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CORPORATE INFORMATION

BOARD OF DIRECTORS

1.	Ms. Shilpa Pophale	Managing Director & CEO
2.	Mr. Sujit Natekar	Non-Executive Director
3.	Mr. Mohan Tanksale	Independent Director

4. Mr. Ameya Bijoor Non-Executive (Nominee) Director

Mrs. Smita Sandhane Independent Director
 Ms. Sandhya Vasudevan Independent Director
 Mr. Stewart Langdon Non-Executive Director
 Mr. Anurag Agrawal Non-Executive Director

Mr. Uday Chitale Independent Director (w.e.f. August 13, 2025)
 Mrs. Uma Mandavgane Independent Director (w.e.f. August 13, 2025)

CHIEF FINANCIAL OFFICER

Mr. Vipin Maheshwari (w.e.f. August 12, 2024)

COMPANY SECRETARY

Mr. Vallabh Ghate

STATUTORY AUDITORS

Sharp & Tannan Associates, Chartered Accountants

87 Nariman Bhavan, 227 Nariman Point, Mumbai 400021

SECRETARIAL AUDITORS

NAM & Associates, Company Secretaries

3rd Floor, Samarth Building, Plot 14, Pinak Colony, Near Bank of India, Karve Nagar, Pune 411052

INTERNAL AUDITORS

Kirtane & Pandit LLP, Chartered Accountants

5th Floor, Wing A, Gopal House, S. No. 127/1B/11, Opp Harshal Hall, Above HDFC Ltd., Karve Road, Pune 411029



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CORPORATE INFORMATION

OUR FINANCERS

- Aditya Birla Finance Ltd
- ▶ IDBI Bank
- ▶ SIDBI
- AK Capital Finance Limited
- IDFC First Bank Ltd
- South Indian Bank
- ▶ AU Small Finance Bank
- Indian Bank
- State Bank of India
- Axis Finance
- Indian Overseas Bank
- Symbiotics AAV SARL
- Bajaj Finance Ltd
- ▶ Karur Vyas Bank Ltd
- Symbiotics Masala Investment
- Bandhan Bank
- ▶ Kisetsu Saison Finance Pvt. Ltd.

- Tata Capital Financial Services
- ▶ Bank of Baroda
- ▶ Lighthouse Canton
- Tipsons Financial Services Pvt Ltd
- ▶ Bank of India
- Maharashtra Gramin Bank
- Triple Jump Stitching Oxfam Novib
- Bank of Maharashtra
- Nabkisan Finance (NABARD)
- ▶ UCO Bank
- Canara Bank
- Nabsamruddhi Finance (NABARD)
- Unifi AIF
- ▶ CSB Bank

- Naval Group Insurance Fund
- Union Bank
- ▶ DMI Housing Finance Pvt Ltd
- Northern Arc Capital Ltd
- Utkarsh Small Finance Bank Ltd
- HDFC Bank
- ResponsAbillity-GCPF
- Yes Bank Limited
- ICICI Bank
- State Bank of Mauritius
- Yubi / Credavenue
- Triple Jump Dutch Good Growth Fund
- Triple Jump Energy Entrepreneur Growth Fund
- Federal Bank Limited

DEBENTURE TRUSTEES

Catalyst Trusteeship Limited

Address: 901, 9th Floor, Towr-B, Peninsula Bussiness Park, Senapati Bapat Marg, Lower Parel (W), Mumbai-400013 Email: dt.mumbai@ctltrustee.com | Phone: +91 (022) 4922 0555

Vardhaman Trusteeship Private Limited

Address: The Capital, A Wing, 412A, Bandra Kurla Complex, Bandra (East), Mumbai-400051.

Email: compliance@vardhmantrustee.com | Phone: +91 (022) 4264 8335

IDBI Trusteeship Services Limited

Address: Universal Insurance Building, Ground Floor, Sir P.M. Road, Fort, Mumbai – 400001

Email: secu@idbitrustee.com | **Phone:** +91 (022) 4080 7020

Beacon Trusteeship Limited

Address: 5W, 5th Floor, The Metropolitan, E-Block, Bandra Kurla Complex, Bandra (E), Mumbai 400051

Email: teamsecu@beacontrustee.co.in | Phone: +91 (022) 4606 0278

MITCON Credentia Trusteeship Services Limited

Address: 1402/1403, 14th Floor, Dalamal Tower, B-Wing, Free Press Journal Marg,

211, Nariman Point, Mumbai - 400021

Email: secu@mitconcredentia.in | Phone: +91 (022) 2282 8200

REGISTRAR & TRANSFER AGENT

MUFG Intime India Private Limited (Erstwhile Link Intime India Private Limited)

C 101, 247 Park, L.B.S.Marg, Vikhroli (West), Mumbai, Maharashtra, India – 400083

Email: mumbai@in.mpms.mufg.com | Phone: 1800 1020 878

CONTACT INFORMATION

Electronica Finance Limited

Registered Office: Audumbar, 101/1, Erandwane, Dr. Ketkar Road, Pune 411004, Maharashtra **Email:** secretarial@efl.co.in | **www.**electronicafinance.com | **Phone:** +91 – 020- 67290700

Corporate Identification Number: U74110PN1990PLC057017





All major economies faced headwinds due to rising geopolitical tensions, cross-border restrictions and slower growth in advanced economies.

Dear Shareholders,

Every passing year, the world becomes more turbulent, more dynamic and more uncertain. FY25 for the world, India and for EFL has been all this and more.

The two wars, in Ukraine/Russia and in the Middle East raged on. On top of this, political developments in the US which resulted in a new government being sworn in roiled the world even more. Economies across the globe were blindsided by the US "tariff regime" and then the entire rules-based order was disrupted with an impact on the global economy. Global trade remained volatile because of geopolitical tensions and policy volatility. Inflation had eased in most economies despite the turbulence. All major economies faced headwinds due to rising geopolitical tensions, cross-border restrictions and slower growth in advanced economies.

In these difficult times, India remained a beacon of hope and growth. Real GDP growth remained robust at 6.5% in FY25, supported by sustained domestic demand, Government-led infrastructure investments, and a thriving digital economy. The 'China + 1' strategy gained further traction, with India solidifying its position as a preferred manufacturing and investment hub. The Production-Linked Incentive (PLI) scheme continued to bolster key sectors, fostering innovation and employment, particularly for MSMEs, with investments of ₹1.76 Lakh Crore. In FY25, rural India's economy experienced a rebound, driven by factors like increased farm incomes, easing inflation, and a rise in rural consumption. The NBFC sector sustained its significantly strong performance, outpacing Commercial Banks in credit growth, recording a robust 20% increase compared to the Banking sector's 12%, underscoring the sector's pivotal role in financial inclusion.

EFL continued to do well, despite headwinds in the Micro LAP customer segment. Some of the highlights of the FY were as under:

- Highest ever disbursement in FY25 with ₹ 2,690 cr (Y-o-Y growth of 19%)
- Overall AUM growth of 26%
- Revenue growth of 13%
- Best in class GNPA of 1.98% and NNPA of 1.05%
- EFL's credit rating upgraded to 'A Stable'.
- Efficient treasury management and relationship with leading PSU, private banks and global debt lenders
- Rolled out Raftaarr 2.0. (A digital platform providing comprehensive solutions to MSME's)

One major development was phasing out the earlier LOS & LMS and moving to a new platform from Jayam. This was important from a regulatory as well as customer servicing perspective. The migration was successfully concluded in March'25 without hampering any operations. Your company also focused a lot on adding talent at senior levels. CXO level hiring was done in the finance and HR functions whereas senior people were added in the Treasury, Strategy and Accounts functions.

Your company continues to invest in ESG and to that extent, it formulated a revamped ESG policy which was inclusive of the Micro LAP business along with a revamped Environmental and Social Management System also. ESG and impact reporting was done at frequent intervals for various DFIs and also for our equity partners in line with the same.

Your company has always looked at CSR as being integral to its operations rather than a formality. It has supported various initiatives through funding as well as active participation. In FY25, the company decided to undertake a different initiative wherein a particular geographical area was chosen and interventions across health, education, financial literacy as well as sustainability were executed. Along with that, the National Apprenticeship Programme (NAPS) was also continued.

EFL is at an important phase of its growth and given the size of the operations, poised to move into the next orbit of growth and scale. What the company does over the next few years is important from a stakeholder perspective and FY26 becomes a pivotal year for that. As such the company's aims to do the following:

- Continue the growth rate for disbursements and AUM
- Product diversification and use of co-lending lines for the manufacturing business
- Sharp focus on profitability
- Optimize manpower and overall opex through efficiency improvement and tech
- Maintain best in class asset quality and intensify focus on collection efficiency
- Transformation of the Micro LAP business in terms of productivity, business growth and asset quality
- Lay out a 3 year Tech roadmap
- Leveraging EFL Clik for overall sales management
- Scale up the HR function to ensure that HR becomes a business driver
- Create a forward-looking robust and scalable risk framework
- Kickstart the next round of equity raise

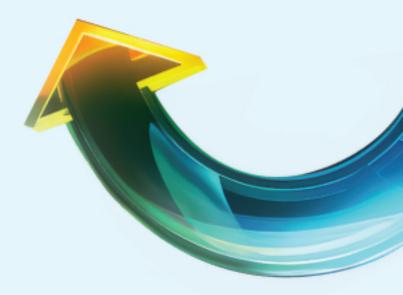
In these difficult times, India remained a beacon of hope and growth.

I wish to thank all our stakeholders (customers, employees, investors, banking partners, growth partners, and shareholders) for their continuous support, commitment, and engagement. With this support I am confident that your company can keep creating long term value for all its stakeholders.

Shilpa Pophale

Managing Director & CEO Electronica Finance Limited

August 2025



Snapshot of Company Performance

CAGR 24.0%



CAGR 24.8%



CAGR 16.8%



CAGR 28.6%







EFL surpassed

₹4,800 Сгоге

in Assets Under Management (AUM)
during this financial year.





TO,

THE MEMBERS, ELECTRONICA FINANCE LIMITED

The Board of Directors ("Board") are delighted to present the 35th Annual Report of Electronica Finance Limited ("the Company" or "EFL") covering the business and key operational highlights of your Company together with the Audited Financial Statements and Independent Auditors' Report thereon, for the financial year ended March 31, 2025.

FINANCIAL RESULTS AND HIGHLIGHTS:

FINANCIAL SUMMARY

The summary of the Company's financial performance for the year ended March 31, 2025 as compared to the financial year ended March 31, 2024 is given below:

(Rs. in Lakhs)

Particulars	For the year ended 31st March, 2025	For the year ended 31 st March, 2024	Change in %
Revenue from Operations	54,139.39	48,022.10	12.74
Other Income	4,602.79	4,539.19	1.40
Total Revenue	58,742.18	52,561.29	11.76
Total Expenses	52,511.98	43,790.14	19.92
Profit before tax	6,230.20	8,771.15	-28.97
Total tax expenses	1,491.14	2,377.17	-37.27
Profit after tax	4,739.06	6,393.98	-25.88
Other comprehensive income/(loss) for the year (net of tax)	(351.42)	(21.80)	-
Total Comprehensive Income (Net of Tax)	4,387.64	6,372.18	-31.14
Surplus at the beginning of the accounting period	20,840.61	15,747.22	-
Appropriations			
Transfer to Statutory Reserve	947.81	1,278.80	-
Dividend and related distribution tax	0.01	0.01	-
Balance carried forward	24,280.43	20,840.61	-

HIGHLIGHTS OF FINANCIAL PERFORMANCE

Your Company remains focused on lending to Micro, Small and Medium Enterprises (MSMEs). The Company witnessed continuous growth and consistent performance in FY 2024-25. The key financial performance indicators for the year are as follows:

- The gross income of the Company surged to ₹58,742.18 Lakhs, marking a growth of 11.76% as compared to ₹52,561.29 Lakhs in the previous year.
- The total loan assets under management of the Company increased significantly from ₹3,802 Crores to ₹4,804 Crores reflecting a 26.4% growth.
- The Company's net profit declined by 25.88%, dropping from ₹6,393.98 lakhs to ₹4,739.06 lakhs.
- The Company effectively managed its asset quality, reporting a Gross NPA of 1.98% and Net NPA of 1.05%.
- The Capital Adequacy Ratio as of March 31, 2025, stands at 24.76%, compared to 18.31% as of March 31, 2024, reflecting a strong net worth position which is well above the stipulated requirement of 15% by the Reserve Bank of India.
- During the year, the Company has disbursed loans totaling to ₹2,689 Crores which represents growth of 18.93% as compared to ₹2,261 Crores for the financial year ended March 31, 2024.

ODIRECTOR'S REPORT

TRANSFER TO RESERVES

According to the provisions of section 45-IC of the RBI Act, 1934, non-banking financial companies ("NBFCs") are required to transfer a sum not less than 20% of its net profit every year to reserve fund before declaration of any dividend. Accordingly, the Company transferred an amount of ₹947.81 lakhs to Statutory Reserves. The Company, being an NBFC, is exempt from transferring any amount to debenture redemption reserve in respect of privately placed debentures. However, the Company maintains sufficient liquidity buffer and asset cover at all times to fulfil its obligations under debenture documents.

DIVIDEND

In view of the future growth of the Company, the Board of Directors has decided to conserve capital and therefore no dividend on equity shares was declared for FY 2024-25.

Further, the Board has recommended dividend on preference shares, for the financial year 2024-25 at the rate of 0.001% of face value of preference shares amounting to ₹2,879/- (Indian Rupees Two Thousand Eight Hundred Seventy-Nine only) at its meeting held on August 13, 2025, which is subject to approval of the shareholders at the ensuing Annual General Meeting.

BORROWINGS

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

During the year, the Company has raised fresh term loans amounting to ₹1,041 Crore, External Commercial Borrowings amounting to ₹86.33 Crore, Non-Convertible Debentures (NCDs) amounting to ₹101.84 Crore and Commercial Papers amounting to ₹25 Crore from banks and other financial institutions for a door-to-door tenor ranging from 2 to 6 years.

As on March 31, 2025, the Company had a total outstanding borrowings of ₹2,53,170.66 lakhs with secured borrowings constituting ₹2,32,274.25 lakhs.

No interest payment or principal repayment of the loans was due and unpaid as on March 31, 2025.

OPERATIONAL HIGHLIGHTS

- Customer base of the Company increased by over 21% to $\sim 54,000$;
- Highest ever Annual disbursement of ₹2,689 Crores with Y-o-Y growth of 19%;
- Highest ever disbursement of ₹2,206 crores in Machine Finance with Y-o-Y growth of 38%;
- Highest ever disbursement of ₹173 crores by FIG (Institutional) with Y-o-Y growth of 29%;

ACCOUNTING METHODOLOGY

The financial statements of the Company for FY 2024-25 have been prepared in compliance with the Companies Act, 2013 (the 'Act'), applicable Accounting Standards and amendments thereto and are disclosed in accordance with Schedule III of the Act. The financial statements are presented in Indian Rupees and all values are rounded to the lakhs, except wherever otherwise indicated.

Further, in pursuance to the notification issued by the Ministry of Corporate Affairs ("MCA") we would like to apprise that your Company has established the accounting systems in such a way so as to maintain audit trail of each and every transaction in order to prevent fraud and to manage the risk effectively and efficiently viz; malware and cyber security risk in line with compliance of notification issued by MCA in this regard.

MANAGEMENT DISCUSSION & ANALYSIS REPORT

Global Economic Scenario

The global economic environment in FY 2024–25 experienced a combination of cautious optimism and ongoing structural challenges. While inflationary pressures moderated and supply chains began to stabilize, the effects of prolonged geopolitical tensions, protectionist policies, and climate-related events continued to shape international trade dynamics.

According to the International Monetary Fund (IMF), global GDP is projected to grow at 3.3% in 2025, with emerging markets such as India, Vietnam, and Indonesia continuing to lead. Inflation declined globally from 5.9% in 2024 to an expected 4.5% in 2025, helped by improved monetary policy coordination and easing commodity prices.



Global central banks largely adopted a wait-and-watch stance in the latter half of the year, and international investors resumed capital flows into stable and reform-oriented emerging economies. Countries such as India, Vietnam, and Indonesia are expected to benefit from improved capital inflows and shifting global supply chains. This sentiment has benefited India, with sustained confidence in its long-term growth trajectory.

Indian Economic Outlook

The Indian economy demonstrated resilience in FY 2024–25, posting a GDP growth rate of 6.5%, in line with market expectations and reflecting the economy's underlying strength amid global uncertainty. This performance was driven by public and private investment, infrastructure creation, a vibrant services sector, and growing consumption across rural and urban segments.

According to Ministry of Statistics and Programme Implementation (MoSPI) estimates (May 2025), India's nominal GDP rose by 9.8%, reaching ₹330.68 lakh crore. The fourth quarter registered a robust 7.4% growth, aided by strong performances in construction, manufacturing, and financial services. The government maintained its emphasis on capital expenditure with an allocation of ₹11.8 lakh crore (\sim 3.5% of GDP) in the Union Budget for FY 2025–26.

Macroeconomic indicators continued to reflect economic momentum. GST collections reached record highs, the PMI stayed in expansionary territory, and digital payments continued their upward trajectory. Average retail inflation during the year remained under control at 4.9%, within the RBI's tolerance band. India's equity markets, buoyed by domestic liquidity and global investor confidence, also witnessed record levels.

Indian MSME Landscape

MSMEs remain the bedrock of India's economy, contributing significantly to employment generation, exports, and regional development. In FY 2024–25, over 4.5 crore enterprises were registered on the Udyam portal, reflecting growing formalization. The Government e-Marketplace (GeM) also saw continued adoption with over 6.5 million orders valued above ₹4.1 lakh crore.

Access to finance for MSMEs improved marginally, aided by NBFCs, Fintechs, and government-backed guarantee schemes. However, many smaller enterprises continue to face challenges in accessing timely, affordable credit. States such as Maharashtra, Gujarat, Tamil Nadu, and Karnataka remained leaders in both MSME presence and credit demand.

Policy initiatives such as the ECLGS extension, CGTMSE enhancements, and the revamped Udyam Assist Platform provided a safety net and growth incentives. Efforts toward skilling, digital onboarding, and market linkages under the MSME Champion Scheme are expected to deepen the sector's contribution in the coming years.

NBFC Sector

NBFCs continued to be pivotal in extending credit to segments underserved by traditional banking channels, especially MSMEs, first-time borrowers, and self-employed professionals. By December 2024, NBFC credit stood at approximately ₹52 trillion and is expected to grow at 13-15% over the next fiscal (Source: ICRA, May 2025). Asset under management (AUM) across the sector grew at 15-17%, with continued traction in personal, MSME, and vehicle finance.

Retail-driven credit growth in MSME financing, personal loans, and vehicle finance segments continue to drive performance. Co-lending partnerships with banks, digital origination models, and improved underwriting tools have enabled NBFCs to manage asset quality amid evolving regulatory guidelines. Profitability moderated due to increasing funding costs and slightly higher credit provisions, but net interest margins remained robust at 6.7%.

Future Outlook

The Indian economy is poised for a growth rate of 6.5-6.7% in FY 2025-26, supported by industrial recovery, infrastructure push, and global tailwinds. The government's focus on Make in India, PLI schemes, and green energy transition is expected to drive capital formation and open new avenues for MSME-focused lenders.

The NBFC sector is poised for sustained growth, supported by digital transformation, evolving regulatory clarity from RBI, and rising retail consumption. Key areas of opportunity include supply chain financing, green energy funding, and techenabled co-lending platforms.

Segment-wise business performance

In FY25, the company delivered a robust performance across most of its key verticals, driven by its strategic focus on secured lending, disciplined execution, and prudent risk management practices. Total disbursements grew by 19% year-on-year, from $\stackrel{?}{\sim}2,261$ crore in FY24 to $\stackrel{?}{\sim}2,689$ crore in FY25, while Assets Under Management (AUM) expanded by 26%, reaching $\stackrel{?}{\sim}4,804$ crore. This growth was achieved while maintaining strong portfolio guality and operational rigor.

ODIRECTOR'S REPORT

1. Machine Finance

The Machine Finance vertical continued to be the company's flagship business, contributing the highest share to overall disbursements. Disbursements increased by 32%, from ₹1,500 crore in FY24 to ₹1,978 crore in FY25, while AUM rose by a similar 31% to ₹3,258 crore. Growth was underpinned by robust MSME demand for equipment financing, rising infrastructure activity, and a tailored approach to loan structuring that suits machinery lifecycle and borrower cash flows. Asset quality remained healthy, with GNPA at 0.6%, marginally higher than the previous year but well within acceptable levels.

2. Micro LAP

Disbursements in the Micro LAP vertical declined by 20%, from ₹323 crore in FY24 to ₹259 crore in FY25, reflecting a calibrated lending approach in geographies showing early signs of stress and tighter underwriting standards. The company proactively consolidated the portfolio through focused sourcing and enhanced credit filters. Despite these measures, AUM grew 15%, to ₹745 crore. However, asset quality came under pressure, with GNPA rising to 6.6% from 4.1% in FY24, necessitating enhanced monitoring and focused recovery actions. The stress was due to external factors such as the general elections, an exceptionally hot summer followed by erratic monsoons in our key markets, and sector-wide liquidity tightening triggered by regulatory actions. This performance mirrors the broader stress seen across the Micro LAP segment in the industry.

3. Secured Business Finance (SBF)

The SBF vertical maintained stable performance, with disbursements increasing by 5%, from ₹119 crore in FY24 to ₹125 crore in FY25. AUM grew by 23% to ₹282 crore. Asset quality remained sound, with GNPA at 1.6%, supported by a diversified borrower base and active collections management. The outlook for industrial LAP remains positive, supported by the steady expansion of MSMEs across manufacturing clusters and industrial belts. Government initiatives to improve formal credit access for small businesses such as digital public infrastructure, credit guarantee schemes, and MSME focused budget allocations are boosting demand for collateral-backed term loans.

4. Rooftop Solar Finance (REF)

Disbursements in the REF segment declined by 25%, from ₹138 crore in FY24 to ₹103 crore in FY25. AUM increased to ₹269 crore and GNPA stood at 0.9%. The decline in disbursements was primarily due to increasing competition in the segment and internal team stability challenges during the year, which impacted sourcing momentum and execution.

The rooftop solar segment for industrial and commercial users is poised for long-term growth, driven by rising power costs, policy incentives, and increased awareness among MSMEs regarding energy savings and sustainability. Government targets for renewable energy adoption, including significant thrust on rooftop solar in industrial zones, are expected to spur financing demand. The segment is also gaining momentum due to the availability of better quality EPC players, improved metering infrastructure, and increasing viability of solar solutions for small factories and units.

5. Financial Institutions Group (FIG)

The FIG vertical delivered a strong performance, with disbursements growing by 30%, from ₹134 crore in FY24 to ₹173 crore in FY25. AUM increased by 30% to ₹183 crore. The portfolio maintained zero GNPA, supported by stringent counterparty selection, robust credit appraisal frameworks, and deep institutional relationships.

6. Two-Wheeler Finance

The Two-Wheeler segment registered 7% growth in disbursements to ₹51 crore in FY25. However, AUM increased by 3%, as the company strategically slowed down origination in response to asset quality concerns. The business remains under strategic review.

FY25 was marked by healthy growth in disbursements and AUM, especially in the Machine Finance segment which continues to anchor the company's performance. While portfolio quality remained stable in most segments, the Micro LAP and Two-Wheeler segments experienced asset quality pressures, prompting proactive risk containment and recovery efforts. Going forward, the company remains committed to a balanced growth strategy; scaling profitable verticals, improving asset quality in stress prone segments and leveraging technology and partnerships for sustainable, long-term expansion.



SWOT Analysis

In line with the Company's commitment to sound strategic planning and risk management, a detailed SWOT (Strengths, Weaknesses, Opportunities, and Threats) analysis has been undertaken during the year under review. This analysis assists in evaluating the Company's internal capabilities and external challenges in the context of the evolving regulatory landscape, market conditions, and customer needs.

As a NBFC, understanding these factors is critical for aligning business strategies, ensuring prudent risk practices, enhancing financial inclusion, and sustaining long-term growth in a competitive and regulated environment.

Strengths

- Specialized Business Model: EFL's focused approach to machine financing for MSMEs has allowed it to build deep domain expertise and long-standing relationships with manufacturing MSMEs. This specialization sets it apart from other NBFCs, and positions the company as a reliable partner for small manufacturing enterprises.
- Credibility and Trust Built Over Decades: With more than 30 years of experience, the company enjoys strong brand recognition and trust in the markets it operates. This heritage also translates into institutional knowledge and operational maturity, especially in asset-backed lending.
- Strong Risk Management Culture: EFL's cautious approach and prudent underwriting, contributes to portfolio stability. Even in challenging times, the company has maintained commendable asset quality through disciplined risk practices.
- Customer-Centric Approach: EFL has developed tailored products and services for MSMEs, addressing sectorspecific needs such as seasonal cash flows, custom machinery financing, and working capital challenges. The company's high-touch service model enhances customer loyalty.

Weaknesses

- Limited Diversification: Despite its success in machine financing, product diversification is still evolving. Relatively newer verticals like rooftop solar loans, micro-LAP, and unsecured working capital are promising but currently represent a small share of the portfolio.
- Scaling Business using Tech: While technology adoption is ongoing, EFL's traditional, relationship-based model might face friction as the market moves toward more digital-first lending solutions. Competing with tech-savvy NBFCs and Fintechs requires accelerated investment in digital capabilities.

Opportunities

- Niche Expertise in Machine Financing: The machine loan segment continues to remain largely untapped by traditional banks due to its niche nature and operational complexities. This segment has been a core strength and focus area for Electronica Finance Limited, enabling the Company to build deep expertise, strong customer relationships, and a differentiated position in the market.
- Rising Credit Demand from MSMEs: India's MSME sector remains significantly under-financed, presenting a large
 addressable market. With increasing formalization and digitalization of small enterprises, demand for tailored
 financial products is set to grow which is a natural fit for EFL's offerings.
- Green Finance and Sustainable Lending: The growing emphasis by the Government and private sector on renewable energy - particularly rooftop solar - aligns well with EFL's strategic focus on green lending. Notably, around 40% of the machines financed by EFL are energy-efficient, further reinforcing the Company's commitment to sustainability. This creates opportunities not only for business growth but also for driving positive environmental impact.
- Regulatory Momentum in Favor of NBFCs: As regulators aim to broaden financial inclusion, NBFCs like EFL are
 recognized as critical channels for credit delivery to the underserved. Supportive policies, credit guarantee schemes,
 and refinancing lines can further boost lending capacity.
- Potential for Strategic Alliances: Partnerships with Fintechs, OEMs (original equipment manufacturers), banks and other NBFCs can enhance EFL's distribution reach and product innovation, especially in rural and semi-urban markets

Threats

- Increasing Competition: The MSME financing space is attracting growing interest from banks, Fintechs, and larger NBFCs. These players often bring aggressive pricing, digital agility, and cross-selling capabilities, challenging smaller or mid-sized lenders.
- Macroeconomic Sensitivities: MSMEs are highly sensitive to changes in economic conditions due to factors like inflation, supply chain disruptions, or global volatility. This can directly impact borrower repayment capacity and loan demand.

