - | 5,353,467 | 133,868 | - | 4,706,969 |
| Derivative financial instruments | - | 5,398 | - | - | 9,811 | - |
| Cash and Bank Balances # | - | - | 294,958 | - | - | 261,993 |
| Receivables | - | - | 5,862 | - | - | 1,900 |
| Other Financial Assets # | - | - | 100,598 | - | - | 88,741 |
| | **673,716** | **24,469** | **5,916,088** | **866,890** | **87,853** | **5,490,511** |
| **Financial liabilities** | | | | | | |
| Borrowings | - | - | 4,568,021 | - | - | 4,123,256 |
| Trade Payables # | - | - | 35,601 | - | - | 29,334 |
| Other Financial Liabilities # | - | - | 125,965 | - | - | 166,613 |
| | - | - | **4,729,587** | - | - | **4,319,203** |

### b) Fair Value Hierarchy and Method of Valuation

| Financial Instruments | Notes | March 31, 2024 Carrying Value | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|---|---|
| **Financial Assets** | | | | | | |
| **Measured at FVTPL** | | | | | | |
| **Investments** | | | | | | |
| Redeemable Non-Convertible Debentures | i. | 15,600 | - | - | 15,600 | **15,600** |
| Optionally Convertible Debentures | i. | 23,800 | - | - | 23,800 | **23,800** |
| Investments in Mutual Funds | ii. | 5,800 | 5,800 | - | - | **5,800** |
| Project Receivables | i. | 101,856 | - | - | 101,856 | **101,856** |
| Security Receipts | i. | 415,644 | - | - | 415,644 | **415,644** |
| **Loans** | i. | 111,016 | - | - | 111,016 | **111,016** |
| **Measured at FVOCI** | | | | | | |
| **Investments** | | | | | | |
| Preference Shares (Others then subsidiaries) | i. | 18,994 | - | - | 18,994 | **18,994** |
| Equity Instruments (Others then subsidiaries) | i. | 72 | - | - | 72 | **72** |
| Redeemable Bonds | i. | 5 | - | - | 5 | **5** |
| Derivative financial instruments | i. | 5,398 | - | 5,398 | - | **5,398** |
| **Measured at Amortised Cost*** | | | | | | |
| **Investments** | | | | | | |
| Government Securities/Redeemable Bonds | iii. | 109,805 | 111,280 | - | - | **111,280** |
| Redeemable Non Convertible Debentures | iii. | 36,246 | - | - | 291,984 | **291,984** |
| Pass Through certificates | iii. | 15,152 | - | - | 15,152 | **15,152** |
| **Loans** | iii. | 5,353,467 | - | - | 4,593,201 | **4,593,201** |
| **Financial Liabilities** | | | | | | |
| **Measured at Amortised Cost** | | | | | | |
| Borrowings | iii. | 4,568,021 | - | - | 4,527,703 | **4,527,703** |

## Notes to the Consolidated Financial Statements *(Continued)*

*for the year ended March 31, 2024*

(Currency : Rs in lakhs)

### 45 Fair Value Disclosures (Continue)

| Financial Instruments | Notes | March 31, 2023 | | | | |
|---|---|---|---|---|---|---|
| | | Carrying Value | Level 1 | Level 2 | Level 3 | Total |
| **Financial Assets** | | | | | | |
| **Measured at FVTPL** | | | | | | |
| **Investments** | | | | | | |
| Redeemable Non-Convertible Debentures | i. | 18,000 | - | - | 18,000 | **18,000** |
| Optionally Convertible Debentures | i. | 34,000 | - | - | 34,000 | **34,000** |
| Investments in Mutual Funds | ii. | - | - | - | - | - |
| Project Receivables | i. | 161,740 | - | - | 161,740 | **161,740** |
| Security Receipts | i. | 215,642 | - | - | 215,642 | **215,642** |
| Investment in AIF | i. | 302,241 | - | - | 302,241 | **302,241** |
| Others | i. | 1,399 | - | - | 1,399 | **1,399** |
| **Loans** | i. | 133,868 | - | - | 133,868 | **133,868** |
| **Measured at FVOCI** | | | | | | |
| **Investments** | | | | | | |
| Preference Shares (Others then subsidiaries) | i. | 17,752 | - | - | 17,752 | **17,752** |
| Equity Instruments (Others then subsidiaries) | i. | 67 | - | - | 67 | **67** |
| Redeemable Bonds | i. | 50,726 | - | - | 50,726 | **50,726** |
| T-Bill | i. | 9,497 | 9,497 | - | - | **9,497** |
| Derivative financial instruments | | 9,811 | - | 9,811.00 | - | **9,811** |
| **Measured at Amortised Cost*** | | | | | | |
| **Investments** | | | | | | |
| Government Securities/Redeemable Bonds | iii. | 104,031 | 104,381 | - | - | **104,381** |
| Redeemable Non Convertible Debentures | iii. | 306,373 | - | - | 291,984 | **291,984** |
| Pass Through certificates | iii. | 20,504 | - | - | 20,504 | **20,504** |
| **Loans** | iii. | 4,706,969 | - | - | 4,662,443 | **4,662,443** |
| **Financial Liabilities** | | | | | | |
| **Measured at Amortised Cost** | | | | | | |
| Borrowings | iii. | 4,123,256 | - | - | 4,051,563 | **4,051,563** |

**Notes:**

i. Discounted cash flow method has been used to determine the fair value. The yield used for discounting has been determined based on trades, market polls, levels for similar issuer with same maturity, spread over matrices, etc. For instruments where the returns are linked to the share price of the investee company the equity price has been derived using Monte Carlo simulation and local volatility model using the inputs like spot rate, volatility surface, term structures and risk free rates from globally accepted third party vendor for these data.

ii. Net Asset Value (NAV) as at the reporting period have been used to determine the Fair Value of the mutual fund investments.

iii. Discounted cash flow method has been used to determine the fair value. The discounting factor used has been arrived at after adjusting the rate of interest for the financial assets and financial liabilities by the difference in the G-SEC rates from date of initial recognition to the reporting dates.

* The fair value of investments, loans & other financial assets at amortised cost is gross of ECL provision amounting to Rs. 1,92,118 lakhs (March 31, 2023 – Rs 7,26,604 akhs) excluding stage 3 and POCI loans which are presented net of ECL provision.

\# The Group has not disclosed the fair value of cash and bank balances, other financial assets, trade payables and other financial liabilities, because their carrying amounts are a reasonable approximation of fair value.

## 45 Fair Value Disclosures (Continue)

### c) Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the year ended March 31, 2024.

| Particulars | Derivative Financial Instruments | Other Investments | Debentures | Loans | Total |
|---|---|---|---|---|---|
| **As at March 31, 2022** | 2,749 | 453,205 | 59,052 | 282,873 | 797,879 |
| Transfer in/ (Out) | - | 119,213 | - | - | 119,213 |
| Acquisitions/Disposal during the year (Net) | - | 236,998 | (700) | (173,867) | 62,431 |
| (Losses)/Gain recognised in profit or loss/Other Comprehensive Income | 7,062 | (59,849) | (6,352) | 24,861 | (34,277) |
| **As at March 31, 2023** | **9,811** | **749,567** | **52,000** | **133,868** | **945,246** |
| Acquisitions/Disposal during the year (Net) | (4,779) | 31,847 | - | (49,782) | (22,714) |
| Regulatory Provision on AIF | | (165,768) | | | (165,768) |
| (Losses)/Gain recognised in profit or loss/Other Comprehensive Income | 366 | (79,075) | (12,600) | 26,930 | (64,379) |
| **As at March 31, 2024** | **5,398** | **536,571** | **39,400** | **111,016** | **692,385** |

### d) Sensitivity for FVTPL Instruments

Impact on the Group's profit before tax if discount rates had been as given in table below:

| Method | Nature of Instrument | Significant unobservable inputs | Increase / Decrease in the unobservable input | Sensitivity Impact | |
|---|---|---|---|---|---|
| | | | | Yield Increase | Yield Decrease |
| Discounted Cash Flow Model as at March 31, 2024 | NCD | Discount rate | 0.7% | - | - |
| | Investment | Sale Price | 5.0% | 10,422 | (13,795) |
| | Term Loan | Discount rate | 0.7% | - | - |
| | Term Loan | Sale Price | 5.0% | 8,510 | (9,440) |
| Discounted Cash Flow Model as at March 31, 2023 | NCD | Discount rate | 0.7% | - | - |
| | Investment | Sale Price | 5.0% | 1,666 | (1,508) |
| | Term Loan | Discount rate | 0.7% | 76 | (75) |
| | Term Loan | Sale Price | 5.0% | 1,096 | (897) |

## 45A Changes in liabilities arising from financing activities

### (a) Changes in capital and asset structure arising from financing activities and investing activities (Ind AS 7 'Statement of Cash flows')

The Company does not have any financing activities and investing activities which affect the capital and asset structure of the Company withou the use of cash and cash equivalents.

### (b) Changes in liability arising from financing activities (Ind AS 7 'Statement of Cash Flows')

| Particulars | As at April 1, 2023 | Cash flows | Exchange Difference | Other | March 31, 2024 |
|---|---|---|---|---|---|
| Debt securities | 2,696,168 | 175,298 | - | - | 2,871,466 |
| Borrowings (other than debt securities) | 1,382,848 | 255,367 | 528 | 89 | 1,638,832 |
| Deposits | 31,552 | 13,448 | - | - | 45,000 |
| Subordinated debt liabilities | 12,688 | 35 | - | - | 12,723 |
| | **4,123,256** | **444,148** | **528** | **89** | **4,568,021** |

| Particulars | As at April 1, 2022 | Cash flows | Exchange Difference | Other | March 31, 2023 |
|---|---|---|---|---|---|
| Debt securities | 2,906,731 | (210,563) | - | - | 2,696,168 |
| Borrowings (other than debt securities) | 1,455,590 | (78,461) | 4,871 | 848 | 1,382,848 |
| Deposits | 266,600 | (235,048) | - | - | 31,552 |
| Subordinated debt liabilities | 12,660 | 28 | - | - | 12,688 |
| | 4,641,581 | (524,044) | 4,871 | 848 | 4,123,256 |

## Notes to the Consolidated Financial Statements (Continued)

*for the year ended March 31, 2024*

(Currency : Rs in lakhs)

### 46 Capital Management

The Group manages its capital to ensure that it will be able to continue as going concern while maximizing the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Group consists of net debt (borrowings as detailed in notes 15 to 18 offset by cash and cash equivalents and earmarked balances with banks (excluding lien marked)) and total equity of the Group.

The Group determines the amount of capital required on the basis of annual as well as long term operating plans and other strategic investment plans. The funding requirements are met through equity or convertible / non convertible debt securities or other long-term /short-term borrowings. The Group monitors the capital structure on the basis of total debt to equity ratio and maturity profile of the overall debt portfolio of the Group.

| The capital components of the Group are as given below: | **March 31, 2024** | March 31, 2023 |
|---|---|---|
| Total Equity | 1,489,470 | 1,478,104 |
| Borrowings | 4,568,021 | 4,123,256 |
| **Total Debt** | **4,568,021** | **4,123,256** |
| Cash and Cash equivalents | (195,706) | (192,802) |
| Bank balances other than above (excluding lien marked) | (1,668) | (1,259) |
| **Net Debt** | **4,370,647** | **3,929,195** |
| **Debt equity ratio** | **3.07** | **2.79** |
| **Net Debt equity ratio** | **2.93** | **2.66** |

### 47 Risk management

Risk Management is an integral part of the Group's business strategy. The Risk Management oversight structure includes Committees of the Board and Management Committees. Group's risk philosophy is to develop and maintain a healthy portfolio which is within its risk appetite and the regulatory framework. While the Group is exposed to various types of risks, the most important among them are liquidity risk, interest rate risk, credit risk, regulatory risk, foreign exchange risk and fraud and operational risk. The measurement, monitoring and management of risks remain a key focus area for the Group.

The Risk Management Committee of the Board provides direction to and monitors the quality of the internal audit function and also monitors compliance with NHB and other regulators of the Company.

The Group's risk management strategy is based on a clear understanding of various risks, disciplined risk assessment and measurement procedures and continuous monitoring. The policies and procedures established for this purpose are continuously benchmarked with market best practices.

The Risk Management Committee of the Board ("RMC") reviews compliance with risk policies, monitors risk tolerance limits, reviews and analyse risk exposure and provides oversight of risk across the organization. The RMC nurtures a healthy and independent risk management function to inculcate a strong risk management culture in the Group and broadly perceives the risk arising from (i) liquidity risk, (ii) interest rate risk, (iii) credit risk and (iv) regulatory risk (v) fraud risk and operational risk and (vi) foreign exchange risk.

### 47.1 Liquidity Risk

Liquidity Risk refers to insufficiency of funds to meet the financial obligations. Liquidity Risk Management implies maintenance of sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit lines to meet obligations when due.

The Holding Company has an Asset Liability Management Policy in place, which is in line with NHB/RBI guidelines for Housing Finance Companies. The ALCO is responsible for the management of the companies funding and liquidity requirements. The Group manages liquidity risk by maintaining unutilised banking facilities, credit lines and by continuously monitoring forecast and actual cash flows, and by assessing the maturity profiles of financial assets and liabilities.

The Group has the following undrawn credit lines available as at the end of the reporting period.

| | **March 31, 2024** | March 31, 2023 |
|---|---|---|
| - Expiring within one year (including bank overdraft) | 1,000 | 5,000 |
| - Expiring beyond one year | - | - |
| Undrawn credit lines | **1,000** | 5,000 |

## Notes to the Consolidated Financial Statements (Continued)

*for the year ended March 31, 2024*

(Currency : Rs in lakhs)

### 47 Risk management *(Continued)*

### 47.1 Liquidity Risk *(Continued)*

The following tables detail the Group's remaining contractual maturity for its financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the rate applicable as of March 31, 2024 and March 31, 2023 respectively has been considered. The contractual maturity is based on the earliest date on which the Group may be required to pay.

| Maturities of Financial Liabilities | March 31, 2024 | | | |
|---|---|---|---|---|
| | Up to 1 year | 1 to 3 years | 3 to 5 years | 5 years and above |
| Borrowings | 1,484,984 | 1,854,622 | 1,207,405 | 1,461,442 |
| Trade Payables | 35,601 | - | - | - |
| Other Financial Liabilities* | 70,992 | 14,043 | 6,868 | 34,063 |
| | **1,591,577** | **1,868,665** | **1,214,273** | **1,495,504** |

| Maturities of Financial Liabilities | March 31, 2023 | | | |
|---|---|---|---|---|
| | Up to 1 year | 1 to 3 years | 3 to 5 years | 5 years and above |
| Borrowings | 1,190,394 | 1,615,184 | 1,048,875 | 1,353,190 |
| Trade Payables | 29,007 | - | - | - |
| Other Financial Liabilities* | 140,431 | - | - | 26,071 |
| | 1,359,832 | 1,615,184 | 1,048,875 | 1,379,261 |

*This includes lease liabilities

The following table details the Group's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Group's liquidity risk management as the liquidity is managed on a net asset and liability basis.

| Maturities of Financial Assets | March 31, 2024 | | | |
|---|---|---|---|---|
| | Up to 1 year | 1 to 3 years | 3 to 5 years | 5 years and above |
| Investments | 96,535 | 158,612 | 166,763 | 553,603 |
| Loans | 1,651,896 | 2,161,413 | 1,199,696 | 1,796,126 |
| Other Financial Assets | 88,951 | - | - | 5,431 |
| Receivables | 5,591 | - | - | - |
| | **1,842,973** | **2,320,025** | **1,366,459** | **2,355,160** |

| Maturities of Financial Assets | March 31, 2023 | | | |
|---|---|---|---|---|
| | Up to 1 year | 1 to 3 years | 3 to 5 years | 5 years and above |
| Investments | 310,495 | 231,969 | 355,172 | 575,683 |
| Loans | 1,554,579 | 1,598,231 | 1,021,807 | 1,239,896 |
| Other Financial Assets | 74,796 | - | - | 9,400 |
| Receivables | 451 | - | - | - |
| | 1,940,321 | 1,830,200 | 1,376,979 | 1,824,979 |

## Notes to the Consolidated Financial Statements (Continued)

*for the year ended March 31, 2024*

(Currency : Rs in lakhs)

### 47 Risk management *(Continued)*

### 47.2 Interest Rate Risk

**Retail lending:**

The Holding Company is exposed to minimal interest rate risk as it has assets and liabilities are based on floating interest rates. The Holding Company has an approved Asset and Liability Management Policy which empowers the ALCO assess the interest rate risk run by it and provide appropriate guidelines to the Treasury to manage the risk.

**Wholesale lending:**

The Group is exposed to interest rate risk as it has assets and liabilities based on both fixed and floating interest rates. The Holding Company has an approved Asset and Liability Management Policy which empowers the Asset and Liability Management Committee (ALCO) to assess the interest rate risk run by it and provide appropriate guidelines to the Treasury to manage the risk. The ALCO reviews the interest rate risk on periodic basis and decides on the asset profile and the appropriate funding mix. The ALCO reviews the interest rate gap statement and the interest rate sensitivity analysis.

**Borrowings:**

The exposure of the Company's borrowings to the interest rate risk at the end of the year for variable rate borrowing is Rs. 1,778,609 lakhs (March 31, 2023 - Rs. 1,165,014 lakhs) and fixed rate borrowings are Rs. 2,727,788 lakhs (March 31, 2023 - Rs. 2,896,102 lakhs)

The sensitivity analysis below have been determined based on the exposure to interest rates for assets and liabilities at the end of the reporting period. For floating rate assets and liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year and the rates are reset as per the applicable reset dates. The basis risk between various benchmarks used to reset the floating rate assets and liabilities has been considered to be insignificant.

Impact on the Group's profit before tax if interest rates had been 100 basis points higher / lower is given below:

| Sensitivity Analysis on Floating Rate Instruments | For the Year Ended March 31, 2024 | | For the Year Ended March 31, 2023 | |
|---|---|---|---|---|
| | Higher | Lower | Higher | Lower |
| Sensitivity Analysis on Floating Rate Borrowings | (18,127) | 18,127 | (12,328) | 12,328 |
| Sensitivity Analysis on Floating Rate Assets | 31,332 | (31,332) | 27,768 | (27,768) |

### 47.3 The table below shows contractual maturity profile of carrying value of assets and liabilities:

| Particulars | As at March 31, 2024 | | |
|---|---|---|---|
| | Within 12 months | After 12 months | Total |
| **ASSETS** | | | |
| **Financial assets:** | | | |
| Cash and cash equivalents | 195,706 | - | 195,706 |
| Bank balances other than (a) above | 2,836 | 96,416 | 99,252 |
| Derivative financial instruments | 5,112 | 286 | 5,398 |
| Receivable | 5,592 | - | 5,592 |
| Loans | 1,149,324 | 3,678,267 | 4,827,591 |
| Investments | 80,902 | 749,826 | 830,728 |
| Other financial assets | 90,163 | 4,218 | 94,381 |
| **Non- financial assets:** | | | |
| Current tax assets (net) | 51,677 | 2,371 | 54,048 |
| Deferred tax assets (net) | - | 253,829 | 253,829 |
| Property, Plant and Equipment | - | 38,820 | 38,820 |
| Right-of-use assets | - | 22,889 | 22,889 |
| Investment property | - | 96,038 | 96,038 |
| Intangible assets under development | - | 1,007 | 1,007 |
| Goodwill | - | 200 | 200 |
| Other intangible assets | - | 18,857 | 18,857 |
| Other non-financial assets | 6,161 | 35,320 | 41,481 |
| **Total Assets** | **1,587,473** | **4,998,343** | **6,585,817** |

## Notes to the Consolidated Financial Statements (Continued)

*for the year ended March 31, 2024*

(Currency : Rs in lakhs)

### 47.3 The table below shows contractual maturity profile of carrying value of assets and liabilities (Continued):

| Particulars | As at March 31, 2024 | | |
|---|---|---|---|
| | Within 12 months | After 12 months | Total |
| **LIABILITIES** | | | |
| **Financial liabilities:** | | | |
| Trade payables | 35,601 | - | 35,601 |
| Debt securities | 649,292 | 2,222,174 | 2,871,466 |
| Borrowings (other than debt securities) | 484,862 | 1,153,970 | 1,638,832 |
| Deposits | 15,000 | 30,000 | 45,000 |
| Subordinated debt liabilities | - | 12,723 | 12,723 |
| Other financial liabilities | 72,927 | 53,038 | 125,965 |
| **Non- financial liabilities:** | | | |
| Current tax liabilities (net) | 7,911 | - | 7,911 |
| Provisions | 5,950 | 321 | 6,271 |
| Other non- financial liabilities | 40,390 | 312,188 | 352,578 |
| **Total liabilities** | **1,311,933** | **3,784,414** | **5,096,347** |

| Particulars | As at March 31, 2023 | | |
|---|---|---|---|
| | Within 12 months | After 12 months | Total |
| **ASSETS** | | | |
| **Financial assets:** | | | |
| Cash and cash equivalents | 192,802 | - | 192,802 |
| Bank balances other than (a) above | 2,403 | 66,788 | 69,191 |
| Derivative financial instruments | - | 9,811 | 9,811 |
| Trade Receivable | 1,629 | - | 1,629 |
| Loans | 1,245,229 | 2,911,253 | 4,156,482 |
| Investments | 172,399 | 1,124,166 | 1,296,565 |
| Other financial assets | 73,619 | 9,022 | 82,642 |
| **Non- financial assets:** | | | |
| Current tax assets (net) | 72,393 | 1,448 | 73,841 |
| Deferred tax assets (net) | - | 143,138 | 143,138 |
| Property, Plant and Equipment | - | 32,312 | 32,312 |
| Right-of-use assets | - | 19,988 | 19,988 |
| Investment property | - | 97,495 | 97,495 |
| Intangible assets under development | - | 353 | 353 |
| Goodwill | - | 200 | 200 |
| Other intangible assets | - | 11,648 | 11,648 |
| Other non-financial assets | 7,086 | 31,466 | 38,552 |
| **Total Assets** | 1,767,560 | 4,459,088 | 6,226,649 |
| **LIABILITIES** | | | |
| **Financial liabilities:** | | | |
| Trade payables | 29,334 | - | 29,334 |
| Debt securities | 377,755 | 2,318,413 | 2,696,168 |
| Borrowings (other than debt securities) | 521,507 | 861,341 | 1,382,848 |
| Deposits | - | 31,552 | 31,552 |
| Subordinated debt liabilities | - | 12,688 | 12,688 |
| Other financial liabilities | 151,912 | 14,701 | 166,613 |
| **Non- financial liabilities:** | | | |
| Current tax liabilities (net) | 59,208 | - | 59,208 |
| Provisions | 6,167 | 178 | 6,345 |
| Deferred tax liabilities (net) | | | - |
| Other non- financial liabilities | 17,991 | 345,798 | 363,789 |
| **Total liabilities** | 1,163,873 | 3,584,672 | 4,748,545 |

TR Chadha & Co. LLP MUMBAI Chartered Accountants
WALKER CHANDIOK & Co LLP MUMBAI CHARTERED ACCOUNTANTS
Piramal Capital & Housing Finance Ltd.

## 47 Risk management *(Continued)*

### 47.4 Credit Risk

The Group is exposed to Credit Risk through its lending activity. Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

**Retail lending:**
For retail lending the credit policy has been reviewed and approved by Risk Team. The Credit Risk management structure includes credit policies and procedures. The Credit Policy defines customer segments, income assessment criteria, underwriting standards, target market definition, appraisal and approval processes, product limits, Delegation of Authority metrics (DoA) and cover risk assessment for product offerings etc. to ensure consistency of credit buying patterns.

**Wholesale lending:**
The Group's Risk management team has developed proprietary internal rating models to evaluate risk return trade-off for the loans and investments made by the Group. The output of traditional credit rating model is an estimate of probability of default. These models are different from the traditional credit rating models as they integrate both probability of default and loss given default into a single model.

**Credit Risk Management**

**For retail lending business, credit risk management is achieved by considering various factors like:**
• Assessment of borrower's capability to pay – detailed assessment of borrower's capability to pay is conducted. The approach to the assessment is uniform across the entire Group and is spelt out in the Credit Policy. For construction finance deals, the underlying project, the financial capability, past track record of repayments of the promoters is assessed by an independent risk team.

• Security cover – this is an assessment of the value of security under stress scenario which is further adjusted for factors like liquidity, enforceability, transparency in valuation, etc of the collateral.
• Geographic region – the Group monitors loan performances in a particular region to assess if there is any stress due to natural calamities, etc impacting the performance of loans in a particular geographic region

**For wholesale lending business, credit risk management is achieved by considering various factors like :**
• Promoter strength – This is an assessment of the promoter from financial, management and performance perspective.
• Industry & micro-market risk – This is an assessment of the riskiness of the industry and/or micro-market to which the borrower/project belongs
• Project risk – This is an assessment of the standalone project from which interest servicing and principal repayment is expected to be done.
• Structure risk – This is an assessment of the loan structure which is characterized by its repayment tenor, moratorium, covenants, etc.
• Security cover – This is an assessment of the value of the security under stress scenario which is further adjusted for factors like liquidity,
• Exit – This is an assessment of the liquidity of the loan or investment.
Each of the above components of the risk analysis are assigned a specific weight which differ based on type of loan. The weights are then used with the scores of individual components for conversion to a risk rating.

Based on the above assessment the risk team categorises the deals in to the below Risk Grades

| Risk Grading | Description |
|---|---|
| Dark Green | Extremely good loan |
| Green | Good loan |
| Yellow | Moderate loan |
| Amber | Weak loan |
| Red | Extremely weak loan |

Further, a periodic review of the performance of the portfolio is also carried out by the Risk Group. The Risk Group adjusts the stress case considered during the initial approval based on actual performance of the deal, developments in the sector, regulatory changes etc. The deal level output is combined to form a portfolio snapshot. The trends from portfolio are used to provide strategic inputs to the management.

The credit risk on liquid funds and other financial instruments is limited because the counterparties are banks with high credit-ratings assigned by credit-rating agencies or mutual funds.

**Provision for Expected Credit Loss**

The Group has assessed the credit risk associated with its financial assets for provision of Expected Credit Loss (ECL) as at the reporting dates. The Group makes use of various reasonable supportive forward looking parameters which are both qualitative as well as quantitative while determining the change in credit risk and the probability of default. These parameters have been detailed out in Note No. iv of Significant Accounting Policies. Based on the result yielded by the above assessment the Financial assets are classified into (1) Standard (Performing) Asset, (2) Significant Credit Deteriorated (Under-Performing) Asset (3) Default (Non-Performing) Asset (Credit Impaired).
For the purpose of expected credit loss analysis the Group defines default as any asset with more than 90 days overdues. This is also as per the rebuttable presumption provided by the standard.

## 47 Risk management *(Continued)*

### 47.4 Credit Risk *(Continued)*

The Group provides for expected credit loss based on the following:

| Category - Description | Stage | Basis for Recognition of Expected Credit Loss |
|---|---|---|
| Assets for which credit risk has not significantly increased from initial recognition | Stage 1 | 12 month ECL |
| Assets for which credit risk has increased significantly but not credit impaired | Stage 2 | Life time ECL |
| Assets for which credit risk has increased significantly and credit impaired | Stage 3 | Loss Given Default (LGD) |

For the year ended March 31, 2024 and March 31, 2023 the Group has developed a PD Matrix after considering some parameters as stated below :

The key parameters for various scorecards are highlighted as follows -Real Estate products (Construction Finance, Structured Debt, LRD) - (1) Developer Grade (2) Past Overdue History (3) Tenant profile (4) Status from monthly Asset Monitoring report (5) Stage of the project (6) Geography etc. Some of the Parameters for Non Real Estate products (Senior lending, mezzanine, project finance etc) - (1) Sponsor strength (2) Overdues (3) Average debt service coverage ratio (4) Regulatory Risk (5) Stability of EBITDA (6) Quality of underlying assets etc. Based on these parameters the Company has computed the PD. The Company has also built in model scorecards to determine the internal LGD. However, due to lack of default history to statistically substantiate the internal LGD, the Company has made use of a combination of both internal as well as external LGD. The Company also maintains Expected Credit Loss for undisbursed limits after applying the credit conversion factor (CCF). CCF for these limits is computed based on historical disbursement trends observed across various products.

**Expected Credit Loss as at the Reporting year:**

**As at March 31, 2024**

| Particulars | Asset Group | Gross Carrying Value | Expected Credit Loss | Net Amount |
|---|---|---|---|---|
| Assets for which credit risk has not significantly increased from initial recognition* | Investments | 49,565 | 1,273 | 48,292 |
| | Loans | 4,091,157 | 109,842 | 3,981,315 |
| Assets for which credit risk has increased significantly but not credit impaired | Investments | - | - | - |
| | Loans | 355,342 | 82,276 | 273,066 |
| Assets for which credit risk has increased significantly and credit impaired | Investments | 1,833 | 1,833 | - |
| | Loans | 415,178 | 367,196 | 47,982 |
| Purchased or Originated credit impaired (POCI) | Loans | 179,603 | 77,577 | 102,026 |
| **Total** | | **5,092,678** | **639,997** | **4,452,681** |

**As at March 31, 2023**

| Particulars | Asset Group | Gross Carrying Value | Expected Credit Loss | Net Amount |
|---|---|---|---|---|
| Assets for which credit risk has not significantly increased from initial recognition* | Investments | 225,775 | 9,725 | 216,050 |
| | Loans | 3,343,521 | 122,674 | 3,220,847 |
| Assets for which credit risk has increased significantly but not credit impaired | Investments | 71,034 | 9,904 | 61,130 |
| | Loans | 341,858 | 96,273 | 245,585 |
| Assets for which credit risk has increased significantly and credit impaired | Investments | 30,068 | 16,505 | 13,563 |
| | Loans | 426,792 | 358,906 | 67,886 |
| Purchased or Originated credit impaired (POCI) | | 249,000 | 106,501 | 142,499 |
| **Total** | | 4,688,048 | 720,488 | 3,967,560 |

* Excluding Fair Valuation Adjustment on Merger of Rs. 312,188 Lakhs (March 31, 2023 - Rs. 345,798 Lakhs) as same amount of liability is disclosed in Other Non-Financial Liabilities.

During previous year, pursuant to review by the Risk Management Committee (RMC) of geopolitical situation and macro-economic uncertainties, the management had identified certain assets wherein there could have been an impact of such uncertainties and had created an additional provision of Rs. 55,977 lakhs, of which Rs. 50,563 lakhs was continuing as on March 31, 2023. This provision now stand at Rs. 19,400 lakhs as on March 31, 2024.

During the year ended March 31, 2024, to accommodate any possible market impact of the management's decision to reduce the legacy wholesale portfolio in the near future basis available market opportunities, the Company has created additional provision of Rs. 42,900 lakhs by way of management overlay on such legacy wholesale portfolio. These have been duly approved by RMC and the Board of Directors. Total management overlay as on March 31, 2024 is Rs. 62,300 lakhs.

Gross Carrying Value represents instruments valued at amortised cost.
Investments covered investments in the nature of loan portfolio.

## Notes to the Consolidated Financial Statements (Continued)

*for the year ended March 31, 2024*

(Currency : Rs in lakhs)

### 47 Risk management *(Continued)*

### 47.4 Credit Risk *(Continued)*

**Reconciliation of Loss Allowance**

**a) Investments and Loans**

| | For the year ended March 31, 2024 | | | |
|---|---|---|---|---|
| | 12 months ECL - Stage 1 | Lifetime ECL not credit impaired - Stage 2 | ECL credit impaired - Stage 3 | POCI |
| Balance at the beginning of the year | 132,401 | 106,177 | 375,411 | 106,501 |
| Transfer on Account of Merger | - | - | - | - |
| Transferred to 12-month ECL (Stage 1) | 6,881 | (4,144) | (2,737) | - |
| Transferred to Lifetime ECL not credit impaired (Stage 2) | (12,108) | 12,595 | (487) | - |
| Transferred to Lifetime ECL credit impaired (Stage 3) | (7,742) | (3,317) | 11,059 | - |
| Bad debts written off | (12,500) | (38,325) | (43,273) | - |
| On Account of Rate (Reduction)/Increase | (15,902) | 23,089 | 31,706 | - |
| ECL on new loan disbursements | 35,760 | 6,268 | 14,014 | - |
| On Account of Repayments | (15,674) | (20,067) | (16,663) | (28,924) |
| **Balance at the end of the year** | **111,116** | **82,276** | **369,030** | **77,577** |

**a) Investments and Loans**

| | For the year ended March 31, 2023 | | | |
|---|---|---|---|---|
| | 12 months ECL - Stage 1 | Lifetime ECL not credit impaired - Stage 2 | ECL credit impaired - Stage 3 | POCI |
| Balance at the beginning of the year | 108,810 | 121,869 | 372,585 | 259,176 |
| Transfer on Account of Merger | - | - | - | - |
| Transferred to 12-month ECL (Stage 1) | 933 | (409) | (526) | - |
| Transferred to Lifetime ECL not credit impaired (Stage 2) | (11,944) | 12,109 | (165) | - |
| Transferred to Lifetime ECL credit impaired (Stage 3) | (6,594) | (1,137) | 7,732 | - |
| Bad debts written off | (1,857) | (114,220) | (31,897) | - |
| On Account of Rate (Reduction)/Increase | 38,587 | 74,406 | 46,416 | - |
| ECL on new loan disbursements | 37,273 | 13,339 | 6,181 | - |
| On Account of Repayments | (32,808) | 220 | (24,914) | (152,675) |
| **Balance at the end of the year** | **132,401** | **106,177** | **375,411** | **106,501** |

**b) Expected Credit Loss on undrawn loan commitments and letter of comfort:**

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| ECL on undrawn loan commitments (refer note 21) | 3,511 | 5,495 |

No letter of comfort is outstanding at the year end. The Company has not issued any letter of comfort during the year

**c) Description of Collateral held as security and other credit enhancements**

The Group has set benchmarks on appropriate level of security cover for various types of deals. The Group periodically monitors the quality as well as the value of the security to meet the prescribed limits. The collateral held by the Group varies on case to case basis and includes:

i) First / Subservient charge on the Land and / or Building of the project or other projects, properties and vehicles
ii) First / Subservient charge on the fixed and current assets of the borrower
iii) Hypothecation over receivables from funded project or other projects of the borrower
iv) Pledge on Shares of the borrower or their related parties
v) Guarantees of Promoters / Promoter Undertakings
vi) Post dated / Undated cheques

As at the reporting date, the value of the collateral held as security for the credit impaired financial assets is higher than the exposure at default for these assets.

**d)** The credit impaired assets as at the reporting dates were secured by charge on land, building, properties, vehicals and project receivables amounting to:

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Value of Security (at fair value considered for PCD) | 72,408 | 117,514 |

## Notes to the Consolidated Financial Statements (Continued)

*for the year ended March 31, 2024*

(Currency : Rs in lakhs)

### 47 Risk management *(Continued)*

### 47.5 Regulatory Risk:

The Group requires certain statutory and regulatory approvals for conducting business and failure to obtain retain or renew these approvals in a timely manner, may adversely affect operations. Any change in laws or regulations made by the government or a regulatory body that governs the business of the Group may increase the costs of operating the business, reduce the attractiveness of investment and / or change the competitive landscape.

### 47.6 Fraud risk and operational risk:

Fraud risk management committee ('FRMC') comprising of top management representatives is constituted, which shall oversee the matters related to fraud risk, review and approve action against frauds.

FRMC conducts fraud risk assessment, identified fraud prone areas and develop mitigation measures. Status of mitigation measures are reviewed periodically.

The Group's risk management framework considers strategic, operations, financial reporting and external laws and regulations related risks

The Group has an elaborate system of internal audit and concurrent audit commensurate with the size, scale and complexity of its operations and covers funding operations, financial reporting, fraud control and compliance with laws and regulations.

Further, Concurrent audit helps prevent and address document related anomalies and deficiencies which strengthening quality assurance during onboarding and processing of transactions.

Internal Auditors monitors and evaluates the efficacy and adequacy of internal control systems in the Group, its compliance with laws and regulations, efficacy of its operating systems, adherence to the accounting procedures and policies at all offices of the Group and report directly to Audit and Risk Management Committee of the Group.

### 47.7 Foreign exchange risk:

The Group is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Group's functional currency i.e. INR. The Group has taken foreign currency floating rate borrowing which is linked to LIBOR. The risk is measured through a forecast of highly probable foreign currency cash flows. The risk is hedged with the objective of minimising the volatility of the INR cash flows of highly probable forecast transactions.

The Group has entered into cross-currency interest rate swap (CCIRS) for the entire loan liability to manage the foreign exchange risk along with interest rate risk arising from changes in LIBOR on such borrowings. As per the Group's policy, the critical terms of hedging instrument must align with the hedged items. Refer note 45 for accounting for the cash flow hedge and impact of hedge accounting on the statement of profit and loss.

There is no foreign currency asset/liability outstanding as on March 31, 2023 excluding ECB of USD 75 million which are fully hedged as disclosed in note 45

## Notes to the Consolidated Financial Statements (Continued)

*for the year ended March 31, 2024*

(Currency : Rs in lakhs)

### 48 Accounting for cash flow hedge

The Company had taken foreign currency floating rate borrowings which are linked to LIBOR. For managing the foreign currency risk and interest rate risk arising from changes in LIBOR on such borrowings, the company had entered into cross-currency interest rate swap (CCIRS) for the entire loan liability. The Company had designated the CCIRS (hedging instrument) and the borrowing (hedged item) into a hedging relationship and applies hedge accounting,

Under the terms of the CCIRS, the Company pays interest at the fixed rate to the swap counterparty and receives the floating interest payments based on LIBOR. Further, the principal amount of the foreign currency borrowing is hedged by a forward rate. As the critical terms of the hedged item and the hedging instrument (notional, interest periods, underlying and fixed rates) are matched and the interest cash flows are off-setting, an economic relationship exists between the two. This ensures that the hedging instrument and hedged item have values that generally move in the opposite direction.

As at March 31, 2024, The Company has invested in floating rate government securities/bonds which are linked to treasury bill rate. For managing the interest rate risk arising from changes in treasury bill rate on such investments, the company has entered into an interest rate swaps (IRS) for the investments. The Company has designated the IRS (hedging instrument) and the investment (hedged item) into a hedging relationship and applied hedge accounting.

Under the terms of the IRS, the Company receives interest at fixed rate and pays interest at the floating rate based on daily compounded overnight FBIL MIBOR. As the critical terms of the hedged item and the hedging instrument (notional, interest periods, underlying fixed rates) are not exactly matched, the Company uses the hypothetical derivative method to assess effectiveness. The interest cash flows of the hypothetical derivative and interest rate swap are off-setting, an economic relationship exists between the two. This ensures that the hedging instrument (interest rate swap) and hedged item (hypothetical derivative) have values that generally move in the opposite direction.

Hedge Effectiveness Testing is assessed at designation date of the hedging relationship, and on an ongoing basis. The ongoing assessment is performed at a minimum at each reporting date or upon a significant change in circumstances affecting the hedge effectiveness requirements, whichever comes first.

Following table provides quantitative information regarding the hedging instruments:

| Type of risk/ hedge position | Nominal value (Liabilities) | Carrying amount of hedging instruments (included under "Financial assets") | Maturity date | Hedge ratio | Average contracted fixed interest rate | Changes in fair value of hedging instrument used as a basis for recognising hedge ineffectiveness | Changes in value of hedged item used as a basis for recognising hedge ineffectiveness |
|---|---|---|---|---|---|---|---|
| **As on March 31, 2024:** | | | | | | | |
| Cash Flow Hedge Foreign currency and Interest rate risk | 26,132 | 5,112 | June'2024 | 1:1 | 9.30% | 356 | (356) |
| Cash Flow Hedge - Interest rate risk | 17,500 | 286 | September'2032 | 1:1 | 6.67% | 57 | (59) |
| | | **5,398** | | | | | |
| **As on March 31, 2023:** | | | | | | | |
| Cash Flow Hedge Foreign currency and Interest rate risk | 52,264 | 9,512 | June'2024 | 1 : 1 | 9.30% | 6,764 | 5,719 |
| Cash Flow Hedge - Interest rate risk | 12,500 | 299 | September'2032 | 1 : 1 | 6.76% | 414 | (429) |
| | | 9,811 | | | | | |

Following table provides the effects of hedge accounting on financial performance :

| Type of hedge | Changes in the value of hedging instruments recognised in Other comprehensive income | Hedge ineffectiveness recognised in profit or loss | Amount reclassified from cash flow hedge reserve to profit or loss | Line-item affected in statement of profit or loss because of reclassification |
|---|---|---|---|---|
| **For the year ended March 31, 2024** | | | | |
| **Cash flow hedge** | | | | |
| Interest Rate risk and | 328 | 13 | (89) | Finance Cost/Other income |
| Foreign Exchange Risk | | | (528) | Foreign Exchange (gain)/loss |
| **For the year ended March 31, 2023** | | | | |
| **Cash flow hedge** | | | | |
| Interest Rate risk and | 7,063 | | (848) | Finance Cost/Other income |
| Foreign Exchange Risk | | | (4,871) | Foreign Exchange (gain)/loss |

## Notes to the Consolidated Financial Statements (Continued)

*for the year ended March 31, 2024*

(Currency : Rs in lakhs)

### 48 Accounting for cash flow hedge (Continued)

The table below provides a profile of the timing of the nominal amounts of the Company's hedging instruments (based on residual tenor) along with the rate as applicable by risk category:

| | As at March 31, 2024 | | | |
|---|---|---|---|---|
| | **Total** | **Less than 1 year** | **1-5 years** | **Over 5 years** |
| **Foreign currency risk:** | | | | |
| **Net exposure (in INR)** | 26,132 | 26,132 | - | - |
| INR:USD forward contract rate | 70 | 70 | - | - |
| **Interest rate risk:** | | | | |
| **Net exposure (in INR)** | (14) | (14) | - | - |
| Average fixed interest rate | 9.30% | 9.30% | - | - |
| **Interest rate risk:** | | | | |
| **Net exposure (in INR)** | 165 | (9) | 120 | 54 |
| Average fixed interest rate | 6.67% | 6.67% | 6.67% | 6.67% |

| | As at March 31, 2023 | | | |
|---|---|---|---|---|
| | **Total** | **Less than 1 year** | **1-5 years** | **Over 5 years** |
| **Foreign currency risk:** | | | | |
| **Net exposure (in INR)** | 52,264 | 26,132 | 26,132 | - |
| INR:USD forward contract rate | 70 | 70 | 70 | - |
| **Interest rate risk:** | | | | |
| **Net exposure (in INR)** | (400) | (242) | (158) | - |
| Average fixed interest rate | 9.30% | 9.30% | 9.30% | - |
| **Interest rate risk:** | | | | |
| **Net exposure (in INR)** | 317 | 3 | 278 | 36 |
| Average fixed interest rate | 6.76% | 6.76% | 6.76% | 6.76% |

The following table provides a reconciliation by risk category of the components of equity and analysis of Other Comprehensive Income items resulting from hedge accounting:

| **Particulars** | **Movement in Cash flow hedge reserve for the years ended** | |
|---|---|---|
| | **March 31, 2024** | **March 31, 2023** |
| Opening balance | 381 | (624) |
| **Effective portion of changes in fair value:** | | |
| a) Interest rate and foreign currency risk | 328 | 7,063 |
| Tax on movements on reserves during the year | (82) | (1,778) |
| **Net amount reclassified to profit or loss:** | | |
| a) Interest rate risk | 89 | 848 |
| b) Foreign currency risk | 528 | 4,871 |
| Tax on movements on reserves during the year | (155) | (1,439) |
| **Closing balance** | **165** | **381** |

## Notes to the Consolidated Financial Statements (Continued)

*for the year ended March 31, 2024*

(Currency : Rs in lakhs)

### 49 Transfer of Financial Assets

**Transferred financial assets that are not derecognised in their entirety**

The following tables provide a summary of financial assets that have been transferred in such a way that part or all of the transferred financial assets do not qualify for derecognition, together with the associated liabilities:

| Securitisations | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Carrying amount of transferred assets measured at amortised cost | 339,941 | 109,436 |
| Carrying amount of associated liabilities measured at amortised cost | 348,940 | 109,157 |
| Fair value of assets | 339,941 | 109,436 |
| Fair value of associated liabilities | 348,940 | 109,157 |
| Net position at Fair value | (8,999) | 279 |

Note : Transferred Financial Assets that are derecognised in their entirety

The Group has assigned loans (earlier measured at amortized cost) by way of direct assignment (including co-lending). As per the terms of deals, since substantial risk and rewards related to these assets were transferred to the buyer, the assets have been de-recognised from the Group's Balance Sheet. The table below summarised the carrying amount of the derecognised financial assets.

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **Direct Assignment (excluding 100% direct assignment (including co-lending))** | | |
| Carrying amount of transferred assets measured at amortised cost | 917,718 | 1,123,757 |
| Carrying amount of exposures retained by the Company at amortized cost | 106,407 | 141,598 |

### 50 Foreign Currency Expenditure (on accrual basis)

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|
| Business Promotion | - | 1 |
| Professional Fees | 120 | 388 |
| Legal Fees | 3 | 148 |
| Membership & Subscription | 170 | 23 |
| Repairs & Maintenance | 18 | - |

### 51

### (a) Disclosure for Insurance commission as required under Insurance regulatory and development Authority (IRDA)

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|
| Cholamandalam MS General Insurance Company Limited | 847 | 143 |
| Pramerica Life Insurance Limited* | 10,232 | 946 |
| HDFC Ergo General Insurance Company Limited | 595 | - |
| Care Health Insurance Limited | 75 | - |
| TATA AIG General Insurance Company Limited | 799 | - |
| Go Digit General Insurance Limited | 94 | - |
| **Total** | **12,642** | 1,089 |

(* including Reward Commission Rs. 8,298 lakhs, March 31, 2023 - NIL)

### (b) Disclosure in respect of income from insurance companies where Corporate agency agreement exits:

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|
| Commission income * | 12,642 | 1,089 |
| Manpower services | 491 | - |

(* including Reward Commission Rs. 8,298 lakhs, March 31, 2023 - NIL)

### 52 Disaggregate Revenue Information

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|
| **Type of services** | | |
| Rental income | 6,510 | 2,395 |
| Fees and commission income | | |
| Processing / arranger fees | 31,013 | 16,101 |
| Other fee and charges | 25,686 | 10,716 |
| | **63,209** | 29,212 |
| **Timing of revenue recognition** | | |
| Services transferred at a point in time | 56,699 | 26,817 |
| Services transferred over time | 6,510 | 2,395 |
| | **63,209** | 29,212 |

## Notes to the Consolidated Financial Statements (Continued)

*for the year ended March 31, 2024*

(Currency : Rs in lakhs)

### 53 Impairment of Goodwill

(a) For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the cash generating units (CGU) or groups of CGUs, which are benefited from the synergies of the acquisition. Goodwill is reviewed for any impairment at the operating segment level, which is represented through groups of CGUs.

In previous year, due to the change in business strategy in line with management's decision to reduce wholesale lending business and increase the focus to increase retail housing business, the Company has revised the business projections considered for the annual impairment testing, as required under the principles of Ind AS 36, Impairment of Assets, of related goodwill amounting to Rs. 1,025,681 lakhs recognized on merger of wholesale lending business of Piramal Finance Limited and Piramal Capital Limited with the Company in the year 2018.

As of March 31, 2023, the estimated cash flows for a period of 5 years for the Company were developed using internal forecasts, and a pre-tax discount rate of 12.5% respectively. The cash flows beyond 5 years have been extrapolated assuming 2% growth rates, depending on the cash generating unit and the country of operations.

Basis such impairment testing performed, the aforesaid goodwill has been fully impaired in the year ending March 31, 2023. Owing to the significance of amount and non-recurring nature of impairment of goodwill, the Company has classified and presented it as an exceptional item in line with Ind AS 1, Presentation of Financial Statements. Further, the deferred tax liability of Rs. 143,138 lakhs pertaining to goodwill has also been reversed during the year ended March 31, 2023.

### Principal Business Criteria

(b) As per para 4.1.17 of Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 ('RBI Directions'), Piramal Capital & Housing Finance Limited (The Company) was required to comply with Principal Business Criteria ('PBC') for Housing Finance Companies (HFCs). However, the Company could not fulfill the PBC criteria as on March 31, 2024.

As per above referred RBI Directions, para 5.3, HFCs that are unable to fulfil the PBC criteria as on March 31, 2024 shall be required to approach the Reserve Bank of India (RBI) for conversion of their Certificate of Registration from HFC to NBFC – Investment and Credit Companies ('NBFC-ICC'). In line with the above, the Board of Directors has approved the conversion of it's Certificate of Registration from HFC to NBFC-ICC in it's meeting dated May 8, 2024 and the Company will submit the application to the RBI along with necessary documents as required under the said RBI Directions.

The Company has been advised by the National Housing Bank ('NHB'), to continue compliance with the Master Directions and other circulars issued by RBI as applicable to HFCs and submit all required returns to the National Housing Bank (NHB), till the receipt of new Certification of Registration as NBFC-ICC.

### 54 Corporate Social Responsibility Expenditure

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|
| Amount required to be spent by the Group during the year | 934 | 3,444 |
| Amount spent during the year from Company's bank A/c | 6,750 | 5,467 |
| Closing Balance in Separate CSR Unspent Bank A/c | - | - |
| Shortfall at the end of the year, | - | - |
| Total of previous years shortfall, | - | - |
| Reason for shortfall, | - | - |
| Nature of CSR activities | Promoting healthcare and education | Promoting healthcare and education |
| Details of related party transactions, e.g., contribution to a trust controlled by the Group in relation to CSR expenditure as per relevant Accounting Standard, | 4,016 | 3,901 |
| Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately | - | - |

### 55 Events after reporting period

(a) Subsequent to the year end, the wholly owned subsidiary company (Piramal Finance Sales & Services Private Limited) has transferred all its employees to the Company effective from April 1, 2024. The Company shall be fully and solely responsible for all dues payable by the said subsidiary company to the employees whether accrued or otherwise. On such transfer, the subsidiary company will reimburse existing employee related liabilities as on March 31, 2024 to holding company. Accordingly, there will not be any impact on the financial statements for the year ended March 31, 2024.

(b) **Scheme of Arrangement** - The Board of Directors of the Company, in its meeting dated May 8, 2024, has approved a Composite Scheme of Arrangement ("Scheme") under sections 230 to 232 read with section 66 and section 52 and other applicable provisions of the Companies Act, 2013 for amalgamation of Piramal Enterprises Limited ("PEL") with the Company as a reverse merger. This amalgamation is set to take effect from appointed date i.e. April 1, 2024, by way of reverse merger by absorption pursuant to a scheme of arrangement under the provisions of Sections 230 – 232 read with section 66 and section 52 and other relevant provisions of the Companies Act, 2013 (including the rules thereunder).

The proposed scheme is subject to various approvals, including the approval from shareholders, lenders, regulators, the National Company Law Tribunal ("NCLT") and other regulatory/statutory approvals, as may be required. The proposed amalgamation aims to simplify group structure including the regulatory developments and reforms including higher regulatory standards for NBFCs, optimize capital, strengthen the balance sheet, and enhance operational and financial effectiveness.

## Notes to the Consolidated Financial Statements *(Continued)*

*for the year ended March 31, 2024*

(Currency : Rs in lakhs)

### 56 Additional Regulatory Information

i) The Group has not granted any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person that are:

(a) repayable on demand; or

(b) without specifying any terms or period of repayment

ii) The Group has not been declared a wilful Defaulters by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof in accordance with the guidelines on wilful defaulters issued by the RBI.

iii) The Group has not done any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956 except:

| Name of the struck off company | Nature of transactions with struck off company | Balance outstanding | Relationship with the struck off company, if any, to be disclosed |
|---|---|---|---|
| GK Marketing Services Private Limited | DSA commission | Nil | DSA (Vendor) |

iv) The Company does not have any charges to be registered with ROC beyond the statutory period. There was no satisfaction of charge pending as on March 31, 2024 except loans where loan repaid during the year for Rs. 55,500 lakhs due to non-receipt of No Due Certificate from from Union Bank of India, Credit Suisse and Rasoi NCD. With respect to the assets acquired under business combination, the Company is in the process of satisfying the charges on those assets which is procedural

v) The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.

vi) The Group have not traded or invested in Crypto currency or Virtual Currency during the year.

vii) During the year the Group have not advanced or loaned or invested funds to any other person (s)or entity (ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries); or

(b) Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

viii) During the year the Group have not received any fund from any person (s)or entity (ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall:

(a) 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

(b) Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

ix) The Group have not had 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).

x) The Holding Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017

xi) Quarterly Asset cover statements submitted to Debenture and Security Trustee's are in agreement with the books of accounts.









**Notes to the Consolidated Financial Statements *(Continued)***
*for the year ended March 31, 2024*

(Currency : Rs in lakhs)

**57** Previous years figures have been regrouped or reclassified wherever necessary to conform to current year's presentation which are not considered to be material to the Financial Statements

The notes referred to above forms an integral part of the financial statements.

As per our report of even date attached.

**For Walker Chandiok & Co LLP**
*Chartered Accountants*
Firm Registration No. 001076N/N500013

**Rakesh Rathi**
*Partner*
Membership No: 045228

**For T R Chadha & Co LLP**
*Chartered Accountants*
Firm's Registration No: 006711N/N500028

**Hitesh Garg**
*Partner*
Membership No: 502955

**For and on behalf of the Board of Directors of Piramal Capital & Housing Finance Limited**

**Jairam Sridharan**
*Managing Director*
DIN: 05165390

**Ajay Piramal**
*Chairman*
DIN: 00028116

Mumbai, May 8, 2024

**Vikash Singhla**
*Chief Financial Officer*

**Bipin Singh**
*Company Secretary*

**FORM AOC-1**
(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of the Companies (Accounts) Rules, 2014)

**STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES/JOINT VENTURES**

**Part "A": Subsidiaries**

Amount in Lakh

| | 1 | 2 | 3 | 4 | 5 | 6 |
|---|---|---|---|---|---|---|
| **Name of the Subsidiary Company** | **DHFL Advisory & Investments Private Limited** | **DHFL Holdings Limited** | **DHFL Investments Limited** | **Piramal Payment Services Limited** | **Piramal Finance Sales & Services Private Limited** | **Piramal Agastya Offices Private Limited (**Formerly knowns **as PRL Agastya Private Limited)** |
| **Reporting period** | 31 March, 2024 | 31 March, 2024 | 31 March, 2024 | 31 March, 2024 | 31 March, 2024 | 31 March, 2024 |
| **Reporting currency** | INR | INR | INR | INR | INR | INR |
| **Average rate** | | | | | | |
| **Closing rate** | | | | | | |
| **Share capital (Including Additional Paid In Capital)** | 7,501.00 | 6.00 | 10,145.00 | 550.00 | 10.00 | 5,549.00 |
| **Reserves & Surplus** | (7,451.97) | (3.69) | 91,864.91 | (54.12) | 2,003.55 | (3,195.19) |
| **Total assets** | 55.38 | 2.91 | 102,016.51 | 496.90 | 3,421.95 | 84,624.68 |
| **Total liabilities** | 6.35 | 0.60 | 6.60 | 1.01 | 1,408.40 | 82,270.87 |
| **Investments (including investment properties)** | | | 102,002.25 | | 1,360.00 | 76,239.21 |
| **Turnover** | - | - | - | - | 31,021.00 | 9,277.59 |
| **Profit/ (Loss) before taxation and exceptional items** | (3.75) | (0.90) | (3.75) | (40.53) | 1,977.00 | (1,856.02) |
| **Exceptional items** | - | - | - | - | - | - |
| **Provision for taxation** | (3.75) | (0.90) | (3.75) | (40.53) | 1,977.00 | (1,856.02) |
| **Profit/ (Loss) after taxation** | (3.75) | (0.90) | (3.75) | (40.53) | 1,833.00 | (1,423.00) |
| **Other Comprehensive Income** | - | - | - | - | 1.50 | 1.23 |
| **Total Comprehensive Income** | (3.75) | (0.90) | (3.75) | (40.53) | 1,834.50 | (1,421.77) |
| **Proposed dividend** | - | - | - | - | - | - |
| **Effective % of shareholding** | 100% | 100% | 100% | 100% | 100% | 100% |

1. Names of subsidiaries which are yet to commence operations - None
2. Names of subsidiaries which have been liquidated or sold during the year – NIL
3. The above figures of the subsidiaries are for the year ending March 31, 2024 basis standalone financial statements of respective subsidiaries.
4. Share Capital represents, equity share capital as on balance sheet date.

**Part "B": Associates and Joint Ventures**

**Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures**

Rs. In lakhs

| | 1 | 2 |
|---|---|---|
| **Name of the Associates / Joint Ventures** | **DHFL Ventures Trustee Company Private Limited** | **Pramerica Life Insurance Limited (formerly known as DHFL Pramerica Life Insurance Company Limited)** |
| | | |
| **Reporting period** | 31 March 2024 | 31 March 2024 |
| | | |
| **Shares of Associates / Joint Ventures held by the Company on the year end** | | |
| | | |
| - Number | 22,500 | 187,030,931 |
| - Amount of Investment in Associate / Joint Venture (in Lakh) | 2.25 | 102,000 |
| - Effective Holding % | 45.00% | 50.00% |
| | | |
| **Description of how there is significant influence** | Shareholding exceeding 20% of paid up share capital through Wholly | Influence based on Joint Venture Agreement |
| | | |
| **Reason why the associate / joint venture is not consolidated** | NA | NA |
| | | |
| **Networth attributable to Shareholding as per latest Balance Sheet** | 1.16 | 43,418 |
| | | |
| **Profit / Loss for the year** | (0.42) | (14,366) |
| i. Considered in Consolidation | (0.19) | (7,183) |
| ii. Not considered in Consolidation | (0.23) | (7,183) |
| | | |

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## Independent Auditor's Report

**To the Members of Piramal Capital & Housing Finance Limited (formerly known as Dewan Housing Finance Corporation Limited)**

### Report on the Audit of the Consolidated Financial Statements

### Opinion

1. We have audited the accompanying consolidated financial statements of **Piramal Capital & Housing Finance Limited (formerly known as Dewan Housing Finance Corporation Limited)** ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), its associate and joint venture, as listed in Annexure 1, which comprise the Consolidated Balance Sheet as at **31 March 2023**, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of the significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries, associate and joint venture 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 ('Ind AS') specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, the relevant circulars, guidelines and directions issued by the Reserve Bank of India (RBI) from time to time ('RBI Guidelines') and other accounting principles generally accepted in India of the consolidated state of affairs of the Group, its associate and joint venture, as at 31 March 2023, and their consolidated loss (including other comprehensive income), consolidated cash flows and the consolidated changes in equity for the year ended on that date.

### Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, its associate and joint venture in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the rules 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 we have obtained together with the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 16 and 17 of the Other Matters section below, is sufficient and appropriate to provide a basis for our opinion.

### Emphasis of Matter – Business Combination

4. We draw attention to Note 39B to the accompanying consolidated financial statement with respect to approval of the resolution plan submitted by the erstwhile Piramal Capital & Housing Finance Limited ('ePCHFL') in respect of the Corporate Insolvency Resolution Process of Dewan Housing Finance Corporation Limited ("DHFL") under Section 31 of the Insolvency and Bankruptcy Code, 2016, consequent to which ePCHFL had merged into DHFL with effect from 30 September 2021 (hereinafter referred to as 'the business combination'). As is more fully described in the aforesaid note, the aforesaid business combination had been given effect in the accompanying consolidated financial statement for the year ended 31 March 2022 in line with the accounting principles prescribed for reverse acquisition business combinations under Ind AS 103, Business

Combinations, and other applicable Indian Accounting Standards, except to the extent effect given in accordance with the accounting treatment prescribed in the resolution plan approved by the National Company Law Tribunal vide their order dated 7 June 2021. Based on the opinion of legal and tax experts, the Holding Company had not recognized certain deferred tax assets and had recognized a provision against contingent tax liabilities pertaining to income tax obligation of DHFL for the year ended 31 March 2020 and 31 March 2021, while determining the fair value of assets and liabilities acquired by way of the business combination. As explained in Note 39B to the accompanying consolidated financial statement during the year ended 31 March 2023, the Holding Company received assessment order from Income Tax Department completing the assessment proceedings u/s 143(3) of the Income Tax Act, 1961 for the financial year ended 31 March 2021 wherein Holding Company's submissions relating to uncertain tax position of DHFL were accepted by the assessing officer. Further, in view of the management, the tax assessment for the financial year ended 31 March 2020 is time barred. Accordingly, as disclosed in the said Note 33, the Holding Company has reversed the contingent tax provision of Rs. 3,32,754 lakhs in the current year and disclosed the same as "Reversal of Tax Provision – Earlier Years" in the consolidated financial statement.

Our opinion is not modified in respect of this matter.

**Key Audit Matters**

5. Key audit matters are those matters that, in our professional judgment and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries, associate and joint venture, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

6. We have determined the matters described below to be the key audit matters to be communicated in our report.

| Key audit matter | How our audit addressed the key audit matter |
|---|---|
| **Expected Credit Loss allowance on financial assets**<br>*Refer note 2.(iv) for significant accounting policy and note 44.4 for financial disclosures in the accompanying financial statements*<br><br>As at 31 March 2023, the Company has reported gross loan assets of Rs. 4,688,048 lakhs against which an impairment loss allowance of Rs. 720,488 lakhs has been recognised based on the Expected Credit Loss ("ECL") approach as laid down under 'Ind AS 109 – Financial Instruments' (Ind AS 109).<br><br>The estimation of ECL on financial assets is complex and involves significant management judgement and estimates, including the following:<br><br>• Models used to estimate ECL are inherently judgmental with high estimation uncertainty which involves determining Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD). | Our audit focused on assessing the appropriateness of the models used including management's judgment and estimates used in the expected credit loss assessment through procedures that included, but were not limited to, the following:<br><br>• Considered the Company's accounting policies for expected credit loss of financial assets and assessed compliance of the policies in terms of Ind AS 109.<br><br>• Understood management's processes, systems and controls implemented in relation to ECL allowance process. Evaluated the design and tested the operating effectiveness of key internal financial controls over such process. |

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| Key audit matter | How our audit addressed the key audit matter |
|---|---|
| • Completeness and accuracy of the data from internal and external sources used in the models.<br><br>• Ind AS 109 requires the Company to measure ECLs on a forward-looking basis reflecting future economic conditions. Significant management judgement is applied in determining the economic scenario used<br><br>• Qualitative adjustments are made by the Management to the results obtained from ECL models to address any identified impairment or emerging trends as well as risks not captured by models. These adjustments are inherently subjective and significant management judgement is involved in estimating these amounts.<br><br>• In respect of purchased or originated credit impaired financial assets, cumulative changes, at the portfolio level, in lifetime expected credit losses since initial recognition are recognised as a loss allowance. Significant management judgement is applied to assess such changes.<br><br>The disclosures prescribed under Ind AS 107 and RBI directives is also an area of focus for the management and auditors.<br><br>Considering the significance of ECL to the overall financial statements and the degree of management's estimates and judgments involved in this matter that requires significant auditor attention, we have considered expected credit loss allowance on financial assets to be a key audit matter. | • Obtained an understanding of the modelling techniques adopted by the Company including the key inputs and assumptions. Since modelling assumptions and parameters are based on external data, we assessed whether the same were relevant and representative of current circumstances.<br><br>• Assessed the critical assumptions and input data used in the estimation of expected credit loss for specific key credit risk parameters, such as the classification of loan assets into stages as described in the accounting policy, Exposure at default (EAD), probability of default (PD) or loss given default (LGD);<br><br>• On sample basis tested the completeness and accuracy of the input data used for calculation of ECL by applying the PD and LGD rates and agreed the data with the underlying books of accounts and records;<br><br>• Evaluated whether the methodology applied by the Company is compliant with the requirements of the relevant accounting standards and confirmed that the calculations are performed in accordance with the approved methodology, including mathematical accuracy of the workings.<br><br>• Assessed the appropriateness and adequacy of the related presentation and disclosures made in the accompanying financial statements in accordance with the applicable accounting standards and related RBI circulars and guidelines. |
| **Information Technology (IT) systems and controls impacting financial reporting**<br><br>The IT environment of the Company is complex and involves a number of independent and interdependent IT systems used in the operations of the Company for processing and recording a large volume of transactions. As a result, there is a high degree of reliance and dependency on such IT systems for the financial reporting process of the Company. | Our audit procedures with respect to this matter included, but were not limited to the following:<br><br>In assessing the controls over the IT systems of the Company, we involved our technology specialists to obtain an understanding of the IT environment, IT infrastructure and IT systems. We evaluated and tested relevant IT general controls and IT application controls of the "in-scope" IT systems identified as relevant for our audit of the consolidated financial statements and financial reporting process of the Company. |

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| Key audit matter | How our audit addressed the key audit matter |
|---|---|
| Appropriate IT general controls and IT application controls are required to ensure that such IT systems are able to process the data as required, completely, accurately, and consistently for reliable financial reporting.<br><br>We have identified certain key IT systems ("in-scope" IT systems) which have an impact on the financial reporting process and the related control testing as a key audit matter because of the high level of automation, significant number of systems being used by the Company for processing financial transactions, the complexity of the IT architecture and its impact on the financial records and financial reporting process of the Company. | On such "in-scope" IT systems, we have tested key IT general controls with respect to the following domains:<br><br>a. Program change management, which includes that program changes are moved to production environment as per defined procedures and relevant segregation of environment is ensured.<br><br>b. User access management, which includes user access provisioning, de-provisioning, access review, password management, sensitive access rights and segregation of duties to ensure that privilege access to applications, operating system and databases in the production environment were granted only to authorized personnel.<br><br>c. Other areas that were assessed under the IT control environment included backup management, interface, batch processing and monitoring.<br><br>We also evaluated the design and tested the operating effectiveness of key IT application controls within key business processes, which included testing automated calculations, automated accounting procedures, system interfaces, system reconciliation controls and key system generated reports, as applicable.<br><br>Where control deficiencies were identified, we tested compensating controls or performed alternative audit procedures, where necessary. |
| **Principal Business Criteria and Impairment Assessment of Goodwill**<br><br>Refer note 2.(xviii) for the accounting policy and note 49 for the disclosures in the accompanying financial statements<br><br>As disclosed in note 39A, the Holding Company had recognized Rs. 1,025,681 lakhs as Goodwill arising from the merger of erstwhile Piramal Housing Finance Limited with Piramal Finance Limited and Piramal Capital Limited on 31 March 2018 in line with the scheme of arrangement approved by the NCLT. Further, the Holding Company has impaired Goodwill amounting to Rs. 1,025,681 lakhs in the current financial year as mentioned in note 49. | Our audit procedures on impairment assessment of Goodwill and compliance with Principal Business Criteria included, but were not limited to, the following:<br><br>• Assessed the management's identification of CGU, the allocation of assets and the methodology adopted by the management in its impairment assessment of Goodwill with reference to the requirements of the prevailing accounting standards; |

| Key audit matter | How our audit addressed the key audit matter |
|---|---|
| As per the requirements of Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 ('RBI Directions') a Housing Finance Company ('HFC') is required to comply with the Principal Business Criteria ('PBC') to be eligible to continue to hold the Housing Finance Company license. In order to meet the PBC, the Holding Company has adopted a revised business strategy to reduce the Assets under Management ('AUM') in the wholesale lending business, acquired as above, as further described in Note 49.<br><br>In accordance with the requirements of Ind AS 36 Impairment of Assets, the Holding Company tests Goodwill allocated to various cash generating units (CGUs) for impairment annually, or more frequently when there is an indication that the Goodwill may be impaired.<br><br>In performing such impairment assessment, management compared the carrying value of the separately identifiable CGU with the respective value in use based on discounted cash flow forecast to determine if any impairment loss should be recognised. The management of the Holding Company has used an external valuation specialist in assessing the recoverable amount of the cash generating unit as aforesaid. The preparation of discounted cashflow forecasts for the purpose of assessing impairment of Goodwill involves estimating future cash flows, growth rates and discount rates considering the impact of revision in business strategy to maintain PBC criteria which are judgmental and inherently uncertain.<br><br>Given the complexity and judgement involved in assessment of impairment of Goodwill made by the Holding Company and the criticality of meeting the PBC for a HFC, these matters have been considered of most significance and hence, the same has been considered as key audit matter.<br><br>The above matter is also considered to be fundamental to the understanding of the users of the financial statements. | • Evaluated the assumptions adopted in the preparation of the cash flow forecasts for the purpose of the impairment assessment of the Goodwill, including projected future growth rates for income and expenses. Further, ensured such forecasts are consistent with the business plans approved by the Board of Directors;<br><br>• Obtained the revised business strategy of the Holding Company approved by the Board of Directors in order to achieve the PBC threshold as stated in the RBI Directions. Compared this with actual reduction in AUM of wholesale lending business and increase in retail housing business to evaluate management's assessment of meeting such criteria within the time period allowed by RBI;<br><br>• Obtained and reviewed the external valuation reports, considered by the Holding Company for its impairment assessment and assessed the competence, capabilities and objectivity of the experts engaged;<br><br>• Involved our valuation specialists to assess the appropriateness of the valuation methodology used for calculation of the recoverable value in the valuation report obtained by the management.<br><br>• Assessed the impact of changes in the key assumptions, i.e., growth rates and the discount rates, adopted in the discounted cash flow forecasts on the conclusions reached in the impairment assessments and assessed whether there were any indicators of the management bias in the selection of these assumptions;<br><br>• Tested the arithmetical accuracy of the computation of recoverable amounts of cash generating units;<br><br>• Evaluated the adequacy of financial statement disclosures, including disclosures of key assumptions and judgements in accordance with applicable accounting standards. |

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**Information other than the Consolidated Financial Statements and Auditor's Report thereon**

7. The Holding Company's Board of Directors are 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.

**Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

8. The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group including its associate and joint venture in accordance with the Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, the relevant circulars, guidelines and directions issued by the Reserve Bank of India (RBI) from time to time ('RBI Guidelines')and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and its associate and joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

9. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associate and joint venture are responsible for assessing the ability of the Group and of its associate and 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 intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

10. Those respective Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group and of its associate and joint venture.






**Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

11. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing 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.

12. As part of an audit in accordance with Standards on Auditing specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

- Conclude on the appropriateness of 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 Group and its associate and 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 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 Group and its associate and joint venture to cease to continue as a going concern; and

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial statements of the entities or business activities within the Group, and its associate and joint venture, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the financial statements, of which we are the independent auditors. For the other entities included in the financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

13. 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.






14. 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.

15. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period 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.

**Other Matters**

16. We did not audit the financial statements of six subsidiaries, whose financial statements reflects total assets of ₹ 189,083 lakhs and net assets of ₹ 89,675 lakhs as at 31 March 2023, total revenues of ₹ 2,669 lakhs and net cash inflows amounting to ₹ 1,204 lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss (including other comprehensive income) of ₹ 4,994 lakhs for the year ended 31 March 2023, as considered in the consolidated financial statements, in respect of one joint venture, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and 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 subsidiaries and joint venture are based solely on the reports of the other auditors.

    Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors.

17. The consolidated financial statements also include the Group's share of net profit (including other comprehensive income) of ₹ 0 lakhs for the year ended 31 March 2023, as considered in the consolidated financial statements, in respect of one associate, whose financial statements have not been audited by us. These financial information is unaudited and have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the aforesaid associate, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the management, these financial statements are not material to the Group.

    Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matter with respect to our reliance on the financial information certified by the management.

18. The following other matter paragraph is given by another firm of Chartered Accountants vide their report dated 02 May 2023 on the financial statements of Pramerica Life Insurance Limited ('PLIL'), the Joint Venture of a subsidiary company of the Holding Company, which is reproduced by us as under;

    "The actuarial valuation of liabilities for life policies in force is the responsibility of the Company's appointed actuary ("the Appointed Actuary"). The actuarial valuation of liabilities for policies in force as at 31 March 2023 has been duly certified by the Appointed Actuary. The Appointed Actuary has also certified that the assumptions for such valuation are in accordance with the guidelines and norms issued by the Insurance Regulatory and Development Authority of India (IRDAI) and the Institute of Actuaries of India in concurrence with IRDAI. We have relied upon the Appointed Actuary's certificate in this regard.

The valuation of liability of embedded derivatives in insurance contracts as at 31 March 2023 has been duly certified by the Appointed Actuary. We have relied upon the Appointed Actuary's certificate in this regard.

The Statement includes figures for the corresponding year ended 31 March 2022 which have been approved by the Company's Board of Directors, but have not been subjected to audit or limited review by us or any other auditor."

Our opinion is not modified in respect of these matters.

19. The audit of the consolidated financial statements of the Group for the year ended 31 March 2022 was carried out and reported jointly by K. K. Mankeshwar & Co. and Walker Chandiok & Co LLP, who have expressed an unmodified opinion vide audit report dated 26 May 2022 which has been furnished to T R Chadha & Co LLP, the incoming joint statutory auditor of the Group and has been relied upon by them for the purpose of their joint audit of the consolidated financial statements.

    Our opinion is not modified in respect of this matter.

**Report on Other Legal and Regulatory Requirements**

20. As required by section 197(16) of the Act based on our audit, and on the consideration of the reports of the other auditors, referred to in paragraph 16, on separate financial statements of the subsidiaries and joint venture, we report that the Holding Company whose financial statements have been audited under the Act has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act. Further, we report that six subsidiary companies incorporated in India whose financial statements have been audited under the Act have not paid or provided for any managerial remuneration during the year. Accordingly, reporting under section 197(16) of the Act is not applicable in respect of such subsidiary companies.

    Based on the consideration of audit report of the statutory auditors of Pramerica Life Insurance Limited, a joint venture of a subsidiary company, the remuneration paid to its directors during the year ended 31 March 2023 was in accordance with the provisions of section 197 of the Act to the extent applicable, read together with section 34A of the Insurance Act, 1938.

21. As required by clause (xxi) of paragraph 3 of Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act based on the consideration of the Order reports issued till date by us and by the respective other auditors as mentioned in paragraph 16 above, of companies included in the consolidated financial statements and covered under the Act we report that there are no qualifications or adverse remarks reported in the respective Order reports of such companies. Further, following company included in the consolidated financial statements for the year ended 31 March 2023 and covered under that Act that are audited by other auditors for which the respective reports under section 143(11) of the Act of such companies have not yet been issued by the other auditors, as per information and explanation given to us by the management in this respect :

| Sr No | Name | CIN | Subsidiary/ Associate/ Joint Venture |
|---|---|---|---|
| 1 | DHFL Ventures Trustee Company Private Limited | U65991MH2005PTC153886 | Associate of Subsidiary Company |

22. As required by section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements and other financial information of the subsidiaries, and joint venture incorporated in India whose financial statements have been audited under the Act, 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 purpose 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 and the reports of the other auditors;

c) The consolidated financial statements 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 Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 the relevant circulars, guidelines and directions issued by the Reserve Bank of India (RBI) from time to time ('RBI Guidelines'), note 39B to the extent effect given in accordance with the accounting treatment prescribed in the resolution plan approved by the National Company Law Tribunal vide their order dated 7 June 2021 as is more fully described in the said Note;

e) On the basis of the written representations received from the directors of the Holding Company, and taken on record by the Board of Directors of the Holding Company, and the reports of the statutory auditors of its subsidiary companies and joint venture company, covered under the Act, none of the directors of the Group companies and joint venture company, are disqualified as on 31 March 2023 from being appointed as a director in terms of section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, and its subsidiary companies, associate company and joint venture company covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure A' wherein we have expressed an unmodified opinion; and

g) 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 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements and other financial information of the subsidiaries and joint venture incorporated in India whose financial statements have been audited under the Act:

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, and joint venture as detailed in Note 37 (a) to the consolidated financial statements;

ii. Provision has been made in these consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, on long-term contracts including derivative contracts, as detailed in note 45 to the consolidated financial statements;






iii. The following delays were noted in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies, and joint venture company during the year ended 31 March 2023;

| Name of Company | Amount (₹ in Lakhs) | Due date | Date of payment |
|---|---|---|---|
| Piramal Capital & Housing Finance Limited | 5.75 | 28 December 2019 | 19 August 2022 |
| | 7.57 | 28 September 2020 | 23 August 2022 |
| | 17.58 | 28 March 2021 | 23 August 2022 |
| | 12.46 | 29 September 2021 | 23 August 2022 |
| | 11.55 | 27 December 2021 | 19 August 2022 |

Refer Note 18 for reasons of delay in transferring the above amounts.

iv. a. The respective managements of the Holding Company and its subsidiary companies and joint venture company incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries and joint venture respectively that, to the best of their knowledge and belief as disclosed in note 51 (vii) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Holding Company or its subsidiary companies, or its joint venture company to or in any person(s) or entity(ies), including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company, or any such subsidiary companies, or its joint venture company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

b. The respective managements of the Holding Company and its subsidiary companies and joint venture companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries and joint venture respectively that, to the best of their knowledge and belief as disclosed in the note 51 (viii) to the accompanying consolidated financial statements, no funds have been received by the Holding Company or its subsidiary companies, or its joint venture company from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Holding Company, or any such subsidiary companies or its joint venture company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c. Based on such audit procedures performed by us and that performed by the auditors of the subsidiaries and joint venture, as considered reasonable and appropriate in the circumstances, nothing has come to our or other auditors' notice that has caused us or the other auditors to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.






**Walker Chandiok & Co LLP**
**Chartered Accountants**
**11th Floor, Tower II, One International Center**
**S B Marg, Prabhadevi (W)**
**Mumbai - 400 013**

**T R Chadha & Co LLP**
**Chartered Accountants**
**502, Marathon Icon, Off. Ganpatrao Kadam Marg**
**Opp. Peninsula Corporate Park, Lower Parel**
**Mumbai - 400 013**

v. The Holding Company, its subsidiary companies and joint venture company have not declared or paid any dividend during the year ended 31 March 2023.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 requires all companies which use accounting software for maintaining their books of account, to use such an accounting software which has a feature of audit trail, with effect from the financial year beginning on 1 April 2023 and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 (as amended) is not applicable for the current financial year.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No:001076N/N500013

**Rakesh Rathi**
Partner
Membership No:045228

**UDIN:23045228BGYRWT9511**

Place: Mumbai
Date: 05 May 2023

For **T R Chadha & Co LLP**
Chartered Accountants
Firm's Registration No:006711N/N500028

**Hitesh Garg**
Partner
Membership No:502955

**UDIN:23502955BGQPWJ6628**

Place: Mumbai
Date: 05 May 2023

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**Annexure 1**

**List of entities included in the Consolidated Financial Statements**

**a. Subsidiary Company**

i. DHFL Investments Limited
ii. DHFL Holdings Limited
iii. DHFL Advisory & Investments Private Limited
iv. Piramal Payments Services Limited (w.e.f. 29 April 2022)
v. Piramal Finance Sales and Services Private Limited (w.e.f. 28 September 2022)
vi. PRL Agastya Private Limited (w.e.f. 12 December 2022)

**b. Associate**

i. DHFL Ventures Trustee Company Limited

**c. Joint Venture**

i. Pramerica Life Insurance Limited

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**Annexure A to the Independent Auditor's Report of even date to the members of Piramal Capital & Housing Finance Limited (formerly known as Dewan Housing Finance Corporation Limited) on the consolidated financial statements for the year ended 31 March 2023**

**Independent Auditor's Report on the internal financial controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

1. In conjunction with our audit of the consolidated financial statements of **Piramal Capital & Housing Finance Limited (formerly known as Dewan Housing Finance Corporation Limited)** ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), its associate and joint venture as at and for the year ended **31 March 2023**, we have audited the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies, its associate company and joint venture company, which are companies covered under the Act, as at that date.

**Responsibilities of Management and Those Charged with Governance for Internal Financial Controls**

2. The respective Board of Directors of the Holding Company, its subsidiary companies, its associate company and joint venture company, which are companies covered under the Act, are 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 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'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the respective Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements**

3. Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies, its associate company and joint venture company, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. 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 financial statements of the Holding Company, its subsidiary companies, its associate company and joint venture company as aforesaid.

Walker Chandiok & Co LLP
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502, Marathon Icon, Off. Ganpatrao Kadam Marg
Opp. Peninsula Corporate Park, Lower Parel
Mumbai - 400 013

Annexure A (Contd)

**Meaning of Internal Financial Controls with Reference to Financial Statements**

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls with Reference to Financial Statements**

7. Because of the inherent limitations of internal financial controls with reference to 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 financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

8. In our opinion the Holding Company, its subsidiary companies, its associate company and joint venture company, which are companies covered under the Act, have in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to financial statements criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

**Other Matters**

9. We did not audit the financial statements of six subsidiaries, whose financial statements reflects total assets of ₹ 189,083 lakhs and net assets of ₹ 89,675 lakhs as at 31 March 2023, total revenues of ₹ 2,669 lakhs and net cash inflows amounting to ₹ 1,204 lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss (including other comprehensive income) of ₹ 4,994 lakhs for the year ended 31 March 2023, as considered in the consolidated financial statements, in respect of one joint venture, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and 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 subsidiaries and joint venture are based solely on the reports of the other auditors. Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on the reports of the other auditors.

**Walker Chandiok & Co LLP**
**Chartered Accountants**
**11th Floor, Tower II, One International Center**
**S B Marg, Prabhadevi (W)**
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**Annexure A (Contd)**

10. The consolidated financial statements also include the Group's share of net profit (including other comprehensive income) of ₹ 0 lakhs for the year ended 31 March 2023, as considered in the consolidated financial statements, in respect of one associate, whose financial statements have not been audited by us. These financial statements are unaudited and have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the aforesaid associate, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the management, these financial statements are not material to the Group. Our opinion is not modified in respect of the above matter with respect to our reliance on the internal financial controls with reference to financial statements report certified by the management.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No:001076N/N500013

**Rakesh Rathi**
Partner
Membership No:045228

**UDIN:23045228BGYRWT9511**

Place: Mumbai
Date: 05 May 2023

For **T R Chadha & Co LLP**
Chartered Accountants
Firm's Registration No:006711N/N500028

**Hitesh Garg**
Partner
Membership No:502955

**UDIN:23502955BGQPWJ6628**

Place: Mumbai
Date: 05 May 2023

# Piramal Capital & Housing Finance Limited

*(formerly known as Dewan Housing Finance Corporation Limited)*

## Consolidated Balance Sheet

*as at March 31, 2023*

(Currency : Rs in lakhs)

| | | Note | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|---|---|
| | **ASSETS** | | | |
| 1 | **Financial assets:** | | | |
| (a) | Cash and cash equivalents | 3 | 192,802 | 461,925 |
| (b) | Bank balances other than (a) above | 4 | 69,191 | 54,038 |
| (c) | Derivative financial instruments | 45 | 9,811 | 2,749 |
| (d) | Receivables | | | |
| | (i) Trade Receivables | 5 | 451 | - |
| (e) | Loans | 6 | 4,156,482 | 4,756,017 |
| (f) | Investments | 7 | 1,296,565 | 1,385,070 |
| (g) | Other financial assets | 8 | 83,820 | 112,538 |
| 2 | **Non- financial assets:** | | | |
| (a) | Current tax assets (net) | 9 | 73,841 | 62,106 |
| (b) | Deferred tax assets (net) | 10 | 143,138 | - |
| (c) | Right-of-use assets | 12 | 19,988 | 12,171 |
| (d) | Property, Plant and Equipment | 12 | 32,312 | 38,517 |
| (e) | Investment property | 12 | 97,495 | - |
| (f) | Intangible assets under development | 12 | 353 | 1,217 |
| (g) | Goodwill | 12 | 200 | 1,025,681 |
| (h) | Other intangible assets | 12 | 11,648 | 5,678 |
| (e) | Other non-financial assets | 11 | 38,552 | 46,256 |
| | **Total Assets** | | **6,226,649** | **7,963,963** |
| | **LIABILITIES AND EQUITY** | | | |
| | **Liabilities** | | | |
| 1 | **Financial liabilities:** | | | |
| (a) | Payables | | | |
| | Trade payables | | | |
| | (i) Total outstanding dues of micro and small enterprises | 13 | 277 | 134 |
| | (ii) Total outstanding dues of creditors other than micro and small enterprises | 13 | 29,057 | 51,886 |
| (b) | Debt securities | 14 | 2,552,399 | 2,871,266 |
| (c) | Borrowings (other than debt securities) | 15 | 1,526,617 | 1,491,055 |
| (d) | Deposits | 16 | 31,552 | 266,600 |
| (e) | Subordinated liabilities | 17 | 12,688 | 12,660 |
| (f) | Other financial liabilities | 18 | 166,613 | 89,925 |
| 2 | **Non- financial liabilities:** | | | |
| (a) | Current tax liabilities (net) | 19 | 59,208 | 340,889 |
| (b) | Provisions | 20 | 6,345 | 10,200 |
| (c) | Deferred tax liabilities (net) | 10 | - | 61,631 |
| (d) | Other non- financial liabilities | 21 | 363,789 | 548,950 |
| | **Equity** | | | |
| (a) | Equity share capital | 22 | 2,136,469 | 2,136,469 |
| (b) | Other equity | 23 | (658,365) | 82,298 |
| | **Total Liabilities and Equity** | | **6,226,649** | **7,963,963** |
| | Significant accounting policies | 2 | | |

The notes referred to above forms an integral part of the financial statements.

As per our report of even date attached.

**For Walker Chandiok & Co LLP**
*Chartered Accountants*
Firm Registration No. 001076N/N500013

**Rakesh Rathi**
*Partner*
Membership No: 045228

**For T R Chadha & Co LLP**
*Chartered Accountants*
Firm's Registration No: 006711N/N500028

**Hitesh Garg**
*Partner*
Membership No: 502955

**For and on behalf of the Board of Directors of Piramal Capital & Housing Finance Limited**

**Jairam Sridharan**
*Managing Director*
DIN: 05165390

**Ajay Piramal**
*Chairman*
DIN: 00028116

**Vikash Singhla**
*Chief Financial Officer*

**Bipin Singh**
*Company Secretary*

Mumbai, May 5, 2023

External Public

Piramal Capital & Housing Finance Limited

*(formerly known as Dewan Housing Finance Corporation Limited)*

## Consolidated Statement of Profit and Loss

*for the year ended March 31, 2023*

(Currency : Rs in lakhs)

| | Note | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|---|---|---|
| **Revenue from operations** | | | |
| Interest income | 24 | 631,419 | 590,332 |
| Rental income | | 2,395 | 118 |
| Fees and commission income | 25 | 26,817 | 13,411 |
| **Total Revenue from operations** | | **660,631** | **603,861** |
| Other income | 26 | 6,284 | 6,614 |
| **Total Income** | | **666,915** | **610,475** |
| **Expenses** | | | |
| Finance costs | 27 | 346,997 | 333,706 |
| Fees and commission expenses | 28 | 2,877 | 1,164 |
| Net loss on fair value changes | 29 | 77,117 | 41,808 |
| Net loss on derecognition of financial instruments under amortised cost category | 30 (a) | 326,553 | 2,206 |
| Impairment on financial instruments | 30 (b) | (15,928) | 62,725 |
| Employee benefits expenses | 31 | 71,171 | 29,469 |
| Depreciation, amortisation and impairment | 12 | 9,725 | 5,236 |
| Other expenses | 32 | 104,170 | 48,492 |
| **Total Expenses** | | **922,682** | **524,806** |
| **Profit before share of net profit of joint ventures, exceptional items and tax** | | (255,767) | 85,669 |
| Share of net profit of joint ventures | 38 (c) | 2,096 | 1,441 |
| Profit (Loss) after share of net profit of associates and joint ventures before exceptional items and tax | | (253,671) | 87,110 |
| **Less Exceptional items** | | | |
| Impairment of Goodwill | 49 | 1,025,681 | |
| Transaction cost on merger | 39(B) | | 14,272 |
| **Profit/(Loss) after share of net profit of associates and joint ventures and before tax** | | **(1,279,352)** | **72,838** |
| **Less: Tax expenses** | | | |
| Current tax | | 91 | 56,325 |
| Prior year tax | | (332,754) | - |
| Deferred tax | | (206,553) | (37,502) |
| | | **(539,216)** | **18,823** |
| **Profit/(Loss) for the year** | | **(740,136)** | **54,015** |
| **Other comprehensive income** | | | |
| *Items that will not be reclassified to Statement of profit or loss* | | | |
| Remeasurement of the defined benefit plan | | 151 | 47 |
| Equity Instruments Measure through OCI | | 8,981 | - |
| Income tax relating to items that will not be reclassified to Statement of profit or loss | | (2,298) | (12) |
| *Items that will be reclassified to Statement of profit or loss* | | | |
| Share of other comprehensive income of joint ventures accounted for using the equity method | | (7,089) | (7,727) |
| Remeasurement gain (loss) on hedge accounting | | 1,343 | 1,299 |
| Debt Instruments Measure through OCI | | (1,705) | - |
| Income tax relating to items that will be reclassified to Statement of profit or loss | | 91 | (327) |
| **Net other comprehensive income** | | **(526)** | **(6,720)** |
| **Total comprehensive income for the year** | | **(740,662)** | **47,295** |
| **Earnings per equity share (Basic and Diluted) (Rs.)** | 34 | **(3.46)** | **0.25** |
| Significant accounting policies | 2 | | |

The notes referred to above forms an integral part of the financial statements.

As per our report of even date attached.

**For Walker Chandiok & Co LLP**
*Chartered Accountants*
Firm Registration No. 001076N/N500013

**Rakesh Rathi**
*Partner*
Membership No: 045228

**For T R Chadha & Co LLP**
*Chartered Accountants*
Firm's Registration No: 006711N/N500028

**Hitesh Garg**
*Partner*
Membership No: 502955

**For and on behalf of the Board of Directors of Piramal Capital & Housing Finance Limited**

**Jairam Sridharan**
*Managing Director*
DIN: 05165390

**Ajay Piramal**
*Chairman*
DIN: 00028116

**Vikash Singhla**
*Chief Financial Officer*

**Bipin Singh**
*Company Secretary*

Mumbai, May 5, 2023

Piramal Capital & Housing Finance Limited

*(formerly known as Dewan Housing Finance Corporation Limited)*

## Consolidated Cash Flow Statement

*for the year ended March 31, 2023*

(Currency : Rs in lakhs)

| | | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|---|---|---|
| **A.** | **Cash flow from operating activities** | | |
| | Profit before tax | **(1,279,352)** | **72,838** |
| | Gain on Sale of Investments | (8,374) | (8,220) |
| | Share of net profit of joint ventures | (2,096) | (1,442) |
| | Write back of interest on CCDS | - | (4) |
| | Interest income from fixed deposits | (4,829) | (252) |
| | Provision for Doubtful Advance | 13,399 | - |
| | Goodwill written off | 1,025,681 | - |
| | (Gain)/Loss on fair valuation | 85,585 | 50,029 |
| | Lease rent payment | (969) | (2,882) |
| | Allowance for expected credit loss on loans and loan commitments | (15,928) | 62,725 |
| | Interest on lease payment | 1,972 | 523 |
| | Finance Cost | 348,559 | 333,706 |
| | Change in provision for gratuity and compensated absence | 517 | 416 |
| | Loss on derecognition of financial assets | 326,553 | 2,206 |
| | Bad debts written off | 2 | - |
| | Loss on sale of fixed assets | (262) | - |
| | Depreciation and amortisation | 10,011 | 5,235 |
| | **Operating cash flow before working capital changes** | **500,469** | **514,878** |
| | Decrease / (Increase) in Trade Receivables | 1,489 | - |
| | Decrease / (Increase) in Loans | 186,482 | 376,503 |
| | Decrease / (Increase) in Investments | (265,724) | (58,418) |
| | Decrease / (Increase) in other financials assets | 28,679 | 67,189 |
| | Decrease / (Increase) in other non financials assets | (2,883) | (4,440) |
| | (Decrease) / Increase in short term provisions | 21 | (2,802) |
| | (Decrease) / Increase in Trade Payables | (3,924) | 11,126 |
| | (Decrease) / Increase in Provisions | 259 | - |
| | (Decrease) / Increase in other financials liabilities | 58,361 | 4,725 |
| | (Decrease) / Increase in other non financials liabilities | 6,723 | (971) |
| | **Cash (used in)/from operations** | **509,952** | **907,790** |
| | Less: Income taxes paid | 40,303 | (41,693) |
| | **Net cash (used in)/ from operating activities (a)** | **550,255** | **866,097** |
| **B** | **Cash flow from investing activities** | | |
| | Purchase of Fixed assets | (14,475) | (4,594) |
| | Sale proceeds from Fixed assets | 11,541 | - |
| | Payment of consideration for business combination | (200) | (191,847) |
| | Investments in mutual funds | (5,244,200) | (1,015,500) |
| | Redemptions from mutual funds | 5,385,714 | 1,081,662 |
| | Interest income from fixed deposits | 4,873 | 1,002 |
| | Investment in fixed deposits | (104,208) | (338,643) |
| | Redemption from fixed deposits | 90,170 | 435,422 |
| | **Net cash (used in)/ from investing activities (b)** | **129,215** | **(32,498)** |
| **C** | **Cash flow from financing activities** | | |
| | Payment of Lease Liability | (2,015) | - |
| | Borrowings taken during the year | 782,806 | 891,899 |
| | Borrowings repaid during the year | (1,729,453) | (1,728,465) |
| | **Net cash (used in)/ from financing activities (c)** | **(948,662)** | **(836,566)** |
| | **Net increase/ (decrease) in cash and cash equivalents (a+b+c)** | **(269,192)** | **(2,967)** |
| | Cash and cash equivalents as at beginning of the year | **461,925** | **355,967** |
| | Add: Cash and cash equivalent transferred due to acquisition during the year | **69** | **108,924** |
| | Cash and cash equivalents as at end of the year | **192,802** | **461,925** |

WALKER CHANDIOK & Co LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

Piramal Capital & Housing Finance Ltd.

External Public

Piramal Capital & Housing Finance Limited

*(formerly known as Dewan Housing Finance Corporation Limited)*

## Consolidated Cash Flow Statement

*for the year ended March 31, 2023*

(Currency : Rs in lakhs)

| | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|---|---|
| **Cash and Cash Equivalents Comprise of:** | | |
| Cash on hand | - | 574 |
| Balances with banks in current accounts | 192,802 | 186,883 |
| Fixed deposits (with original maturity less than 3 months) | - | 274,468 |
| | 192,802 | 461,925 |

The consolidated cash flow statement has been prepared under the 'Indirect Method' set out in Indian Accounting Standard-7, "Statement of cash flow"

**Note:** In the previous year, the Company has paid Rs.1,471,747 lakhs in cash of which Rs.1,280,000 lakhs paid out of acquired cash and has issued Rs.1,953,252 lakhs of NCD as part of resolution plan approved by NCLT dated June 7, 2021. (Refer note 39B)

The notes referred to above forms an integral part of the financial statements.

As per our report of even date attached.

**For Walker Chandiok & Co LLP**
*Chartered Accountants*
Firm Registration No. 001076N/N500013

**Rakesh Rathi**
*Partner*
Membership No: 045228

Mumbai, May 5, 2023

**For T R Chadha & Co LLP**
*Chartered Accountants*
Firm's Registration No: 006711N/N500028

**Hitesh Garg**
*Partner*
Membership No: 502955

**For and on behalf of the Board of Directors of Piramal Capital & Housing Finance Limited**

**Jairam Sridharan**
*Managing Director*
DIN: 05165390

**Ajay Piramal**
*Chairman*
DIN: 00028116

**Vikash Singhla**
*Chief Financial Officer*

**Bipin Singh**
*Company Secretary*

External Public

Piramal Capital & Housing Finance Limited
*(formerly known as Dewan Housing Finance Corporation Limited)*

## Consolidated Statement of changes in equity
*for the year ended March 31, 2023*

(Currency : Rs in lakhs)

**A. Equity Share Capital:**

| Particulars | Amount |
|---|---|
| **Balance as at March 31, 2021** | **1,928,372** |
| Less: Cancellation of shares upon business combination (Refer Note 39B) | (1,928,372) |
| Add: Issue of shares pursuant to business combination (Refer Note 39B) | 2,136,469 |
| **Balance as at March 31, 2022** | **2,136,469** |
| Add: Issues during the year | - |
| **Balance as at March 31, 2023** | **2,136,469** |

**B. Other Equity:**

| Particulars | Reserves and Surplus | | | | | Other Comprehensive Income | | | Total |
|---|---|---|---|---|---|---|---|---|---|
| | Amalgamation Adjustment Reserve | Statutory Reserve | Capital Reserve | Securities Premium | Retained Earnings | Debt Instruments Measured through OCI | Equity Instruments Measured through OCI* | Cash flow hedging reserve | |
| **Balance as at March 31, 2021** | - | **50,150** | **3** | **16,080** | **155,654** | - | - | **(1,596)** | **220,290** |
| Add/(Less): Transfer during the year | - | 10,515 | - | - | - | - | - | 972 | 11,486 |
| Add: Transfer on account of reverse merger (Refer Note 39B ) | (490,288) | 183,899 | 17,263 | 220,885 | 91,052 | - | - | - | 22,810 |
| Add: Profit during the year | - | - | - | - | 54,015 | - | - | - | 54,015 |
| Add: Other comprehensive income (net of tax) | - | - | - | - | (7,692) | - | - | - | (7,692) |
| Less: Transfer to Share Capital on account of reverse merger (Refer Note 39B ) | - | - | (3) | (16,080) | (192,014) | - | - | - | (208,096) |
| Less: Transfer to statutory reserve fund | - | - | - | - | (10,515) | - | - | - | (10,515) |
| **Balance as at March 31, 2022** | **(490,288)** | **244,563** | **17,263** | **220,885** | **90,501** | **-** | **-** | **(624)** | **82,298** |
| Add/(Less): Transfer during the year | - | - | 2 | - | - | (1,276) | 6,720 | 1,005 | 6,451 |
| Add/(Less): Profit/(Loss) during the year | - | - | - | - | (740,136) | - | - | - | (740,136) |
| Add: Other comprehensive income (net of tax) | - | - | - | - | (6,980) | - | - | - | (6,980) |
| **Balance as at March 31, 2023** | **(490,288)** | **244,563** | **17,265** | **220,885** | **(656,615)** | **(1,276)** | **6,720** | **381** | **(658,365)** |

* that will not be reclassified to Statement of profit or loss

The notes referred to above forms an integral part of the financial statements.

As per our report of even date attached.

**For Walker Chandiok & Co LLP**
*Chartered Accountants*
Firm Registration No. 001076N/N500013

**Rakesh Rathi**
*Partner*
Membership No: 045228

**For T R Chadha & Co LLP**
*Chartered Accountants*
Firm's Registration No: 006711N/N500028

**Hitesh Garg**
*Partner*
Membership No: 502955

**For and on behalf of the Board of Directors of**
**Piramal Capital & Housing Finance Limited**

**Jairam Sridharan**
*Managing Director*
DIN: 05165390

**Ajay Piramal**
*Chairman*
DIN: 00028116

**Vikash Singhla**
*Chief Financial Officer*

**Bipin Singh**
*Company Secretary*

Mumbai, May 5, 2023

External Public

(Currency : Rs in lakhs)

## 1A. GENERAL INFORMATION

Piramal Capital & Housing Finance Limited (formerly known as Dewan Housing Finance Corporation Limited) (the Holding Company) and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associate and joint venture. The Holding Company was incorporated in India on April 11, 1984 and has been carrying on, as its main business of providing loans to customers for construction or purchase of residential property, loans against property, loans to real estate developers, loans to SMEs, etc.. The Holding Company is registered with National Housing Bank (NHB) under Section 29A of the National Housing Bank Act, 1987. The registered office of the Holding Company is in Unit No.601, 6th Floor, Amiti Building, Agastya Corporate Park, Kamani Junction, Opp. Fire Station, LBS Marg, Kurla West, Mumbai City, 400070.

Also, refer to note 39B with respect to business combination pursuant to Resolution Plan and order passed by Hon'ble National Company Law Tribunal ("NCLT"). From the implementation date i.e. September 30, 2021, as specified in the NCLT order, along with other developments as explained below, the Holding Company became the wholly-owned subsidiary of Piramal Enterprises Limited.

These consolidated financial statements issued under the name of Piramal Capital & Housing Finance Limited represent the continuation of the financial statement of erstwhile Piramal Capital & Housing Finance Limited (ePCHFL)(accounting acquirer), as more fully explained in the note 39B.

The Holding Company is a public limited Company and its debts are listed on the Bombay Stock Exchange (BSE India) and the National Stock Exchange (NSE), India.

The consolidated financial statements were authorised by the Board of Directors for issue in accordance with resolutions passed on May 5, 2023.

## 1B. Basis of Preparation

### i) Statement of compliance and basis of preparation and presentation of consolidated financial statements

The consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) and the provisions of the Companies Act, 2013 ('the Act') read with note 39B to the extent effect given in accordance with the accounting treatment prescribed in the resolution plan approved by the National Company Law Tribunal vide their order dated 7 June 2021 as is more fully described in the said note. The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

The consolidated financial statements have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 as per Section 133 of the Companies Act, 2013 and relevant amendment rules issued thereafter ("Ind AS") on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period as explained below and accounting for business combination carried out by the Holding Company during the year (as more fully explained in note 39B), the relevant provisions of the Companies Act, 2013 (the "Act") and the guidelines and directives issued by the Reserve Bank of India (RBI) and National Housing Bank ("NHB") to the extent applicable.

The Balance Sheet, the Statement of Profit and Loss and the Statement of Changes in Equity are prepared and presented in the format prescribed in the Division III of Schedule III to the Companies Act, 2013 (the "Act"). The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows". The Balance Sheet, Statement of Profit and Loss, Statement of Cash Flow, Statement of Changes in Equity, summary of the significant accounting policies and other explanatory information are together referred as the financial statements of the Group.

Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

All amounts included in the financial statements are reported in lakhs of Indian rupees (Rs. in lakhs) except share and per share data, unless otherwise stated. Due to rounding off, the numbers presented throughout the document may not add up precisely to the totals and percentages may not precisely reflect the absolute figures.

### ii) Basis of Accounting

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period and accounting for business combination carried out by the Group during the year (as more fully explained in note 39B). The consolidated financial statements are prepared and presented on going concern basis.

### iii) Use of Estimates and Judgements

The preparation of the financial statements in conformity with Indian Accounting Standards ("Ind AS") requires the management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Accounting estimates could change from period to period. Actual results could differ from those estimates. Revisions to accounting estimates are recognised prospectively. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

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Chartered Accountants

Piramal Capital & Housing Finance Ltd.

External Public

Following areas entail a high degree of estimate and judgement or complexity in determining the carrying amount of certain assets and liabilities.
1. Business Combination - Note 39B
2. Measurement of defined benefit obligations: key actuarial assumptions – Note 41
3. Fair Valuation of financial assets and liabilities - Note 42
4. Impairment of financial assets – Note 44
5. Impairment of Goodwill – Note 49
6. Income tax - Note 2(xii)
7. Evaluation of business Model - Note 2 (iv)
8. Provision and Liabilities - Note 2(vii)
9. Useful Life of Property, Plant and Equipment (PPE) and Intangible assets - Note 2 (i)

**iv) Principles of consolidation and equity accounting**

(a) Subsidiaries:

Subsidiaries are all entities (including Structured entities) over which the group has control. Control is achieved when the Group has power over the investee, is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to use its power to affect its returns. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.
The acquisition method of accounting is used to account for business combinations by the group.
The group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.
Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

(b) Associates:

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. Investments in associates are accounted for using the equity method of accounting (see below), after initially being recognised at cost. Wherever necessary, adjustments are made to financial statements of associates to bring there accounting policies in line with those used by the other members of group.

(c) Joint Arrangements:

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.
A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities relating to the arrangement.
A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement.
Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.
The Group recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings.
Interests in joint ventures are accounted for using the equity method (see below), after initially being recognised at cost in the consolidated balance sheet.

(d) Equity method:

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of post acquisition profits or losses of the investee in profit and loss, and the group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates or joint ventures are recognised as a reduction in the carrying amount of the investment.
Unrealised gains on transactions between the group and its associates and joint ventures are eliminated to the extent of the group's interest in these entities.
Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.
The carrying amount of equity accounted investments are tested for impairment.

(e) Changes in ownership interests

The group treats transactions with non-controlling interests that do not result in loss of control as transactions with equity owners of the group. A change in the ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

(f) List of entities included in the consolidated financial statements:

a.Subsidiary Company
- i. DHFL Investments Limited
- ii. DHFL Holdings Limited
- iii. DHFL Advisory & Investments Private Limited
- iv. Piramal Payments Services Limited (w.e.f. 29 April 2022)
- v. Piramal Finance Sales and Services Private Limited (w.e.f. 28 September 2022)
- vi. PRL Agastya Private Limited (w.e.f. 12 December 2022)

b.Associate
- i. DHFL Ventures Trustee Company Limited

c.Joint Venture
- i. Pramerica Life Insurance Limited

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Piramal Capital & Housing Finance Ltd.

## 2. SIGNIFICANT ACCOUNTING POLICIES

### i) Property, plant and equipment

All Property, Plant and Equipment are stated at cost of acquisition, less accumulated depreciation and accumulated impairment losses, if any, except for fair valued assets on business combination (Refer note 39B). Direct costs are capitalised until the assets are ready for use and includes freight, duties, taxes and expenses incidental to acquisition and installation.
The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.
Subsequent expenditures related to an item of Property, Plant and Equipment are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.
Losses arising from the retirement of, and gains or losses arising from disposal of Property, Plant and Equipment are recognised in the Statement of Profit and Loss.

Depreciation is provided on a pro-rata basis on the straight line method ('SLM') over the estimated useful lives of the assets less their residual values specified in Schedule II of the Companies Act, 2013.
The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Individual Property, Plant and Equipment costing less than Rupees five thousand are depreciated fully in the year of purchase or acquisition.

The estimated useful lives of Property, Plant and Equipment are as stated below:

| | |
|---|---|
| Building | 60 years |
| Office Equipment | 5 years |
| Furniture and fixtures | 10 years |
| Computers Servers and Network | 6 years |
| Computer - End user device | 3 years |
| Motor Vehicle | 8 years (Refer note below) |
| Leasehold Improvements | Amortised on SLM over lease tenure or 5 years whichever is lower |

The Group has determined the remaining useful life of the PPE acquired on date of acquisition, as per Companies Act 2013. The value of PPE acquired is depreciated/amortised over such remaining useful life determined on straight line method basis which best reflects the usage of asset to the accounting acquirer.

For vehicles given to employee as a perquisite and forming the part of their employment, amortisation is done basis the employment agreement which may vary between 3 to 5 years.

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

Cost includes cost of land (including development rights and land under agreements to purchase), internal development costs, external development charges, construction costs, overheads, borrowing cost and development/ construction materials.

The Company depreciates building component of investment property over 60 years from the date of original purchase.
Though the Company measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes (refer note 5 and 6). Fair values are determined based on an annual evaluation performed by an accredited external independent valuer applying a valuation model recommended by the International Valuation Standards Committee.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in statement of profit and loss in the period of derecognition.

### ii) Intangible Assets

Intangible assets are stated at acquisition cost except for fair valued assets on business combination (Refer note 39B), net of accumulated amortisation and accumulated impairment losses, if any.
Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the disposal proceeds and the carrying amount of the asset and are recognised as income or expense in the Statement of Profit and Loss.
Intangible assets not ready for use on the date of Balance Sheet is disclosed as 'Intangible assets under development'.
Intangible Assets other than Goodwill are amortized on a straight line basis over their finite useful lives over the following period:

| | |
|---|---|
| Computer Software | 6 years |

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

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Piramal Capital & Housing Finance Ltd.

Individual intangible assets costing less than Rupees five thousand are depreciated fully in the year of purchase or acquisition.
Goodwill on acquisition is included in intangible assets. Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.
Goodwill is carried at cost less accumulated impairment losses.

**Self generated software**
The Company recognises internally generated intangible assets when it is certain that the future economic benefit attributable to the use of such intangible assets are probable to flow to the Company and the expenditure incurred for development of such intangible assets can be measured reliably. The cost of an internally generated intangible asset comprises all directly attributable costs necessary to create, produce, and prepare the asset to be capable of operating in the manner intended by the Company. The intangible assets including those internally generated are amortised using the straight line method over a period of five years, which is the Management's estimate of its useful life. The useful lives of intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate

**iii) Impairment of non financial assets**

The Group assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. For the purposes of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, the Group estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If at the Balance Sheet date there is an indication that previously assessed impairment loss no longer exists or may have decreased, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

**iv) Financial instruments**

**Recognition, initial measurement and classification**
Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments.
Financial assets and financial liabilities are initially measured at fair value. Transaction costs 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. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

**Financial assets**
Financial assets that meet the following conditions are subsequently measured at amortised cost:
- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are subsequently measured at fair value through Other Comprehensive Income (FVTOCI):
- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are subsequently measured at fair value through profit and loss (FVTPL).

Debt and other instruments
Subsequent measurement of debt and other instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt and other instruments:

Evaluation of Business Model
Classification and measurement of financial instruments depends on the results of the solely payments of principal and interest on the principal amount outstanding ("SPPI") and the business model test. The Company determines the business model at a level that reflects how the Company's financial instruments are managed together to achieve a business objective.

The Company monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those instruments.

Amortised cost
Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

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TP Chandiok & Co ★ Chartered Accountants ★ MUMBAI

Piramal Capital & Housing Finance Ltd.

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(Currency : Rs in lakhs)

**iv) Financial instruments *(Continued)***

Effective interest rate method

Income is recognised on an effective interest rate basis for financial assets other than those financial assets classified as at FVTPL. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:
– the gross carrying amount of the financial asset; or
– the amortised cost of the financial liability.

When calculating the effective interest rate for financial instruments other than purchased or originated credit-impaired ('POCI') assets, the Group estimates future cash flows considering all contractual terms of the financial instrument, but not ECL. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated using estimated future cash flows including ECL.

The calculation of the effective interest rate includes transaction costs and fees that are an integral part of the contract. Transaction costs include incremental costs that are directly attributable to the acquisition of financial asset.

If expectations regarding the cash flows on the financial asset other than purchase or originated credit impaired are revised for reasons other than credit risk, the adjustment is recorded as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income. The adjustment is subsequently amortized through Interest income in the statement of profit and loss. In respect of purchased or originated credit impaired assets, such positive or negative adjustment to the carrying amount of the asset is reflected through change in lifetime ECL since initial recognition. Favourable changes in lifetime ECL are recognised as an impairment gain, even if the favourable changes are more than the amount, if any, previously recognised in profit or loss account as impairment losses.

The Group calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets.

For financial assets that were credit-impaired on initial recognition, interest income is calculated by applying the credit-adjusted effective interest rate to the amortised cost of the asset. The calculation of interest income does not revert to a gross basis, even if the credit risk of the asset improves.

The Group considers only DSA cost while calculating interest income for retail loans by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets. Since the processing fees income collected from the customers approximately equates to the corresponding file cost incurred, the same is not considered for EIR computation.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset. Dividend on financial assets at FVTPL is recognised when the Group's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Changes in the fair value of financial assets at FVTPL are recognised in the statement of profit and loss.
Wholesale loan book acquired through business combination is accounted as FVTPL instruments.

Fair value through Other Comprehensive Income (FVTOCI):

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of

Fair value measurement

Fair value measurements under Ind AS are categorised into fair value hierarchy based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:
• Level 1 quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access on measurement date.
• Level 2 inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
• Level 3 where unobservable inputs are used for the valuation of assets or liabilities.
For assets and liabilities that are recognized in the Financial Statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Impairment of financial assets

The Group applies the expected credit loss ("ECL") model for recognising impairment loss on financial assets measured at amortised cost, loan commitments, trade receivables and other contractual rights to receive cash or other financial asset.

Wholesale lending:
The expected credit loss is a product of exposure at default, probability of default and loss given default. The Group has devised an internal model to evaluate the probability of default and loss given default based on the parameters set out in Ind AS 109. The Group has a dedicated Asset Monitoring team which evaluates asset performance on a continued basis to flag of early warning signals. Probability of default have been adjusted with forward looking inputs from anticipated change in future macro-economic conditions to comply with IndAS 109. The forward looking macro-economic conditions based adjustment is driven through a multi linear regression model which forecasts systemic gross non-performing assets under baseline future economic scenarios. Accordingly, the financial instruments are classified into Stage 1 – Standard Assets with zero to thirty days past due (DPD), Stage 2 – Significant Credit Deterioration or overdue between 31 to 90 days or OTR cases and Stage 3 – Default Assets with overdue for more than 90 days.

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(Currency : Rs in lakhs)

**iv) Financial instruments *(Continued)***

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.
Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.
Default assets wherein the management does not expect any realistic prospect of recovery are written off to the Statement of Profit and Loss.

Retail lending:
The Group uses ECL allowance for financial assets measured at amortised cost, which are not individually significant, and comprise of a large number of homogeneous loans that have similar characteristics. The expected credit loss is a product of exposure at default, probability of default and loss given default. Due to lack of 5-year internal PD/LGD data, the Group uses external PD/LGD data from credit bureau agency (TransUnion for Mar-22) for potential credit losses. Further, the estimates from the above sources have been adjusted with forward looking inputs from anticipated change in future macro-economic conditions to comply with IndAS 109. The forward looking macro-economic conditions based adjustment is driven through a multi linear regression model which forecasts systemic gross non-performing assets under baseline future economic scenarios.

**Financial assets and equity instruments**

The financial instruments are classified into Stage 1 – Standard Assets with zero to thirty days past due (DPD), Stage 2 – Significant Credit Deterioration or overdue for more than thirty days to 90 days or OTR cases and Stage 3 – Default Assets with overdue for more than 90 days.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk (as represented by days past due status of the individual accounts) since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

Default assets wherein the management does not expect any realistic prospect of recovery are written off to the Statement of Profit and Loss.

Impairment - POCI Financial Assets
POCI financial assets are assets that are credit-impaired on initial recognition. For POCI assets, lifetime ECL are incorporated into the calculation of the effective interest rate on initial recognition. Consequently, POCI assets do not carry an impairment allowance on initial recognition. The amount recognised as a loss allowance subsequent to initial recognition is equal to the changes in lifetime ECL since initial recognition of the asset. A favourable change for such assets create an impairment gain.

Derecognition of financial assets
The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.
On derecognition of financial assets in entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable, is recognised in the statement of profit and loss.

Financial assets are written off either partially or in their entirety only when the Company has no reasonable expectation of recovery.

Reclassification of financial assets and liabilities
After initial recognition of financial assets and liabilities, no re-classification is made except for financial assets where there is a change in the business model for managing those assets. The Group's management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognized gains, losses (including impairment gains or losses) or interest.

Sale of Financial assets measured at Amortised Cost
Entity reclassifies financial assets if the entity changes its business model for managing those financial assets. Such changes are expected to be very infrequent. Such changes are determined by the entity's senior management as a result of external or internal changes and must be significant to the entity's operations and demonstrable to external parties. Accordingly, a change in an entity's business model will occur only when an entity either begins or ceases to perform an activity that is significant to its operations;

The Group may occasionally sale portfolio classified under amortised pool for liquidity management, recovery management in case of stressed pool or for any specific regulatory compliance which will not lead to change in business model.
Further, if the sales are infrequent or insignificant in value, the sale of amortised cost pool will also not lead to Change in Business Model.

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(Currency : Rs in lakhs)

**iv) Financial instruments *(Continued)***

Foreign exchange gains and losses
The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. For foreign currency denominated financial assets measured at amortised cost or FVTPL, the exchange differences are recognised in profit or loss except for those which are designated as hedging instruments in a hedging relationship.

Classification as debt or equity
Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity Instrument
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 are recognised at the proceeds received.

Financial liabilities
All financial liabilities are subsequently measured at amortised cost using the effective interest rate method or at FVTPL.

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Group as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Foreign exchange gains and losses
For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in profit and loss.

Derecognition of financial liabilities
The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. An exchange between the Group and the lender of debt and other instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

**Derivatives and hedging activities**

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. Resulting gain/loss due to subsequently remeasurement of derivatives is recognised in the statement of profit and loss immediately unless the derivative is designated and is effective as a hedging instrument, in which event the timing of the recognition in the statement of profit and loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability

Embedded derivatives
Derivatives embedded in a host contract that is an asset within the scope of Ind AS 109 are not separated. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Derivatives embedded in all other host contract are separated only if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host and are measured at fair value through profit or loss. Embedded derivatives closely related to the host contracts are not separated.

Embedded foreign currency derivatives
Embedded foreign currency derivatives are not separated from the host contract if they are closely related. Such embedded derivatives are closely related to the host contract, if the host contract is not leveraged, does not contain any option feature and requires payments in one of the following currencies:

- the functional currency of any substantial party to that contract,
- the currency in which the price of the related good or service that is acquired or delivered is routinely denominated in commercial transactions around the world,
- a currency that is commonly used in contracts to purchase or sell non-financial items in the economic environment in which the transaction takes place (i.e. relatively liquid and stable currency)

Foreign currency embedded derivatives which do not meet the above criteria are separated and the derivative is accounted for at fair value through profit and loss. The Group currently does not have any such derivatives which are not closely related.

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**iv) Financial instruments *(Continued)***

**Hedge accounting**

The Group designates certain hedging instruments, which include derivatives and non-derivatives in respect of foreign currency risk, as either fair value hedges, cash flow hedges, or hedges of net investments in foreign operations. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges. The Group applies hedge accounting for transactions that meet specified criteria.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Group'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 Group 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 an on-going basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges that meet the criteria for cash flow hedge accounting are accounted as follows:
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 (such as all or some future interest payments on variable rate debt) or a highly probable forecast transaction 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 of the gain or loss on the hedging instrument is recognised immediately as finance cost in the statement of profit and loss.

The amount recognised in the cash flow hedge reserve is reclassified from OCI to profit or loss as a reclassification adjustment in the same period as the hedged cash flows affect profit or loss, and in the same line item in the statement of profit or loss.

If the hedging derivative expires or is sold, terminated or exercised, or the hedge no longer meets the criteria for cash flow hedge accounting, or the hedge designation is revoked, then hedge accounting is discontinued prospectively. If the hedged cash flows are no longer expected to occur, then the Group immediately reclassifies the cumulative amount in the hedging reserve from OCI to the statement of profit or loss.

Investment in Subsidiaries and Associates
Investment in subsidiaries and associates are recognized and carried at cost. Where the carrying amount of an investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is transferred to the Statement of Profit and Loss. On disposal of investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Profit and Loss.

**v) Assets held for sale**

Assets are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use. Such assets are generally measured at the lower of their carrying amount and fair value less costs to sell. Losses on initial classification as held for sale and subsequent gains and losses on re-measurement are recognised in profit or loss.
Once classified as held-for-sale, assets and liabilities are no longer amortised or depreciated.

**vi) Employee Benefits**

Employee benefits include provident fund, compensated absences and gratuity. In case of Provident fund, contributions are made to the Regional Provident Fund Office.

**Defined Contribution Plans**

The Group's contribution to provident fund to the Regional Provident Fund office are considered as defined contribution plans, as the Group does not carry any further obligations apart from the contributions made on a monthly basis and are charged as an expense based on the amount of contribution required to be made.

**Defined Benefit Plans**

The Group contributes to Defined Benefit Plans comprising of Gratuity and Compensated absences.

Gratuity: The Group provides for gratuity, a defined benefit plan (the "Gratuity Plan") in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

The Group has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each Balance Sheet date using projected unit credit method on the additional amount expected to be paid / availed as a result of the unused entitlement that has accumulated at the Balance Sheet date. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

**Employee Share-based payments**
The Holding company has issued stock options to certain employees of the Company. These transactions are recognised as equity-settled share based payment transactions. The stock compensation expense is determined based on fair value of options and the holding company's estimate of options that will eventually vest and is recognised over the vesting period in the statement of profit and loss with corresponding increase in liability payable to holding company as the cost is recovered by the holding company in entirety.







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**vii) Provisions, Contingent Liabilities and Commitments**

Provisions are recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.
Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.
Commitments are future liabilities for contractual expenditure. The commitments are classified and disclosed as follows:
i. The estimated amount of contracts remaining to be executed on capital account and not provided for; and
ii. Other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of the Management.

**viii) Revenue recognition**

Interest income from a financial asset (including Lease rental discounting assets) is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Loan processing fees income is accounted for on effective interest basis except for processing fees income collected from the customers which approximates to the corresponding file cost incurred. Arranger fees income is accounted for on accrual basis.

Delayed payment interest (penal interest and the like) levied on customers for delay in repayments/ non payment of contractual cashflows is recognised on realisation.

Dividend income from investments is recognised when the Group's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of dividend income can be measured reliably).
The gain / loss on account of redemption of units of mutual funds is recognised in the period in which redemption occurs.

**ix) Foreign Currency Transactions**

In preparing the financial statement, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

**x) Exceptional Items**

When items of income and expense within profit or loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the enterprise for the period, the nature and amount of such items is disclosed separately as exceptional items.

**xi) Leases**

The Group recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment.
The Group measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using incremental borrowing rate. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Group is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The Group recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognises any remaining amount of the re-measurement in statement of profit and loss.
The Group has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.









**xii) Taxes on Income**

Tax expense for the year, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the year. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.
Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting year.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.
While determining the tax provisions, the Company assesses whether each uncertain tax position is to be considered separately or together with one or more uncertain tax positions depending upon the nature and circumstances of each uncertain tax position.

**xiii) Cash and Cash Equivalents**

In the cash flow statement, Cash and cash equivalent comprises cash in hand ,demand deposits and time deposits with original maturity of less than three months held with bank and debit balance in cash credit account. Credit balance in cash credit account are shown within borrowings in financial liabilities in the balance sheet.

**xiv) Borrowing Costs**

Borrowing costs directly attributable to acquisition or construction of qualifying assets (i.e. those fixed assets which necessarily take a substantial period of time to get ready for their intended use) are capitalised.
Borrowing costs include interest expense calculated using the EIR method. EIR includes interest, amortization of ancillary cost, incurred in connection with the borrowing of funds. Other borrowing costs are recognised as an expense in the period in which they are incurred.

**xv) Earnings per share**

Basic earnings per share
The basic earnings per share is computed by dividing the net profit attributable to the equity shareholders by weighted average number of equity shares outstanding during the reporting year.

Diluted earnings per share
Number of equity shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share and also weighted average number of equity shares which would have been issued on the conversion of all dilutive potential shares. In computing diluted earnings per share only potential equity shares that are dilutive are included.

**xvi) Segment accounting**
In accordance with Ind AS 108, Segment Reporting, the Chief Executive Officer and Managing Director is the Group's chief operating decision maker ("CODM"). The Group has identified only one reportable business segment as it deals mainly in provision of lending business.

**xvii) Securitization and direct assignment**
The Group transfers loans through securitisation and direct assignment transactions. The transferred loans are de-recognised and gains losses are accounted for, only if the Group transfers substantially all risks and rewards specified in the underlying assigned loan contract.

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**xviii) Business Combinations and Goodwill**

The acquisition method of accounting is used to account for all business combinations except under common control, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a business comprises the:

- fair values of the assets transferred;
- liabilities incurred to the former owners of the acquired business;
- equity interests issued by the Group; and
- fair value of any asset or liability resulting from a contingent consideration arrangement.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the
- consideration transferred;
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Any impairment loss for goodwill is recognised in the statement of profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised as capital reserve in other equity.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss or other comprehensive income, as appropriate.

**xix) Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:**

**Ind AS 1 – Presentation of Financial Statements**

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements.

**Ind AS 12 – Income Taxes**

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the Initial recognition exemption of Ind AS 12 so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. Accordingly, companies will need to recognise a deferred tax asset and a deferred tax liability for temporary differences arising on transactions such as initial recognition of a lease and a decommissioning provision.

**Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors**

The definition of a "change in accounting estimates" has been replaced with a definition of "accounting estimates". Accounting estimates are defined as "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty.