Internal Financial Control Systems and Their Adequacy

The Company's well-defined organizational structure, documented policies and internal financial controls ensure the efficiency of operations, protection of resources and compliance with the applicable laws and regulations. Moreover, the Company continuously upgrades its internal control systems and undertakes review of policies as and when required.

The internal financial control is supplemented by extensive internal audits, regular reviews by management and standard policies and guidelines to ensure reliability of financial and all other records to prepare financial statements and other data. The Audit Committee of the Board reviews internal audit reports and also monitors the implemented suggestions.

The internal audit function provides independent assurance to the Audit Committee and Board of Directors on the quality and effectiveness of the Company's internal control, risk management and governance systems and processes.

For the year under review, the Board is of the opinion that the Company has sound Internal Financial Control commensurate with the nature and size of its business operations and operating effectively and no material weakness exists. Further, the statutory auditors have, in compliance with the requirements of the Companies Act, 2013, issued an opinion with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, details of which may be referred to from the Auditor's Report attached to the audited financial statements of FY 2024-25.

Human Resources

At EFL, our people are the driving force behind our strategic vision and execution. Their contributions continue to play a pivotal role in helping the organization achieve its objectives and adapt to a dynamic business environment. By continually investing in employee growth and well-being, we have successfully transformed our human resources into a key pillar of strength and a long-term competitive advantage.

EFL remains committed to creating a work environment that inspires excellence, fosters collaboration, and encourages a culture of continuous learning and work-life integration. Our approach is rooted in building a workplace where talent thrives — one that values simplicity, self-drive, and a passion for excellence.

During FY'25, we intensified our efforts to attract, engage, and retain top talent in line with our growth ambitions. In particular, we expanded our hiring channels to include premier educational institutions, opening new avenues for onboarding young and dynamic professionals. We also revamped our Learning & Development (L&D) framework to provide more impactful training. These sessions were led by experienced subject matter experts, ensuring that employees gained both technical knowledge and practical insights that translate directly into higher productivity and performance.

Our focus on digital transformation has continued to shape our HR strategy. We have further enhanced employee experience through initiatives such as paperless onboarding, an upgraded HRMS platform, digital training via app-based modules, and improved communication through digital newsletters and social media channels. Our revamped rewards and recognition programs have been designed to celebrate excellence and boost morale across the organization.

Our commitment to fostering a strong people-first culture was recognized externally as well. We are proud to share that EFL was named the winner of the AmbitionBox Employee Choice Award 2025 as the Top-Rated Financial Services Company in the mid-size category - a reflection of the positive work environment, growth opportunities, and engagement we strive to deliver every day.





As on March 31, 2025, EFL had a total of 2,337 employees, which includes 139 female and 2,198 male employees, reflecting our continued expansion and focus on building a robust and diversified talent pool to meet evolving business needs.

CREDIT RATING

The Credit ratings on various bank facilities and debt instruments of the Company during the year under review are given below:

Name of Credit Rating Agency	Type of Instrument	Credit Rating as on March 31, 2025	Nature of Securities
India Ratings & Research (A Fitch Group Company)	Bank Facilities	'IND A' with Stable Outlook	Bank Loan
	NCD's	'IND A' with Stable Outlook	Secured/Unsecured NCD's on Private Placement basis
ICRA Limited	NCD's	'IND A' with Stable Outlook	Secured NCD's on Private Placement basis
	Commercial Paper	[ICRA]A1	CP on Private Placement basis

COMPLIANCE AND REGULATORY

During the year under review, the Company has complied with all the prudential norms, regulations and guidelines prescribed by RBI applicable to NBFCs and the laws, regulations, circulars, notifications as required under the Companies Act, 2013, all the applicable SEBI Regulations, tax laws and other regulatory provisions.

SCALE BASED REGULATIONS

Pursuant to 'Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023' dated October 19, 2023, as amended from time to time, the Company was categorised as NBFC Middle Layer ("NBFC-ML") and it continues to be under the same category till the date of this report.

CHANGE IN THE NATURE OF BUSINESS

There has been no change in the nature of business of the Company during the year under review.

MATERIAL CHANGES AND COMMITMENT, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THESE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT:

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

Further, apart from the above, no material changes and commitments affecting the financial position of the Company, which have occurred between the end of the financial year i.e. March 31, 2025 and the date of this Report.

BUY BACK OF SECURITIES

The Company has not bought back any of its securities and has not issued any Sweat Equity shares or Bonus shares during the year under review.

EMPLOYEES STOCK OPTION PLAN

The details of Options granted and exercised are included in Note no. 43 in the notes to accounts forming part of financial statements.

ODIRECTOR'S REPORT

SHARE CAPITAL

I. During the financial year 2024-25, your Company has increased its Share Capital in following manner:

	As on March 31, 2024	Change	As on March 31, 2025
Authorised Share Capital	₹7,250 Lakhs	-	₹7,250 Lakhs
Equity Shares	₹3,650 Lakhs consisting of 3,65,00,000 equity shares of ₹10/- each.	-	₹3,650 Lakhs consisting of 3,65,00,000 equity shares of ₹10/- each.
Preference Shares	₹3,600 Lakhs consisting of 1,80,00,000 Preference Shares of ₹20/- each	-	₹3,600 Lakhs consisting of 1,80,00,000 Preference Shares of ₹20/- each
Issued, Subscribed and Paid-Up Share Capital	₹3,518.83 Lakhs	Increase	₹5,382.67 Lakhs
Equity Shares	₹2,253.46 Lakhs consisting of 2,25,34,645 Equity Shares of ₹10/- each	₹250.55 Lakhs consisting of 25,05,476 Equity Shares of ₹10/- each	₹2,504.01 Lakhs consisting of 2,50,40,121 Equity Shares of ₹10/- each
Preference Shares	₹1,265.36 Lakhs consisting of 63,26,839 Preference Shares of ₹20/- each	₹1,613.29 Lakhs consisting of 80,66,468 Preference Shares of ₹20/- each	₹2,878.66 Lakhs consisting of 1,43,93,307 Preference Shares of ₹20/- each

- II. During the financial year 2024-25, the Company has issued following Non-Convertible Debentures on Private Placement Basis, as follows:
 - a. 6,000 senior, secured, rated, listed, redeemable, transferable, non-convertible debentures having face value of ₹1,00,000/- (Indian Rupees One Lakhs) each aggregating to ₹60,00,00,000/- (Indian Rupees Sixty Crores) on August 29, 2024.
 - b. 4,184 senior, secured, rated, listed, redeemable, transferable, non-convertible debentures having face value of ₹1,00,000/- (Indian Rupees One Lakhs) each aggregating to ₹41,84,00,000/- (Indian Rupees Forty-one Crores & Eighty-five Lakhs) on October 17, 2024.
- III. During the financial year 2024-25, the Company has redeemed the following Non-Convertible Debentures:
 - a. 33,750 secured, unrated, unlisted, redeemable non-convertible debentures having face value of ₹10,000/- (Indian Rupees Ten Thousand Only) each aggregating to ₹33,75,00,00/- (Indian Rupees Thirty-three Crores Seventy-Five Lakhs Only) on July 09, 2024.
- IV. During the financial year 2024-25, the Company has issued following Commercial Papers on Private Placement Basis:
 - a. 500 unsecured, rated, listed, commercial papers in the form of usance promissory note in the denominations of Rs. 5,00,000/- and in multiple thereof for an aggregate amount of ₹25,00,00,000/- (Rupees Twenty-Five Crore only) on March 21, 2025.

LISTING OF SECURITIES

During the year, the Company has issued Non- Convertible Debentures and Commercial Papers on private placement basis which are listed on Wholesale Debt Market at BSE Limited, whereas the equity shares of the Company are not listed on any Stock Exchange.

CUSTOMER GRIEVANCE

Your Company strives to deliver exceptional customer experience by proactively addressing and reducing complaints over time. The Company has a dedicated team for customer relationship that deals with the concerns or complaints raise by the customers. It has implemented the grievance redressal mechanism, the RBI Integrated Ombudsman scheme within the organisation to deal with the unresolved concerns and complaints of its customers.

All grievances raised by the customers are dealt with courtesy and redressed expeditiously.



FAIR PRACTICES CODE

The Company adheres to the Fair Practices Code (FPC) recommended by the Reserve Bank of India which seeks to promote good and fair practices by setting minimum standards in dealing with customers while doing lending business to ensure better service and provide necessary information to customers enabling them to take informed decisions. The details of the Fair Practice Code are available on the website of the Company at https://www.electronicafinance.com/investor-relations/under Policies section.

STATUTORY AUDITORS AND THEIR REPORT

In accordance with the 'Guidelines on appointment of statutory auditor(s) by Non-Banking Financial Company (NBFC)' vide Circular RBI/2021-22/25 Ref. No. DoS. CD.ARG/SEC.01/08.91.001/2021-22 dated April 27, 2021 ('Circular'/'Guidelines') issued by RBI, the Company shall appoint the statutory auditors for the continuous period of three (3) years, subject to the firm satisfying the eligibility norms each year.

In accordance with the 'Guidelines on appointment of statutory auditor(s) by Non-Banking Financial Company (NBFC)' vide Circular RBI/2021-22/25 Ref. No. DoS. CD.ARG/SEC.01/08.91.001/2021-22 dated April 27, 2021 ('Circular'/'Guidelines') issued by RBI and provisions of section 139 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, the members of the Company at their 34th Annual General Meeting convened on September 27, 2024 had appointed M/s. Sharp & Tannan Associates, Chartered Accountants (Firm Registration No. 109983W) as Statutory Auditors of the Company for a term of three years i.e., till the conclusion of the 37th Annual General Meeting of the Company to be held in year 2027. The Company obtains the declaration of fulfilment of eligibility criteria in accordance with the provisions of Section 141 of the Companies Act, 2013 and guidelines issued by RBI from the Statutory Auditors on an annual basis.

The audit report for the financial year ended March 31, 2025 submitted by /s. Sharp & Tannan Associates, Chartered Accountants remains unmodified, i.e., it does not contain any qualification, reservation or adverse remark or disclaimer. The Auditors' Reports on the Financial Statements for the Financial Year ended March 31, 2025 forms part of this Annual Report.

INTERNAL AUDITORS AND THEIR REPORT

Pursuant to Section 138 of the Companies Act, 2013 read with The Companies (Accounts) Rules, 2014 and based on the recommendation of Audit Committee of the Board of Directors of the Company, the Board of Directors at their meeting held on July 09, 2024, had appointed Mr. Kirtane & Pandit LLP, Chartered Accountants as Internal Auditors of the Company for the financial year 2024-25.

The Audit Committee reviews the audit findings as well as the adequacy and effectiveness of the internal control measures, risk management, governance systems and processes on a quarterly basis.

SECRETARIAL AUDITORS AND THEIR REPORT

Pursuant to Section 204 of the Companies Act, 2013 read with The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and based on the recommendation of the Audit Committee of the Board of Directors of the Company, the Board of Directors at their meeting held on September 19, 2024, had appointed M/s. NAM & Associates, Company Secretaries as the Secretarial Auditors of the Company for the FY 2024-25.

The secretarial audit report for FY 2024-25 as issued by Secretarial Auditors in the prescribed Form MR-3 forms part of this Board's report as **Annexure I**.

The Secretarial Audit Report does not contain any qualification, reservation or adverse remark except the following:

Observation	Management Reply
The Company is in process of complying with the provisions w.r.t. payments to unpaid and unclaimed Dividends to Investor Education Protection Fund (IEPF).	Please refer "Transfer of unclaimed dividend to Investor Education and Protection Fund (IEPF)" section of this report.
The composition of Audit Committee wherein after the reconstitution of Audit Committee on July 09, 2024 Independent Directors are not in majority as per Section 177 (2), of Companies Act, 2013. The Committee has 3 independent Directors and 3 non-independent Directors since July 9, 2024.	Please refer "Board of Directors and Key Managerial Personnel(s)" section of this report.

The Board of Directors assures that necessary corrective actions have been or will be taken to ensure compliance with the applicable provisions of the Companies Act, SEBI Regulations, and other applicable laws.

COST AUDITORS AND THEIR REPORT

Maintenance of cost records and requirement of cost audit as prescribed under the provisions of Section 148(1) of the Companies Act, 2013, are not applicable in respect of the business activities carried out by the Company.

SUSTAINABILITY INITIATIVES

At EFL, sustainability is a guiding principle that shapes our products, partnerships, and purpose. Sustainability for EFL means financing growth that is environmentally conscious, socially inclusive, and governed responsibly. Anchored by our ESG policy framework, EFL's strategy integrates sustainability into every facet of business.

Transition to clean energy

As part of our commitment to environmental stewardship, EFL continues to drive the transition to cleaner sources of energy through focused financing for rooftop solar and energy-efficient machinery. EFL till date has facilitated the installation of 96 MW of rooftop solar capacity. This effort led to an estimated 108,000+ tons of CO_2 emissions avoided, underscoring our impact on climate action. In parallel, majority of machinery financed across our portfolio is energy-efficient, helping MSMEs reduce power consumption, lower operating costs, and increase productivity. Through these initiatives, EFL is actively supporting India's renewable energy ambitions and net-zero targets.

• Fostering Inclusive Growth

EFL plays a pivotal role in advancing financial inclusion, particularly in rural and semi-urban areas. Through our Micro LAP business, we have supported over 45000+ customers, of which 33% are new to the formal credit system. These loans are used for micro-enterprise expansion, home improvements, and essential infrastructure. By enabling access to formal finance, EFL empowers small businesses to scale operations, generate employment, and build community resilience. Our work in this space reinforces the belief that inclusive finance is a key enabler of sustainable economic development. EFL's operations have had a significant socio-economic impact through employment generation. We have directly created 2,342 jobs and are estimated to have indirectly enabled employment for over 2,16,385 individuals. This underlines our broader commitment to supporting livelihoods and strengthening the economic fabric of the communities we serve.

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

The information pertaining to conservation of Energy, Technology Absorption, Foreign Exchange Earnings and outgo as required under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is provided hereunder:

Conservation of Energy: Following steps were taken to ensure the conservation:

The operations of this Company are primarily financial services, therefore these require normal consumption of electricity. However, the company is taking all necessary steps to reduce its consumption of electricity.

- Usage of Solar power & LED Lights compared to conventional CFL Bulbs has effectively lowered our electricity consumption;
- Minimal use of Air Conditioning with reliance on natural air flow and other aspects of the green building being leveraged to ensure comfortable temperatures in the office;
- Daylight and quality views addressed with façade design;
- Overall the structure and design has contributed to Portable water savings, Energy Savings & Clean Energy Offset;
- We also have a Solar PV Rooftop Plant at the entire roof area to offset our energy consumption to the best possible
 extent.

Overall it has helped us to reduce our costs and increased our contribution towards a better environment.

Technology absorption:

Being a Financial Company, the Company continues its initiatives for Technology Absorption. Technology is being used as a business enabler at your Company and the Company has implemented best of the class applications to manage and automate its business processes to achieve higher efficiency, data integrity and data security.





Foreign Exchange Earnings & Outgo

During the year under review, the details of the foreign exchange Earnings & Outgo is as follows:

Foreign Exchange Earnings	Nil	
Foreign Exchange Outgo	Rs. 1,655.67 Lakhs	

CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

In compliance of the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company has duly constituted a Corporate Social Responsibility (CSR) Committee which defines the scope of the CSR Projects for the Company and its implementation as per Board approved CSR policy.

At EFL, Corporate Social Responsibility is not just an obligation but a conscious commitment to building a more equitable, sustainable, and empowered society. Guided by our core values and aligned with national priorities, our CSR initiatives for the financial year 2024–25 focused on four key themes: Environment & Sustainability, Health, Education & Skill Development and Livelihood Generation. Each initiative was thoughtfully chosen, ensuring that our interventions address real needs and foster long-term impact.

In our pursuit of environmental stewardship, we supported the water conservation efforts of Gram Gaurav Pratishthan in the drought-prone regions of Naigaon, Khalad, and Gulunche, located in the Pune district. These locations were selected due to their proximity to our base location in Pune and their chronic water scarcity challenges, which severely impact local agriculture and livelihoods. Our interventions included the construction, repair, and rejuvenation of major check dams, significantly improving water availability and revitalizing farming activities in the region. Complementing this, we partnered with The Grasslands Trust to restore the grassland ecosystem in Gulunche, thereby preserving biodiversity and improving soil and water retention capacities in the area.

Our health-related initiatives aimed at delivering quality and accessible healthcare to underserved communities. We enabled holistic healthcare services in five villages of Purandar Taluka though Gram Gaurav Pratishthan. We supported treatment for sickle cell anaemia among tribal populations in Chhattisgarh through our partnership with Sangwari – People's Association for Equity and Health. We extended support to MAHAN Trust for operating a mobile medical healthcare unit in Melghat, bringing timely care to remote tribal belts. Our engagement with SEARCH allowed us to contribute to the Muktipath de-addiction program in Gadchiroli. While our association with Maharogi Sewa Samiti, Warora helped to meet the healthcare expenses for persons with disabilities residing in Anandwan.

For Education and Skill Building initiatives we joined hands with Social Venture Partners (SVP) to enhance the capabilities of smaller NGOs through structured capacity-building programs. We supported Vimlabai Garware School by providing laboratory equipment to strengthen science learning for its students. In Palghar, we facilitated the functioning of ten "Shikshan Samridhi Kendras" through QUEST, creating enriched learning environments for rural children. Scholarships through the Udaan initiative enabled female students to pursue their educational goals without financial barriers, reaffirming our belief that talent deserves every opportunity to thrive.

To foster inclusive growth & livelihood generation we partnered with Urja Trust to support the rehabilitation and reintegration of young survivors of violence through vocational support and livelihood pathways. Our partnership with NAPS (National Apprenticeship Promotion Scheme) enabled industry-relevant apprenticeship opportunities for youth entering the workforce.

These initiatives were further enriched by active employee participation during CSR field visits, volunteering in plantation drive and fostering a culture of empathy and purpose within the organization. As we reflect on our journey this year, we take pride in having contributed, in meaningful ways, to the larger vision of nation-building and aligning with the UN SDG's.

The Annual Report on CSR activities' in the prescribed format is annexed as Annexure II.

The policy has also been hosted on the website of the Company at https://www.electronicafinance.com/investor-relations/under Policies section.

Further, in accordance with the rule 4 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Chief Financial Officer has certified that the funds disbursed have been utilised for the purpose and in the manner approved by the Board for FY 2024-25.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013

Pursuant to Section 186(11) (a) of the Act read with Rule 11(2) of the Companies (Meetings of Board and its Powers) Rules, 2014, the loan made, guarantee given or security provided in the ordinary course of business by a Non- Banking Financial Company (NBFC) registered with Reserve Bank of India are exempt from the applicability of provisions of Section 186 of the Act. As such the particulars of loans and guarantees have not been disclosed in this Report. The details of the Investments of the Company are furnished under Note 8 of Notes forming part of the Financial Statements for the year ended March 31, 2025.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

All contracts/arrangement/transactions entered by the Company during FY 2024-25 with related parties were in compliance with the applicable provisions of the Act and SEBI Listing Regulations. The details of transaction entered into is also reviewed by the Audit Committee on a quarterly basis.

All contracts/ arrangements/ transactions entered into by the Company during the financial year with the related parties are at arm's length basis and in the ordinary course of business.

A Statement containing the details of material contracts or arrangements or transactions with Related Parties on an arm's length basis with respect to transactions as required under Section 188(1) of the Act, in the prescribed Form No. AOC-2, forms part of this Board's report as **Annexure III.**

Further, details of Related Party Transactions as required to be disclosed by Ind AS- 24 on "Related Party Disclosures" specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014, are given in the Note 41 to the Financial Statements.

COMPLIANCE MANAGEMENT

The Company has established a Board-approved Compliance Framework, led by an independent Chief Compliance Officer (CCO). A risk based compliance framework and a compliance management tool have been implemented. Automated alerts are sent to each department and compliance owners to ensure compliance within stipulated timelines.

CORPORATE GOVERNANCE REPORT

The Company has been practicing the principle of good Corporate Governance over the years. Corporate Governance is about commitment to values, ethical business conduct and considering all stakeholder's interest in the conduct of its business. Corporate Governance reflects core values around the principles and ideals based on independence, transparency, accountability, responsibility, compliance, ethics and trust. The report on corporate governance forms an integral part of this Board's report as **Annexure IV**.

SUBSIDIARY / JOINT VENTURE / ASSOCIATE COMPANIES

As on March 31, 2025, the Company does not have any subsidiaries, joint ventures, or associate companies within the meaning of section 2(87) and 2(6) of the Companies Act, 2013. However, Electronica Finance Limited is the Subsidiary of Mugdha Investment and Finance Private Limited which is a Non-deposit taking Non—Banking Financial Company (NBFC).

SECRETARIAL STANDARDS

The Company has complied with Secretarial Standard issued by The Institute of Company Secretaries of India on Meetings of Board of Directors and General Meetings.

MEETINGS OF THE BOARD

Ten (10) meetings of the Board were held during year ended March 31, 2025. Details of the meetings and attendance thereat forms part of the 'Corporate Governance Report'.

BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL(S)

A. COMPOSITION OF BOARD OF DIRECTORS

In accordance with Section 152 of the Companies Act, 2013, read with Rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014, and in line with the composition requirements of the Audit Committee, EFL was required to appoint four Independent Directors on the Board with effect from July 9, 2024. However, as of March 31, 2025, the Company had three Independent Directors on its Board. Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company at its meeting held on August 13,2025 have appointed Mr. Uday Chitale (DIN: 00043268) and Mrs. Uma Mandavgane (DIN: 03156224) as Additional Director in the capacity of Independent Director on the Board of the Company holding office till ensuing Annual General Meeting of the Company. This appointments and subsequent re-composition of committees will ensure compliance with the statutory requirements.



Other than as stated above, the Composition of Board of Directors of the Company ("Board") is in conformity with the Companies Act, 2013 and rules made thereunder and RBI Master Directions.

As on March 31, 2025, the Board comprised of 8 (Eight) Directors, consisting of 3 (Three) Independent Directors including 2 (Two) Women Independent Directors, 4 (Four) Non-Executive Directors and 1 (One) Women Executive Director.

During the financial year under review, following changes took place in the composition of the Board of the Company:

- a) Appointment of Mr. Stewart Langdon as Additional Non-Executive Director of the Company with effect from June 04, 2024 and further regularisation as Non-Executive Director at Extra-Ordinary General Meeting of the Company held on July 01, 2024.
- b) Appointment of Mr. Anurag Agrawal as Additional Non-Executive Director of the Company with effect from June 04, 2024 and further regularisation as Non-Executive Director at Extra-Ordinary General Meeting of the Company held on July 01, 2024.

During the year, no other change took place in the Board of the Company.

In pursuance to the "Fit and Proper" policy adopted by the Company as per the Reserve Bank of India's (RBI) Master Directions, the Company obtained the 'Fit and Proper' declarations from all the Directors for their respective appointment/re-appointment. The selection and appointment of Directors of the Company is done in accordance with the relevant provisions of the Companies Act, 2013 read with rules made thereunder and the master directions/guidelines issued by the RBI.

Further, none of the directors of the Company are disqualified as per the provisions of section 164(2) of the Act or debarred from holding office as director by virtue of any order of the SEBI or any other authority. The directors of the Company have made necessary disclosures, as required under various provisions of the Act.

The Composition of Board of the Company is also available on the Company's website and can be accessed at https://www.electronicafinance.com/investor-relations/

B. DIRECTORS LIABLE TO RETIRE BY ROTATION

Section 152 of the Act mandates that at least two—third of the total number of directors (excluding independent directors) shall be liable to retire by rotation and one-third of such directors shall retire from office at every Annual General Meeting. In this regard, Mr. Ameya Bijoor, Non-Executive (Nominee) Director, being longest in the office, liable to retire by rotation, shall retire and being eligible, be recommended for re-appointment at the 35th Annual General Meeting.

The notice convening the 35th Annual General Meeting includes the proposal for re-appointment of aforesaid Director.

C. KEY MANAGERIAL PERSONNEL (KMP)

During the year under review and up to the date of this report, following changes took place in KMPs of the Company:

- a) Appointment of Mr. Vipin Maheshwari as Chief Financial Officer of the Company with effect from August 12, 2024.
- b) Re-appointment of Ms. Shilpa Pophale as Managing Director & CEO for a term of 5 years of the Company with effect from April 01, 2025 subject to approval by the members of the Company in ensuing General Meeting.

As on March 31, 2025, the Company had the following KMPs:

Sr. No.	Name of KMP	Designation
1.	Ms. Shilpa Pophale	Managing Director & Chief Executive Officer
2.	Mr. Vipin Maheshwari	Chief Financial Officer
3.	Mr. Vallabh Ghate	Company Secretary & Compliance Officer

There are no other changes in KMPs since the closure of the financial year till the date of this report.

POLICY RELATING TO DIRECTORS APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES

The Company's Policy relating to appointment of Directors, payment of Managerial remuneration, Directors' qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013 is furnished in **Annexure V** and is attached to this report.

DECLARATION FROM INDEPENDENT DIRECTORS

The Independent Directors ("IDs") have submitted their disclosures to the Board that they fulfil all the requirements as stipulated under Section 149(7) of the Companies Act, 2013 read with rules made thereunder so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and the relevant rules.

Further, in the opinion of the Board, the independent directors possess the highest standards of integrity, professionalism, and ethical conduct. They have been selected based on their diverse backgrounds, extensive experience, and specialised expertise in various fields relevant to the Company's operations.

PERFORMANCE EVALUATION

The Board evaluated the effectiveness of its functioning and that of the Committees and of individual directors by seeking their inputs on various aspects of Board/Committee Governance through structured questionnaire. The aspects covered in the evaluation included the contribution to and monitoring of corporate governance practices, participation in the long-term strategic planning and the fulfilment of Directors' obligations and fiduciary responsibilities, including but not limited to, active participation at the Board and Committee meetings.

The Nomination and Remuneration Committee has carried out evaluation of performance of every director, the Board as a whole and the committees of the Board of Directors at their meeting held on March 28, 2025.