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## Notes to the Consolidated Financial Statements *(Continued)*

*as at March 31, 2023*

(Currency : Rs in lakhs)

| | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| **3 Cash and cash equivalents** | | |
| Cash on hand* | - | 574 |
| Balances with banks in current accounts | 192,802 | 186,883 |
| Fixed deposits (with original maturity less than 3 months) | - | 274,468 |
| **Total** | **192,802** | **461,925** |
| *Amount below 0.50 lakhs has been considered as 0. | | |
| **4 Bank balances other than (a) above** | | |
| Fixed deposits (with original maturity more than 3 months) | 1,259 | - |
| Earmarked balances with banks* | 67,834 | 53,863 |
| Unclaimed dividend Accounts | 98 | 175 |
| **Total** | **69,191** | **54,038** |

*(i) Deposits with banks to the extent of Rs. 67,834 lakhs (March 31, 2022 - Rs.53,863 lakhs) held as security against the borrowings and guarantees.
(ii) Net of fair valuation loss of Rs. 22,978 lakhs (March 31, 2022 - Rs. 15,007 lakhs) on account of adjustment in cash collateral for securitised pool.

| | | |
|---|---|---|
| **5 Trade Receivables** | | |
| Unsecured, considered good | 381 | - |
| Credit impaired | 270 | - |
| Receivables from related parties | 70 | - |
| Less: Allowance for impairment loss (expected credit loss allowance) | (270) | - |
| **Total** | **451** | **-** |

**Ageing Schedule**

| Trade Receivables as at March 31, 2023 | Outstanding for following periods from due date of payment | | | | | |
|---|---|---|---|---|---|---|
| | Less than 6 months | 6 months -1 year | 1 year - 2 years | 2 years - 3 years | 3 years and above | Total |
| Undisputed Trade Receivables - considered good | 380 | 71 | - | - | - | 451 |
| Undisputed Trade Receivables - considered doubtful | - | - | - | - | - | - |
| Disputed Trade Receivables - considered good | - | - | - | - | - | - |
| Disputed Trade Receivables - credit impaired | - | 7 | 72 | 191 | - | 270 |
| **Total** | 380 | 78 | 72 | 191 | - | 721 |









## Notes to the Consolidated Financial Statements (Continued)

*as at March 31, 2023*

(Currency : Rs in lakhs)

### 6 Loans

| | | As at March 31, 2023 | | | | As at March 31, 2022 | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | At amortised cost | At FVTPL | At FVOCI | Total | At amortised cost | At FVTPL | At FVOCI | Total |
| | **Loans in India - Term Loans** | | | | | | | | |
| A | (a) Secured by tangible assets | 3,783,273 | 133,868 | - | 3,917,141 | 4,791,241 | 282,873 | - | 5,074,114 |
| | (b) Unsecured | 923,696 | - | - | 923,696 | 436,289 | - | - | 436,289 |
| | **Gross** | 4,706,969 | 133,868 | - | 4,840,837 | 5,227,530 | 282,873 | - | 5,510,403 |
| | Less: Allowance for impairment loss (expected credit loss allowance) | (684,355) | - | - | (684,355) | (754,386) | - | - | (754,386) |
| | **Net** | **4,022,614** | **133,868** | **-** | **4,156,482** | 4,473,144 | 282,873 | - | 4,756,017 |
| B | Considered good | | | | | | | | |
| | - to Related party | - | - | - | - | 70,075 | - | - | 70,075 |
| | - to Others | 3,689,319 | 133,868 | - | 3,823,187 | 3,645,433 | 282,873 | - | 3,928,306 |
| | Less: Allowance for impairment loss (expected credit loss allowance) | (122,675) | - | - | (122,675) | (94,508) | - | - | (94,508) |
| | Significant increase in Credit Risk | 341,858 | - | - | 341,858 | 256,073 | - | - | 256,073 |
| | Less: Allowance for impairment loss (expected credit loss allowance) | (96,273) | - | - | (96,273) | (40,745) | - | - | (40,745) |
| | Credit impaired | 426,792 | - | - | 426,792 | 650,275 | - | - | 650,275 |
| | Less: Allowance for impairment loss (expected credit loss allowance) | (358,906) | - | - | (358,906) | (359,957) | - | - | (359,957) |
| | Purchased or Originated Credit Impaired Assets (POCI) | 249,000 | - | - | 249,000 | 605,675 | - | - | 605,675 |
| | Less: Allowance for impairment loss (expected credit loss allowance) | (106,501) | - | - | (106,501) | (259,176) | - | - | (259,176) |
| | | **4,022,614** | **133,868** | **-** | **4,156,482** | 4,473,144 | 282,873 | - | 4,756,017 |
| | Loan to Public Sectors | | | | - | | | | - |
| | Loan to Others | | | | 4,156,482 | | | | 4,756,017 |
| | **Total** | | | | **4,156,482** | | | | **4,756,017** |

**Note:** During the current and prior reporting periods, there was no change in the business model under which the Company holds financial assets and therefore no reclassifications were made due to change in business model.

As per merger scheme of DHFL (refer note 39B), retail loans are grossed up by Rs. 773,498 lakhs as on March 31, 2023 (March 31, 2022 - Rs. 1,137,049 lakhs). ECL provisions are grossed up by Rs. 427,700 lakhs (March 31, 2022 - Rs. 598,200 lakhs) and balance grossup is being reflected under Fair Value Adjustment on Merger under Note 20 for Rs. 345.798 lakhs as on March 31, 2023 (Rs. 538,849 lakhs).

During the year, the Company has sold certain loans classified under amortised cost as part of Direct assignment transaction basis the board approval to meet Principal business criteria and liquidity criteria as per NHB and RBI guidelines. Also, the Company has sold certain stressed portfolio classified under amortised cost for liquidity and recovery management strategy of the Company. Such sale of loans will not lead to change in business model as per the company's board approved policy and management's evaluation of business model.

**Collateral held:** The Company holds collateral and other credit enhancements against certain of its credit exposures. The loans are collateralised against equitable mortgage of property, pledge of shares, hypothecation of assets, corporate guarantees, hypothecation over receivables from funded project or other projects of the borrower or escrow account undertaking to create security.
Refer note 46 for details of securitisation transactions

### 7 Investments

| | | As at March 31, 2023 | | | | | As at March 31, 2022 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | At amortised cost | At FVTPL | At FVOCI | At Cost | Total | At amortised cost | At FVTPL | At FVOCI | At Cost | Total |
| A | **Investments within India** | | | | | | | | | | |
| | Equity Investment in Joint Ventures and Associates: | | | | | | | | | | |
| | DHFL Venture Trustee Company Private Limited | - | - | - | 4 | 4 | - | - | - | 4 | 4 |
| | Pramerica Life Insurance Limited | - | - | - | 90,722 | 90,722 | - | - | - | 95,714 | 95,714 |
| | Equity Instruments (Others than subsidiaries) | - | - | 67 | - | 67 | - | - | 2 | - | 2 |
| | Preference Shares (Others than subsidiaries) | - | - | 17,752 | - | 17,752 | - | - | 3,232 | - | 3,232 |
| | Project Receivables | - | 161,740 | - | - | 161,740 | - | 181,060 | - | - | 181,060 |
| | Alternative Investment Funds | - | 215,642 | - | - | 215,642 | - | 198,824 | - | - | 198,824 |
| | Venture Capital Fund | - | 1,399 | - | - | 1,399 | - | 1,588 | - | - | 1,588 |
| | Security Receipts | - | 302,241 | - | - | 302,241 | - | 43,399 | - | - | 43,399 |
| | Optionally Convertible Debentures | - | 34,000 | - | - | 34,000 | - | 30,947 | - | - | 30,947 |
| | T-Bill | - | - | 9,497 | - | 9,497 | - | - | - | - | - |
| | Redeemable Bonds | - | - | 50,726 | - | 50,726 | 66,223 | - | - | - | 66,223 |
| | Government Securities Redeemable Bonds | 104,031 | - | - | - | 104,031 | 4 | - | - | - | 4 |
| | Redeemable Non Convertible Debentures | 306,373 | 18,000 | - | - | 324,373 | 658,786 | 28,105 | - | - | 686,891 |
| | Investment in Mutual Funds | - | - | - | - | - | - | 132,068 | - | - | 132,068 |
| | Pass Through certificates | 20,504 | - | - | - | 20,504 | 28,067 | 25,100 | - | - | 53,167 |
| | **Gross** | 430,908 | 733,022 | 78,042 | 90,726 | 1,332,699 | 753,080 | 641,091 | 3,234 | 95,718 | 1,493,123 |
| | Less: Allowance for impairment loss (expected credit loss allowance) | (36,134) | - | - | - | (36,134) | (108,054) | - | - | - | (108,054) |
| | Total Investments (A + B) | **394,774** | **733,022** | **78,042** | **90,726** | **1,296,565** | 645,026 | 641,091 | 3,234 | 95,718 | 1,385,070 |

| | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| Pramerica Life Insurance Limited (erstwhile DHFL Pramerica Life Insurance Company Limited) | 192,178 | 207,461 |
| Add - Share of profit/ (loss) for the year | (4,993) | (6,286) |
| Less: Allowance for impairment loss | (96,464) | (105,461) |
| | **90,722** | **95,714** |

* During the year, the Company has changed its Business model for Redeemable Bonds from "Held for collection till maturity" to "held for collection of contractual cash flows and for selling the financial assets" with effect from April 1, 2022 considering change in intention to hold such assets till maturity and liquidate basis market condition. Consequently, the Company has re-classified the same from amortised cost to FVTOCI.

## Notes to the Consolidated Financial Statements (Continued)
*as at March 31, 2023*

(Currency : Rs in lakhs)

| | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| **8 Other financial assets** | | |
| Interest receivable | 16 | - |
| Security deposits | 9,400 | 14,262 |
| Interest strip asset on assignment | 30,242 | 50,946 |
| Other receivable* | 50,262 | 47,330 |
| Less: Provision for Other Financial Assets | (6,100) | - |
| **Total** | **83,820** | 112,538 |
| * Majorly includes receivable on account of securitisation transactions | | |
| **9 Current tax assets (Net)** | | |
| Advance Tax (net of Provision of Rs. 37,932 Lakhs (March 31, 2022 Rs. 207,298 Lakhs) | 73,841 | 62,106 |
| **Total** | **73,841** | **62,106** |

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T.R. Chadha & Co. LLP ★ Chartered Accountants ★ MUMBAI

Piramal Capital & Housing Finance Ltd.

## Notes to the Consolidated Financial Statements (Continued)
*as at March 31, 2023*

(Currency : Rs in lakhs)

| 10 Deferred tax liabilities/assets (net) | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| Deferred tax assets | 175,352 | 203,191 |
| Deferred tax liabilities | (32,214) | (264,822) |
| **Total** | **143,138** | **(61,631)** |

| Movement in deferred tax balances: | Opening balance as at April 1, 2022 | Adjustment on account of business combination | Recognised in profit or loss | Recognised in Other Comprehensive Income | Closing balance as at March 31, 2023 |
|---|---|---|---|---|---|
| Property Plant & Equipment | (4,188) | 399 | 11,221 | (7) | 7,424 |
| Intangible Assets - Other than Goodwill | (307) | - | (2,625) | - | (2,932) |
| Intangible Assets - Goodwill | (258,164) | - | 258,164 | - | - |
| Capital Gain Tax on balance of Unclaimed Goodwill | 115,026 | - | (115,026) | - | - |
| Expected Credit Loss | 61,710 | - | 18,537 | - | 80,247 |
| Provisions other than those pertaining to expected credit loss | 884 | - | (406) | - | 477 |
| Financial Asset at Fair Value through Profit & Loss | 17,828 | - | 22,938 | - | 40,766 |
| Re-measurement of employee benefits | 836 | 26 | 1,329 | (31) | 2,161 |
| Adjustments pertaining to Income and expense recognition based on expected interest rate | (1,278) | - | (17,547) | - | (18,825) |
| Lease Liability / ROU | 563 | - | (29) | - | 534 |
| Receivable on Assigned loans | 3,261 | - | (10,873) | - | (7,612) |
| Transaction Cost | 2,874 | - | (1,666) | - | 1,208 |
| Business loss | - | - | 42,536 | - | 42,536 |
| Hedge Effectiveness | 210 | - | - | (338) | (128) |
| Instruments measured through OCI | - | - | - | (1,832) | (1,832) |
| Diminution of investment in DAIPL | (885) | - | - | - | (885) |
| | (61,631) | 425 | 206,553 | (2,207) | 143,138 |

| Movement in deferred tax balances: | Opening balance as at April 1, 2021 | Adjustment on account of business combination | Recognised in profit or loss | Recognised in Other Comprehensive Income | Closing balance as at March 31, 2022 |
|---|---|---|---|---|---|
| Property Plant & Equipment | 919 | - | (5,107) | - | (4,188) |
| Intangible Assets - Other than Goodwill | (895) | - | 588 | - | (307) |
| Intangible Assets - Goodwill | (258,164) | - | - | - | (258,164) |
| Capital Gain Tax on balance of Unclaimed Goodwill | 115,026 | - | - | - | 115,026 |
| Expected Credit Loss | 45,923 | - | 15,787 | - | 61,710 |
| Provisions other than those pertaining to expected credit loss | 328 | - | 555 | - | 884 |
| Financial Asset at Fair Value through Profit & Loss | 4,273 | - | 13,556 | - | 17,828 |
| Re-measurement of employee benefits through OCI | 194 | - | 654 | (12) | 836 |
| Adjustments pertaining to Income and expense recognition based on expected interest rate | (7,162) | - | 5,884 | - | (1,278) |
| Lease Liability / ROU | 179 | - | 384 | - | 563 |
| Receivable on Assigned loans | - | - | 3,261 | - | 3,261 |
| Transaction Cost | - | - | 2,874 | - | 2,874 |
| Others | 1,470 | - | (933) | (327) | 210 |
| Diminution of investment in DAIPL | - | (885) | - | - | (885) |
| | (97,909) | (885) | 37,502 | (339) | (61,631) |

The Group has not recognised deferred tax assets relating to the fair value adjustments due to uncertainty associated with allowability of such adjustments. Based on the tax position taken by the Group the potential unrecognised deferred tax assets as at March 31, 2023 stands at Rs. 412,000 lakhs.

| 11 Other non-financial assets | | |
|---|---|---|
| Capital advance | 966 | 725 |
| Goods and service tax credit receivable | 30,010 | 23,742 |
| Prepaid expenses | 1,733 | 2,630 |
| Advance for expenses | 3,847 | 3,990 |
| Others | 874 | 15 |
| Gratuity Funded Assets (refer Note 41) | 227 | - |
| Advance processing fees paid | 14,294 | 15,154 |
| Less: Provision for doubtful advances | (13,399) | - |
| **Total other non-financial assets** | **38,552** | **46,256** |

External Public

**Notes to the Consolidated Financial Statements (Continued)**
*as at March 31, 2023*

(Currency : Rs in lakhs)

## 12 Property, plant and equipment, Intangible Assets and Intangibles under development

| Particulars | Gross Block | | | | | Depreciation / Amortisation | | | | | Net Block |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Opening As at April 1, 2022 | Acquisition | Additions during the year | Deduction/ write offs/ impairment | As at March 31, 2023 (A) | Opening As at April 1, 2022 | Acquisition | Charge for the year | Deduction/ write offs/ impairment | As at March 31, 2023 (B) | As at March 31, 2023 (A-B) |
| **Tangible Assets** | | | | | | | | | | | |
| Land & Building | 36,668 | - | - | 11,541 | 25,127 | 439 | - | 723 | 338 | 825 | 24,302 |
| Office Equipment | 720 | 121 | 2,127 | 61 | 2,907 | 489 | 116 | 363 | 53 | 914 | 1,992 |
| Computer | 1,532 | 28 | 4,089 | 7 | 5,641 | 864 | 28 | 1,158 | 6 | 2,043 | 3,598 |
| Computer Server | 371 | - | - | - | 371 | 241 | - | 60 | - | 301 | 71 |
| Furniture | 305 | 1 | 929 | 73 | 1,162 | 130 | 1 | 136 | 39 | 228 | 934 |
| Motor Car | 288 | 29 | 50 | 40 | 309 | 104 | 19 | 36 | - | 159 | 150 |
| Leasehold Improvements | 2,854 | - | 1,121 | 770 | 3,205 | 1,952 | - | 543 | 552 | 1,943 | 1,263 |
| Plant and machinery | - | 5 | - | - | 5 | - | 3 | - | - | 3 | 2 |
| **Total (I)** | 42,738 | 174 | 8,316 | 12,500 | 38,727 | 4,219 | 166 | 3,019 | 988 | 6,416 | 32,312 |
| **Intangible Asset** | | | | | | | | | | | |
| Goodwill on amalgamation/Consolidation | 1,025,681 | - | 200 | 1,025,681 | 200 | - | - | - | - | - | 200 |
| Computer software | 6,962 | 5 | 1,014 | 1 | 7,980 | 1,283 | 5 | 1,255 | 1 | 2,543 | 5,436 |
| Self generated software | - | - | 6,242 | - | 6,242 | - | - | 30 | - | 30 | 6,212 |
| **Total (II)** | 1,032,642 | 5 | 7,456 | 1,025,681 | 14,422 | 1,283 | 5 | 1,285 | 1 | 2,573 | 11,848 |
| **Right to Use Assets - Premises (III)** | 17,983 | - | 13,064 | 3,861 | 27,186 | 5,812 | - | 4,864 | 3,478 | 7,198 | 19,988 |
| **Intangibles under development (IV)** | 1,217 | - | 6,402 | 7,256 | 353 | - | - | - | - | - | 353 |
| **Grand Total (I+II+III+IV)** | 1,094,580 | 179 | 35,228 | 1,049,299 | 80,688 | 11,314 | 171 | 9,169 | 4,467 | 16,187 | 64,501 |

* Refer note 40 on impairment of goodwill
Certain property, plants and equipments are placed as collateral against borrowings, the details related to which have been described in note 14 to 17

**Amount in Intangible assets under development as at March 31, 2023**

| CWIP | Less then 1 year | 1 year - 2 years | 2 years -3 years | 3 years and above | Total |
|---|---|---|---|---|---|
| Projects in progress | 345 | 8 | - | - | 353 |
| Project temporarily suspended | - | - | - | - | - |

**Amount in Intangible assets under development to be completed in**

| CWIP | Less then 1 year | 1 year - 2 years | 2 years -3 years | 3 years and above | Total |
|---|---|---|---|---|---|
| Projects in progress | 353 | - | - | - | 353 |
| Project temporarily suspended | - | - | - | - | - |

There have been no project overruns exceeding the original planned expenditure
Title Deeds of all the immovable properties are in the name of the Holding Company except certain properties which were transferred on account of business combination and are in the name of erstwhile Dewan Housing Finance Corporation Limited

## Notes to the Consolidated Financial Statements (Continued)

*as at March 31, 2023*

(Currency : Rs in lakhs)

## 12 Property, plant and equipment, Intangible Assets and Intangibles under development

| Particulars | Gross Block | | | | | Depreciation / Amortisation | | | | | Net Block |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Opening As at April 1, 2021 | Acquisition through business combination (net) (Refer Note 39B) | Additions during the year | Deduction/ write offs/ impairment | As at March 31, 2022 (A) | Opening As at April 1, 2021 | Acquisition through business combination (net) (Refer Note 39B) | Charge for the year | Deduction/ write offs/ impairment | As at March 31, 2022 (B) | As at March 31, 2022 (A-B) |
| **Tangible Assets** | | | | | | | | | | | |
| Land & Building | 30 | 36,638 | | - | 36,668 | - | - | 439.26 | - | 439 | 36,229 |
| Office Equipment | 682 | - | 39 | - | 720 | 359 | - | 131 | - | 489 | 231 |
| Computer | 774 | - | 758 | - | 1,532 | 579 | - | 285 | - | 864 | 667 |
| Computer Server | 371 | - | - | - | 371 | 177 | - | 65 | - | 241 | 130 |
| Furniture | 303 | - | 1 | - | 305 | 100 | - | 30 | - | 130 | 175 |
| Motor Car | 239 | 49 | - | - | 288 | 74 | - | 31 | - | 104 | 184 |
| Leasehold Improvements | 2,829 | - | 25 | - | 2,854 | 1,533 | - | 419 | - | 1,952 | 902 |
| **Total (I)** | 5,229 | 36,687 | 823 | - | 42,738 | 2,820 | - | 1,399 | - | 4,219 | 38,517 |
| **Intangible Asset** | | | | | | | | | | | |
| Goodwill on amalgamation | 1,025,681 | - | - | - | 1,025,681 | - | - | - | - | - | 1,025,681 |
| Computer software | 3,886 | - | 3,076 | - | 6,962 | 331 | - | 952 | - | 1,283 | 5,678 |
| **Total (II)** | 1,029,566 | - | 3,076 | - | 1,032,642 | 331 | - | 952 | - | 1,283 | 1,031,359 |
| Right to Use Assets (III) | 7,125 | 8,627 | 2,356 | 124 | 17,983 | 3,009 | - | 2,884 | 81 | 5,812 | 12,171 |
| **Intangibles under development (IV)** | 753 | - | 3,638 | 3,173 | 1,217 | - | - | - | - | - | 1,217 |
| **Grand Total (I+II+III+IV)** | 1,042,674 | 45,314 | 9,892 | 3,298 | 1,094,580 | 6,159 | - | 5,236 | 81 | 11,314 | 1,083,264 |

**Amount in Intangible assets under development as at March 31, 2022**

| CWIP | Less then 1 year | 1 year - 2 years | 2 years -3 years | 3 years and above | Total |
|---|---|---|---|---|---|
| Projects in progress | 857 | 158 | 161 | 41 | 1,217 |
| Project temporarily suspended | - | - | - | - | - |

**Amount in Intangible assets under development to be completed in**

| CWIP | Less then 1 year | 1 year - 2 years | 2 years -3 years | 3 years and above | Total |
|---|---|---|---|---|---|
| Projects in progress | 1,217 | - | - | - | 1,217 |
| Project temporarily suspended | - | - | - | - | - |










External Public

## Notes to the Consolidated Financial Statements (Continued)

*as at March 31, 2023*

(Currency : Rs in lakhs)

### 12 Investment property & Investment property under construction

| Particulars | Gross Block | | | | | Depreciation / Amortisation | | | | | Net Block |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Opening As at April 1, 2022 | Acquisition | Additions during the year | Deduction/ write offs | As at March 31, 2023 (A) | Opening As at April 1, 2022 | Acquisition | Charge for the year | Deduction/ write offs | As at March 31, 2023 (B) | As at March 31, 2023 (A-B) |
| **Tangible Assets** | | | | | | | | | | | |
| Building | - | 81,838 | - | - | **81,838** | - | 5,945 | 453 | - | **6,397** | **75,440** |
| Land# | - | 17,927 | - | - | **17,927** | - | - | - | - | **-** | **17,927** |
| Furniture and fixtures | - | 741 | - | - | **741** | - | 286 | 25 | - | **311** | **430** |
| Plant and machinery | - | 3,416 | - | - | **3,416** | - | 1,139 | 79 | - | **1,218** | **2,198** |
| **Total (I)** | **-** | **103,922** | **-** | **-** | **103,922** | **-** | **7,370** | **556** | **-** | **7,926** | **95,996** |
| **Investment property under construction** | | | | | | | | | | | |
| Investment property under construction | - | 1,499 | - | - | **1,499** | - | - | - | - | - | **1,499** |
| **Total (II)** | **-** | **1,499** | **-** | **-** | **1,499** | **-** | **-** | **-** | **-** | **-** | **1,499** |
| **Grand Total (I+II)** | **-** | **105,421** | **-** | **-** | **105,421** | **-** | **7,370** | **556** | **-** | **7,926** | **97,495** |

**Amount in Investment property under constructions at March 31, 2023**

| Investment property under construction | Less then 1 year | 1 year - 2 years | 2 years -3 years | 3 years and above | Total |
|---|---|---|---|---|---|
| Projects in progress | 1,433 | 2 | - | 65 | 1,499 |
| Project temporarily suspended | - | - | - | - | - |

**Amount in Investment property under construction to be completed in**

| Investment property under construction | Less then 1 year | 1 year - 2 years | 2 years -3 years | 3 years and above | Total |
|---|---|---|---|---|---|
| Projects in progress | - | - | - | 1,499 | 1,499 |
| Project temporarily suspended | - | - | - | - | - |

Note: The Company has created charge on certain assets in favour of Lenders (Refer Note 15)

# The land value of Phase I and Phase II is Rs. 6,961.24 lakhs and Rs. 1,364.34 lakhs respectively.

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TR Chadha & Co. LLP ★ Chartered Accountants ★

Piramal Capital & Housing Finance Ltd.

## 12 Investment property & Investment property under construction (Continue)

The Group's investment property and investment property under construction consists of commercial property situated at Kurla, Mumbai. As on March 31, 2023 the fair value of investment property is Rs. 98,051 lakhs. The valuation is performed by an accredited registered independent valuer in accordance with the framework specified under Ind AS .

**Description of hierarchy, valuation technique used and key inputs to valuation are as below March 31, 2023:**

| | Fair Value Hierarchy | Valuation Technique | Significant unobservable inputs | March 31, 2023 |
|---|---|---|---|---|
| Wing D- Land | Level 3 | Discounted Cash Flow and Residual Method (M22); Capitalisation rate method (M21) | Rent growth p.a. | 5.12% p.a. |
| | | | Capitalisation rate | 78% p.a. |
| | | | Occupancy rate | 95% |
| Wing A- Land | Level 2 | Market Survey Method | Based on the land (38,000 sq. m.) sold to Lodha group @ INR 120 Crores | |
| Wing A- Building | Level 3 | Depreciated Replacement Cost method | Based on the book value of building | |

Under the valuation technique as mentioned above, fair value is estimated using assumptions regarding the benefits and liabilities of ownership over the asset's life including an exit or terminal value. This method involves the projection of a series of cash flows on a real property interest.

The duration of the cash flows and the specific timing of inflows and outflows are determined by events such as rent reviews, lease renewal and related re-letting, redevelopment, or refurbishment. The appropriate duration is typically driven by market behaviour that is a characteristic of the class of real property. Periodic cash flow is typically estimated as gross income less vacancy, non-recoverable expenses, collection losses, lease incentives, maintenance cost, agent and commission costs and other operating and management expenses. The series of periodic net operating income, along with an estimate of the terminal value anticipated at the end of the projection period, is then discounted.

Significant increases/ (decreases) in estimated rental value and rent growth per annum in isolation would result in a significantly higher/ (lower) fair value of the properties. Significant increases/ (decreases) in occupancy rate and discount rate/capitalisation rate in isolation would result in a significantly lower (higher) fair value.

**Lease income**

The Group's investment property consist of one commercial property in Kurla, Mumbai. The management has determined that the investment property consist of - Piramal Agastya Corporate Park (Phase I) based on the nature, characteristics and risks of property.

| Particulars | March 31, 2023 |
|---|---|
| Not later than one year | 3,992 |
| Later than one year and not later than five years | 9,375 |
| Later than five years | - |
| Lease income recognised during the year in statement of profit and loss | 4,415 |

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TR Chadha & Co. ★ Chartered Accountants

Piramal Capital & Housing Finance Ltd.

## Notes to the Consolidated Financial Statements (Continued)
*as at March 31, 2023*

(Currency : Rs in lakhs)

| | | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|---|
| **13** | **Trade payables** | | |
| (i) | Total outstanding dues of micro enterprises and small enterprises (Refer Note 36) | 277 | 134 |
| | **Total** | **277** | **134** |
| (ii)(a) | Total outstanding dues of creditors other than micro enterprises and small enterprises | 28,513 | 49,961 |
| (ii)(b) | Trade payables to related parties (refer note 40) | 544 | 1,924 |
| | **Total** | **29,057** | **51,886** |

**Note :**

**Trade payables ageing as at March 31, 2023**

| Particulars | Unbilled Amount | Outstanding for following periods from due date of payment | | | | Total |
|---|---|---|---|---|---|---|
| | | Less than 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | |
| MSME | 13 | 256 | 8 | - | - | 277 |
| Others | 26,133 | 2,635 | 42 | 66 | 181 | 29,057 |
| Disputed dues -MSME | - | - | - | - | - | - |
| Disputed dues - Others | - | - | - | - | - | - |
| **Total** | **26,146** | **2,891** | **50** | **66** | **181** | **29,334** |

**Trade payables ageing as at March 31, 2022**

| Particulars | Unbilled Amount | Outstanding for following periods from due date of payment | | | | Total |
|---|---|---|---|---|---|---|
| | | Less than 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | |
| MSME | - | 134 | - | - | - | 134 |
| Others | 18,899 | 32,655 | 57 | 20 | 254 | 51,886 |
| Disputed dues -MSME | - | - | - | - | - | - |
| Disputed dues - Others | - | - | - | - | - | - |
| **Total** | **18,899** | **32,789** | **57** | **20** | **254** | **52,020** |

## Notes to the Consolidated Financial Statements (Continued)
*as at March 31, 2023*

(Currency : Rs in lakhs)

| | | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|---|
| **14** | **Debt Securities** | | |
| | **Debt securities in India** | | |
| | **Measured at amortised cost** | | |
| | Redeemable Non Convertible Debentures (secured) | 2,552,399 | 2,871,266 |
| | **Total** | **2,552,399** | **2,871,266** |
| **15** | **Borrowings (Other than Debt Securities)** | | |
| | **Borrowings in India, unless otherwise specified** | | |
| | **Measured at amortised cost** | | |
| | Term Loans (secured) | | |
| | -From banks | 1,059,263 | 1,116,621 |
| | -From Others | 74,632 | - |
| | -FCNR Loan (from outside India) | 62,951 | 56,940 |
| | Securitised Borrowings (Secured) | 109,157 | 266,965 |
| | **Working capital demand loan/short term borrowings (secured)** | | |
| | -From banks | - | 15,064 |
| | -From others | 76,845 | - |
| | Commercial Paper (unsecured) | 143,769 | 35,465 |
| | **Total** | **1,526,617** | **1,491,055** |
| **16** | **Deposits** | | |
| | **Deposits in India** | | |
| | **Measured at amortised cost** | | |
| | Intercorporate deposit from related party (Unsecured) (Refer note 40) | 31,552 | 266,600 |
| | **Total** | **31,552** | **266,600** |
| **17** | **Subordinated Liabilities** | | |
| | **Subordinated Liabilities in India** | | |
| | **Measured at amortised cost** | | |
| | Redeemable Non Convertible Debentures (unsecured) | 12,688 | 12,660 |
| | **Total** | **12,688** | **12,660** |









## Notes to the Consolidated Financial Statements (Continued)
*as at March 31, 2023*

(Currency : Rs in lakhs)

### 14 Debt Securities

**A. Redeemable Non Convertible Debentures:**

| Particulars | Nature of Security | Terms of repayment | Principal Outstanding as at March 31, 2023 | Principal Outstanding as at March 31, 2022 | Maturity Due Date | First Instalment payment date |
|---|---|---|---|---|---|---|
| 1,666 (Previous Year : 3,333) (payable annually) 8.50% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property | The NCD's are repayable in 3 equal tranches starting from July 30, 2021 | 16,660 | 33,330 | July 31, 2023 | July 31, 2021 |
| 18,48,28,062 (Previous Year - 19,53,25,290) (payable semi annually) 6.75% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value 925 (Previous Year Rs 975) | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage Property | The NCD's are repayable at 2.5% semi-annually for first 5 years and at 7.5% semi-annually for the next 5 years from the date of allotment | 1,709,660 | 1,904,422 | September 26, 2031 | March 28, 2022 |
| 8,125 (payable annually) 9.50% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 8,00,000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property | The NCD's are repayable after three years three months from the date of allotment | - | 65,000 | April 15, 2022 | NA |
| 625 (payable annually) 9.50% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 8,00,000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property | The NCD's are repayable after three years three months from the date of allotment | - | 5,000 | April 21, 2022 | NA |
| 1,750 (payable annually) 8.10% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property | The NCD's are repayable after 18 months from the date of allotment | - | 17,500 | May 19, 2022 | NA |
| 1,500 (payable annually) 9.5% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property | The NCD's are repayable after 3 years from the date of allotment | - | 15,000 | September 16, 2022 | NA |
| 1,500 (payable on maturity) 8.50% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property | The NCD's are repayable after 18 months from the date of allotment | - | 15,000 | October 7, 2022 | NA |
| 509 (payable annually) 8.50% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property | The NCD's are repayable after 22 months from the date of allotment | - | 5,090 | January 23, 2023 | NA |
| 1,700 (payable on maturity) 8.25% Secured, Rated, Listed, Redeemable Principal Protected Market Linked Non-Convertible Debentures(NCD's) each of a face value Rs 10,00,000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property | The NCD's are repayable after 24 months from the date of allotment | 17,000 | 17,000 | April 14, 2023 | NA |
| 2,500 (payable annually) 8.75% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property | The NCD's are repayable after 3 years from the date of allotment | 25,000 | 25,000 | May 12, 2023 | NA |
| 3,250 (payable annually) 8.75% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property | The NCD's are repayable after 35 months from the date of allotment | 32,500 | 32,500 | May 31, 2023 | NA |
| 4,95,486 (payable on maturity) 8.35% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1,000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage Property | The NCD's are repayable after 26 months from the date of allotment | 4,955 | 4,955 | September 23, 2023 | NA |
| 52,480 (payable annually) 8.10% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1,000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage Property | The NCD's are repayable after 26 months from the date of allotment | 525 | 525 | September 23, 2023 | NA |
| 34,66,413 (payable annually) 8.35% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1,000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage Property | The NCD's are repayable after 26 months from the date of allotment | 34,664 | 34,664 | September 23, 2023 | NA |

External Public

(Currency : Rs in lakhs)

## 14 Debt Securities (Continued)

**A. Redeemable Non Convertible Debentures (Continued):**

| Particulars | Nature of Security | Terms of repayment | Principal Outstanding as at March 31, 2023 | Principal Outstanding as at March 31, 2022 | Maturity Due Date | First Instalment payment date |
|---|---|---|---|---|---|---|
| 12,300 (payable on maturity) 8.10% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1,000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage Property | The NCD's are repayable after 26 months from the date of allotment | 123 | 123 | September 23, 2023 | NA |
| 250 (payable annually) 9.75% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property | The NCDs are repayable after 1826 days from the date of allotment | 2,500 | 2,500 | November 2, 2023 | NA |
| 1,800 (payable semi annually) 10% Secured, Rated, Unlisted, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property | 900 NCD's (50%) each of a face value of Rs 10,00,000 are repayable after 53 months from the date of allotment & balance 900 (50%) after 65 months from the date of allotment. | 18,000 | 18,000 | November 8, 2024 | November 8, 2023 |
| 50 (payable annually) 8.95% Secured Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each having face value of Rs. 10,00,000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property | The NCD's are repayable after 2555 days from the date of allotment. | 500 | 500 | March 8, 2024 | NA |
| 250 (payable annually) 8.75% Secured, Rated, Listed , Redeemable Non Convertible Debentures (NCD's) each having a face value of Rs. 10,00,000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property | The NCD's are repayable after 2556 days from the date of allotment | 2,500 | 2,500 | May 3, 2024 | NA |
| 13,770 (payable annually) 8.25% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1,000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage Property | The NCD's are repayable after 36 months from the date of allotment | 138 | 138 | July 23, 2024 | NA |
| 15,42,637 (payable annually) 8.50% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1,000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage Property | The NCD's are repayable after 36 months from the date of allotment | 15,426 | 15,426 | July 23, 2024 | NA |
| 20,000 (payable annually) 9.25% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property | The NCD's are repayable in 4 equal instalments starting from 12 June 2025 | 200,000 | 200,000 | March 12, 2026 | June 12, 2025 |
| 20,500 (payable annually) 9.25% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property | The NCD's are repayable in 4 equal instalments starting from 19 June 2025 | 205,000 | 205,000 | March 19, 2026 | June 19, 2025 |
| 5,000 (payable monthly) 7.96% Secured, Rated , Listed, Redeemable Non Convertible Debentures (NCD's) each having a face value of Rs. 10,00,000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property | The NCDs are redeemable at par in three instalments : 8th year-167 crore; 9th year-167crore; 10th year-166 crore | 50,000 | 50,000 | September 20, 2027 | September 19, 2025 |
| 350 (payable annually) 9.25% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property | The NCDs are repayable after 2555 days from the date of allotment | 3,500 | 3,500 | October 3, 2025 | NA |
| 1,07,455 (payable annually) 8.50% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1,000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage Property | The NCD's are repayable after 60 months from the date of allotment | 1,075 | 1,075 | July 23, 2026 | NA |
| 8,08,680 (payable annually) 8.75% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1,000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage Property | The NCD's are repayable after 60 months from the date of allotment | 8,087 | 8,087 | July 23, 2026 | NA |
| 5,000 (payable annually) 9.27% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property | The NCDs are redeemable at par in three instalments : 8th year-167 crore; 9th year-167crore; 10th year-166 crore | 50,000 | 50,000 | December 19, 2028 | December 18, 2026 |

WALKER CHANDIOK & CO LLP MUMBAI CHARTERED ACCOUNTANTS
TR Chadha & Co LLP MUMBAI Chartered Accountants
Piramal Capital & Housing Finance Ltd.

## 14 Debt Securities (Continued)

**A. Redeemable Non Convertible Debentures (Continued):**

| Particulars | Nature of Security | Terms of repayment | Principal Outstanding as at March 31, 2023 | Principal Outstanding as at March 31, 2022 | Maturity Due Date | First Instalment payment date |
|---|---|---|---|---|---|---|
| 15,000 (payable annually) 9.51% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property | The NCD's are repayable in 3 equal instalment of Rs. 50000 lakhs each payable after 8th year, 9th year, 10th year from the date of allotment | 150,000 | 150,000 | March 9, 2029 | March 11, 2027 |
| 500 (payable annually) 9.32% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property | The NCD's are repayable after 10 years from the date of allotment | 5,000 | 5,000 | November 1, 2030 | NA |
| 250 (payable annually) 9.00% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property | The NCD's are repayable after 10 years from the date of allotment | 2,500 | 2,500 | March 28, 2031 | NA |
| 200 (payable annually) 8.85% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property | The NCD's are repayable after 10 years from the date of allotment | 2,000 | 2,000 | June 27, 2031 | NA |
| 1,150 (payable annually) 8.75% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1,000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage Property | The NCD's are repayable after 120 months from the date of allotment | 12 | 12 | July 23, 2031 | NA |
| 15,40,084 (payable annually) 9.00% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1,000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage Property | The NCD's are repayable after 120 months from the date of allotment | 15,401 | 15,401 | July 23, 2031 | NA |

The contractual rate of interest for the above loans are in the range of 6.75% to 10% per annum

## 15 Borrowings (Other than Debt Securities)

**A. 1 Rupee Term Loan from Banks:**

| Nature of Security | Terms of repayment | Principal Outstanding as at March 31, 2023 | Principal Outstanding as at March 31, 2022 | Maturity Due Date | First Instalment payment date |
|---|---|---|---|---|---|
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in nineteen quarterly instalments commencing after a moratorium period of 3 months from the date of drawdown | 228 | 4,433 | May 28, 2023 | August 31, 2018 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayment in equal half yearly instalments | - | 1,250 | April 20, 2022 | October 20, 2018 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in sixteen quarterly instalments with a holiday period of 1 year from the drawdown date. | - | 10,114 | December 28, 2022 | November 28, 2018 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayment of principal in 47 equal monthly instalment of Rs. 1042 lakhs each and 48th instalment of Rs. 1050 lakhs after drawdown. | - | 8,562 | December 29, 2022 | January 29, 2019 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayment of principal in 47 equal monthly instalment of Rs. 1042 lakhs each and 48th instalment of Rs. 1050 lakhs after drawdown | - | 9,645 | February 2, 2023 | March 2, 2019 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in eight half yearly instalments commencing after initial moratorium period of 12 months | - | 2,748 | March 25, 2023 | March 26, 2019 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in eight half yearly instalments commencing after 12th month from the drawdown date | - | 2,444 | March 25, 2023 | March 26, 2019 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in sixteen quarterly instalments with a holiday period of 1 year from the drawdown date. | - | 6,883 | August 28, 2022 | March 28, 2019 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in twelve quarterly instalments Commencing from 25th month from date of drawdown | - | 12,500 | June 9, 2022 | June 9, 2019 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayment of principal in 16 equal quarterly instalment after moratorium period of three year from drawdown date | 54,844 | 67,500 | May 17, 2026 | June 17, 2019 |

External Public

## 15 Borrowings (Other than Debt Securities) (Continued)

**A. 1 Rupee Term Loan from Banks (Continued):**

| Nature of Security | Terms of repayment | Principal Outstanding as at March 31, 2023 | Principal Outstanding as at March 31, 2022 | Maturity Due Date | First Instalment payment date |
|---|---|---|---|---|---|
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayment of principle in 16 quarterly instalment of Rs. 623 lakhs after moratorium period of 3 months from the date of 1st drawdown | 2,500 | 4,972 | September 27, 2023 | June 27, 2019 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayment of principle in 18 quarterly instalment after moratorium period of 6 months from the date of 1st drawdown | 44,443 | 88,890 | January 19, 2024 | July 31, 2019 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayment of principle in 12 quarterly instalment of Rs. 4167 lakhs after moratorium period of 6 months from the date of 1st drawdown | - | 12,452 | November 26, 2022 | August 26, 2019 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in twelve equal quarterly instalments commencing from 25 months from date of drawdown | - | 2,931 | June 27, 2022 | September 30, 2019 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in six equal half yearly instalments with moratorium period of one year from drawdown date | - | 6,100 | September 30, 2022 | September 30, 2019 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 18 equal quarterly instalments after the moratorium period of 6 months from the drawdown date | 17,717 | 28,829 | December 24, 2024 | June 29, 2020 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in six equal half yearly instalments with moratorium period of one year from drawdown date | - | 7,585 | December 31, 2022 | June 30, 2020 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 60 months in 9 equal half yearly instalments commencing after initial moratorium of 6 months | - | 16,403 | September 19, 2024 | September 16, 2020 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayment of principal in 12 equal quarterly instalment after moratorium period of one year from drawdown date | - | 2,735 | March 26, 2023 | September 26, 2020 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Term Loan to be repaid in 19 equal quarterly instalments starting from 1 quarter from date of first disbursement. | 21,059 | 31,592 | March 31, 2025 | September 30, 2020 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Term Loan repayment in 16 equal quarterly instalments after a moratorium period of 1 year. | 19,271 | 29,279 | December 26, 2024 | March 26, 2021 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Term Loan repayment in 24 equal quarterly instalments after a moratorium period of 1 year. | 33,317 | 41,652 | January 30, 2027 | March 29, 2021 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayment of Principle in 12 equal quarter instalment of Rs. 2500 lakhs after moratorium period of the 2 years from the date of drawdown | 9,978 | 19,979 | March 26, 2024 | June 30, 2021 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 20 equal quarterly instalments. | 44,738 | 59,738 | March 30, 2026 | June 30, 2021 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Term Loan Repayment in 16 equal quarterly instalments post moratorium period of 1 year. | 28,079 | 37,463 | April 2, 2025 | July 3, 2021 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Term Loan repayment in 24 quarterly instalments post moratorium period of 1 year. | 135,250 | 191,250 | April 4, 2027 | July 4, 2021 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Term Loan Repayment in 16 equal quarterly instalments post moratorium period of 1 year. | - | 8,748 | August 31, 2025 | November 30, 2021 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 20 equal quarterly instalments. | 35,000 | 44,989 | September 28, 2026 | December 27, 2021 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Term Loan Repayment in 16 equal quarterly instalments post moratorium period of 1 year. | 3,436 | 4,686 | December 11, 2025 | March 11, 2022 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 60 months including moratorium period of 1 year and post that payable in 16 equal quarterly instalments. | 24,062 | 32,812 | December 28, 2025 | March 28, 2022 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 28 equal quarterly instalments. | 20,535 | 24,107 | December 29, 2028 | March 31, 2022 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 20 equal quarterly instalments after the moratorium period of 24 months from the drawdown date | 16,673 | 20,866 | March 31, 2027 | June 17, 2022 |

WALKER CHANDIOK & CO LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS
Chartered Accountants
Piramal Capital & Housing Finance Ltd.

## Notes to the Consolidated Financial Statements (Continued)
*as at March 31, 2023*

(Currency : Rs in lakhs)

### 15 Borrowings (Other than Debt Securities) (Continued)

**A. 1 Rupee Term Loan from Banks (Continued):**

| Nature of Security | Terms of repayment | Principal Outstanding as at March 31, 2023 | Principal Outstanding as at March 31, 2022 | Maturity Due Date | First Instalment payment date |
|---|---|---|---|---|---|
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in eighteen quarterly instalments of Rs. 800 lakhs each and last instalment of Rs. 600 lakhs after a holiday period of 3 months from date of drawdown | 11,800 | 15,000 | December 24, 2026 | June 27, 2022 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 12 equal quarterly instalments. | 6,667 | 10,000 | March 30, 2025 | June 30, 2022 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 20 equal quarterly instalments. | 15,999 | 20,000 | March 30, 2027 | June 30, 2022 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 18 months from drawdown date | - | 16,700 | July 11, 2022 | NA |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 12 equal quarterly instalments from date of drawdown | 30,000 | - | May 12, 2025 | August 13, 2022 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in ten quarterly instalments with moratorium period of 6 months from date of drawdown | 17,499 | 25,000 | November 30, 2024 | August 31, 2022 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 19 quarterly instalments with moratorium period of 3 months from date of drawdown | 6,316 | 7,500 | March 30, 2027 | September 30, 2022 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 19 quarterly instalments with moratorium period of 3 months from date of drawdown | 25,263 | 30,000 | March 30, 2027 | September 30, 2022 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 16 quarterly instalments with moratorium period of 6 months from date of drawdown | 8,750 | 10,000 | September 30, 2026 | December 31, 2022 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Term loan repayable in 20 equal quarterly instalments | 4,750 | - | October 31, 2027 | January 31, 2023 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Term loan repayable in 20 quarterly instalments from the end of the quarter of the first disbursement | 9,498 | - | October 31, 2027 | January 31, 2023 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in eight half yearly instalments after a moratorium period of 1 year from date of drawdown | 13,121 | 14,996 | August 31, 2026 | February 28, 2023 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Term loan repayable in 20 equal quarterly instalments from the end of the quarter of the first disbursement | 71,250 | - | December 19, 2027 | March 19, 2023 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | 18 equal quarterly instalments after 6M moratorium | 19,644 | - | June 30, 2027 | March 31, 2023 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Term loan repayable in quarterly instalments over a period 15 years with NIL moratorium | 4,916 | - | December 30, 2037 | March 31, 2023 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Bullet payment on maturity | 25,000 | - | May 25, 2023 | May 25, 2023 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 24 months from drawdown date | - | 23,000 | May 26, 2023 | NA |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | 18 equal quarterly instalments after 6M moratorium | 26,700 | - | September 26, 2027 | June 26, 2023 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 24 quarterly instalments with moratorium period of 1 year from date of drawdown | 20,000 | 20,000 | March 29, 2029 | June 30, 2023 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 18 months from drawdown date | - | 17,500 | June 20, 2023 | NA |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | 9 equal quarterly install after 9 month moratorium | 10,000 | - | August 4, 2025 | August 4, 2023 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 12 equal quarterly instalments after 1 year moratorium | 23,000 | - | May 30, 2026 | August 31, 2023 |

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## 15 Borrowings (Other than Debt Securities) (Continued)

**A. 1 Rupee Term Loan from Banks (Continued):**

| Nature of Security | Terms of repayment | Principal Outstanding as at March 31, 2023 | Principal Outstanding as at March 31, 2022 | Maturity Due Date | First Instalment payment date |
|---|---|---|---|---|---|
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 12 equal quarterly instalments after 1 year moratorium | 17,500 | - | June 2, 2026 | September 2, 2023 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | 12 equal quarterly install after 1 year moratorium | 16,700 | - | July 31, 2026 | October 31, 2023 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 14 quarterly instalments with moratorium period of 18 months from date of drawdown | 50,000 | 50,000 | March 7, 2027 | December 7, 2023 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | 16 equal quarterly instalments after 12 month moratorium | 5,000 | - | September 30, 2027 | December 31, 2023 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Bullet payment on maturity | 30,000 | - | January 17, 2024 | NA |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 24 months from drawdown date | - | 25,000 | March 3, 2024 | NA |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 12 quarterly instalments with moratorium period of 1 year from date of drawdown | 25,000 | - | March 9, 2027 | June 9, 2024 |
| Secured by pari passu charge over unsold portion of Wing A Piramal Agastya Corporate Park (Phase I) along with the land corresponding to it, located at Kurla. | Repayable in 144 months from drawdown date | 62,139 | - | December 15, 2034 | NA |

The contractual rate of interest for the above loans are in the range of 6.50% to 10.15 % per annum

**A. 1 Rupee Term Loan from Others:**

| Nature of Security | Terms of repayment | Principal Outstanding as at March 31, 2023 | Principal Outstanding as at March 31, 2022 | Maturity Due Date | First Instalment payment date |
|---|---|---|---|---|---|
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Term loan repayable in 120 Equated Monthly Instalments | 75,000 | - | March 1, 2033 | May 1, 2023 |

**A.3 FCNR Loan**

| Nature of Securities | Terms of repayment | Principal Outstanding as at March 31, 2023 | Principal Outstanding as at March 31, 2022 | Maturity Due Date | First Instalment payment date |
|---|---|---|---|---|---|
| First pari-passu charge on the standard assets including receivables present and future | Repayable after 53 months from drawdown date | 30,816 | 26,132 | June 14, 2023 | NA |
| First pari-passu charge on the standard assets including receivables present and future | Repayable after 65 months from drawdown date | 30,816 | 26,132 | June 14, 2024 | NA |

The rate of interest for the above loans is 9.30% per annum

**B.1 Securitised Borrowings**

| Nature of Security | Terms of repayment | Principal Outstanding as at March 31, 2023 | Principal Outstanding as at March 31, 2022 | Maturity Due Date | First Instalment payment date |
|---|---|---|---|---|---|
| Specific loan cash flows & underlying that are part of the Assignment pool | Repayable in 356 months from drawdown date | 4,657 | 7,278 | July 20, 2049 | November 20, 2019 |
| Specific loan cash flows & underlying that are part of the PTC pool | Repayable in 188 months from drawdown date | 2,870 | 4,090 | August 31, 2035 | October 11, 2019 |
| Specific loan cash flows & underlying that are part of the PTC pool | Repayable in 99 months from drawdown date | - | 6,045 | February 20, 2028 | November 20, 2019 |
| Specific loan cash flows & underlying that are part of the PTC pool | Repayable in 292 months from drawdown date | 25,413 | - | June 13, 2047 | April 13, 2023 |

The contractual rate of interest for the above loans are in the range of 8.20% to 8.90% per annum

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## 15 Borrowings (Other than Debt Securities) (Continued)

**C.1 Working Capital Demand Loan from banks/short term borrowings:**

| Nature of Security | Principal Outstanding as at March 31, 2023 | Principal Outstanding as at March 31, 2022 |
|---|---|---|
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future | - | 10,000 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future | - | 5,000 |

The rate of interest for the above loans is 7.35% to 7.90% per annum

**C.2 Working Capital Demand Loan from Others:**

| Nature of Security | Principal Outstanding as at March 31, 2023 | Principal Outstanding as at March 31, 2022 |
|---|---|---|
| Exclusive charge on Government Securities | 76,734 | - |

The contractual rate of interest for the above loans are in the range of 6.90% to 6.95% per annum

**D.1 Commercial Paper**

| Particulars | Terms of Repayment | Principal Outstanding as at March 31, 2023 | Principal Outstanding as at March 31, 2022 | Maturity Due Date |
|---|---|---|---|---|
| Commercial Paper | Repayable within 365 days from date of disbursement | 148,500 | 35,900 | Various |

The effective costs for the above loans are in the range of 7.25% to 9.00 % per annum

## 16 Deposits

**Intercorporate deposit from related party**

| Particulars | Terms of Repayment | Principal Outstanding as at March 31, 2023 | Principal Outstanding as at March 31, 2022 | Maturity Due Date | First Instalment payment date |
|---|---|---|---|---|---|
| Intercorporate deposit | Repayable after Eighteen months from drawdown date | - | 36,900 | June 30, 2022 | NA |
| Intercorporate deposit | Repayable after Sixty months from drawdown date | 30,000 | 229,700 | June 25, 2025 | NA |

The rate of interest for the above loans is 8.25% per annum

## 17 Subordinated Liabilities

**Redeemable Non Convertible Debentures (unsecured)**

| Particulars | Terms of Repayment | Principal Outstanding as at March 31, 2023 | Principal Outstanding as at March 31, 2022 | Maturity Due Date | First Instalment payment date |
|---|---|---|---|---|---|
| 1,276 (payable annually) 9.55% Unsecured, Subordinated, Tier II, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each having face value | The NCD's are repayable after 10 years from the date of allotment | 12,760 | 12,760 | March 8, 2027 | NA |

The rate of interest for the above loans is 9.55% per annum

## 18 Other financial liabilities

| | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| Lease liability | 21,655 | 13,097 |
| Payable to employees | 10,677 | 9,217 |
| Unclaimed dividend@ | 98 | 175 |
| Security and other deposits received | 2,158 | 202 |
| Amounts payable on Securitised Loans | 63,248 | 54,719 |
| Others* | 68,777 | 12,515 |
| **Total** | **166,613** | 89,925 |

* (includes liability towards sold portfolio etc.)

During the year ended March 31, 2023, the Company has recovered Rs. 30,914 lakhs from 6 parties, against whom Avoidance Applications were filed by the Administrator, by way of settlement agreements entered by the Company with these parties under Section 7 of Insolvency and Bankruptcy Code, 2016 as full and final settlement of financial dues and withdrawal of all pending cases against these parties in connection with the disputes and / or finance documents and / or financial debt, if any, before any forum / court / tribunal / authority and / or otherwise, under any / all applicable laws. The management is of the considered view that these amounts are not required to be paid to Committee of Creditors (CoC) and continues to pursue for recovery against these parties w.r.t. Avoidance Application filed by the administrator. However, considering the complexity of the matter, amount of Rs. 27,495 lakhs (after adjustment of recovery against Section 66) has not been recognized as income and shown as liability in financial statements.

@ In previous year, amount of Rs.53 lakhs of unclaimed dividend which was due for payment to the investor education and protection fund under section 125 of the Companies Act 2013 was paid during the year.

Pursuant to the corporate insolvency resolution process initiated by the Reserve Bank of India (RBI) in the Company (i.e. the erstwhile Dewan Housing Finance Corporation Limited (DHFL)) and the subsequent order of the Hon'ble National Company Law Tribunal (NCLT), a Moratorium was imposed on DHFL in terms of the Insolvency and Bankruptcy Code, 2016 (Code) w.e.f. from December 3, 2019.

On account of Moratorium, alienation of any assets of DHFL was prohibited until the completion of the insolvency process. Consequently, the Administrator decided that the amount lying in the bank accounts of DHFL (including unclaimed dividend accounts) shall not be alienated or transferred in any manner, and that any such alienation/transfer, while Moratorium is in force, would result in violation of Section 14 of the Code. Further, all bank accounts of DHFL, including unclaimed dividend accounts, were frozen for any debit transactions.

The implementation of the insolvency resolution plan, as approved by the NCLT, was completed on September 30, 2021 and the new board of directors was instated on September 30, 2021 subsequent to which the Company was able to take practical steps to reactivate the relevant unclaimed dividend accounts.

As on March 31, 2023, the Holding Company is in compliance of requirements and there is no delays.

## 19 Current tax liabilities

| | | |
|---|---|---|
| Net provision for tax (net of advance tax of Rs. 162,576 Lakhs, March 31, 2022 Rs. 40,788 Lakhs) | 59,208 | 340,889 |
| **Total** | **59,208** | 340,889 |

## 20 Provisions

| | | |
|---|---|---|
| Provision for Employee Benefits (refer Note 41) | 850 | 88 |
| Allowance for impairment on commitments (refer note 44.4(b)) | 5,495 | 10,112 |
| **Total** | **6,345** | 10,200 |

## 21 Other non- financial liabilities

| | | |
|---|---|---|
| Statutory dues payable | 3,948 | 2,740 |
| Deferred income on fair valuation of deposit taken | - | 10 |
| Fair Valuation Adjustment on Merger (Refer note 39B) | 345,798 | 538,848 |
| Advance received | 14,043 | 7,352 |
| **Total** | **363,789** | 548,950 |

## 22 Equity Share Capital

| | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| **Authorized share capital:** | | |
| Opening balance: | | |
| 25,840,390,024 (March 31, 2022: 25,000,000,000) equity shares of Rs. 10 each | 2,584,039 | 2,500,000 |
| Add: Nil (31 March 2022: 840,390,024) equity shares transfer on account of reverse merger (Refer Note 39B) | - | 84,039 |
| **Total** | **2,584,039** | 2,584,039 |
| 250,000 (March 31, 2022: 250,000) Non-Convertible Redeemable Cumulative Preference Shares of Rs. 1,000 each transfer on account of reverse merger (Refer Note 39B) | 25,000 | 25,000 |
| **Total** | **25,000** | 25,000 |
| **Issued, subscribed and fully paid up capital:** | | |
| Opening balance | 2,136,469 | 1,928,372 |
| Less: Cancellation of shares upon business combination (Refer Note 39B) | - | (1,928,372) |
| Add: Issue of shares pursuant to business combination (Refer Note 39B) | - | 2,136,469 |
| **Total** | **2,136,469** | 2,136,469 |

**Reconciliation of the shares outstanding at the beginning and at the end of the reporting year**

| Equity shares | March 31, 2023 | | March 31, 2022 | |
|---|---|---|---|---|
| | No. of shares | Amount | No. of shares | Amount |
| At the beginning of the year | 21,364,691,751 | 2,136,469 | 19,283,718,397 | 1,928,372 |
| Less: Cancellation of shares upon business combination (Refer Note 39B) | - | - | (19,283,718,397) | (1,928,372) |
| Add: Issue of shares pursuant to business combination (Refer Note 39B) | - | - | 21,364,691,751 | 2,136,469 |
| Outstanding at the end of the year | **21,364,691,751** | **2,136,469** | 21,364,691,751 | 2,136,469 |

**Details of shares held by Promoter**

| Particulars | March 31, 2023 | | March 31, 2022 | |
|---|---|---|---|---|
| | No. of shares | % Holding | No. of shares | % Holding |
| Piramal Enterprises Limited | 21,364,691,751 | 100% | 21,364,691,751 | 100% |

**Details of shareholder holding more than 5% shares in the Company**

| Particulars | March 31, 2023 | | March 31, 2022 | |
|---|---|---|---|---|
| | No. of shares | % Holding | No. of shares | % Holding |
| Piramal Enterprises Limited | 21,364,691,751 | 100% | 21,364,691,751 | 100% |

**Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceding the balance sheet date:**

| Particulars | Financial year | No. of shares |
|---|---|---|
| Equity shares of Rs. 10 each allotted as fully paid-up pursuant to business combination (Refer Note 39B) | 2021-22 | 21,364,691,751 |

The Company has only one class of equity shares having a face value of ₹ 10 per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees.

There were no shares allotted as fully paid-up by way of bonus shares.
There were no shares reserved for issue under options and contracts/commitments for the sale of shares/disinvestment.
There were no shares forfeited during the year.

In the event of liquidation of the Company, the holders of equity shares will be entitled to remaining assets of the Company. The distribution will be in proportion to the number of equity shares held by the shareholders.

## 23 Other equity

| | | |
|---|---|---|
| Capital Reserve (refer note 23.1) | 17,265 | 17,263 |
| Securities Premium (refer note 23.2) | 220,885 | 220,885 |
| Cash flow hedge reserve (refer note 23.3) | 381 | (624) |
| Statutory reserve fund (refer note 23.4) | 244,563 | 244,561 |
| Amalgamation Adjustment Reserve (refer note 23.5) | (490,288) | (490,288) |
| Debt Instruments Measure through OCI (refer note 23.6) | (1,276) | - |
| Equity Instruments Measure through OCI (refer note 23.7) | 6,720 | - |
| Retained earnings (refer note 23.8) | (656,615) | 90,501 |
| **Total** | **(658,365)** | 82,298 |

### 23.1 Capital reserve

| | | |
|---|---|---|
| Opening balance (Refer note 39B) | 17,263 | 3 |
| Less: Transfer to Share Capital on account of reverse merger (Refer Note 39B ) | - | (3) |
| Add: Transfer on account of reverse merger (Refer Note 39B ) | - | 17,263 |
| Add: Adjustment on account of Business combination (Refer Note 39C) | 2 | |
| **Closing Balance** | **17,265** | 17,263 |

Capital reserve has been created on account of business combination (refer note 39B) done during the year 2021-22.

| | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| **23.2 Securities Premium** | | |
| Opening balance | 220,885 | 16,080 |
| Less: Transfer to Share Capital on account of reverse merger (Refer Note 39B ) | - | (16,080) |
| Add: Transfer on account of reverse merger (Refer Note 39B ) | - | 220,885 |
| **Closing Balance** | **220,885** | 220,885 |

Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

| | | |
|---|---|---|
| **23.3 Cash flow hedge reserve** | | |
| Opening Balance | (624) | (1,596) |
| Addition during the year (refer note 45) | 1,005 | 972 |
| **Closing Balance** | **381** | (624) |

The Group uses hedging instruments as part of its management of foreign currency risk and interest rate risk associated with variable interest rate borrowings, investment in floating rate bonds. For hedging foreign currency risk, the Group uses foreign currency forward contracts, which are designated as cash flow hedges. For hedging interest rate risk, the Group uses interest rate swaps which is also designated as cash flow hedges. To the extent these hedges are effective; the changes in fair value of the hedging instrument is recognised in the cash flow hedging reserve. Amount recognised in the cash flow hedging reserve is reclassified to statement of profit or loss when the hedged item affects statement of profit or loss (e.g. interest payments).

| | | |
|---|---|---|
| **23.4 Statutory reserve fund** | | |
| **Reserve fund U/s 29C of the NHB Act, 1987** | | |
| Opening Balance | 244,563 | 50,150 |
| Add: Transfer on account of reverse merger (Refer Note 39B ) | - | 183,899 |
| Addition during the year | - | 10,515 |
| **Closing Balance** | **244,563** | 244,563 |

Reserve Fund is required to be maintained u/s 29C of the NHB Act, 1987 for Housing Finance Companies. During the year ended March 31, 2023, the Group has transferred an amount of Rs. NIL during the year. (March 31, 2022 Rs. 10,515 Lakhs being 20% of profit after tax)

| | | |
|---|---|---|
| **23.5 Amalgamation Adjustment Reserve** | | |
| Opening Balance | (490,288) | - |
| Add: Transfer on account of reverse merger (Refer Note 39B ) | - | (490,288) |
| **Closing Balance** | **(490,288)** | (490,288) |

Amalgamation adjustment reserve has been created on account of business combination (refer note 39B) done during the year 2021-22

| | | |
|---|---|---|
| **23.6 Debt Instruments Measure through OCI** | | |
| Opening Balance | - | - |
| Addition during the year | (1,276) | - |
| **Closing Balance** | **(1,276)** | - |

The Group recognises changes in the fair value of debt instruments held with a dual business objective of collect and sell in other comprehensive income. These changes are accumulated in the FVTOCI debt investments reserve. The Group transfers amounts from this reserve to profit or loss when the debt instrument is sold. Any impairment loss on such instruments is reclassified immediately to the Statement of Profit and Loss.

| | | |
|---|---|---|
| **23.7 Equity Instruments Measure through OCI** | | |
| Opening Balance | - | - |
| Addition during the year | 6,720 | - |
| **Closing Balance** | **6,720** | - |

The Group has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated in the FVTOCI equity investments reserve. The Group transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

| | | |
|---|---|---|
| **23.8 Retained earnings** | | |
| Opening Balance | 90,501 | 155,654 |
| Add: Transfer on account of reverse merger (Refer Note 39B ) | - | 91,052 |
| Net profit/(loss) for the year | (740,136) | 54,015 |
| Other comprehensive income arising from remeasurement of defined benefit obligation net of income tax | (6,980) | (7,692) |
| Less: Transfer to Share Capital on account of reverse merger (Refer Note 39B ) | - | (192,014) |
| Less: Transfer to statutory reserve fund | - | (10,515) |
| **Closing Balance** | **(656,615)** | 90,501 |

Retained earnings are the profits that the Group has earned till date, less any transfers to statutory reserve and dividends paid to investors. The amount that can be distributed by the Group as dividends to its equity shareholders is determined based on the financial statements of the Group and also considering the requirements of the Companies Act, 2013. Thus, the amounts reported above are not distributable in entirely.

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Piramal Capital & Housing Finance Ltd.

## Notes to the Consolidated Financial Statements (Continued)

*for the year ended March 31, 2023*

(Currency : Rs in lakhs)

| | | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|---|---|---|
| | **Revenue from operations** | | |
| **24** | **Interest income** | | |
| | Interest income on financial assets measured at amortised cost: | | |
| | - on investments | 69,421 | 70,729 |
| | - on loans and advances | 505,581 | 448,909 |
| | Interest income- on investments mandatorily measured at FVTPL | 40,860 | 65,595 |
| | Interest income- on investments mandatorily measured at OCI | 10,728 | |
| | Interest income on Fixed deposits | 4,829 | 5,099 |
| | **Total** | **631,419** | 590,332 |
| **25** | **Fees and commission Income** | | |
| | - processing / arranger fees | 16,101 | 7,234 |
| | - other operating Income | 10,716 | 6,177 |
| | **Total** | **26,817** | 13,411 |
| **26** | **Other income** | | |
| | Other non-operating income | 2,286 | 6,614 |
| | Net gain on sale of fixed assets | 262 | - |
| | Interest on income tax refund | 3,736 | - |
| | **Total** | **6,284** | 6,614 |
| **27** | **Finance cost** | | |
| | Interest expense on financial liabilities measured at amortised cost: | | |
| | Interest on deposits | 12,894 | 19,329 |
| | Interest on borrowings | 109,801 | 130,423 |
| | Interest on debt securities | 223,055 | 180,815 |
| | Interest on subordinated liabilities | 1,247 | 3,139 |
| | **Total** | **346,997** | 333,706 |
| **28** | **Fees and commission expense** | | |
| | Other borrowing cost* | 2,877 | 1,164 |
| | **Total** | **2,877** | 1,164 |
| | *includes interest cost on lease liability | | |
| **29** | **Net loss on fair value changes** | | |
| | Loss on investments measured at FVTPL | 213,666 | 50,028 |
| | Loss/(gain) on loans and advances measured at FVTPL | (128,175) | - |
| | Realised gain on sale of investments | (8,374) | (8,048) |
| | Unrealised gain on sale of investments | - | (172) |
| | **Total** | **77,117** | 41,808 |

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T R Chadha & Co. LLP ★ Chartered Accountants

Piramal Capital & Housing Finance Ltd.

## Notes to the Consolidated Financial Statements (Continued)

*for the year ended March 31, 2023*

(Currency : Rs in lakhs)

| | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|---|---|
| **30 (a) Net loss on derecognition of financial instruments-under amortised cost category** | | |
| Loss on derecognition of financial assets* | 359,489 | 2,206 |
| Gain on derecognition of financial Liabilities ** | (32,936) | - |
| **Total** | **326,553** | 2,206 |

* This includes amounts prudentially written off (technical write off) as per the Board approved policy of the Company. During the year ending March 31, 2023, the Company has prudentially written off certain loans from wholesale sector amounting to Rs 94,365 Lakhs (net of recovery of Rs 4,150 Lakhs) and from retail sector amounting to Rs 6,754 Lakhs (net of recovery of Rs 529 Lakhs).
**This includes, gain on derecognition of financial Liabilities includes gain on buyback of 6.75% 10,497,228 Non-convertible debentures having face value of Rs. 950 with buyback prices of Rs 823.28 per debentures (including Accrued Interest of Rs. 14.76). Due to such buyback, the Company has recognised Rs. 12,936 lakhs as gain on de-recognition of financial liability.

| | | |
|---|---|---|
| **30 (b) Impairment on financial instruments** | | |
| **Measured at Amortised Cost** | | |
| Loans | 59,910 | 10,322 |
| Investments | (71,919) | 51,600 |
| Commitments | (4,619) | 803 |
| Others | 700 | - |
| **Total** | **(15,928)** | 62,725 |

| | | |
|---|---|---|
| **31 Employee benefits expense** | | |
| Salaries and wages | 62,677 | 27,999 |
| Contribution to provident and other funds (refer note 41) | 3,450 | 1,096 |
| Provision for leave encashment (refer note 41) | 1,527 | (1,261) |
| Staff welfare expenses | 2,750 | 1,195 |
| Provision for gratuity (refer note 41) | 767 | 440 |
| **Total** | **71,171** | 29,469 |

| | | |
|---|---|---|
| **32 Other expenses** | | |
| Corporate social responsibility expenses (refer note 50) | 5,467 | 4,921 |
| Rent (refer note 35) | 109 | 679 |
| Rates and taxes, excluding taxes on income | 1,139 | 35 |
| Travelling and conveyance | 1,615 | 277 |
| Legal and professional fees | 59,277 | 28,554 |
| Royalty | 5,341 | 4,430 |
| Electricity expense | 1,143 | 421 |
| Repairs and maintenance | 2,580 | 4,385 |
| Business promotion and advertisement expenses | 4,344 | 1,059 |
| Postage and communication | 1,619 | 697 |
| Printing and stationery | 633 | 315 |
| Provision for non-financial assets | 13,399 | - |
| Other expenses | 6,910 | 2,365 |
| **Payments to auditors** | | |
| - as auditor | 557 | 345 |
| - for other services | 5 | 4 |
| - for reimbursement of expenses | 32 | 5 |
| **Total** | **104,170** | 48,492 |

(Currency : Rs in lakhs)

## 33 Income Taxes

| | Year ended March 31, 2023 | Year ended March 31, 2022 |
|---|---|---|
| **a. Recognised in the statement of profit and loss** | | |
| **Current Tax** | | |
| In respect of the current year | 91 | 56,325 |
| In respect of the previous years (Refer foot note (ii)) | (332,754) | - |
| **Deferred Tax** | | |
| In respect of the current year | (206,553) | (37,502) |
| **Total** | **(539,216)** | 18,823 |

**b. The income tax expense for the year can be reconciled to the accounting profit as follows:**

| | Year ended March 31, 2023 | Year ended March 31, 2022 | Effective tax rate reconciliation Year ended March 31, 2023 | Year ended March 31, 2022 |
|---|---|---|---|---|
| Profit before tax from continuing operations | (1,279,352) | 72,838 | | |
| Income tax expense calculated at 25.17% | (322,013) | 18,333 | 25.17% | 25.17% |
| Tax effect: | | | | |
| Effect of expenses that are not deductible in determining taxable profit -Donation | 1,377 | 1,239 | -0.11% | 1.70% |
| Profit after share of net profit of associates and joint ventures before exceptional items and tax | (528) | (363) | 0.04% | -0.50% |
| Reversal of Deferred tax asset on account of impairement of Goodwill | 115,026 | - | -8.99% | - |
| Others | (324) | (387) | 0.03% | -0.53% |
| **Income tax expense recognised in the statement of profit and loss** | **(206,462)** | 18,823 | **16.14%** | 25.84% |
| Tax reversal for earlier years | (332,754) | - | | |
| **Income tax expense recognised in the statement of profit and loss** | **(539,216)** | 18,823 | | |
| **Effective Tax Rate** | **16.14%** | 25.84% | | |

**Note:**

i. The tax rate used for the reconciliations above is the corporate tax rate of 25.17% as per new tax regime.

ii. As given in note 39B, contingent tax liabilities of Rs. 343,700 lakhs pertaining to financial years ended March 31, 2020 and March 31, 2021, were recognized pursuant to uncertain tax positions as on the acquisition of DHFL.

During the year, the Holding Company had received an Assessment Order under section 143(3) of the Income Tax Act, 1961 from Income Tax Department for the financial year ended March 31, 2021 wherein Holding Company's submissions relating to the above said matters were accepted by the Assessing Officer. Further, for financial year ended March 31, 2020, the assessment is time barred as per Section 153 of the Income Tax Act 1961. Accordingly, the Holding Company has reversed the provision of Rs. 332,754 lakhs (Out of the total contingent tax liabilities provided earlier of Rs. 343,700 lakhs) and disclosed the same as "Reversal of tax provisions – Earlier years" in these consolidated financial statement.

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Piramal Capital & Housing Finance Ltd.

(Currency : Rs in lakhs)

## 34 Earnings per share (EPS)

Basic and diluted EPS is computed in accordance with Ind AS 33 'Earnings Per Share' specified under section 133 of the Companies Act 2013.

The computation of earnings per share is set out below:

| Description | For the year ended 'March 31, 2023 | For the year ended 'March 31, 2022 |
|---|---|---|
| Net profit/ (loss) attributable to equity shareholders | (740.136) | 54,015 |
| Weighted average number of equity shares outstanding during the year for calculation of EPS | 21,364,691,751 | 21,364,691,751 |
| Basic and Diluted EPS of face value of Rs. 10 | (3.46) | 0.25 |

The basic and diluted EPS is same as there are no potential dilutive equity shares.

## 35 Lease disclosure as lessee

Ind AS 116 introduced a single, on balance sheet accounting model for lessees. As a result, the Group, as a lessee, has recognised the right-of-use assets representing its right to use the underlying assets and lease liabilities representing its obligations to make lease payments.

At transition, for leases classified as operating leases under Ind AS 17, lease liabilities were measured at the present value of the outstanding lease payments, discounted at the Group's incremental borrowing rate as at April 01, 2019. The respective right-of-use asset was recognised at an amount equal to the lease liability, adjusted by the amount of any prepaid/advance lease payments or accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of initial application.

The Group's significant operating lease arrangements are mainly in respect of office/branch premises. These lease arrangements are for a period exceeding five years and are in most cases renewable by mutual consent, on mutually agreeable terms. Details for the operating lease as lessee are as under:

**Right-of-use assets**

Right-of-use assets related to lease properties

| Particulars | As at | As at March 31, 2022 |
|---|---|---|
| Opening Balance | 12,171 | 4,116 |
| Depreciation charge for the year | (4,864) | (2,884) |
| Addition to right-of-use assets | 13,064 | 10,982 |
| Derecognition of right-of-use assets (net) | (382) | (43) |
| **Closing Balance** | **19,988** | **12,171** |

**Amount recognised in statement of profit and loss - Lease under Ind AS - 116**

| | As at | As at March 31, 2022 |
|---|---|---|
| Interest on lease liabilities | 1,848 | 530 |
| Income from sub-leasing right-of-use assets presented in 'Other Revenue' | 118 | 118 |
| Expenses Related to short-term lease | 109 | 679 |
| Expenses related to leases of low-value assets, excluding short-term lease of low-value assets | - | - |
| Amortisation on ROU during the year | 4,864 | 2,884 |

**Amount recognised in the statement of cash flow**

| | As at | As at March 31, 2022 |
|---|---|---|
| Total Cashflow for lease | 2,015 | 3,267 |

**Contractual maturities of lease liabilities on an undiscounted basis**

| | As at | As at March 31, 2022 |
|---|---|---|
| Less than 1 year | 5,676 | 4,765 |
| 1-3 years | 9,060 | 8,792 |
| 3-5 years | 7,419 | 1,734 |
| More than 5 years | 5,550 | 757 |

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Chartered Accountants

Piramal Capital & Housing Finance Ltd.

External Public

(Currency : Rs in lakhs)

## 36 Disclosure under Micro, Small and Medium Enterprises Development Act, 2006

Under the Micro, Small and Medium Enterprises Development Act, 2006, ('MSMED') which came into force from October 2, 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. On the basis of the information and records available with Group including confirmations sought from suppliers on registration with specified authority under MSMED, the amount of principal and interest outstanding during the year is given below.

| Particulars | As at | As at March 31, 2022 |
|---|---|---|
| Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end | 277 | 134 |
| Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end | 1 | - |
| Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year | 5,984 | 1,044 |
| Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year | - | - |
| Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year | - | - |
| Interest due and payable towards suppliers registered under MSMED Act, for payments already made | - | - |
| Further interest remaining due and payable for earlier years | - | - |

## 37 (a) Contingent liabilities

| Particulars | | |
|---|---|---|
| **Claim against the Group not acknowledged as debt** | - | - |
| Dues towards Income Tax for AY 2014-2015 | 130 | 23 |
| Dues towards Income Tax for AY 2015-2016 | 7 | |
| Dues towards Income Tax for AY 2017-2018 | 5,634 | 5,634 |
| Dues towards Income Tax for AY 2018-2019 | 661 | 616 |
| Dues towards Income Tax for AY 2019-2020 | 510 | 510 |
| Dues towards Income Tax for AY 2020-2021 | 1,268 | 1,268 |
| **Others** | | |
| Guarantees provided by bank on behalf of Company | 11,700 | |
| Partly paid-up investment | 16 | 16 |
| (Gross Value of Litigated Claims Rs. 3 lakhs (March 31, 2022 Rs. 20 lakhs) and Provision held Rs. 1 lakhs (March 31, 2022 - Rs. 7 lakhs)) | 2 | 13 |
| Statutory demands/liabilities in dispute, not provided for* | 688 | 658 |
| Statutory Bonus (retrospective amendment stayed by Karnataka and Kerala High Courts) | 41 | 41 |
| Others – Insurance claims in Legal Matters net of provision and reinsurance (Gross Value of Litigated Claims Rs. 2,986 lakhs (March 31, 2022 - Rs. 2,429 lakhs), out of which reinsured claims Rs. 922 lakhs (March 31, 2022 - Rs. 659 lakhs) and Provision held Rs. 589 lakhs (March 31, 2022 - Rs. 383 lakhs)) | 1,475 | 1,387 |
| Claims against the Group not acknowledged as debts | 959 | 1,752 |

*Statutory demands and liabilities in dispute, not provided for, relate to the show cause cum demand notices/assessment orders received by the Group from the respective tax authorities. The Group has filed appeals against the demand notices/assessment orders with the appellate authorities and has been advised by the experts that the grounds of appeal are well supported in law in view of which the Group does not expect any liability to arise in this regard.

The Group is of the view that the above demands may not devolve on the Group and hence no provision has been made.

The Group has a process whereby periodically all long term contracts are assessed for material foreseeable losses. At year end the Group has reviewed and ensured that adequate provision as required under any law / accounting standards for material foreseeable losses on such long term contracts has been made in the books of account.

The Group has also reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable, in its financial statements. The Group does not expect the outcome of these proceedings to have a materially adverse effect on its consolidated financial statement.

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Chartered Accountants
Piramal Capital & Housing Finance Ltd.
External Public

(Currency : Rs in lakhs)

## 37 (b) Capital commitments

| Particulars | - | - |
|---|---|---|
| Undisbursed loan commitments | 328,730 | 316,583 |
| Other capital commitments | 2,060 | 1,112 |
| **Total** | **330,790** | 317,695 |

The undisbursed loan commitments represents the undrawn limits of the facilities sanctioned that are non-cancellable at sole and absolute discretion of the Group.

## 38 (a) Segment reporting

The chief operational decision maker monitors its principle business segment i.e. 'financing segment' for the purpose of making decision about resource allocation and performance assessment. The Group is operating in a single reportable and geographical segment in accordance with Ind AS 108 - Operating Segments as notified u/s 133 of the Companies Act, 2013 and accordingly the same is not applicable to the Group.
Further, no clients individually accounted for more than 10% of the revenue in financial year ended March 31, 2023.

## 38 (b) Significant transactions during the year

(i) During the year, the Company has formed a new wholly owned subsidiary company in the name of "Piramal Payment Services Limited".

(ii) During the year, the Company has acquired:
a. "Piramal Finance Sales and Service Private Limited" (wholly owned subsidiary Company) from Piramal Enterprises Limited (Holding Company).
b. "PRL Agastya Private Limited" (wholly owned subsidiary Company) from PRL Developers Private Limited (Group Company).

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Tiwari Chhadva & Co. LLP Chartered Accountants MUMBAI

Piramal Capital & Housing Finance Ltd.

**38 (c) INTERESTS IN OTHER ENTITIES**

**a Interest in Subsidiaries**

The Group's subsidiaries at March 31, 2023 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the group, and the proportion of ownership interests held equals the voting rights held by the group. The country of incorporation or registration is also their principal place of business

| Sr. No. | Name of the Company | Principal place of business/Country of incorporation | Ownership interest held by the group % voting power held as at March 31, 2023 | Ownership interest held by non-controlling interests % voting power held as at March 31, 2023 | Ownership interest held by the group % voting power held as at March 31, 2022 | Ownership interest held by non-controlling interests % voting power held as at March 31, 2022 | Principal Activity |
|---|---|---|---|---|---|---|---|
| 1 | DHFL Investments Limited # | India | 100% | - | 100% | - | Financial Services |
| 2 | DHFL Advisory & Investments Private Limited # | India | 100% | - | 100% | - | Financial Services |
| 3 | DHFL Holdings Limited # | India | 100% | - | 100% | - | Financial Services |
| 4 | Piramal Payment Services Limited @ | India | 100% | - | - | - | Financial Services |
| 5 | Piramal Finance Sales and Services Private Limited * | India | 100% | - | - | - | Manpower services |
| 6 | PRL Agastya Private Limited ** | India | 100% | - | - | - | Leasing of Properties |

# with effect from September 30, 2021
@ with effect from April 29, 2022
* with effect from September 28, 2022
** with effect from December 12, 2022

**b Interest in Joint Ventures**

| Sr. no. | Name of the Company | Principal place of business/Country of incorporation | Carrying Amount as at Mar 31, 2023 | Carrying Amount as at Mar 31, 2022 | Ownership interest held by the group |
|---|---|---|---|---|---|
| 1 | Pramerica Life Insurance Limited # | India | 90,722 | 95,714 | 50% |

# with effect from September 30, 2021 through DHFL Investments Limited

**c Interest in Associates**

| Sr. no. | Name of the Company | Principal place of business/Country of incorporation | Carrying Amount as at Mar 31, 2023 | Carrying Amount as at Mar 31, 2022 | Ownership interest held by the group |
|---|---|---|---|---|---|
| 1 | DHFL Ventures Trustee Company Private Limited # | India | 4 | 4 | 45% |

# with effect from September 30, 2021 through DHFL Investments Limited

**d Share of profits from Associates and Joint Venture for the year ended:**

| Sr. no | Particulars | Share of profits | | Share of Other Comprehensive Income | |
|---|---|---|---|---|---|
| | | 0 | 0 | 0 | 0 |
| 1 | Share of profit of Associate | - | - | - | - |
| 2 | Share of profit of Joint ventures | 2,096 | 1,441 | (7,089) | (7,727) |

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External Public

**38 (c) INTERESTS IN OTHER ENTITIES**

**e Reconciliation to carrying amounts as at:**

| S. no | Particulars | 0 | | 0 | |
|---|---|---|---|---|---|
| | | Joint venture | Associate | Joint venture | Associate |
| 1 | Net Assets | 181,443 | 9 | 191,429 | 9 |
| 2 | Group's share in % | 50% | 45% | 50% | 45% |
| 3 | Proportion of the Group's ownership interest | 90,722 | 4 | 95,714 | 4 |
| 4 | Goodwill | - | - | - | - |
| 5 | Carrying amount | 90,722 | 4 | 95,714 | 4 |

**38 (d)** 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 on/for the year ended March 31, 2023)

| Sr. No. | Name of the entities | Share of Profit / (Loss) | | Share of Other comprehensive Income | | Share of total comprehensive Income | |
|---|---|---|---|---|---|---|---|
| | | As % of consolidated Profit or loss | Amount | As % of consolidated Other comprehensive income | Amount | As % of consolidated Total comprehensive income | Amount |
| 1 | Piramal Capital & Housing Finance Limited | 100% | (742,483) | -1244% | 6,547 | 99% | (735,936) |
| | **Subsidiaries:** | | | | | | |
| 2 | DHFL Advisory & Investments Private Limited | 0% | (5) | 0% | - | 0% | (5) |
| 3 | DHFL Holding Limited | 0% | (1) | 0% | - | 0% | (1) |
| 4 | DHFL Investments Limited (Consolidated) | 0% | 2,088 | 1347% | (7,089) | 1% | (5,001) |
| 5 | Piramal Payment Services Limited | 0% | (14) | 0% | - | 0% | (14) |
| 6 | Piramal Finance Sales and Services Private Limited | 0% | 153 | 1% | (3) | 0% | 150 |
| 7 | PRL Agastya Private Limited | 0% | (652) | -4% | 19 | 0% | (633) |
| | Inter Company elimination | 0% | 777 | 0% | - | 0% | 777 |
| | Total | 100% | (740,136) | 100% | (526) | 100% | (740,662) |

| Sr. No. | Name of entities | Net Assets i.e. total assets less total liabilities | |
|---|---|---|---|
| | | As % of consolidated net assets | Amount |
| 1 | Piramal Capital & Housing Finance Limited | 101% | 1,489,986 |
| | **Subsidiaries:** | | |
| 2 | DHFL Advisory & Investments Private Limited | 0% | 53 |
| 3 | DHFL Holding Limited | 0% | (0) |
| 4 | DHFL Investments Limited (Consolidated) | 6% | 90,737 |
| 5 | Piramal Payment Services Limited | 0% | 536 |
| 6 | Piramal Finance Sales and Services Private Limited | 0% | 178 |
| 7 | PRL Agastya Private Limited | -1% | (13,103) |
| | Inter Company elimination | -6% | (90,282) |
| | Total | 100% | 1,478,105 |

External Public

(Currency : Rs in lakhs)

**39 A Amalgamation of Piramal Finance Limited and Piramal Capital Limited with Piramal Housing Finance Limited erstwhile Piramal Housing Finance Private Limited**

1 The Board of Directors of Piramal Capital Limited (PCL) and the Board of Directors of Piramal Finance Limited (PFL) had at their respective meetings held on October 12, 2017, had approved the Scheme of Amalgamation ("Scheme") of PFL and PCL (together referred as "Transferor Companies") with Piramal Housing Finance Limited (PHFL) (referred as "Transferee Company") effective from March 31, 2018 ("Appointed date"). The National Company Law Tribunal , Mumbai Bench ("NCLT") at its hearing held on April 06, 2018, have sanctioned the Scheme of Amalgamation of the Transferor Companies PFL and PCL with the Transferee Company PHFL. The certified copy of the NCLT, sanctioning the Scheme was filed with the Registrar of Companies, Maharashtra, Mumbai on May 23, 2018 (the "Effective Date").

**In accordance with the said Scheme and as per the approval of the National Company Law Tribunal :**

a) The amalgamation has been accounted for under the "Purchase Method" as prescribed by AS 14 - Accounting for Amalgamations as specified under section 133 of the Companies Act 2013 and as per the specific provisions of the Scheme. Accordingly, the Scheme had been given effect to in these financial statements. All assets, liabilities, rights and obligations, income and expenditure of the Transferor Companies stand transferred to and vested in the Transferee Company.

b) The purchase consideration of Rs 1,804,452 lakhs for acquisition of Transferor Companies was being discharged by way of issue of 18,044,517,320 equity shares of Rs 10/- each at face value per share to the shareholder of PFL and PCL as per following share exchange ratio (without payment being received in cash) and Rs. 4,256 lakhs on account of stamp duty has been paid.

i) 483 equity shares of face value of Rs. 10 each for every 100 equity shares of face value of Rs. 10 each held in PFL pre amalgamation.

ii) 1 equity share of face value of Rs. 10 each for every 5 equity shares of face value of Rs. 2 each held in PCL pre amalgamation.

2 Consequent to the Scheme becoming effective, net assets of Transferor Companies aggregating to Rs. 783,027 lakhs as at the Appointed date had been transferred to the Transferee Company at their respective fair values as determined by an independent valuer. The balance amount of Rs. 1,025,681 lakhs has been recorded as goodwill on amalgamation and Rs. 3 lakhs as capital reserve.

3 The Company has increased its Authorised Share Capital to Rs. 19,99,800 lakhs w.e.f. May 02, 2018. Thus, w.e.f. the Effective Date, i.e. May 23, 2018, the Authorised Share Capital of the Company shall be Rs 2,500,000 lakhs.

Break down of the purchase consideration into net assets and goodwill is as under:

(Rs. in Lakhs)

| | Particulars | PFL | PCL | Total |
|---|---|---|---|---|
| I. | Consideration paid for acquisition* | 1,808,508 | 200 | 1,808,708 |
| II. | Net assets acquired on Appointed date | 782,824 | 203 | 783,027 |
| III. | **Goodwill (I - II)** | **1,025,684** | **(3)** | **1,025,681** |

(* includes Stamp Duty of Rs. 4,256 lakhs)

4 The amalgamation has been accounted under the "Purchase Method" as prescribed by AS 14 - Accounting for Amalgamations as specified under section 133 of the Companies Act 2013 and as per the specific provisions of the Scheme. If the same would have been accounted as per IndAS 103 - Business Combinations, results would have been different.

5 The Company has fully impaired Goodwill during the year ended March 31, 2023 (Refer note 49).

## 39 B Amalgamation of Dewan Housing Finance Corporation Limited with erstwhile Piramal Capital & Housing Finance Limited

Vide Order dated June 7, 2021, the Mumbai bench of the Hon'ble National Company Law Tribunal ("NCLT") approved the Resolution Plan submitted by Piramal Capital & Housing Finance Limited ("PCHFL"), wholly-owned subsidiary of the Piramal Enterprises Limited, for the Corporate Insolvency resolution process of Dewan Housing Finance Corporation Limited ("DHFL") under Section 31 of the Insolvency and Bankruptcy Code, 2016. After receiving necessary approvals, PCHFL has discharged its obligation under the Resolution Plan by paying Rs. 34,25,000 lakhs on September 28, 2021 through cash consideration of Rs. 14,71,747 lakhs (of which Rs. 12,80,000 lakhs paid out of acquired cash) and issue of Debentures of Rs. 19,53,253 lakhs and further, pursuant to the Resolution plan, PCHFL merged into DHFL to conclude acquisition on September 30, 2021 (Implementation Date).

The acquisition of DHFL fits into the Holding Company's strategy to diversify the loan book and helps achieve scale its retail lending business.

The business combination has been treated as a reverse acquisition for financial reporting purposes in accordance with Ind AS 103, with PCFHL as the accounting acquirer and DHFL as the accounting acquiree/legal acquirer.

Accordingly, these consolidated financial statements issued represent the continuation of the financials of PCHFL (accounting acquirer) and reflects the assets and liabilities of PCHFL measured at their pre-acquisition carrying value and acquisition date fair value of the identified assets acquired and liabilities taken over with respect to DHFL. Merged financial statements are issued in the name of Piramal Capital and Housing Finance Limited (formerly known as Dewan Housing Finance Corporation Limited).

The balances in reserves and surplus of DHFL as of the Appointed Date and the statutory reserve and hedging reserve of PCHFL shall be recognised separately. Any resultant difference arising from such recognition of reserves shall be in the first instance recognised as Amalgamation Adjustment Reserve and debit balance, if any, arising in the Amalgamation Adjustment Reserve may be offset with credit balance in reserves and surplus of the merged entity (first to be adjusted with surplus balance in profit and loss account and then with general reserve, if any).

The Holding Company has also incurred a transaction cost of Rs.14,272 lakh and reported this as an acquisition related cost disclosed as Exceptional items in financial year 2021-22.

Details in respect of business combination is provided below:

| No | Particulars | (Rs. in lakhs) Amount |
|---|---|---|
| A | Consideration transferred | |
| | Cash (including acquired cash of Rs. 12,80,000 lakhs) | 1,471,747 |
| | Fair value of Debentures | 1,912,369 |
| | **Total consideration (A)** | **3,384,116** |
| B | **Fair value of identifiable assets and liabilities recognised as a result of the Reverse Acquisition** | |
| | **Assets** | |
| (i) | Loan Book | 2,261,450 |
| (ii) | Investments | 307,491 |
| (iii) | Cash & Cash Equivalents | 1,462,591 |
| (iv) | Property, Plant & Equipment | 45,287 |
| (v) | Other assets | 108,453 |
| | **Total assets acquired (a)** | **4,185,272** |
| | **Liabilities** | |
| (i) | Securitised Borrowings | (322,649) |
| (ii) | Other Financial Liabilities | (72,060) |
| (iii) | Trade Payables | (31,792) |
| (iv) | Provisions | (5,589) |
| (v) | Other Non-Financial Liabilities | (8,103) |
| (vi) | Tax liabilities | (343,700) |
| | **Total liabilities acquired (b)** | **(783,892)** |
| | **Net assets recognised pursuant to the Scheme (B)- (a-b)** | **3,401,379** |
| C | **Goodwill/(Capital Reserve) (A-B)** | **(17,263)** |

Capital reserve represents the gain on bargain purchase which is directly recognized in the other equity as capital reserve.

**39 B Amalgamation of Dewan Housing Finance Corporation with Piramal Housing Finance Limited erstwhile Piramal Housing Finance Private Limited *(Continued)***

The acquisition date fair value of accounting acquiree's identifiable assets and liabilities under the reverse acquisition are based on independent valuations obtained by the Holding Company.

Based on opinions obtained from legal and tax experts, the above-mentioned fair value of net assets includes contingent tax liabilities of Rs. 343,700 lakhs pertaining to income tax obligation of DHFL for the financial years ended 31 March, 2020 and 2021, recognized pursuant to uncertain tax positions relating to DHFL as on the implementation date. Further, based on the expert opinions, net deferred tax assets potentially amounting to Rs. 620,900 lakhs relating to the fair value adjustments considered above have presently not been recognized due to uncertainty associated with allowability of such adjustments. The Fair value of assets also includes Investment in a Jointly controlled entity which is currently being litigated and where the Holding Company expects a favourable outcome of the proceedings. (Refer sub-note to note 10 and 33)

Following the successful implementation of the resolution plan pertaining to the insolvency resolution process of the Holding Company, the Holding Company has replaced the nominee directors appointed by the erstwhile management under the Administrator with new directors.

Pursuant to the merger becoming effective from September 30, 2021, the Holding Company allotted 2,13,646.92 lakhs shares of face value of INR 10 each on November 11, 2021, to the existing shareholders who were holding shares of PCHFL. These shares are issued against the total net worth of PCHFL on the Appointed Date, adjusted for statutory reserves and hedging reserves. Further the existing share capital held by shareholders of DHFL were cancelled/written back upon implementation of the Scheme.

Accounting for conversion of PCHFL reserves aggregating to Rs 208,096 lakhs into Share Capital and continuation of balance of reserves aggregating to Rs. 48,554 lakhs and recognition of reserves of DHFL on the implementation date aggregating to Rs 4,04,784 lakhs, in the merged financial statements has been done in accordance with the accounting treatment prescribed in the Resolution plan approved by the NCLT which, is different from the accounting treatment prescribed by Ind AS 103 for reverse acquisition business combinations.

The Company holds 100% of equity share capital of DHFL Investments Limited (DIL). DIL had issued Compulsory Convertible Debentures (CCDs) to Wadhawan Global Capital Private Limited ("WGC"). Tri-partite agreement dated 31 March 2017 was entered between DIL, DHFL and Wadhawan Global Capital Private Limited (WGC). This agreement assigned controlling rights in favour of WGC and accordingly DIL was not considered as a subsidiary. The approved Resolution Plan contained prayers inter alia seeking nullification of the Compulsory Convertible Debentures (CCDs) and extinguishment of rights pursuant to these CCDs. WGC and a limited liability partnership by the name of TDH Realty LLP have pursued the litigation against the Resolution Plan purportedly as the ultimate beneficiary of the CCDs. The matter is still under consideration of Hon'ble NCLT. Based on the approval of the Resolution Plan by Hon'ble NCLT and merits of these litigations, the Company has considered DIL as a subsidiary based on its ability to exercise control over DIL with effect from the implementation date.

The wholly owned subsidiary of the Company, DIL holds 50% of equity share capital of Pramerica Life Insurance Limited (PLIL). Based on the evaluation of rights available under the shareholders agreement, PLIL has been considered as a joint venture and has been accounted based on equity method of accounting in the consolidated financial statements. Accordingly, the consolidated statement of profit and loss includes the Company's share of profit or (loss) of PLIL with effect from the implementation date.

In accordance with the Resolution Plan, the Holding Company has presented acquired specified financial assets (as per the approved Scheme vide NCLT order dated 7 June 2021) at gross book value with provision for impairment being presented as a reduction from such gross book values as appearing in the financial statements of DHFL immediately prior to the implementation date. Difference between such carrying value (gross values as reduced by provision for impairment) and fair values as determined above is separately presented as a liability (liability representing fair value adjustment). The liability representing fair value adjustment is dealt with in the income statement as a component of interest income consistent with the requirements of Ind AS 109.








**39 B Amalgamation of Dewan Housing Finance Corporation with Piramal Housing Finance Limited erstwhile Piramal Housing Finance Private Limited *(Continued)***

In view of the foregoing, the consolidated financial statements of the accounting acquiree have been included from the implementation date i.e. September 30, 2021. The consolidated financial statements presented above are not comparable with the previous period consolidated financial statements for the year ended March 31, 2022 which comprise of the result of 6 months operation of DHFL and twelve months of PCHFL.

Further, following subsidiaries, associate and joint venture have been consolidated from September 30, 2021.

a. Subsidiary Company
i. DHFL Investments Limited
ii. DHFL Holdings Limited
iii. DHFL Advisory & Investments Private Limited

b. Associate
i. DHFL Ventures Trustee Company Limited (through DHFL Investments Limited)

c. Joint Venture
i. Pramerica Life Insurance Limited (through DHFL Investments Limited)

According to the Resolution Plan, the distribution of proceeds from recovery of fraudulent loans should go to Successful Resolution Applicant (SRA) only to the extent of Re. 1 as per the Fair Value assigned in the Resolution Plan and the balance should be distributed to the creditors. There is a litigation with respect to reconsideration of the value assigned for the fraudulent loan book by Committee of Creditors. According to the Holding Company, the DHFL acquisition remains unaffected by the above said order and the business integration continues as envisaged. Further there will be no adverse impact on the consolidated financial statements for the year ended March 31, 2022 and 2023 even in the eventuality of the matter being decided against the Holding Company.

**Revenue and profit contribution**

In the previous year, the acquired business contributed revenue from operation of Rs.154,915 lakhs and profit of Rs.75,058 lakhs to the Holding Company.

## 39 C Acquisition of Piramal Finance Sales & Services Private Limited ("PFSSPL") by Piramal Capital & Housing Finance Limited ("The Company")

The Company acquired "Piramal Finance Sales and Service Private Limited" from Piramal Enterprises Limited as on September 28, 2022. The financial statements presented above are not comparable with the previous period financial statements for the year ended March 31, 2022 which comprise the result of the Company without considering PFSSPL.

Details in respect of business combination is provided below:

| No | Particulars | (Rs. in lakhs) Amount |
|---|---|---|
| A | **Consideration transferred** | |
| | Cash | 30 |
| | **Total consideration (A)** | **30** |
| B | **Fair value of assets identifiable assets and liabilities recognised as a result of the Acquisition** | |
| | **Assets** | |
| | Total assets acquired | 3,348 |
| | Total liabilities acquired | 3,315 |
| | **Net assets recognised pursuant to the Scheme (B)- (a-b)** | **32** |
| C | **Goodwill/(Capital Reserve) (A-B)** | **(2)** |

Capital reserve represents the gain on bargain purchase which is directly recognized in the equity as capital reserve.

## 39 D Acquisition of PRL Agastya Private Limited by Piramal Capital & Housing Finance Limited ("The Company")

The Company has acquired "PRL Agastya Private Limited" (wholly owned subsidiary Company) from PRL Developers Private Limited as on December 11, 2022. The financial statements presented above are not comparable with the previous period financial statements for the year ended March 31, 2022 which comprise the result of the Company without considering PRL Agastya Private Limited.

Details in respect of business combination is provided below:

| No | Particulars | (Rs. in lakhs) Amount |
|---|---|---|
| A | **Consideration transferred** | |
| | Cash* | 9,012 |
| | **Total consideration (A)** | **9,012** |
| B | **Fair value of assets identifiable assets and liabilities recognised as a result of the Acquisition** | |
| | **Assets** | |
| | Total assets acquired | 101,248 |
| | Total liabilities acquired | 92,436 |
| | **Net assets recognised pursuant to the Scheme (B)- (a-b)** | **8,813** |
| C | **Goodwill/(Capital Reserve) (A-B)** | **200** |

Goodwill represents the loss on bargain purchase which is directly recognized in the balance sheet.
* includes stamp duty of Rs. 12 lakhs.

(Currency : Rs in lakhs)

## 40 Information in accordance with the requirements of Indian Accounting Standard 24 on Related Party Disclosures

**List of Related Parties**

**A. Parent company**

Piramal Enterprises Limited ("PEL")

**B. Fellow subsidiaries having transaction during the year**

Piramal Fund Management Private Limited
PHL Fininvest Private Limited (Merged with PEL w.e.f. April 1, 2022)
Piramal Securities Limited
Piramal Investment Advisory Services Private Limited
Piramal Finance Sales & Services Private Limited (till September 27, 2022)
Piramal Pharma Limited

**C. Other related parties having transaction during the year**

Aasan Corporate Solutions Private Limited
Brickex Advisors Private Limited (merged with Piramal Corporate Services Private Limited since March 9, 2023)
Piramal Asset Management Private Limited
Piramal Corporate Services Private Limited
Piramal Foundation for Educational Leadership
India Resurgence ARC Private Limited
Piramal Foundation
Kaivalya Education Foundation
Piramal Trusteeship Services Private Limited
Social Worth Technologies Private Limited
Pramerica Life Insurance Limited (w.e.f. September 30, 2021) (Joint Venture of DIL)
PRL Agastya Private Limited (till December 11, 2022)
DHFL Ventures Trustee Company Private Limited (w.e.f. September 30, 2021) (Associate of DIL)
PRL Developers Private Limited

**D. Key Management Personnel**

Khushru Jijina (Till September 30, 2021)
Jairam Sridharan (w.e.f. October 7, 2021)
Vikash Singhla (w.e.f. March 31, 2022)

**E Non-Executive/Independent Directors**

Deepak Satwalekar ( Up to July 26, 2021)
Suhail Nathani (w.e.f. October 30, 2021)
Puneet Yadu Dalmia (w.e.f. March 31, 2022)
Gautam Doshi (w.e.f. October 30, 2021)

External Public

## Notes to the Consolidated Financial Statements (Continued)

*for the year ended March 31, 2023*

(Currency : Rs in lakhs)

### 40 Information in accordance with the requirements of Indian Accounting Standard 24 on Related Party Disclosures (Continued)

**F. Details of transactions with related parties**

| Details of Transactions | Parent Company | | Fellow subsidiaries | | Other Related Parties | | Key Management Personnel & Non-Executive /Independent Directors | | Non-Executive/ Independent Directors | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | March 31, 2023 | March 31, 2022 | March 31, 2023 | March 31, 2022 | March 31, 2023 | March 31, 2022 | March 31, 2023 | March 31, 2022 | March 31, 2023 | March 31, 2022 | March 31, 2023 | March 31, 2022 |
| **Rent expense** | | | | | | | | | | | | |
| - Aasan Corporate Solutions Private Limited | - | - | - | - | 850 | 1,099 | - | - | - | - | **850** | 1,099 |
| - PRL Agastya Private Limited | - | - | - | - | 280 | 135 | - | - | - | - | **280** | 135 |
| **TOTAL** | **-** | **-** | **-** | **-** | **1,130** | **1,234** | **-** | **-** | **-** | **-** | **1,130** | **1,234** |
| **Royalty expense** | | | | | | | | | | | | |
| - Piramal Corporate Services Limited | - | - | - | - | 5,341 | 4,430 | - | - | - | - | **5,341** | 4,430 |
| **TOTAL** | **-** | **-** | **-** | **-** | **5,341** | **4,430** | **-** | **-** | **-** | **-** | **5,341** | **4,430** |
| **Insurance Premium expense** | | | | | | | | | | | | |
| - Pramerica Life Insurance Limited | - | - | - | - | 235 | - | - | - | - | - | **235** | - |
| **TOTAL** | **-** | **-** | **-** | **-** | **235** | **-** | **-** | **-** | **-** | **-** | **235** | **-** |
| **Donation expense** | | | | | | | | | | | | |
| - Piramal Foundation for Educational Leadership | - | - | - | - | 490 | 840 | - | - | - | - | **490** | 840 |
| - Piramal Foundation | - | - | - | - | 2,838 | 1,462 | - | - | - | - | **2,838** | 1,462 |
| - Kaivalya Education Foundation | - | - | - | - | 573 | 425 | - | - | - | - | **573** | 425 |
| **TOTAL** | **-** | **-** | **-** | **-** | **3,901** | **2,727** | **-** | **-** | **-** | **-** | **3,901** | **2,727** |
| **Other Borrowing Cost** | | | | | | | | | | | | |
| - Piramal Enterprises Limited | - | 524 | - | - | - | - | - | - | - | - | - | 524 |
| **TOTAL** | **-** | **524** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **524** |
| **Arranger Fees for downselling of Assets** | | | | | | | | | | | | |
| - Piramal Securities Limited | - | - | - | 1,123 | - | - | - | - | - | - | - | 1,123 |
| **TOTAL** | **-** | **-** | **-** | **1,123** | **-** | **-** | **-** | **-** | | | **-** | **1,123** |
| **Fees (expense)** | | | | | | | | | | | | |
| - Piramal Trusteeship Services Private Limited | - | - | - | - | 10 | 4 | - | - | - | - | **10** | 4 |
| - Piramal Fund Management Private Limited | - | - | 453 | 218 | - | - | - | - | - | - | **453** | 218 |
| - Social Worth Technologies Private Limited | - | - | - | - | 4,346 | 1,362 | - | - | - | - | **4,346** | 1,362 |
| - Piramal Finance Sales & Services Private Limited | - | - | 10,233 | 4,840 | - | - | - | - | - | - | **10,233** | 4,840 |
| **TOTAL** | **-** | **-** | **10,687** | **5,058** | **4,356** | **1,366** | **-** | **-** | **-** | **-** | **15,043** | **6,424** |

WALKER CHANDIOK & Co LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

Piramal Capital & Housing Finance Ltd.

## Notes to the Consolidated Financial Statements (Continued)

*for the year ended March 31, 2023*

(Currency : Rs in lakhs)

### 40 Information in accordance with the requirements of Indian Accounting Standard 24 on Related Party Disclosures (Continued)

**F. Details of transactions with related parties. (Continued)**

| Details of Transactions | Holding Company | | Fellow subsidiaries | | Other Related Parties | | Key Management Personnel & Non-Executive /Independent Directors | | Non-Executive/ Independent Directors | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | March 31, 2023 | March 31, 2022 | March 31, 2023 | March 31, 2022 | March 31, 2023 | March 31, 2022 | March 31, 2023 | March 31, 2022 | March 31, 2023 | March 31, 2022 | March 31, 2023 | March 31, 2022 |
| **Reimbursement of Expenses Received** | | | | | | | | | | | | |
| - PHL Fininvest Private Limited | - | - | - | 25 | - | - | - | - | - | - | - | 25 |
| - Piramal Asset Management Private Limited | - | - | - | 1 | - | - | - | - | - | - | - | 1 |
| - Piramal Fund Management Private Limited | - | - | - | 7 | - | - | - | - | - | - | - | 7 |
| - Piramal Securities Limited | - | - | - | 4 | - | - | - | - | - | - | - | 4 |
| **TOTAL** | - | - | - | **37** | - | - | - | - | - | - | - | **37** |
| **Commission Expenses** | | | | | | | | | | | | |
| - Social Worth Technologies Private Limited | - | - | - | - | 271 | - | - | - | - | - | **271** | - |
| **TOTAL** | - | - | - | - | **271** | - | - | - | - | - | **271** | - |
| **Reimbursement of expenses paid** | | | | | | | | | | | | |
| - Aasan Corporate Solutions Private Limited | - | - | - | - | 43 | 26 | - | - | - | - | **43** | 26 |
| - Brickex Advisors Private Limited | - | - | - | - | - | 1 | - | - | - | - | - | 1 |
| - Piramal Enterprises Limited | 100 | 362 | - | - | - | - | - | - | - | - | **100** | 362 |
| - Piramal Trusteeship Services Private Limited | - | - | - | - | 5 | - | - | - | - | - | **5** | - |
| - Social Worth Technologies Private Limited | - | - | - | - | 87 | 44 | - | - | - | - | **87** | 44 |
| - Piramal Pharma Limited | - | - | - | 29 | - | - | - | - | - | - | - | 29 |
| - PRL Agastya Private Limited | - | - | - | - | 81 | 34 | - | - | - | - | **81** | 34 |
| **TOTAL** | **100** | 362 | - | 29 | **217** | 105 | - | - | - | - | **317** | 495 |
| **Remuneration to KMP** | | | | | | | | | | | | |
| - Khushru Jijina | - | - | - | - | - | - | - | 2,021 | - | - | - | 2,021 |
| - Jairam Sridharan | - | - | - | - | - | - | 343 | 410 | - | - | **343** | 410 |
| - Vikash Singhla* | - | - | - | - | - | - | 100 | - | - | - | **100** | - |
| **TOTAL** | - | - | - | - | - | - | **443** | **2,431** | - | - | **443** | **2,431** |

*(4429 ESOPs have been granted by the Holding Company to Mr. Vikash Singhla during the year 2022-23, out of which no options have been exercised till March 31, 2023).

External Public

## Notes to the Consolidated Financial Statements (Continued)
*for the year ended March 31, 2023*

(Currency : Rs in lakhs)

### 40 Information in accordance with the requirements of Indian Accounting Standard 24 on Related Party Disclosures (Continued)

**F. Details of transactions with related parties. (Continued)**

| Details of Transactions | Holding Company | | Fellow subsidiaries | | Other Related Parties | | Key Management Personnel & Non-Executive /Independent Directors | | Non-Executive/ Independent Directors | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | March 31, 2023 | March 31, 2022 | March 31, 2023 | March 31, 2022 | March 31, 2023 | March 31, 2022 | March 31, 2023 | March 31, 2022 | March 31, 2023 | March 31, 2022 | March 31, 2023 | March 31, 2022 |
| **Sitting Fees paid to Non-Executive/Independent Directors** | | | | | | | | | | | | |
| - Deepak Satwalekar | - | - | - | - | - | - | - | - | - | 2 | - | 2 |
| - Gautam Doshi | - | - | - | - | - | - | - | - | 11 | 7 | 11 | 7 |
| - Puneet Yadu Dalmia | - | - | - | - | - | - | - | - | 3 | - | 3 | - |
| - Suhail Nathani | - | - | - | - | - | - | - | - | 15 | 9 | 15 | 9 |
| **TOTAL** | - | - | - | - | - | - | - | - | **29** | **18** | **29** | **18** |
| **Interest expense** | | | | | | | | | | | | |
| - Piramal Enterprises Limited | 12,808 | 21,350 | - | - | - | - | - | - | - | - | 12,808 | 21,350 |
| - Pramerica Life Insurance Limited | - | - | - | - | 189 | 98 | - | - | - | - | 189 | 98 |
| **TOTAL** | **12,808** | **21,350** | - | - | **189** | **98** | - | - | - | - | 12,997 | 21,448 |
| **Interest income** | | | | | | | | | | | | |
| - Piramal Enterprises Limited | 4,983 | - | - | - | - | - | - | - | - | - | 4,983 | - |
| - PHL Fininvest Private Limited | - | - | - | 11,477 | - | - | - | - | - | - | - | 11,477 |
| - Piramal Investment Advisory Services Private Limited | - | - | - | 2,859 | - | - | - | - | - | - | - | 2,859 |
| **TOTAL** | **4,983** | - | - | **14,335** | - | - | - | - | - | - | 4,983 | 14,335 |
| **Insurance Commission Income** | | | | | | | | | | | | |
| - Pramerica Life Insurance Limited | - | - | - | - | 946 | 88 | - | - | - | - | 946 | 88 |
| **TOTAL** | - | - | - | - | **946** | **88** | - | - | - | - | 946 | 88 |
| **Pool - Assignment Service Charges** | | | | | | | | | | | | |
| - Piramal Enterprises Limited | 201 | - | - | - | - | - | - | - | - | - | 201 | - |
| **TOTAL** | **201** | - | - | - | - | - | - | - | - | - | 201 | - |

External Public

## Notes to the Consolidated Financial Statements (Continued)
*for the year ended March 31, 2023*

(Currency : Rs in lakhs)

### 40 Information in accordance with the requirements of Indian Accounting Standard 24 on Related Party Disclosures (Continued)

**F. Details of transactions with related parties. (Continued)**

| Details of Transactions | Holding Company | | Fellow subsidiaries | | Other Related Parties | | Key Management Personnel & Non-Executive /Independent Directors | | Non-Executive/ Independent Directors | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | March 31, 2023 | March 31, 2022 | March 31, 2023 | March 31, 2022 | March 31, 2023 | March 31, 2022 | March 31, 2023 | March 31, 2022 | March 31, 2023 | March 31, 2022 | March 31, 2023 | March 31, 2022 |
| **Lease Rent Income** | | | | | | | | | | | | |
| - PHL Fininvest Private Limited | - | - | - | 78 | - | - | - | - | - | - | - | 78 |
| - Piramal Enterprises Limited | 86 | - | - | - | - | - | - | - | - | - | 86 | - |
| - Piramal Securities Limited | - | - | 7 | 41 | - | - | - | - | - | - | 7 | 41 |
| - Pramerica Life Insurance Limited | - | - | - | - | 11 | 8 | - | - | - | - | 11 | 8 |
| **TOTAL** | **86** | **-** | **7** | **119** | **11** | **8** | **-** | **-** | **-** | **-** | **104** | **127** |
| **ICD repaid** | | | | | | | | | | | | |
| - Piramal Enterprises Limited | 236,600 | - | - | - | - | - | - | - | - | - | 236,600 | - |
| **TOTAL** | **236,600** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **236,600** | **-** |
| **Repayment of ICD Given** | | | | | | | | | | | | |
| - PHL Fininvest Private Limited | - | - | - | 45,200 | - | - | - | - | - | - | - | 45,200 |
| - Piramal Enterprises Limited | 70,075 | - | - | - | - | - | - | - | - | - | 70,075 | - |
| - Piramal Investment Advisory Services Private Limited | - | - | - | 24,840 | - | - | - | - | - | - | - | 24,840 |
| **TOTAL** | **70,075** | **-** | **-** | **70,040** | **-** | **-** | **-** | **-** | **-** | **-** | **70,075** | **70,040** |
| **Partial Redemption of NCD** | | | | | | | | | | | | |
| - Pramerica Life Insurance Limited | - | - | - | - | 146 | 73 | - | - | - | - | 146 | 73 |
| **TOTAL** | **-** | **-** | **-** | **-** | **146** | **73** | **-** | **-** | **-** | **-** | **146** | **73** |
| **Net Advance repaid (Including advance adjusted against provision)** | | | | | | | | | | | | |
| - Brickex Advisors Private Limited | - | - | - | - | 91 | - | - | - | - | - | 91 | - |
| **TOTAL** | **-** | **-** | **-** | **-** | **91** | **-** | **-** | **-** | **-** | **-** | **91** | **-** |
| **Loan/ Investments portfolio transferred from** | | | | | | | | | | | | |
| - PHL Fininvest Private Limited | - | - | - | 67,790 | - | - | - | - | - | - | - | 67,790 |
| **TOTAL** | **-** | **-** | **-** | **67,790** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **67,790** |

WALKER CHANDIOK & Co LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS
Chartered Accountants
Piramal Capital & Housing Finance Ltd.

## Notes to the Consolidated Financial Statements (Continued)
*for the year ended March 31, 2023*

(Currency : Rs in lakhs)

### 40 Information in accordance with the requirements of Indian Accounting Standard 24 on Related Party Disclosures (Continued)

**F. Details of transactions with related parties. (Continued)**

| Details of Transactions | Holding Company | | Fellow subsidiaries | | Other Related Parties | | Key Management Personnel & Non-Executive /Independent Directors | | Non-Executive/ Independent Directors | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | March 31, 2023 | March 31, 2022 | March 31, 2023 | March 31, 2022 | March 31, 2023 | March 31, 2022 | March 31, 2023 | March 31, 2022 | March 31, 2023 | March 31, 2022 | March 31, 2023 | March 31, 2022 |
| **Loan portfolio transferred to** | | | | | | | | | | | | |
| - PHL Fininvest Private Limited | - | - | - | 49,953 | - | - | - | - | - | - | - | 49,953 |
| - Piramal Enterprises Limited | 184,173 | - | - | - | - | - | - | - | - | - | 184,173 | - |
| - India Resurgence ARC Private Limited | - | - | - | - | 71,000 | - | - | - | - | - | 71,000 | - |
| **TOTAL** | **184,173** | - | - | **49,953** | **71,000** | - | - | - | | | **255,173** | **49,953** |
| **FLDG Recovery** | | | | | | | | | | | | |
| - Social Worth Technologies Private Limited | - | - | - | - | 964 | - | - | - | - | - | 964 | - |
| **TOTAL** | - | - | - | - | **964** | - | - | - | - | - | **964** | - |
| **Redemption of Security Receipt** | | | | | | | | | | | | |
| - India Resurgence ARC Private Limited | - | - | - | - | 54,677 | - | - | - | - | - | 54,677 | - |
| **TOTAL** | - | - | - | - | **54,677** | - | - | - | - | - | **54,677** | - |
| **NCD Buyback** | | | | | | | | | | | | |
| - Piramal Enterprises Limited | - | 25,000 | - | - | - | - | - | - | - | - | - | 25,000 |
| **TOTAL** | - | **25,000** | - | - | - | - | - | - | - | - | - | 25,000 |
| **Security Deposit Refunded** | | | | | | | | | | | | |
| - Aasan Corporate Solutions Private Limited | - | - | - | - | 141 | 185 | - | - | - | - | 141 | 185 |
| **TOTAL** | - | - | - | - | **141** | 185 | - | - | - | - | **141** | 185 |
| **Security deposit placed** | | | | | | | | | | | | |
| - PRL Agastya Private Limited | - | - | - | - | 475 | 110 | - | - | - | - | 475 | 110 |
| - Aasan Corporate Solutions Private Limited | - | - | - | - | 73 | - | - | - | - | - | 73 | - |
| **TOTAL** | - | - | - | - | **548** | 110 | - | - | - | - | **548** | 110 |
| **Investment in shares** | | | | | | | | | | | | |
| - Social Worth Technologies Private Limited | - | - | - | - | 5,095 | - | - | - | - | - | 5,095 | - |
| **TOTAL** | - | - | - | - | **5,095** | - | - | - | - | - | **5,095** | - |
| **Acquisition of shares of Subsidiaries from** | | | | | | | | | | | | |
| - Piramal Enterprises Limited | 30 | - | - | - | - | - | - | - | - | - | 30 | - |
| - PRL Developers Private Limited | - | - | - | - | 9,000 | - | - | - | - | - | 9,000 | - |
| **TOTAL** | **30** | - | - | - | **9,000** | - | - | - | - | - | **9,030** | - |

External Public

WALKER CHANDIOK & CO LLP ★ CHARTERED ACCOUNTANTS ★ MUMBAI

Chartered Accountants

Piramal Capital & Housing Finance Ltd.

## Notes to the Consolidated Financial Statements (Continued)
*for the year ended March 31, 2023*

(Currency : Rs in lakhs)

### 40 Information in accordance with the requirements of Indian Accounting Standard 24 on Related Party Disclosures (Continued)

**G. Details of balances with related parties**

| Details of Transactions | Holding Company | | Fellow subsidiaries | | Other Related Parties | | Key Management Personnel & Non-Executive /Independent Directors | | Non-Executive/ Independent Directors | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | March 31, 2023 | March 31, 2022 | March 31, 2023 | March 31, 2022 | March 31, 2023 | March 31, 2022 | March 31, 2023 | March 31, 2022 | March 31, 2023 | March 31, 2022 | March 31, 2023 | March 31, 2022 |
| **Net Payable (includes provision for expenses)** | | | | | | | | | | | | |
| - Piramal Enterprises Limited | 7,196 | 329 | - | - | - | - | - | - | - | - | 7,196 | 329 |
| - Aasan Corporate Solutions Private Limited | - | - | - | - | 7 | - | - | - | - | - | 7 | - |
| - PHL Fininvest Private Limited | - | - | - | 698 | - | - | - | - | - | - | - | 698 |
| - Piramal Trusteeship Services Private Limited | - | - | - | - | - | 1 | - | - | - | - | - | 1 |
| - Piramal Pharma Limited | - | - | - | 18 | - | - | - | - | - | - | - | 18 |
| - Piramal Corporate Services Limited | - | - | - | - | 483 | 2,725 | - | - | - | - | 483 | 2,725 |
| - PRL Agastya Private Limited | - | - | - | - | - | 97 | - | - | - | - | - | 97 |
| **TOTAL** | **7,196** | **329** | **-** | **716** | **490** | **2,823** | **-** | **-** | **-** | **-** | **7,686** | **3,869** |
| **Net Receivables** | | | | | | | | | | | | |
| - Aasan Corporate Solutions Private Limited | - | - | - | - | - | 4 | - | - | - | - | - | 4 |
| - Piramal Finance Sales & Services Private Limited | - | - | - | 551 | - | - | - | - | - | - | - | 551 |
| - Piramal Foundation for Educational Leadership | - | - | - | - | - | 90 | - | - | - | - | - | 90 |
| - Social Worth Technologies Private Limited | - | - | - | - | 532 | - | - | - | - | - | 532 | - |
| - Kaivalya Education Foundation | - | - | - | - | - | 30 | - | - | - | - | - | 30 |
| - Brickex Advisors Private Limited | - | - | - | - | - | 91 | - | - | - | - | - | 91 |
| - Pramerica Life Insurance Limited | - | - | - | - | 560 | 54 | - | - | - | - | 560 | 54 |
| **TOTAL** | **-** | **-** | **-** | **551** | **1,091** | **269** | **-** | **-** | **-** | **-** | **1,091** | **820** |
| **ICD Payable** | | | | | | | | | | | | |
| - Piramal Enterprises Limited | 31,552 | 266,600 | - | - | - | - | - | - | - | - | 31,552 | 266,600 |
| **TOTAL** | **31,552** | **266,600** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **31,552** | **266,600** |
| **NCD Outstanding** | | | | | | | | | | | | |
| - Pramerica Life Insurance Limited | - | - | - | - | 2,698 | 2,843 | - | - | - | - | 2,698 | 2,843 |
| **TOTAL** | **-** | **-** | **-** | **-** | **2,698** | **2,843** | **-** | **-** | **-** | **-** | **2,698** | **2,843** |
| **Security Receipts Outstanding** | | | | | | | | | | | | |
| - India Resurgence ARC Private Limited | - | - | - | - | 5,673 | - | - | - | - | - | 5,673 | - |
| **TOTAL** | **-** | **-** | **-** | **-** | **5,673** | **-** | **-** | **-** | **-** | **-** | **5,673** | **-** |

WALKER CHANDIOK & Co LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

Piramal Capital & Housing Finance Ltd.

External Public

## Notes to the Consolidated Financial Statements (Continued)
*for the year ended March 31, 2023*

(Currency : Rs in lakhs)

### 40 Information in accordance with the requirements of Indian Accounting Standard 24 on Related Party Disclosures (Continued)

**G. Details of balances with related parties (Continued)**

| Details of Transactions | Holding Company | | Fellow subsidiaries | | Other Related Parties | | Key Management Personnel & Non-Executive /Independent Directors | | Non-Executive/ Independent Directors | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | March 31, 2023 | March 31, 2022 | March 31, 2023 | March 31, 2022 | March 31, 2023 | March 31, 2022 | March 31, 2023 | March 31, 2022 | March 31, 2023 | March 31, 2022 | March 31, 2023 | March 31, 2022 |
| **ICD Receivable** | | | | | | | | | | | | |
| - PHL Fininvest Private Limited | - | - | - | 70,075 | - | - | - | - | - | - | - | 70,075 |
| **TOTAL** | - | - | - | **70,075** | - | - | - | - | - | - | - | **70,075** |
| **Security Deposits** | | | | | | | | | | | | |
| - Aasan Corporate Solutions Private Limited | - | - | - | - | 339 | 407 | - | - | - | - | 339 | 407 |
| - PRL Agastya Private Limited | - | - | - | - | - | 110 | - | - | - | - | - | 110 |
| **TOTAL** | - | - | - | - | **339** | **517** | - | - | - | - | **339** | **517** |
| **Investments** | | | | | | | | | | | | |
| - Social Worth Technologies Private Limited | - | - | - | - | 17,819 | - | - | - | - | - | 17,819 | - |
| - Pramerica Life Insurance Limited | - | - | - | - | 90,722 | 95,714 | - | - | - | - | 90,722 | 95,714 |
| - DHFL Ventures Trustee Company Private Limited | - | - | - | - | 4 | 4 | - | - | - | - | 4 | 4 |
| **TOTAL** | - | - | - | - | **108,545** | **95,718** | - | - | - | - | 108,545 | **95,718** |

(All the transactions are at Arm's Length and there are no non cash transactions within Group by related parties).

WALKER CHANDIOK & CO LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

Piramal Capital & Housing Finance Ltd.

External Public

## Notes to the Consolidated Financial Statements (Continued)

*for the year ended March 31, 2023*

(Currency : Rs in lakhs)

## 41 Employee Benefits:

**Charge to the Consolidated Statement of Profit and Loss based on Defined Contribution Plans**

| Particulars | March 31, 2023 | March 31, 2022 |
|---|---|---|
| Employer's contribution to Regional Provident Fund Office | 3697 | 878 |
| Contribution to Pension Fund | 153 | 53 |
| Employer's contribution to Employees' State Insurance | - | 1 |

### (i) Disclosures for defined benefit plans based on actuarial valuation reports as on March 31, 2023

The Group has scheme for gratuity as part of post retirement plan. The Group has a defined benefit gratuity plan in India which is funded. The Group's defined benefit gratuity plan is a final salary plan for employees, which requires contributions to be made to a separately administered fund. The fund is managed by Employees Group Gratuity Trusts which is governed by the Board of Trustees. The Board of Trustees are responsible for the administration of the plan assets and for the definition of the investment strategy.