Further, the Independent Directors met separately, without the attendance of Non-Independent Directors and the members of the management and inter alia reviewed the performance of Non-Independent Directors, Board as a whole; and performance of the Chairperson. They further assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board. Overall, the Independent Directors expressed their satisfaction on the performance and effectiveness of the Board, all the Committees and Individual Non-Independent Board Members.

There have been no material observations or suggestions, consequent to such evaluation and review.

VIGIL MECHANISM/ WHISTLE BLOWER POLICY

As per the provisions of Section 177(9) of the Act the Company is required to establish an effective Vigil Mechanism for Directors and employees to report genuine concerns. The Company as part of the 'vigil mechanism' has in place a Board approved 'Whistle Blower Policy' to deal with instances of fraud and mismanagement, if any. The Whistle Blower Policy has been placed on the website of the Company.

This vigil mechanism of the Company is overseen by the Audit Committee and provides adequate safeguard against victimization of employees and also provides direct access to the Chairman of the Audit Committee in exceptional circumstances. During the year under review no such complaints have been received by the Company. No person has been denied access to the Audit Committee in this regard.

PARTICULARS OF EMPLOYEES

Being an unlisted Company, the disclosure requirements as mentioned under Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are not applicable to the Company.

The details required under Rule 5(2) and Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, for the year ended 31st March, 2025, are provided in a separate annexure forming part of this Report. In terms of the proviso to Section 136 of the Act, the Report and the Accounts are being sent to the Members, excluding the aforesaid Annexure. Any shareholder interested in obtaining a copy of the same may write to the Company Secretary, at the Registered Office of the Company.

RISK MANAGEMENT

Your Company has a well-defined risk management framework in place and a robust organisational structure for managing and reporting on risks and risk Management is an integral part of the Company's business strategy with focus on building risk management culture across the organisation. The Board is responsible for setting the tone at the top and establishing oversight responsibilities for the Risk Management Framework in the Company. Your Board reviews and defines the risk tolerance levels and risk appetite in guidance with the Risk Management Committee of the Company. The Risk management framework of the Company seeks to ensure a consistent, efficient and effective assessment and management of risks towards development of a sustainable business and creation of values for shareholders. It also



minimises the adverse impact of risks on our key business objectives and enables the Company to leverage market opportunities effectively.

The Board of Directors of the Company has formed a Risk Management Committee to frame, implement and monitor the risk management plan for the Company. The Committee is responsible for monitoring and reviewing the risk management plan and ensuring its effectiveness. The Audit Committee has additional oversight in the area of financial risks and controls. The major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

Your Company has also taken Directors and Officers (D&O) insurance policy to mitigate legal risks on directors and officers.

Further, the details of the Risk Management Committee and its terms of reference are set out in the Corporate Governance Report forming part of the Board's Report.

FRAUD MONITORING & CONTROL

During the year under review, the Statutory Auditor of the Company has not reported any instances of material fraud committed against the Company by its officers or employees, to the Audit Committee or Board, under Section 143 (12) of the Act.

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

In accordance with Section 124(5) and Section 124(6) of the Companies Act, 2013 read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company was liable to transfer Rs. 59,168 (Indian Rupees fifty-nine thousand one hundred and sixty-eight Only) and the corresponding 84,525 (Eighty-four thousand five hundred and twenty-five only) to the IEPF Authority on November 29, 2024.

However, due to the ongoing migration of IEPF-related forms from the MCA V2 portal to the MCA V3 portal, the Company has encountered persistent technical issues that have hindered the timely completion of the transfer process. The Company has lodged multiple complaints with the MCA and is actively coordinating with the relevant authorities to resolve the issues at the earliest. The Company remains committed to ensuring full compliance with the statutory requirements.

DEPOSITS

Your Company is registered with Reserve Bank of India (RBI), as a non-deposit accepting NBFC under section 45-IA of the RBI Act, 1934. Your Directors hereby report that the Company has not accepted any public deposits during the period under review.

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

There were no significant material orders passed by the Regulators / Courts / Tribunals which would impact the going concern status of the Company and its future operations.

DISCLOSURE AS PER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

EFL is committed to providing and promoting a safe and healthy work environment for all its employees. The Company has zero tolerance towards sexual harassment at the workplace. A 'Prevention of Sexual Harassment' (POSH) policy, which is in line with the statutory requirements along with a structured reporting and redressal mechanism is in place.

At EFL, we are deeply committed to ensuring a safe and respectful work environment for all our employees. In alignment with our values and in compliance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, EFL has constituted an Internal Complaints Committee (ICC) to address and redress grievances related to sexual harassment at the workplace.

The ICC at EFL is composed of a diverse and qualified group of individuals who bring a range of perspectives and expertise to the table.

Our ongoing efforts to foster a workplace culture of dignity, equality, and respect are underscored by the proactive role of the Internal Complaints Committee, which serves as a cornerstone of our organizational ethics and values.

ODIRECTOR'S REPORT

The following is a summary of sexual harassment complaints received and disposed-off during the year 2024-25:

Sr. No.	Particulars	Number
1.	No. of Complaints of sexual harassment received in the year	2
2.	No. of Complaints disposed off during the year	2
3.	No. of Complaints pending for more than ninety days	0

DISCLOSURE RELATED TO MATERNITY BENEFIT ACT, 1961

At EFL, we are deeply committed to supporting our employees through every stage of life, including the important journey of motherhood. We recognize the critical role that workplace support plays in ensuring the well-being of expecting mothers and their families.

In line with this commitment, EFL provides all statutory maternity benefits, including 182 days of paid maternity leave, in accordance with applicable laws. In addition to these provisions, we go beyond statutory requirements by offering enhanced flexibility to support a smooth transition into and out of maternity. This includes customized work arrangements and additional support designed to accommodate individual needs, helping employees balance their personal and professional responsibilities with greater ease. In FY'25, four female employees availed maternity leave. We also offer IVF leave to eligible female employees.

Our approach reflects EFL's broader commitment to fostering an inclusive, compassionate, and empowering workplace where every employee feels valued and supported.

ANNUAL RETURN

In accordance with the provisions of Section 92(3) read with Section 134(3) (a) of the Act, the Annual Return of the Company is hosted on the website of the Company at https://www.electronicafinance.com/investor-relations/

OTHER STATUTORY DISCLOSURES

- a) No application was made under the Insolvency and Bankruptcy Code, 2016 during the year, therefore there is no requirement to disclose the details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year along with their status as at the end of the financial year.
- b) The requirement to disclose the details of difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof, is not applicable during the year.
- c) The Company has complied with the provisions of the Maternity Benefit Act, 1961 during the year.
- d) The Company being an NBFC, the provisions relating to Chapter V of the Act, i.e., acceptance of deposit, are not applicable. Disclosures as per NBFC regulations have been made in this Annual Report.
- e) The Company has not defaulted in repayment of loans from banks and financial institutions. There were no delays or defaults in payment of interest/principle of any of its debt securities.
- f) As on March 31, 2025, there is no amount remaining unclaimed in respect of non-convertible debentures.
- g) Your Company, being an NBFC registered with the RBI, the provisions of Section 185 of the Act are not applicable to the Company.

DIRECTORS RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board hereby submits its responsibility statement: -

- (a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;



- (d) the directors have prepared the annual accounts on a Going Concern basis;
- (e) they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- (f) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

ACKNOWLEDGEMENTS:

The Board of Directors extends its heartfelt gratitude for the unwavering support and cooperation received from our esteemed members, customers, the Reserve Bank of India (RBI), Registrar of Companies, Securities and Exchange Board of India, BSE Limited, Registrar & Share Transfer Agent, Credit Rating Agencies and other Statutory and Regulatory Authorities, banks, financial institutions, and the trustees of debenture holders for their kind cooperation and assistance provided to the Company.

The Board of Directors would also like to acknowledge and celebrate the exceptional dedication and hard work demonstrated by our Management and employees throughout the year. Your remarkable contributions have been instrumental in achieving another outstanding year for the Company.

For and on behalf of the Board of Directors of Electronica Finance Limited

Shilpa Pophale Managing Director & CEO DIN: 00182457

Date: August 13, 2025

Place: Pune

Sujit Natekar Director DIN: 00182517







Seamless Migration

to New Loan Origination System (LOS) & Loan Management System (LMS) Platform – JAYAM.









FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2025

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

To,

The Members

ELECTRONICA FINANCE LIMITED

101/1, Erandawane 'Audumbar', Dr. Ketkar Road,

Pune, Maharashtra, India, 411004

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate governance practices by M/s. ELECTRONICA FINANCE LIMITED (CIN: U74110PN1990PLC057017) (hereinafter called "the Company").

The Secretarial Audit was conducted for the period from 1st April 2024 to 31st March 2025, in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances of the Company and expressing our opinion thereon. We have been engaged as Secretarial Auditors of the Company to conduct the Audit of the Company to examine the compliance of Companies Act and the laws specifically listed below.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March 2025, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2025 according to the provisions of the following list of laws and regulations. The following are our observations on the same:

(i) The Companies Act, 2013 (the Act) and the Rules made there under:

The Company has satisfactorily complied with the provisions of the Companies Act, 2013 and the Rules made there under and there are no discrepancies observed by us during the period under review except the Company is in process of complying with the provisions w.r.t. payments to unpaid and unclaimed Dividends to Investor Education Protection Fund (IEPF).

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under:

Not Applicable

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under:

The Company is a Debt listed company and 99.60% shares are in dematerialised form and the Company has complied with the provisions of The Depositories Act, 1996 and the Regulations and Bye-laws framed there under.

- (iv) The Company has satisfactorily complied with the applicable provisions of the Foreign Exchange Management Act, 1999 and the rules and regulations made there under in respect of Foreign Direct Investment and External Commercial Borrowing and there are no discrepancies observed by us during the period under review.
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011: (Not applicable for the period under review)
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015: During the year under review, The Company has satisfactorily complied with the provisions of The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.

ANNEXURE - I

- (d) The Securities and Exchange Board of India (Share based Employee Benefits and Sweat Equity) Regulations, 2021: (Not applicable for the period under review)
- (e) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021: (Not applicable for the period under review)
- (f) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021: The Company is a Debt listed public company and has satisfactorily complied with the provisions of The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021.
- (g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not applicable for the period under review)
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018: (Not applicable for the period under review)
- (i) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015: The Company has satisfactorily complied with the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 as applicable to the Company. There was a delay in intimation of record date for interest payment to debenture holders in the month of February, 2024 due to technical issues. The Company presented its case before BSE Limited, citing the difficulties faced by the Company in filing the intimation. However, BSE Limited levied a penalty of □11,800 on the Company which was subsequently paid by the Company on October 18, 2024.

I further report that, as per the opinion of the officers of the Company and information provided by them there are following Directions, Circulars and Guidelines prescribed by the Reserve Bank of India of India, inter alia, specifically applicable to the Company:

- a. The Reserve Bank of India Act, 1934
- b. Master Direction Know Your Customer (KYC) Direction, 2016
- c. Master Circular dated 1 July, 2015 on Fair Practices Code
- d. Master Direction Non-Banking Financial Company Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 replaced by Master Direction Reserve Bank of India (Non-Banking Financial Company Scale Based Regulation) Directions, 2023.
- e. Master Direction Monitoring of Frauds in NBFCs (Reserve Bank) Directions, 2016 replaced by Fraud Risk Management in Non-Banking Financial Companies (including Housing Finance Companies), 2024
- f. Master Direction Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016
- g. Master Direction Reserve Bank of India (Filing of Supervisory Returns) Directions 2024
- h. Other Circulars/Directions/Guidelines issued by RBI in relation to Non-Banking Financial Companies, from time to time and the Company has satisfactorily complied with the provisions of these regulations.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India. The Company has duly complied with the Secretarial Standards for the period under review.
- (ii) The Listing Agreement entered into by the Company with BSE Limited, in respect of Non-Convertible Debentures issued by the Company and The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021.

During the period under review the Company has satisfactorily complied with the applicable provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. which are mentioned above. The audit of compliance of these Acts, Rules, Regulations, Guidelines, Standards, etc. was carried out on test check basis as per the ICSI Auditing Standards CSAS-1 to CSAS-4.

We further report that:

There are adequate systems and processes in the company commensurate with its size & operation to monitor and ensure compliance with applicable laws including general laws, labour laws, competition law and environmental laws.

The Board of Directors of the Company is duly constituted as required under the provisions of the Companies Act, 2013, expect for the composition of Audit Committee wherein after the reconstitution of Audit Committee on July 09, 2024 Independent Directors are not in majority as per Section 177 (2), of Companies Act, 2013. The committee has 3 independent Directors and 3 non-independent Directors since July 9, 2024.

Annual Report 2024-25 ANNEXURE - I



Adequate notice is given to all directors about the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting for meaningful participation at the meeting. All decisions at Board Meetings were carried out with requisite majority as recorded in the minutes of the meetings of the Board of Directors.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. Further during the Audit Period under review, the Company has appointed Mr. Stewart Michael Langdon and Mr. Anurag Agrawal as Additional Director (Non-Executive Director) at the Board meeting held on June 04, 2024 and has taken shareholders' approval for their appointment as a Director at the Extra Ordinary General Meeting held on July 01, 2024.

The Company has appointed Mr. Vipin Maheshwari as CFO effective from August 12, 2024 and the resolution for his appointment was passed at the board meeting held on June 04, 2024.

We further report that during the audit period no major decisions, specific events/ actions have occurred which has a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. except the followings:

1. The Company has passed following resolution for issue of Securities:

Sr. No.	Date	Particulars	Number of Shares
1	08.05.2024	Issue and Offer of series B1 Compulsorily Convertible Cumulative Preference Shares	21,64,190
2	08.05.2024	Issue and Offer of series B2 Compulsorily Convertible Cumulative Preference Shares	59,02,278
3	08.05.2024	Issue and offer of Equity Shares through preferential allotment on a private placement basis	25,05,476

2. On April 04, 2024 Company has passed a board resolution for issue and offer of 28,85,587 (Twenty- Eight lakhs Eighty- Five Thousand Five Hundred and Eighty- Seven) Series B1 Compulsorily Convertible Cumulative Preference Shares and 78,69,704 (Seventy Eight Lakhs Sixty Nine Thousand Seven Hundred and Four) Series B2 Compulsorily Convertible Cumulative Preference Shares on a Private Placement basis and further the same was approved by the shareholders at the Extra Ordinary General Meeting held on 29th April 2024.

This issue was further withdrawn by passing a Board resolution on May 08, 2024 and shareholders' approval for withdrawal on May 30, 2024.

3. The Company has made following allotments during the period:

Sr. No.	Date	Particulars of allotment	Number of Shares
1	04.06.2024	Series B1 Compulsorily Convertible Cumulative Preference Shares	21,64,190
2	04.06.2024	Series B2 Compulsorily Convertible Cumulative Preference Shares	59,02,278
3	04.06.2024	Equity Shares	25,05,476
4	29.08.2024	10.48% Rated, Listed, Senior, Secured, Transferable, Taxable, Redeemable, Non-Convertible Debentures	6,000
5	17.10.2024	10.45% Rated, Listed, Senior, Secured, Transferable, Taxable, Redeemable, Non-Convertible Debentures	4,184

- 4. On June 04, 2024 the Board passed a resolution for to approval of variation in the terms of Series A Compulsorily Convertible Preference Shares ("Series A CCPS") of the Company.
- 5. The Company during the period under review, shareholders of the Company passed a Special Resolution w.r.t. restating of its Articles of Association on July 01, 2024 and has complied with the provisions of the Companies Act, 2013.
- 6. On June 04, 2024 the Board passed a resolution to increase in the limits of the issuance of Non- Convertible Debentures under Section 23, 42, 71, 179, and 180 of the Companies Act, 2013.

MANNEXURE - I

- 7. On June 04, 2024 the Board passed a resolution and passed a shareholder's resolution on July 01, 2024 for increase in the Limits of Creation of Charge/Mortgage/Pledge/Hypothecation/Security on the Company Assets under section 180(1)(a) of the Companies Act, 2013.
- 8. On September 27, 2024 at the Annual General Meeting, Company declared Dividend of 0.001% on Compulsorily Convertible Preference Shares of the company.
- 9. The Company has passed a resolution for issuance of Commercial Papers in form of Usance promissory note(s) up to Rs. 100 crores on November 13, 2024.
- 10. The Company has availed External Commercial borrowings and has complied with FEMA Act in respect of LRN and ECB.

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

NAM & ASSOCIATES COMPANY SECRETARIES

Neha Marathe

FCS No. 11767 CP No. 17539

PR No. 3586/2023

UDIN: F011767G000947636

Place: Pune

Date: 06.08.2025

Annual Report 2024-25 ANNEXURE - A



To,

The Members

ELECTRONICA FINANCE LIMITED

101/1, Erandawane 'Audumbar', Dr. Ketkar Road, Pune, Maharashtra, India, 411004

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

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

FOR NAM & ASSOCIATES COMPANY SECRETARIES

Neha Marathe

FCS No. 11767

CP No. 17539

PR No. 3586/2023

Place: Pune

Date: 06.08.2025

MANNEXURE - II

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ("CSR") ACTIVITIES FOR FY 2024-2025

1. A BRIEF OUTLINE ON CSR POLICY OF THE COMPANY:

The CSR policy of the Company shall be read in alignment with Section 135 of the Companies Act 2013, Companies (Corporate Social Responsibility Policy) Rules, 2014, and other relevant rules, regulations, circulars, and notifications (collectively referred to as Regulations) as applicable and amended from time to time.

It will, inter-alia, provide for the following:

- Establishing guidelines for compliance with the provisions of Regulations to dedicate a percentage of the Company's profits to social projects.
- Ensuring the implementation of CSR initiatives in both letter and spirit through appropriate procedures and reporting.

For years, Electronica Finance Limited ("EFL") has been fostering positive change within marginalized communities. Our CSR policy is driven by a vision to positively impact society and transform lives, going beyond mere financial contributions.

Our CSR efforts also encompass vocational education for underprivileged children, financial inclusion among marginalized communities, health awareness with focus on women, and environmentally sustainable practices. We collaborated with NGOs such as Rotary, NICHE, URJA, Saahas, and Nirmalya to achieve these goals.

EFL will undertake CSR activities approved by the CSR Committee, either directly through its CSR cell/team or through other entities/NGOs approved by the CSR Committee.

2. COMPOSITION OF CSR COMMITTEE, CSR POLICY, CSR PROJECTS APPROVED BY THE BOARD ARE DISCLOSED ON THE WEBSITE OF THE COMPANY:

The composition of the Corporate Social Responsibility Committee and the attendance of its Members at its meetings held during FY 2024-25 is given below:

Name of the Member	Category	No. of Meetings held during tenure	No. of Meetings Attended
Mrs. Smita Sandhane	Independent Director	1	1
Ms. Shilpa Pophale	Managing Director & CEO	1	1
Mr. Sujit Natekar	Non-Executive Director	1	1
Mr. Stewart Langdon	Non-Executive Director	1	1

3. PROVIDE THE WEBLINK WHERE COMPOSITION OF CSR COMMITTEE, CSR POLICY, CSR PROJECTS APPROVED BY THE BOARD ARE DISCLOSED ON THE WEBSITE OF THE COMPANY:

https://www.electronicafinance.com/csr/

4. PROVIDE THE DETAILS OF IMPACT ASSESSMENT OF CSR PROJECTS CARRIED OUT IN PURSUANCE OF SUBRULE (3) OF RULE 8 OF THE COMPANIES (CORPORATE SOCIAL RESPONSIBILITY POLICY) RULES, 2014, IF APPLICABLE (ATTACH THE REPORT):

As the Company is not having average CSR obligation of ten crore rupees or more in pursuance of sub section (5) of section 135 of the Act, in the three immediately preceding financial years, an impact assessment is not applicable to the Company during the year under review.

5.	(A)	Average Net Profit of the Company as per Section 135(5)	₹ 5,603.29 Lakhs
	(B)	Two Percent of Average Net Profit of the Company as per Section 135(5)	₹ 112.06 Lakhs
	(C)	Surplus Arising out of the CSR Projects or Programmes or Activities of the Previous Financial Years	Nil
	(D)	Amount required to be Set Off for the Financial Year, if any	₹ 19.59
	(E)	Total CSR Obligation for the Financial Year [B + C – D]	₹ 92.47 Lakhs

,					
٥.	(A)	Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project)	₹ 90.70 Lakhs		
	(B)	(B) Amount spent in Administrative Overheads			
	(C)	Amount spent on Impact Assessment, if applicable	Nil		
	(D)	Total amount spent for the Financial Year [A + B + C]	₹ 92.47 Lakhs		

ANNEXURE - II



(E) CSR amount spent or unspent for the Financial Year:

Total Amount Spent	Amount Unspent (in Rs.)								
for the Financial Year (in Rs.)	Total Amount trans CSR Account as pe		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)						
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer				
₹ 92.47 Lakhs	NA	NA	NA	NA	NA				

(F) Excess amount for set-off, if any:

Sr. No.	Particular	Amount (in Rs.)
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	₹ 112.06 Lakhs
(ii)	Total amount spent for the Financial Year	₹ 92.47 Lakhs
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	-
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	-

7. DETAILS OF DETAILS OF UNSPENT CORPORATE SOCIAL RESPONSIBILITY AMOUNT FOR THE PRECEDING THREE FINANCIAL YEARS:

1	2	3	4	5	6		7	8
Sr. No.		Amount Transferred to Unspent CSR Account subsection (6) of section 135 (in Rs.)	Balance Amount in Unspent CSR Account under subsection (6) of section 135 (in Rs.)		•		Amount remaining to be spent in succeeding Financial Years (in Rs)	
					Amount (In Rs.)	Date of Transfer		
1.	Nil	-	-	-	-	-	-	-

8. WHETHER ANY CAPITAL ASSETS HAVE BEEN CREATED OR ACQUIRED THROUGH CORPORATE SOCIAL RESPONSIBILITY AMOUNT SPENT IN THE FINANCIAL YEAR:

No

If Yes, enter the number of Capital assets created/acquired: Not Applicable

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sr. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of Creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner				
(1)	(2)	(3)	(4)	(5)	(6)				
					CSR Registration Number, if applicable	Name	Registered Address		
	NA								

9. SPECIFY THE REASON(S), IF THE COMPANY HAS FAILED TO SPEND TWO PER CENT OF THE AVERAGE NET PROFIT AS PER SUBSECTION (5) OF SECTION 135:

Not Applicable

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS OF ELECTRONICA FINANCE LIMITED

SHILPA POPHALE MANAGING DIRECTOR & CEO DIN: 00182457 SUJIT NATEKAR NON-EXECUTIVE DIRECTOR DIN: 00182517

Date: August 13, 2025

Place: Pune



FORM AOC-2

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

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

- 1. Details of Contracts or arrangements or transactions not at arm's length basis None
- 2. Details of material contracts or arrangement or transaction at arm's length basis:

Name of the related party & nature of relationship	Nature of contract/ arrangement/ transaction	Duration of the Contract/ arrangement/ transaction	Amount (Rs. in Lakh)	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advances, if any
Electronica Hi Tech	ICD accepted	1 Year	385.00	_	NA	_
Machine Tools Pvt. Ltd	ICD repaid	1 Year	385.00	_	NA NA	_
(Director of EFL is Director in the said Company)	Interest paid on ICD	1 Year	20.71	-	NA	-
Electronica Hitech Engineering Private Limited (Relative of	New Business Loan	1 Year	25.26	-	NA	-
Director of EFL is Director in the said Company)	Interest Charged	1 Year	3.75	-	NA	-
Ms. Shilpa Shrikant	Loan accepted	1 Year	42.00	-	NA	-
Pophale	Interest on Loan	1 Year	9.28	-	NA	-
(Managing Director & CEO)	Remuneration	1 Year	166.04	-	NA	-
Mr. Sujit Natekar (Non-Executive Director)	Interest on Loan	1 Year	0.86	-	NA	-
Mrs. Manisha Pophale (Relative of Managing Director)	Interest on Loan	1 Year	5.94	-	NA	-
Mr. Harsh Natekar	Loan accepted	1 Year	30.00	-	NA	-
(Relative of Managing	Interest on Loan	1 Year	15.00	-	NA	-
Director)	Remuneration	-	0.38	-	NA	-
Sujit Sharad Natekar (HUF)	Month rent for guest house	1 Year	4.39	-	NA	-

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS OF **ELECTRONICA FINANCE LIMITED**

SHILPA POPHALE **MANAGING DIRECTOR & CEO**

DIN: 00182457

SUJIT NATEKAR NON-EXECUTIVE DIRECTOR

DIN: 00182517

Date: August 13, 2025

Place: Pune





CORPORATE GOVERNANCE REPORT

1) Corporate Governance Philosophy:

Electronica Finance Limited (hereinafter referred to as EFL) recognises its role as a corporate citizen and endeavours to adopt the best practices and the highest standards of corporate governance through transparency in all its transactions and dealings with customers, employees, investors, lenders, regulators, vendors and other stakeholders. Your Company is committed to good corporate governance and all its activities are carried out in accordance with good corporate practices. EFL has demonstrated highest levels of corporate governance for the past 30 years.

EFL fundamentally believes that good Corporate Governance should be an internally driven need and is not to be looked upon as an issue of compliance dictated by statutory/ regulatory requirements. The philosophy of the Company is to maintain a high level of ethics in all its dealings in order to achieve its goal of building the trust of investors in the Company.

The Board of Directors is kept well-informed about all the activities of the company and all significant material information are placed before the Board of Directors. The Company's philosophy on Corporate Governance is embedded in the rich legacy of ethical governance practices, most of which were implemented before they were mandatorily prescribed. The objective of good corporate governance is to ensure the Board's commitment towards transparent management to maximize long term value for the Company's shareholders and all other participants involved in a process, which is economic and at the same time social.

This report provides an overview of the various corporate governance disclosures required under applicable regulations.

2) Board of Directors:

The Board of Directors ('Board') and its Committees play a significant role in upholding and furthering the principles of good governance which translates into ethical business practices, transparency and accountability in creating long term stakeholder value.

Keeping with the commitment to the principle of integrity and transparency in business operations for good corporate governance, the Company's policy is to have an appropriate blend of independent and non-independent directors to maintain the independence of the Board.

Composition

Other than as stated in point (A) under "Board of Directors and Key Managerial Personnel(s)" section of the Board's report, the composition of the Board is in conformity with the Companies Act, 2013 ("Act") and rules made thereunder and RBI Master directions. Your Company has a balanced Board, having optimum combination of Executive and Non-Executive Directors including Women Director in compliance with the requirements of the Act.