### A. Change in Projected Benefit Obligation

| Particulars | (Funded) Gratuity Year Ended March 31, 2023 | (Funded) Gratuity Year Ended March 31, 2022 |
|---|---|---|
| Present Value of Benefit Obligation as at beginning of the year | 3,809 | 1,228 |
| Interest Cost | 260 | 167 |
| Current Service Cost | 535 | 342 |
| Past Service Cost | - | 87 |
| Liability transferred in | 95 | 2,743 |
| Liability Transferred Out/ Divestments | - | (434) |
| Benefit Paid From the Fund | (252) | |
| Benefits paid by Employer | (680) | (306) |
| Actuarial (Gains)/Losses on Obligations - Due to change in demographic assumptions | (443) | (112) |
| Actuarial (Gains)/Losses on Obligations - Due to change in financial assumptions | 36 | (31) |
| Actuarial (Gains)/Losses on Obligations - Due to experience | 194 | 125 |
| **Present Value of Defined Benefit Obligation as at the end of the year** | **3,552** | 3,809 |

### B. Fair value of plan assets

| Particulars | (Funded) Gratuity As at March 31, 2023 | (Funded) Gratuity As at March 31, 2022 |
|---|---|---|
| Fair Value of Plan Assets as at beginning of the year | 3,756 | 1,267 |
| Interest income | 252 | 155 |
| Contributions by the Employer | - | - |
| Assets transferred in/ Acquisition | 0 | 2,306 |
| Benefit Paid from the Fund | (252) | |
| Return on Plan Assets, Excluding Interest Income | (63) | 29 |
| **Fair value of plan assets as at the end of the year** | **3,693** | 3,756 |

WALKER CHANDIOK & CO LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

Piramal Capital & Housing Finance Ltd.

## Notes to the Consolidated Financial Statements (Continued)

*for the year ended March 31, 2023*

(Currency : Rs in lakhs)

### 41 Employee Benefits: *(Continued)*

#### C. Amount recognised in the Balance Sheet

| Particulars | (Funded) Gratuity As at March 31, 2023 | (Funded) Gratuity As at March 31, 2022 |
|---|---|---|
| Present Value of Benefit Obligation at the end of the year | (3,552) | (3,809) |
| Fair Value of Plan Assets at the end of the year | 3,693 | 3,756 |
| **Net (Liability)/Asset Recognized in the Balance Sheet** | **141** | (53) |

#### D. Net interest cost for current year

| Particulars | (Funded) Gratuity Year Ended March 31, 2023 | (Funded) Gratuity Year Ended March 31, 2022 |
|---|---|---|
| Present Value of Benefit Obligation at the Beginning of the year | 3,809 | 1,228 |
| Liability transferred in | 95 | - |
| (Fair Value of Plan Assets at the Beginning of the year) | (3,756) | (1,267) |
| **Net Liability/(Asset) at the Beginning** | 148 | (38) |
| Interest Cost | 260 | 167 |
| (Interest Income) | (252) | (155) |
| **Net Interest Cost for current year** | **8** | **11** |

#### E. Expenses recognised in Statement of Profit and Loss

| Particulars | (Funded) Gratuity Year Ended March 31, 2023 | (Funded) Gratuity Year Ended March 31, 2022 |
|---|---|---|
| Current Service Cost | 507 | 342 |
| Interest Cost | 8 | 11 |
| Past Service Cost | - | 87 |
| **Total Expenses / (Income) recognised in the Statement of Profit and Loss** | **515** | **440** |

#### F. Expenses Recognized in the Other Comprehensive Income (OCI) for current year

| Particulars | (Funded) Gratuity Year Ended March 31, 2023 | (Funded) Gratuity Year Ended March 31, 2022 |
|---|---|---|
| Actuarial (Gains)/Losses on Obligations | (188) | (18) |
| Actuarial (Gains)/Losses on Obligations - Due to Experience | (25) | - |
| Return on Plan Assets, Excluding Interest Income | 63 | (29) |
| **Net (Income)/Expense For the year recognized in OCI** | **(150)** | **(47)** |

WALKER CHANDIOK & CO LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

TR Chadha & Co. LLP ★ MUMBAI ★ Chartered Accountants

Piramal Capital & Housing Finance Ltd.

## Notes to the Consolidated Financial Statements (Continued)

*for the year ended March 31, 2023*

(Currency : Rs in lakhs)

## 41 Employee Benefits: *(Continued)*

### G. Principal actuarial assumptions used:

| Particulars | (Funded) Gratuity Year Ended March 31, 2023 | (Funded) Gratuity Year Ended March 31, 2022 |
|---|---|---|
| Rate of discounting | 6.98% - 7.29% | 6.70% |
| Rate of salary increase | 6.50% - 10% | 9.00% |
| Rate of employee turnover | 30% - 60% | For service 4 years and below 20.00% p.a. For service 5 years and above 10.00% p.a. |
| Mortality rate during employment | Indian Assured Lives Mortality 2012-14 (Urban) | Indian Assured Lives Mortality 2012-14 (Urban) |

### H. Balance Sheet Reconciliation

| Particulars | March 31, 2023 | March 31, 2022 |
|---|---|---|
| Opening Net Liability | 53 | (38) |
| Expenses Recognized in Statement of Profit or Loss | 543 | 440 |
| Expenses Recognized in OCI | (150) | (47) |
| Net Liability/(Asset) Transfer In | 95 | 438 |
| Net (Liability)/Asset Transfer Out | - | (434) |
| Benefit Paid | (680) | (306) |
| (Employer's Contribution) | - | - |
| **Net Liability/(Asset) Recognized in the Balance Sheet** | **(140)** | **53** |

### I. Category of Assets

| Particulars | March 31, 2023 | March 31, 2022 |
|---|---|---|
| Insurance fund | 3,693 | 3,756 |
| **Total** | **3,693** | **3,756** |

### J. Other Details

| Particulars | March 31, 2023 | March 31, 2022 |
|---|---|---|
| No of Active Members | 11,998 | 3,099 |
| Per Month Salary For Active Members | 1,865 | 1,225 |
| Weighted Average Duration of the Projected Benefit Obligation | 3 | 8 |
| Average Expected Future Service | 2 | 6 |
| Projected Benefit Obligation (PBO) | 3,466 | 3,809 |
| Prescribed Contribution For Next Year (12 Months) | 218 | 569 |

### K. Net Interest Cost for Next Year

| Particulars | Estimated for the year ended March 31, 2023 | Estimated for the year ended March 31, 2022 |
|---|---|---|
| Present Value of Benefit Obligation at the End of the year | 3,553 | 3,809 |
| (Fair Value of Plan Assets at the End of the year) | (3,693) | (3,756) |
| Net Liability/(Asset) at the End of the year | (140) | 53 |
| Interest Cost | 256 | 255 |
| (Interest Income) | (266) | (252) |
| **Net Interest Cost for Next Year** | **(10)** | 3 |

## 41 Employee Benefits: *(Continued)*

### L. Expenses Recognized in the Statement of Profit or Loss for Next Year:

| Particulars | Estimated for the year ended March 31, 2023 | Estimated for the year ended March 31, 2022 |
|---|---|---|
| Current Service Cost | 459 | 516 |
| Net Interest Cost | (10) | 4 |
| (Expected Contributions by the Employees) | - | - |
| **Expenses Recognized** | **449** | 520 |

### M. Maturity Analysis of the Benefit Payments: From the Employer:

| Projected Benefits Payable in Future Years From the Date of Reporting | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| 1st Following Year | 1,057 | 518 |
| 2nd Following Year | 740 | 325 |
| 3rd Following Year | 575 | 413 |
| 4th Following Year | 453 | 368 |
| 5th Following Year | 379 | 347 |
| Sum of Years 6 To 10 | 850 | 1,563 |

### N. Sensitivity Analysis

| Projected Benefits Payable in Future Years From the Date of Reporting | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| Projected Benefit Obligation on Current Assumptions | 3,553 | 3,809 |
| Delta Effect of +1% Change in Rate of Discounting | (77) | (220) |
| Delta Effect of -1% Change in Rate of Discounting | 82 | 248 |
| Delta Effect of +1% Change in Rate of Salary Increase | 78 | 236 |
| Delta Effect of -1% Change in Rate of Salary Increase | (75) | (215) |
| Delta Effect of +1% Change in Rate of Employee Turnover | (19) | (40) |
| Delta Effect of -1% Change in Rate of Employee Turnover | 20 | 43 |

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual change in the Defined Benefit Obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

**Notes:**

Gratuity is payable as per Group' scheme as detailed in the report.

Actuarial gains/losses are recognized in the period of occurrence under Other Comprehensive Income (OCI). All above reported figures of OCI are gross of taxation.

Salary escalation and attrition rate are in line with the industry practice considering promotion and demand and supply of the employees.

Cash flow projection is done considering future salary, attrition and death in respective year for members as mentioned above.

Maturity Analysis of Benefit Payments is undiscounted cashflows considering future salary, attrition & death in respective year for members as mentioned above.

Average Expected Future Service represents Estimated Term of Post - Employment Benefit Obligation.

Weighted Average Duration of the Defined Benefit Obligation is the weighted average of cash flow timing, where weights are derived from the present value of each cash flow to the total present value.

Any benefit payment and contribution to plan assets is considered to occur end of the year to depict liability and fund movement in the disclosures.

## Notes to the Consolidated Financial Statements (Continued)

*for the year ended March 31, 2023*

(Currency : Rs in lakhs)

### 41 Employee Benefits: (Continued)

Qualitative Disclosures

**Para 139 (a) Characteristics of defined benefit plan**

The entity has a defined benefit gratuity plan in India (funded). The entity's defined benefit gratuity plan is a final salary plan for employees, which requires contributions to be made to a separately administered fund. The fund is managed by a trust which is governed by the Board of Trustees. The Board of Trustees are responsible for the administration of the plan assets and for the definition of the investment strategy.

**These plans typically expose the Group to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.**

**Interest rate risk**

A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

**Salary Risk**

The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

**Investment Risk**

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

**Asset Liability Matching Risk**

The plan faces the ALM risk as to the matching cash flow. Group has to manage pay-out based on pay as you go basis from own funds. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

**Mortality risk**

Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

**Concentration Risk:**

Plan is having a concentration risk as all the assets are invested with the insurance company

### (ii) Compensated Absences

| Particulars | Compensated absence (Funded) Year Ended March 31, 2023 | Compensated absence (Funded) Year Ended March 31, 2022 |
|---|---|---|
| Expense recognised in the Statement of Profit and Loss | 1,527 | (1,261) |
| Discount rate (p.a.) | 7.20% p.a. | 6.70% p.a. |
| Salary escalation rate (p.a.) | 6.5-10% p.a. | 9% p.a. |
| **Amount recognised in the Balance Sheet** | | |
| Present Value of Benefit Obligation at the end of the year* | (2,538) | 2,012 |
| Fair Value of Plan Assets at the end of the year | (1,776) | 1,977 |
| Funded Status (surplus/ (deficit)) | 762 | (36) |
| **Net (Liability)/Asset Recognized in the Balance Sheet** | **762** | **(36)** |

*includes Short term compensated absences of Rs. 122 lakhs.

### (iii) Long term service employee benefits

During the year, the Group has recognised long term service reward aggregating to Rs 4 Lakhs (March 31, 2022 - NIL) which is unfunded.

## Notes to the Consolidated Financial Statements (Continued)

*for the year ended March 31, 2023*

(Currency : Rs in lakhs)

### 41 Employee Benefits: (Continued)

### (iv) Share Based payment

The Holding Company (i.e. Piramal Enterprises Limited) has issued stock options to certain select employees of the Company. These transactions are recognized as equity-settled share based payment transactions. The Scheme allows the Grant of Stock Options to employees of the Company that meet the eligibility criteria. Each option comprises one underlying Equity Share.

**Employee Stock Option Scheme and related scheme wise details are as follows**

| Particulars | For 1/3 vesting start - March 31, 2024 | For 1/4 vesting start - May 1, 2024 | For 1/3 vesting start - August 1, 2025 |
|---|---|---|---|
| Date of Grant | 31-Mar-23 | 31-Mar-23 | 31-Mar-23 |
| Number of options granted | 238,898 | 309,663 | 21,971 |
| Number of options exercisable as on March 31, 2023 | - | - | - |
| Exercise price per option | 2 | 2 | 2 |
| Vesting Commencement date | 31-Mar-24 | 01-May-24 | 01-Aug-25 |
| Exercise period | 28 Months | 38 Months | 52 Months |
| Date of vesting | 1/3 on March 31, 2024<br>1/3 on August 1, 2024<br>1/3 on August 1, 2025 | 1/4 on May 1, 2024<br>1/4 on June 1, 2024<br>1/4 on June 1, 2025<br>1/4 on June 1, 2026 | 1/3 on August 1, 2025<br>1/3 on August 1, 2026<br>1/3 on August 1, 2027 |
| Method of Settlement | Equity settled | Equity settled | Equity settled |
| Modification to share based payment plans | NA | NA | NA |
| Basis of determination of volatility | The historical volatility of PEL stock price returns for a time frame | | |
| Vesting Conditions | Employee to remain in service on the date of vesting | | |

**Summary of stock options**

| Particulars | Number of options | Weighted- Average Exercise Price | Weighted- Average Remaining Contractual Life (Years) |
|---|---|---|---|
| Balance as on April 1, 2022 | - | - | - |
| Granted during the year | 570,532 | 2 | 4 - 5 years |
| Exercised during the year | - | - | - |
| Forfeited/Lapsed during the year | - | - | - |
| Balance as on March 31, 2023 | 570,532 | 2 | 4 - 5 years |

**The fair values of options granted during the year are as follows:**

| Grant date | No. of Years vesting | Fair value per option |
|---|---|---|
| March 31, 2023 | 3.28 years | Rs. 624.83 - Rs. 639.48 |

**The fair value has been calculated using the Black Scholes Options Pricing Model and the significant assumptions made in this regard are as follows:**

| | Grant dated March 31, 2023 |
|---|---|
| Risk free interest rate | 6.91% - 6.94% |
| Expected life | 3.0 - 4.67 years |
| Expected volatility | 55.10% - 58.73% |
| Expected dividend yield | 1.71% - 1.91% |
| Exercise Price (Rs.) | 2 |
| Stock Price (Rs.) | 678.35 |

The expense recognised for the employee services received during the year is Rs. 7 Lakhs and the ESOP liability as on March 31, 2023 is Rs 7 lakhs

## Notes to the Consolidated Financial Statements (Continued)

*for the year ended March 31, 2023*

(Currency : Rs in lakhs)

## 42 Fair Value Disclosures

| a) Categories of Financial Instruments: | March 31, 2023 | | | March 31, 2022 | | |
|---|---|---|---|---|---|---|
| | FVTPL | FVOCI | Amortised Cost* | FVTPL | FVOCI | Amortised Cost* |
| **Financial Assets** | | | | | | |
| Investments | 733,022 | 78,042 | 430,908 | 641,095 | 3,232 | 756,315 |
| Loans | 133,868 | - | 4,706,969 | 264,124 | - | 5,246,278 |
| Derivative financial instruments | 9,811 | - | - | 2,749 | - | - |
| Cash and Bank Balances # | - | - | 261,993 | - | - | 515,963 |
| Trade Receivables | - | - | 721 | - | - | - |
| Other Financial Assets # | - | - | 89,920 | - | - | 112,538 |
| | **876,701** | **78,042** | **5,490,511** | **907,968** | **3,232** | **6,631,094** |
| **Financial liabilities** | | | | | | |
| Borrowings | - | - | 4,123,256 | - | - | 4,641,581 |
| Trade Payables # | - | - | 29,334 | - | - | 52,020 |
| Other Financial Liabilities # | - | - | 166,613 | - | - | 89,925 |
| | **-** | **-** | **4,319,203** | **-** | **-** | **4,783,526** |

### b) Fair Value Hierarchy and Method of Valuation

| Financial Instruments | Notes | March 31, 2023 | | | | |
|---|---|---|---|---|---|---|
| | | Carrying Value | Level 1 | Level 2 | Level 3 | Total |
| **Financial Assets** | | | | | | |
| **Measured at FVTPL** | | | | | | |
| **Investments** | | | | | | |
| Redeemable Non-Convertible Debentures | i. | 18,000 | - | - | 18,000 | **18,000** |
| Optionally Convertible Debentures | i. | 34,000 | - | - | 34,000 | **34,000** |
| Investments in Mutual Funds | ii. | - | - | - | - | **-** |
| Project Receivables | i. | 161,740 | - | - | 161,740 | **161,740** |
| Security Receipts | i. | 215,642 | - | - | 215,642 | **215,642** |
| Alternative Investment Funds | i. | 302,241 | - | - | 302,241 | **302,241** |
| Others | i. | 1,399 | - | - | 1,399 | **1,399** |
| **Loans** | i. | 133,868 | - | - | 133,868 | **133,868** |
| Derivative financial instruments | | 9,811 | - | - | 9,811 | **9,811** |
| **Measured at FVOCI** | | | | | | |
| **Investments** | | | | | | |
| Preference Shares (Others then subsidiaries) | i. | 17,752 | - | - | 17,752 | **17,752** |
| Equity Instruments (Others then subsidiaries) | i. | 67 | - | - | 67 | **67** |
| Redeemable Bonds | i. | 50,726 | - | - | 50,726 | **50,726** |
| T-Bill | i. | 9,497 | 9,497 | - | - | **9,497** |
| **Measured at Amortised Cost*** | | | | | | |
| **Investments** | | | | | | |
| Government Securities/Redeemable Bonds | iii. | 104,031 | 104,381 | - | - | **104,381** |
| Redeemable Non Convertible Debentures | iii. | 306,373 | - | - | 291,984 | **291,984** |
| Pass Through certificates | iii. | 20,504 | - | - | 20,504 | **20,504** |
| **Loans** | iii. | 4,706,969 | - | - | 4,662,443 | **4,662,443** |
| **Financial Liabilities** | | | | | | |
| **Measured at Amortised Cost** | | | | | | |
| Borrowings | iii. | 4,123,256 | - | - | 4,051,563 | **4,051,563** |

## Notes to the Consolidated Financial Statements (Continued)

*for the year ended March 31, 2023*

(Currency : Rs in lakhs)

| Financial Instruments | Notes | March 31, 2022 Carrying Value | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|---|---|
| **Financial Assets** | | | | | | |
| **Measured at FVTPL** | | | | | | |
| **Investments** | | | | | | |
| Redeemable Non-Convertible Debentures | i. | 28,105 | - | - | 28,105 | **28,105** |
| Optionally Convertible Debentures | i. | 30,947 | - | - | 30,947 | **30,947** |
| Investments in Mutual Funds | ii. | 132,070 | 132,070 | - | - | **132,070** |
| Project Receivables | i. | 181,060 | - | - | 181,060 | **181,060** |
| Investment in AIF | i. | 198,824 | - | - | 198,824 | **198,824** |
| Others | i. | 70,089 | - | - | 70,089 | **70,089** |
| **Loans** | i. | 264,124 | - | - | 264,124 | **264,124** |
| Derivative financial instruments | | 2,749 | - | - | 2,749 | **2,749** |
| **Measured at FVOCI** | | | | | | |
| **Investments** | | | | | | |
| Investment in Preference Share | i. | 3,232 | - | - | 3,232 | **3,232** |
| **Measured at Amortised Cost*** | | | | | | |
| **Investments** | | | | | | |
| Redeemable Bonds | iii. | 66,223 | 37,317 | 28,089 | 817 | **66,223** |
| Government Securities/Redeemable Bonds | iii. | 4 | - | - | 4 | **4** |
| Redeemable Non Convertible Debentures | iii. | 658,786 | - | - | 658,786 | **658,786** |
| Pass Through certificates | iii. | 28,067 | - | - | 28,067 | **28,067** |
| **Loans** | iii. | 5,246,278 | - | - | 5,199,237 | **5,199,237** |
| **Financial Liabilities** | | | | | | |
| **Measured at Amortised Cost** | | | | | | |
| Borrowings | iii. | 4,641,581 | - | - | 4,600,645 | **4,600,645** |

**Notes:**

i. Discounted cash flow method has been used to determine the fair value. The yield used for discounting has been determined based on trades, market polls, levels for similar issuer with same maturity, spread over matrices, etc. For instruments where the returns are linked to the share price of the investee company the equity price has been derived using Monte Carlo simulation and local volatility model using the inputs like spot rate, volatility surface, term structures and risk free rates from globally accepted third party vendor for these data.

ii. Net Asset Value (NAV) as at the reporting period have been used to determine the Fair Value of the mutual fund investments.

iii. Discounted cash flow method has been used to determine the fair value. The discounting factor used has been arrived at after adjusting the rate of interest for the financial assets and financial liabilities by the difference in the G-SEC rates from date of initial recognition to the reporting dates.

* The carrying value & fair value of investments & loans at amortised cost is gross of ECL provision amounting to Rs. 720,505 lakhs (March 31, 2022 - 8,62,437 lakhs)

\# The Group has not disclosed the fair value of cash and bank balances, other financial assets, trade payables and other financial liabilities, because their carrying amounts are a reasonable approximation of fair value.

**c) Fair value measurements using significant unobservable inputs (level 3)**

The following table presents the changes in level 3 items for the year ended March 31, 2023.

| Particulars | Derivative Financial Instruments | Other Investments | Debentures | Loans | Total |
|---|---|---|---|---|---|
| **As at March 31, 2021** | - | 325,021 | 29,810 | 87,072 | 441,903 |
| Transfer on account of reverse merger (Refer Note 39B ) | - | 97,827 | - | 194,250 | 292,077 |
| Transfer in/ (Out) | - | 46,261 | - | - | 46,261 |
| Acquisitions/Disposal during the year (Net) | - | 8,996 | 51,984 | 1,352 | 62,331 |
| (Losses)/Gain recognised in profit or loss/Other Comprehensive Income | 2,749 | (24,900) | (22,741) | 200 | (47,441) |
| **As at March 31, 2022** | **2,749** | **453,205** | **59,052** | **282,873** | **795,130** |
| Transfer in/ (Out) | - | 119,213 | - | - | 119,213 |
| Acquisitions/Disposal during the year (Net) | - | 236,998 | (700) | (173,867) | 62,431 |
| (Losses)/Gain recognised in profit or loss/Other Comprehensive Income | 7,062 | (59,849) | (6,352) | 24,861 | (41,538) |
| **As at March 31, 2023** | **9,811** | **749,567** | **52,000** | **133,868** | **935,236** |

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Piramal Capital & Housing Finance Ltd.

**d) Sensitivity for FVTPL Instruments**

Impact on the Group's profit before tax if discount rates had been as given in table below:

| Method | Nature of Instrument | Significant unobservable inputs | Increase / Decrease in the unobservable input | Sensitivity Impact | |
|---|---|---|---|---|---|
| | | | | Yield Increase | Yield Decrease |
| Discounted Cash Flow Model as at March 31, 2023 | NCD | Discount rate | 0.7% | - | - |
| | Investment | Sale Price | 5.0% | 1,666 | (1,508) |
| | Term Loan | Discount rate | 0.7% | 76 | (75) |
| | Term Loan | Sale Price | 5.0% | 1,096 | (897) |
| Discounted Cash Flow Model as at March 31, 2022 | NCD | Discount rate | 0.7% | - | - |
| | Investment | Sale Price | 5.0% | 7,120 | 7,130 |
| | Term Loan | Discount rate | 0.7% | (97) | 98 |
| | Term Loan | Sale Price | 5.0% | 3,170 | (3,170) |

**42A Changes in liabilities arising from financing activities**

(a) **Changes in capital and asset structure arising from financing activities and investing activities (Ind AS 7 'Statement of Cash flows')**

The Company does not have any financing activities and investing activities which affect the capital and asset structure of the Company withou the use of cash and cash equivalents.

(b) **Changes in liability arising from financing activities (Ind AS 7 'Statement of Cash Flows')**

| Particulars | As at April 1, 2022 | Cash flows | Exchange Difference | Other | As at March 31, 2023 |
|---|---|---|---|---|---|
| Debt securities | 2,871,266 | (318,867) | - | - | 2,552,399 |
| Borrowings (other than debt securities) | 1,491,055 | 29,843 | 4,871 | 848 | 1,526,617 |
| Deposits | 266,600 | (235,048) | - | - | 31,552 |
| Subordinated debt liabilities | 12,660 | 28 | - | - | 12,688 |
| | **4,641,581** | **(524,044)** | **4,871** | **848** | **4,123,256** |

| Particulars | As at April 1, 2021 | Cash flows | Exchange Difference | Other | As at March 31, 2022 |
|---|---|---|---|---|---|
| Debt securities | 1,040,599 | 1,830,667 | - | - | 2,871,266 |
| Borrowings (other than debt securities) | 1,630,023 | (140,998) | 2,021 | 9 | 1,491,054 |
| Deposits | 266,600 | - | - | - | 266,600 |
| Subordinated debt liabilities | 49,493 | (36,833) | - | - | 12,660 |
| | 2,986,715 | 1,652,836 | 2,021 | 9 | 4,641,580 |

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## Notes to the Consolidated Financial Statements (Continued)

*for the year ended March 31, 2023*

(Currency : Rs in lakhs)

### 43 Capital Management

The Group manages its capital to ensure that it will be able to continue as going concern while maximizing the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Group consists of net debt (borrowings as detailed in notes 14 to 17 offset by cash and bank balances) and total equity of the Group.

The Group determines the amount of capital required on the basis of annual as well as long term operating plans and other strategic investment plans. The funding requirements are met through equity or convertible / non convertible debt securities or other long-term /short-term borrowings. The Group monitors the capital structure on the basis of total debt to equity ratio and maturity profile of the overall debt portfolio of the Group.

| The capital components of the Group are as given below: | **March 31, 2023** | March 31, 2022 |
|---|---|---|
| Total Equity | 1,478,104 | 2,218,767 |
| Borrowings | 4,123,256 | 4,641,581 |
| **Total Debt** | **4,123,256** | **4,641,581** |
| Cash and Cash equivalents | (192,802) | (461,925) |
| Bank balances other than above (excluding lien marked) | (1,259) | - |
| **Net Debt** | **3,929,195** | **4,179,656** |
| **Debt equity ratio** | **2.79** | **2.09** |
| **Net Debt equity ratio** | **2.66** | **1.88** |

### 44 Risk management

Risk Management is an integral part of the Group's business strategy. The Risk Management oversight structure includes Committees of the Board and Management Committees. Group's risk philosophy is to develop and maintain a healthy portfolio which is within its risk appetite and the regulatory framework. While the Group is exposed to various types of risks, the most important among them are liquidity risk, interest rate risk, credit risk, regulatory risk and fraud and operational risk. The measurement, monitoring and management of risks remain a key focus area for the Group.

The Risk Management Committee of the Board provides direction to and monitors the quality of the internal audit function and also monitors compliance with NHB and other regulators of the Company.

The Group's risk management strategy is based on a clear understanding of various risks, disciplined risk assessment and measurement procedures and continuous monitoring. The policies and procedures established for this purpose are continuously benchmarked with market best practices.

The Audit and Risk Management Committee of the Board ("ARMC") reviews compliance with risk policies, monitors risk tolerance limits, reviews and analyse risk exposure and provides oversight of risk across the organization. The ARMC nurtures a healthy and independent risk management function to inculcate a strong risk management culture in the Group and broadly perceives the risk arising from (i) credit risk, (ii) liquidity risk, (iii) interest rate risk and (iv) fraud risk and operational risk (v) regulatory risk

### 44.1 Liquidity Risk

Liquidity Risk refers to insufficiency of funds to meet the financial obligations. Liquidity Risk Management implies maintenance of sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit lines to meet obligations when due.

The Holding Company has an Asset Liability Management Policy in place, which is in line with NHB/RBI guidelines for Housing Finance Companies. The ALCO is responsible for the management of the companies funding and liquidity requirements. The Group manages liquidity risk by maintaining unutilised banking facilities, credit lines and by continuously monitoring forecast and actual cash flows, and by assessing the maturity profiles of financial assets and liabilities.

The Group has the following undrawn credit lines available as at the end of the reporting period.

| | **March 31, 2023** | March 31, 2022 |
|---|---|---|
| - Expiring within one year (including bank overdraft) | 5,000 | 35,000 |
| - Expiring beyond one year | - | - |
| Undrawn credit lines | **5,000** | 35,000 |

The following tables detail the Group's remaining contractual maturity for its financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the rate applicable as of March 31, 2023 and March 31, 2022 respectively has been considered. The contractual maturity is based on the earliest date on which the Group may be required to pay.

## Notes to the Consolidated Financial Statements (Continued)

*for the year ended March 31, 2023*

(Currency : Rs in lakhs)

### 44 Risk management *(Continued)*

### 44.1 Liquidity Risk *(Continued)*

| Maturities of Financial Liabilities | March 31, 2023 | | | |
|---|---|---|---|---|
| | Up to 1 year | 1 to 3 years | 3 to 5 years | 5 years and above |
| Borrowings | 1,190,953 | 1,620,040 | 1,056,247 | 1,402,541 |
| Trade Payables | 29,334 | - | - | - |
| Other Financial Liabilities* | 142,800 | - | - | 23,813 |
| | **1,363,087** | **1,620,040** | **1,056,247** | **1,426,354** |

| Maturities of Financial Liabilities | March 31, 2022 | | | |
|---|---|---|---|---|
| | Up to 1 year | 1 to 3 years | 3 to 5 years | 5 years and above |
| Borrowings | 1,021,287 | 1,493,535 | 1,540,289 | 1,960,656 |
| Trade Payables | 51,886 | - | - | - |
| Other Financial Liabilities* | 10,160 | 5,841 | 1,734 | 757 |
| | 1,083,332 | 1,499,376 | 1,542,023 | 1,961,413 |

*This includes lease liabilities

The following table details the Group's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Group's liquidity risk management as the liquidity is managed on a net asset and liability basis.

| Maturities of Financial Assets | March 31, 2023 | | | |
|---|---|---|---|---|
| | Up to 1 year | 1 to 3 years | 3 to 5 years | 5 years and above |
| Investments | 310,495 | 231,969 | 355,172 | 575,683 |
| Loans | 1,554,579 | 1,598,231 | 1,021,807 | 1,239,896 |
| Other Financial Assets | 74,796 | - | - | 9,400 |
| Trade receivables | 451 | - | - | - |
| | **1,940,321** | **1,830,200** | **1,376,979** | **1,824,979** |

| Maturities of Financial Assets | March 31, 2022 | | | |
|---|---|---|---|---|
| | Up to 1 year | 1 to 3 years | 3 to 5 years | 5 years and above |
| Investments | 262,250 | 417,917 | 310,798 | 400,429 |
| Loans | 1,208,442 | 1,965,392 | 1,090,311 | 2,242,541 |
| Other Financial Assets | 113,785 | 13,907 | - | - |
| | 1,584,477 | 2,397,216 | 1,401,109 | 2,642,971 |

## Notes to the Consolidated Financial Statements (Continued)

*for the year ended March 31, 2023*

(Currency : Rs in lakhs)

### 44 Risk management *(Continued)*

### 44.2 Interest Rate Risk

**Retail lending:**

The Holding Company is exposed to minimal interest rate risk as it has assets and liabilities are based on floating interest rates. The Holding Company has an approved Asset and Liability Management Policy which empowers the ALCO assess the interest rate risk run by it and provide appropriate guidelines to the Treasury to manage the risk.

**Wholesale lending:**

The Group is exposed to interest rate risk as it has assets and liabilities based on both fixed and floating interest rates. The Holding Company has an approved Asset and Liability Management Policy which empowers the Asset and Liability Management Committee (ALCO) to assess the interest rate risk run by it and provide appropriate guidelines to the Treasury to manage the risk. The ALCO reviews the interest rate risk on periodic basis and decides on the asset profile and the appropriate funding mix. The ALCO reviews the interest rate gap statement and the interest rate sensitivity analysis.

The sensitivity analysis below have been determined based on the exposure to interest rates for assets and liabilities at the end of the reporting period. For floating rate assets and liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year and the rates are reset as per the applicable reset dates. The basis risk between various benchmarks used to reset the floating rate assets and liabilities has been considered to be insignificant.

The exposure of the Group's borrowings to the interest rate risk at the end of the year for variable rate borrowing is Rs. 1,227,153 lakhs (March 31, 2022 - 17,55,030 lakhs) and fixed rate borrowings are Rs. 2,896,102 lakhs (March 31, 2022 - 28,86,488 lakhs)

Impact on the Group's profit before tax if interest rates had been 100 basis points higher / lower is given below:

| Sensitivity Analysis on Floating Rate Instruments | For the Year Ended March 31, 2023 | | For the Year Ended March 31, 2022 | |
|---|---|---|---|---|
| | Higher | Lower | Higher | Lower |
| Sensitivity Analysis on Floating Rate Borrowings | (12,328) | 12,328 | (17,659) | 17,659 |
| Sensitivity Analysis on Floating Rate Assets | 27,768 | (27,768) | 50,422 | (50,422) |

### 44.3 The table below shows contractual maturity profile of carrying value of assets and liabilities:

| Particulars | As at March 31, 2023 | | |
|---|---|---|---|
| | Within 12 months | After 12 months | Total |
| **ASSETS** | | | |
| **Financial assets:** | | | |
| Cash and cash equivalents | 192,802 | - | 192,802 |
| Bank balances other than (a) above | 2,403 | 66,788 | 69,191 |
| Derivative financial instruments | - | 9,811 | 9,811 |
| Trade Receivable | 451 | - | 451 |
| Loans | 1,245,229 | 2,911,253 | 4,156,482 |
| Investments | 172,399 | 1,124,166 | 1,296,565 |
| Other financial assets | 74,797 | 9,022 | 83,820 |
| **Non- financial assets:** | | | - |
| Current tax assets (net) | 72,393 | 1,448 | 73,841 |
| Deferred tax assets (net) | - | 143,138 | 143,138 |
| Property, Plant and Equipment | - | 32,312 | 32,312 |
| Right-of-use assets | - | 19,988 | 19,988 |
| Investment property | - | 97,495 | 97,495 |
| Intangible assets under development | - | 353 | 353 |
| Goodwill | - | 200 | 200 |
| Other intangible assets | - | 11,648 | 11,648 |
| Other non-financial assets | 7,086 | 31,466 | 38,552 |
| **Total Assets** | **1,767,560** | **4,459,088** | **6,226,649** |

**44.3 The table below shows contractual maturity profile of carrying value of assets and liabilities (Continued):**

| Particulars | As at March 31, 2023 | | |
|---|---|---|---|
| | Within 12 months | After 12 months | Total |
| **LIABILITIES** | | | |
| **Financial liabilities:** | | | |
| Trade payables | 29,334 | - | 29,334 |
| Debt securities | 233,986 | 2,318,413 | 2,552,399 |
| Borrowings (other than debt securities) | 665,276 | 861,341 | 1,526,617 |
| Deposits | - | 31,552 | 31,552 |
| Subordinated debt liabilities | - | 12,688 | 12,688 |
| Other financial liabilities | 151,912 | 14,701 | 166,613 |
| **Non- financial liabilities:** | | | |
| Current tax liabilities (net) | 59,208 | - | 59,208 |
| Provisions | 6,167 | 178 | 6,345 |
| Other non- financial liabilities | 17,991 | 345,798 | 363,789 |
| **Total liabilities** | **1,163,873** | **3,584,672** | **4,748,545** |

| Particulars | As at March 31, 2022 | | |
|---|---|---|---|
| | Within 12 months | After 12 months | Total |
| **ASSETS** | | | |
| **Financial assets:** | | | |
| Cash and cash equivalents | 461,860 | - | 461,860 |
| Bank balances other than (a) above | 54,038 | - | 54,038 |
| Derivative financial instruments | 2,749 | - | 2,749 |
| Loans | 663,017 | 4,093,001 | 4,756,017 |
| Investments | 160,057 | 1,231,338 | 1,391,395 |
| Other financial assets | 98,628 | 13,907 | 112,535 |
| **Non- financial assets:** | | | - |
| Current tax assets (net) | - | 62,106 | 62,106 |
| Deferred tax assets (net) | - | - | - |
| Property, Plant and Equipment | - | 38,517 | 38,517 |
| Right-of-use assets | - | 12,171 | 12,171 |
| Intangible assets under development | - | 1,217 | 1,217 |
| Goodwill | - | 1,025,681 | 1,025,681 |
| Other intangible assets | - | 5,678 | 5,678 |
| Other non-financial assets | 45,530 | 725 | 46,255 |
| **Total Assets** | 1,485,878 | 6,484,342 | 7,970,220 |
| **LIABILITIES** | | | |
| **Financial liabilities:** | | | |
| Trade payables | 52,009 | - | 52,009 |
| Debt securities | 239,835 | 2,631,431 | 2,871,266 |
| Borrowings (other than debt securities) | 429,576 | 1,061,479 | 1,491,055 |
| Deposits | - | 266,600 | 266,600 |
| Subordinated debt liabilities | - | 12,660 | 12,660 |
| Other financial liabilities | 82,668 | 7,257 | 89,925 |
| **Non- financial liabilities:** | | | |
| Current tax liabilities (net) | 340,889 | - | 340,889 |
| Provisions | 9,713 | 487 | 10,200 |
| Deferred tax liabilities (net) | - | 60,746 | 60,746 |
| Other non- financial liabilities | 10,101 | 538,849 | 548,949 |
| **Total liabilities** | 1,164,791 | 4,579,508 | 5,744,299 |

## Notes to the Consolidated Financial Statements (Continued)

*for the year ended March 31, 2023*

(Currency : Rs in lakhs)

### 44 Risk management *(Continued)*

### 44.4 Credit Risk

The Group is exposed to Credit Risk through its lending activity. Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

**Retail lending:**

For retail lending the credit policy has been reviewed and approved by Risk Team. The Credit Risk management structure includes credit policies and procedures. The Credit Policy defines customer segments, income assessment criteria, underwriting standards, target market definition, appraisal and approval processes, product limits, Delegation of Authority metrics (DoA) and cover risk assessment for product offerings etc. to ensure consistency of credit buying patterns.

**Wholesale lending:**

The Group's Risk management team has developed proprietary internal rating models to evaluate risk return trade-off for the loans and investments made by the Group. The output of traditional credit rating model is an estimate of probability of default. These models are different from the traditional credit rating models as they integrate both probability of default and loss given default into a single model.

**Credit Risk Management**

**For retail lending business, credit risk management is achieved by considering various factors like:**

• Assessment of borrower's capability to pay – detailed assessment of borrower's capability to pay is conducted. The approach to the assessment is uniform across the entire Group and is spelt out in the Credit Policy. For construction finance deals, the underlying project, the financial capability, past track record of repayments of the promoters is assessed by an independent risk team.

• Security cover – this is an assessment of the value of security under stress scenario which is further adjusted for factors like liquidity, enforceability, transparency in valuation, etc of the collateral.

• Geographic region – the Group monitors loan performances in a particular region to assess if there is any stress due to natural calamities, etc impacting the performance of loans in a particular geographic region

**For wholesale lending business, credit risk management is achieved by considering various factors like :**

• Promoter strength – This is an assessment of the promoter from financial, management and performance perspective.

• Industry & micro-market risk – This is an assessment of the riskiness of the industry and/or micro-market to which the borrower/project belongs

• Project risk – This is an assessment of the standalone project from which interest servicing and principal repayment is expected to be done.

• Structure risk – This is an assessment of the loan structure which is characterized by its repayment tenor, moratorium, covenants, etc.

• Security cover – This is an assessment of the value of the security under stress scenario which is further adjusted for factors like liquidity,

• Exit – This is an assessment of the liquidity of the loan or investment.

Each of the above components of the risk analysis are assigned a specific weight which differ based on type of loan. The weights are then used with the scores of individual components for conversion to a risk rating.

Based on the above assessment the risk team categorises the deals in to the below Risk Grades

| Risk Grading | Description |
|---|---|
| Dark Green | Extremely good loan |
| Green | Good loan |
| Yellow | Moderate loan |
| Amber | Weak loan |
| Red | Extremely weak loan |

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## 44 Risk management *(Continued)*

### 44.4 Credit Risk *(Continued)*

Further, a periodic review of the performance of the portfolio is also carried out by the Risk Group. The Risk Group adjusts the stress case considered during the initial approval based on actual performance of the deal, developments in the sector, regulatory changes etc. The deal level output is combined to form a portfolio snapshot. The trends from portfolio are used to provide strategic inputs to the management.

The credit risk on liquid funds and other financial instruments is limited because the counterparties are banks with high credit-ratings assigned credit-rating agencies or mutual funds.

**Provision for Expected Credit Loss**

The Group has assessed the credit risk associated with its financial assets for provision of Expected Credit Loss (ECL) as at the reporting dates. The Group makes use of various reasonable supportive forward looking parameters which are both qualitative as well as quantitative while determining the change in credit risk and the probability of default. These parameters have been detailed out in Note No.vi of Significant Accounting Policies. Based on the result yielded by the above assessment the Financial assets are classified into (1) Standard (Performing) Asset, (2) Significant Credit Deteriorated (Under-Performing) Asset (3) Default (Non-Performing) Asset (Credit Impaired).
For the purpose of expected credit loss analysis the Group defines default as any asset with more than 90 days overdues. This is also as per the rebuttable presumption provided by the standard.

The Group provides for expected credit loss based on the following:

| Category - Description | Stage | Basis for Recognition of Expected Credit Loss |
|---|---|---|
| Assets for which credit risk has not significantly increased from initial recognition | Stage 1 | 12 month ECL |
| Assets for which credit risk has increased significantly but not credit impaired | Stage 2 | Life time ECL |
| Assets for which credit risk has increased significantly and credit impaired | Stage 3 | Loss Given Default (LGD) |

For the year ended March 31, 2023 and March 31, 2022 the Group has developed a PD Matrix after considering some parameters as stated below :

The key parameters for various scorecards are highlighted as follows -Real Estate products (Construction Finance, Structured Debt, LRD) - (1) Developer Grade (2) Past Overdue History (3) Tenant profile (4) Status from monthly Asset Monitoring report (5) Stage of the project (6) Geography etc. Some of the Parameters for Non Real Estate products (Senior lending, mezzanine, project finance etc) - (1) Sponsor strength (2) Overdues (3) Average debt service coverage ratio (4) Regulatory Risk (5) Stability of EBITDA (6) Quality of underlying assets etc. Based on these parameters the Company has computed the PD. The Company has also built in model scorecards to determine the internal LGD. However, due to lack of default history to statistically substantiate the internal LGD, the Company has made use of a combination of both internal as well as external LGD. The Company also maintains Expected Credit Loss for undisbursed limits after applying the credit conversion factor (CCF). CCF for these limits is computed based on historical disbursement trends observed across various products.

(Currency : Rs in lakhs)

## 44 Risk management *(Continued)*

## 44.4 Credit Risk *(Continued)*

**Expected Credit Loss as at the Reporting year:**

| Particulars | Asset Group | Gross Carrying Value | Expected Credit Loss | As at March 31, 2023 Net Amount |
|---|---|---|---|---|
| Assets for which credit risk has not significantly increased from initial recognition* | Investments | 225,775 | 9,725 | 216,050 |
| | Loans | 3,343,521 | 122,674 | 3,220,847 |
| Assets for which credit risk has increased significantly but not credit impaired | Investments | 71,034 | 9,904 | 61,130 |
| | Loans | 341,858 | 96,273 | 245,585 |
| Assets for which credit risk has increased significantly and credit impaired | Investments | 30,068 | 16,505 | 13,563 |
| | Loans | 426,792 | 358,906 | 67,886 |
| Purchased or Originated credit impaired (POCI) | Loans | 249,000 | 106,501 | 142,499 |
| **Total** | | **4,688,048** | **720,488** | **3,967,560** |

| Particulars | Asset Group | Gross Carrying Value | Expected Credit Loss | As at March 31, 2022 Net Amount |
|---|---|---|---|---|
| Assets for which credit risk has not significantly increased from initial recognition* | Investments | 543,460 | 14,302 | 529,158 |
| | Loans | 3,176,659 | 94,508 | 3,082,151 |
| Assets for which credit risk has increased significantly but not credit impaired | Investments | 118,909 | 81,124 | 37,785 |
| | Loans | 256,073 | 40,745 | 215,328 |
| Assets for which credit risk has increased significantly and credit impaired | Investments | 24,484 | 12,628 | 11,856 |
| | Loans | 650,275 | 359,957 | 290,318 |
| Purchased or Originated credit impaired (POCI) | | 605,675 | 259,176 | 346,499 |
| **Total** | | 5,375,535 | 862,440 | 4,513,095 |

^ Excluding Fair Valuation Adjustment on Merger of Rs. 345,798 Lakhs (March 31, 2022 - Rs. 538,849 Lakhs) as same amount of liability is disclosed in Other Non-Financial Liabilities.
Gross Carrying Value represents instruments valued at amortised cost.
Investments covered investments in the nature of loan portfolio.

**Reconciliation of Loss Allowance**

**a) Investments and Loans**

| | For the year ended March 31, 2023 | | | |
|---|---|---|---|---|
| | 12 months ECL - Stage 1 | Lifetime ECL not credit impaired - Stage 2 | ECL credit impaired - Stage 3 | POCI |
| Balance at the beginning of the year | 108,810 | 121,869 | 372,585 | 259,176 |
| Transfer on Account of Merger | - | - | - | - |
| Transferred to 12-month ECL (Stage 1) | 933 | (409) | (526) | - |
| Transferred to Lifetime ECL not credit impaired (Stage 2) | (11,944) | 12,109 | (165) | - |
| Transferred to Lifetime ECL credit impaired (Stage 3) | (6,594) | (1,137) | 7,732 | - |
| Bad debts written off | (1,857) | (114,220) | (31,897) | - |
| On Account of Rate (Reduction)/Increase | 38,587 | 74,406 | 46,416 | - |
| ECL on new loan disbursements | 37,273 | 13,339 | 6,181 | - |
| On Account of Repayments | (32,808) | 220 | (24,914) | (152,675) |
| **Balance at the end of the year** | **132,401** | **106,177** | **375,411** | **106,501** |

**a) Investments and Loans**

| | For the year ended March 31, 2022 | | | |
|---|---|---|---|---|
| | 12 months ECL - Stage 1 | Lifetime ECL not credit impaired - Stage 2 | ECL credit impaired - Stage 3 | POCI |
| Balance at the beginning of the year | 74,424 | 47,558 | 53,841 | - |
| Transfer on Account of Merger | 31,329 | - | 309,316 | 259,176 |
| Transferred to 12-month ECL (Stage 1) | 235 | (151) | (83) | - |
| Transferred to Lifetime ECL not credit impaired (Stage 2) | (562) | 620 | (59) | - |
| Transferred to Lifetime ECL credit impaired (Stage 3) | (430) | (79) | 510 | - |
| Bad debts written off | - | - | (3,058) | (1,645) |
| On Account of Rate (Reduction)/Increase | 7,260 | 61,446 | 14,981 | 1,645 |
| ECL on new loan disbursements | 18,558 | 13,345 | - | - |
| On Account of Repayments | (22,006) | (870) | (2,862) | - |
| **Balance at the end of the year** | **108,810** | **121,869** | **372,585** | **259,176** |

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T.R. Chadha & Co. ★ MUMBAI ★ Chartered Accountants
Piramal Capital & Housing Finance Ltd. ★

## 44 Risk management *(Continued)*

### 44.4 Credit Risk *(Continued)*

**b) Expected Credit Loss on undrawn loan commitments and letter of comfort:**

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| ECL on undrawn loan commitments (refer note 20) | 5,495 | 10,112 |

No letter of comfort is outstanding at the year end. The Company has not issued any letter of comfort during the year

**c) Description of Collateral held as security and other credit enhancements**

The Group has set benchmarks on appropriate level of security cover for various types of deals. The Group periodically monitors the quality as well as the value of the security to meet the prescribed limits. The collateral held by the Group varies on case to case basis and includes:

i) First / Subservient charge on the Land and / or Building of the project or other projects
ii) First / Subservient charge on the fixed and current assets of the borrower
iii) Hypothecation over receivables from funded project or other projects of the borrower
iv) Pledge on Shares of the borrower or their related parties
v) Guarantees of Promoters / Promoter Undertakings
vi) Post dated / Undated cheques

As at the reporting date, the value of the collateral held as security for the credit impaired financial assets is higher than the exposure at default for these assets.

**d)** The credit impaired assets as at the reporting dates were secured by charge on land and building and project receivables amounting to:

| Particulars | As at March 31, 2023 | March 31, 2022 |
|---|---|---|
| Value of Security (at fair value considered for LGD) | 117,514 | 341,919 |

### 44.5 Regulatory Risk:

The Group requires certain statutory and regulatory approvals for conducting business and failure to obtain retain or renew these approvals in a timely manner, may adversely affect operations. Any change in laws or regulations made by the government or a regulatory body that governs the business of the Group may increase the costs of operating the business, reduce the attractiveness of investment and / or change the competitive landscape.

### 44.6 Fraud risk and operational risk:

Fraud risk management committee ('FRMC') comprising of top management representatives is constituted, which shall oversee the matters related to fraud risk, review and approve action against frauds.

FRMC conducts fraud risk assessment, identified fraud prone areas and develop mitigation measures. Status of mitigation measures are reviewed periodically.

The Group's risk management framework considers strategic, operations, financial reporting and external laws and regulations related risks

The Group has an elaborate system of internal audit and concurrent audit commensurate with the size, scale and complexity of its operations and covers funding operations, financial reporting, fraud control and compliance with laws and regulations.

Further, Concurrent audit helps prevent and address document related anomalies and deficiencies which strengthening quality assurance during onboarding and processing of transactions.

Internal Auditors monitors and evaluates the efficacy and adequacy of internal control systems in the Group, its compliance with laws and regulations, efficacy of its operating systems, adherence to the accounting procedures and policies at all offices of the Group and report directly to Audit and Risk Management Committee of the Group.

### 44.7 Foreign exchange risk:

The Group is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Group's functional currency i.e. INR. The Group has taken foreign currency floating rate borrowing which is linked to LIBOR. The risk is measured through a forecast of highly probable foreign currency cash flows. The risk is hedged with the objective of minimising the volatility of the INR cash flows of highly probable forecast transactions.

The Group has entered into cross-currency interest rate swap (CCIRS) for the entire loan liability to manage the foreign exchange risk along with interest rate risk arising from changes in LIBOR on such borrowings. As per the Group's policy, the critical terms of hedging instrument must align with the hedged items. Refer note 45 for accounting for the cash flow hedge and impact of hedge accounting on the statement of profit and loss.

There is no foreign currency asset/liability outstanding as on March 31, 2023 excluding ECB of USD 75 million which are fully hedged as disclosed in note 45.

(Currency : Rs in lakhs)

## 45 Accounting for cash flow hedge

The Company had taken foreign currency floating rate borrowings which are linked to LIBOR. For managing the foreign currency risk and interest rate risk arising from changes in LIBOR on such borrowings, the company had entered into cross-currency interest rate swap (CCIRS) for the entire loan liability. The Company had designated the CCIRS (hedging instrument) and the borrowing (hedged item) into a hedging relationship and applies hedge accounting,

Under the terms of the CCIRS, the Company pays interest at the fixed rate to the swap counterparty and receives the floating interest payments based on LIBOR. Further, the principal amount of the foreign currency borrowing is hedged by a forward rate. As the critical terms of the hedged item and the hedging instrument (notional, interest periods, underlying and fixed rates) are matched and the interest cash flows are off-setting, an economic relationship exists between the two. This ensures that the hedging instrument and hedged item have values that generally move in the opposite direction.

As at March 31, 2023, The Company has invested in floating rate government securities/bonds which are linked to treasury bill rate. For managing the interest rate risk arising from changes in treasury bill rate on such investments, the company has entered into an interest rate swaps (IRS) for the investments. The Company has designated the IRS (hedging instrument) and the investment (hedged item) into a hedging relationship and applied hedge accounting.

Under the terms of the IRS, the Company receives interest at fixed rate and pays interest at the floating rate based on daily compounded overnight FBIL MIBOR. As the critical terms of the hedged item and the hedging instrument (notional, interest periods, underlying fixed rates) are not exactly matched, the Company uses the hypothetical derivative method to assess effectiveness. The interest cash flows of the hypothetical derivative and interest rate swap are off-setting, an economic relationship exists between the two. This ensures that the hedging instrument (interest rate swap) and hedged item (hypothetical derivative) have values that generally move in the opposite direction. There was no such contract outstanding as on March 31, 2022.

Hedge Effectiveness Testing is assessed at designation date of the hedging relationship, and on an ongoing basis. The ongoing assessment is performed at a minimum at each reporting date or upon a significant change in circumstances affecting the hedge effectiveness requirements, whichever comes first.

During the year ended March 31, 2022, the date on which CCIRS and the borrowings were designated into hedging relationship is later than the date on which the respective contracts were entered into. This timing difference has caused hedge ineffectiveness to a certain extent, the effect of which has been recognised in profit or loss under the head Net Fair Value Changes.

Following table provides quantitative information regarding the hedging instrument as on March 31, 2023:

| Type of risk/ hedge position | Nominal value (Liabilities) | Carrying amount of hedging instruments (included under "Financial assets") | Maturity date | Hedge ratio | Average contracted fixed interest rate | Changes in fair value of hedging instrument used as a basis for recognising hedge effectiveness | Changes in value of hedged item used as a basis for recognising hedge effectiveness |
|---|---|---|---|---|---|---|---|
| **As on March 31, 2023:** | | | | | | | |
| Cash Flow Hedge<br>Foreign currency and Interest rate risk | 52,264 | 9,512 | June'2024 | 1 : 1 | 9.30% | 6,764 | 5,719 |
| Cash Flow Hedge - Interest rate risk | 12,500 | 299 | September'2032 | 1 : 1 | 6.76% | 414 | (429) |
| | | **9,811** | | | | | |
| **As on March 31, 2022:** | | | | | | | |
| Cash Flow Hedge<br>Foreign currency and Interest rate risk | 52,264 | 2,749 | June'2024 | 1 : 1 | 9.30% | 3,328 | 2,029 |

Following table provides the effects of hedge accounting on financial performance :

| Type of hedge | Changes in the value of hedging instruments recognised in Other comprehensive income | Hedge ineffectiveness recognised in profit or loss | Amount reclassified from cash flow hedge reserve to profit or loss | Line-item affected in statement of profit or loss because of reclassification |
|---|---|---|---|---|
| **For the year ended March 31, 2023** | | | | |
| **Cash flow hedge** | | | | |
| Interest Rate risk and Foreign Exchange Risk | 7,063 | - | (848) | Finance Cost |
| | | | (4,871) | Foreign Exchange (gain)/loss |
| **For the year ended March 31, 2022** | | | | |
| **Cash flow hedge** | | | | |
| Interest Rate risk and Foreign Exchange Risk | 3,328 | | 9 | Finance Cost |
| | | | 2,021 | Foreign Exchange (gain)/loss |

(Currency : Rs in lakhs)

## 45 Accounting for cash flow hedge (Continued)

The following table provides a reconciliation by risk category of the components of equity and analysis of Other Comprehensive Income items resulting from hedge accounting:

| Particulars | Movement in Cash flow hedge reserve for the years ended | |
|---|---|---|
| | March 31, 2023 | March 31, 2022 |
| Opening balance | (624) | (1,596) |
| **Effective portion of changes in fair value:** | | |
| a) Interest rate and foreign currency risk | 7,063 | 3,328 |
| Tax on movements on reserves during the year | (1,778) | (838) |
| **Net amount reclassified to profit or loss:** | | |
| a) Interest rate risk | 848 | 9 |
| b) Foreign currency risk | 4,871 | 2,021 |
| Tax on movements on reserves during the year | (1,439) | (511) |
| **Closing balance** | **381** | (624) |

## Notes to the Consolidated Financial Statements (Continued)

*for the year ended March 31, 2023*

(Currency : Rs in lakhs)

### 46 Transfer of Financial Assets

**Transferred financial assets that are not derecognised in their entirety**

The following tables provide a summary of financial assets that have been transferred in such a way that part or all of the transferred financial assets do not qualify for derecognition, together with the associated liabilities:

| Securitisations | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| Carrying amount of transferred assets measured at amortised cost | 109,436 | 280,839 |
| Carrying amount of associated liabilities measured at amortised cost | 109,157 | 266,965 |
| Fair value of assets | 109,436 | 280,839 |
| Fair value of associated liabilities | 109,157 | 266,965 |
| Net position at Fair value | 279 | 13,874 |

Note : Transferred Financial Assets that are derecognised in their entirety

The Group has assigned loans (earlier measured at amortized cost) by way of direct assignment. As per the terms of deals, since substantial risk and rewards related to these assets were transferred to the buyer, the assets have been de-recognised from the Group's Balance Sheet. The table below summarised the carrying amount of the derecognised financial assets.

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| **Direct Assignment** | | |
| Carrying amount of transferred assets measured at amortised cost | 1,123,757 | 1,622,042 |
| Carrying amount of exposures retained by the Company at amortized cost | 141,598 | 216,269 |

### 47 Foreign Currency Expenditure (on accrual basis)

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|---|---|
| Business Promotion | 1 | - |
| Professional Fees | 388 | 1,216 |
| Legal Fees | 148 | 292 |
| Membership & Subscription | 23 | - |
| Repairs & Maintenance | - | 6 |

### 48 Disclosure for Insurance commission as required under Insurance regulatory and development Authority (IRDA)

| Particulars | March 31, 2023 | March 31, 2022 |
|---|---|---|
| Cholamandalam MS General Insurance Company Limited | 143 | - |
| Pramerica Life Insurance Limited | 946 | 88 |
| Total | **1,089** | 88 |

## Notes to the Consolidated Financial Statements (Continued)

*for the year ended March 31, 2023*

(Currency : Rs in lakhs)

### 49 Principal Business Criteria & Impairment of Goodwill

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the cash generating units (CGU) or groups of CGUs, which are benefited from the synergies of the acquisition. Goodwill is reviewed for any impairment at the operating segment level, which is represented through groups of CGUs.

a) The Company is required to comply with Principal Business Criteria ('PBC') as stated in paragraph 5.3 of Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 ('RBI Directions'). The Company had submitted a detailed business plan to the RBI in April and June 2022 detailing the roadmap to comply with the principal business criteria by March 31, 2024. Based on Company's submission, the RBI advised the Company to ensure compliance with the submitted business plan, as the same shall be monitored at regular intervals by the RBI and NHB. The Company is currently trailing in meeting committed PBC thresholds for the year ended March 31, 2023, however, the management believes that the Company will be able to meet the required PBC thresholds latest by March 31, 2024. In order to achieve the above, the Company has changed its business strategy to shift focus majorly on housing finance loans and has decided to further reduce the Assets Under Management (AUM) in wholesale lending business in next few years.

b) Due to the change in business strategy in the current year in line with management's decision to reduce wholesale lending business and increase the focus to increase retail housing business, the Company has revised the business projections considered for the annual impairment testing, as required under the principles of Ind AS 36, Impairment of Assets, of related goodwill amounting to Rs. 1,025,681 lakhs recognized on merger of wholesale lending business of Piramal Finance Limited and Piramal Capital Limited with the Company in the year 2018.

As of March 31, 2023, the estimated cash flows for a period of 5 years for the Company were developed using internal forecasts, and a pre-tax discount rate of 12.5% respectively. The cash flows beyond 5 years have been extrapolated assuming 2% growth rates, depending on the cash generating unit and the country of operations.
Basis such impairment testing performed, the aforesaid goodwill has been fully impaired in the year ending March 31, 2023. Owing to the significance of amount and non-recurring nature of impairment of goodwill, the Company has classified and presented it as an exceptional item in line with Ind AS 1, Presentation of Financial Statements. Further, the deferred tax liability of Rs. 143,138 lakhs pertaining to goodwill has also been reversed during the year ended March 31, 2023.

### 50 Corporate Social Responsibility Expenditure

| Particulars | March 31, 2023 | March 31, 2022 |
|---|---|---|
| Amount required to be spent by the Group during the year | 3,444 | 4,921 |
| Amount spent during the year from Company's bank A/c | 5,467 | 4,680 |
| Closing Balance in Separate CSR Unspent Bank A/c | - | 241 |
| Shortfall at the end of the year, | - | - |
| Total of previous years shortfall, | - | - |
| Reason for shortfall, | - | - |
| Nature of CSR activities | Promoting healthcare and education | Promoting healthcare and education |
| Details of related party transactions, e.g., contribution to a trust controlled by the Group in relation to CSR expenditure as per relevant Accounting Standard, | 3,901 | 2,727 |
| Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately | - | - |

WALKER CHANDIOK & Co LLP CHARTERED ACCOUNTANTS MUMBAI
TR Chadha & Co. LLP Chartered Accountants
Piramal Capital & Housing Finance Ltd.

**51 Additional Regulatory Information**

i) The Group has not granted any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person that are:

(a) repayable on demand; or
(b) without specifying any terms or period of repayment

ii) There is a change in management w.e.f. September 30, 2021 on account of business combination (Refer note 39B), and the Group under new management has not been declared as a wilful deafulter by any bank or financial Institution or other lender.

iii) The Group has not done any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956 except:

| Name of the struck off company | Nature of transactions with struck off company | Balance outstanding | Relationship with the struck off company, if any, to be disclosed |
|---|---|---|---|
| GK Marketing Services Private Limited | DSA commission | Nil | DSA (Vendor) |

iv) The Group does not have any charges to be registered with ROC beyond the statutory period. There was no satisfaction of charge pending as on March 31, 2023 except one loan where loan repaid during the year for Rs. 110,000 lakhs due to non-receipt of No Due Certificate from Bank of Baroda. With respect to the assets acquired under business combination, the Company is in the process of satisfying the charges on those assets which is procedural.

v) The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.

vi) The Group have not traded or invested in Crypto currency or Virtual Currency during the year.

vii) During the year the Group have not advanced or loaned or invested funds to any other person (s)or entity (ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries); or

b) Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

viii) During the year the Group have not received any fund from any person (s)or entity (ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall:

a) 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

b) Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

ix) The Group have not had 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).

x) The Holding Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017

WALKER CHANDIOK & CO LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

T R Chadha & Co ★ Chartered Accountants

Piramal Capital & Housing Finance Ltd.

## Notes to the Consolidated Financial Statements (Continued)

*for the year ended March 31, 2023*

(Currency : Rs in lakhs)

**52** Previous years figures have been regrouped and reclassified wherever necessary to conform to current year's presentation which are not considered to be material to the Financial Statements

The notes referred to above forms an integral part of the financial statements.

As per our report of even date attached.