As on March 31, 2025, EFL's Board comprised of 8 (Eight) Directors, consisting of 3 (Three) Independent Directors including 2 (Two) Women Independent Directors, 4 Non-Executive Directors and 1 (One) Women Executive Director.

All the Independent Directors have confirmed that they meet the criteria as mentioned under Section 149 of the Companies Act, 2013. The Independent Directors have also confirmed that they are not on the Board of more than three NBFCs (NBFC-Middle Layer or NBFC-Upper Layer) at the same time in line with RBI Scale Based Regulations.

Meetings of Board of Directors

During the Financial Year 2024-25, the Board of EFL met 10 times, viz. April 04, 2024, May 08, 2024, May 29, 2024, June 04, 2024, July 09, 2024, August 13, 2024, September 19, 2024, November 13, 2024, December 13, 2024 and February 13, 2025. The maximum time gap between any two consecutive meetings was as per applicable regulations.

The Company in consultation with the Directors of the Company prepares a tentative calendar for the upcoming meetings of the Board/Committees to ensure the presence of majority of Directors in the meetings. Agenda papers containing all the necessary information are sent well in advance to all the Directors of the Company so as to enable the Directors to become aware of all the facts on timely basis.

The draft minutes of the proceedings of the meetings of the Board / Committee(s) are circulated to all the members of the Board or the Committee for their perusal, within fifteen days from the date of the conclusion of the meeting. Comments, if any, received from the Directors are incorporated in the minutes. The minutes are confirmed and approved by the members of the Board / Committee(s).

Separate meeting of independent directors

During the year under review, in line with the requirement under section 149(8) and Schedule IV of the Act, the Independent Directors had a separate meeting on March 28, 2025, without the presence of the non-independent directors and management team.

The Independent Directors of the Company provide an annual certificate of independence in accordance with section 149(7) of the Act, to the company which is taken on record by the Board.

The composition and category of Directors as on March 31, 2025, is as follows:

					of	umber Board eetings	No.	R	emuner	ation	No. of shares
Sr. No.	Name of the Director	Date of Appointment	Designation	DIN	Held	Attended	other Director -ships	Salary nd other compen- a sation (In Rs. Lakhs)	Sitting fees (In Rs. Lakhs)	Commission (In Rs. Lakhs)	and Convertible Instruments held in NBFC
1.	Ms. Shilpa Pophale	01/06/2006	Managing Director & CEO	00182457	10	10	3	166.04	-	-	7,88,000
2.	Mr. Sujit Natekar	20/11/2022	Non- Executive Director	00182517	10	10	5	-	-	-	36,833
3.	Mr. Ameya Bijoor	11/11/2020	Non- Executive Director (Nominee Director on behalf of ESF Holdings)	08905242	10	10	1	-	-	-	Nil
4.	Mr. Mohan Tanksa l e	24/08/2020	Independent Director	02971181	10	10	16	-	7.00	-	Nil
5.	Ms. Smita Sandhane	28/04/2022	Independent Director	07637529	10	10	1	-	8.25	-	Nil
6.	Ms. Sandhya Vasudevan	06/12/2022	Independent Director	00372405	10	8	6	-	6.15	-	Nil
7.	Mr. Stewart Langdon	04/06/2024	Non-Executive Director (Nominee Director on behalf of Wanaka Inclusion Limited)	05116100	6	5	1	-	-	-	Nil
8.	Mr. Anurag Agrawal	04/06/2024	Non-Executive Director (Nominee Director on behalf of Aavishkaar India Fund VI)	0238580	6	6	7	-	-	-	Nil

Details of change in composition of the Board during the financial year 2023-24 and 2024-25:

Sr. No.	Name of Director	Capacity	Nature of change	Effective date
1.	Mr. Sujit Natekar	Non-Executive Director	Regularisation	25/09/2023
2.	Ms. Sandhya Vasudevan	Independent Director	Regularisation	25/09/2023
3.	Mr. Stewart Langdon	Non-Executive Director	Appointment	04/06/2024
4.	Mr. Anurag Agrawal	Non-Executive Director	Appointment	04/06/2024
5.	Mr. Stewart Langdon	Non-Executive Director	Regularisation	01/07/2024
6.	Mr. Anurag Agrawal	Non-Executive Director	Regularisation	01/07/2024



Directors with Materially Significant Pecuniary Relationship or Business Transaction with the Company:

The Executive Director receives salaries, allowances, perquisites and/ or commission, while all Non-Executive Independent Directors are paid sitting fees for attending the Board meetings as well as Committee meetings. There have been no materially significant pecuniary relationships or transactions between the Company and its Directors in the financial year under review.

Details of any relationship amongst the Directors inter-se -

Sr. No.	Name of the Director	Relationship
1.	Ms. Shilpa Pophale	Wife of Mr. Sujit Natekar
2.	Mr. Sujit Natekar	Husband of Ms. Shilpa Pophale

3) Committees of the Board:

The Board has constituted Committees with specific terms of reference to focus effectively on issues and ensure timely review and approvals for various matters and as required under the applicable regulations.

The Board has established the following statutory and non-statutory committees in line with the Companies Act, 2013 and rules made thereunder, Master Directions of Reserve Bank of India and other regulatory requirements as applicable:

- Audit Committee
- Nomination and Remuneration Committee
- Corporate Social Responsibility Committee
- Stakeholders' Relationship Committee
- Asset Liability Management Committee
- Risk Management Committee
- IT Strategy Committee
- IT Steering Committee
- Information Security Committee
- Finance Committee
- Securities Operations Committee

Further, the Committees constituted by the Board of the Company are guided by its charter, which defines the scope, roles and responsibilities, powers and composition of the Committee.

The composition and functioning of these Committees are in compliance with the applicable provisions of the Companies Act, 2013 and Corporate Governance Master Directions issued by the Reserve Bank of India.

The Company Secretary is the Secretary of all the aforementioned Committees. The Board of Directors and the Committees also take decisions by circular resolutions which are noted by the Board at its next meeting. The minutes of the meetings of all Committees of the Board are placed before the Board for discussions and noting.

A. Audit Committee

The Board has constituted an Audit Committee with terms of reference as defined under the applicable regulations. Majority of the members are non-executive directors, are financially literate and have accounting and related financial management expertise. The independent directors have an experience of heading large PSU banks, co-operative banks, foreign banks in their previous roles.

During the year under review, the Audit Committee met 5 (Five) times viz. May 29, 2024, July 09, 2024, August 13, 2024, November 13, 2024 and February 13, 2025. All the meetings were conducted with the requisite quorum.

All meetings of Committee were duly held and convened by giving proper notices, agenda/notes to agenda and within the timelines stipulated under the Act and other regulatory requirements.

In addition to the members of the Audit Committee, these meetings were attended by Chief Financial Officer, Internal Auditor, Statutory Auditor and senior executives of the Company for providing inputs to the Committee.

The particulars of Members of the Committee, and the number of meetings attended by them during the year are as follows:

Name of the Member	Member of	Capacity		of meetings Committee	No. of Shares held in the
	Comminee Since		Held	Attended	Company
Mr. Mohan Tanksale	24/08/2020	Independent Director as Chairperson	5	5	Nil
Mr. Ameya Bijoor	11/11/2020	Non-Executive, Nominee Director as Member	5	5	Nil
Ms. Shilpa Pophale	28/04/2022	Managing Director & CEO as Member	2	2	7,88,000
Mrs. Smita Sandhane	28/04/2022	Independent Director as Member	5	5	Nil
Ms. Sandhya Vasudevan	07/03/2023	Independent Director as Member	5	5	Nil
Mr. Sujit Natekar	09/07/2024	Non-Executive Director as Member	3	3	36,833
Mr. Stewart Langdon	09/07/2024	Non-Executive Director as Member	3	2	Nil

The Company Secretary acts as the Secretary of the Committee.

Ms. Shilpa Pophale ceased to be the member of the Committee since July, 09, 2024. She now attends the meetings as an invitee. Mr. Sujit Natekar and Mr. Stewart Langdon were appointed as members of the Committee with effect from July 09, 2024. There were no other changes in the constitution of the Committee during the financial year ended March 31, 2025.

As per Section 177 of the Companies Act, 2013, the Audit Committee is required to comprise a majority of Independent Directors. At present, only half of the Committee members are Independent Directors. Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company at its meeting held on August 13,2025 have appointed Mr. Uday Chitale (DIN: 00043268) and Mrs. Uma Mandavgane (DIN: 03156224) as Additional Director in the capacity of Independent Director on the Board of the Company holding office till ensuing Annual General Meeting of the Company. This appointments and subsequent re-composition of committees will ensure compliance with the statutory requirements.

During the year under review, the Committee met and discussed on various matters including financials, internal audit reports and statutory audit report. During the period under review, the Board of Directors of the Company accepted all the recommendations of the Audit Committee.

The terms of reference of Audit Committee inter-alia includes the following: -

- Recommend appointment and removal of the Auditors and their remuneration, nature and scope of audit.
- Ensure adequacy of internal controls and compliances and recommend remedial measures Review adequacy of the Internal Audit function.
- Review and monitor the auditors' independence and performance and effectiveness of the audit process.
- Oversee financial reporting process and disclosure of financial information.
- Examine the financial statements and the auditors' report thereon.
- Evaluate internal financial controls and the risk management systems.
- Act as a link between the Statutory Auditors, Internal Auditors and the Board of Directors.
- Review accounting policies.
- Approve any transactions of the Company with related parties or any subsequent modifications thereof.
- Scrutinize inter-corporate loans and investments.
- Evaluate the valuation of undertakings or assets of the Company, if necessary.
- Monitoring the end use of funds raised through public offers and related matters Review findings of internal Investigations / frauds / irregularities, etc.
- Carry out additional functions as contained in the Listing Agreement or other regulatory requirements applicable
 to the Company or in the terms of reference of the Audit Committee.
- Carry out the responsibilities under the Code of Conduct for Prevention of Insider Trading and Code of Corporate Disclosure Practices.

B. Nomination & Remuneration Committee

The Board has constituted a Nomination & Remuneration Committee which is in compliance with the provisions of Section 178 of the Act and Master Direction – Reserve Bank of India (Non-Banking Financial Company Scale Based Regulation) Directions, 2023.



During the year under review, the Nomination and Remuneration Committee met 3 (three) times viz. June 04, 2024, September 19, 2024 and March 28, 2025. All the meetings were conducted with the requisite quorum.

The particulars of Members of the Committee, and the number of meetings attended by them during the year are as follows:

Name of the Member	Member of	Capacity		of meetings Committee	No. of Shares held in the
	Comminee Since		Held	Attended	Company
Mrs. Smita Sandhane	28/04/2022	Independent Director as Chairperson	3	3	Nil
Mr. Mohan Tanksale	24/08/2020	Independent Director as Member	3	3	Nil
Mr. Ameya Bijoor	11/11/2020	Non-Executive, Nominee Director as Member	3	3	Nil
Ms. Shilpa Pophale	09/07/2024	Managing Director & CEO as Member	2	2	7,88,000
Ms. Sandhya Vasudevan	09/07/2024	Independent Director as Member	2	2	Nil
Mr. Stewart Langdon	09/07/2024	Non-Executive Director as Member	2	2	Nil

The Company Secretary acts as the Secretary of the Committee.

Ms. Shilpa Pophale, Ms. Sandhya Vasudevan and Mr. Stewart Langdon were appointed as members of the Committee with effect from July 09, 2024. There were no other changes in the constitution of the Committee during the financial year ended March 31, 2025.

All meetings of Committee were duly held and convened by giving proper notices, agenda/notes to agenda and within the timelines stipulated under the Act and other regulatory requirements. During the period under review, the Board had accepted all recommendations of the Committee.

The terms of reference of Nomination & Remuneration Committee inter-alia includes the following:

- Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria and recommend to the Board their approval and removal.
- Carry out the evaluation of director's performance.
- Formulate the criteria for determining qualification, positive attributes and independence of a director.
- Recommend to the Board a policy relating to the remuneration for the directors, KMP and other employees.
- Carry out such other functions as are required or appropriate in discharging their duties.

C. Corporate Social Responsibility Committee

The Company has constituted Corporate Social Responsibility Committee (CSR Committee) in line with the provisions of Section 135 of the Act which has substantial roles and responsibilities in respect of projects to be recommended to the Board and for the monitoring of the CSR projects and reporting.

During the year under review, the Corporate Social Responsibility Committee met once on August 13, 2024. The meeting was conducted with the requisite quorum.

The particulars of Members of the Committee, and the number of meetings attended by them during the year are as follows:

Name of the Member	Member of	Capacity		of meetings Committee	No. of Shares held in the
	Committee Since		Held	Attended	Company
Mrs. Smita Sandhane	28/04/2022	Independent Director as Chairperson	1	1	Nil
Ms. Shilpa Pophale	Since Inception	Managing Director & CEO as Member	1	1	7,88,000
Mr. Ameya Bijoor	11/11/2020	Non-Executive, Nominee Director as Member	0	0	Nil
Mr. Sujit Natekar	26/06/2023	Non-Executive Director as Member	1	1	36,833
Mr. Stewart Langdon	09/07/2024	Non-Executive Director as Member	1	1	Nil

The Company Secretary acts as the Secretary of the Committee.

Mr. Ameya Bijoor ceased to be the member of the Committee and Mr. Stewart Langdon was appointed as a member of the Committee with effect from July 09, 2024. There were no other changes in the constitution of the Committee during the financial year ended March 31, 2025.

All meetings of Committee were duly held and convened by giving proper notices, agenda/notes to agenda and within the timelines stipulated under the Act and other regulatory requirements. During the period under review, the Board had accepted all recommendations of the Committee.

The terms of reference of Corporate Social Responsibility Committee inter-alia includes the following:

- Formulate and recommend to the Board, the Corporate Social Responsibility policy and the activities to be undertaken by the Company.
- Recommend the amount of expenditure to be incurred on the activities undertaken by the Company.
- Monitor the Corporate Social Responsibility policy from time to time.
- Carry out such other functions as are required or appropriate in discharging their duties.

D. Stakeholders Relationship Committee

The Board of Directors have constituted the Stakeholders Relationship Committee in accordance with the provisions of Section 178 of the Companies Act, 2013 to consider and resolve the grievances of security holders and stakeholders (except customers) of the Company.

During the period under review, the Stakeholders Relationship Committee met once on July 09, 2024. The meeting was conducted with the requisite quorum.

The particulars of Members of the Committee, and the number of meetings attended by them during the year are as follows:

Name of the Member	Member of	Capacity		of meetings Committee	No. of Shares held in the
	Comminee Since	niffee Since	Held	Attended	Company
Mr. Sujit Natekar	13/02/2024	Non-Executive Director as Chairperson	1	1	36,833
Ms. Shilpa Pophale	13/02/2024	Managing Director & CEO as a Member	1	1	7,88,000
Ms. Ameya Bijoor	13/02/2024	Non-Executive, Nominee Director as a Member	1	1	Nil
Mrs. Smita Sandhane	13/02/2024	Independent Director as a Member	1	1	Nil
Mr. Anurag Agrawal	09/07/2024	Non-Executive Director as a Member	0	0	Nil

The Company Secretary acts as the Secretary of the Committee.

Mr. Anurag Agrawal was appointed as member of the Committee and Mr. Ameya Bijoor ceased to be the member of the Stakeholder Relationship Committee with effect from July 09, 2024. There were no other changes in the constitution of the Committee during the financial year ended March 31, 2025.

The meeting of the Committee was duly held and convened by giving proper notice, agenda/notes to agenda and within the timelines stipulated under the Act and other regulatory requirements. During the period under review, the Board had accepted all recommendations of the Committee.

The terms of reference of Stakeholder Relationship Committee inter-alia includes the following:

- Resolving 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, non-receipt of notices of general meetings, etc.;
- Review of measures taken for effective exercise of voting rights by shareholders;
- Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;
- Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend/annual reports/ statutory notices by the shareholders of the Company; and
- To carry out any other function as is mandated by the Board from time to time.

E. Asset Liability Management Committee

The Company has constituted an Asset Liability Management Committee (ALCO) in line with provisions of Master Direction – Reserve Bank of India (Non- Banking Financial Company Scale Based Regulation) Directions, 2023. The ALCO reviews the assets and liabilities position of the Company and gives directions to the finance/treasury team in managing the same. The classification of assets and liabilities by the Company into various maturity buckets reflects adjustments for prepayments and renewals in accordance with the guidelines issued by Reserve Bank of India.

During the period under review, Asset Liability Management Committee met twice on November 13, 2024 and February 12, 2025. The meeting was conducted with the requisite quorum.



The particulars of Members of the Committee, and the number of meetings attended by them during the year are as follows:

Name of the Member	Member of	Capacity		of meetings Committee	No. of Shares held in the
	Comminee Since		Held	Attended	Company
Ms. Shilpa Pophale	Since Inception	Managing Director & CEO as Chairperson	2	2	7,88,000
Mr. Ameya Bijoor	11/11/2020	Non-Executive, Nominee Director as Member	2	2	Nil
Mr. Stewart Langdon	09/07/2024	Non-Executive Director as Member	2	1	Nil
Mr. Anurag Agrawal	09/07/2024	Non-Executive Director as Member	2	2	Nil
Chief Financial Officer	26/06/2023	Chief Financial Officer as Member	1	1	Nil
Chief Risk Officer	26/06/2023	Chief Risk Officer as Member	-	-	-

The Company Secretary acts as the Secretary of the Committee.

Mr. Stewart Langdon and Mr. Anurag Agrawal were appointed as members of the Committee and Chief Risk Officer ceased to be the member of the Committee with effect from July 09, 2024. There were no other changes in the constitution of the Committee during the financial year ended March 31, 2025.

All meetings of Committee were duly held and convened by giving proper notices, agenda/notes to agenda and within the timelines stipulated under the Act and other regulatory requirements. During the period under review, the Board had accepted all recommendations of the Committee.

The terms of reference of Asset Liability Management Committee inter-alia includes the following:

- Monitoring market risk management systems, compliance with the asset liability management policy and prudent gaps and tolerance limits and reporting systems set out by the Board of Directors and ensuring adherence to the RBI Guidelines issued in this behalf from time to time;
- Monitoring the business strategy of the Company (on the assets and liabilities sides) in line with the Company's budget and decided risk management objectives;
- The strategic management of interest rate and liquidity risks.

F. Risk Management Committee

The Company has constituted Risk Management Committee (RMC) in line with the provisions of the Master Direction – Reserve Bank of India (Non-Banking Financial Company Scale Based Regulation) Directions, 2023 read with other circulars and guidelines issued by Reserve Bank of India ('Guidelines') from time to time.

The Committee reviews the Risk Management Policy, document and improve risk management practices, ensure appropriate / adequate reporting to the Board, manage the integrated risk, and any other matter as the Committee may deem fit. The Committee is involved in the process of identification, measurement, monitoring and mitigation of the various risks faced by the Company.

During the period under review, the Risk Management Committee met once on January 20, 2025. The meeting was conducted with the requisite quorum.

The particulars of Members of the Committee, and the number of meetings attended by them during the year are as follows:

Name of the Member	Member of Capacity	Number of meetings of the Committee		No. of Shares held in the	
	Comminee Since		Held	Attended	Company
Mrs. Smita Sandhane	28/04/2022	Independent Director as Chairperson	1	1	Nil
Ms. Shilpa Pophale	Since Inception	Managing Director & CEO as Member	1	1	7,88,000
Mr. Ameya Bijoor	11/11/2020	Non-Executive, Nominee Director as Member	1	1	Nil
Mr. Mohan Tanksale	11/11/2020	Independent Director as Member	0	0	Nil
Ms. Sandhya Vasudevan	26/06/2023	Independent Director as Member	1	1	Nil
Chief Financial Officer	26/06/2023	Member	1	1	Nil
Mr. Stewart Langdon	09/07/2024	Non-Executive Director as Member	1	1	Nil
Mr. Anurag Agrawal	09/07/2024	Non-Executive Director as Member	1	1	Nil

The Company Secretary acts as the Secretary of the Committee.

Mr. Stewart Langdon and Mr. Anurag Agrawal were appointed as members of the Committee and Mr. Mohan Tanksale and Chief Risk Officer ceased to be the members of the Risk Management Committee with effect from July 09, 2024. There were no other changes in the constitution of the Committee during the financial year ended March 31, 2025.

All meetings of Committee were duly held and convened by giving proper notices, agenda/notes to agenda and within the timelines stipulated under the Act and other regulatory requirements. During the period under review, the Board had accepted all recommendations of the Committee.

The terms of reference of Risk Management Committee inter-alia includes the following:

- · Managing the various risks such as market risk, interest rate risk, credit risk, operational risk, etc.
- Such other functions as the Board may from time to time delegate to it.

G. IT Strategy Committee

The Board constituted the IT Strategy Committee in compliance with the provisions of the Master Direction on Information Technology Governance, Risk, Controls and Assurance Practices dated November 07, 2023 issued by the Reserve Bank of India.

The terms of reference of the IT Strategy Committee are guided by the prescriptions of the above Master Directions which inter-alia includes strategic alignment, risk management, resource management, performance management and Business Continuity/ Disaster Recovery Management and monitor information technology ("IT") strategy and policy documents, monitor processes and practices to ensure IT delivers value to business, ensure that IT investments represent a balance of risks and benefits, determine the IT resources required to achieve strategic goals, providing high-level direction for sourcing and use of IT resources and managing IT related risks.

During the period under review, 2 (two) IT Strategy Committee meetings were held on November 13, 2024 and February 12, 2025. All the meetings were conducted with the requisite quorum.

The particulars of Members of the Committee, and the number of meetings attended by them during the year are as follows:

Name of the Member	Member of	Capacity		of meetings Committee	No. of Shares held in the
	Committee Since		Held	Attended	Company
Ms. Sandhya Vasudevan	26/06/2023	Independent Director as Chairperson	2	2	Nil
Ms. Shilpa Pophale	05/02/2019	Managing Director & CEO as a Member	2	2	7,88,000
Mr. Ameya Bijoor	11/11/2020	Non-Executive, Nominee Director as a Member	2	2	Nil
Mrs. Smita Sandhane	28/04/2022	Independent Director as a Member	2	2	Nil

There were no changes in the constitution of the Committee during the financial year ended March 31, 2025.

All meetings of Committee were duly held and convened by giving proper notices, agenda/notes to agenda and within the timelines stipulated under the Act and other regulatory requirements. During the period under review, the Board had accepted all recommendations of the Committee.

The terms of reference of IT Strategy Committee inter-alia includes the following: -

- Approving Information Technology ("IT") strategy and policy documents and ensuring that the management has put an effective strategic planning process in place;
- Evaluation of risks related to cyber security/information security and review of Business Continuity Plan (BCP)/ Disaster Recovery (DR) Plan.
- Ascertaining that management has implemented processes and practices that ensure that the IT delivers value to the business.

H. IT Steering Committee

The Board of Directors at their meeting held on November 13, 2024 had constituted the IT Steering Committee in accordance with the provisions of the Master Direction on Information Technology Governance, Risk, Controls and Assurance Practices dated November 07, 2023, issued by the Reserve Bank of India.

During the year under review, 1 (One) IT Steering Committee meeting was held on January 07, 2025. The meeting was conducted with requisite quorum.





The particulars of Members of the Committee, and the number of meetings attended by them during the year are as follows:

Name of the Member	Member of	Capacity		of meetings Committee	No. of Shares held in the
	Comminee Since		Held	Attended	Company
Head (IT)	13/11/2024	Chairperson	1	1	Nil
Chief Financial Officer	13/11/2024	Member	1	1	Nil
Chief Business Officer	13/11/2024	Member	1	1	Nil
Chief of Staff	13/11/2024	Member	1	1	Nil
Senior Vice President - IT & Systems	13/11/2024	Member	1	1	Nil
Credit Head (Core)	13/11/2024	Member	1	1	Nil
Credit Head (Retail)	13/11/2024	Member	1	1	Nil

The Company Secretary acts as the Secretary of the Committee.

There were no other changes in the constitution of the Committee during the financial year ended March 31, 2025. However, following the exit of Head (IT) on February 1, 2025, and the Chief Business Officer on May 31, 2025, their respective seats on the Committee are currently vacant.

All meetings of Committee were duly held and convened by giving proper notices, agenda/notes to agenda and within the timelines stipulated under the Act and other regulatory requirements.

The terms of reference of IT Steering Committee inter-alia includes the following: -

- Assist the ITSC in strategic IT planning, oversight of IT performance, and aligning IT activities with business needs;
- Ensure implementation of a robust IT architecture meeting statutory and regulatory compliance; and
- Update ITSC and CEO periodically on the activities of IT Steering Committee.

I. Information Security Committee

The Board of Directors at their meeting held on February 13, 2025 have constituted the Information Security Committee (ISC) in accordance with the provisions of the Master Direction on Information Technology Governance, Risk, Controls and Assurance Practices dated November 07, 2023 issued by the Reserve Bank of India for managing cyber/information security.

Name of the Member	Member of	Capacity		of meetings Committee	No. of Shares held in the
	Committee Since		Held	Attended	Company
Chief Information Security Officer	13/02/2025	Chairperson	0	0	Nil
Head—IT & Systems	13/02/2025	Member	0	0	Nil
Chief Operating Officer	13/02/2025	Member	0	0	Nil
Chief of Staff	13/02/2025	Member	0	0	Nil

The Company Secretary acts as the Secretary of the Committee.

The terms of reference of Information Security Committee inter-alia includes the following: -

- Development of information/cyber security policies, implementation of policies, standards and procedures to ensure that all identified risks are managed within the RE's risk appetite;
- Approving and monitoring information security projects and security awareness initiatives;
- Reviewing cyber incidents, information systems audit observations, monitoring and mitigation activities; and
- Updating ITSC and CEO periodically on the activities of ISC.

J. Finance Committee

In accordance with the Section 179(3) of the Companies Act, 2013, the Board has constituted the Finance Committee (earlier known as Bank Borrowings Committee) for approving the borrowing program of the Company including specific borrowings and other banking operations in the normal course of business operations.

During the year under review, the Finance Committee met 37 (Thirty Seven) times on April 19, 2024, April 25, 2024, May 02, 2024, May 14, 2024, May 29, 2024, May 30, 2024, May 31, 2024, June 24, 2024, July 16, 2024, July 23, 2024, August 07, 2024, August 30, 2024, September 13, 2024, September 17, 2024, September 23, 2024, September 24, 2024, September 27, 2024, October 22, 2024, October 26, 2024, November 07, 2024, November 25, 2024, November 26, 2024, November 29, 2024, December 23, 2024, December 31, 2024, January 02, 2025, January 07, 2025, January 16, 2025, January 27, 2025, January 31, 2025, March 07, 2025, March 20, 2025, March 24, 2025, March 25, 2025, March 28, 2025, March 29, 2025 and March 31, 2025.

The particulars of Members of the Committee, and the number of meetings attended by them during the year are as follows:

Name of the Member	Member of	Capacity		of meetings Committee	No. of Shares held in the
Comminee Since			Held	Attended	Company
Ms. Shilpa Pophale	Since Inception	Managing Director & CEO as Chairperson	37	37	7,88,000
Mr. Ameya Bijoor	11/11/2020	Non-Executive, Nominee Director as Member	8	8	Nil
Mrs. Smita Sandhane	28/04/2022	Independent Director as Member	37	37	Nil
Mr. Sujit Natekar	26/06/2023	Non-Executive Director as Member	37	37	36,833

The Company Secretary acts as the Secretary of the Committee.

Mr. Ameya Bijoor ceased to be the member of the Committee with effect from July 09, 2024. There were no other changes in the constitution of the Committee during the financial year ended March 31, 2025.

All meetings of Committee were duly held and convened by giving proper notices, agenda/notes to agenda and within the timelines stipulated under the Act and other regulatory requirements.

The terms of reference of Finance Committee inter-alia includes the following:

- To borrow moneys for the purpose of the Company's business from Banks/financial institutions/other lenders through various instruments / products as may be decided by the Committee not exceeding the overall limit approved by the Board of Directors and Shareholders of the Company from time to time;
- To issue, offer and allot Commercial Papers;
- To secure the fulfilment of any contracts or engagements entered into by the Company by mortgage or charge of all or any of the property of the Company, for the time being or in such other manner as may be deemed fit;
- To enter into all negotiations, issue necessary power of attorney(s), sign necessary documents and contracts, rescind and vary all such documents and contracts and execute and do all such acts, deeds and things in the name and on behalf of the Company as may be considered expedient for the purpose of the business of the Company;
- To make, sign, draw, accept, endorse and negotiate cheques, bills of exchange, drafts, promissory notes and other mercantile documents or negotiable instruments, securities, Government promissory notes;
- To all such activities, deeds, transactions, intimations required to open, close and operate existing and new current accounts, overdraft, cash credit, fixed deposit or otherwise of the Company with any Bank including but not limited to following:
 - avail the financial, monetary and any other products and services offered by the Bank through its Website/Internet Banking and/or the Corporate Customer Care Services (phone banking channels and E mail)
 - ii. avail Commercial Card /Credit Card facility issued by various Banks, including operation and enhancement of limits on existing Credit Cards issued by any Bank
 - iii. avail various services Corporate Internet Banking (CIB) and Cash Management Services (CMS) by appointment of Authorized signatory(ies) and delegating Maker/Viewer access rights to other personnel of the Company,
 - iv. delegate the rights (including viewing rights) for the bank accounts through various modes including Phone Banking, Internet Banking, Email to such personnel as it may deem appropriate
 - v. appointment/ deletion of Authorised Signatory(ies) in the Bank accounts including changes in the mode of operation and altering the transaction limits;



- vi. furnish, sign, execute and deliver such applications, documents, indemnities and/or declarations and/or affidavits on behalf of the Company in favour of the Bank as may be required by the Bank in any matter related hereto and generally to do all such acts and deeds as may be necessary.
- To enter in Direct Assignment and Securitization transactions involving sale of loan receivables of the Company in the ordinary course of Business as part of fund raising strategy (as permitted under RBI regulations)
- To enter in Co- lending arrangement transactions involving partnership with any other Bank/NBFC for lending to various categories of borrowers (as permitted under RBI regulations)
- To execute from time to time counter guarantees in favour of the Company's bankers as security for the guarantees issued by banks on behalf of the Company in connection with the Company's business;
- To invest the idle funds of the company in mutual funds, liquid instruments etc.
- To grant loans or give guarantee or provide security in respect of loans;
- Any other matters incidental and ancillary to the above stated matters
- Any other matters relating to Fund raising by Equity or Debt
- To delegate any of the powers stated above to any official(s) as may be deemed appropriate.

K. Securities Operations Committee

The Board has constituted Securities Operations Committee to facilitate approvals for borrowings from debt securities market and related aspects.

During the year under review, there were 6 (six) meetings of the Securities Operations Committee held on August 02, 2024, August 29, 2024, September 20, 2024, October 17, 2024, March 15, 2025 and March 21, 2025.

The particulars of Members of the Committee, and the number of meetings attended by them during the year are as follows:

Name of the Member Member of Committee Since		Capacity		of meetings Committee	No. of Shares held in the
	Comminee Since		Held	Attended	Company
Ms. Shilpa Pophale	Since Inception	Managing Director & CEO as Chairperson	6	6	7,88,000
Mr. Ameya Bijoor	11/11/2020	Non-Executive, Nominee Director as Member	0	0	Nil
Mr. Sujit Natekar	26/06/2023	Non-Executive Director as Member	6	6	36,833
Mrs. Smita Sandhane	09/07/2024	Independent Director as a Member	6	6	Nil

The Company Secretary acts as the Secretary of the Committee.

Mrs. Smita Sandhane was appointed as member of the Committee and Mr. Ameya Bijoor ceased to be the member of the Committee with effect from July 09, 2024. There were no other changes in the constitution of the Committee during the financial year ended March 31, 2025.

All meetings of Committee were duly held and convened by giving proper notices, agenda/notes to agenda and within the timelines stipulated under the Act and other regulatory requirements.

The terms of reference of the Securities Operations Committee inter alia include the following:

- borrow monies by way of availing financial facilities / issuance of debentures from / to bank(s), institution(s), mutual fund(s), body(ies) corporate, funds, foreign funds, alternative investment funds or any other sources;
- to finalise the terms and conditions in respect of the borrowings / issuance of securities / debentures by the Company and approve the borrowings / issuance of securities / debentures by the Company;
- allot the securities / debentures of the Company as per applicable laws;
- to decide on the nature of security / encumbrance in respect of such borrowings including creating charge by way of hypothecation over the book debts / receivables of the Company at such terms and conditions as may be deemed fit from time to time;
- to appoint security trustee(s) / debenture trustee(s) and/or create charge/mortgage/ encumbrance in favour of security trustee(s) / debenture trustee(s) / lender(s) / debenture holders;
- to authorize officials of the Company for execution of any agreement, deeds and documents on behalf of the Company, including any loan / debenture / debt related documents;

- to appoint / authorize Company officials for execution of documents, agreements, deeds and papers as may be required from time to time in relation to the borrowing operations of the Company;
- to delegate authorities from time to time to the executives / authorized representatives to implement the decisions of the Securities Operations Committee from time to time;

4) Meeting of Independent Directors

Pursuant to Section 149(8) read with Schedule IV of Companies Act, 2013, a meeting of the Independent Directors of the Company is required to be conducted once a year in absence of Non-Independent Directors.

The Independent Directors conducted their separate meeting on March 28, 2025 which was chaired by Mr. Mohan Tanksale and attended by all the Independent Directors without attendance of non-independent Directors and members of management, inter alia, to review the matters statutorily prescribed under the Act. No sitting fees was paid to independent directors for the said meeting.

5) Shareholders General Body meetings

S. No.	Type of meeting	Date and Place	Special resolutions passed
1.	01/2024-25 Extra-Ordinary General Meeting	April 29, 2024, Audumbar', 101/1, Erandawane, Dr. Ketkar Road, Pune - 411004	Issuance of Compulsorily Convertible Preference Shares on private placement basis to Aavishkaar India Fund VI and Wanaka Inclusion Limited.
2.	02/2024-25 Extra-Ordinary General Meeting	May 30, 2024, Audumbar', 101/1, Erandawane, Dr. Ketka ^r Road, Pune - 411004	Withdrawal of offer of Compulsorily Convertible Preference Shares made to Aavishkaar India Fund VI and Wanaka Inclusion Limited. Issue of Compulsorily Convertible Preference Shares and Equity Shares on private placement basis to Aavishkaar India Fund VI and Wanaka Inclusion Limited respectively.
3.	03/2024-25 Extra-Ordinary General Meeting	July 01, 2024, Audumbar', 101/1, Erandawane, Dr. Ketkar Road, Pune — 411004	Adoption of restated Articles of Association of the Company. Appointment of Mr. Stewart Langdon as Non-Executive Director of the Company. Appointment of Mr. Anurag Agrawal as Non-Executive Director of the Company. Issuance of Non-Convertible Debentures upto Rs. 1,000 Crores in one or more tranches Creation of charge/ Mortgage/ Pledge/ Hypothecation/ Security on company's assets upto Rs. 7,500 Crores.
4.	34th Annual General meeting	September 27, 2024, Audumbar', 101/1, Erandawane, Dr. Ketkar Road, Pune - 411004	Nil

6) Regulatory and Statutory compliances

The Company has complied with all the guidelines, circular, notification and directions issued by RBI from time to time. The Company also places before the Board of Directors at regular intervals all such circulars and notifications to keep the Board informed and report on actions initiated on the same.

The Company has also been following provisions of the Companies Act, 2013 including the applicable Secretarial Standards issued by ICSI, applicable accounting standards, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021, the Income Tax Act 1961, and other applicable statutory requirements.

7) Other Disclosures

a) Related Party Transactions

In line with the requirements of the Companies Act, 2013 and rules made thereunder and Master Direction – Reserve Bank of India ("RBI") (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023, your Company has adopted Related Party Transactions Policy.

All the related party transactions entered into by the Company, during the financial year, were in its ordinary course of business and on an arm's length basis. Further, there were no material related party transaction entered by the Company. The related party transactions are placed before the Audit Committee on quarterly basis for their review.



The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and its Related Parties. Related Party Transactions Policy is hosted on the website of the Company at https://www.electronicafinance.com/investor-relations/

b) Code of Conduct

The Board has laid down Codes of Conduct for Board Members, Key managerial personnel's, Senior Management and Employees of the Company ('Codes'). The Code stands widely communicated across the Company at all times.

The Board has also laid down a Code of Conduct for Independent Directors pursuant to Section 149(8) read with Schedule IV of the Act, which is a guide to professional conduct for Independent Directors of the Company.

In accordance with the requirements of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted the Code on Prohibition of Insider Trading to regulate, monitor and report trading by Designated Person(s) in listed securities of the Company. The Code is hosted on the website of the Company at https://www.electronicafinance.com/investor-relations

c) Disclosure of Accounting Treatment in Preparation of Financial Statements

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards ("Ind AS") as per the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and noticed under section 133 of the Companies Act, 2013 (the Act) along with other relevant provisions of the Act and the Master Direction – Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 issued vide Notification No. DNBR. PD. 008/03.10.119/2016-17 dated September 01, 2016, as amended from time to time ('the NBFC Master Directions') issued by RBI.

d) Audit Qualifications

The Company's Financial Statements are free from any qualifications from the Auditors and Company continues to adopt best practices to achieve its business objectives.

e) Details of non-compliance with requirements of Companies Act, 2013

The Company has established proper control systems to ensure compliance with the provisions of all the applicable provisions of Companies Act, 2013 ("Act") along with applicable Accounting standards issued by the Institute of Chartered Accountant of India (ICAI) and Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI) as notified/amended from time to time in respect of meetings of the board of directors and general meetings held during the year. Following are the instances of non-compliances under the Companies Act, 2013:

- i. As per the Section 123 and Section 124 of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company was liable to transfer unclaimed dividend of Rs. 59,168 (Indian Rupees fifty nine thousand one hundred and sixty eight Only) and the corresponding 84,525 (Eighty-four thousand five hundred and twenty-five only) to Investor Education and Protection Fund on November 29, 2024. The Company is yet to transfer the required amount and Equity Shares to the Investor Education and Protection Fund (IEPF). However, due to the ongoing migration of IEPF-related forms from the MCA V2 portal to the MCA V3 portal, the Company has encountered persistent technical issues that have hindered the timely completion of the transfer process. The Company has lodged multiple complaints with the MCA and is actively coordinating with the relevant authorities to resolve the issues at the earliest. The Company remains committed to ensuring full compliance with the statutory requirements.
- ii. In accordance with Section 152 of the Companies Act, 2013, read with Rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014, and in line with the composition requirements of the Audit Committee, EFL was required to appoint four Independent Directors on the Board with effect from July 9, 2024. However, as of March 31, 2025, the Company has three Independent Directors on its Board.

f) Utilization of Funds

The debt fund raised during the year, through private placement has been utilized to meet the capital & business requirements while supporting the growth plans and for other general corporate purposes as mentioned in the offer documents.

8) Management Discussion and Analysis

The Management Discussion and Analysis Report is part of the Directors Report.

MANNEXURE - IV

9) Disclosures by Management to the Board

All details on the financial and commercial transactions where Directors may have a potential interest are provided to the Board. The interested Directors neither participate in the discussion nor vote on such matters.

10) Means of Communication

The Company has provided adequate and timely information to its stakeholders or public at large, inter alia, through the following means:

a) Publication of quarterly/half yearly/annual financial results:

The quarterly/half yearly and annual financial results of the Company are published in the English national daily newspaper circulating in the whole or substantially the whole of India viz. Financial Express.

b) Website Disclosure

The Company's website contains a separate section namely "Investor Relations" https://www.electronicafinance.com/investor-relations/ at where Shareholders' related information is available and Members can access information as required to be disseminated on the website of the Company pursuant to Regulation 62 of the SEBI Listing Regulations.

c) BSE Listing Centre (Listing Centre):

All periodical and other event-based compliance filings of the Company are filed electronically on web based application.

d) SEBI Complaints Redress System (SCORES):

Your Company is registered on SEBI SCORES (SEBI Complaints Redress System) an online platform designed to help investors to lodge their complaints, pertaining to securities market, online with SEBI against listed companies. The salient features of this system are: Centralised database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status. Further, it is informed that your Company has not received any investor complaint in FY 2024-25.

11) Penalties and Strictures:

During the year under review, you company has issued Non-Convertible Debentures which as listed on Wholesale Debt Market of BSE Limited. Following are the penalties imposed by BSE during the year:

S. No.	Quarter/Month	Particulars of delay in compliances	Amount of fine paid (in ₹)
1)	For the month ended February 28, 2024.	Regulation 60 - Delay in intimation of Record Date of NCDs	11,800
		Total	11,800

The Company has meticulously implemented robust procedures and comprehensive checklists to proactively prevent any future instances of non-compliance and associated penalties.

12) Breach of covenant

The Company has not breached any covenant related to loans availed or debt securities issued.

During the year under review, the Company has fully complied with all the covenants pertaining to the Non-Convertible Debentures issued.

13) Divergence in Asset Classification and Provisioning

The Reserve Bank of India has not observed any divergence in asset classification and provisioning for the Company.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS OF ELECTRONICA FINANCE LIMITED

SHILPA POPHALE MANAGING DIRECTOR & CEO DIN: 00182457

SUJIT NATEKAR NON-EXECUTIVE DIRECTOR DIN: 00182517

Date: August 13, 2025

Place: Pune





Policy Relating to Directors Appointment, Payment of Remuneration and Discharge of their Duties

Background

Electronica Finance Limited (hereinafter referred as the 'Company') practices a corporate culture that is based on the tenets of trusteeship, empowerment, accountability, control and ethical practices with transparency at its core for creation of maximum value for the stakeholders.

Present Position of Directors and KMP of the Company:

The Company has constituted a Nomination and Remuneration Committee of the Board of Directors. The Committee consists of three members, all are Independent Directors, details of members are provided in the Corporate Governance section.

Terms of reference of the nomination and remuneration committee

- Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
- Act as Selection and Compensation Committee to evaluate suitability of candidates for various senior positions and
 determine appropriate compensation package for them. Selection of related persons whether or not holding place
 of profit in the Company to be carried out strictly on merit and where applicable, be subjected to review by the Audit
 Committee of and/or the Board with approval at each stage being obtained by disinterested Independent Directors
 only.
- Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
- Removal strictly in terms of the applicable law/s and in compliance of principles of natural justice.
- Formulation of criteria for evaluation of Independent Directors and the Board and devising a policy on the Board diversity.
- Recommend to the Board remuneration including salary, perquisite and commission to be paid to the Company's Executive Directors on an annual basis or as may be permissible by laws applicable.
- Recommend to the Board, the Sitting Fees payable for attending the meetings of the Board/Committee thereof, and, any other benefits such as Commission, if any, payable to the Non-Executive Directors.
- Setting the overall Remuneration Policy and other terms of employment of Directors, wherever required.

Criteria for determining the following: -

Qualifications for appointment of Directors (including Independent Directors):

- Persons of eminence, standing and knowledge with significant achievements in business, professions and/or public service.
- Their financial or business literacy/skills.
- Their industry experience.
- Appropriate other qualification/experience to meet the objectives of the Company.

The Remuneration and Nomination Committee shall have discretion to consider and fix any other criteria or norms for selection of the most suitable candidate/s.

- Directors are to demonstrate integrity, credibility, trustworthiness, ability to handle conflict constructively, and the willingness to address issues proactively.
- Actively update their knowledge and skills with the latest developments in the railway/heavy engineering/infrastructure industry, market conditions and applicable legal provisions.
- Willingness to devote sufficient time and attention to the Company's business and discharge their responsibilities.
- To assist in bringing independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct.
- Ability to develop a good working relationship with other Board members and contribute to the Board's working relationship with the senior management of the Company.
- To act within their authority, assist in protecting the legitimate interests of the Company, its shareholders and employees.
- Independent Directors to meet the requirements of the Companies Act, 2013 read with the Rules made.

Appointment of KMP / Senior Management:

- Selection based on required qualifications, experience, skills & expertise to effectively discharge their duties and responsibilities.
- To practice and encourage professionalism and transparent working environment.
- To build teams and carry the team members along for achieving the goals/objectives and corporate mission.
- To adhere strictly to code of conduct

Policy relating to Remuneration of Directors, KMP and Senior Managerial Personnel:

- To ensure that the level and components of remuneration are reasonable and sufficient to attract, retain and motivate Directors, KMP and other employees of the quality required to run the Company successfully.
- No director/KMP/ other employee are involved in deciding his or her own remuneration.
- The trend prevalent in the similar industry, nature and size of business are kept in view and given due weightage to arrive at a competitive quantum of remuneration.
- It is to be ensured that relationship of remuneration to the performance is clear & meets appropriate performance benchmarks which are unambiguously laid down and communicated.
- Improved performance should be rewarded by increase in remuneration and suitable authority for value addition in future.
- Remuneration packages should strike a balance between fixed and incentive pay, where applicable, reflecting short and long term performance objectives appropriate to the Company's working and goals.
- Following criteria are also to be considered: ¬
 - Responsibilities and duties;
 - > Time & efforts devoted and Value addition;
 - Profitability of the Company & growth of its business;
 - > Analyzing each and every position and skills for fixing the Remuneration yardstick;
 - > Standards for certain functions where there is a scarcity of qualified resources.
 - > Ensuring tax efficient remuneration structures.
 - Ensuring that remuneration structure is simple and that the cost to the Company (CTC) is not shown inflated and the effective take home remuneration is not low.
 - Other criteria as may be applicable.

We have applied consistent application of remuneration parameters across the organization. Provisions of law with regard making payment of remuneration, as may be applicable, are complied.

Whenever, there is any deviation from the policy, the justification /reasons should also be indicated/ disclosed adequately.

Review

The policy is reviewed by the Nomination & Remuneration Committee and the Board, from time to time as necessary.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS OF ELECTRONICA FINANCE LIMITED

SHILPA POPHALE MANAGING DIRECTOR & CEO DIN: 00182457 SUJIT NATEKAR NON-EXECUTIVE DIRECTOR DIN: 00182517

Date: August 13, 2025

Place: Pune







96MW Solar Capacity



1,08,075.72



2,12,325 Number of SME Jobs generated



70% Energy Efficient Machines Financed





MINDEPENDENT AUDITOR'S REPORT



To the members of Electronica Finance Limited

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements of Electronica Finance Limited ("the Company"), which comprise the balance sheet as at 31 March 2025, the statement of profit and loss (including other comprehensive income), the statement of cash flow and the statement of changes in equity for the year then ended and notes to the financial statements, including a summary of material accounting policies and other explanatory information ("the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended ("Ind AS"), 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 state of affairs (financial position) of the Company as at 31 March 2025, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with the Standards on Auditing ("Standards" or "SAs") specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the 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 is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Emphasis of Matter

We draw attention to Note 56 to the financial statement, which describes that balances carried by the Company arising from migration of accounting systems are largely identified and resolved, and in respect of certain transactions balances have been maintained in the books of accounts on the basis of alternate evidence/information as available with the management.

Our opinion is not modified with respect of this matter of emphasis.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the financial year ended 31 March 2025. These matters were addressed in the context of our audit of financial statements taken as a whole; in forming our opinion thereon and we do not provide a separate opinion on these matters.

We have determined the key audit matters as described below:

Key Audit Matters

Impairment of loans to customers:

As at 31 March 2025, the Company has reported total gross loan assets of \Im 3,20,455.14 Lakhs against which an impairment allowance of \Im 5,686.30 Lakhs has been recorded.

The accounting policies in respect of impairment losses on loans is given vide Note no. 3(d)(i) to the financial statements.

The calculation of impairment losses on loans is complex and is based on application of significant management judgement and the use of different modelling techniques and assumptions which have a material impact on reported profits.

How our audit addressed the key audit matters

Our key audit procedures included the following:

- Reviewed the Company's accounting policies for impairment of loan assets in accordance with the accounting principles laid down in Ind AS 109 "Financial Instruments" and the governance framework as per the guidelines issued by the Reserve Bank of India from time to time.
- Understanding the process of ECL estimation and tested the controls around data extraction and validation so as to evaluate the reasonableness of the Management estimates.

MINDEPENDENT AUDITOR'S REPORT

Key Audit Matters

Considering the significance of the above matter to the overall financial statements, and extent of management's estimates and judgements involved, we have identified this as a key audit matter for the audit of current year.

How our audit addressed the key audit matters

- Assessed the ECL model, including assumptions and underlying computation.
- Carried out on test check basis, audit procedures to ensure the accuracy of DPD (Days Past Due) calculation and the appropriate classification of ECL stages.
- Reviewed the completeness of the ECL provision by reconciling loan data dumps with the financial statements, and ECL schedules to ensure that the entire loan portfolio was subjected to the ECL provision.
- We have examined on a test basis, the data inputs to the discounted cash flow models, including the forecast of future cash flows with reference to the agreed repayment schedules and their present values.;
- Compared the provision for ECL vis-à-vis provision as per the Reserve Bank of India (RBI) Income Recognition, Asset classification (and provisioning) norms.
- Assessed disclosures included in the financial statements in respect of expected credit loss.

IT systems and controls:

The Company's key financial accounting and reporting processes are highly dependent on the automated controls in information systems, such that there exists a risk that gaps in the IT control environment could result in the financial accounting and reporting records being materially misstated.

Accordingly, we identified IT systems and controls with reference to financial statements as a key audit matter for the Company

- We involved our internal IT expert to carry out the testing of IT general controls and other controls relevant for financial reporting.
- Obtained an understanding of the Company's IT related control environment, IT applications and databases relevant for the purpose of our audit of the financial statements.
- Tested the design and operating effectiveness of the Company's IT general controls over the IT applications and databases. Tested IT general controls particularly, Logical Access Management, Network Management, Backup Management, Business Continuity Management and other aspects of IT operational controls.
- Where there is a dependency on vendor for software service, we have reviewed SOC 2 type 2 of the respective vendors to evaluate the design and operating effectiveness of controls.

Information other than the Financial Statements and Auditor's report thereon

The Company's Management and Board of Directors are responsible for the preparation of the other information. The other information comprises the Board's report and management discussion and analysis included in the annual report but does not include the financial statements and our auditor's report thereon. The Company's Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact to communicate the matter to those charged with governance.

MINDEPENDENT AUDITOR'S REPORT



Managements and Board of Directors responsibilities for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS and RBI Guidelines. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Company's Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- A. Identify and assess the risks of material misstatement of the 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.
- B. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- C. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- D. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude 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 Company to cease to continue as a going concern.
- E. 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.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

MINDEPENDENT AUDITOR'S REPORT

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the for the financial year ended 31 March 2025 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other matter

The financial statements for the year ended 31 March 2024, were audited by the predecessor auditor whose report dated 29 May 2024 expressed an unmodified opinion on those statements.

Our opinion is not modified in respect of this other matter

Report on other legal and regulatory requirements

- 1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the central government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2. As required by section 143 (3) of the Act and based on our audit, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) The balance sheet, the statement of profit and loss (including other comprehensive income), statement of changes in equity and the statement of cash flows dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on 31 March 2025 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2025 from being appointed as a director in terms of section 164 (2) of the Act;
 - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements.
 - g) As required by section 197 (16) of the Act, based on our examination of the books of the accounts and other records of the company and to the best of our information and according to the explanations given to us, the remuneration paid by the company to its directors during the year is in accordance with the provisions of section 197 of the Act,
 - h) With respect to the other matters to be included in the auditor's report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigation on its financial position in its financial statements vide note no. 37 to the financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2025.
 - iii. The Company has not transferred the unclaimed dividend amounting to ₹ 65,536 for the FY 2017-18 to the Investor Education and Protection Fund during the year ended 31 March 2025 within the stipulated time period as required u/s of Section 124 (5) & (6) of the Companies Act, 2013. The Company has represented that the delay was due to technical issues during the transfer process.

MINDEPENDENT AUDITOR'S REPORT



iv. Reporting on rule 11(e):

- (a) The Management has represented that, to the best of its knowledge and belief, as stated in Note no. 52 (f) no funds (which are material either individually or in aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other source or kind of funds) by the company to or in any other person (s) or entity(ies) including foreign entity (intermediaries) with the understanding whether recorded in writing or otherwise, that the intermediary shall, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or provide any guarantee, security or the like on behalf of ultimate beneficiaries.
- (b) The Management has represented, that, to the best of its knowledge and belief, as stated in Note no. 52 (g) no funds (which are material either individually or in the aggregate) have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (c) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. The dividend declared and paid by the Company during the year in respect of the financial year 2023-24 is in compliance with the provisions of Section 123 of the Companies Act, 2013. The Board of Directors have not recommended any dividend for financial year 2024-2025 till date of signing this audit report.
- vi. Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software, except that no audit trail was enabled at the database level for accounting software to log any direct data changes.

Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with. Additionally, the audit trail has been preserved by the company as per the statutory requirements for record retention.