**For Walker Chandiok & Co LLP**
*Chartered Accountants*
Firm Registration No. 001076N/N500013

**Rakesh Rathi**
*Partner*
Membership No: 045228

**For T R Chadha & Co LLP**
*Chartered Accountants*
Firm's Registration No: 006711N/N500028

**Hitesh Garg**
*Partner*
Membership No: 502955

**For and on behalf of the Board of Directors of Piramal Capital & Housing Finance Limited**

**Jairam Sridharan**
*Managing Director*
DIN: 05165390

**Ajay Piramal**
*Chairman*
DIN: 00028116

**Vikash Singhla**
*Chief Financial Officer*

**Bipin Singh**
*Company Secretary*

Mumbai, May 5, 2023



External Public

# Annexure to the Boards' Report

**Form AOC - 1**

(Pursuant to first proviso to sub Section (3) of Section 129 of the Companies Act, 2013 read with Rule 5 of Companies (Accounts) Rules, 2014)

**Statement containing salient features of the financial statements of Subsidiaries/Associate Companies/Joint Ventures**

**Part A: Subsidiaries**

| Sr. no. | Particulars | Details | | | | | |
|---|---|---|---|---|---|---|---|
| 1 | Name of the subsidiaries | DHFL Advisory & Investments Private Limited | DHFL Holdings Limited | DHFL Investments Limited | Piramal Payment Services Limited | Piramal Finance Sales & Services Private Limited | PRL Agastya Private Limited |
| 2 | The date since when subsidiary was acquired | DHFL Advisory & Investments Private Limited was not acquired. It was incorporated by the Company on February 12, 2016 | DHFL Holdings Limited was not acquired. It was incorporated by the Company on September 28, 2018 | DHFL Investments Limited was not acquired. It was incorporated by the Company on February 13, 2017 | Piramal Payment Services Limited was not acquired. It was incorporated by the Company on April 29, 2022 | September 22, 2022 | December 13, 2022 |
| 3 | Reporting period for the subsidiary concerned, if different from the holding company's reporting period | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable |
| 4 | Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable |
| 5 | Share Capital | | | | | | |
| | -Number | 75,010,000 | 10,000 | 101,450,000 | 5,500,000 | 100,000 | 90,000 |
| | -Amount (Rs. in Lakh) | 7,501.00 | 1.00 | 10,145.00 | 550.00 | 10.00 | 9.00 |
| 6 | Reserves & Surplus (Rs. in Lakh) | (7448.23) | (2.79) | 91,868.66 | (13.59) | 169.00 | (13113.43) |
| 7 | Total Assets (Rs. in Lakh) | 58.65 | 0.01 | 102,020.60 | 549.24 | 2,806.00 | 83,648.86 |
| 8 | Total Liabilities (Rs. in Lakh) | 5.87 | 1.80 | 6.94 | 12.83 | 2,627.00 | 96,753.29 |
| 9 | Investments (Rs. in Lakh) | - | - | 102,002.25 | - | - | - |
| 10 | Turnover (Rs. in Lakh) | - | - | - | - | 25,568.00 | 5,346.28 |
| 11 | Profit before taxation (Rs. in Lakh) | (5.44) | (0.87) | (7.77) | (13.59) | 484.31 | (420.75) |
| 12 | Provision for taxation (Rs. in Lakh) | - | - | - | - | 124.30 | (507.53) |
| 13 | Profit after taxation (Rs. in Lakh) | (5.44) | (0.87) | (7.77) | (13.59) | 360.01 | 86.78 |
| 14 | Proposed Dividend | - | - | - | - | - | - |
| 15 | Extent of shareholding (in percentage) | 100% | 100% | 100% | 100% | 100% | 100% |

Notes:

1. Names of subsidiaries which are yet to commence operations - DHFL Holdings Limited
2. Names of subsidiaries which have been liquidated or sold during the year – NIL
3. During the year, the Company has formed a new wholly owned subsidiary company in the name of 'Piramal Payment Services Limited'.
4. During the year, the Company has acquired:
   a. 'Piramal Finance Sales and Service Private Limited' (wholly owned subsidiary Company) from Piramal Enterprises Limited (Holding Company).
   b. 'PRL Agastya Private Limited' (wholly owned subsidiary company) from PRL Developers Private Limited (Group Company).
5. The above figures of the subsidiaries are for the year ending 31st March 2023 basis standalone financial statements of respective subsidiaries.
6. Share Capital represents, equity share capital as on balance sheet date.

**PART B: Associates and Joint Ventures**

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

| Sl. No. | Name of Associates/Joint Ventures | DHFL Ventures Trustee Company Private Limited (1) | Pramerica Life Insurance Limited (formerly known as DHFL Pramerica Life Insurance Company Limited) (3) |
|---|---|---|---|
| 1 | Latest audited Balance Sheet Date | 31/03/2023 | 31/03/2023 |
| 2 | Date on which Associate or Joint Venture was associated or acquired | 23/02/2006 (1) | 18/12/2013 (3) |
| 3 | Shares of Associate or Joint Ventures held by the company on the year end | | |
| | -Number of Equity Shares | 22,500 | 187,030,931 |
| | -Amount of Investment in Associates or Joint Venture (Rs. in lakh) | 2.25 (2) | 102000 (3) |
| | -Extent of Holding (%) | 45% (2) | 50% (4) |
| 4 | Description of how there is significant influence | Shareholding exceeding 20% of paid up share capital through Wholly Owned Subsidiary i.e. DHFL Investments Limited | Influence based on Joint Venture Agreement |
| 5 | Reason why the associate or Joint Venture is not consolidated | NA | NA |
| 6 | Networth attributable to Shareholding as per latest audited Balance Sheet (Rs. in lakh) | 4.61 | 43,212.50 |
| 7 | Profit / (Loss) for the year (Rs. in lakh) | - | 4,190.00 |
| | i.Considered in Consolidation (Rs. in lakh) | - | 2,095.00 |
| | ii.Not Considered in Consolidation (Rs. in lakh) | - | 2,095.00 |

Notes:

(1)DHFL Ventures Trustee Company Private Limited became Associate Company of the Company on February 23, 2006 due to acquisition of shares. Further on March 1, 2017 the said shares were sold by the Company to its wholly owned subsidiary company i.e. DHFL Investments Limited ("DIL").

(2)During the financial year 2016-17, the Company sold its investments held in DHFL Ventures Trustee Company Private Limited to its wholly owned subsidiary company i.e. DHFL Investments Limited ("DIL"). Therefore DHFL Ventures Trustee Company Private Limited is an Associate Company through DIL.

(3)Pramerica Life Insurance Limited (formerly known as DHFL Pramerica Life Insurance Company Limited) ("PLIL") became Joint Venture of the Company on December 18, 2013 due to acquisition of shares. Further, on March 31, 2017 the said shares were sold by the Company to its wholly owned subsidiary Company i.e. DHFL Investments Limited ("DIL"). PLIL is joint venture of the Company through DIL. As on March 31, 2022, PLIL continues to be a joint venture of the Company by way of its indirect holding in DIL.

(4)The Wholly Owned Subsidiary of the Company i.e. DHFL Investments Limited holds 50% shareholding of Pramerica Life Insurance Limited (formerly known as DHFL Pramerica Life Insurance Company Limited).

(5) Name of associates or joint ventures which are yet to commence operations - None

## CAPITALISATION STATEMENT

The following table sets forth our Company's capitalization as of June 30, 2025, on the basis of our Audited Financial Information. This table should be read in conjunction with sections "*Financial Statements*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*", on pages 198 and 570, respectively.

*(in ₹ crore, except ratios)*

| Particulars | As of June 30, 2025 |
|---|---|
| **Borrowings** | |
| Current borrowings (**I**) | 16,001.37 |
| Non-current borrowings (including current maturity of long term debt) (**II**) | 43,804.10 |
| **Total Borrowings (I) + (II) = (A)*** | **59,805.47** |
| | |
| **Equity** | |
| Equity share capital | 25,664.69 |
| Shares pending issuance& | |
| Instrument entirely equity in nature | |
| Other equity | (8,183.68) |
| **Total Equity (B)** | **17,481.01** |
| | |
| **Capitalisation (A) + (B)** | **77,286.48** |
| | |
| **Non-current borrowings (including current maturity of long term debt)/equity ratio (II/B)** | **2.51** |
| **Total borrowings/equity ratio (A/B)** | **3.42** |

*Notes:*

*& Shares pending issuance pursuant to the Scheme of Arrangement. Accordingly, each shareholder will be entitled to one fully - paid up equity share of the Company for every fully paid-up equity share of the Transferor Company.*

** Includes debt, other borrowing, deposit, subordinated borrowings.*

## OTHER FINANCIAL INFORMATION

***Accounting ratios***

The details of accounting ratios derived from Audited Financial Information required to be disclosed under the SEBI ICDR Regulations are set forth below:

*(in ₹ crore, except otherwise stated)*

| Particulars | For the three months period ended June 30, 2025 | As of March 31, 2025 | As of March 31, 2024 | As of March 31, 2023 |
|---|---|---|---|---|
| Basic earnings per equity share | 0.04 | (0.00) | (0.92) | (3.46) |
| Diluted earnings per equity share | 0.04 | (0.00) | (0.92) | (3.46) |
| Return on net worth (in %) | 0.69 | (0.05) | (17.14) | (50.49) |
| Net assets value per equity share | 6.81 | 6.67 | 6.37 | 6.92 |
| Weighted average number of equity shares outstanding during the period | 24,99,54,60,982 | 23,62,38,69,833 | 21,39,74,78,636 | 21,36,46,91,751 |
| EBITDA | 1,441.31 | 4,648.70 | 224.14 | (9,226.30) |

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*The following discussion is intended to convey management's perspective on the financial condition of our Company and the corresponding results of operations from the date of incorporation till June 30, 2025. You should read the following discussion and analysis of our financial condition and results of operations, and our assessment of the factors that may affect our prospects and performance in future periods, should be read together with the Financial Statements included in this Information Memorandum. For further information, see "Financial Statements" on page 198 and "Information Memorandum Summary – Financial Information" on page 11.*

*Some of the information in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the section "Forward-Looking Statements" on page 8 and "Risk Factors" on page 16 for a discussion of the risks and uncertainties related to those statements. Our actual results may differ materially from those expressed in or implied by these forward-looking statements as a result of various factors, including those described below and elsewhere in this Information Memorandum.*

*Unless otherwise stated or unless the context otherwise requires, the financial information of our Company used in this section has been derived from the Audited Financial Information. Unless noted otherwise, some of the industry related information in this section is obtained or extracted from the Industry Report (which is a paid report and were commissioned by us in connection with the Information Memorandum).*

*Our Financial Year ends on March of each year. Accordingly, unless otherwise stated, all references to a particular financial year are to the 12-month period ended March 31 of that year.*

### OVERVIEW

Our Company is registered with the RBI as a non-deposit taking NBFC-ICC under Section 45-IA of the Reserve Bank of India Act, 1934. Prior to being registered as an NBFC-ICC, our Company was registered as a HFC with the RBI. Our Company is now engaged in the business of providing diversified financial services. Prior to being registered as an NBFC-ICC, our business comprised of (a) housing finance, (b) corporate lending, (c) retail lending, and (d) real estate lending. The non-convertible debentures issued by our Company are listed on the Stock Exchanges and the commercial papers issued by us are listed on NSE.

We are engaged in the business of providing diversified financial services. We offer a broad spectrum of financial solutions catering to both retail and wholesale segments, with a strong focus on serving the underbanked and underserved populations across India. We offer products such as home loans, loans against property, used car loans, personal loans, and small business loans. We also provide tailored, asset-backed lending solutions across residential and commercial real estate projects, focusing on mid-segment residential developments. Additionally, we also offer customized funding to underserved mid and large sized businesses through our Corporate and Mid-Market Lending (CMML) vertical, addressing unique capital needs in non-real estate sectors.

For details in relation to the business of our Company, see "*Our Business*" on page 116.

### SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS AND FINANCIAL CONDITION

Our results of operations have been, and will be, affected by many factors, some of which are beyond our control. Key factors affecting our results are discussed in the section "*Risk Factors*" beginning on page 16.

### MATERIAL ACCOUNTING POLICIES

For details in respect of statement of material accounting policies, please refer to "*Financial Statements*" on page 198.

### PRINCIPAL COMPONENTS OF PROFIT AND LOSS

Set forth below are the key components of our statement of profit and loss from our restated consolidated statement of profit and loss for the three months ended June 30, 2025, Fiscal 2025, Fiscal 2024 and Fiscal 2023:

#### Income

#### *Revenue from Operations*

Revenue from operations comprises of:

• our interest income, including on our loan portfolio and related charges and direct assignment including interest on investments and deposits with banks;

• dividend income;

• rental income;

• fee and commission income, including income from commission services, and guarantee fee;

• net gain/ (loss) on fair value changes;

• sale of services; and

• other operating income, like bad debt recovery and alternative investment funds regulatory provision reversal on account recovery.

*Other Income*

Other income comprises (i) other non-operating income, (ii) net gain on sale of property, plant and equipments and other intangible assets and investment property and (iii) interest on income tax refund.

**Expenses**

***Finance costs***

Finance costs represent interest expenses, including on deposits, borrowings, debt securities, subordinated liabilities and other interest expenses.

***Fees and commission expenses***

Fee and commission expenses includes other borrowing costs which comprises of interest cost on lease liability.

***Net loss on fair value changes***

Net loss on fair value changes of financial instruments consists of the fair value change measured at fair value through profits or loss.

***Net loss on derecognition of financial instruments under amortised cost category***

Net loss on derecognition of financial instruments under amortised cost category consists of loss arising technical write off when there is no reasonable expectations of recovery, actual write off on account of settlement/asset reconstruction company sale along with the gain arising out of transfer of loan book as part of direct assignment and co-lending.

***Impairment allowances / (reversals) on financial instruments***

Impairment of financial instruments primarily include loans, investments, commitments and others.

***Employee benefit expense***

The employee benefit expenses includes salaries and wages, contributions to provident and other funds, provision for leave encashment, staff welfare expenses, provision for gratuity and share based payments to employees.

***Depreciation and amortization expenses***

Depreciation and amortization primarily consist of depreciation and amortisation charges on property, plant and equipment and right-of-use assets and intangible assets.

***Other expenses***

Other expenses primarily include corporate social responsibility expenses, rent, rates and taxes (excluding taxes on income), travelling and conveyance, legal and professional fees, royalty, electricity expense, repairs and maintenance, business promotion and advertisement expenses, postage and communication, printing and stationery, membership and subscription charges, payments to auditors and other expenses.

**RESULTS OF OPERATIONS**

The following table sets forth certain information with respect to our results of operations on a consolidated basis for the three months ended June 30, 2025, Fiscal 2025, Fiscal 2024 and Fiscal 2023:

| Particulars | Three months ended June 30, 2025 | | Fiscal 2025 | | Fiscal 2024 | | Fiscal 2023 | |
|---|---|---|---|---|---|---|---|---|
| | *In ₹ crores* | *As a percentage of total income* | *In ₹ crores* | *As a percentage of total income* | *In ₹ crores* | *As a percentage of total income* | *In ₹ crores* | *As a percentage of total income* |
| **Revenue from operations** | | | | | | | | |
| Interest income | 2,016.54 | 90.41% | 6,845.09 | 83.05% | 5,838.63 | 87.10% | 6,314.19 | 95.58% |
| Dividend income | - | - | - | - | - | - | - | - |
| Rental income | 16.92 | 0.76% | 72.70 | 0.88% | 65.10 | 0.97% | 23.95 | 0.36% |
| Fees and commission income | 116.85 | 5.24% | 432.24 | 5.24% | 566.99 | 8.46% | 268.17 | 4.06% |
| Other operating income | 80.01 | 3.59% | 892.45 | 10.83% | 232.52 | 3.47% | - | - |
| **Total revenue from operations** | **2,230.32** | **100.00%** | **8,242.48** | **100.00%** | **6,703.24** | **100.00%** | **6,606.31** | **100.00%** |
| Other income | 25.94 | 1.16% | 219.46 | 2.66% | 66.02 | 0.98% | 62.84 | 0.95% |
| **Total income** | **2,256.26** | **101.16%** | **8,461.94** | **102.66%** | **6,769.26** | **100.98%** | **6,669.15** | **100.95%** |
| | | | | | | | | |
| **Expenses** | | | | | | | | |
| Finance costs | 1,296.03 | 58.11% | 4,475.36 | 54.30% | 3,687.35 | 55.01% | 3,469.97 | 52.53% |
| Fees and commission expenses | 2.24 | 0.10% | 21.35 | 0.26% | 18.07 | 0.27% | 28.77 | 0.44% |
| Net loss on fair value changes | 26.13 | 1.17% | 332.53 | 4.03% | 262.37 | 3.91% | 771.17 | 11.67% |
| Net loss on derecognition of financial instruments under amortised cost category | 259.50 | 11.64% | 2,253.30 | 27.34% | 3,016.19 | 45.00% | 3,265.53 | 49.43% |
| Impairment allowances/(reversals) on financial instruments | (111.90) | (5.02%) | (1,173.39) | (14.24%) | (666.32) | (9.94%) | (159.28) | (2.41%) |
| Employee benefits expenses | 390.81 | 17.52% | 1,370.39 | 16.63% | 1,146.40 | 17.10% | 711.71 | 10.77% |
| Depreciation, amortisation and impairment | 50.18 | 2.25% | 190.26 | 2.31% | 152.42 | 2.27% | 97.25 | 1.47% |
| Other expenses | 256.84 | 11.52% | 967.19 | 11.73% | 1,038.90 | 15.50% | 1,041.70 | 15.77% |
| **Total expenses** | **2,169.83** | **97.29%** | **8,436.99** | **102.36%** | **8,655.38** | **129.12%** | **9,226.82** | **139.67%** |
| | | | | | | | | |
| **Profit/(loss) before share of net profit/(loss) of joint ventures, exceptional items and tax** | 86.43 | 3.88% | 24.95 | 0.30% | (1,886.12) | (28.14%) | (2,557.67) | (38.72%) |
| Share of net profit/(loss) of joint venture | 8.67 | 0.39% | (41.87) | (0.51%) | (71.83) | (1.07%) | 20.96 | 0.32% |
| | | | | | | | | |
| **Profit/(loss) after share of net profit/(loss) of associates and joint ventures before exceptional items and tax** | **95.10** | **4.26%** | **(16.92)** | **(0.21%)** | **(1,957.95)** | **(29.21%)** | **(2,536.71)** | **(38.40%)** |
| | | | | | | | | |
| **Less: Exceptional items** | | | | | | | | |
| Regulatory provision on investments in alternative investment funds | - | - | - | - | 1,657.68 | 24.73% | - | - |
| Impairment of Goodwill | - | - | - | - | - | - | (10,256.81) | (155.26%) |
| **Profit/(loss) after share of net profit/(loss) of associates and joint ventures and before tax** | **95.10** | **4.26%** | **(16.92)** | **(0.21%)** | **(3,615.63)** | **(53.94%)** | **(12,793.52)** | **(193.66%)** |
| | | | | | | | | |
| **Less: Tax expenses** | | | | | | | | |
| Current tax | - | - | 0.29 | 0.00% | 2.13 | 0.03% | 0.91 | 0.01% |
| Reversal of tax expenses – earlier years | - | - | 0.01 | 0.00% | (530.27) | (7.91%) | (3327.54) | (50.37%) |
| Deferred tax | 1.12 | 0.05% | (10.57) | (0.13%) | (1,112.21) | (16.59%) | (2,065.53) | (31.27%) |

| Particulars | Three months ended June 30, 2025 | | Fiscal 2025 | | Fiscal 2024 | | Fiscal 2023 | |
|---|---|---|---|---|---|---|---|---|
| | *In ₹ crores* | *As a percentage of total income* | *In ₹ crores* | *As a percentage of total income* | *In ₹ crores* | *As a percentage of total income* | *In ₹ crores* | *As a percentage of total income* |
| **Total tax expense** | **1.12** | **0.05%** | **(10.27)** | **(0.12%)** | **(1,640.35)** | **(24.47%)** | **(5,392.16)** | **(81.62%)** |
| **Profit/(Loss) for the year** | **93.98** | **4.21%** | **(6.65)** | **(0.08%)** | **(1,975.28)** | **(29.47%)** | **(7,401.36)** | **(112.03%)** |
| | | | | | | | | |
| **Items that will not be reclassified subsequently to profit or loss** | | | | | | | | |
| Remeasurement of the defined benefit plan | - | - | (7.85) | 0.10% | (5.58) | (0.08%) | 1.51 | 0.02% |
| Equity instruments measures through OCI | 6.08 | 0.27% | 80.66 | 0.98% | 12.47 | 0.19% | 89.81 | 1.36% |
| Income tax relating to items that will not be reclassified to statement of profit or loss | (0.87) | (0.04%) | 1.56 | 0.02% | (1.73) | (0.03%) | (22.98) | (0.35%) |
| | | | | | | | | |
| **Items that will be reclassified subsequently to profit or loss** | | | | | | | | |
| Share of other comprehensive income of joint venture accounted for using the equity method | (2.32) | (0.10%) | 105.32 | 1.28% | 73.20 | 1.09% | (70.89) | (1.07%) |
| Remeasurement gain/(loss) on hedge accounting | 26.28 | 1.18% | (29.74) | (0.36%) | (2.89) | (0.04%) | 13.43 | 0.20% |
| Debt instruments measured through OCI | 10.63 | 0.48% | 14.79 | 0.18% | 17.06 | 0.25% | (17.05) | (0.26%) |
| Income tax relating to items that will be reclassified to statement of profit or loss | (9.29) | (0.42%) | 3.77 | 0.05% | (3.57) | (0.05%) | 0.91 | 0.01% |
| | | | | | | | | |
| **Net other comprehensive income** | **30.51** | **1.37%** | **168.51** | **2.04%** | **88.96** | **1.33%** | **(5.26)** | **(0.08%)** |
| **Total comprehensive income / (loss) for the period/year** | **124.49** | **5.58%** | **161.86** | **1.96%** | **(1886.32)** | **(28.14%)** | **(7406.62)** | **(112.11%)** |
| **Earnings per equity share (basic and diluted) Rs.** | **0.04** | **NA** | **(0.00)** | **NA** | **(0.92)** | **NA** | **(3.46)** | **NA** |

**FISCAL 2025 AS COMPARED TO FISCAL 2024**

**Income**

Total income increased by 25.01% from 6,769.26 crores to 8,461.94 crores in Fiscal 2025 for the reasons mentioned below.

***Revenue from operations***

Revenues from operations increased by 22.96% from ₹6,703.24 crores in Fiscal 2024 to ₹8,242.48 crores in Fiscal 2025 led by an increase in the interest income by 17.24% from ₹5,838.63 crores in Fiscal 2024 to ₹6,845.09 crores in Fiscal 2025. Our increase in revenue from operations was mainly because of (i) increase in retail loan book/business and (ii) increase in other operating income on account of alternative investment fund recoveries.

***Other income***

Other income increased by 232.41% from ₹66.02 crores in Fiscal 2024 to ₹219.46 crores in Fiscal 2025 primarily due to interest on income tax refund, gain on sale of property, plant and equipment and other intangible assets and write backs on old provisions/liabilities.

**Expenses**

Total expenses decreased by 2.52% from ₹8,655.38 crores in Fiscal 2024 to ₹8,436.99 crores in Fiscal 2025 for the reasons mentioned below on account of increased business activities.

***Finance costs***

Finance costs increased by 21.37% from ₹ 3,687.35 crores in Fiscal 2024 to ₹4,475.36 crores in Fiscal 2025 primarily due to increase in borrowings of the Company.

***Fees and commission expenses***

Fee and commission expenses increased by 18.15% from ₹ 18.07 crores in Fiscal 2024 to ₹ 21.35 crores in Fiscal 2025 primarily due to increase in new borrowing in Fiscal 2025.

***Net loss on fair value changes***

Net loss on fair value changes of financial instruments increased by 26.74% from ₹ 262.37 crores in Fiscal 2024 to ₹ 332.53 crores in Fiscal 2025 primarily due to fair value impact of wholesale 1.0 loan book, which is inclusive of project receivable and security receipts.

***Net loss on derecognition of financial instruments under amortised cost category***

Net loss on derecognition of financial instruments under amortised decreased by 25.29% from ₹ 3,016.19 crores in Fiscal 2024 to ₹ 2,253.30 crores in Fiscal 2025 primarily due to settlement of wholesale 1.0 loans and due to technical write off of retail/wholesale loans.

***Impairment allowances / (reversals) on financial instruments***

Impairment of financial instruments increased by 76.10% from ₹(666.32) crores in Fiscal 2024 to ₹(1,173.39) crores in Fiscal 2025 primarily due to settlement of wholesale 1.0 loans and its conversion into loss on derecognition.

***Employee benefit expense***

The employee benefit expenses increased by 19.54% from ₹1,146,40 crores in Fiscal 2024 to ₹1,370.39 crores in Fiscal 2025 primarily due to increase in employee strength along with payment of increments and bonus to the employees.

***Depreciation and amortization expenses***

Depreciation and amortization increased by 24.83% from ₹152.42 crores in Fiscal 2024 to ₹190.26 crores in Fiscal 2025 primarily due to additional retail branches and capitalisation of software.

***Other expenses***

Other expenses decreased by net 6.90% from ₹1,038.90 crores in Fiscal 2024 to ₹967.19. crores in Fiscal 2025 primarily due to increase in business activities and was offset by the reduction in CSR expenditure.

**CASH FLOWS**

The following table sets forth certain information relating to our cash flows in the periods indicated:

| Particulars | As of June 30, 2025 (*in ₹ crores*) | As of March 31, 2025 (*in ₹ crores*) | As of March 31, 2024 (*in ₹ crores*) | As of March 31, 2023 (*in ₹ crores*) |
|---|---|---|---|---|
| Net cash flows from/ (used) in operating activities | (3,538.79) | (9,771.50) | (6,430.57) | 6,723.13 |
| Net cash flows from/ (used) in investing activities | (1,390.56) | (901.30) | 70.37 | 71.57 |
| Net cash flows from/ (used) in financing activities | 3,238.96 | 12,524.97 | 6,389.24 | (9,486.62) |
| Net increase/ (decrease) in cash and cash equivalents | (1,690.39) | 1,852.17 | 29.04 | (2,691.92) |
| Cash and cash equivalents at the end of year/ period | 2,118.84 | 3,809.23 | 1,957.06 | 1,928.02 |

**INDEBTEDNESS**

As of June 30, 2025, our total indebtedness (net of cash and cash equivalents) was ₹57,686.63 crores which represented a net debt to equity ratio of 3.30 times. As of June 30, 2025, our total borrowings was ₹ 59,805.47 crores.

**CONTINGENT LIABILITIES AND OFF-BALANCE SHEET ARRANGEMENTS**

As of June 30, 2025, March 31, 2025, March 31, 2024 and March 31, 2023, our contingent liabilities that have not been provided for, were as follows:

| Particulars | As of June 30, 2025 (*in ₹ crores*) | As of March 31, 2025 (*in ₹ crores*) | As of March 31, 2024 (*in ₹ crores*) | As of March 31, 2023 (*in ₹ crores*) |
|---|---|---|---|---|
| **Claims against the group not acknowledged as debt** | | | | |
| Dues towards income tax | 503.89 | 503.89 | 82.10 | 82.10 |
| Dues towards goods and services tax | 11.51 | 9.84 | - | - |
| Claims against the group not acknowledged as debts | 11.68 | 11.82 | 8.10 | 9.59 |
| **Others** | | | | |
| Guarantees provided by bank on behalf of the group | 0.25 | 0.25 | 117.25 | 117.00 |
| Partly paid-up investment | 0.15 | 0.15 | 0.18 | 0.16 |
| Claims other than against policies. Not acknowledged as debts by the insurer | 0.03 | 0.03 | 0.08 | 0.02 |
| Statutory demands/liabilities in dispute, not provided for* | 25.60 | 23.50 | 8.53 | 6.88 |
| Statutory bonus (retrospective amendment stayed by the Karnataka and Kerala high courts) | 0.41 | 0.41 | 0.41 | 0.41 |
| Other – insurance claims in legal matters net of provision and reinsurance | 14.94 | 14.63 | 14.07 | 14.75 |

**Statutory demands and liabilities in dispute, not provided for, relate to the show cause cum demand notices/assessment orders received by the group from the respective tax authorities. The group has filed appeals against the demand notices/assessment orders with the appellate authorities and has been advised by the experts that the grounds of appeal are well supported in law in view of which the group does not expect any liability to arise in this regard.*

**RELATED PARTY TRANACTIONS**

For information relating to the Company's related party transactions, see the section titled *"Financial Statement*" on page 198.

**CHANGES IN ACCOUNTING POLICIES**

There have been no significant changes in the accounting policies of our Company, which had a material impact on us during the three months ended June 30, 2025, Fiscal 2025, Fiscal 2024 and Fiscal 2023.

**UNUSUAL OR INFREQUENT EVENTS OR TRANSACTIONS**

Except as described in Information Memorandum and transactions which are in the normal course of business, to our knowledge, there have been no unusual or infrequent events or transactions that have in the past or may in the future affect our business operations or future financial performance.

**SIGNIFICANT ECONOMIC CHANGES THAT MATERIALLY AFFECT OR ARE LIKELY**

**TO AFFECT INCOME FROM CONTINUING OPERATIONS**

Our business has been subject, and we expect it to continue to be subject, to significant economic changes that materially affect or are likely to affect income from continuing operations identified in the uncertainties described n "*Risk Factors*", on page 16 onwards.

**KNOWN TRENDS OR UNCERTAINTIES**

Our business has been affected, and we expect will continue to be affected by the uncertainties described in "*Risk Factors*" beginning on page 16. To our knowledge, except as discussed in this Information Memorandum, there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income of our Company from continuing operations.

**FUTURE RELATIONSHIP BETWEEN COST AND INCOME**

Our business has been affected, and we expect will continue to be affected by the uncertainties described in ***"****Risk Factors"* beginning on page 16. To our knowledge, except as described or anticipated in this Information Memorandum, there are no known factors which we expect will have a material adverse impact on our revenues or income from continuing operations.

**NEW PRODUCTS OR BUSINESS SEGMENTS**

To our knowledge, except as described or anticipated in this Information Memorandum, there are no known factors which we expect will have a material adverse impact on our revenues or income from continuing operations.

**COMPETITIVE CONDITIONS**

We operate in a competitive environment and expect competitive conditions in our industry to further intensify as new entrants emerge and as existing competitors seek to emulate our business model and offer similar products. See "*Risk Factors*", "*Industry Overview"* and "*Our Business*" and on pages 16, 49 and 116, respectively, for further details on competitive conditions that we face across our various business segments.

**SIGNIFICANT DEPENDENCE ON SINGLE OR FEW CUSTOMERS/SUPPLIERS**

We do not have any material dependence on a single or few suppliers. We have a wide customer base and do not have any material dependence on any particular customer.

**SEASONALITY/ CYCLICALITY OF BUSINESS**

Our business is subject to seasonal variations, which include the holidays, festivals and wedding season in India. Seasonality can be expected to cause quarterly fluctuations in our revenues, profitability and margins.

**SIGNIFICANT DEVELOPMENTS AFTER JUNE 30, 2025, THAT MAY AFFECT OUR FUTURE RESUTS OF OPERATIONS**

Except as set out elsewhere in this Information Memorandum document, to our knowledge, no circumstances have arisen since June 30, 2025 which have materially or adversely affected or are likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 months.

## SECTION VII - LEGAL AND OTHER INFORMATION

## OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

*Except as disclosed in this section, there are no outstanding (i) criminal proceedings involving our Company, Subsidiaries, Directors or Promoter (collectively, "**Relevant Parties**"), Key Managerial Personnel and Senior Management; (ii) actions taken by regulatory or statutory authorities (including any outstanding disciplinary actions, penalties, show cause notices imposing a penalty) against the Relevant Parties, Key Managerial Personnel and Senior Management; (iii) disciplinary actions including penalties imposed by SEBI or Stock Exchanges against the Promoter in the last five financial years from the date of this Information Memorandum including outstanding actions, (iv) claims related to direct and indirect taxes (disclosed in a consolidated manner giving the total number of claims and the total amounts involved) against Relevant Parties; and (v) other pending litigation (including civil or arbitration proceedings) as determined to be material pursuant to the Materiality Policy (as defined below). Further, except as disclosed in this section, there are no outstanding litigations involving our Group Companies that may have a material impact on the Company.*

*For the purpose of (v) above, the Company has defined the criteria under the Materiality Policy on disclosures under SEBI ICDR Regulations read with SEBI Listing Regulations for the identification of other material outstanding litigation involving Relevant Parties ("**Materiality Policy**") pursuant to resolution passed by the Committee of Directors (Administration, Authorisation & Finance) ('**Committee'**) of our Board dated September 25, 2025. In accordance with the Materiality Policy, all pending litigations (other than litigations mentioned in points (i) to (iv) above) involving the Relevant Parties would be considered 'material', if the aggregate monetary claim made by or against the Relevant Parties, in any such pending litigation is equal to or in excess of the lower of the following:*

*(a) two percent of turnover, as per the latest annual consolidated financial statements of the issuer; or*
*(b) two percent of net worth, as per the latest annual consolidated financial statements of the issuer, except in case the arithmetic value of the net worth is negative; or*
*(c) five percent of the average of absolute value of profit or loss after tax, as per the last three annual consolidated financial statements of the issuer.*

*Accordingly, five percent of the average of absolute value of the loss after tax, for the last three financial years as per the Audited Financial Information is ₹156.39 crore. Further, all pending litigations involving any of the Relevant Parties, where the quantitative amount involved in such pending litigation cannot be ascertained or is not quantifiable but the outcome of such litigation, could have a material impact on the financial position, business, operations in the opinion of the Company.*

*For the purposes of the above, pre-litigation notices received by the Relevant Parties, Key Managerial Personnel and members of Senior Management from third parties (excluding those notices issued by judicial, statutory or regulatory or taxation authorities) shall, unless otherwise decided by our Board, not be considered as material until such time the Relevant Party is impleaded as a party in proceedings before any judicial or arbitral forum.*

*Further, in accordance with the Materiality Policy, our Company has considered such creditors to be 'material', to whom the amount due is equal to or in excess of 5% of the consolidated trade payables of our Company as of June 30, 2025. The consolidated trade payables of our Company as on June 30, 2025, is ₹ 392.69 crore. Accordingly, a creditor has been considered 'material' if the amount due to such creditor individually exceeds ₹ 19.63 crore as of June 30, 2025.*

*Pursuant to the amalgamation of Piramal Enterprises Limited with our Company, in accordance with the Scheme, certain litigation proceedings involving Piramal Enterprises Limited have been transferred to our Company. For further information, see "Scheme of Arrangement" on page 166 of this Information Memorandum.*

### Litigations involving the Company

#### *Criminal proceedings against the Company*

1. Ashok Kumar Lakhotia and Aditya Vikram Lakhotia (the "**Complainants**") availed a non-housing home loan (the "**Housing Loan**") from our Company. The Complainants alleged that our Company had fraudulently classified a closed loan account as a non-performing asset and withheld the original documents in relation to the one-time settlement of the outstanding loan amount with the intention of cheating, misappropriation and fraud upon the Complainants. Thereafter, the Complainants filed a complaint ("**Complaint 1**") before the court of the Chief Metropolitan Magistrate, Kolkata ("**Chief Metropolitan Court**") under Section 420, 406, 468, 477, 477A and 120B of the erstwhile IPC against our Company. The Complainants also filed a criminal case ("**Complaint 2**") before the Chief Metropolitan Court alleging offences under Section 500 of the erstwhile IPC read with Section 200 of the erstwhile CrPC. The Complaint 1 has been quashed against the directors of our Company namely, Jairam Sridharan and Anand A Piramal ("**Directors**") vide order dated January 18, 2023, passed by the High Court of Calcutta and is pending against our Company and certain other representatives of the Company. The Complaint 2 has been challenged by filing two quashing petitions ("**Quashing Petitions**") by the Directors,

and a stay has been granted by the High Court of Calcutta for the Quashing Petitions while the proceedings against our Company and certain other representatives of the Company continue to be pending.

2. Our Company had sanctioned a loan amount of ₹ 9 lakh to Amita Devi to purchase an immovable property. Thereafter, Amita Devi issued a letter to our Company requesting the cancellation of the sanctioned loan. A sale deed dated September 13, 2018 (the "**Sale deed**") was executed between Natthi Devi as the seller, in favour of the Amita Devi, as the purchaser for the purchase of the immovable property. However, when Natthi Devi presented the cheque issued by Amita Devi, the cheque was dishonored. Natthi Devi filed complaint before the Chief Magistrate at Metropolitan Court, Rohini Court in New Delhi against our Company as accused number 1 ("**Accused no. 1**") and Kuldeep Sharma, branch manager as accused number 2 ("**Accused no. 2**") in relation to the dishonour of the cheque. The Accused no. 1 and Accused no. 2 were alleged to be liable under Section 138 to 142 of the Negotiable Instruments Act, 1881 (the "**NI Act**") and Section 118 of the NI Act in relation to the cheque issued in favour of Natthi Devi. The matter is currently pending.

3. Pushpa Tripathi purchased a property from Natraj Project Developers Private Limited ("**Natraj Project Developers**") for an amount of ₹ 22 lakh and made a payment in cash of an amount of ₹ 2 lakh. Our Company had sanctioned and disbursed a loan amount of ₹ 16 lakh to Pushpa Tripathi for the purchase of an immovable property form Natraj Project Developers. However, Natraj Project Developers failed to hand over the physical possession of the property on the pretext that the handover will be completed on receipt of the balance amount of ₹ 5 lakh. Our Company had kept the original sale deed in their possession and after completion of documentation, deducted EMI's from Pushpa Tripathi's salary. Pursuant to this, Pushpa Tripathi filed a written complaint at the police station for registration of a first information report ("**FIR**") against our Company, Natraj Project Developers and the real estate agent. Since no action was taken for registration of the FIR, Pushpa Tripathi filed a complaint under Section 200 of the CrPC and an application under Section 156(3) of the CRPC ("**Application**"). The Trial Court vide the order dated September 12, 2022 ("**Impugned Order**") dismissed the Application filed by Pushpa Tripathi. Thereafter, a criminal revision petition was filed by Pushpa Tripathi before the District and Session Judge, (Shahdara District) Karkardooma Courts, Delhi against our Company to set aside the Impugned Order. The matter is currently pending.

4. Our Company had sanctioned a loan amount of ₹ 24.58 crore to Ashima Chopra and her husband Girish Chopra (the "**Complainants**") to purchase three properties. The properties were sold, and possessions were handed over to the Complainants. Thereafter, the Complainants found that certain of these properties were already mortgaged with our Company. Pursuant to this, four different first information reports ("**FIR**") were registered by the Complainants before Chief Metropolitan Magistrate, Saket Court, New Delhi ("**CMM Court**") against our Company. Further, the Complainants registered criminal cases against our Company. The Complaints also filed criminal revision petition which have been disposed off vide order dated May 17, 2022, issued by the CMM Court and the CMM Court has been directed to pass a fresh order for the purpose of deciding whether our Company should be summoned. Our Company has preferred two criminal miscellaneous petitions under Section 482 of Cr. PC before the Delhi High Court against the order passed by revision court. The matter is currently pending.

5. Lovel Jain and Sanjay Sahni, on behalf of a society, Techomes Flat Buyers Association ("**Complainant Society**") filed a first information report against M/s Shubhkamna Buildtech Private Limited ("**Shubhkamna Buildtech**"), Diwakar Sharma and Piyush Tiwari, the directors ("**Accused Directors**") ( collectively known as the "**Accused**") on behalf of their members, under Section 34, 406, 409, 417 420, 409 and 120B of the IPC before the Economic Offences Wing, New Delhi. Shubhkamna Buildtech announced and publicised their project by stating that Shubhkamna Buildtech has planned and is proposing to construct some apartments in a project called 'shubhkamna-advert techomes' ("**Shubhkamna Project**"). Thereafter, on the promises and representations made by the Accused Directors, the members of the Complainant Society had booked the property in the Shubhkamna Project and made the full or substantial payment towards sale consideration of their respective flats. However, it came to the knowledge of the members of the Complainant Society that after receiving nearly 95% of the total sale consideration of the apartments, Shubhkamna Buildtech had allegedly, fraudulently and intentionally stopped construction on the site. Thereafter, the members of the Complainant Society, filed a criminal case against our Company with the Chief Metropolitan Magistrate (District) Karkardooma Courts, Delhi, in the capacity that we had extended project and retail loan to Shubhkamna Buildtech. Our Company has filed a discharge application. The matter is currently pending.

6. Our Company sanctioned a loan of ₹ 10 lakhs to Aseem Raj George, the complainant, which was disbursed to the Ikon Dwelling India Private Limited ("**Ikon Dwelling"**). Aseem Raj George repaid the loan installments through cheques. Thereafter, on completion of the project, Aseem Raj George issued a legal notice to Ikon Dwelling to register the sale deed and transfer possession in favour of Aseem Raj George. Thereafter, it came to the knowledge of Aseem Raj George that the property was sold to our Company in September 2017 and approached the police station at Kolar, Bhopal, Madhya Pradesh to make a written complaint but no action cognizance was taken against Ikon Dwelling. Therefore, Aseem Raj George filed a petition under Section 482 of the CrPC before the High Court of Madhya Pradesh for registration of first information report in the police station at Kolar, Bhopal, Madhya Pradesh and an interlocutory application before the High Court of Madhya Pradesh taking documents on record. The matter is currently pending.

7. Sunil Kosta and Prashant Thakre, each filed a petition before the High Court of Madhya Pradesh under Section 482 and 407 of the CrPC against our Company for quashing the first information report filed by us under Section 420, 467, 468, 471 and 34 of the IPC that was registered by the police station, Madan Mahal, Jabalpur. Our Company had sanctioned loans to eight borrowers, and on enquiry it was discovered that some of the borrowers, including Sunil Kosta and Prashant Thakre, had fraudulently obtained loans from our Company by submitting forged and fabricated documents and had committed default in the payment of installments for the repayment of the loans. These matters are currently pending.

8. A first information report was filed by Madhu Gupta and her husband, Sanjeev Gupta (now deceased) ("**Borrowers**") against our Company in relation to offences under Sections 420, 467, 468, 471 and 120B of the IPC registered at the police station, Dehradun, Uttarakhand. An order dated February 1, 2021, was passed in relation to no coercive action to be taken against our Company. Our Company filed a criminal writ petition ("**Petition**") before the High Court of Uttarakhand to quash the notice dated February 19, 2021, under Section 91 of the CrPC issued to us. The Borrowers filed the FIR under Section 156(3) of the CRPC alleging that the signature of the late Sanjeev Gupta, her husband, had been forged by us and fraudulently showed him to be alive in 2019 by submitting the cheque for encashment. Thereafter, the Chief Judicial Magistrate vide order dated March 17, 2020, accepted the allegations and the Complaint was filed by Madhu Gupta. The Borrowers committed default on the repayment of the loan amount sanctioned by our Company and proceedings under the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 were initiated against the Borrowers. The matter is currently pending.

9. Partha Banik, who was a former employee of our Company filed complaint against our Company and some employees of our Kolkata branch for an offence punishable under Section 406, 420, 120-B of erstwhile IPC. The trial court vide order dated November 28, 2022, summoned our Company and other representatives of company. Our Company filed a quashing petition against the summoning order before the Kolkata high court. The High court Vide order dated June 12, 2023 stayed the trial court proceedings and matter is currently pending before the High Court.

10. A first information report ("**FIR**") was filed by Gokulam Shelters Private Limited against Mantri Developers Private Limited, our Company, Ajay G. Piramal and others, before the 4th Additional Metropolitan Magistrate Court, Bangalore on May 17, 2023, under Sections 34, 120-B, 418, 421, 406,409, 420, 477A, and 417 of the IPC, in relation to a real estate project being developed by Mantri Developers Private Limited with the Company acting as one of the lenders for the aforementioned real estate project. Thereafter, two writ petitions were filed by Ajay G. Piramal, respectively, seeking *inter alia* to quash the aforementioned FIR before the High Court of Karnataka ("**High Court**"). The proceedings pursuant to the FIR have been stayed in respect of Ajay G. Piramal by way of order dated June 3, 2024, and July 1, 2024, passed by the High Court. The matter is currently pending.

11. Our Company sanctioned a project loan of an amount of ₹ 30 crore ("**Project Loan**") to Banashree Shelters Private Limited ("**Banashree**") to fund a project and security documents were executed as security against the repayment of the Project Loan. However, Banashree committed default in repayment of the installments of the Project Loan, and the loan account was classified as a non-performing asset by us. A first information ("**FIR**") dated August 3, 2024 was filed by the Sampangi Ramareddy ("**Complainant**") against our Company and others with a prayer to register the matter under 156(3) of the CrPC and register a case against us and others under 405, 415, 418 read with Section 34 of CRPC. The representation dated September 6, 2024, has been submitted to the Anekal Police Station on behalf of our Company and a petition dated October 14, 2024, has been filed to quash the FIR before the Karnataka High Court. The Karnataka High Court vide order dated November 7, 2024, had *inter alia* granted a stay of the implementation and operation of the FIR against our Company. The matter is currently pending.

12. Sunil Singh Yadav ("**Complainant**") filed a first information report ("**FIR**") against Our Company in the police station at Sushant Golf City, Lucknow. The Complainant had availed a housing loan of ₹ 13 lakh from our Company to purchase a plot of land. Thereafter, on registration of the land, it came to the knowledge of the Complainant, that forged land has been registered for him, and he therefore, alleged that the seller did not have any title for the land and alleged that there is collusion between the seller of the land and our Company. The matter is currently pending.

13. A first information report ("**FIR**") was filed by Parvati Singh, wife of Tej Singh ("**Complainant**"), under Section 318(4) of the BNSS in Mandawali Police Station, East District, New Delhi against (i) Surender Kumar Sharma; (ii) Gaurav Sharma; (iii) Meena Sharma; (iv) Jai Ambey Buildmart Private Limited; (v) JM Financial Asset Reconstruction Company Limited ("**JM Financial**"), (vi) Our Company for the common grievance of several aggrieved parties in relation to a multi-storeyed building ("**Said Property**"). The Complainant purchased the flat in the Said Property from Surender Kumar Sharma and Meena Sharma ("**Builders**"), who are directors of Jai Ambey Buildmart Private Limited. Thereafter, on December 18, 2023, it came to the knowledge of the Complainant and the several aggrieved parties through the notice of JM Financial and our Company that there was pre-existing loan of ₹ 200 milliion against the Said Property which was obtained by the Builders. However, Builder assured the Complainant that they will settle the loan and obtain a no-objection certificate from our Company and JM Financial. However, the Builder did not take any action for several months and thereafter, the Complainant filed a criminal complaint in the Mandawali Police Station and the Chief Judicial Magistrate Court (East) passed an order dated July 31, 2024 ("**Possession Order**"), and appointed court receiver to get the physical possession of the Said Property on the instructions of our company and JM Financial despite having the knowledge that

the Said Property has inhabitants in the flats. Thereafter, the Complainant and the other aggrieved parties filed a writ petition before the Debts Recovery Tribunals seeking quashing of the Possession Order. Therefore, in furtherance of alleged common intension to defraud and cheat the Complainant and other aggrieved parties by selling the flats in the Said Property for the wrongful loss of the Complainant and other aggrieved parties and the matter is pending for adjudication.

14. Smt. Dhanwati ("**Borrower**") and Manish Kaushik ("**Co-Borrower**") filed a police complaint before the police station, Rani Bagh, New Delhi, against our officials. Our Company had sanctioned a loan of ₹ 62 lakh to the Borrower and at the time of disbursing the loan amount, they submitted seven cheques in favour of us as electronic clearing service ("**ECS**"). However, except for three cheques, the remaining cheques that were submitted, were not utilised by our Company. The Co-Borrower alleged that no cheque had bounced in the ECS, but our Company added an ECS bounced amount in the loan account. The Borrower's account was classified as a non-performing asset on alleged default in the payment of the equal monthly installments ("**EMI**") and our Company also deducted an amount of ₹ 2 lakh on the pretext of false and fake life insurance of the Borrower. The complaint was rejected by the police station and denied lodging of the FIR. Subsequently, the Co-Borrower and the Borrower filed a criminal complaint under Section 175(3)(4) of BNSS Act against our Company before Chief Judicial Magistrate, North-West District, Rohini and the matter is going to be listed for filing ATR by SHO of PS Rani Bagh. The Co-Borrower then filed a writ petition before the Hon'ble Delhi High Court against our Company and challenged the order passed by Debt Recovery Appellate Tribunal, Delhi. The Hon'ble Delhi High Court passed an order dated April 21, 2025 to pay the total dues to our Company and directed us to de-seal the property. As per the direction of the Hon'ble Delhi High Court *inter alia* directed us to de-seal the property. As per consent/ submission between both the parties before the Hon'ble Court, it is agreed to de-seal the property post clearance of cheque of ₹ 23 lakh and receivable of ₹ 17 lakh. The matter is still pending for listing before the Judicial Magistrate First Class, North-West District, Rohini.

15. Satish Kumar, the developer of Suncity Project Limited aggrieved by the actions of JM Financial Asset Reconstruction Company ("**JMFARC**") filed an application under Sections 379 and 229 of IPC against directors of the JMFARC, the authorised officer, and the directors of our Company including Anand A Piramal, Jairam Sridharan, Gautam Bhailal Doshi, Suhail Amin Nathani, Kunal Bahl, since we had provided financial assistance to their initial project, alleging that the affidavit filed in the Section 14 application was not dated. However, the notarized affidavit clearly bears a notary date, disproving the claim and the matter is still pending before the court for hearing. The magistrate court had served summons to JMFARC, but the Court has not yet served summons to our Company or Directors of our Company. The matter is currently pending before the Debt Recovery Tribunal.

16. A criminal revision petition has been filed by one Ajay Kumar, one of our ex-borrowers before the District Session Judge, Muzaffarnagar, Uttar Pradesh, under the provisions of CrPC. against the officials of our Company. As on date we have received summons in the case but have not received the copy of petition.

17. A criminal miscellaneous petition ("**Revision Petition**") has been filed by one Liyakat ("**Complainant**"), before the Additional District Judge, Bikaner ("**Court**") under Sections 316 and 319 of BNSS, alleging that Asgar Ali, one of our borrowers, in collusion with our employee, fraudulently induced Complainant's mother-in-law to execute a registration of a property without providing her any consideration, and subsequently obtained a home loan from our Company. Our employee has been named as an accused in both the FIR and the Revision Petition. The investigating officer has submitted a report to close the investigation to the court. Complainant had filed a Revision Petition challenging the report, subsequently the Court has quashed the Revision Petition. The Complainant has filed an appeal against the order. The matter is currently pending

As on the date of this Information Memorandum, the following are the pending criminal proceedings which have been instituted against our Transferor Company:

1. Piramal Enterprises Limited has received seven criminal complaints under the provisions of Drugs and Cosmetics Act, 1940, erstwhile IPC and CrPC in relation to the quality, licensing and disclosure requirements for manufacturing, sale and supply of certain pharma products. These matters are currently pending at different stages of adjudication before the various judicial fora.

2. B.V. Bhadra Girish, engineer in the Telangana State Pollution Control Board filed a criminal complaint ("**Complaint**") before the Court of Judicial First Class Magistrate at Zaheerabad alleging offences under Section 23 and 43 of the Water (Prevention and Control of Pollution) Act, 1974 and Section 19 of the Environment (Protection) Act, 1986 against Piramal Enterprises Limited. The Complaint has been filed on the ground of contamination of ground water affecting crops and the health of human beings and livestock. The matter is currently pending.

3. An FIR was filed against Piramal Group of Industries was filed under section 415,420,465,468,469,470,471,120 of IPC which are related to cheating and forgery. Piramal Enterprises Limited filed a writ petition with High Court of Bombay ("**Court**"). The Court vide its order dated June 11, 2021, granted a stay against any action to be taken by any authority on the basis of the complaint filed. The matter is currently pending against Piramal Enterprises Limited

***Criminal proceedings by the Company***

1. Our Company filed a special leave petition on February 4, 2023 ("**Petition**") before the Supreme Court of India challenging the order dated August 4, 2022, passed by the Delhi High Court. Through the order dated August 4, 2022, the Delhi High Court refused to quash the first information report ("**FIR**") dated June 20, 2022 registered by the Central Bureau of Investigation, AC-VI, New Delhi ("**CBI**") which was filed due to an alleged erroneous reading of Section 32A of the Insolvency and Bankruptcy Code, 2016 ("**IBC**"). The Petition questions whether Section 32A of the IBC forbids the subsistence of a first information report and continuation of the resultant criminal proceedings against the resolved corporate debtor after successful completion of the corporate insolvency proceedings ("**CIRP**") under the IBC for offences allegedly committed by the prior management prior to initiation of CIRP. The matter is pending for final hearing before the Supreme Court of India.

2. Our Company had sanctioned and disbursed a loan to Vishal Vasudev Patel, proprietor of Shiv Trading Co. Thereafter, a cheque that was issued by Vishal Vasudev Patel for the settlement of loan amount of ₹ 5.5 crore on behalf of our Company. However, when the cheque was presented by our Company for encashment, it was returned unpaid due to insufficiency of funds. Thereafter, our Company issued a legal demand notice dated December 17, 2020, to Vishal Vasudev Patel but the cheque was still unpaid within 15 days of issuing the notice and therefore the cheque was dishonoured. Thereafter, our Company filed a criminal complaint before the Judicial Magistrate First Class, District Court, Gurugram against Vishal Vasudev Patel under Section 138 and 142 of the Negotiable Instruments Act, 1881. Thereafter, Vishal Vasudev Patel filed a criminal miscellaneous petition before the High Court of Punjab and Haryana at Chandigarh ("**High Court**") against our Company seeking quashing of case along with subsequent proceedings including an order dated February 15, 2021, before the Judicial Chief Magistrate Court, Gurugram as Vishal Vasudev Patel had submitted three security cheques with our Company and the entire loan amount was transferred to the developers of Avenue 54 for construction of a housing project. However, the developer was declared insolvent, and the construction was stopped. Thereafter, the High Court of Bombay restrained our Company from recovering any loan amount from Vishal Vasudev Patel. However, our Company continued the compliant for the recovery of the loan amount under Section 138 of the Negotiable Instruments Act, 1881. The matter is currently pending before the High Court.

3. Our Company had sanctioned and disbursed a loan to a Modular Constructions, borrower. Thereafter, a cheque that was issued by the borrower for the settlement of loan amount of ₹ 3.96 crore on behalf of our Company. However, when the cheque was presented by our Company for encashment, it was returned unpaid due to insufficiency of funds. The Company filed a criminal complaint under Section 138 and 142 of the Negotiable Instruments Act, 1881 for recovery of amounts on account of dishonored cheques issued by the borrower. The matter is currently ongoing.

4. Our Company filed a complaint dated September 6, 2022, against Sahajanad Buildcon Private Limited ("**SBPL**"), amongst others, (together, the "**Shreeji Group**") for offences under Section 403, 406, 420, 468 read with Section 120B and 34 of the IPC. The promoters of SBPL allegedly committed default in repayment of loan installments and our Company issued notices to the promotes of SBPL for repayment under Section 13(2) of the Securitization and Reconstruction of Financial Assets, 2002 and it came to the notice of the Company that the flats that were mortgaged were allegedly sold to buyers without their knowledge. The matter is currently pending.

5. Our Company filed a police complaint to register a first information report ("**FIR**") against the Maruti Courier Services Private Limited ("**Maruti Courier Services**") along with the directors and an employee of Maruti Courier Services to seek damages in relation to loss of documents by Maruti Courier Services. The local police refused to register the FIR and consequently, our Company filed a criminal complaint before the Court of Chief Judicial Magistrate, Ratlam under Section 190 of the CrPC for alleged offences under Sections 426, 425 and 120B of the IPC. The matter is currently pending.

6. A criminal complaint was filed by our Company before the Economic Offences Wing, Pune ("**EOW**") under Sections 403, 406, 419, 420, 468 read with Section 120B and 34 of the IPC against M/s. Modular Constructions ("**Borrower**") and its partners/ personal guarantors. The Borrower sanctioned a project loan of ₹ 30 crore ("**Project Loan**") from our Company for development of one of their residential projects at Pune, Maharashtra known as 'Galaxy One' ("**Modular Project**") and allegedly committed default on the repayment obligations and violated the terms and conditions of the loan agreement. Upon enquiry, it came to the notice of our Company that several units have been sold in the Modular Project without obtaining the no-objection consent from us and the Borrowers have not deposited the amounts received in the escrow account as required. Thereafter, the EOW issued a letter dated January 17, 2024, to our Company acknowledging the criminal complaint and asking our Company to send a representative with documents for their enquiry. The matter is currently pending further investigation.

7. Our Company filed a criminal writ petition ("**Writ Petition**") before the High Court of Bombay, against the (i) Directorate of Enforcement. Mumbai ("**ED**"); (ii) The Competent Authority and Administrator ("**Competent Authority**") under the Smugglers And Foreign Exchange Manipulators (Forfeiture Of Property) Act, 1976 ("**SAFEMA**"); and (iii) Sunblink Real Estate Private Limited ("**Sunblink**") in relation to an order dated September 14, 2020 ("**AA Order**") passed by the Learned Adjudicating Authority (under the Prevention of Money Laundering Act, 2002) and an order dated November 9, 2020 ("**SAFEMA Order**") passed by the Competent Authority under SAFEMA and the Narcotics Drugs and Psychotropic Substances Act, 1985 ("**NDPS Act**"). The AA Order and the SAFEMA Order were passed on basis of investigations conducted by the ED. Our Company challenged the AA Order and the SAFEMA Order by way of appeals before the

Prevention of Money Laundering Appellate Tribunal. The Writ Petition, and the appeals are currently pending. One of the two appeals has been disposed of on November 27, 2024, with a direction to ED to return the documents not forming part of the proceedings. A letter has been issued to the ED seeking compliance of such order. The matter is currently pending investigation and legal proceedings.

8. Our Company filed a writ petition against Directorate of Enforcement, Bengaluru ("**ED**"), before the Court of Judicature at Bombay, Civil Appellate Jurisdiction ("**Court**") seeking to exercise its powers under Articles 226 and 227 of the Constitution of India read with Section 482 of the CrPC, to quash and set aside the order dated August 11, 2022 issued under Section 5(1) of the Prevention of Money Laundering Act, 2002 by the Deputy Director of ED ("**Impugned PAO**"). It was alleged by way of the writ petition that the Impugned PAO wrongly attached units in two projects Mantri Serenity ("**Serenity Project**") and Mantri Energia ("**Energia Project**") being developed by Sushil Mantri, i.e. the promoter of Mantri Developers Private Limited ("**MDPL**") through Castles Vista Private Limited ("**Castles Vista**") and Buoyant Technology Constellations Private Limited ("**Buoyant Technology**"), respectively, at Bengaluru (Sushil Mantri, Castles Vista, Buoyant Technology and MDPL are collectively referred to as "**Mantri Group**"). Our Company sanctioned two loans to MDPL and Buoyant Technology, respectively for the Energia Project and sanctioned a loan to Castle Vista for the Serenity Project and the parties entered into an escrow agreement appointing HDFC Bank Limited as an escrow bank. The writ petition was filed by our Company alleging that the ED has wrongly attached their beneficial interest in Serenity Project and Energia Project and it severely prejudices their bonafide interest as a lender. The Order was quashed pursuant to an order passed by the High Court of Bombay dated April 20, 2023. The matter is currently pending.

9. A complaint has been filed by our Company under Sections 403, 406, 417, 418, 420, 426, 465, 468, and 471 of the IPC on January 10, 2023 against Pitchaimani G, who was formerly employed with our Company at its Rajapayalam branch office, Chennai, for allegedly misappropriating amounts paid by our borrowers to different accounts and presenting fake cheques against the accounts of the borrowers who had been repaying their respective loan amounts in cash. The matter is pending for investigation.

10. Our Company filed a criminal complaint against our employee, Tahar Singh Verma ("**Accused**") before the police station, Itarasi alleging that the Accused has embezzled a significant sum of money from the borrower of the Company and misused the funds for personal gain. The matter is currently pending investigation and legal proceedings.

11. Our Company filed a petition before the Chief Judicial Magistrate, Lucknow against its former employees, Ravi Shankar Yadav, officer of accounts and Satish Verma, office boy who misappropriated the cash collected by them which was deposited by the borrowers against their EMIs in relation to the application u/s 156(3) of the CrPC. The file in relation to this matter is untraceable in court and the matter is currently pending.

12. Our Company, in the ordinary course of its business, has filed 11 criminal complaints in relation to criminal misappropriation and breach of trust with the relevant courts of jurisdiction against various persons under Section 405, 415 and 120A of the IPC and Sections 316, 318, 61 and 3(5) of Bhartiya Nyaya Sanhita, 2023 ("**Criminal Complaints**"). These Criminal Complaints are *inter alia* pursuant to fraudulently selling or shifting to unknown location the vehicles, property or other collateral to third party that were hypothecated or mortgaged with our Company as collateral for availing the financial assistance without foreclosure of the ongoing loan availed from our Company and the borrowers defaulted on repayments. An investigation revealed that the borrowers had fraudulently sold the vehicles, property or other collateral to third party that were hypothecated or mortgaged with our Company as collateral for availing the financial assistance from our Company. Our Company, through the aforesaid Criminal Complaints, has sought for investigations, inter alia, for the offences of criminal breach of trust, fraud and cheating. These Criminal Complaints are currently pending at different stages of adjudication before the various judicial fora.

13. Our Company, in the ordinary course of its business, has filed about 131 criminal complaints with the relevant Magistrates against various persons under provisions of the 406, 408, 409, 417, 420, 465, 467, 468, 471 read with Sections 34 and 120B of the IPC ("**Criminal Complaints**"). These cases are inter alia pursuant to fraudulently obtaining loans by: (a) submitting forged and fabricated documents; (b) concealing material facts; (c) impersonating as owners of the collateral property; (d) opening a forged bank account to encash the sanctioned amount; and (e) depositing fake or forged KYC documents. Our Company, through the aforesaid Criminal Complaints, has sought for investigations, *inter alia*, for the offences of criminal misappropriation of property, cheating, breach of trust, forgery of security, forging of documents which are punishable under the IPC. These Criminal Complaints are currently pending at different stages of adjudication before the various judicial for a.

14. Our Company filed a criminal complaint under Section 316, 318, 61 and 3(5) of Bhartiya Nyaya Sanhita, 2023 of BNSS before the Economic Offence Wing, New Delhi ("**EOW**") for the offence of criminal breach of trust, cheating, forgery, criminal conspiracy against Kapish Infolinks Private Limited along with its directors ("**Borrowers**") who availed a loan from our Company and created equitable mortgage in respect of a property and deposited the original title deeds with our Company ("**Secured Assets**"). However, the Borrowers began to commit defaults in the repayment of the equitable monthly installments ("**EMI**") for the loan to the Company. The Company issued a notice to the Borrowers dated July 23,

2024, under section 13(2) of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 for payment of the outstanding amount. The matter is currently pending.

15. Our Company initiated about 5932 criminal complaints with an objective of expediting recovery proceedings before various courts across various jurisdictions in relation to defaults in both secured and unsecured products. These private complaints have been filed under relevant provisions of the BNSS 2023 and the erstwhile IPC. These are summary trail proceedings where the Court which takes cognizance of the matter shall issue summons and in the event of the accused not appearing before the Court a bailable warrant is issued seeking presence of the accused. The cases are currently in various stages of adjudication before the judicial fora. The aggregate amount involved in these matters stands at approximately ₹ 1768.33 crore.