For Sharp & Tannan Associates

Chartered Accountants
Firm's Registration no. 109983W
by the hand of

CA Tirtharaj Khot

Partner

Membership no.(F) 037457

UDIN: 25037457BMMBGS2926

Date: 22 May 2025

Place: Pune

MINDEPENDENT AUDITOR'S REPORT

Annexure A to the Independent Auditor's Report

With referred to paragraph 1 under 'Report on Other Legal and Regulatory Requirements' of our report to the members of Electronica Finance Limited ("the Company") on even date we report the following

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

- (i) (a) (A) The Company has maintained records of Property, Plant and Equipment except certain fields which are being updated for quantity, exact location.
 - (B) The Company has maintained proper records showing full particulars of intangible assets.
 - (b) The Property, Plant and Equipment have been physically verified by the management at regular intervals based on the programme of verification in a phased manner which in our opinion is reasonable. No material discrepancies were noticed during such physical verification conducted by the Company during the year.
 - (c) The title deeds of all the immovable properties (other than properties where the Company is the lessee, and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the company.
 - (d) During the year, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or Intangible Assets. Accordingly, reporting under paragraph 3(i)(d) of the Order is not applicable.
 - (e) No proceedings have been initiated or are pending against the Company as at 31 March 2025 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder. Accordingly, reporting under paragraph 3(i)(e) is not applicable.
- (ii) (a) The Company does not hold inventories and, accordingly, reporting under Paragraph 3(ii)(a) of the said Order is not applicable.
 - (b) During the year, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. The management of the Company has provided us the quarterly returns/ statements, which have been filed by the Company with such banks or financial institutions. These quarterly returns/ statements are in agreement or have been reconciled with the books of account.
- (iii) The Company has made investments in, provided guarantees and granted loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties and the Company has not provided any advances in the nature of loans or given security during the year, in respect of which:
 - (a) The Company is an asset finance company primarily engaged in the business of lending. Accordingly reporting under Paragraph 3(iii) (a) of the Order is not applicable
 - (b) The principal business of the Company is to give loans. The investments made, guarantees provided and the terms and conditions of grant of all loans during the year are, in our opinion, prima facie, not prejudicial to the Company's interest.
 - (c) In respect of loans and advances in the nature of loans granted during the year in the ordinary course of business, the terms for repayment of principal and payment of interest have been stipulated, and repayments have generally been regular. However, there have been instances of overdue amounts.
 - Considering the large volume of loan transactions, it is not practicable to provide party-wise details of such irregularities in this report. However, such details are available with the Company. As of 31 March 2025, 66,698 loan accounts with overdue amounts aggregating to \Box 7,096 lakhs (Reported figures are Pre MRR).
 - (d) The following amounts are overdue for more than ninety days from any other parties to whom loan has been granted. The Company has taken reasonable steps for recovery of the overdue amount of principal and interest. (Reported figures are Pre MRR)

(₹ in Lakhs)

Number of Cases	Principal Amount Overdue	Interest Overdue	Total Overdue		
3,400	1,921	1,143	3,064		

(e) The Company is an asset finance company primarily engaged in the business of lending. Accordingly reporting under Paragraph 3(iii) (e) of the Order is not applicable.

MINDEPENDENT AUDITOR'S REPORT



- (f) The Company has not granted any loans or advances in the nature of loans that were either repayable on demand or without specifying any terms or period of repayment during the year.
- (iv) (iv) During the year, the Company has not advanced loans or made investments in or provided guarantees or security to parties covered by section 185 and 186 of the Companies Act, 2013. Accordingly, reporting under paragraph 3(iv) of the Order is not applicable.
- (v) The company has not accepted any public deposits and amounts deemed to be deposits as per the provisions of Companies Act and rules made thereunder. Further the Company has not accepted any deposits before the commencement of the Act. As such provisions of Section 73 to 76 of the Act are not applicable to the Company.
- (vi) The Central Government has not specified maintenance of cost records under sub-section (1) of section 148 of the companies Act, 2013 in respect of Company's services. Accordingly, the provisions of Paragraph 3(vi) of the Order are not applicable to the company.
- (vii) In respect of statutory dues:
 - (a) The company is generally regular in depositing the undisputed statutory dues including provident fund, income tax, employees state insurance, goods and services Tax, Cess and other material statutory dues as applicable with appropriate authorities. We further report that there were no undisputed statutory dues as at the last day of the financial year which were outstanding for a period of more than six months.
 - (b) According to the information and explanations given to us and on the basis of examination of books of account and records of the company, we report that there are no dues in respect of provident fund, income tax, employees state insurance, goods and services Tax, cess and other material statutory dues which have not been deposited on account of any dispute except as stated under:

Name of the Statute	Nature of the Dues	Amount (Rs. in Lakhs)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	38.97	FY 2022-2023	CIT(A) Surat
Goods and Service Tax, 2017	GST	5.08	FY 2017-18	Appellate Authority- Telangana
Goods and Service Tax, 201 <i>7</i>	GST	25.01	FY 2017-18	Appellate Authority- Tamil Nadu
Goods and Service Tax, 201 <i>7</i>	GST	42.70	FY 2021-22	Appellate Authority- Tamil Nadu

- (viii) There are no transactions which are not recorded in the books of account and have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961
- (ix) (a) The company has not defaulted in repayment loans or other borrowings or in the payment of interest thereon to any lender during the year.
 - (b) The Company has not been declared as wilful defaulter by any bank or financial institution or other lender.
 - (c) The term loans availed by the Company during the year, were applied by the Company for the purposes for which the loans were obtained.
 - (d) Funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
 - (e) The Company does not have subsidiary, associate, or joint venture. Accordingly, reporting on paragraph 3(ix)(e) of the Order is not applicable.
 - (f) The Company does not have subsidiary, associate, or joint venture. Accordingly, reporting on paragraph 3(ix)(f) of the Order is not applicable.
- (x) (a) During the year, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments). As such, reporting under Paragraph 3(x)(a) is not be applicable.
 - (b) During the year, the Company has made private placement of preference shares 80,66,468 Compulsory Convertible Preference Shares (CCPS) of ₹20 each and equity shares 25,05,476 of ₹10 each.

MINDEPENDENT AUDITOR'S REPORT

- (xi) (a) During the course of our audit, we have not come across any other instances of fraud committed by the Company or any material instances of fraud on the Company by its officers or employees that have been noticed or reported.
 - (b) No report under section 143(12) of the Companies Act, 2013 has been filed during the year by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
 - (c) No whistle-blower complaints were received during the year by the Company.
- (xii) The Company is not a Nidhi Company and hence reporting under paragraph 3(xii) of the Order is not applicable.
- (xiii) The Company is in compliance with Section 177 and 188 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the Note 41 of Financial Statements as required by the applicable accounting standards.
- (xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.
 - (b) The internal audit reports issued to the company during the year have been considered by us during the course of our audit.
- (xv) Company has not entered into any non-cash transactions of the nature as described in Section 192 of the Act. As such, reporting under clause 3 (xv) is not applicable.
- (xvi) (a) The Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 ("RBI Act").
 - (b) The Company has conducted the Non-Banking Financial activities with a valid Certificate of Registration (CoR) from the Reserve Bank of India (RBI) as per the Reserve Bank of India Act, 1934. The Company has not conducted any Housing Finance activities and is not required to obtain CoR for such activities from the RBI.
 - (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, reporting on paragraph 3(xvi)(c) of the Order is not applicable.
 - (d) The Group does not have CIC. Accordingly, reporting on paragraph 3(xvi)(d) of the Order is not applicable.
- (xvii) The Company has not incurred cash losses in the financial year and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting on para 3(xviii) of the order is not applicable.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report, that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) (a) As disclosed in Note No. 49 to the financial statements, the Company does not have unspent amounts which are required to be transferred to a Fund specified in Schedule VII to the Companies Act within a period of six months of the expiry of the financial year in compliance with second proviso to sub-section (5) of section 135 of the said Act.
 - (b) The Company does not have any amount remaining unspent under sub-section (5) of section 135 of the Companies Act, pursuant to any ongoing project, which is required to be transferred to special account in compliance with the proviso to sub-section (6) of section 135 of the said Act;
- (xxi) The Company does not have subsidiary, associate or joint venture hence is not required to prepare consolidated financial statements. Accordingly, reporting on paragraph 3(xxi) of the Order is not applicable.

For **Sharp & Tannan Associates**Chartered Accountants

Firm's Registration no. 109983W

by the hand of

CA Tirtharaj Khot

Partner

Membership no.(F) 037457 UDIN: 25037457BMMBGS2926 Date: 22 May 2025

Place: Pune

MINDEPENDENT AUDITOR'S REPORT



Annexure B to the Independent Auditor's Report

Referred to in paragraph 2 (F) under the heading, "Report on other legal and regulatory requirements" of our report on even date:

Report on the Internal Financial Controls

[under Clause (i) of section 143 (3) of the Companies Act, 2013 ("the Act")]

Opinion

We have audited the internal financial controls with reference to financial statements of **Electronica Finance Limited** ("the Company") as at 31 March 2025 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion and to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2025, based on the internal financial control 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").

Managements and Board of Directors responsibility for internal financial controls

The Company's Management and Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the guidance note issued by the ICAI. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the guidance note and the Standards on Auditing issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements,

assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of internal financial controls with reference to financial statements

A Company's internal financial control 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 control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

MINDEPENDENT AUDITOR'S REPORT

Inherent limitations of internal financial controls with reference to financial statements

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 control 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.

For Sharp & Tannan Associates

Chartered Accountants
Firm's Registration no. 109983W
by the hand of

CA Tirtharaj Khot

Partner

Membership no.(F) 037457

UDIN: 25037457BMMBGS2926

Date: 22 May 2025

Place: Pune

BALANCE SHEET AS AT MARCH 31, 2025



(₹ in Lakhs)

		As At			
Particulars	Note No	March 31, 2025	March 31, 2024		
ASSETS					
Financial Assets					
Cash and cash equivalents	4	43,617.04	9,928.48		
Bank balances other than included in (a) above	5	1,105.98	4,354.07		
Receivables					
Other receivables	6	305.83	351.95		
Loans	7	314,768.84	239,777.67		
Investments	8	7.86	6.70		
Other financial assets	9	4,143.60	3,743.14		
Non financial assets					
Current tax assets (net)	10	76.22	1,105.51		
Deferred tax assets (net)	11	414.53	-		
Investment property	12	379.64	400.34		
Property, plant and equipment	13A	12,250.86	11,116.83		
Right of use Asset	13B	1,409.57	1,439.47		
Capital work in progress	13C	96.60	99.05		
Other Intangible assets	13A	334.13	272.77		
Other non financial assets	14	1,034.05	1,027.28		
Total assets		379,944.75	273,623.26		
LIABILITIES AND EQUITY					
Liabilities					
Financial Liabilities					
Derivative financial instrument		355.56	-		
Payables					
Other payables					
Total outstanding dues of micro enterprises and small enterprises	15	-	-		
Total outstanding dues of other than micro enterprises and small enterprises	15	898.58	867.71		
Debt securities	16	40,439.63	30,881.59		
Borrowings (Other than debt securities)	17	223,088.96	155,560.26		
Sub ordinated liabilities	18	9,551.42	9,484.81		
Lease Liability	42	1,453.15	1,585.61		
Other financial liabilities	19	39,283.49	30,314.70		
Non financial liabilities					
Current tax liabilities (net)	20	275.69	1,066.56		
Deferred tax liabilities (net)	11	-	357.46		
Provisions	21	477.29	439.16		
Other non financial liabilities	22	430.63	227.04		
Equity					
Share capital	23	4,202.22	3,518.83		
Other equity	24	59,488.13	39,319.53		
Total liabilities and equity		379,944.75	273,623.26		
Summary of material accounting policies					
The accompanying notes are an integral part of the financial statements	1 - 57				

As per our report of even date

For Sharp & Tannan Associates
Chartered Accountants

ICAI Firm Registration No. 109983W

CA Tirtharaj Khot

Partner

Membership No.(F) 037457

For and on Behalf of Board of Directors Electronica Finance Limited CIN: U74110PN1990PLC057017

Ms. Shilpa Pophale Mr. Sujit Natekar
Managing Director & CEO Director
DIN: 00182457 DIN: 00182517

Mr. Vipin Maheshwari
Chief Financial Officer
Vallabh Ghate
Company Secretary
M No. A41587

Place: Pune Date: May 22, 2025

Place: Pune Date: May 22, 2025

STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2025

(Rs. in Lakhs except EPS)

		For the ye	For the year ended			
Particulars	Note No	March 31, 2025	March 31, 2024			
Revenue from operations						
Interest income	25	45,298.98	38,531.68			
Fees and commission income	26	1,631.05	1,511.16			
Lease income		1,272.56	789.55			
Net gain on derecognition of financial assets at amortised cost	27	5,039.23	6,561.15			
Sale of services	28	82.58	62.73			
Recoveries of financial assets written off	29	469.87	80.21			
Net gain on fair value changes	30	345.12	485.62			
Total revenue from operations		54,139.39	48,022.10			
Other income	31	4,602.79	4,539.19			
Total income		58,742.18	52,561.29			
Expenses						
Finance costs	32	22,785.61	18,857.24			
Customer loyalty bonus	33	2,298.78	783.01			
Impairment on financial instruments	34	4,407.52	2,690.02			
Employee benefit expenses	35	14,664.51	11,718.40			
Depreciation, amortisation and impairment	13D	1,490.12	1,116.99			
Other expenses	36	6,865.44	8,624.48			
Total expenses		52,511.98	43,790.14			
Profit before tax		6,230.20	8,771.15			
Tax expense:						
Currenttax	11	1,729.18	1,069.11			
Deferred tax charge / (credit)	11	(648.61)	1,199.40			
Tax for previous years	11	410.57	108.66			
Total Tax expense		1,491.14	2,377.17			
Profit after tax		4,739.06	6,393.98			
Other comprehensive income (OCI)			·			
Items that will not be reclassified to profit and loss:						
Remeasurement losses on defined benefit plans		(3.56)	(29.14)			
Tax impact on above	11	0.90	7.34			
Items that will be reclassified to profit and loss:						
Fair value Gain/Loss on hedging instrument in a cash flow hedge	11	(466.05)	-			
Tax impact on above		117.29	-			
Other comprehensive loss for the year (net of tax)		(351.42)	(21.80)			
Other comprehensive loss for the year (fiel of lax)		(331.42)	(21.80)			
Total comprehensive income for the year		4,387.64	6,372.18			
Favorina a a granda a	20					
Earnings per share (Nominal value per share Rs.)	38	10.07	00.07			
Basic		19.26	28.37			
Diluted		12.55	22.05			
Summary of material accounting policies	1 57					
The accompanying notes are an integral part of the financial statements	1 - 57					

As per our report of even date

For Sharp & Tannan Associates Chartered Accountants

ICAI Firm Registration No. 109983W

CA Tirtharaj Khot Partner

Membership No.(F) 037457

Place: Pune Date: May 22, 2025 For and on Behalf of Board of Directors Electronica Finance Limited CIN: U74110PN1990PLC057017

Ms. Shilpa Pophale Mr. Sujit
Managing Director & CEO DIN: 00182457 DIN: 001

Mr. Sujit Natekar Director DIN: 00182517

Mr. Vipin Maheshwari Chief Financial Officer Vallabh Ghate Company Secretary M No. A41587

Place: Pune Date: May 22, 2025

STATEMENT OF CASH FLOW



for the year ended March 31, 2025

(₹ in Lakhs)

	for the ye	ar ended
Particulars	March 31, 2025	March 31, 2024
Cash flows from operating activities		
Profit before tax	6,230.20	8,771.15
Adjustments for:		
Depreciation and amortisation	1,490.12	1,116.99
Loss / (profit) on sale of fixed assets	4.50	(16.41)
Other balances written off	1,155.80	3,343.20
Credit balances written back	1,763.18	3,238.59
Impairment on financial instruments	1,997.21	588.53
Loans written off	2,410.31	2,101.49
Stock option expenditure	93.98	91.76
Dividend income	(0.03)	(0.02)
Income from shares & mutual funds	(1,672.99)	(486.85)
Interest on margin money deposits	(304.63)	(238.47
Net gain on derecognition of financial assets at amortised cost	(5,039.23)	(6,561.15
Net gain on fair value changes	(345.12)	(485.62)
Disposal of assets	(3.00)	298.14
Impairment loss on investment property	12.76	4.00
Finance cost	22,785.61	18,857.24
	30,578.67	30,622.57
Finance cost paid	(22,933.07)	(18,142.31)
Operating profit before working capital changes	7,645.60	12,480.26
Movements in working capital		
(Increase)/decrease in trade receivables	46.12	(274.08)
(Increase)/decrease in loans	(76,942.05)	(45,989.44)
(Increase)/decrease in other financial assets	(393.66)	(3,353.93)
(Increase)/decrease in other non-financial assets	(3.77)	(391.49)
Increase/(decrease) in other payables	30.87	352.48
Increase/(decrease) in other financial liabilities	9,453.37	5,160.40
Increase/(decrease) in provisions	38.14	23.81
Increase/(decrease) in other non-financial liabilities	203.59	(266.27)
Cash generated from / (used in) operations	(59,921.79)	(32,258.28)
Direct taxes paid (net of refunds)	(2,018.62)	(2,457.32)
Net cash flows from / (used in) operating activities (A)	(61,940.41)	(34,715.60)
Cash flows from investing activities		
Purchase of property, plant and equipment	(2,517.99)	(4,697.07)
Purchase of intangible assets	(135.67)	(72.85)
Proceeds from maturity of fixed deposits	(58,315.71)	27,718.97
Payments towards fixed deposits	61,500.00	(23,623.36)
Proceeds from sale of property, plant and equipment	3.94	127.19
Proceeds from sale of investments	166,899.93	96,500.00
Purchase of investments	(166,901.09)	(96,501.22)
Dividend received	0.03	0.02
Interest income	368.43	155.92
Income from mutual funds	1,672.99	486.85
Net cash flows (used in)/ from investing activities (B)	2,574.86	94.45
Cash flows from financing activities		
Repayment of debt securities	(625.96)	(6,963.06)
Repayment of borrowings other than debts securities	(67,399.58)	(108,853.00)
Proceeds from issue of shares	36,279.70	, ==,===.
Proceeds from debts securities	10,184.00	24,849.00
Proceeds from borrowing	112,733.00	123,200.41
Proceeds from sub-ordinate debts securities	2,500.00	7,000.00
Payment of lease liability	(617.05)	(474.88)
Net cash flows from / (used in) financing activities (C)	93,054.11	38,758.47
Net increase / (decrease) in cash and cash equivalents (A + B + C)	33,688.56	4,137.33
Cash and cash equivalents at the beginning of the year	9,928.48	5,791.15
Cash and cash equivalents for the period/ end of the year	43,617.04	9,928.48
Components of cash and cash equivalents	March 31, 2025	March 31, 2024
Cash and cash equivalents at the end of the year	March 31, 2025	dicii 31, 2325
i) Cash on hand	13.51	10.51
ii) Balances with banks	13.577.70	7,381.25
- in Fixed deposits (with original maturity of less than three months)		2,536.72
- in rixed deposits (with original maturity of less than three months) Total	30,025.83 43,617.04	
IOIOI	43,017.04	9,928.48

Summary of material accounting policies
The accompanying notes are an integral part of the financial statements

As per our report of even date

For Sharp & Tannan Associates **Chartered Accountants**

ICAI Firm Registration No. 109983W CIN: U74110PN1990PLC057017 **CA Tirtharaj Khot**

Partner Membership No.(F) 037457

Place: Pune Date: May 22, 2025 For and on Behalf of Board of Directors **Electronica Finance Limited**

Ms. Shilpa Pophale Managing Director & CEO DIN: 00182457

Date: May 22, 2025

Place: Pune

Mr. Sujit Natekar Director DIN: 00182517

Mr. Vipin Maheshwari **Chief Financial Officer**

Vallabh Ghate Company Secretary M No. A41587

STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2025

a. Equity Share Capital (₹ in Lakhs)

		As At		
Particulars	Note No.	March	March	
		31, 2025	31, 2024	
Balance at the beginning of the year	23	2,253.46	2,253.46	
Changes in equity share capital during the year		250.55	-	
Balance at the end of the year		2,504.01	2,253.46	

b. Preference Share Capital (₹ in Lakhs)

		As At		
Particulars	Note No.	March	March	
		31, 2025	31, 2024	
Balance at the beginning of the year	23	1,265.37	1,265.37	
Changes in preference share capital during the year		432.84	-	
Balance at the end of the year		1,698.21	1,265.37	
Total		4,202.22	3,518.83	

c. Other equity (₹ in Lakhs)

		Reserves and Surplus						Total	
Particulars	Note No.	Securities premium	Retained earnings	Reserve Fund as per RBI	General reserve	Capital reserves	Capital redemption reserve	Employee stock options outstanding	Other equity
Balance as on April 01, 2023	24	9,712.79	15,747.22	5,027.92	2,230.24	6.76	4.89	125.77	32,855.60
Profit after tax		-	6,393.98	-	-	-	-	-	6,393.98
Other comprehensive income (net of taxes)		-	(21.80)	-	-	-	-	-	(21.80)
IndAS adjustments		-	-	-	-	-	-	-	-
Transfer to reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934		-	(1,278.80)	1,278.80					-
Share based payment to employees - charge for the year		-	-	-	=	-	-	91.76	91.76
Dividend Paid		-	(0.01)	-	-	-	-	-	(0.01)
Changes in equity share capital other equity due to prior period errors		-	-	-	-	-	-	-	-
Restated balance at the beginning of the current reporting period.		-	-	-	-	-	-	-	-
Balance as at March 31, 2024		9,712.79	20,840.61	6,306.72	2,230.24	6.76	4.89	217.53	39,319.53
Profit after tax		-	4,739.06	-	-	_	-	-	4,739.06
Other comprehensive income (net of taxes)	_	(351.42)	-	-	_	_	_	(351.42)	-
Transfer to reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934	-	(947.81)	947.81	-	-	-	-	-	
Share based payment to employees - charge for the year		-	-	_	-	-	-	93.97	93.97
Addition due to issue of shares									-
Dividend Paid		-	(0.01)			-	-	-	(0.01)
Reclassification of CCPS from Financial Liability to Equity		15,686.99	-	-	-	-	-	_	15,686.99
Restated balance at the beginning of the current reporting period.		-	-	-	-	-	-	-	-
Balance as at March 31, 2025	24	25,399.78	24,280.43	7,254.53	2,230.24	6.76	4.89	311.50	59,488.13

The accompanying notes are an integral part of the financial statements

As per our report of even date

For Sharp & Tannan Associates Chartered Accountants

For and on Behalf of Board of Directors **Electronica Finance Limited** ICAI Firm Registration No. 109983W CIN: U74110PN1990PLC057017

Partner

Membership No.(F) 037457

Place: Pune Date: May 22, 2025

CA Tirtharaj Khot

Ms. Shilpa Pophale Managing Director & CEO DIN: 00182457 Mr. Sujit Natekar Director DIN: 00182517

Mr. Vipin Maheshwari **Chief Financial Officer**

Vallabh Ghate Company Secretary M No. A41587

Place: Pune Date: May 22, 2025



EFL's robust financial position and consistent performance reflects in upgrade of

Credit Rating to A





ONDITION NOTES TO FINANCIAL STATEMENTS



for the year ended March 31, 2025

1. Corporate Information

Electronica Finance Limited ('the Company') is a public limited company domiciled in India and incorporated on 26 June 1990 under the provisions of the Companies Act, 1956 (now Companies Act, 2013). The Company is registered under section 45IA of the Reserve Bank of India Act, 1934 vide Certificate of registration no B-13.01093 as a systemically important non-deposit accepting Non-Banking Financial Company ('NBFC-ND-SI') classified as NBFC – Middle Layer under the 'Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 dated October 19, 2023, issued by the Reserve Bank of India ("RBI"). The Company is engaged primarily in the business of asset financing and hire-purchase transactions.

The financial statements for the year ended March 31, 2025 were approved by the company's board of directors and authorized for issue on May 22, 2025.

2. Basis of preparation and Compliance with Ind AS

- (a) The financial statements of the Company have been prepared in accordance with Indian Accounting Standards ("Ind AS") as per the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and notified under section 133 of the Companies Act, 2013 (the Act). In addition, the guidance notes/announcements issued by the Institute of Chartered Accountants of India (ICAI) are also applied along with compliance with other statutory promulgations which require a different treatment and the Master Direction Non-Banking Financial Company Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 issued vide Notification No. DNBR. PD. 008/03.10.119/2016-17 dated September 01, 2016, as amended from time to time ('the NBFC Master Directions') issued by RBI. Any directions issued by the RBI or other regulators are implemented as and when they become applicable.
- (b) The financial statements have been prepared on accrual basis.
- (c) Material accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to the existing accounting standard requires a change in the accounting policy hitherto in use.

2.1 Presentation of financial statements

The Balance Sheet, the Statement of changes in Equity, and the Statement of Profit and Loss are presented in the format prescribed under Division III of Schedule III of the Act, as amended from time to time, for Non-Banking Financial Companies ('NBFCs') that are required to comply with Ind AS. The Statement of Cash Flows has been presented as per the requirements of Ind AS 7 Statement of Cash Flows. The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in Division III of Schedule III to the Act, are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified accounting standards.

2.2 Critical accounting estimates and judgments

The preparation of the financial statements in conformity with Ind AS requires the management to make estimates and assumptions that affect the accounting policies, the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Accounting estimates and underlying assumptions are reviewed on an on-going basis and could change from period to period. Although these estimates are based upon management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods. Any revisions to accounting estimates are recognized prospectively in the period in which the estimate is revised and future periods. Accounting estimates and judgments are used in various line items in the financial statements for e.g.:

- Business model assessment [Refer note no. 3.d.(i)]
- Fair value of financial instruments [Refer note no. 3.d(i)., 46, 47 & 52]
- Effective Interest Rate (EIR) [Refer note no. 3.d(i)]
- Impairment on financial assets [Refer note no. 3.d(i), 7 & 34]
- Provisions and other contingent liabilities [Refer note no. 3.t. & 37]
- Provision for tax expenses [Refer note no. 3.o.]
- Residual value and useful life of property, plant and equipment [Refer note no. 3.h.]

MOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2025

Company had implemented a new ERP package during FY 2022 and there continue to be customizations / enhancement to the application based on requirements of the Company. While issues pertaining to migration of data are largely identified and resolved, for certain transactions, Company is maintaining data in various subsystems for the purpose of accounting and reporting. Balances pertaining to such data have been considered in the books of accounts on the basis of alternate evidence / information as available with the management.

The impact of the aforesaid with respect to compliance of legal and other requirements is considered to be not material.

3. Summary of Material Accounting Policies Information

a. Income

(i) Interest Income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time proportionate basis, by reference to the principal outstanding and at the effective interest rate applicable.

The company recognizes interest income using Effective Interest Rate (EIR) on all financial assets subsequently measured at amortized cost. EIR is calculated by considering all costs and incomes attributable to acquisition of a financial asset and it represents a rate that exactly discounts estimated future cash payments/receipts through the expected life of the financial asset to the gross carrying amount of a financial asset.

The Company recognizes interest income by applying the EIR to the gross carrying amount of the loan asset (i.e. loan amount less cash collateral collected from the customer at the inception of the loan) other than credit-impaired assets. In case of credit-impaired financial assets [as set out in note no. 3.d.(i)] regarded as 'stage 3', the Company recognizes interest income on the amortized cost net of impairment loss of the financial asset at EIR. If the financial asset is no longer credit-impaired [as outlined in note no. 3.d. (i)], the Company reverts to the method of calculating interest income on a gross basis.

Penal and other financial charges:

Cheque bouncing charges, late payment charges, penal interest, foreclosure charges and application money are recognized on a point-in-time basis and are recorded when realized since the probability of collecting such monies is established when the customer pays. Penal interest and cheque bouncing charges are also recognized in case there is a certainty of realization, to the extent the amount is accrued as payable to the respective customer.

(ii) Leasing Business

The income on account of rentals are recognised on accrual basis, provided no uncertainty exists with respect to its collection. Income in cases where possibility of recovery has been considered to be remote, including on non-performing assets as determined as per Master Direction - Non-Banking Financial Company –Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016, as amended has been accounted for to the extent realised. The company is following the provisioning norms which are more conservative than the provisioning norms prescribed under the Master Directions issued by the RBI.

(iii) Other revenue from operations

Revenue (other than those items to which Ind AS 109, Financial Instruments is applicable) is measured based on the consideration specified in the contracts with the customers. Ind AS 115, Revenue from Contracts with Customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers. The Company recognizes revenue from contracts with customers (other than financial assets to which Ind AS 109 'Financial Instruments' is applicable) based on a comprehensive assessment model as set out in Ind AS 115 'Revenue from contracts with customers'. The Company identifies contract(s) with a customer and its performance obligations under the contract, determines the transaction price and its allocation to the performance obligations in the contract and recognizes revenue only on satisfactory completion of performance obligations. Revenue is measured at fair value of the consideration received or receivable.

(a) Income from direct assignment (Net gain on derecognition of financial assets at amortised cost)

Gains arising out of direct assignment transactions comprise the difference between the interest on the loan portfolio and the applicable rate at which the direct assignment is entered into with the assignee, also known as the right of excess interest spread ("EIS"). The future EIS computed based on the scheduled cash flows on execution of the transaction, discounted at the applicable rate entered into with the assignee is recorded upfront in the profit and loss statement.

ONDITION NOTES TO FINANCIAL STATEMENTS



for the year ended March 31, 2025

(b) Fees and commission income

The Company recognizes service and administration charges towards rendering of additional services to its loan customers on satisfactory completion of service delivery.

Fees on value added services and products are recognized on rendering of services and products to the customer.

Foreclosure charges are collected from loan customers for early payment/closure of loan and are recognized on realization.

(c) Net gain on fair value changes

Financial assets are subsequently measured at fair value through profit or loss (FVTPL). The Company recognizes gains/losses on fair value change of financial assets measured as FVTPL and realized gains/losses on de-recognition of financial asset measured at FVTPL.

(d) Sale of services

Other revenues on sale of services are recognized as per Ind AS 115 'Revenue from Contracts with Customers' as articulated above in 'other revenue from operations'.

(e) Dividend income

Dividend income is recognized when the company's right to receive the dividend is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of the dividend can be measured reliably. This is generally when the shareholders approve the dividend.

(f) Recoveries of financial assets written off

The company recognizes income on recoveries of financial assets written off on realization or when the right to receive the same without any uncertainties of recovery is established.

(iv)Indirect Taxes:

Incomes are recognized net of the Goods and Services Tax/Service Tax, wherever applicable.

b. Expenditures

(i) Finance costs

Interest expense includes issue costs that are initially recognised as part of the carrying value of the financial liability and amortised over the expected life using the effective interest method (EIR). These include fees and commission and other expenses such as external legal costs, rating fee etc., provided these are incremental costs that are directly related to the issue of a financial liability.

(ii) Fees and commission expenses

Fees and commission expenses which are not directly linked to the sourcing of financial assets, such as commission/incentive incurred on value added services and products distribution, recovery charges and fees payable for management of portfolio, etc., are recognized in the Statement of Profit and Loss on an accrual basis.

(iii) Customer loyalty bonus

Customer loyalty bonus is an amount payable to the borrower at completion of his loan tenure. The provision for such liability is calculated based on 2 factors –

- (a) Time proportion
- (b) Discounting to arrive at present value.

(iv) Taxes

Expenses are recognized net of the Goods and Services Tax, except where credit for the input tax is not statutorily permitted. As per GST Law, 50% Input tax credit needs to be reversed as the company is a NBFC. Such credit reversal is accounted for as an expense.

c. Cash and Cash equivalents

Cash and cash equivalents include cash on hand, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Other investments with original maturity of greater than 3 months are classified in Bank balances other than cash and cash equivalents

ONDITION NOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2025

d. Financial Instruments

A financial instrument is defined as any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Trade receivables and payables, loan receivables, investments in securities and subsidiaries, debt securities and other borrowings, preferential and equity capital etc. are some examples of financial instruments. Financial assets and financial liabilities are initially measured at fair value. However, others receivables that do not contain a significant financing component are measured at transaction price.

All the financial instruments are recognized on the date when the Company becomes party to the contractual provisions of the financial instruments. For tradable securities, the Company recognizes the financial instruments on settlement date. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the marketplace. Loans are recognized when funds are transferred to the customers' account (or to the account of a machine supplier for supply of machinery to the customer based on customer's request). The company recognizes debt securities, deposits, and borrowings when funds are credited to the bank account of the company.

(i) Financial assets

Financial assets include cash, or an equity instrument of another entity, or a contractual right to receive cash or another financial asset from another entity. Few examples of financial assets are loan receivables, investment in equity and debt instruments, trade receivables and cash and cash equivalents.

Upfront fees

The company enters into contract with customers to provide loan wherein customer is required to pay a non-refundable processing fees, these fees are amortized over the net expected life of the loan based on the EIR method.

Effective Interest Rate (EIR) method

The Company recognizes interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected net life of loans given / taken and recognizes the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (excluding prepayments and penalty interest and charges). This estimation, by nature, requires an element of judgement regarding the expected behavior and life-cycle of the instruments, as well expected changes to India's base rate and other fee income/expense that are integral parts of the instrument.

Initial measurement

All financial assets are recognized initially at fair value including transaction costs that are attributable to the acquisition of financial assets except in the case of financial assets recorded at FVTPL where the transaction costs are charged to profit or loss.

Subsequent measurement

For subsequent measurement, financial assets are classified into two categories:

- (a) Financial assets at amortized cost
- (b) Financial assets at fair value through profit and loss (FVTPL)

Business Model Assessment

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective. The Company's business model is not assessed on an instrument by instrument basis, but at a higher level of aggregated portfolios. If cash flows after initial recognition are realized in a way that is different from the Company's original expectations, the Company does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated financial assets going forward.

The business model of the Company for assets subsequently measured at amortized cost category is to hold and collect contractual cash flows. However, considering the economic viability of carrying the delinquent portfolios in the books of the Company, it may sell these portfolios to banks, NBFCs and/or asset reconstruction companies.

ONDITION NOTES TO FINANCIAL STATEMENTS



for the year ended March 31, 2025

(a) Financial assets at amortized cost

The Company measures its financial assets at amortized cost if both the following conditions are met:

The asset is held within a business model of collecting contractual cash flows; and Contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

To make the SPPI assessment, the Company applies judgment and considers relevant factors such as the nature of portfolio and the period for which the interest rate is set.

After initial measurement, such financial assets are subsequently measured at amortized cost on effective interest rate (EIR). The expected credit loss (ECL) calculation for debt instruments at amortized cost is explained in subsequent notes in this section.

(b) Financial assets at fair value through profit and loss (FVTPL)

The Company classifies financial assets which are held for trading under FVTPL category. Held for trading assets are recorded and measured in the Balance Sheet at fair value. Interest income is recorded according to the terms of the contract, or when the right to receive the same has been established. Gain and losses on changes in fair value of debt instruments are recognized on net basis through profit or loss.

The Company's investments into mutual funds and bank deposits used for short-term cash flow management have been classified under this category.

De-recognition of Financial Assets

The Company derecognizes a financial asset (or, where applicable, a part of a financial asset) when:

- The right to receive cash flows from the asset have expired; or
- The Company has transferred its right to receive cash flows from the asset or has assumed an
 obligation to pay the received cash flows in full without material delay to a third party under an
 assignment arrangement and the Company has transferred substantially all the risks and rewards of
 the asset. Once the asset is derecognized, the Company does not have any continuing involvement in
 the same;
- The Company transfers its financial assets through the partial assignment route and accordingly derecognizes the transferred portion as it neither has any continuing involvement in the same nor does it retain any control. If the Company retains the right to service the financial asset for a fee, it recognizes either a servicing asset or a servicing liability for that servicing contract. A service liability in respect of a service is recognized at fair value if the fee to be received is not expected to compensate the Company adequately for performing the service. If the fees to be received are expected to be more than adequate compensation for the servicing, a service asset is recognized for the servicing right at an amount determined on the basis of an allocation of the carrying amount of the larger financial asset.

On de-recognition of a financial asset in its entirety, the difference between:

- The carrying amount (measured at the date of de-recognition) and
- The consideration received (including any new asset obtained less any new liability assumed) is recognized in profit or loss.

Write off

Financial assets are written off when the Company has no reasonable expectation of recovery or expected recovery is not significant basis experience. Where the amount to be written off is greater than the accumulated loss allowance, the difference is recorded as an expense in the period of write-off.

Impairment of financial assets

Expected Credit Losses (ECL) are recognized for financial assets held under amortized cost and certain loan commitments.

Financial assets where no significant increase in credit risk has been observed are considered to be in 'stage 1' and for which a 12-month ECL is recognized. Financial assets that are considered to have significant increase in credit risk are considered to be in 'stage 2' and those which are in default or for which there is an objective evidence of impairment are considered to be in 'stage 3'. Lifetime ECL is recognized for stage 2 and stage 3 financial assets.

ONDITION NOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2025

At initial recognition, allowance (or provision in the case of loan commitments) is required for ECL towards default events that are possible in the next 12 months, or less, where the remaining life is less than 12 months.

In the event of a significant increase in credit risk, allowance (or provision) is required for ECL towards all possible default events over the expected life of the financial instrument ('lifetime ECL').

Financial assets (and the related impairment loss allowances) are written off in full when there is no realistic prospect of recovery.

Treatment of the different stages of financial assets and the methodology of determination of ECL

(a) Without significant increase in credit risk since initial recognition (stage 1)

ECL resulting from default events that are possible in the next 12 months is recognized for financial instruments in stage 1.

The Company ascertains default events based on past behavioral trends witnessed for each homogeneous portfolio. These trends are established based on customer behavior and economic trends in industry.

(b) Significant increase in credit risk (stage 2)

An assessment of whether credit risk has increased significantly since initial recognition is performed at each reporting period by considering the change in the risk of default occurring over the remaining life of the loan exposure. However, unless identified at an earlier stage, the Company determines that all assets are deemed to have suffered a significant increase in credit risk when more than 30 days past due.

Based on other indications of borrower's delaying payments beyond due dates though not 30 days past due and other indications like non-cooperative borrowers, customer's overall indebtedness, death of customer, adverse impact on the business, serious erosion in the value of the underlying collateral, certain accounts are included in stage 2.

The measurement of risk of defaults under stage 2 is computed on homogenous portfolios, generally by nature of loans, tenor, underlying collateral, geographies, and borrower profiles.

The default risk is assessed using PD (probability of default) derived from past behavioral trends of default across the identified homogenous portfolios.

The default risk is established based on multiple factors like Nature of security, Customer industry segments, current conditions and future macroeconomic conditions.

(c) Credit impaired (stage 3)

The Company recognizes a financial asset to be credit impaired and in stage 3 by considering relevant objective evidence, primarily whether:

- Contractual payments of either principal or interest are past due for more than 90 days;
- The loan is otherwise considered to be in default.

Restructured loans, where repayment terms are renegotiated as compared to the original contracted terms due to significant credit distress of the borrower, are classified as credit impaired. Such loans continue to be in stage 3 until they exhibit regular payment of renegotiated principal and interest over a minimum observation period, typically 12 months – post renegotiation, and there are no other indicators of impairment. Having satisfied the conditions of timely payment over the observation period these loans could be transferred to stage 1 or 2 and a fresh assessment of the risk of default is done for such loans.

Interest income is recognized by applying the EIR to the net amortized cost amount i.e. gross carrying amount less ECL allowance.

(d) Measurement of ECL

The assessment of credit risk and estimation of ECL are unbiased and probability weighted. It incorporates all information that is relevant including information about past events, current conditions and reasonable forecasts of future events and economic conditions at the reporting date. In addition, the estimation of ECL considers the time value of money. Forward looking economic

ONDITION NOTES TO FINANCIAL STATEMENTS



for the year ended March 31, 2025

scenarios determined with reference to external forecasts of economic parameters that have demonstrated a linkage to the performance of our portfolios over a period of time have been applied to determine impact of macro-economic factors.

The Company has calculated ECL using three main components: a probability of default (PD), a loss given default (LGD) and exposure at default (EAD). ECL is calculated by multiplying the PD, LGD and adjusted for time value of money using a rate which is a reasonable approximation of EIR.

- Determination of PD is covered above for each stage of ECL.
- LGD represents expected losses on the EAD given the event of default, taking into account, among other attributes, the mitigating effect of collateral value at the time it is expected to be realized and the time value of money.

A more detailed description of the methodology used for ECL is covered in the 'credit risk' section of note no. 52.

(ii) Financial liabilities

Financial liabilities include liabilities that represent a contractual obligation to deliver cash or another financial assets to another entity, or a contract that may or will be settled in the entities own equity instruments. Few examples of financial liabilities are trade payables, debt securities and other borrowings and subordinated debts.

Initial measurement

All financial liabilities are recognized initially at fair value adjusted for transaction costs that are directly attributable to the issue of financial liabilities. The Company's financial liabilities include trade payables, other payables, debt securities and other borrowings.

Subsequent measurement

After initial recognition, all financial liabilities are subsequently measured at amortized cost using the EIR [Refer note no. 3.d.(i)]. Any gains or losses arising on de-recognition of liabilities are recognized in the Statement of Profit and Loss.

De-recognition

The Company derecognizes a financial liability when the obligation under the liability is discharged, cancelled or expired through repayments or waivers.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet, only if there is an enforceable legal right to offset the recognized amounts with an intention to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

e. Rescheduled loans

The company sometimes makes concessions or modifications to the original terms of loans as a response to the borrower's financial difficulties, rather than taking possession or to otherwise enforce collection of collateral. The company considers a loan reschedule only if company notices temporary cash flow mismatch due to borrower's present Forbearance. Reschedule may involve extending the payment arrangements and the agreement of new loan conditions.

Once the terms have been renegotiated, any impairment is measured using the original EIR as calculated before the modification of terms. It is the company's policy to monitor forborne loans to help ensure that future payments continue to occur. De-recognition decisions and classification between Stage 2 and Stage 3 are determined on a case to case basis. If these procedures identify a loss in relation to a loan, it is disclosed and managed as an impaired Stage 3 forborne asset until it is collected or written off.

When the loan has been renegotiated or modified but not derecognized, the company also reassesses whether there has been a significant increase in credit risk.

The company also considers whether the assets should be classified as Stage 3. Once an asset has been classified as forborne, it will remain forborne for a minimum 12-month probation period.

For the loan to be reclassified out of the forborne category, the customer has to make regular repayment for minimum 12 months.

ONDITION NOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2025

f. Derivative Financial Instrument

The Company enters into derivative financial instruments to manage its exposure to interest rate risk and foreign exchange rate risk. Derivatives held include interest rate swaps and cross-currency interest rate swaps. Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance sheet date. The resulting gain/loss is recognised through other comprehensive income (OCI). The Company designates certain derivatives as hedges of highly probable forecast transactions (cash flow hedges). 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.

g. Functional currency and Foreign currency transactions

The functional currency and presentation currency of the Company is Indian Rupee (Rs.). All accounts are rounded-off to the nearest lakh with two decimals, unless otherwise stated. Functional currency of the Company has been determined based on the primary economic environment in which the Company operates considering the currency in which funds are generated, spent and retained.

Initial Recognition: A foreign currency transaction is recorded, on initial recognition at the spot rate at the date of the transaction.

Conversion: Foreign currency monetary items are reported using the exchange rate prevailing at the close of the financial year.

Exchange Differences: Exchange Differences arising on the settlement of monetary items, (if any) at rate different from those at which they were initially recorded during the year, or reported in the previous financial statements, are recognized as income or as expenses in the year in which they arise.

h. Property, Plant and Equipment

(i) PPE is recognised when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Property, plant and equipment are measured on initial recognition at cost. The cost comprises of the purchase price, the borrowing costs if the capitalization criteria is met, initial estimate of costs of removing and dismantling an item and restoring a site where it is located and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of property, plant and equipment which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use. Any trade discounts and rebates are deducted in arriving at the purchase price. Subsequent expenditure incurred on assets put to use is capitalised only when it increases the future economic benefits/functioning capability from/ of such assets. Property, plant and equipment are subsequently measured at cost, less accumulated depreciation and accumulated impairment in their carrying value, if any

(ii) Depreciation on property, plant and equipment

Depreciation is provided using the Straight-Line Method based on the useful lives of the assets prescribed under Schedule II to the Companies Act, 2013 and in the manner provided therein. Accordingly, the useful lives considered for determining the rate of depreciation are as under:

Type of tangible assets	Useful life adopted by the company (in years)
Buildings	60
Property, plant and equipment	15
Computer	3
Furniture	10
Leased Assets	15
Motor Vehicles	8
Servers and Networks	6
Office Equipment	5

The depreciable amount of an asset is determined after deducting its residual value. In practice, the residual value of an asset is considered to be 5% of cost.

ONDITION NOTES TO FINANCIAL STATEMENTS



for the year ended March 31, 2025

- (iii) Property plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognized in other income / expense in the statement of profit and loss in the year the asset is derecognized. The date of disposal of an item of property, plant and equipment is the date the recipient obtains control of that item in accordance with the requirements for determining when a performance obligation is satisfied in Ind AS 115.
- (iv) The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

i. Intangible Assets and amortization thereof

- (i) An intangible asset is recognised when it is probable that future economic benefits associated with the asset will flow to the Company and the cost of the item can be measured reliably. Intangible asset is measured on initial recognition at cost. Intangible asset acquired separately is measured on initial recognition at cost. Subsequent expenditure incurred on assets put to use is capitalised only when it increases the future economic benefits/ functioning capability from/ of such assets & Subsequently, it is measured at cost less accumulated depreciation and accumulated impairment.
- (ii) Amortization is recognized in accordance with the requirements of Indian Accounting Standard (Ind AS) 38 'Intangible Assets'. Accordingly, amortization of computer software is charged using the Straight-Line Method as per useful lives of respective assets which is presently considered as 6 years. The useful lives of intangible assets are reviewed at each financial year and the amortization is adjusted prospectively, if appropriate.

j. Investment property

As per Ind AS 40, Land and buildings which are held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property.

Investment property is measured initially at its cost, including related transaction costs. Subsequent expenditure is capitalized to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are expensed when incurred. Depreciation on investment property is provided on a pro rata basis on straight line method over the estimated useful life. Useful life of assets, as assessed by the management, corresponds to those mentioned in note h (ii) above.

Though the company measures investment property using cost-based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined as the Net Present value of future cash flows discounted at cost of funds.

The investment property is de-recognized on disposal or on permanent withdrawal from use and no future economic benefits is expected from its disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognized.

k. Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss is recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss.

ONDITION NOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2025

I. Cash collateral

Financial liabilities related to cash collateral (margin) of borrowers are considered in the effective interest rate computation of loan portfolio.

In case of subsequent assignment of loans, gain on assignment is arrived at after considering the fair value of cash collateral at the time of such assignment.

Financial liabilities related to cash collateral (margin) held against the cross-collateral exposures to borrowers under co-branding arrangements are recognized at fair value on initial recognition. The FV gain arising out of such valuation is recognized in the statement of profit or loss on a time proportionate basis.

m. Retirement and other employee benefits

(i) Provident fund

Retirement benefit in the form of provident fund and pension fund are defined contribution schemes and the contributions are charged to the statement of profit and loss for the year when the employee renders the related service.

(ii) Leave encashment

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Company presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

(iii) Gratuity

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. Actuarial gains and losses for defined benefit plans are recognized in full in the period in which they occur in the statement of profit and loss.

The Company recognizes termination benefit as a liability and an expense when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets, are recognized immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not classified to profit or loss in subsequent periods.

n. Share Based Payments

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

The cost is recognized in employee benefits expenses together with a corresponding increase in employee stock option outstanding account in other equity, over the period in which the service conditions are fulfilled. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has not expired and the Company's best estimate of the number of equity instruments that will ultimately vest.

Service conditions are not taken into consideration when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest.

No expense is recognized for awards that do not ultimately vest because non-market performance and/or service conditions are not met.

MOTES TO FINANCIAL STATEMENTS



for the year ended March 31, 2025

o. Income taxes

(i) Current tax

Current tax is measured at the amount expected to be paid in respect of taxable income for the year in accordance with the Income Tax Act, 1961. Current tax comprises the tax payable on the taxable income or loss for the year and any adjustment to the tax payable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date.

The amount of current tax reflects the best estimate of the tax amount expected to be paid after considering the uncertainty, if any, related to income taxes.

(ii) Deferred tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognized for all taxable temporary differences.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

p. Earnings Per Share

(i) Basic Earnings per share

For the purpose of calculating basic earnings per share, the net profit or loss for the period attributable to equity shareholders is divided by weighted average number of equity shares outstanding during the period.

(ii) Diluted earnings per share

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

q. Leases

With effect from 1 April 2019, the Company has applied Ind AS 116 'Leases' for all long term and material lease contracts covered by the Ind AS. The Company has adopted modified retrospective approach as stated in Ind AS 116 for all applicable leases on the date of adoption.

Company as lessee:

Measurement of Lease Liability

At the time of initial recognition, the Company measures lease liability as present value of all lease payments discounted using the Company's incremental cost of borrowing and directly attributable costs. Subsequently, the lease liability is –

MOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2025

- (i) increased by interest on lease liability;
- (ii) reduced by lease payments made; and
- (iii) re-measured to reflect any reassessment or lease modifications specified in Ind AS 116 'Leases', or to reflect revised fixed lease payments.

Measurement of Right-of-use assets

At the time of initial recognition, the Company measures 'Right-of-use assets' as present value of all lease payments discounted using the Company's incremental cost of borrowing w.r.t said lease contract. Subsequently, 'Right-of-use assets' is measured using cost model i.e. at cost less any accumulated depreciation and any accumulated impairment losses adjusted for any remeasurement of the lease liability specified in Ind AS 116 'Leases'.

Depreciation on 'Right-of-use assets' is provided on straight line basis from the commencement date over the shorter of lease term or useful life of right-of-use asset. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognized in the statement of profit and loss.

The Company adopts the exemption permitted in Ind AS 116 for low value assets and short-term leases. In such case, the lease payments associated with such leases are recognised as expense on straight-line basis over the lease term.

Company as lessor

Leases in which the company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease unless the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases or another systematic basis is available. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the company's net investment in the leases. Finance lease income is allocated to accounting periods to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

r. Compulsorily Convertible Preference Shares:

Compulsorily Convertible Preference Shares ("CCPS") at the time of initial recognition did not meet the definition of Equity in accordance with Ind AS, hence these were disclosed as debt instruments on initial recognition. The CCPS were recognized at fair value on initial recognition.

s. Provisions and contingent liabilities

A provision is recognized when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted (except for Provision related to customer loyalty bonus) to their present value and are determined based on the best estimate required to settle the obligation at the reporting date.

These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements and takes it into account while computing the CRAR as per risk weight defined under applicable RBI norms.

Contingent assets are disclosed where an inflow of economic benefits is probable.

Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

ONDITION NOTES TO FINANCIAL STATEMENTS



for the year ended March 31, 2025

t. Commitments

Commitments are future liabilities for contractual expenditure, classified and disclosed as follows:

- (a) estimated amount of contracts remaining to be executed on capital account, loans and not provided for;
- (b) uncalled liability on shares and other investments partly paid;
- (c) other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of the management.

u. Fair value measurements

The Company measures its qualifying financial instruments at fair value on each Balance Sheet date.

Fair value is the price that would be received against sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place in the accessible principal market or the most advantageous accessible market as applicable.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy into Level I, Level II and Level III based on the lowest level input that is significant to the fair value measurement as a whole. For detailed information on the fair value hierarchy, refer note no. 46 and 47.

For assets and liabilities that are fair valued in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing 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.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

v. Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) of the Company. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Company. The Company is in a single business segment (primary segment) of providing financial services to customers in India.

w. Recent accounting pronouncement

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. During 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 lease back transactions, applicable from April 1, 2024. The Company has assessed that their amendment is either not applicable to the company or don't have any significant impact on its financial statements respectively.