As on the date of this Information Memorandum, the following are the pending criminal proceedings which have been instituted by Transferor Company:

1. Piramal Enterprises Limited has, in the ordinary course of its business, has filed five criminal complaints with the relevant courts of jurisdiction against various persons under the provisions of the IPC and BNSS ("**Criminal Complaints**"). These cases are inter alia pursuant to recovery of monies owned to Piramal Enterprises Limited. The Criminal Complaints are currently pending at different stages of adjudication before the various judicial fora.

2. Piramal Enterprises Limited has, in the ordinary course of its business, filed 134 complaints against various persons under Section 138 of the Negotiable Instruments Act, 1881 in relation to dishonour of cheques and recovery of dues. These matters are currently pending at different stages of adjudication before the various judicial fora. To the extent quantifiable, the aggregate amount involved in these matters is ₹ 590.83 crore.

***Material civil proceedings against the Company***

1. As part of the corporate insolvency resolution process ("**CIRP**") against Dewan Housing Finance Corporation Limited ("**DHFL**") before the National Company Law Tribunal ("**NCLT**"), the administrator for the CIRP ("**Administrator**"), pursued certain matters under Section 43, 45, 47, 49 and 50 of the Insolvency and Bankruptcy Code, 2016 ("**IBC**") (such matters shall be referred to as the "**Avoidance Transactions**"). Upon completion of the CIRP and approval of the resolution plan dated December 22, 2020 (the "**Resolution Plan**"), the Administrator submitted details in relation to the Avoidance Transactions to the committee of creditors ("**CoC**"). As part of the Resolution Plan, our Company undertook to pursue, on a best-efforts basis, the applications filed by the Administrator for the Avoidance Transactions. However, any monetary amount ("**Allocated Amount**") received by our Company as a result of the orders passed by the NCLT in relation to such Avoidance Transactions will be distributed to the financial creditors, allocated pro rata to the extent of their financial debt, and the Allocated Amount will be net of costs and expenses (including taxes). However, the CoC may in its discretion adopt a different manner of distribution (which may take into account the order of priority amongst the financial creditors as laid down in section 53(1) of the IBC. Certain avoidance applications have also been filed by the Administrator against the erstwhile promoters of DHFL under Section 66 of the IBC and other applicable provisions of the IBC in connection with fraudulent transactions ("**Section 66 Matters**"). Pursuant to the Resolution Plan and by the order passed by the NCLT on February 9, 2023, the Administrator has been substituted by our Company to pursue such applications. Any claim from any counterparty of the Section 66 Matters arising in the future due to reversal of any such transactions avoided or set aside by NCLT would accrue to the sole benefit of our Company. All the costs and expenses incurred or to be incurred towards litigation pertaining to the Section 66 Matters shall be to the account of our Company. A list of the Avoidance Matters and Section 66 Matters in which PCHFL, is involved is as follow:

    (i) PCHFL v. Kapil Wadhawan and others, IA No. 328 of 2021 (IA 328 of 2021);

    (ii) PCHFL v. Kapil Wadhawan and others, IA No. 338 of 2021 (IA 338 of 2021);

    (iii) PCHFL v. Kapil Wadhawan and others, IA No. 1912 of 2020 (IA 1912 of 2020);

    (iv) PCHFL v. Kapil Wadhawan and others, IA No. 2524 of 2020 (IA 2524 of 2020);

    (v) PCHFL v. Kapil Wadhawan and others, IA No. 1639 of 2020 (IA 1639 of 2021);

    (vi) PCHFL v. Kapil Wadhawan and others, IA No. 257 of 2021 (IA 257 of 2021);

    (vii) PCHFL v. Kapil Wadhawan and others, IA No. 2523 of 2020 (IA 2523 of 2020);

    (viii) PCHFL v. Bank of Baroda and others, IA No. 721 of 2021 (IA 721 of 2021);

    (ix) PCHFL v. Kapil Wadhawan and others, IA No. 2526 of 2020 (IA 2526 of 2020); and

(x) PCHFL v. Nippon Life India Asset Management Limited and others, I.A No. 713 of 2021 (IA 713 of 2021).

Additionally, there are some other ancillary applications also filed in relation to the aforementioned Avoidance Transactions and the Section 66 Matters. Such matters are currently pending. Further, certain appeals were also filed by third parties (including the erstwhile promoters of DHFL) before the Supreme Court appealing against certain provisions of the Resolution Plan, including but not limited to the Resolution Plan being sent back to the CoC for its reconsideration, distribution mechanism and the confidentiality of the Resolution Plan. By its judgement dated April 1, 2025, the Supreme Court has dismissed all such appeals against the Resolution Plan and has upheld the NCLT approved Resolution Plan without any modifications.

2. Pursuant to the 2021 Reverse Merger, our Company from time to time has received notices from regulatory and investigative authorities seeking information in connection with the activities conducted by the erstwhile management of Dewan Housing Finance Corporation Limited ("**DHFL**"). Our Company responds to such notices basis the availability of information. Further, our Company is also impleaded in certain matters by third parties in relation to recovery of loans, money laundering, consumer matters, non-disbursal of loans, in connection with activities conducted by the erstwhile management of DHFL before various forums. our Company has initiated some applications with the relevant authorities stating that it was neither a necessary nor a proper party in such legal proceedings, and accordingly requested for deletion of the name of our Company from these legal proceedings.

3. Gokulam Shelters Private Limited ("**GSPL**") Krishna Lila Park Foundation ("**KLPF**"), ISKON Charities ("**ISKON**") and India Heritage Foundation ("**IH Foundation**") (collectively referred to as "**Plaintiffs**") filed a commercial original suit no. 163 of 2024 ("**Suit**") before the Court of Civil Judge and Commercial Court, Bengaluru ("**Commercial Court**") against our Company, Piramal Trusteeship Services Private Limited ("**PTSPL**"), Castle Vista Private Limited, Mantri Developers Private Limited and B.N. Hari ("collectively referred to as "**Defendants**") seeking *inter alia* to declare the Deed of Hypothecation dated June 5, 2018 ("**DOH**") and Memorandum of Deposit of Title Deeds ("**Memorandum**") dated June 5, 2018 executed by the Plaintiffs in favour of PTSPL (acting for and behalf of our Company), as null and void and non-enforceable on the grounds of the transaction falling under the definition of 'fraud' as per the provisions of Indian Contract Act, 1872. The DOH and Memorandum was executed as security documents in relation to the loan sanctioned by our Company to the Plaintiffs in relation to the residential development being undertaken by them ("**Project**"). A writ petition dated March 22, 2024, was filed by the Plaintiffs against the Defendants before the High Court of Karnataka, Bengaluru ("**High Court**"), to quash the impugned order dated March 2, 2024 ("**Impugned Order**"), passed by the Commercial Court in the Suit and the Plaintiffs further filed interim application for urgent interim reliefs before the High Court. An order dated April 22, 2024, was passed by the High Court quashing the Impugned Order. The claim amount (which is the outstanding amount as on December 19, 2024) is ₹ 620 crore, and the matter is currently pending. The writ petition was listed on November 29, 2024, wherein, the court dismissed the writ petition with directions to the plaintiffs to file fresh valuation receipt with respect to the civil suit proceedings. Further, the Court has also directed the commercial court to adjudicate on valuation of the suit upon filing of the valuation receipt by the petitioners. The matter is pending.

4. GSTAAD Hotels Private Limited and Neo Capricorn Plaza Private Limited ("**Borrowers**") have filed a commercial arbitration application before the Court of Additional City Civil and Sessions Judge, Bengaluru (Commercial Court) against our Company (erstwhile Piramal Capital & housing Finance Limited) and Piramal Enterprises Limited, *inter alia* seeking interim reliefs for directing IDBI Trusteeship Services Limited (as the trustee) to appropriate sums due to our Company, Piramal Enterprises Limited and other entities by reconciliation of the statement of accounts of the Borrowers under the certain loan agreements read along with cash management agreements and arrangements. A counter on behalf of our Company and our Company has been filed. The matter is currently pending.

As on the date of this Information Memorandum, the pending material civil proceeding against the Transferor Company (which has been transferred to the Company pursuant to the Scheme) as disclosed below:

Nil

***Material civil proceedings filed by the Company***

1. Our Company filed an application before the Court of District Magistrate and Collector District, Surat ("**Court**") under Section 14 of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 for taking physical control of the secured assets including properties at Gokulam Twin Bungalows (Phase-1), Gokulam Polaris, Gokulam Twin Bungalows (Phase II), Gokulam Twin Bungalows (Phase II), and the Polaris Textile Market. Our Company had sanctioned a loan facility of ₹ 140 crore to M/s Gokulam Buildcon ("**Borrower**") against the property mortgaged to them as security. Thereafter, the Borrower committed default in repayment of dues and the loan was classified as a non-performing asset. The claim amount involved in this matter ₹ 169 crore. The Court disposed and rejected the application on the ground of non-availability of encumbrance certificate for units and 13(4) notice being served unit wise. Our Company has challenged the said order by way of a writ petition being a special civil application. The writ petition is currently pending.

2. Our Company ("**Financial Creditor**") submitted an application for claims in form C dated March 15, 2023 ("**Applications**") under regulation 8 of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 to the interim resolution professional in respect of corporate insolvency resolution process of (i) Fulgent Real Estate Private Limited; (ii) Ghardwar Real Estate Private Limited; (iii) Prithvi Residency Private Limited; (iv) Suvarat Real Estate Developers Private Limited; (v) Tenacity Real Estate Private Limited; (vi) Vyomakara Real Estate Private Limited; (vii) Wamika Real Estate Private Limited; (viii) Azinova Constructions Private Limited; (ix) Manpreet Developers Private Limited; (x) Immediate Real Estate Private Limited; and (xi) Darshan Developers Private Limited ("**Corporate Debtors**") in relation to a loans sanctioned to the Corporate Debtors by our Company. Thereafter, an order dated April 10, 2023, was passed by the National Company Law Tribunal, Mumbai in the matter of 'Ultratech Cement Limited versus Darshan Developers Private Limited'. in relation to applications filed by our Company ("**Financial Creditor**") who is the sole member of the committee of creditors through which the corporate insolvency resolution process ("**CIRP**") against the Corporate Debtors was consolidated and their assets and liabilities were merged into a common pool resulting in a common consolidated CIRP and accordingly the interlocutory application was disposed off. The total claim amount is ₹ 20,864 crore as per each of the Form C's filed for the Corporate Debtors. The matter in relation to the proceedings to be undertaken for the common consolidated CIRP is currently pending. The application for approval of resolution plan in respect of the consolidated CIRP is allowed by the NCLT vide order dated June 27, 2025. The matter is currently pending.

3. Our Company filed an application dated January 18, 2024 ("**Application**") before the National Company Law Tribunal, Mumbai ("**NCLT**") under Section 7 of the Insolvency and Bankruptcy Code, 2016 ("**IBC**") to initiate the corporate insolvency resolution process ("**CIRP**") against Township Developers India Limited ("**TDIL**") in relation to a claim amount of ₹ 1,395 crore. However, NCLT dismissed the Application by way of its order dated November 8, 2023 ("**Dismissal Order**"). Thereafter, our Company filed an appeal against the Dismissal Order before the National Company Appellate Law Tribunal, New Delhi ("**NCLAT**") and an order dated December 14, 2023, was passed by NCLAT, granting relief to our Company to file a fresh application before the NCLT confining their claims to the amounts which had not accrued during the period of suspension of application of IBC under Section 10A of the IBC. Accordingly, for the loan amount which had accrued post the Section 10A period as prescribed under the IBC, our company filed an application under Section 7 of the IBC against TDIL that was admitted by the NCLT on April 29, 2024, and the corporate insolvency resolution process proceedings ("**CIRP**") commenced and ongoing. Thereafter, our Company filed three interlocutory applications. Interlocutory application was filed for appointment of the IRP proposed by the financial creditor and the same was allowed by way of order dated May 7, 2024. Interlocutory application that was filed seeking the replacement of the IRP which was allowed by the NCLT by way of their order dated July 15, 2024 ("**Order**"). Finally, an interlocutory application was filed seeking clarification of the Order to record the replacement of the IRP which was allowed by way of an order dated September 3, 2024, passed by the NCLT. The Resolution Plan filed in the present CIRP has been heard and is now reserved for order.

4. Our Company. entered into a deed of assignment dated February 13, 2024 ("**Deed of Assignment**"), with Omkara Assets Reconstruction Private Limited ("**Omkara**"), pursuant to the occurrence of an event of default by Atria Brindavan Power Private Limited ("**Borrower**"), in the terms of the debenture trust deed dated December 19, 2023 ("**DTD**"). our Company assigned its loan exposure along with all rights, title and interest (including the underlying security interest) on 'as is where is' basis to Omkara by way of the Deed of Assignment. However, post the intimation of the assignment of debt to Omkara, the Borrower filed a commercial suit before the Commercial Court, Bengaluru ("**Court**"), declaring the assignment of debt as null and void and neither our Company nor Omkara should have rights over the securities under the DTD. Thereafter, the Court had granted an ex-parte order ("**Order**") in this regard against our Company, Omkara and Baboon Investments (the other Debenture Holder). our Company along with Omkara and Baboon Investments filed appeals against the Order before the High Court of Karnataka ("**High Court**"). The High Court passed a limited order in favour of Omkara and our Company to initiate joint recovery proceedings and separately, Baboon Investments can also initiate recovery proceedings against the Borrower. Therefore, our Company and Omkara have filed a joint application under Section 7 of the Insolvency and Bankruptcy Code, 2016 ("**IBC**") read with Rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 to initiate corporate insolvency process before the National Company Law Tribunal, Bangalore for a claim amount of ₹ 428.04 crore and also filed a commercial suit against the Borrower along with its subsidiaries before the Bombay High Court. The matters are currently pending.

5. Our Company submitted a claim by way of a form C as a financial creditor of the Creatoz Builders Private Limited ("**Corporate Debtor**") in relation to a project loan facility that was sanctioned by our Company, and the claimed amount of the project loan was ₹ 2,261.004 crore. Our Company received the letter dated January 31, 2024 ("**Impugned Letter**") addressed by the interim resolution professional ("**IRP**") intimating (i) reclassification of our Company from a 'financial creditor' to the category of 'Creditors other than Financial Creditors and Operational Creditors'; and (ii) reconstitution of the CoC to the exclusion of our Company on January 18, 2024. In view of the reclassification of our Company by the IRP, our Company filed an interlocutory application ("**IA**") against the IRP (later confirmed as the resolution professional ("**RP"**)) before the NCLT *inter alia* seeking quashing of the Impugned Letter and replacement of the IRP/ RP. The IA has been dismissed by NCLT by way of its order dated October 3, 2024 ("**Order**"). our Company has filed a company appeal ("**Appeal**") against the RP on October 30, 2024, challenging the Order before the National Company Law Appellate

Tribunal, New Delhi ("**NCLAT**"). In the interim, our Company learnt that a resolution plan has been approved in respect of the Corporate Debtor by the CoC of the Corporate Debtor and an application seeking approval of the resolution plan has been filed before the NCLT. our Company has also filed an application dated November 13, 2024, before the NCLT objecting to approval of resolution plan ("**Objection Application**"). The NCLAT has passed orders from time to time for parties to apply for a stay on hearing of the approval of the resolution plan until the NCLAT Appeal is heard. Accordingly, the plan approval IA before the NCLT was adjourned from time to time in view of the direction of the NCLAT. The Appeal before the NCLAT is currently pending. The Objection Application will be heard along with the plan approval IA.

6. Our Company issued notices under Sections 13(2) and 13(4) of Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 ("**SARFAESI Act**"), dated August 31, 2023, and November 30, 2023 ("**Notices**") to (a) Shishir Realty Private Limited; (b) Kyta Advisors Private Limited; and (c) Township Developers India Limited ("**Borrowers**") classifying the loan account of Shishir Realty Private Limited as a non-performing asset, due to default committed by Shishir Realty Private Limited having in repayment availed by it from our Company. Subsequently, Maria Khalid Omar and Khalid Omar Wakani ("**Applicants**") filed a securitisation application number against our Company before the Debt Recovery Tribunal - I, Mumbai under Section 17 of SARFAESI Act challenging the Notices issued by our Company and alleging that our Company had illegally taken symbolic possession of the property that was mortgaged as security to our Company by affixing the notice on the property. our Company has filed its reply dated March 5, 2024, challenging the application alleging that the Applicants have a malafide motive and that our Company has followed the mandated provisions of the SARFAESI Act to initiate action against the Borrowers to recover their claim amount in a valid and legal manner. The matter is currently pending.

7. Our Company filed a company petition before the National Company Law Tribunal, Mumbai ("**NCLT**") under Section 7 of the Insolvency and Bankruptcy Code, 2016 ("**IBC Code**") against Sunblink Real Estate Private Limited ("**Corporate Debtor/ Sunblink**"), in relation to default in repayment of a loan amount of ₹ 2,186 crore sanctioned by our Company wherein the Section 7 application is filed in relation to an amount of ₹ 263.08 crore . The corporate insolvency resolution process of the Corporate Debtor is ongoing.

8. Our Company ("**Financial Creditor**") submitted application for claims in form C dated September 13, 2024 ("**Applications**") under regulation 8 of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 to the interim resolution professional in respect of corporate insolvency resolution process of Buoyant Technology Constellations Private Limited ("**Corporate Debtors**") in relation to a loan sanctioned to the Corporate Debtor by our Company which is provisionally admitted by the Resolution Professional. The claim amount involved in the matter is ₹ 220.24 crore.

9. Our Company issued a notice dated October 23, 2024, to Deepa Rameshchandra Mansukhani ("**Mortgager**") and Ikshudip Fincap Private Limited ("**Borrower**") under Section 13(2) of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 ("**SARFAESI Act**"). The Borrower had availed a credit facility of an amount of ₹ 410 crore ("**Loan**") from our Company and as security for the Loan, the Borrower had provided an exclusive charge by way of equitable mortgage of land owned by the Mortgagor. Thereafter, the Borrower committed default in repayment and our Company has called upon the Borrower to pay a sum of ₹670.65 crore. The matter is currently pending.

10. A writ petition has been filed by our Company against the Enforcement Directorate and others before the Bombay High Court, challenging orders dated September 14, 2020 and November 9, 2020 (in connection with the loan sanctioned to Sunblink Real Estate Private Limited). The order dated September 14, 2020 relates to an attachment of certain documents and devices from the premises of e-dhfl by the Adjudicating Authority under the PMLA Act. The order dated November 9, 2020 relates to an attachment of a secured asset (as secured in favour of e-dhfl towards the said loan) by the appropriate authority under the Narcotic Drugs and Psychotropic Substances Act, 1985 and Smugglers and Foreign Exchange Manipulators (Forfeiture of Property) Act, 1976 and Prevention of Money Laundering Appellate Competent Authority. The writ petition is currently pending.

11. Our Company initiated an application under Section 7 of the Insolvency and Bankruptcy Code, 2016 against Rite Developers Private Limited and the claim amount in the application was around ₹ 89 crore. Post admission of the application, our Company filed a claim which approximately amounts to ₹ 1,400 crore (for multiple facilities) which was allowed by the liquidator. The company is currently under liquidation and the liquidation proceedings are ongoing and we form part of the stakeholder's committee. The matter is currently pending.

As on the date of this Information Memorandum, the pending material civil proceedings initiated by the Transferor Company (which has been transferred to the Company pursuant to the Scheme) is disclosed below:

1. Piramal Enterprises Limited has filed five petitions for recovery of amounts of about ₹ 296 crore against Gulam Mustafa, Suriya Mustafa, and Jawid Hussain, personal guarantors to Gulam Mustafa Enterprises Private Limited ("**Personal Guarantors**") before the National Company Law Tribunal, Bengaluru ("**NCLT**") under Section 95 of the Insolvency and Bankruptcy Code, 2016 read with rule 7(2) of the Insolvency and Bankruptcy (Application to Adjudicating Authority for

Insolvency Resolution Process for Personal Guarantors to Corporate Debtors) Rules, 2019 to initiate insolvency resolution process in respect of the Personal Guarantor and the said applications are pending. An application under Section 7 of the Insolvency and Bankruptcy Code, 2016 was filed to initiate corporate insolvency resolution process against G.M. Infinite Dwelling (India) Private Limited (who is the corporate guarantor to Gulam Mustafa Enterprises Private Limited) by Piramal Enterprises and the same is pending.

2. Hema Engineering Industries Limited ("**Hema Limited**") entered into a facility agreement dated July 20, 2017 ("**Facility Agreement**") with our Company which was later assigned to Piramal Enterprises Limited (erstwhile PHL Fininvest Private Limited) ("**Financial Creditor**") by way of an assignment agreement dated March 22, 2019. Hema Engineering was extended financial assistance of ₹ 400 crore and the obligation to repay the loan with the amount due under the Facility Agreement was secured by way of an unconditional and irrevocable corporate guarantee from the Financial Creditor. The corporate guarantees and personal guarantees were issued by the corporate debtors and individual debtors ("**Debtors**") in favour of the Security Trustee for the benefit of the Financial Creditor. Piramal Enterprises Limited has issued 6 applications under Section 7 of the Insolvency and Bankruptcy Code, 2016 ("**IBC Code**") read with Rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 for recovering amounts due from the Debtors on account of their default made in repayment of their outstanding loan amount under various loan facilities availed by them from Piramal Enterprises Limited and to initiate the corporate insolvency process. As on the date, two out of the six applications have been admitted to Corporate Insolvency Resolution Process ("**CIRP**"). The other four are pending at various stages to initiate CIRP. The claim amount involved in this matter is ₹ 460 crore. The matter is pending.

3. The Ministry of Chemicals and Fertilizers issued an order dated October 17, 2007 (the "**Order**") for recovery of ₹ 3.13 crore from Boehringer Manheim (India) Limited ("**BMIL**") (that merged with Piramal Enterprises Limited (in its erstwhile name 'Nicholas Piramal India Limited') in the year 1996) under the Drug Price Control Order, 1979 read with the Drugs (Price Control) Order 1987 in relation to the allegation that BMIL had overcharged the retail prices of 'Euglocon tablets' during the period from year 1984 to year 1987 over the leader price fixed by the Government of India vide order dated December 12, 1984. Piramal Enterprises Limited filed a writ petition before the High Court of Bombay challenging the Order on the grounds of the same being unconstitutional and not valid under the law. The matter is pending.

***Actions by regulatory and statutory authorities against the Company***

1. SEBI issued a show cause notice dated December 24, 2019, to, our Company, Catalyst Trusteeship Limited, a SEBI registered debenture trustee (the "**Debenture Trustee**") gave a reference to a department of SEBI (the "**OD**") in relation to issuance of non-convertible debentures (the "**NCDs**") by our Company. Thereafter, the OD of SEBI conducted examination and initiated adjudication proceedings against our Company to inquire and adjudge the non-compliance of the provisions of regulation 16(1) of the SEBI (Issue and Listing of Debt Securities) Regulations, 2008 (the "**ILDS Regulations**") read with rules 18(7)(b)(ii) and 18(7)(c) of the Companies (Share Capital and Debentures) Rules, 2014 and regulation 52(1) read with 52(4) of the SEBI (Listing and Disclosure Requirements) Regulations, 2015 ("**SEBI Listing Regulations"**) and made allegations against our Company including (i) the non-creation of a debenture redemption reserve as per regulation 16(1) of the ILD Regulations; and (ii) delay in submission of audited financial statements for the financial year 2018-19 within the prescribed time as per regulation 52(1) of the SEBI Listing Regulations. The Adjudicating Officer, SEBI passed an order dated May 29, 2020 ("**SEBI Order**") against our Company imposing a penalty of ₹ 2 lakh for violation of securities law. Pursuant to this, our Company filed an appeal dated July 8, 2020 to quash the SEBI Order The Securities Appellate Tribunal ("**SAT**") quashed the SEBI Order vide its order dated October 9, 2020 ("**SAT Order**") as the SEBI Order was contrary to the moratorium sanctioned under Section 14 of the Insolvency and Bankruptcy Code, 2016 provided by the NCLT by an order dated December 3, 2019 during the corporate insolvency resolution process against our Company. SEBI was aggrieved by the SAT Order and filed an appeal before the Supreme Court of India to set aside the SAT Order. The matter is currently pending.

2. A writ petition has been filed by one Varun D Jha, amongst other erstwhile shareholders of our Company against the SEBI before the High Court of Bombay ("**High Court**") challenging the constitutional validity of Regulation 3 of SEBI Delisting Regulations, 2021 which seek to impose punishment and discriminate between Varun Jha and 25 other petitioners who are public shareholders of a listed company which seeks delisting and a listed company which has undergone corporate insolvency resolution process under the Insolvency and Bankruptcy Code, 2016. The High Court identified this matter as a public interest litigation vide an order dated June 12, 2024, and directed the registry to place the matter before appropriate court. The matter has not been listed thereafter and is currently pending.

3. Our Company has received an order dated January 19, 2024, from Employees' State Insurance Corporation, Maharashtra ("**Order**"), levying damages of ₹ 26,49,172 under Section 85B of The Employees' State Insurance Act, 1948 for failing to discharge the statutory obligation towards Employee State Incorporation contribution made by the contractor during the period April 2019 to March 2020. The Company has paid the damages. The matter has not been listed thereafter and is currently pending.

4. GSTAAD Hotels Private Limited and Neo Capricon Plaza Private Limited ("**Borrowers**") belonging to the Raheja Group filed a complaint with the RBI vide a letter dated May 16, 2024, alleging fraudulent practice by Omkara ARC Private Limited and our Company with an objective to grab high value underlying securities from genuine borrowers by misusing the powers conferred upon them as an asset reconstruction company ("**ARC**") and as a non-banking financial company ("**NBFC**") under RBI Act, 1934 and misusing the insolvency route. Subsequently, the RBI via e-mail dated September 2, 2024, requested certain clarifications and documents from our Company. We responded to the same via e-mails dated September 9, 2024, and September 13, 2024. There has been no further correspondence from RBI.

As on the date of this Information Memorandum, the actions by regulatory and statutory authorities proceedings against the Transferor Company as disclosed below:

1. SEBI had issued an administrative warning letter to our Company dated March 15, 2024 ("**SEBI Letter**"), in connection with the public announcement made by Piramal Enterprises Limited on June 21, 2023 ("**Public Announcement**") to the BSE Limited and National Stock Exchange of India Limited (the **"Stock Exchanges**"), for sale of its investment of 8.34% in the fully paid-up share capital of Shriram Finance Limited ("**Shriram**") ("**Transaction**") stating that Piramal Enterprises Limited did not consider the Transaction to be 'unpublished price sensitive information' ("**UPSI**") while disclosing it as material information in terms of Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 ("**SEBI Listing Regulations**"). Thereafter, Piramal Enterprises Limited made a public announcement to the Stock Exchanges in relation to the SEBI letter on April 3, 2024, mentioning that Piramal Enterprises Limited had informed SEBI of its stated position on the stake held by Piramal Enterprises Limited in Shriram in response to a query raised by SEBI earlier and that since 2019, the Piramal Enterprises Limited had publicly stated its intention to monetize its investments in Shriram. Therefore, the Transaction was not UPSI and there was no impact on financial, operation or other activities of the Piramal Enterprises Limited pursuant to the SEBI Letter.

As on the date of this Information Memorandum, the actions by regulatory and statutory authorities proceedings against the Transferor Company (which has been transferred to the Company pursuant to the Scheme) as disclosed below:

1. Piramal Enterprises Limited made an application via form III to the National Biodiversity Authority ("**NBA**") on March 10, 2010, for seeking the prior approval of the NBA to obtain intellectual property rights for the invention based on the biological resources obtained from India namely 'Murraya Koenigli' that was examined by the NBA in consultation with the expert committee on access and benefit sharing ("**ABS**") formed for the purpose of evaluating ABS applications and observed as a contravention of the Biological Diversity Act, 2002 ("**BD Act**") The NBA issued a notice NBA/Tech Appl/9/396/10/18-19/2938 dated November 5, 2018 against our Company alleging violation of Section 3(2) of the BD Act which relates to the approval requirement for companies having non-Indian participation in their share capital or management, access biological resources and Section 6 of the BD Act, which relates to requirement of obtaining prior approval before applying for an intellectual property right. Thereafter, our Company submitted an affidavit dated November 21, 2018, declaring that our Company abandoned the projects involving biological resource access and corresponding patents and patent applications in the name of our Company and have not commercialised the corresponding product nor do they have any intention to commercialise the products from the projects in India or outside India. This matter is currently pending.

2. Piramal Enterprises Limited made an application via form III to the National Biodiversity Authority ("**NBA**") on September 16, 2014 for seeking the prior approval of the NBA to obtain intellectual property rights for the invention based on the biological resources obtained from India namely '*Nir Brahmi – Bacopa monnieri (L.) Wettst'* that was examined by the NBA in consultation with the expert committee on access and benefit sharing ("**ABS**") formed for the purpose of evaluating ABS applications and observed as a contravention of the Biological Diversity Act, 2002 ("**BD Act**"). The NBA issued a notice NBA/Tech Appl/9/121/07/18-19/3039 dated November 9, 2018 against Piramal Enterprises Limited alleging violation of Section 3(2) of the Biological Diversity Act, 2002 ("**BD Act**") which relates to the requirement of approval for companies having non-Indian participation in their share capital or management, to access biological resources and violation of Section 6 of the BD Act, which relates to requirement of obtaining prior approval from the NBA before applying for an intellectual property right ("**IPR**"). Piramal Enterprises Limited falls under Section 3(2) of the BD Act and therefore, Piramal Enterprises Limited is liable to the NBA and not the Madhya Pradesh State Biodiversity Board under Section 3 of the BD Act. Thereafter, Piramal Enterprises Limited entered into an agreement for access and benefit sharing ("**ABS**") with the NBA for seeking approval of the NBA for obtaining any IPR for the invention titled '*standardised extract of tinospora cordifolia as an immunoadjuvant in the treatment of renal disorders such as nephritic syndrome and chronic recurrent urinary tract infections'* by making a one-time payment of 1 per cent as benefit sharing which amounts to ₹ 0.25 lakh and have not commercialised the corresponding product. This matter is currently pending.

3. The Madhya Pradesh State Biodiversity Board issued notices dated December 6, 2018, December 21, 2018, January 5, 2019, February 7, 2019, and February 12, 2019 ("**Notices**") to Piramal Enterprises Limited. Piramal Enterprises Limited submitted responses to the Notices. Thereafter, Piramal Enterprises Limited provided details of the raw materials of biological origins and confirmed that the raw materials were imported and Piramal Enterprises Limited or its vendors have not accessed any biological resource in India for commercial purposes as defined in the Biological Diversity Act, 2002 ("**BD Act**"). Further, Piramal Pharma Solutions, a vertical under Piramal Enterprises Limited submitted information in Form-I under Section 7

of the BD Act regarding information related to use of biological resources and made a payment of ₹ 1,000. Piramal Enterprises Limited stated that it is a company under Section 3(2) of the BD Act that includes companies having non-Indian participation in their share capital or management. Therefore, Piramal Enterprises Limited was not required to comply with requirements of the Madhya Pradesh State Biodiversity Board and its obligations were limited to the National Biodiversity Authority. The matter is currently pending.

4. The Food and Drug Administration, Maharashtra, Thane ("**FDA**") issued show cause notice AR/SCN/336-2017/P-5, ("**SCN**") and recall intimation no. AR/Recall/335-2017/P-5 dated August 28, 2017, and test report from the Director of the Central Drug Laboratory, Kolkata dated July 07, 2017, to Piramal Enterprises Limited as manufacturers of Supradyn (multivitamins tablets with minerals and trace elements) batch PMB026 ("**Batch**"). Thereafter, the Batch was declared '*Not of Standard Quality*' by Government Analyst, CDL Kolkata. Further, Piramal Enterprises Limited filed an appeal no. 1/ 2021 dated November 25, 2021, to the Ministry of Food and Drug Administration, Maharashtra against an order for the suspension of product ("**Order of Suspension**") permission of the product, Supradyn (multivitamins tablets with minerals and trace elements) for a period of fifteen days from January 24, 2022, to February 07, 2022 from Licensing Authority and Joint Commissioner (Konkan) Division as per the Drugs and Cosmetics Act, 1940. The Office of Under Secretary, Government of Maharashtra vide letter dated January 20, 2022, granted a stay on the Order of Suspension. This matter is currently pending.

5. A show cause notice no. 260/2018-19/DBK dated May 23, 2018 was issued by the Office of Commissioner of Customs, Nhava Sheva, Maharashtra, show cause notice and demand notice C. No. VIII (10)15/ADC/ADJ/CUS/WB/18-19/8574P dated June 19, 2018 was issued by Office of Commissioner of Customs (Preventive), Kolkata and show cause notice F. No. SIIB/Gen-44/2018-19 ACC (X) dated July 12, 2018 issued by Office of Commissioner of Customs, Special Intelligence and Investigation Branch (Export), Air Cargo Complex, Sahar, Mumbai ("**Show Cause Notices**") to Piramal Enterprises Limited imposing penalty under Section 114 and Section 114A of the Customs Act, 1962 regarding the mis-classification of the product 'Multivitamin and Micronutrient Powder' at the time of export, for availing higher duty drawback by our Company, with interest under Section 75A read with Section 28AA of Customs Act, 1962. Piramal Enterprises Limited made a partial payment of an amount of duty drawback including interest. for a period of three years of the amount of interest and filed two settlement applications dated October 22, 2019, and October 23, 2019 ("**Settlement Applications**") under Section 127B of Customs Act, 1962. The Settlement Commission passed an order dated January 1, 2021disposing off the Settlement Applications and stating that Piramal Enterprises Limited was liable to pay the duty drawback for the remaining two years along with interest and therefore, no penalty would be chargeable from Piramal Enterprises Limited. The matter is currently pending.

6. The Food and Drug Administration, Pilibhit, Uttar Pradesh ("**FDA**") issued show cause notice no. F0S0D0A/adhomanak/2017-18/25(1-2) dated April 18, 2018 ("**SCN**") against Piramal Enterprises Limited on the ground that the product 'Neko Bouquet (Skin Care Soap)', manufactured by VVF (India) Limited was declared 'Not of Standard Quality' as per the Drugs and Cosmetics Act, 1940 as it did not confirm to the relevant parameter in terms of net weight. Piramal Enterprises Limited was the distributor of the batch of the product marketed by Pfizer Limited. Our Company has filed a reply dated May 18, 2018, to the SCN. The matter is currently pending.

7. The Office of the joint commissioner, Konkan Division of Food and Drug Administration, Maharashtra issued a letter dated July 12, 2018 along with testing report from Government Analyst , Drug Control Laboratories, Mumbai, Maharashtra State in Form 34 no. NSQ/MUM/ 102831/ 2018 dated April 10, 2018 to Piramal Enterprises Limited in relation to the product 'Lacto Calamine, skin balance, daily nourishing lotion, oil control with kaolin+ glycerin', batch no. BLC 7003 and declared it as 'Not of Standard Quality' as it was not in compliance with IS PCD-19 (1621) type E for calamine lotion for the test of microbial examination as per Section 18(a)(ii) of the Drugs and Cosmetics Act, 1940. Our Company has filed a reply dated August 16, 2018. The matter is currently pending.

8. Piramal Enterprises Limited had received six notices from the Department of Weights and Measures, Uttar Pradesh in relation to the advertisement of the products of Piramal Enterprises Limited, where irregularities in terms of presentation of details as required under the provisions of Legal Metrology Act, 2009 ("**Act**") and the rules promulgated under the Act, were made. In response to such notices, Piramal Enterprises Limited made applications to compound the notice and made payment of the requisite penalties.

9. The Assistant Controller, Office of Inspector, Legal Metrology, Bathinda issued a query and compounding notice dated August 25, 2021, against Piramal Enterprises Limited in relation to the product 'Piramal Baby Wipes' batch no. BCL20239 regarding violation regarding the net quantity to be mentioned as per the format prescribed under Rule 13(5)(ii) of Legal Metrology (Packaged Commodities) Rules, 2011. Piramal Enterprises Limited filed a reply dated October 08, 2021, to the Officer of Inspector, Legal Metrology, Bhatinda.

10. The Ministry of Chemicals and Fertilizers issued an order dated October 17, 2007 (the "**Order**") for recovery of ₹ 3.13 crore from Boehringer Manheim (India) Limited ("**BMIL**") (that merged with Piramal Enterprises Limited (in its erstwhile name 'Nicholas Piramal India Limited')) in the year 1996) under the Drug Price Control Order, 1979 read with the Drugs (Price Control) Order 1987 in relation to the allegation that BMIL had overcharged the retail prices of 'Euglocon tablets'

during the period from year 1984 to year 1987 over the leader price fixed by the Government of India vide order dated December 12, 1984. Piramal Enterprises Limited filed a writ petition before the High Court of Bombay challenging the Order on the grounds of the same being unconstitutional and not valid under the law.

***Tax proceedings involving the Company, subsidiaries, directors and promoter***

Details of outstanding tax proceedings involving our Company, Subsidiaries, Directors and Promoter as of the date of this Information Memorandum are disclosed below:

| Nature of case | Number of cases | Amount involved[1] (*in ₹ crore*) |
|---|---|---|
| ***Our Company*** | | |
| Direct Tax | 37 | 1715 |
| Indirect Tax | 99 | 114 |
| ***Our Subsidiaries*** | | |
| Direct Tax | 6 | 10 |
| Indirect Tax | 2 | 1 |
| ***Our Promoter*** | | |
| Direct Tax | 2 | 1.0647 |
| Indirect Tax | Nil | Nil |
| ***Our Directors*** | | |
| Direct Tax | 1 | Nil[&] |
| Indirect Tax | Nil | Nil |

*Note: Tax proceedings of Transferor Company will be transferred/ moved to our Company.*
*[1]To the extent quantifiable*
*[&]The claim amount is not quantifiable*

***Tax proceedings against our Company***

1. Our Company has received an income tax assessment order for the financial year 2021-22 (assessment year 2022-23) ("**Assessment Year**"), allowing loss of ₹ 10,627 crore to be carried forward after making an adjustment of ₹ 3,698 crore which was a voluntarily withdrawn claim and before making a small adjustment of ₹ 7 crore. An order dated August 23, 2024, was issued from the Office of the Assistant Commissioner of Income Tax, Income Tax Department. Subsequently, the case was selected for scrutiny under CASS and assessment order u/s 143(3) of the Act was passed on February 26, 2024, wherein addition of ₹ 3,705 crore was made on account of disallowance of excess deduction. Thereby, a penalty of ₹ 466.03 crore under Section 270A of Income Tax Act was levied on Our Company. Our Company filed a writ petition before the High Court of Bombay ("**High Court**") on September 9, 2024. The High Court has admitted the case and granted ad interim relief for the tax demand and proceedings till the completion of the Court proceedings. The same is intimated to the tax authorities to stay the recovery proceedings of penalty. The matter is currently pending with the High Court.

As on the date of this Information Memorandum, the material tax proceedings against the Transferor Company (which has been transferred to the Company pursuant to the Scheme) as disclosed below:

Nil

***Tax proceedings against our Directors***

1. The Assistant Commissioner of Income Tax, New Delhi has issued three show cause notices to Kunal Bahl, in the capacity of principal officer of AceVector Limited, observing that the AceVector Limited has deducted tax deductible at source as per the provisions of Income Tax Act, 1961 for financial year 2013-2014 and 2014-2015. The claim amount has been deposited by AceVector Limited after due date as prescribed in the Income Tax Act, 1961. The matter is currently pending.

***Tax proceedings against our Promoter***

1. The Principal Commissioner of Income-tax, Mumbai, passed a revision order dated March 29, 2023 ("**Order**") under section 263 of the Income Tax Act, 1961 for the assessment year 2015-2016. Our Promoter, alleging against the Order, filed an appeal before Income tax Appellate Tribunal ("**Income Tax Appellate Tribunal**") challenging the Order. The Income Tax Appellate Tribunal had quashed the said Order. However, the Income Tax department aggrieved by the order of the Income Tax Appellate Tribunal, filed an appeal before the High Court of Bombay. The said appeal is pending for admission before High Court as on date. The total claim amount involved in the matter is ₹ 1,06,46,554.

2. A complaint dated August 27, 2013, was filed under Sections 276 C, 277 and 278 read with Section 278 B of the Income Tax Act, 1961 ("**IT Act**") against inter alia Ajay G. Piramal in relation to the income tax return filed by Peninsula Land Limited for the assessment year 1993-1994 ("**Complaint**") before the Judicial Magistrate, 38th Court, Ballard Pier,

Mumbai ("**Magistrate**"). The matter is in relation to whether the income received from renunciation of the shares received by way of rights issue would be taxable, particularly when the rate is not ascertainable due to cost of acquisition of shares. The assessment and penalty proceedings were challenged by Peninsula Land Limited, and the appeals are pending before the Bombay High Court on inter alia whether the Income Tax Appellate Tribunal was justified in its estimation of the cum rights and ex rights rate of the shares. The Magistrate issued summons against the accused persons on July 24, 2024, and bailable warrants were issued on February 21, 2025. The Matter is currently pending.

**Litigation involving our Subsidiaries**

***Criminal litigations involving our Subsidiaries***

Nil

***Other pending material litigations involving our Subsidiaries***

Nil

***Actions taken by regulatory and statutory authorities against our Subsidiaries***

1. SEBI issued an administrative warning letter dated February 5, 2024 ("**Administrative Warning**"), to Piramal Alternatives Private Limited ("**PAPL**") in the capacity of the manager of Piramal Alternatives Investment Fund I ("**Fund**"). The SEBI master circular no. SEBI/HO/AFD/PoD1/P/CIR/2023/130 dated July 31, 2023, read with regulation 28 of the SEBI (Alternative Investment Funds) Regulations. 2012 states that quarterly activity reports ("**QAR**") has to be filed by an alternative investment fund with SEBI within 10 calendar days from the end of the quarter. The Administrative Warning issued to PAPL in the capacity of the manager of the Fund, is in connection with delayed filing the QARs with SEBI by the Fund, for the quarter ended December 2022 and March 2023 with a delay of 10 days from the end of the December 2022 quarter, and 14 days form the end of March 2023 quarter. The Fund has issued a response letter dated February 13, 2024, to the Administrative Warning reiterating their commitment adhering to prescribed timelines and avoiding non-compliance by taking corrective measures to ensure the seamless filing of subsequent reports and ensure non-recurrence of such delays.

**Litigation involving our Directors**

***Criminal litigations against our Directors***

1. Aegean Infotech Private Limited (the "**Complainant**") filed an FIR against AceVector Limited (erstwhile Jasper Infotech Private Limited), its board of directors as on the date of filing of the FIR including Kunal Bahl and four former employees of AceVector Limited (the "**Accused Persons**") at Police Station – Sector 20, Noida, Gautambudhnagar, Uttar Pradesh, alleging a dispute in relation to misappropriation of funds belonging to the Complainant by the Accused Persons arising due to a payment reconciliation between AceVector Limited and the Complainant. The dispute was settled between all the parties vide settlement agreement dated July 13, 2017, pursuant to which AceVector Limited paid a settlement amount of ₹ 7 crore to the Complainant. The same was intimated to the investigating officer concerned at the police station. Accordingly, the Police conducted an investigation in the matter and filed a satisfactory closure report before the Chief Metropolitan Magistrate, Noida, Uttar Pradesh ("**CMM**"), for acceptance of the closure report. The closure report is currently pending approval of the CMM, and the matter is currently pending.

2. Shri Rajesh Kumar ("**Complainant**") filed a complaint dated August 18, 2020, under Section 200 CrPC before the Chief Judicial Magistrate, Muzzafarpur, Bihar ("**Complaint**") against certain individuals and Kunal Bahl, in the capacity of CEO of AceVector Limited ("**Accused Persons**") for offences under Section 420, 406, 409, 34 and 120B of the IPC. The Chief Judicial Magistrate, Muzzafarpur, Bihar has issued summons dated April 26, 2022 ("**Summons**") to Kunal Bahl seeking his participation to the proceedings. Kunal Bahl has filed a quashing petition under Section 482 CrPC before the High Court of Patna ("**High Court**"). Vide order dated November 6, 2023, the High Court has stayed the proceedings filed by the Complainant before the Chief Judicial Magistrate, Muzzafarpur, Bihar and the matter is currently pending.

3. A criminal complaint has been filed in Additional Chief Metropolitan Magistrate Court by Dy. Registrar of Companies, Mumbai, Maharashtra ("**ROC**") against the directors of JM Morgan Stanley Retail Services Private Limited ("**JM Morgan Stanley**") including Gautam Bhailal Doshi under Section 217(5) of the Companies Act, 1956 for a contravention of Section 217 of Companies Act, 1956. The ROC instituted a criminal complaint in the year 2003 for failure to disclose in the Director's Report the fact that the JM Morgan Stanley remained a Public Limited Company for the year 1999-2000. Inspection of the books and records of JM Morgan Stanley was ordered by the Department of Corporate Affairs under Section 209A of the Companies Act, 1956. During the course of inspection, it was observed by the inspection officer that in the annual general meeting of JM Morgan Stanley held on September 15, 1999, the members had passed a special resolution for converting JM Morgan Stanley to a private limited company. However, the ROC declined to convert into a private limited company and JM Morgan Stanley remained a public limited company till January 11, 2001. The director's report for the year 1999-2000 which was adopted on August 31, 2000 did not deal with this aspect of JM Morgan Stanley

remaining a public limited company. Thus, the complainant has filed the criminal complaint against the directors of the Company for non-disclosure of material fact of non-conversion into a private limited company. The summons was served on Gautam Bhailal Doshi for the first time in March 2025. This matter is currently pending.

4. Suraj Ratanlal Agrawal of M/S Monopoly Carriers and Cargo Private Limited ("**Complainant**") filed an FIR in January 2017 against M/S Quickdel Logistics Private Limited, AceVector Limited, under its former name Jasper Infotech Private Limited including its director Kunal Bahl, among others ("**Accused Persons**") alleging that the Complainant has been cheated to the tune of approximately ₹ 76 lakh. AceVector Limited and its Directors, filed replies and representations dated March 17, 2017, April 10, 2017, and May 16, 2017 ("**Replies**") submitting that AceVector Limited is not a party to the agreement between the Complainant and M/S Quickdel Logistics Private Limited. Pursuant to submission of the reply, no further correspondence has been received in the matter.

5. Two criminal complaints have been filed against AceVector Limited including Kunal Bahl at district level. As of the date of this Information Memorandum, Kunal Bahl has not received any summons or notice in connection with the aforesaid proceedings.

6. For other criminal proceedings against Anand A Piramal, Jairam Sridharan, Gautam Bhailal Doshi, Suhail Amin Nathani, Kunal Bahl see "*Litigation involving our Company- Criminal proceedings against the Company*" on page 577.

***Criminal litigations by our Directors***

Nil

***Actions by statutory or regulatory authorities against our Directors***

1. A first information report was registered by CBI on October 21, 2009 against officials of Department of Telecommunications ("**DOT**"), Government of India and others including Gautam Bhailal Doshi for offences punishable under Section 120-B of the IPC read with 13(2) and 13(1)(d) of the Prevention of Corruption Act, 1988 on allegations of criminal conspiracy and criminal misconduct in allotment of letters of intent, unified access services, licenses and spectrum by the DOT. Pursuant to an order dated December 21, 2017 ("**Order**") passed by the special judge, CBI, New Delhi the parities accused in this matter were acquitted. Thereafter, an appeal was filed by the CBI against the Order before the High Court of Delhi which is currently pending.

2. The Ministry of Corporate Affairs ("**MCA**"), through the Office of Regional Director (North Region) has issued a letter dated May 13, 2024, to AceVector Limited ("**AceVector**"), along with five directors of AceVector Limited including Kunal Bahl under Section 206(5) of the Companies Act, 2013. The MCA has requested information pertaining to AceVector regarding, among others, the business of AceVector Limited, its authorised share capital and its statement of working results. The MCA has also directed AceVector Limited and its directors to provide among others, copies of the minutes of its board and shareholders' meetings held in the last five years, copies of statutory registers, secretarial records, financial statements and information, copies of income tax returns and assessments orders received by AceVector Limited and its Directors since incorporation. The directors of AceVector Limited including Kunal Bahl vide letters dated May 24, 2024, and May 27, 2024, undertook to cooperate in the proceedings and submitted that the information pertaining to AceVector Limited, that is not in their personal possession, will be provided by AceVector Limited in due course. AceVector Limited, vide letter dated May 24, 2024, and June 05, 2024, submitted certain documents as requested by the MCA. AceVector Limited or any of its directors, including Kunal Bahl have not received any further communications from MCA with respect to this matter, and the matter is currently pending.

***Other pending material litigations involving our Directors***

1. One consumer proceeding has been initiated against AceVector Limited including Kunal Bahl, before the Thane District Consumer Disputes Redressal Commission. Kunal Bahl has not received any summons or notice in connection with the aforesaid matter.

**Litigation Involving our Key Managerial Personnel and Senior Management**

***Criminal litigation against our Key Managerial Personnel and Senior Management***

For criminal proceedings involving Jairam Sridharan and Anand A Piramal, see "- *Criminal proceedings against our Directors*" on page 591.

***Actions taken by regulatory and statutory authorities against our Key Managerial Personnel and Senior Management***

Nil

***Criminal litigation by our Key Managerial Personnel and Senior Management***

For criminal proceedings involving Jairam Sridharan and Anand A Piramal, see "- *Criminal proceedings by our Directors*" on page 592.

**Litigation involving our Promoter**

***Criminal litigations against our Promoter***

1. Loknath Ratnakar, the complainant and a former clearing and forwarding agent, filed a complaint before the court of Chief Judicial Magistrate, Patna, against Piramal Enterprises Limited, Ajay G. Piramal and certain other officers of Piramal Enterprises Limited for offences under Sections 420, 406, and 120-B of the IPC. The alleged grounds of the complaint were that Piramal Enterprises Limited took a road permit through the complainant, however, Piramal Enterprises Limited supplied the products to another third-party distributor, instead of the complainant. The matter is currently pending.

2. SS Sonawane, the sub-divisional officer, Alibaug ("**SDO**") filed a criminal complaint before the Chief Judicial Magistrate, Raigard, Alibaug ("**CJM**"), against Ajay G. Piramal under Section 15 of the Environment Protection Act, 1986 in relation to alleged unauthorised construction on property bearing Gut No. 395, Village Akshi, Taluka Alibaug, thereby violating the provisions of the coastal regulation zone ("**Complaint**"). CJM, vide its order dated April 13, 2018 ("**Order**"), passed an order of issue process against our Director. The criminal revision application in the Court of Addl. Sessions Judge, Alibaug ("**Court**") was filed challenging the process issued by the Magistrate court on the ground that the Complaint is not tenable as there is no case of illegal construction and that the Complaint should be dismissed. The Court, vide its order dated February 20, 2019, called for records and proceedings from the CJM. The matter is currently pending.

3. An FIR was filed against the board of directors and management of Piramal Foundation, including Ajay G. Piramal, by Neetu Shahi, an ex-employee of Piramal Foundation, challenging her termination before the Vikasnagar police station, Lucknow. While the matter was pending before the additional chief judicial magistrate, Lucknow ("**ACJM**"), a writ petition has been filed before the High Court of Allahabad, Lucknow Bench, for quashing the aforementioned FIR. The High Court of Allahabad has granted relief of protection against arrest to the accused persons. The police have filed a final report for closure before the ACJM and the writ petition has also been dismissed as infructuous by the High Court. The matter is currently pending before the ACJM.

4. A criminal complaint was filed by Union of India, Central Drugs Standard Control Organisation, Director General of Health Services, through its Drugs Inspector before the court of chief judicial magistrate, Patiala ("**CJM**") for alleged offences under Section 18(a)(i) read with Section 16(1)(a) of the Drugs and Cosmetics Act, 1940 pursuant to certain drugs manufactured by Piramal Enterprises Limited and declared as "not standard quality" for the month of July, 2019 for a batch of supradyn multivitamin tables. A summoning order was issued by the CJM against Piramal Enterprises Limited. Thereafter, a petition was filed by Ajay G. Piramal before the High Court of Punjab and Haryana, seeking quashing of the aforementioned summoning order, and they have been granted interim relief in the matter for proceedings in relation to them.

5. For criminal proceedings against Ajay G. Piramal, see "*Litigation involving our Company- Criminal proceedings against the Company*" on page 577.

***Criminal litigations by our Promoter***

1. Our Promoter, Ajay G. Piramal *inter alia* ("**Petitioners**") filed a writ petition before the Bombay High Court seeking quashing of *inter alia* the complaint, summons and warrants. The petition was listed on March 11, 2025, when after hearing the Petitioners, the court was pleased to grant a stay on proceedings before the Judicial Magistrate, 38th Court, Ballard Pier, Mumbai on the grounds that the transaction was of the year 1993, the process was issued against the petitioners after significant delay in 2024. The matter is currently pending.

***Other pending material litigations involving our Promoter***

Nil

***Actions taken by regulatory and statutory authorities against our Promoter***

Nil

**Litigation involving our Group Companies**

There are no pending proceedings against the Group Companies that would have a material adverse impact on the implementation of the Scheme or on our Company.

***Outstanding dues to micro, small and medium enterprises and other creditors***

In accordance with the criteria defined under the Materiality Policy on disclosures under the SEBI ICDR Regulations, the Company has considered such creditors 'material' to whom the amount due is equal to or in excess of 5% of the consolidated trade payables of the Company as at the end of the most recent period covered in the Audited Financial Information. The consolidated trade payables of the Company as on June 30, 2025, was ₹ 392.69 crore. Accordingly, a creditor has been considered 'material' if the amount due to such creditor exceeds ₹ 19.63 crore (being 5% of the consolidated trade payables) as on June 30, 2025

Other than as disclosed below there are no outstanding dues payable by our Company to micro, small and medium enterprises and other creditors as of June 30, 2025:

| Particulars | Number of creditors | Amount involved (in ₹ crore) |
|---|---|---|
| Dues to micro enterprises and small enterprises | 139 | 46.86 |
| Dues to Material Creditor(s) (as defined above) | Nil | N.A. |
| Dues to other creditors | 2,213 | 339.51 |
| **Total** | **2,352** | **386.37** |

For information about outstanding dues to creditors of the Company, see "*Financial Statements*" on page 198.

The information as required under SEBI ICDR Regulations in relation to outstanding dues to Material Creditors are available on the website of the Company at www.piramalfinance.com.

Our Company has never defaulted in repayment of any loan taken from the lenders or payment of interest thereon and there has been no re-scheduling of such loans or any event of default or acceleration under the relevant documentation of the various loan/facility agreements by various banks/financial institutions.

**Material Developments**

The Scheme of Arrangement between our Company and Piramal Enterprises Limited became effective from September 16, 2025.

Other than the aforesaid, there have been no material developments, since the date of the last financial statements disclosed in this Information Memorandum, any circumstances, which materially and adversely affect, or are likely to affect our operations or profitability of the Company or the value of our assets or our ability to pay our liabilities within the next 12 months.

## GOVERNMENT APPROVALS

*Our Company requires various approvals, licenses, registrations, and permits issued by relevant governmental and regulatory authorities under various rules and regulations to carry out our present business activities and to undertake the Listing. We have set out below an indicative list of all material approvals required by our Company ("**Material Approvals**"), for the purposes of undertaking our business activities and operations and except as mentioned below, no further material approvals are required to carry on our present business activities.*

*Pursuant to the Scheme being effective, approvals and other consents, permissions, authorizations, entitlements, no-objection certificates and licenses, granted or issued by any Governmental Authority to the Transferor Company, or to which the Transferor Company is a party, or to the benefit of which the Transferor Company may be entitled to use and which may be required to carry on the operations of the Transferor Company, and which are subsisting or in effect immediately prior to the Effective Date, shall be, and remain, in full force and effect and vest in favour of our Company, without any further act, instrument or deed and shall be appropriately mutated or endorsed by the appropriate authorities concerned therewith in favour of our Company as if the same were originally given by, issued to or executed in favour of the our Company and we shall be bound by the terms, obligations and duties thereunder, and the rights and benefits under the same shall be available to the Transferor Company to carry on the operations of the Transferor Company. Further, certain Material Approvals may have lapsed or expired or may lapse in their ordinary course of business, from time to time, and we have applied for renewals for such Material Approvals in the ordinary course of business.*

*Certain of our key approvals, licenses, registrations, and permits may expire periodically in the ordinary course and applications for renewal of such expired approvals are submitted in accordance with applicable requirements and procedures, as necessary. For further details, in connection with the applicable regulatory and legal framework within which we operate, see "Risk Factors" and "Key Regulations and Policies in India" on pages 16 and 127, respectively. For the approvals and authorisations obtained by our Company in relation to the Listing, see "Other Regulatory and Statutory Disclosures – Authority for Listing" on page* 598, *and for incorporation details of our Company, see "History and Certain Corporate Matters" on page* 142.

### I. Material approvals in relation to the Listing

For details regarding the approvals and authorisations obtained by our Company in relation to the listing, see "*Other Regulatory and Statutory Disclosures – Authority for Listing*" on page 598.

### II. Material approvals in relation to our Company

We require various approvals to carry on our business in India. We have received the following material government and other approvals pertaining to our business.

#### *A. Material approvals in relation to incorporation*

i. Certificate of incorporation dated April 11, 1984, and certificate for commencement of business dated April 26, 1984, issued by the Registrar of Companies, Maharashtra at Mumbai, to our Company, in its former name, being 'Dewan Housing Finance & Leasing Company Limited'.

ii. Fresh certificates of incorporation, issued by the Registrar of Companies, Maharashtra at Mumbai, to our Company, consequent upon change in name as:

a) *'Dewan Housing Development Finance Limited*' on September 26, 1984;
b) '*Dewan Housing Finance Corporation Limited'* on August 25, 1992;
c) '*Piramal Capital & Housing Finance Limited*' on November 3, 2021; and
d) '*Piramal Finance Limited*' on March 22, 2025.

iii. The CIN of our Company is U64910MH1984PLC032639.

For further details in relation to incorporation of our Company, see "*History and Certain Corporate Matters*" on page 142.

#### *B. Material approvals in relation to our business*

The material approvals in relation to the business operations of our Company is set forth below:

i. The RBI granted a certificate of registration dated April 4, 2025, allotting registration number N-13.02517,

pursuant to which our Company was registered as an NBFC-ICC under Section 45-IA of the RBI Act, 1934.

ii. The RBI granted a certificate of registration dated February 21, 2021 to our Company (under its erstwhile name, 'Piramal Capital and Housing Finance Limited') and endorsed our Company as a housing finance institution, with registration number DOR-00014 under Section 29A of the National Housing Bank Act, 1987.

iii. Our Company is registered with the Central Registry of Securitisation Asset Reconstruction and Security Interest of India for registration of security interest.

iv. The legal entity identifier code number 335800M751HM7MSTFQ19 has been granted to our Company by the Legal Entity Identifier India Limited which is valid up to August 23, 2026.

***C. Approval from taxation authorities***

i. The permanent account number of our Company is AAACD1977A.

ii. The tax deduction account number of our Company is MUMD09790E.

iii. Goods and services tax registration numbers of our Company under various central and state goods and services tax legislations.

iv. Our Company has several branches in various states falling under the respective professional tax legislations. Accordingly, our Company has obtained the necessary licenses and approvals from the appropriate regulatory and governing authorities in relation to such tax laws, wherever applicable.

## III. Labour and commercial approvals

Our Company has obtained the following registrations under various employee and labour-related laws, namely the following:

i. Registration under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 bearing code number MHBAN0023029000.

ii. Our Company has obtained license under Maharashtra Shops and Establishment (Regulation of Employment and Conditions of Service) Act, 2017 for registration of our Registered Office.

iii. Our Company has obtained registration under the relevant state contract labour legislations for the following branches where we have engaged contract labourers to carry out our business operations, bearing registration number:

a) 2413500710026624 for our branch office located at Mumbai, Maharashtra;
b) ALC-B-3/CLA/P-11217475/2023-24 for our branch office located at Bengaluru, Karnataka; and
c) CLC/HYD/ALO/26/29341/2025 for our branch office located at Hyderabad, Telangana.

iv. Our Company has obtained registrations under the central and the relevant state labour welfare legislations for the states where we carry our business operations.

v. Registrations issued by the Employees' State Insurance Corporation, India under the Employees State Insurance Act, 1948 as amended, for the states where we carry our business operations, as applicable bearing code number 31000308800001002 and 34000148130001002.

## IV. Material approvals for our branches and regional offices

Except as disclosed under "– *Material approvals required but not obtained or applied for or renewed*" below, our Company has obtained the material approvals for its branches and regional offices located in various states and union territories in India under the relevant legislations, wherever applicable.

Our Company has obtained material approvals and registrations in the ordinary course of business for our branches and regional offices across various states and union territories in India including licenses for location of business issued by relevant municipal authorities under applicable laws, registrations under professional tax registrations, GST registrations, registrations under central and state contract labour legislations, the Employees' State Insurance Act, 1948, Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and shops and establishment registrations issued under the relevant state legislations.

## V. Material approvals applied for but not received

Certain licenses and material approvals, including registrations under the relevant shops and establishments legislations and trade licenses, may have expired in the ordinary course or may require fresh registrations, as applicable. The Company has either applied to the relevant authorities for renewal or fresh licenses and registrations or is in the process of making such applications. For further details, please see "*Risk Factors – Failure to obtain or renew approvals, licenses, registrations and permits to operate our business in a timely manner, or at all, may adversely affect our business, financial condition, results of operations and cash flows.*" on page 23.

## VI. Material approvals required but not obtained or applied for

As on the date of this Information Memorandum, there are no material approvals which our Company was required to obtain but which has not been obtained or been applied for.

## VII. Intellectual Property Rights

The trademarks and logos associated with the "Piramal" brand name, inter alia, Piramal Finance under class 36, which is used in the course of business operations, is registered in the name of Piramal Corporate Services Private Limited ("**PCSPL**"), a company which is a part of our Promoter Group and Group Company.

Our Company had entered into a trademark license and advisory services agreement dated September 3, 2018 with PCSPL read with, inter alia, the amendment agreement dated August 20, 2020 and further amendments from time to time ("**Trademark Agreement**") for use of the "Piramal" trademark and its corporate logo which consists of "Gyan Mudra" icon, the "Piramal" name and the words "Knowledge Action Care Impact" and "Finance. Our other intellectual property includes certain domain names associated with our business. We have also registered certain trademarks for our new products such as "Bridge Loan (No more waiting just bridge it)", "Samarthya" and "SUPER (STEP- UP EMI repayment loan)".

For further details in relation to our intellectual property registrations, see "*Our Business – Intellectual Property*" on page 125.

## OTHER REGULATORY AND STATUTORY DISCLOSURES

### Authority for Listing

The Scheme was approved by the Board of Directors of our Company and Piramal Enterprises Limited, on May 8, 2024, under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013.

The NCLT, vide its order dated September 10, 2025 (certified true copy of the order received on September 12, 2025), sanctioned the Scheme. The Scheme inter alia provides, for (i) the amalgamation of the Transferor Company into the Transferee Company and dissolution of the Transferor Company, and the consequent issuance and allotment of equity shares by Transferee Company to the shareholders of the Transferor Company in consideration thereof; (ii) cancellation of the entire pre-Scheme share capital of the Transferee Company held by the Transferor Company; (iii) adjustment of debit balance of amalgamation adjustment reserve account in the books of the Transferee Company; and (iv) various other matters consequential and incidental thereto. In the context of the Scheme, the Appointed Date of the Scheme is April 1, 2024 and the Effective Date of the Scheme means September 16, 2025 i.e. the date or the last date as notified by the Boards of the Transferor Company and the Transferee Company, on which all actions set out in clause 20 of the Scheme have been fulfilled, completed, or waived, as the case may be, as determined by the Boards of the Transferor Company and the Transferee Company.

Observations letters from BSE and NSE in relation to the Scheme were granted vide their respective letters dated February 18, 2025.

In accordance with the Scheme, the Equity Shares of our Company, allotted pursuant to the Scheme, shall be listed and admitted to trading on the Stock Exchanges. Such admission and listing are not automatic and will be subject to fulfilment by our Company of the respective listing criteria of the Stock Exchanges and such other terms and conditions as may be prescribed by the respective Stock Exchanges at the time of the application made by our Company seeking approval for listing.

### Eligibility criterion

There being no initial public offering or rights issue, the eligibility criteria prescribed under Chapter VII of the SEBI ICDR Regulations are not applicable. SEBI vide its master circular SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 (the "**SEBI Circular**") has subject to certain conditions permitted unlisted issuer companies to make an application for relaxing from the strict enforcement of Rule 19(2)(b) of SCRR thereof by making an application to SEBI under sub-rule (7) of Rule 19 of the SCRR as per the SEBI Circular. SEBI *vide* its letter no [●] dated [●] granted relaxation under sub-rule (7) of Rule 19 of the SCRR. Our Company will submit the Information Memorandum, containing information about itself, making disclosures in line with the disclosure requirement for public issues, as applicable to BSE and NSE and the Information Memorandum shall be made available to public through the respective websites of the Stock Exchanges i.e., www.bseindia.com and www.nseindia.com.

The Company will also make the Information Memorandum available on its website viz. https://www.piramalfinance.com/stakeholders/composite-scheme-of-arrangement-2024. The Company will publish an advertisement in the newspapers containing its details in line with the SEBI Circular. The advertisement shall draw specific reference to the availability of the Information Memorandum on the Company's website.

### Prohibition by Securities and Exchange Board of India

As on the date of this Information Memorandum, our Company, its Directors, its Promoter, Promoter Group, and persons in control of our Company are not prohibited from accessing the capital market or debarred from buying, selling, or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any other jurisdiction or any other authority/court.

### Compliance with Companies (Significant Beneficial Ownership) Rules, 2018

Our Company, Promoter and Promoter Group are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018.

### Association with the securities market

Further, none of the Directors of our Company are associated with the securities market in any manner, and SEBI has not initiated any action against any entity, with whom the Directors of the Company are associated in the past five years preceding the date of this Information Memorandum.

### Identification as wilful defaulter by Reserve Bank of India

Our Company, Promoter, Directors, Group Companies, the relatives of Promoter have not been identified as Wilful Defaulters or Fraudulent Borrowers by any bank or financial institution or consortium thereof in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

**Fugitive Economic Offences**

Neither the Promoter nor our Directors have been declared as fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018.

**Disclaimer in respect of Jurisdiction**

Any dispute arising out of this Information Memorandum will be subject to the jurisdiction of appropriate court(s) of Mumbai, Maharashtra only.

**Disclaimer Clause of the BSE**

As required, a copy of this Information Memorandum has been submitted to BSE. BSE *vide* its letter bearing reference no. [●] dated [●], approved the Scheme under Regulation 37 of the SEBI Listing Regulations and by virtue of the said approval, BSE's name has been included in this Information Memorandum as one of the Stock Exchanges on which our Company's Equity Shares are proposed to be listed.

**Disclaimer Clause of the NSE**

As required, a copy of this Information Memorandum has been submitted to NSE. NSE has *vide* its letter bearing reference no. [●] dated [●], approved the Scheme under Regulation 37 of the SEBI Listing Regulations and by virtue of the said approval, NSE's name is included in this Information Memorandum as one of the Stock Exchanges on which our Company's Equity securities are proposed to be listed.

**General Disclaimer from our Company**

Our Company accepts no responsibility for statements made otherwise than in this Information Memorandum or in the advertisement to be published in terms of the SEBI Circular or any other material issued by or at the instance of the Company and anyone placing reliance on any other source of information would be doing so at his or her own risk. All information shall be made available by the Company to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner.

**Listing**

Applications have been made to BSE and NSE for an official quotation of the Equity Shares of our Company. Our Company has nominated BSE as the Designated Stock Exchange for the aforesaid listing of Equity Shares. Our Company has taken steps for completion of necessary formalities for listing and commencement of trading at all the Stock Exchanges mentioned above within a period as approved by SEBI.

**Listing Approval from BSE and NSE**

Our Company has obtained in-principle listing approvals from BSE and NSE each dated [●], Our Company shall make the applications for final listing and trading approvals from BSE and NSE.

**Exemption under securities laws**

Our Company was granted an exemption from the application of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957 by the SEBI *vide* the letter no. [●] dated [●].

**Filing**

A copy of this Information Memorandum has been filed with BSE and NSE.

**Demat Credit**

Our Company has executed Tripartite Agreements with the Depositories i.e., NSDL and CDSL, on September 24, 2003 and June 19, 2003, respectively for admitting our Equity Shares in dematerialized form. The ISIN allotted to the Company's Equity Shares is INE202B01038. Our Company has completed the credit of the new Equity Shares to depository participant accounts of the Equity Shareholders whose name is recorded in the register of members and records of the depository as members of Transferor Company as on the Record Date i.e. September 23, 2025.

**Dispatch of share certificates**

In accordance with the Scheme, new Equity Shares have been issued and allotted to the eligible shareholders of the Transferor Company on the Record Date i.e. September 23, 2025. Prior to the Record Date, the eligible shareholders of the Transferor Company, who held shares in physical form were requested to dematerialise their shares. Our Company has credited such Equity Shares to the depository participant accounts of the eligible shareholders at different dates and accordingly, no share certificates have been dispatched by our Company.

**Particulars regarding public or rights issues by our Company during the last five years**

Except as disclosed under "*Capital Structure*" on page 33 of this Information Memorandum. Our Company has not made any public or rights issues during last five years until the date of this Information Memorandum.

**Commission and Brokerage paid on previous issues of the Equity Shares in the last five years**

No sum has been paid or is payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares of our Company in the five years preceding the date of this Information Memorandum

**Capital issue during the previous three years by our Company, listed Group Companies and listed Subsidiaries of our Company**

Our Company has not undertaken any issuance of equity shares to the public during the previous three years. Further, except for the rights issue undertaken by Piramal Pharma Limited in the year 2023, there are no listed Subsidiary or listed Group Companies of the Company which have undertaken any capital issue to the public.

**Performance vis-à-vis objects**

This is the first time the Equity Shares of our Company will be listed on the Stock Exchanges.

**Public/rights issue of the listed subsidiaries/promoter**

As on the date of this Information Memorandum, our Company does not have any listed corporate promoters.

**Stock Market Data of Equity Shares of our Company**

The Equity shares of the Company are not listed on any Stock Exchanges.

**Disposal of Investor Grievances**

MUFG Intime India Private Limited (*formerly Link Intime India Private Limited*) is the Registrar and Share Transfer Agent of our Company to accept the documents/requests/complaints from the investors/shareholders of the Company. All documents are received at the inward department, where the same are classified based on the nature of the queries/actions to be taken and coded accordingly. The documents are then electronically captured before forwarding to the respective processing units. The documents are processed by professionally trained personnel. Our Company has set up service standards for each of the various processes involved such as effecting the transfer/dematerialization of securities/change of address. Our Company estimates that the average time required by us or the Registrar and Share Transfer Agent for redressal of investor grievances will range from 7 business days to 15 business days from the date of receipt of complaint.

Shareholders can express their grievances by sending an e-mail to rnt.helpdesk@in.mpms.mufg.com or raise a request through website www.in.mpms.mufg.com or raise complaints in SCORES (common portal introduced by SEBI). Further, the Shareholders can also send their grievances to the Company's e-mail address i.e. corporate.secretarial@piramal.com. As on the date of this Information Memorandum, our Company has not received any investor complaints since the 2021 Reverse Merger with respect to our Equity Shares.

Bipin Singh is the Company Secretary and Compliance Officer of the Company is vested with responsibility of addressing the Investor Grievance(s) in coordination with Registrar and Share Transfer Agent of our Company.

**Company Secretary and Compliance Officer**

Bipin Singh
601, 6th Floor, Amiti Building
Agastya Corporate Park
Kamani Junction, Opp. Fire Station
LBS Marg, Kurla(W)
Mumbai 400070

Maharashtra, India.
**Tel:** +91-22-3802 4000
**E-mail:** corporate.secretarial@piramal.com

**Capitalisation of reserves or profits or revaluation of assets**

There has been no capitalization of our reserves or profits or revaluation of our assets since the 2021 Reverse Merger to the date of this Information Memorandum.

**Change in auditors**

Except as disclosed under "*General Information- Change in Auditors*" on page 31 of this Information Memorandum, there has been no change in the auditors of our Company during the three years preceding the date of this Information Memorandum.

**Outstanding debenture or bonds or redeemable preference shares or other instruments issued by our Company**

Except for the non-convertible debentures issued by our Company which are listed on the Stock Exchanges and the commercial papers which are listed on the NSE, as on date of this Information Memorandum, there are no outstanding debentures or bonds issued by our Company.

## SECTION VIII – OTHER INFORMATION

## MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

**THE COMPANIES ACT 2013**

**COMPANY LIMITED BY SHARES**

**(Incorporated under the Companies Act, 1956)**

**ARTICLES OF ASSOCIATION**

**OF**

**PIRAMAL FINANCE LIMITED**

### I. INTERPRETATION

1. (i) The regulations contained in Table marked 'F' in Schedule I to the Companies Act, 2013 shall not apply to the Company, except in so far as the same are repeated, contained or expressly made applicable in these Articles or by the said Act.

   (ii) The regulations for the management of the Company and for the observance by the members thereto and their representatives, shall, subject to any exercise of the statutory powers of the Company with reference to the deletion or alteration of or addition to the clauses contained in these Article, be such as are contained in these Articles.

2. (i) In the interpretation of these Articles, unless repugnant to the subject or context:

   a. "Act" shall mean the Companies Act, 2013 or any statutory modification or re- enactment thereof for the time being in force, including wherever applicable, the rules framed thereunder and the relevant provisions of the Companies Act, 1956, to the extent that such provisions have not been superseded by the Companies Act, 2013 or de-notified, as the case may be.

   b. 'Alter' and 'Alteration' shall include the making of additions, omissions and substitution.

   c. "Applicable Law" shall mean any statute, rule, regulation or guideline in force from time to time and shall include any judgment, order, decree, approval, directive, or other governmental directives or actions, or any similar decision issued by any Governmental Authority, as the context may require.

   d. "Articles" means these articles of association of the Company or as altered from time to time.

   e. "Board of Directors" or "Board", means the collective body of the directors of the Company.

   f. 'Debenture' includes Debenture stock, bonds or any other instrument of a Company evidencing a debt, whether constituting a charge on the assets of the company or not.

   g. 'Dividend' shall include interim dividend

   h. 'Document' includes summons, notice, requisition, order, declaration, form and register, whether issued, sent or kept in pursuance of the Act or under any other law for the time being in force or otherwise, maintained on paper or in electronic form.

   i. "Memorandum" means the Memorandum of Association of the Company as originally framed or as altered from time to time in pursuance of any previous Company law or of the Act.

   j. "Company" means "Piramal Finance Limited"

   k. "Rules" means the applicable rules for the time being in force as prescribed under relevant sections of the Act.

   l. "Seal" means the common seal of the Company.

   (ii) Words importing the singular number shall include the plural number and words importing the masculine gender shall, where the context admits, include the feminine and neuter gender.

(iii) Unless otherwise specified in these Articles, words or expressions contained in these Articles and not defined herein, shall bear the same meaning as in the Act or any statutory modification thereof in force from time to time. In case any word or expression is not defined in the Act but defined in the Securities Contracts (Regulation) Act, 1956 or the Securities and Exchange Board of India Act, 1992 or the Depositories Act or the Securities and Exchange Board of India (listing obligations and disclosure requirements) regulations, 2015, or in any other Applicable Law shall have the meanings respectively assigned to it in that Act/regulation/law, as the case may be.

(iv) Section 2(71) of the Companies Act defines a "public company" means a company which—

a. is not a private company;

b. has a minimum paid-up share capital of five lakh rupees or such higher paid- up capital, as may be prescribed:

Provided that a company which is a subsidiary of a company, not being a private company, shall be deemed to be public company for the purposes of this Act even where such subsidiary company continues to be a private company in its articles;

## II. SHARE CAPITAL AND VARIATION OF RIGHTS

3. (i) The Authorised Share Capital of the Company is, or, shall be such amount as stated in Clause V of Memorandum of Association, for the time being or as may be varied, from time to time, under the provisions of the Act, and divided into such numbers, classes and descriptions of shares and into such denomination as stated therein.

(ii) The paid up share capital of the Company shall be, at any point of time, more than Rupees 5,00,000 (Rupees Five Lac only) or such other higher amount, as prescribed under the Act as applicable to a Public Company.

4. (i) The shares in the capital of the Company shall be under the control of the Board who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit.

(ii) Subject to receiving consent of the requisite number of shareholders, as required under the Act, the Board is empowered to classify the shares as equity shares or preference shares (whether cumulative or non-cumulative and whether convertible or non- convertible) or class of shares from time to time, whether with or without any guarantee or with or without any preferential, differential, deferred, qualified or special rights, privileges or conditions attached thereto, as the Board may consider appropriate from time to time.

(iii) Subject to the provisions of the Act, the Board shall have right to change the terms of any class of shares, subject to receiving consent of the requisite number of shareholders of that class or any other class as required under the Act.

5. The Board may issue and allot fully paid-up or partly paid-up Shares in the capital of the Company on payment or part payment for any property or assets of any kind whatsoever sold or transferred, goods or machinery supplied or for services rendered to the Company in the conduct of its business and any shares which may be so allotted may be issued as fully paid-up or partly paid-up otherwise than for cash, and if so issued, shall be deemed to be fully paid- up or partly paid-up shares, as the case may be.

6. The Company may issue the following kinds of shares in accordance with these Articles, the Act, the Rules and other Applicable Laws:

a. Equity share capital:

i. with voting rights; and / or

ii. with differential rights as to dividend, voting or otherwise in accordance with the Act; and

b. Preference share capital

7. (i) Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after allotment or within one month from the date of receipt by the Company of the application for the registration of transfer or transmission or within such other period as the conditions of issue shall provide or as may be otherwise permitted under the Act, the following: -

a. One certificate for all his shares without payment of any charges; or

b. Several certificates, each for one or more of his shares, upon payment of such charges, if any, that may be fixed by the Board for each certificate after the first.

(ii) Every certificate shall specify the shares to which it relates and the amount paid-up thereon. It shall be optional for the company to affix the Seal of the company on share certificates, subject to applicable provisions under the Act.

(iii) Subject to Applicable Law, in respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to the first named shareholder shall be deemed to be sufficient delivery to all such holders.

8. A person subscribing to shares offered by the Company shall have the option either to receive certificates for such shares or hold the shares in a dematerialised state with a depository. Where a person opts to hold any share with the depository, the Company shall intimate such depository the details of allotment of the share to enable the depository to enter in its records the name of such person as the beneficial owner of that share.

9. If any share certificate be old, decrepit, worn out, defaced, mutilated, or torn or if there be no further space on the back for endorsement of transfer or for any other reason as the Board may deem fit and proper, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed or is badly mutilated or for any other reason as the Board may deem fit and proper, then upon proof thereof to the satisfaction of the Company and / or on execution of such indemnity, declaration and / or affidavits or such other supporting evidence, as the Company deems adequate, a new certificate in lieu thereof shall be given. The Board is entitled to determine the fee to be paid for each certificate that may be so issued, subject to the provisions of the Act.

Subject as aforesaid, the Board shall also have the power to grant such waivers as it may deem fit and proper.

10. The provisions of the foregoing Articles relating to issue of certificates shall mutatis mutandis apply to issue of certificates for any other securities including debentures (except where the Act otherwise requires) of the Company.

11. (i) The Company may exercise the powers of paying commissions conferred by the Act, to any person in connection with the subscription to its securities, subject to compliance with applicable provisions of the Act.

(ii) The rate or amount of the commission shall not exceed the rate or amount prescribed in the Rules.

(iii) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or debentures or partly in the one way and partly in the other.

12. (i) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of the Act, and whether or not the Company is being wound up, be varied with the consent in writing, of such number of the holders of the issued shares of that class, or with the sanction of a resolution passed at a separate meeting of the holders of the shares of that class, as prescribed by the Act or, if permitted by the Act, with the sanction of the Board.

(ii) To every such separate meeting of shareholders, the provisions of these Articles relating to general meetings shall mutatis mutandis apply.

13. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.

14. Subject to the provisions of the Act, the Board shall have the power to issue or re- issue preference shares of one or more classes and other securities which are liable to be redeemed, or converted to equity shares, on such terms and conditions and in such manner as determined by the Board in accordance with the Act. Likewise, subject as aforesaid, the Board shall also have the power to issue shares with differential rights.

15. (i) The Board (or if the Act so provides, the Company in general meeting, as the case may be) may, subject to the provisions of the Act and the Rules, issue further shares to -

a. Persons who, at the date of offer, are holders of equity shares of the Company; such offer shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person; or

b. Employees under any scheme of employees' stock option; or

c. Any persons, whether or not those persons include the persons referred to in clause (a) or clause (b) above.

(ii) The aforesaid offer shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person;

(iii) A further issue of shares may be made in any manner whatsoever as the Board may determine including by way of preferential offer or private placement, subject to and in accordance with the Act

(iv) Except as required by any Applicable Law, the Company shall not be bound to recognise any share held upon any trust, and further, the company shall also not be bound by, or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

16. Subject to the provisions of the Act and these Articles, the Board may issue and allot shares in the Capital of the Company on payment or part payment for any property or assets of any kind whatsoever sold or transferred, goods or machinery supplied or for services rendered to the Company in the conduct of its business and any shares which may be so allotted may be issued as fully paid-up or partly paid-up shares, otherwise than for cash and if so issued be deemed to be fully paid up or partly paid up shares, as the case may be.

17. Any application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any share therein, shall be an acceptance of shares within the meaning of these Articles; and every person who thus or otherwise accepts any share and whose name is on the Register of Members shall, for the purposes of these Articles, be a Member.

18. The money (if any) which the Board of Directors shall, on the allotment of any shares being made by them, require or direct to be paid by way of deposits, calls or otherwise in respect of any shares allotted by them, shall, immediately on the inscription of the name of the allottee in the Register of Members as the holder of such shares, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.

19. Every member, or his heirs, executors or administrators or other representative, shall pay to the Company the portion of the capital represented by his share or shares, which may, for the time being, remain unpaid thereon, in such amounts, at such time or times, and in such manner, as the Directors shall, from time to time, in accordance with these Articles, Act, Rules and other applicable laws, require or fix for the payment thereof.

20. Certificate shall be issued in the form and manner prescribed in the Act, the Rules and other applicable laws.

21. Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise its shares, debentures and other securities pursuant to the Depositories Act, 1996 and to offer its further shares, debentures and other securities for subscription in a dematerialised form.

22. Every endorsement upon the certificate of any share in favour of any transferee thereof shall be signed by such person for the time being authorised by the Board in that behalf.

23. Every share in the Company shall be distinguished by its distinctive number, provided that nothing shall apply to a share held by a person whose name is entered as holder of beneficial interest in such share in the records of depository.

24. Nothing in this clause shall affect the power of the Company to pay such brokerage, i n connection with subscription to its securities, as it may consider reasonable.

25. Except as provided by the Act, the Company shall not, except by reduction of capital under the provisions of the Act, buy its own shares nor give, whether directly or indirectly, and whether by means of a loan, guarantee, provision of security or otherwise any financial assistance for the purpose of or in connection with a purchase or subscription made or to be made by any person of or for any shares in the Company or in its holding company.

Provided that nothing in this Article shall be taken to prohibit:

(i) the provision of money in accordance with any scheme approved by the Company through Special Resolution and in accordance with the requirements specified in the Act and relevant Rules, for the purchase of, or subscription for, fully paid up Shares in the Company or its Holding Company or otherwise as prescribed under the Act and Rules, if the purchase of, or the subscription for the Shares held by trustees for the benefit of the employees or such Shares held by the employee of the Company;

(ii) the giving of loans by the Company to persons in the employment of the Company other than its Directors or Key Managerial Personnel, for an amount not exceeding their salary or wages for a period of six months with a view to enabling them to purchase or subscribe for fully paid up Shares in the Company or its Holding Company or otherwise as prescribed under the Act and Rules to be held by them by way of beneficial ownership.

Nothing in this Article shall affect the ight of the Company to redeem any pr e fe r e nc e shares issued under this Act or under any previous Companies Act.

**III. LIEN**

26. The Company shall have first and paramount lien upon all the Shares (other than fully paid up Shares) registered in the name of such Member (whether solely or jointly with others) and upon the proceeds of sale thereof, for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such Shares and no equitable interest in any Share shall be created except on the condition that this Article will have full effect and such lien shall extend to all dividends and bonuses from time to time declared in respect of such Shares; The registration of a transfer of Shares shall not operate as a waiver of the Company's lien if any, on such Shares, except to the extent specifically waived or permitted by the Board. The Board may at any time declare any Shares wholly or in part to be exempt from the provisions of this Article.

Provided that fully paid shares shall be free from all lien and that in the case of partly paid shares the issuer's lien shall be restricted to moneys unpaid in respect of such shares.

27. The Company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares for any money owing to the Company.

28. The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien:

Provided that no sale shall be made—

a. unless a sum in respect of which the lien exists is presently payable; or

b. until the expiration of fourteen days (or such other number of days as may be decided by the Board, subject to applicable provisions of the Act) after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or to the person entitled thereto by reason of his death or insolvency or otherwise.

29. (i) To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.

(ii) The purchaser shall be registered as the holder of the shares comprised in any such transfer.

(iii) The receipt of the Company for the consideration (if any) given for the share on the sale thereof shall (subject, if necessary, to execution of an instrument of transfer or a transfer by relevant system, as the case may be) constitute a good title to the share and the purchaser shall be registered as the holder of the share.

(iv) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings with reference to the sale.

30. (i) The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.

(ii) The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.

31. In exercising its lien, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not (except as ordered by a court of competent jurisdiction or unless required by any statute) be bound to recognise any equitable or other claim to, or interest in, such share on the part of any other person, whether a creditor of the registered holder or otherwise. The Company's lien shall prevail notwithstanding that it has received notice of any such claim.

32. The provisions of these Articles relating to lien shall mutatis mutandis apply to any other securities including debentures of the Company.

## IV. CALLS ON SHARES

33. (i) The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times.

(ii) Each member shall, subject to receiving at least fourteen days or such other number of days as may be decided by the Board, subject to applicable provisions of the Act, notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his shares.

Such notice may also include a notice for forfeiture, if such amount is unpaid after a period of 14 days.

(iii) The Board may, from time to time, at its discretion, and on such terms that it may, at its discretion, decide, extend the time fixed for the payment of any call in respect of one or more members as the Board may deem appropriate in any circumstances.

(iv) A call may be revoked or postponed at the discretion of the Board.

34. A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed or at such other time as may be specified by the Board and may be required to be paid by instalments.

35. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

36. (i) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof (the "due date"), the person from whom the sum is due shall pay interest thereon from the due date to the time of actual payment at such rate as may be fixed by the Board.

(ii) The Board shall be at liberty to waive payment of any such interest wholly or in part.

37. (i) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these Articles, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.

(ii) In case of non-payment of such sum, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

38. (i) The Board -

a. may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and

b. upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate as may be fixed by the Board. Nothing contained in this clause shall confer on the member (a) any right to participate in profits or dividends or (b) any voting rights in respect of the moneys so paid by him until the same would, but for such payment, become presently payable by him.

(ii) If by the conditions of allotment of any shares, the whole or part of the amount of issue price thereof shall be payable by instalments, then every such instalment shall, when due, be paid to the Company by the person who, for the time being and from time to time, is or shall be the registered holder of the share or the legal representative of a deceased registered holder.

(iii) All calls shall be made on a uniform basis on all shares falling under the same class.

*Explanation*: Shares of the same nominal value on which different amounts have been paid-up shall not be deemed to fall under the same class, for the purpose of this Article.

(iv) Neither any part payment or satisfaction thereof nor the receipt by the Company of a portion of any money which shall from time to time be due from any member in respect of any shares either by way of principal or interest nor any indulgence granted by the Company in respect of payment of any such money shall preclude the company from thereafter proceeding to enforce its right of forfeiture of such shares in accordance with the provisions contained in this Articles.

(v) The provisions of these Articles relating to calls shall mutatis mutandis apply to any other securities including debentures of the Company.

**TRANSFER OF SHARES**

39. (i) The instrument of transfer of any share in the Company shall be duly executed by or on behalf of both the transferor and transferee.

(ii) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.

40. (i) The securities or interest of any member in the Company shall be freely transferable.

(ii) Save as otherwise expressly provided in the Act or Rules and notwithstanding anything to the contrary contained herein, the Board may refuse to register the transfer of any of its securities in the name of the transferee on any one or more of the following grounds:

(a) that the transfer of the security is likely to result in such change in the composition of the Board of Directors as would be prejudicial to the interest of the Company or to the public interest;

(b) that the transfer of the security is prohibited by any order of any court, tribunal or other competent authority under any law for the time being in force;

(c) any transfer of Shares on which the Company has a lien and on which calls are unpaid; and

(d) Any other justifiable ground as the Board may think fit in the interest of the Company.

(e) Provided that the Board may approve registration of transfer even though the transferor may be either alone or jointly with any other person or persons indebted to the Issuer on any account whatsoever.

41. In case of shares held in physical form, and in addition to the grounds specified above, the Board may decline to recognise any instrument of transfer unless –

a. the instrument of transfer is duly executed and is in the form as prescribed in the Rules made under the Act;

b. the instrument of transfer is accompanied by the certificate of the shares to which it relates, and/or such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and

c. the instrument of transfer is in respect of only one class of shares.

42. (i) On giving of previous notice of at least seven days or such other period as may be prescribed under the Act, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine, subject to the applicable provisions of the Act

(ii) The provisions of these Articles relating to transfer of shares shall mutatis mutandis apply to any other securities including debentures of the Company.

**TRANSMISSION OF SHARES**

43. (i) On the death of the sole holder or any one or more of joint-holders, the nominee(s) of such deceased holder or joint holder and in the absence of such nomination, the legal representative of such deceased holder or joint holder, or the survivor(s) shall, be the only person(s) recognized by the Company as having any title to the share but the Board may require such evidence of death and other indemnity / declaration as it may deem fit.

(ii) Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.

44. (i) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either –

a. to be registered himself as holder of the share; or

b. to make such transfer of the share as the deceased or insolvent member could have made.

(ii) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.

(iii) The Company shall be fully indemnified by such person from all liability, if any, by actions taken by the Board to give effect to such registration or transfer.

45. (i) If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.

(ii) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.

(iii) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.

46. (i) A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company;

However, where such dividend or other rights have already been exercised earlier by the erstwhile member(s) whose name appeared in the register of members then, the Board shall be entitled to decide at its discretion that such new member(s) shall not be entitled to such dividends and other rights already exercised by the erstwhile member(s) and no further claim shall lie against the Company.

Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days or such other period as the Board may decide, the Board shall be entitled to withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.

(ii) No fee shall be charged for registration of transfer, transmission, Probate, Succession Certificate & Letters of Administration, Certificate of Death or Marriage, Power of Attorney or similar other document with the Company, unless the Act or the Rules otherwise provide, in which case, the Board may determine such fee at it may deem fit.

(iii) The provisions of these Articles relating to transmission by operation of law shall *mutatis mutandis* apply to any other securities including debentures of the Company.

**FORFEITURE OF SHARES**

47. If a member fails to pay any call, or instalment of a call or any money due in respect of any share, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid or a judgement or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on him requiring payment of so much of the call or instalment or other money as is unpaid, together with any interest which may have accrued and all expenses that may have been incurred by the Company by reason of non- payment.

48. The notice aforesaid shall:

a. name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice or such other period as may be decided by the Board) on or before which the payment required by the notice is to be made; and

b. state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.

49. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.

50. Neither the receipt by the Company for a portion of any money which may from time to time be due from any member in respect of his shares, nor any indulgence that may be granted by the Company in respect of payment of any such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture in respect of such shares as herein provided. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the

forfeited shares and remaining unpaid or unclaimed before the forfeiture.

51. When any share shall have been so forfeited, notice of the forfeiture shall be given to the defaulting member and an entry of the forfeiture with the date thereof, shall forthwith be made in the register of members but no forfeiture shall be invalidated by any omission or neglect or any failure to give such notice or make such entry as aforesaid.

52. The forfeiture of a share shall involve extinction at the time of forfeiture, of all interest in and all claims and demands against the Company, in respect of the share and all other rights incidental to the share.

53. (i) A forfeited share shall be deemed to be the property of the Company and may be sold or re-allotted or otherwise disposed of either to the person who was before such forfeiture the holder thereof or entitled thereto or to any other person on such terms and in such manner as the Board thinks fit.

(ii) At any time before a sale, re-allotment or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.

54. (i) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay, and shall pay, to the Company all monies which, at the date of forfeiture, were presently payable by him to the Company in respect of the shares.

(ii) All such monies payable shall be paid together with interest thereon at such rate as the Board may determine, from the time of forfeiture until payment or realisation. The Board may, if it thinks fit, but without being under any obligation to do so, enforce the payment of the whole or any portion of the monies due, without any allowance for the value of the shares at the time of forfeiture or waive payment in whole or in part.

(iii) The liability of such person shall cease if and when the Company shall have received payment in full of all such monies in respect of the shares.

55. (i) A duly verified declaration in writing that the declarant is a director, the manager or the secretary of the Company, and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share;

(ii) The Company may receive the consideration, if any, given for the share on any sale, re-allotment or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of;

(iii) The transferee shall thereupon be registered as the holder of the share; and

(iv) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or disposal of the share.

56. Upon any sale after forfeiture or for enforcing a lien in exercise of the powers hereinabove given, the Board may, if necessary, appoint some person to execute an instrument for transfer of the shares sold and cause the purchaser's name to be entered in the register of members in respect of the shares sold and after his name has been entered in the register of members in respect of such shares the validity of the sale shall not be impeached by any person.

57. Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate(s), if any, originally issued in respect of the relative shares shall (unless the same shall on demand by the Company has been previously surrendered to it by the defaulting member) stand cancelled and become null and void and be of no effect, and the Board shall be entitled to issue a duplicate certificate(s) in respect of the said shares to the person(s) entitled thereto.

58. The Board may, subject to the provisions of the Act, accept a surrender of any share from or by any member desirous of surrendering them on such terms as the Board thinks fit.

59. The provisions of these Articles as to forfeiture shall apply in the case of non- payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

60. The provisions of these Articles relating to forfeiture of shares shall *mutatis mutandis* apply to any other securities including debentures of the Company.

## V. ALTERATION OF CAPITAL

61. Subject to the provisions of the Act, the Company may, in general meeting, by ordinary resolution (or special resolution if the Act so mandates) -

a. increase in the share capital by such sum, to be divided into shares of such kind and/or of such amount as it thinks expedient;

b. consolidate and divide all or any of its share capital into shares of larger amount than its existing shares; Provided that any consolidation and division which results in changes in the voting percentage of members shall require applicable approvals under the Act;

The provisions of these Articles relating to consolidation and division of the share capital shall *mutatis mutandis* apply to any other securities including debt securities of the Company.

c. convert all or any of its fully paid- up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;

d. sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;

e. cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.

Provided that where shares are consolidated or sub-divided resulting in the face value being different than what is stated in the Memorandum, then in such cases, it shall be deemed that the relevant provisions in the Memorandum refer to the shares as consolidated or sub-divided.

62. Where shares are converted into stock:

a. the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same Articles under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:

b. Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose;

c. the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage;

d. such of these Articles as are applicable to paid-up shares shall apply to stock and the words “share” and “shareholder”/ “member” shall include “stock” and “stock-holder” respectively.

63. The Company may, in general meeting , by ordinary resolution (or special resolution if the Act so mandates), reduce in any manner and in accordance with the provisions of the Act, —

a. its share capital; and/or

b. any capital redemption reserve account; and/or

c. any securities premium account; and/or

d. any other reserve in the nature of share capital as may be permitted under the Act.

This Article is not to derogate from any power the Company would have if it were omitted

64. Whenever any preference shares are issued by the Company which are or at the option of the Company are liable to be redeemed, the same shall be redeemed in accordance with the provisions of Section 55 of the Act and the Rules made thereunder.

## VI. ISSUE OF DEBENTURES

**65.** Any debentures, debenture-stock or other securities may be issued subject to the provisions of the Act and these Articles, at a discount, premium or otherwise or may be issued on the condition that they shall be convertible into shares of any denomination or with any special privileges or conditions as to redemption, surrender, drawing, allotment

of shares, attending (but not voting) at the general meeting, appointment of directors and

66. Subject to the provisions of the Companies Act, 2013 and the SEBI (Issue and Listing of Debt Securities) Regulations, 2008 or any other statutory enactment(s), modification(s) or amendment(s), thereof, the Board or Committee thereof shall have the power to consolidate or re-issue its debt securities from time to time, upon such terms and conditions and in such manner as the Board or Committee thereof may consider fit/beneficial for the Company.

## VII. JOINT HOLDERS

67. Where there are joint holders (not more than four, including the first holder) of any share, they shall be deemed (so far as the Company is concerned) to hold the same as joint tenants with benefits of survivorship, subject to the following and other provisions contained in these Articles:

a. The joint holders of any share shall be liable severally as well as jointly for and in respect of all calls or instalments and other payments which ought to be made in respect of such share.

b. On the death of any one or more of such joint-holders, the survivor or survivors shall, subject to Applicable Law, be the only person or persons recognized by the Company as having any title to the share but the Directors may require such evidence of death as they may deem fit, and nothing herein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held by him jointly with any other person.

c. Any one of such joint holders may give effectual receipts of any dividends, interests or other moneys payable in respect of such share.

d. The Company shall be entitled to deliver share certificate or to pay dividend declared on such shares or to issue notice (which term shall be deemed to include all relevant documents) only to the person whose name stands first in the register of members, being one of the joint-holders of such share, and any such certificate delivered or dividend paid or notice served on or sent to such person shall be deemed to be received by all the joint-holders.

Notwithstanding anything to the contrary that may be stated in this sub- Article, where the Company delivers such certificate or services such notice or pays such dividend to any of the joint holders of such share, the same shall also be deemed to have been received by all the joint holders of such share.

e. Any one of two or more joint holders may vote at any meeting either personally or by attorney or by proxy in respect of such shares as if he were solely entitled thereto and if more than one of such joint-holders be present at any meeting personally or by proxy or by attorney then that one of such persons so present whose name stands first or higher (as the case may be) on the register in respect of such shares shall alone be entitled to vote in respect thereof.

f. The provisions of this Article relating to joint holders of shares shall *mutatis mutandis* apply to any other securities including debentures of the Company registered in joint names.

## VIII. CAPITALISATION OF PROFITS

68. (i) The Company in general meeting, by ordinary resolution (or special resolution if the Act so mandates), may, upon the recommendation of the Board, resolve —

a. that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and

b. that such sum be accordingly set free for distribution in the manner specified in clause (2) below amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.

(ii) The sum aforesaid shall not be paid in cash but shall be applied , subject to the provision contained in clause (iii) below, either in or towards:

a. paying up any amounts for the time being unpaid on any shares held by such members respectively;

b. paying up in full, unissued shares or other securities of the Company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;

c. partly in the way specified in sub- clause (a) and partly in that specified in sub-clause (b).

(iii) A securities premium account and a capital redemption reserve account or any other permissible reserve account may, for the purposes of this Article, be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares;

(iv) The Board shall give effect to the resolution passed by the Company in pursuance of this Article.

69. (i) Whenever such a resolution as aforesaid shall have been passed, the Board shall –

a. make all appropriations and applications of the amounts resolved to be capitalised thereby, and all allotments and issues of fully paid shares or other securities, if any; and

b. generally do all acts and things required to give effect thereto.

(ii) The Board shall have power—

a. to make such provisions, by the issue of fractional certificates/coupons or by payment in cash or otherwise as it thinks fit, for the case of shares or other securities becoming distributable in fractions; and/or

b. to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid-up, of any further shares or other securities to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the Company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares.

(iii) Any agreement made on such members under such authority shall be effective and binding.

## IX. BUY-BACK OF SHARES

70. Notwithstanding anything contained in these Articles but subject to all applicable provisions of the Act or any other law for the time being in force, the Company may purchase its own shares or other specified securities as may be permitted, and in the manner provided, under the Act. If and to the extent permitted by Act, the Company shall also have the power to re- issue the shares or other specified securities so bought back.

## X. GENERAL MEETINGS

71. All general meetings other than Annual General Meeting shall be called Extra- ordinary General Meeting.

72. The Board may, whenever it thinks fit, call an Extra-ordinary General Meeting.

## XI. PROCEEDINGS AT GENERAL MEETINGS

73. (i) No business shall be transacted at any General Meeting unless a quorum of members is present in accordance with the provisions of the Act.

If quorum is not present with-in half-an-hour from the time appointed for holding a meeting of the Company, the meeting shall stand adjourned to a day, date, time and place, as the Board may determine.

(ii) No business shall be discussed or transacted at any General Meeting except election of Chairperson whilst the chair is vacant.

(iii) The Quorum for a General Meeting shall be as provided in the Act.

74. If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting and if no Director has been so designated by the Board, the directors present shall elect one of themselves to be Chairperson of the meeting.

75. If, at any meeting, no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall, on a show of hands or by poll or electronically, choose one of themselves to be Chairperson of the meeting. Where the decision of the meeting on election of the chairperson to be decided on a show of hands, any director or other person approved by the Board may preside over the meeting for this purpose. Where such decision is proposed to be taken by a poll or electronically, the person elected

as the chairperson on show of hands or if no such election takes place, then any director or other person approved by the Board may preside over the meeting for this purpose.

76. On any business at any General Meeting, in case of an equality of votes, whether on a show of hands or electronically or on a poll, the Chairperson shall have a second or casting vote.

77. (i) The Company shall cause minutes of the proceedings of every general meeting of any class of members or creditors and every resolution passed by postal ballot to be prepared and signed in such manner in accordance with the applicable provisions of the Act, and the pages of the minutes of such meeting shall be consecutively numbered.

(ii) There shall not be included in the minutes any matter which, in the opinion of the Chairperson of the meeting –

(a) is, or could reasonably be regarded, as defamatory of any person; or

(b) is irrelevant or immaterial to the proceedings; or

(c) is detrimental to the interests of the Company.

(iii) The Chairperson shall exercise an absolute discretion in regard to the inclusion or non- inclusion of any matter in the minutes on the grounds specified in the aforesaid clause.

(iv) The minutes of the meeting kept in accordance with the provisions of the Act shall be evidence of the proceedings recorded therein.

78. (i) The books containing the minutes of the proceedings of any general meeting of the Company or a resolution passed by postal ballot shall:

a. be kept at the registered office of the Company; and

b. be open to inspection of any member without charge, during 11.00 a.m. to 1.00 p.m. on all working days other than Saturdays or at such other times and on such other days as may be determined by the Board.

c. Upon undertaking such inspection, extracts may be taken therefrom or copies thereof may be required by the persons entitled thereto, on payment, where required, of such fees as may be fixed by the Board but not exceeding the limits prescribed by the Rules.

(ii) Any member shall be entitled to be furnished, within the time prescribed by the Act, after he has made a request in writing in that behalf to the Company and on payment of such fees as may be fixed by the Board, with a copy of any minutes referred to in clause (1) above. Such copies of minutes may also be provided electronically.

## XII. ADJOURNMENT OF MEETING

79. (1) The Chairperson may, *suo motu,* adjourn the meeting from time to time and from place to place, in accordance with the applicable provisions of the Act.

(2) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

(3) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.

(4) Save as aforesaid, and save as provided in the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting

If, within half an hour from the time appointed for holding the meeting, a quorum of members is not present, the meeting if convened by or upon requisition of members shall be dissolved, but in any other case it shall stand adjourned pursuant to the provisions of subsection (2) of section 103 of the Act.

In case at the adjourned meeting also, quorum is not present within half-an-hour from the time appointed for holding meeting, the members present shall be the quorum and may transact the business and decide upon all matters which could properly have been disposed of at the meeting from which the adjournment took place, if a quorum had been

present.

## XIII. VOTING RIGHTS

80. Subject to any rights or restrictions for the time being attached to any class or classes of shares and subject to the provision of the Act and the Rules -

a. on a show of hands, every member present in person shall have one vote; and

b. on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company.

81. (i) In the case of joint holders, the vote of the senior shareholder who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other jointholders.

(ii) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.

82. A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy. If any member be a minor, the vote in respect of his share or shares shall be by his legal guardian.

83. Any business other than that upon which a poll has been demanded at the meeting may be proceeded with, pending the taking of the poll.

84. No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid or in regard to which the Company has exercised any right of lien.

85. Subject to the provisions of the Act and other provisions of these Articles, any person entitled under the Transmission Clause to any shares may vote at any general meeting in respect thereof as if he was the registered holder of such shares, provided that at least

86. 48 (forty eight) hours before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote, he shall duly satisfy the Board of his right to such shares unless the Board shall have previously admitted his right to vote at such meeting in respect thereof.

87. A member is not prohibited from exercising his voting on the ground that he is not a shareholder as per the records of the Company for any specified period preceding the date on which the vote is taken, or on any other ground not being a ground set out in these Articles.

88. (i) No objection shall be raised to the qualification of any voter, except at the meeting or adjourned meeting, or soon thereafter subject to the satisfaction of the Chairperson, at which the vote objected to is given or tendered, and every such vote not disallowed shall be valid for all purposes.

(ii) Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.

89. Any member whose name is entered in the register of members of the Company shall enjoy the same rights and be subject to the same liabilities as all other members of the same class.

## XIV. PROXY

90. (1) Any member entitled to attend and vote at a general meeting may do so either personally or through his constituted attorney or through another person as a proxy on his behalf, for that meeting.

(2) The instrument appointing a proxy and the power-of- attorney or other authority, if any, under which it is signed or a notarized copy of that power or authority, shall be deposited at the registered office of the Company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, and in default the Company shall be entitled to treat such instrument of proxy as invalid.

91. An instrument appointing a proxy shall be in the form as prescribed in the Rules.

92. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or

the transfer of the shares in respect of which the proxy is given:

Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its registered office before the commencement of the meeting or adjourned meeting at which the proxy is used.

Provided further that, notwithstanding anything to the contrary contained in this Article, the Board shall be entitled at any time, before the declaration of results of voting, treat such vote as invalid.

## XV. BOARD OF DIRECTORS

93. Unless otherwise determined by the Company in general meeting and subject to the provisions of the Act, the number of directors shall not be less than 3 (three) and shall not be more than 15 (fifteen).

94. (i) Subject to the provisions of the Act, the Board shall have the power to determine the directors whose period of office is or is not liable to determination by retirement of directors by rotation.

(ii) The same individual may, at the same time, be appointed as the Chairperson of the Company as well as the managing director or chief executive officer or whole-time Director of the Company

95. (i) The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.

(ii) The remuneration payable to the directors, including any managing or whole-time director or manager, if any, shall be determined in accordance with and subject to the provisions of the Act.

(iii) In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them—

a. in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the Company; or

b. in connection with the business of the Company.

96. All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the Company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.

97. (i) Subject to the provisions of the Act, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the Articles.

(ii) Such person shall hold office only up to the date of the next annual general meeting of the Company but shall be eligible for appointment by the Company as a director at that meeting subject to the provisions of the Act.

(iii) If it is provided by any Trust Deed, securing or otherwise, in connection with any issue of debentures of the Company, The Board of Directors of the Company shall appoint the person nominated by the Debenture Trustee(s) in terms of clause (e) of sub regulation (1) of regulation 15 of the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993 , as may be amended from time to time, as a Nominee Director of the Company within the time period as specified under Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 and other applicable provisions or regulations and modifications, including any amendments thereto.

A Nominee Director may be replaced by another Nominee Director at any time by the person or persons, in whom, for the time being, is vested the power under which he was appointed. The Nominee Director shall not be liable to retire by rotation nor required to hold any qualification shares. The cessation of office of a Nominee Director so appointed, may be made consequential to the remediation of defaults as contained in the aforesaid applicable law.

98. (i) The Board may appoint an alternate director to act for a director (hereinafter in this Article called "the Original Director") during his absence for a period of not less than three months from India. No person shall be appointed as an alternate director for an independent director unless he is qualified to be appointed as an independent director under the provisions of the Act.

(ii) An alternate director shall not hold office for a period longer than that permissible to the Original Director in

whose place he has been appointed and shall vacate the office if and when the Original Director returns to India.

(iii) If the term of office of the Original Director is determined before he returns to India the automatic reappointment of retiring directors in default of another appointment shall apply to the Original Director and not to the alternate director.

99. (i) If the office of any director appointed by the Company in general meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may, be filled by the Board of Directors at a meeting of the Board.

Subject to the provisions of the Act, 'Casual Vacancy' shall mean and include (1) Resignation by the Director; (2) Disqualification of the Director; (3) Death of the Director; (4) Insolvency of the Director; (5) Removal of a Director; (5) Such other event / happening causing vacation in the office of a Director, thereby creating a casual vacancy on the Board, as the Board may deem fit.

## XVI. POWERS OF BOARD

100. (i) The Board shall have power of general direction, management and superintendence of the business of the Company with full powers to do all such acts, matters and things deemed necessary, proper or expedient for carrying on the business of the Company, and to make and sign all such contracts and to draw and accept on behalf of the Company all such bills of exchange, hundies, cheques, drafts and other Government papers and instruments that shall be necessary, proper or expedient, for the authority and direction of the Company except only such of them as by the Act or by these presents are expressly directed to be exercised by members in the general meeting or by any other person in such manner as the Board shall from time to time by a resolution determine. Subject to applicable law, the Board will be authorized to delegate its powers to any of the committee, employees, personnel and agents of the Company, in such manner as it thinks fit.

(ii) Subject to the provisions of Act and the Articles herein contained, the affairs and the business of the Company shall be managed by the Board of Directors and the Directors may, severally or jointly as the Board, decide and exercise all such powers and do all such acts and things which the Company is authorized to exercise as per the Act or any other Law or the Memorandum and Articles of Association of the Company or otherwise in furtherance of the objects of the Company. Provided further that in exercising any such power or doing any such act, or thing, the Board shall, subject to the provisions contained in the Memorandum and Articles of Association and the Regulations, if any, made by the Company in general meetings, act in the interests of the Company.

(iii) No regulations made by the Company in general meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.

## XVII. PROCEEDINGS OF THE BOARD

101. (i) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.

(ii) A director may, and the manager or secretary or any other person authorized by the Board in this behalf, shall, on the requisition of a director, at any time, summon a meeting of the Board.

(iii) The quorum for a Board meeting shall be as provided in the Act.

(iv) The participation of directors in a meeting of the Board may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Rules or permitted under law.

102. (i) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.

(ii) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.

103. The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the Company, but for no other purpose.

104. The Chairperson of the Company shall be the Chairperson at meetings of the Board. In his or her absence, the Vice-Chairperson shall chair the meeting. In the absence of the Chairperson and the Vice-Chairperson, the Board may elect

a director to be the Chairperson of that meeting.

105. (i) The Board may, subject to the provisions of the Act, delegate any of its powers to Committees consisting of such member or members of the Board, or such other individual(s) as it deems fit.

(ii) Any Committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.

(iii) The participation of members of the Committee in any of its meetings may be either in person or through video conferencing or audio visual means or teleconferencing, as may be permitted under the Act.

106. (i) A Committee may elect a Chairperson of its meetings unless the Board, while constituting a Committee, has appointed a Chairperson of such Committee.

(ii) If the Board has not appointed a Chairperson of the Committee or if the Chairperson is absent, the members present may choose one of their members to be Chairperson of the meeting.

107. (i) A Committee may meet and adjourn as it thinks fit.

(ii) Questions arising at any meeting of a Committee shall be determined by a majority of votes of the members present.

(iii) In case of an equality of votes, the Chairperson of the Committee shall have a second or casting vote.

108. All acts done in any meeting of the Board or of a Committee constituted by it or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid or of the members of the Committee, or that they or any of them were disqualified or that his or their appointment had terminated, be as valid as if every such director or such person had been duly appointed and was qualified to be a director, subject to any decision that may be taken by the Board in this regard.

109. Save as otherwise expressly provided in the Act, a resolution in writing, signed, whether manually or by secure electronic mode, by a majority of the members of the Board or of a Committee thereof, for the time being entitled to receive notice of a meeting of the Board or Committee, shall be valid and effective as if it had been passed at a meeting of the Board or Committee, duly convened and held.

110. Save as otherwise expressly provided in the Act, any bonds, debentures, debenture- stock or other securities issued or to be issued by the Company shall be under the control of the Directors who may issue them upon such terms and conditions and in such manner and for such consideration as they shall in their discretion decide.

111. Save as otherwise expressly provided in the Act, any Debentures, Debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into Shares of any denomination, whether fully or partly, and with any privileges and conditions whether as to redemption, surrender, or otherwise. Unless otherwise permitted by the Act, Debentures with the right to conversion into or allotment of Shares shall be issued only with the consent of the Company in General Meeting.

## XVIII. CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY AND CHIEF FINANCIAL OFFICER

112. (i) The Board shall be entitled to appoint a chief executive officer, manager, company secretary and/or chief financial officer for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary and chief financial officer so appointed may be removed by means of a resolution of the Board; the Board is also entitled to appoint one or more chief executive officers for its multiple businesses.

(ii) A provision of the Act or these Articles requiring or authorising a thing to be done by or to a director and chief executive officer, company secretary or chief financial officer shall be satisfied by its being done by or to the same person acting both as director and as, chief executive officer, company secretary or chief financial officer, where such director is also appointed as chief executive officer, company secretary or chief financial officer.

The Company may have a chairperson who is also its managing director or a chief executive officer.

## XIX. REGISTERS

113. (i) The Company shall keep and maintain all statutory registers as required under the Act, for such duration as the Board may, unless otherwise prescribed, decide, and in such manner and containing such particulars as prescribed by the Act and the Rules.

(ii) Subject to the provisions of the Act, the registers and copies of annual returns shall be open for inspection during 11.00 a.m. to 1.00 p.m. on all working days, other than Saturdays, or for such other period as may be determined by the Board, at the registered office of the Company or at any other place as may be approved by shareholders in accordance with the Act, by the persons entitled thereto, on payment, where required, of such fees as may be fixed by the Board but not exceeding the limits prescribed by the Rules.

(iii) Subject to the provisions of the Act, upon such inspection being completed, extracts may be taken from the documents inspected or copies thereof may be required by the persons entitled thereto, on payment, where required, of such fees as may be fixed by the Board but not exceeding the limits prescribed by the Rules.

114. (i) The Company may exercise the powers conferred on it by the Act with regard to the keeping of a foreign register; and the Board may (subject to the provisions of the Act) make and vary such regulations as it may think fit respecting the keeping of any such register.

(ii) The foreign register shall be open for inspection and may be closed, and extracts may be taken therefrom and copies thereof may be required, in the same manner, mutatis mutandis, as is applicable to the register of members.

## XX. THE SEAL

115. (i) The Board shall provide for the safe custody of the seal, if any.

(ii) The seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a Committee of Directors authorised by it in that behalf, and except in the presence of at least one director or the manager, if any, or of the secretary or such other person as the Board may appoint for the purpose; and such director or manager or the secretary or other person aforesaid shall sign every instrument to which the seal of the Company is so affixed in their presence.

## XXI. DIVIDENDS AND RESERVE

116. The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board. The Company in general meeting may declare a lower dividend than that recommended by the Board.

117. Subject to the provisions of the Act, the Board may from time to time pay to the members such interim dividends of such amount on such class of shares and at such times as it may think fit.

118. (i) The Board may, and shall if required under the Act, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applied for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalising dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, think fit.

(ii) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve, and dividend may also be paid from out of such profits.

119. (i) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid in proportion to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares.

(ii) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this Article as paid on the share.

(iii) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which t-he dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.

120. (i) The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.

(ii) The Board may retain dividends payable upon shares in respect of which any person is, under the Transmission Clause hereinbefore contained, entitled to become a member, until such person shall become a member in respect of such shares.

121. (i) Any dividend, interest or other monies payable in cash in respect of shares may be paid by electronic mode or by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.

(ii) Every such cheque or warrant shall be made payable to the order of the person whose names stands first in the case of joint holders.

(iii) Payment in any way whatsoever shall be made at the risk of the person entitled to the money paid or to be paid. The Company will not be responsible for a payment which is lost or delayed. The Company will be deemed to having made a payment and received a good discharge for it if a payment using any of the foregoing permissible means is made.

122. Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.

123. No dividend shall bear interest against the Company.

124. The waiver in whole or in part of any dividend on any share by any document (whether or not under seal) shall be effective only if such document is signed by the member (or the person entitled to the share in consequence of the death or bankruptcy of the holder) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Board.

## XXII. ACCOUNTS

125. (i) The books of account and books and papers of the Company, or any of them, shall be open to the inspection of directors in accordance with the applicable provisions of the Act and the Rules.

(ii) No member (not being a director) shall have any right of inspecting any books of account or books and papers or document of the Company except as conferred by law or authorised by the Board.

## XXIII. WINDING UP

126. Subject to the applicable provisions of the Act and the Rules made thereunder –

(i) If the Company shall be wound up in accordance with the provisions of the Act, the liquidator may, with the sanction of requisite resolution by the members of the Company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.

(ii) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.

(iii) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

## XXIV. INDEMNITY AND INSURANCE

127. (i) Subject to the provisions of any Applicable Law, every director, managing director, whole-time director, manager, company secretary and other officer of the Company shall be indemnified by the Company out of the funds of the Company, to pay all costs, losses and expenses (including travelling expense) which such director, manager, company secretary or officer (and such other person as the Board may approve), may incur or become liable for by reason of any contract entered into or act or deed done by him in his capacity as such director, manager, company secretary or officer or in any way in the discharge of his duties in such capacity including expenses.

(ii) Subject as aforesaid, every director, managing director, manager, company secretary or other officer of the Company (and such other person as the Board may approve), shall be indemnified against any liability incurred by him in defending any proceedings, whether civil or criminal in which judgement is given in his

favour or in which he is acquitted or discharged or in connection with any application under applicable provisions of the Act in which relief is given to him by the Court.

(iii) The Company may take and maintain any insurance as the Board may think fit on behalf of its present and / or former directors and key managerial personnel or any other officer of the Company for indemnifying all or any of them against any liability for any acts in relation to the Company for which they may be liable but have acted honestly and reasonably.

## XXV. GENERAL POWER

128. Wherever in the Act, it has been provided that the Company shall have any right, privilege or authority or that the Company could carry out any transaction only if the Company is so authorized by its articles, then and in that case this Article authorizes and empowers the Company to have such rights, privileges or authorities and to carry such transactions as have been permitted by the Act, without there being any specific Article in that behalf herein provided.

## MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

Copies of the following documents will be available for inspection at the Registered Office of our Company with prior intimation, on any working day, (i.e., Monday to Friday and not being a bank holiday in Maharashtra) between 10.00 a.m. (IST). and 5.00 p.m. (IST) for a period of seven days from the date of filing of this Information Memorandum with the Stock Exchanges until the listing of Equity Shares on the Stock Exchanges.

*Documents for Inspection*

1. Resolution of the Board of Directors of Company dated May 8, 2024, approving the Scheme of Arrangement;

2. Scheme of Arrangement between PEL and our Company and the respective shareholders and creditors.

3. Memorandum and Articles of Association of the Company, as amended till date;

4. Certificate of incorporation of our Company as '*Dewan Housing Finance & Leasing Company Limited*' dated April 11, 1994;

5. Certificate of incorporation pursuant to change in name of our Company to '*Dewan Housing Development Finance Limited*' dated September 26, 1984;

6. Certificate of incorporation pursuant to change in name of our Company to '*Dewan Housing Finance Corporation Limited*' dated August 25, 1992;

7. Certificate of incorporation of our Company to '*Piramal Capital & Housing Finance Limited*' dated November 3, 2021;

8. Certificate of incorporation of our Company as '*Piramal Finance Limited'* dated March 22, 2025 ;

9. Observation letter no. DCS/AMAL/TS/R59A/3531/2024-25 dated February 18, 2025 for the Scheme of Arrangement from BSE;

10. Observation letter no. NSE/LIST/41934 dated February 18, 2025 for the Scheme of Arrangement from NSE;

11. BSE letter no. [●] dated [●] granting in-principle approval for listing;

12. NSE letter no. [●] dated [●] granting in-principle approval for listing;

13. SEBI's letter bearing reference number [●] dated [●] granting relaxation of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957 as per the SEBI circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 issued by SEBI dated June 20, 2023 for the purpose of listing of the shares of Piramal Finance Limited;

14. Order of the National Company Law Tribunal, Mumbai bench, dated September 10, 2025, approving the Scheme of Arrangement;

15. Statement of possible special tax benefits of the Company dated September 27, 2025 from Lodha & Co. LLP, the Statutory Auditor of the Company;

16. Industry Report titled "*NBFC Report for Piramal Finance Limited*" dated May, 2025, prepared by Crisil Limited;

17. Scheme of arrangement between PCHFL and DHFL dated September 30, 2021;

18. Tripartite Agreement dated September 24, 2003, with NSDL, Registrar and Share Transfer Agent and our Company;

19. Tripartite Agreement dated June 13, 2003 with CDSL, Registrar and Share Transfer Agent and our Company; and

20. Audited Financial Information of our Company for the three months period ended June 30, 2025, Fiscal 2025, Fiscal 2024 and Fiscal 2023.

Any of the contracts or documents mentioned in this Information Memorandum may be amended or modified at any time if so required in the interest of our Company or if required by other parties, without reference to the shareholders, subject to compliance with applicable law.

## DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines or circulars issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Information Memorandum is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities Contracts (Regulation) Rules, 1957, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines or circulars issued thereunder, as the case may be. I further certify that all the statements in this Information Memorandum are true and correct.

**For and on behalf of the Board of Directors of Piramal Finance Limited** (*formerly known as Piramal Capital & Housing Finance Limited*)

_____

**Name:** Anand A Piramal

**Designation**: Executive Chairman and Executive Director

**DIN:** 00286085

**Date:** [●]

**Place:** [●]

## DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines or circulars issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Information Memorandum is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities Contracts (Regulation) Rules, 1957, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines or circulars issued thereunder, as the case may be. I further certify that all the statements in this Information Memorandum are true and correct.

**For and on behalf of the Board of Directors of Piramal Finance Limited** (*formerly known as Piramal Capital & Housing Finance Limited*)

_____

**Name:** Jairam Sridharan

**Designation**: Managing Director and Chief Executive Officer

**DIN:** 05165390

**Date:** [●]

**Place:** [●]

## DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines or circulars issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Information Memorandum is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities Contracts (Regulation) Rules, 1957, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines or circulars issued thereunder, as the case may be. I further certify that all the statements in this Information Memorandum are true and correct.

**For and on behalf of the Board of Directors of Piramal Finance Limited** (*formerly known as Piramal Capital & Housing Finance Limited*)

_____

**Name:** Shikha Sanjaya Sharma

**Designation**: Non-Executive – Non- Independent Director

**DIN:** 00043265

**Date:** [●]

**Place:** [●]

## DECLARATION

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**For and on behalf of the Board of Directors of Piramal Finance Limited** (*formerly known as Piramal Capital & Housing Finance Limited*)

_____

**Name:** Gautam Bhailal Doshi

**Designation**: Non-Executive Independent Director

**DIN:** 000043265

**Date:** [●]

**Place:** [●]

## DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines or circulars issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Information Memorandum is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities Contracts (Regulation) Rules, 1957, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines or circulars issued thereunder, as the case may be. I further certify that all the statements in this Information Memorandum are true and correct.

**For and on behalf of the Board of Directors of Piramal Finance Limited** (*formerly known as Piramal Capital & Housing Finance Limited*)

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**Name:** Suhail Amin Nathani

**Designation**: Non-Executive Independent Director

**DIN:** 01089938

**Date:** [●]

**Place:** [●]

## DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines or circulars issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Information Memorandum is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities Contracts (Regulation) Rules, 1957, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines or circulars issued thereunder, as the case may be. I further certify that all the statements in this Information Memorandum are true and correct.

**For and on behalf of the Board of Directors of Piramal Finance Limited** (*formerly known as Piramal Capital & Housing Finance Limited*)

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**Name:** Anjali Bansal

**Designation**: Non-Executive Independent Director

**DIN:** 00207746

**Date:** [●]

**Place:** [●]

## DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines or circulars issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Information Memorandum is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities Contracts (Regulation) Rules, 1957, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines or circulars issued thereunder, as the case may be. I further certify that all the statements in this Information Memorandum are true and correct.

**For and on behalf of the Board of Directors of Piramal Finance Limited** (*formerly known as Piramal Capital & Housing Finance Limited*)

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**Name:** Rajiv Mehrishi

**Designation**: Non-Executive Independent Director

**DIN:** 00208189

**Date:** [●]

**Place:** [●]

## DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines or circulars issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Information Memorandum is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities Contracts (Regulation) Rules, 1957, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines or circulars issued thereunder, as the case may be. I further certify that all the statements in this Information Memorandum are true and correct.

**For and on behalf of the Board of Directors of Piramal Finance Limited** (*formerly known as Piramal Capital & Housing Finance Limited*)

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**Name:** Asheet Lalit Mehta

**Designation**: Non-Executive Independent Director

**DIN:** 10648593

**Date:** [●]

**Place:** [●]

## DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines or circulars issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Information Memorandum is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities Contracts (Regulation) Rules, 1957, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines or circulars issued thereunder, as the case may be. I further certify that all the statements in this Information Memorandum are true and correct.

**For and on behalf of the Board of Directors of Piramal Finance Limited** (*formerly known as Piramal Capital & Housing Finance Limited*)

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**Name:** Kunal Bahl

**Designation**: Non-Executive Independent Director

**DIN:** 01761033

**Date:** [●]

**Place:** [●]