On May 9, 2025, MCA notifies the amendments to Ind AS 21 - Effects of Changes in Foreign Exchange Rates. These amendments aim to provide clearer guidance on assessing currency exchangeability and estimating exchange rates when currencies are not readily exchangeable. The amendments are effective for annual periods beginning on or after April 1, 2025. The Company is currently assessing the probable impact of these amendments on its financial statements

ONDITION NOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2025

4. Cash and cash equivalents

(₹ in Lakhs)

Particulars	As	As At			
raniculars	March 31, 2025	March 31, 2024			
Cash on hand	13.51	10.51			
Balance with banks -					
- in current accounts	13,577.70	7,376.74			
- in earmarked balance with bank	-	4.51			
- in Fixed deposits (with original maturity of less than three months)	30,025.83	2,536.72			
Total	43,617.04	9,928.48			

5. Bank balances other than cash and cash equivalents

(₹ in Lakhs)

Doublesday	As At			
Particulars	March 31, 2025	March 31, 2024		
Fixed deposits with bank	132.44	3,252.75		
Balances with banks to the extent held as margin money or security against the borrowings,	973.54	1,101.32		
guarantees, other commitments				
Total	1,105.98	4,354.07		

6. Receivables (₹ in Lakhs)

(VIII EURI)						
Particulars	As	At				
rariiculars	March 31, 2025	March 31, 2024				
Trade receivables						
Trade receivables considered good-secured	-	-				
Trade receivables considered good-unsecured	-	-				
Trade receivables which have significant increase in credit risk	-	-				
Trade receivables -credit impaired	-	-				
Gross	-	-				
Less: Allowances for impairment loss on credit impaired trade receivables	-	-				
Net		-				
Other receivables						
Other receivables considered good-secured	-	-				
Other receivables considered good-unsecured	305.83	351.95				
Other receivables which have significant increase in credit risk	-	-				
Other receivables -credit impaired	-	-				
Gross	305.83	351.95				
Less: Allowances for impairment loss on credit impaired other receivables	-	-				
Net	305.83	351.95				

As at 31.03.2025 (₹ in Lakhs)

B .: 1	Outstanding for following periods from due date of payments						
Particulars	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total	
(i) Undisputed Trade Receivables- considered good	-	-	305.83	-	-	305.83	
(ii) Undisputed Trade Receivables- which have significant increase in credit risk	-	-	_	_	-	-	
(iii) Undisputed Trade Receivables- credit impaired	-	-	-	-	-	-	
(iv) Disputed Trade Receivables- considered good	-	-	-	-	-	-	
(v) Disputed Trade Receivables- which have significant increase in credit risk	-	-	-	-	-	-	
(vi) Disputed Trade Receivables- credit impaired	-	-	-	-	-	-	
Total	-	-	305.83	-	-	305.83	

MOTES TO FINANCIAL STATEMENTS



for the year ended March 31, 2025

As at 31.03.2024 (₹ in Lakhs)

Boot's along	Outstanding for following periods from due date of payments						
Particulars	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total	
(i) Undisputed Trade Receivables- considered good	351.95	ı	-	-	-	351.95	
(ii) Undisputed Trade Receivables- which have significant increase in credit risk	-	-	_	_	-	1	
(iii) Undisputed Trade Receivables- credit impaired	-	-	-	-	-	-	
(iv) Disputed Trade Receivables- considered good	-	-	-	-	-	-	
(v) Disputed Trade Receivables- which have significant increase in credit risk	-	_	-	-	-	-	
(vi) Disputed Trade Receivables- credit impaired	-	-	_	-	-	-	
Total	351.95	-	-	-	-	351.95	

7. Loans (₹ in Lakhs)

	As	At
Particulars	March 31, 2025	March 31, 2024
At amortised cost		
(A) Term loans *	320,455.14	243,480.42
Less: Impairment allowance	(5,686.30)	(3,702.76)
Total (A)	314,768.84	239,777.67
(B) Out of the above		
(I) Secured (Against hypothecation of equipments, plant & machinery, book debts and equitable/ registered mortgage of immovable properties, etc.)	31 <i>5,</i> 787.81	241,563.85
Less: Impairment allowance	(5,618.82)	(3,665.13)
Sub total (I)	310,168.99	237,898.72
(II) Unsecured	4667.33	1,916.57
Less: Impairment allowance	(67.48)	(37.63)
Sub total (II)	4,599.85	1,878.94
Total (I+II)	314,768.84	239,777.66
(C) Out of the above		
(I) Within India	320,455.14	243,480.42
Less: Impairment allowance	(5,686.30)	(3,702.76)
Sub total (I)	314,768.84	239,777.67
(II) Outside India	-	-
Total (I+II)	314,768.84	239,777.67
(D) Out of the above		
(I) to public sector/government entities	-	-
(II) others	320,455.14	243,480.42
Less: Impairment allowance	(5,686.30)	(3,702.76)
Sub total (II)	314,768.84	239,777.67
Total (I+II)	314,768.84	239,777.67
(E) Out of the above		
(I) Due from related parties	17.61	25.26
Less: Impairment allowance	(0.07)	(0.14)
Sub total (I)	17.54	25.12
(II) Others	320,437.53	243,455.16
Less: Impairment allowance	(5,686.23)	(3,702.62)
Sub total (II)	314,751.30	239,752.55
Total (I+II)	314,768.84	239,777.67

^{*} The above mentioned loan book is net of cash collateral amounting to Rs. 78,903.80 lakhs (PY Rs. 62,397.07 lakhs)

MOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2025

Summary of loans by stage distribution

(₹ in Lakhs)

B 2 1	Α	s At
Particulars	March 31, 2025	March 31, 2024
Stage 1		
Gross carrying value	309,067.54	238,188.24
Less: Impairment allowance	(2,026.34)	(1,825.19)
Net carrying value (A)	307,041.20	236,363.06
Stage 2		
Gross carrying value	5,050.93	1,772.47
Less: Impairment allowance	(641.44)	(318.73)
Net carrying value (B)	4,409.49	1,453.74
Stage 3		
Gross carrying value	6,336.67	3,519.71
Less: Impairment allowance	(3,018.52)	(1,558.84)
Net carrying value (C)	3,318.15	1,960.87
Total		
Gross carrying value	320,455.14	243,480.42
Less: Impairment allowance	(5,686.30)	(3,702.76)
Net carrying value (A+B+C)	314,768.84	239,777.66

Analysis of changes in the gross carrying amount and corresponding ECL allowances in relation to loans is as follows

As at March 31, 2025							(\ III EGKIIS)	
	Stag	ge 1				ge 3	Tot	al
Particulars		Impairment loss allowance		Impairment loss allowance		Impairment loss allowance	Term loans (Gross)	Impairment loss allowance
as at March 31, 2024	238,188.24	1,825.17	1,772.48	318.74	3,519.71	1,558.85	243,480.42	3,702.76
Transfers during the year								
transfers to Stage 1	488.05	318.30	(341.06)	(129.89)	(146.99)	(188.41)	-	-
transfers to Stage 2	(4,236.83)	(59.99)	4,294.07	99.24	(57.24)	(39.24)	(0.00)	-
transfers to Stage 3	(3,791.47)	(45.17)	(645.52)	(106.68)	4,436.99	151.85	-	=
Impact of changes in credit risk on account of stage movements	-	(974.64)	-	448.51	-	1,513.21	-	987.08
Changes in opening credit exposures (additional disbursement net of repayments)	(114,596.38)	(239.96)	(647.22)	(58.56)	644.17	542.59	(114,599.43)	244.07
New credit exposures during the year, net of repayments	193,015.97	1,202.64	618.1 <i>7</i>	70.09	350.33	195.32	193,984.47	1,468.05
Amounts written off during the year					(2,410.31)	(715.65)	(2,410.31)	(715.65)
as at March 31, 2025	309,067.58	2,026.35	5,050.92	641.45	6,336.66	3,018.52	320,455.14	5,686.30

MOTES TO FINANCIAL STATEMENTS



for the year ended March 31, 2025

Analysis of changes in the gross carrying amount and corresponding ECL allowances in relation to loans is as follows

(₹ in Lakhs)

	As at March 31, 2024							
	Sta	ge 1	Stag	je 2	Stag	ge 3	Tot	al
Particulars	Term loans (Gross)	Impairment Ioss allowance	Term loans (Gross)	Impairment Ioss allowance	Term loans (Gross)	Impairment loss allowance	Term loans (Gross)	Impairment loss allowance
as at March 31, 2023	1,93,230.19	1,203.35	3,670.22	848.99	2,154.66	989.45	1,99,055.07	3,041.79
Transfers during the year								
transfers to Stage 1	999.14	7.81	(881.51)	(6.64)	(117.63)	(1.1 <i>7</i>)	-	-
transfers to Stage 2	(1,235.77)	(223.27)	1,250.32	224.91	(14.55)	(1.65)	(0.00)	ı
transfers to Stage 3	(1,498.01)	(664.84)	(807.35)	(351.96)	2,305.36	1,016.81	-	-
Impact of changes in credit risk on account of stage movements	_	(497.74)	-	206.83	-	772.22	-	481.32
Changes in opening credit exposures (additional disbursement net of repayments)	(98,492.39)	979.87	(1,818.53)	(668.97)	1,217.31	109.22	(99,093.62)	420.12
New credit exposures during the year, net of repayments	1,45,185.09	1,020.00	359.33	65.57	76.05	29.48	1,45,620.47	1,115.05
Amounts written off during the year	-	-	-	-	(2,101.49)	(1,355.51)	(2,101.49)	(1,355.51)
as at March 31, 2024	2,38,188.24	1,825.17	1,772.48	318.74	3,519.71	1,558.85	2,43,480.42	3,702.76

Details of impairment on financial instruments disclosed in the Statement of Profit and Loss (Refer Note 34)

(₹ in Lakhs)

Particulars	March 31, 2025	March 31, 2024
Net impairment loss allowance charge for the year	1,997.21	588.53
Amounts written off during the year	2,410.31	2,101.49
Impairment on loans	-	-
Add: Impairment on other assets	-	-
Impairment on financial instruments	4,407.52	2,690.02

8. Investments (₹ in Lakhs)

		(₹ In Lakns)
Particulars	As	At
rariiculars	March 31, 2025	March 31, 2024
Investments carried at fair value through profit and loss account		
In equity instruments		
7500 (March 31, 2024 :7500) equity shares of J. M. Financials Limited of Rs.1 each fully paid up	7.21	5.60
617 (March 31, 2024: 617) equity shares of Indian Seamless Enterprises Limited of Rs.10 each fully paid up	0.27	0.54
280 (March 31, 2024: 280) equity shares of Electronica Machine Tools Limited of Rs.10 each fully paid up	0.03	0.21
1000 (March 31, 2024: 1000) equity shares of The Saraswat Co-operative Bank Ltd of Rs.10 each fully paid up	0.10	0.10
250 (March 31, 2024: 250) equity shares of The Rajashri Shahu Sahakari Bank Ltd of Rs.100 each fu ll y paid up	0.25	0.25
Total	7.86	6.70
* Out of the above		
- Within India	7.86	6.70
- Outside India	-	-
Total	7.86	6.70
* Out of the above		
- Quoted	7.48	6.14
- Un-quoted	0.38	0.56
Total	7.86	6.70

ONDITION NOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2025

9. Other financial assets (₹ in Lakhs)

Particulars	As At		
	March 31, 2025	March 31, 2024	
Security deposits		94.72	309.38
Retained interest on assets assigned		3,861.85	3,337.16
Receivable from Bank towards EFL Assignment Retain Portion		102.32	24.43
Lease rent receivable		84.71	72.17
Total		4,143.60	3,743.14

10. Current tax asset (₹ in Lakhs)

Particulars	As At	
	March 31, 2025	March 31, 2024
Advance income tax & TDS receivable (net of provision for tax)	76.22	1,105.51
Total	76.22	1,105.51

11. Deferred tax assets (net) (₹ in Lakhs)

(< In Laki		
Dt		
Particulars	March 31, 2025	March 31, 2024
Deferred tax asset		
Disallowance u/s 43B of Income tax Act, 1961	51.99	64.32
EIR impact on financial instruments (assets) measured at amortised cost	104.56	1,158.75
Loyalty Bonus provision	-	97.15
Impairment on financial instruments	826.70	801.73
Fair Value of FC borrowings	89.49	-
Employee Stock Options issued	99.52	91.31
Remeasurement of Actuarial losses through OCI	0.90	7.34
Fair value Gain/Loss on hedging instrumnet in a cash flow hedge	117.29	-
Leases	11.58	36.30
Other temporary differences	(98.42)	24.09
Subtotal A	1,203.61	2,280.99
Less:		
Deferred tax liability		
Depreciation / amortization charged for the financial reporting	97.33	(153.52
Fair valuation of cash collateral	(202.62)	(1,247.56
Loyalty Bonus provision	(533.51)	
Service asset on derecognition of financial assets	(132.05)	(839.90
EIR impact on financial instruments (liabilities) measured at amortised cost	(17.55)	(396.22
Fair Valuation of Investments	(0.68)	(1.25
Remeasurement of Actuarial losses through OCI	-	
Other temporary differences	-	
Subtotal B	(789.08)	(2,638.45)
Total (A+B)	414.53	(357.46)

MOTES TO FINANCIAL STATEMENTS



for the year ended March 31, 2025

a. Reconciliation of the total tax charge

The tax charge shown in the statement of profit and loss differs from the tax charge that would apply if all profits had been charged at corporate tax rate applicable to the company. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate is, as follows:

(₹ in Lakhs)

Particulars	As At	
	March 31, 2025	March 31, 2024
Accounting profit before tax	6,230.19	8,771.15
At India's statutory income tax rate of 25.17% (2024: 25.17%)	1,568.01	2,207.52
Tax impact due to revaluation of deferred tax due to change in Income tax rate	(0.01)	(0.02)
Tax on income not subject to tax	24.54	66.05
Tax on expenditure not considered for tax	(56.51)	108.66
Tax on additional deductions	(44.90)	(5.05)
Income tax expense reported in the statement of profit and loss	1,491.14	2,377.17

- Company opted for reduced corporate tax rate of 25.17% as per recently inserted section 115BAA of the Income Tax Act, 1961.
- The effective income tax rate for the financial year ended on March 31, 2025 is 23.93% (March 31, 2024: 27.10%).

b. Deferred Tax

Changes in deferred tax recorded in profit and loss account:

(₹ in Lakhs)

Particulars	As At	
	March 31, 2025	March 31, 2024
Disallowance u/s 43B of Income tax Act, 1961	12.33	(32.69)
EIR impact on financial instruments measured at amortised cost	675.53	(263.30)
Loyalty Bonus provision	630.66	179.42
Depreciation / amortization charged for the financial reporting	(250.85)	(21.52)
Impairment on financial instruments	(24.97)	(47.86)
Fair Value of FC borrowings	(89.49)	-
Leases	24.72	(10.21)
Fair valuation of cash collateral	(1,044.94)	661.32
Employee Stock Options issued	(8.21)	(50.63)
Service asset on derecognition of financial assets	(707.85)	789.42
Fair Valuation of Investments	(0.57)	0.31
Remeasurement of Actuarial losses through OCI	6.44	(0.52)
Other temporary differences	128.59	(4.42)
Total Charge/(Credit)	(648.61)	1,199.40

Changes in deferred tax assets recorded in other comprehensive income

(₹ in Lakhs)

Particulars	As At	
	March 31, 2025	March 31, 2024
Deferred tax relates to following		
Remeasurement of Actuarial (gain)/loss through OCI	(0.90)	(7.34)
Total (Charge)/Credit	(0.90)	(7.34)

12. Investment property **Gross Block**

	(₹ in Lakhs)
Particulars	Amount
as at April 01, 2023	590.16
Additions	59.31
Disposals	123.45
Reclassified to property, plant and equipment	-
as at March 31, 2024	526.02
Additions	-
Disposals	-
Reclassified to property, plant and equipment	-
as at March 31, 2025	526.02

ONDITION NOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2025

Depreciation

(₹ in Lakhs)

Particulars	Amount
as at April 01, 2023	34.70
Charge for the year	7.54
Disposals	1.56
Reclassified to property, plant and equipment	-
as at March 31, 2024	40.68
Charge for the year	7.70
Disposals	-
Reclassified to property, plant and equipment	-
as at March 31, 2025	

Impairment loss

(₹ in Lakhs)

Particulars	Amount
as at April 01, 2023	92.27
Charge for the year	4.00
Disposals	11.27
as at March 31, 2024	85.00
Charge for the year	13.00
Disposals	-
Adjustments	-
as at March 31, 2025 98.	

Net Block

(₹ in Lakhs)

Particulars	Amount
as at March 31, 2024	400.34
as at March 31, 2025	379.64

i. Amount recognised in profit and loss for investment properties

(₹ in Lakhs)

Particulars	for the year ended	
	March 31, 2025	March 31, 2024
Rental income	9.15	2.68
Direct operating expenses from property that generated rental income	1.84	0.77

ii. Fair Value (₹ in Lakhs)

D. C. L.	as at	
Particulars	March 31, 2025	March 31, 2024
Investment property	590.92	581.84

		Fair	value measurement u		
As at	Carrying value	Quoted prices in active	Significant observable inputs	Significant unobservable inputs	Total
		(Level 1)	(Level 2)	(Level 3)	
March 31, 2025	379.64	-	-	590.92	590.92
March 31, 2024	400.34	-	-	581.84	581.84

Estimation of Fair value

Investment properties leased out by the company are cancellable leases. Fair value of the investment property as on March 31, 2025 and March 31, 2024 are based on the valuation by a registered valuer as defined in rule 2 of Companies (Registered Valuers & Valuations) Rules, 2017.

ONDITION NOTES TO FINANCIAL STATEMENTS



for the year ended March 31, 2025

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13AProperty, plant and equipment & Intangible Assets

(₹ in Lakhs)

					Tangible ass	ets				Intangibl	e assets
Particulars	Land	Building	Plant and Machinery	Computers	Office Equipment	Furniture and Fixture	Vehicles	Leased Asset	Total	Software	Total
Cost											
as at April 01 , 2023	1,389.96	4,002.37	298.98	673.58	640.83	1,291.07	73.99	1,789.53	10,160.32	669.03	669.03
Additions	-	-	-	282.18	43.85	312.82	1.97	2,844.50	3,485.32	72.83	72.83
as at March 31, 2024	1,389.96	4,002.37	298.98	955.76	684.68	1,603.89	75.96	4,634.03	13,645.63	741.86	741.86
Additions				32.96	34.49	45.49	0.87	1,910.48	2,024.29	135.69	135.69
Disposals	-	-	-	95.98	-		-	-	95.98	-	
Adjustments	-	-			2.73			(25.41)	(22.68)		
as at March 31, 2025	1,389.96	4,002.37	298.98	892.74	721.90	1,649.38	76.83	6,519.10	15,551.26	877.55	877.55
Depreciation											
as at April 01 , 2023	-	357.22	85.57	304.91	327.58	463.07	30.70	84.78	1,653.83	417.38	417.3
Charge for the year	-	63.66	7.33	187.86	82.58	119.83	8.80	200.43	670.49	50.81	50.8
Disposals	-	-	-	-	-	-	-	-	-	-	
as at March 31, 2024	-	420.88	92.90	492.77	410.16	582.90	39.50	285.21	2,324.32	468.19	468.19
Charge for the year	-	63.37	7.19	233.97	79.03	135.26	9.08	331.24	859.14	74.32	74.32
Disposals	-	-	-	87.54	-	-	-	-	87.54	-	
as at March 31, 2025	-	484.25	100.09	639.20	489.19	718.16	48.58	616.45	3,095.92	542.51	542.51
Impairment loss											
as at April 01 , 2023	-	-	126.73	_	2.82	74.93	-		204.48	0.91	0.9
Charge for the year	-	-	-	-	-		-		-	-	
as at March 31, 2024	_	-	126.73	-	2.82	74.93	-		204.48	0.91	0.9
Charge for the year	-	-	-	-	-		-		-	-	
as at March 31, 2025	-	-	126.73	-	2.82	74.93	-	-	204.48	0.91	0.91
Net Block											
as at March 31, 2024	1,389.96	3,581.49	79.36	462.99	271.70	946.06	36.46	4,348.82	11,116.83	272.77	272.77
as at March 31, 2025	1,389.96	3,518.12	72.16	253.54	229.89	856.29	28.25	5,902.65	12,250.86	334.13	334.13

Note 1: The Company confirms that the title deeds of immovable properties are held in the name of the Company.

13B. Right of use assets (₹ in Lakhs)

Dt	As	at
Particulars	March 31, 2025	March 31, 2024
At fair value as at the beginning of the year	2,634.92	1,485.93
Remeasurement of assets		
Additions during the year	463.41	1,148.99
Deletion during the year	-	-
Adjustments	-	-
At fair value as at the end of the year	3,098.33	2,634.92
Accumulated depreciation as at the beginning of the year	1,195.45	807.30
Depreciation for the year	548.97	388.15
On Deletions	(2.91)	-
Adjustments	(58.57)	-
Accumulated depreciation as at the end of the year	1,688.76	1,195.45
Net carrying amount as at the end of the year	1,409.57	1,439.47

13C. Capital work in progress

De Calleria	As at 31st March 2025						
Particulars	Less than 1 Year	1-2 Years	2=3 years	More than 3 years	Total		
Capital work in progress - Building	-	-	-	96.60	96.60		
Total	-	-	-	96.60	96.60		

ONDITION NOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2025

(₹ in Lakhs)

Position Loss	As at 31st March 2024					
Particulars	Less than 1 Year	1-2 Years	2-3 years	More than 3 years	Total	
Capital work in progress - Building	2.45	-	96.60	-	99.05	
Total	2.45	-	96.60	-	99.05	

13D. Depreciation and Amortisation charges

(₹ in Lakhs)

Particulars	for the year ended			
raniculars	March 31, 2025	March 31, 2024		
Depreciation on Property Plant and Equipment	1,408.10	1,058.64		
Depreciation on Intangible Assets	74.32	50.81		
Depreciation on Investment Property	7.70	7.54		
Total	1,490.12	1,116.99		

14. Other non financial assets

(₹ in Lakhs)

Bastindana	As At		
Particulars	March 31, 2025	March 31, 2024	
Prepaid expenses	257.59	285.41	
GST input and receivables (net of liabilities)	776.46	691.46	
Advance to suppliers	-	50.41	
Receivable from ex-employee	295.14	298.14	
Less: provision on staff advances	(295.14)	(298.14)	
Total	1,034.05	1,027.28	

15. Payables (₹ in Lakhs)

Don't and annual	As	At
Particulars	March 31, 2025	March 31, 2024
(I) Trade payables		
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of other than micro enterprises and small enterprises	-	-
Total	-	-
(II) Other payables		
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of other than micro enterprises and small enterprises	898.58	867.71
Total	898.58	867.71

As at 31.03.2025 (₹ in Lakhs)

5	Ou	Outstanding for following periods from due date of payments						
Particulars	Less than 1 Year	1-2 Years	2-3 years	More than 3 years	Total			
(i) MSME	-	-	-	-	-			
(ii) Others	898.58	-	-	-	898.58			
(iii) Disputed MSME	-	-	-	-	-			
(iv) Disputed Others	-	-	-	-	-			
TOTAL	898.58	-	-	-	898.58			

As at 31.03.2024 (₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payments						
	Less than 1 Year	1-2 Years	2-3 years	More than 3 years	Total		
(i) MSME	-	-	-	-	-		
(ii) Others	867.71	-	-	-	867.71		
(iii) Disputed MSME	-	-	-	-	-		
(iv) Disputed Others	-	-	-	-	-		
TOTAL	867.71	-	-	-	867.71		

MOTES TO FINANCIAL STATEMENTS



for the year ended March 31, 2025

'Disclosure with regards to Micro and Small enterprises

Disclosure of sundry creditors under current liabilities is based on the information available with the Company regarding the status of the suppliers as defined under the "Micro, Small and Medium Enterprises Development Act, 2006" (the Act). There are no delays in payment made to such suppliers and there is no overdue amount outstanding as at the Balance sheet date. Relevant disclosures as required under the Act are as follows:

(₹ in Lakhs)

Particulars	As	At
rarriculars	March 31, 2025	March 31, 2024
a i) Principal amount remaining unpaid to supplier under the MSMED Act 2006	-	-
a ii) Interest on a) (i) above	-	ı
b i) Amount of Principal paid beyond the appointed Date	-	-
b ii) Amount of interest paid beyond the appointed date (as per Section 16 of the said Act)	-	-
c) Amount of Interest due and payable for the period of delay in making payment, but without adding the interest specified under section 16 of the said Act	-	-
d) Amount of Interest accrued and due	-	-
e) Amount of further interest remaining due and payable Even in succeeding years	-	-

16. Debt securities (₹ in Lakhs)

	(< in Lakhs			
Particulars	March 31, 2025	March 31, 2024		
A. At amortised cost				
Debentures				
Nil (March 31, 2024 : 33750)'10.30% Secured, Redeemable, Non-convertible Debentures redeemable on March 13, 2026.	-	3,387.91		
118650 (March 2024) 11.25% Unsecured Subordinated, Redeemable, Non-Convertible Debentures redeemable at par on June 2027.	1,976.19	4,070.14		
Masala Bonds 3000 (June 2023) 10.48% Senior Secured Debt unrated rupee denominated bonds due for maturity on May 2029 issued on a private placement basis	2,969.12	-		
2092 (June 2023) 10.45% Senior Secured Debt unrated rupee denominated bonds due for maturity on October 2030 issued on a private placement basis.	2,069.52	-		
3000 (June 2023) 10.48% Senior Secured Debt unrated rupee denominated bonds due for maturity on May 2029 issued on a private placement basis.	2,969.11	-		
2092 (June 2023) 10.45% Senior Secured Debt unrated rupee denominated bonds due for maturity on October 2030 issued on a private placement basis	2,069.52	-		
6210 (June 2023) 11.40% Senior Secured Debt unrated rupee denominated bonds due for maturity on December 2028 issued on a private placement basis.	6,210.00	6,394.26		
2400 (September 2023) 10.45% Secured Rated Listed Redeemable Non-Convertible Debentures due for maturity in October 2026 issued on a private placement basis.	2,082.51	2,367.72		
2500 (August 2023) 10.67% Rated, Unlisted, Senior, Secured, Redeemable, Transferable Non-Convertible Debentures due for maturity in August 2026 issued on a private placement basis.	1,239.34	2,079.28		
2500 (September 2023) 10.48% Rated, Listed, Senior, Secured, Redeemable, Transferable Non-Convertible Debentures due for maturity in September 2026 issued on a private placement basis.	1,243.44	2,088.78		
4500 (July 2023) 9.00% Senior, secured, rated, unlisted, redeemable, taxable, non-convertible debentures due for maturity in July 2026 issued on a private placement basis.	2,213.69	3,665.45		
12.34% (December 2023) Senior Unsecured External Commercial Borrowing due for maturity in December 2028 issued on a private placement basis.	2,290.13	2,293.78		
12.38% (January 2024) Senior Unsecured External Commercial Borrowing due for maturity in July 2028 issued on a private placement basis.	4,578.68	4,534.27		
10.05% (January 2024) Senior Unsecured External Commercial Borrowing due for maturity in January 2031 issued on a private placement basis.	8,528.38	-		
Total	40,439.63	30,881.59		
B. Out of the above				
- Secured under hypothecation of loans receivables	23,066.25	19,983.40		
- Unsecured	17,373.39	10,898.19		
Total	40,439.64	30,881.59		
C. Out of the above				
- In India	18,832.44	17,659.28		
- Outside India	21,607.19	13,222.31		
Total	40,439.63	30,881.59		

MOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2025

Terms of repayment of non-convertible debentures (NCDs) and bonds as at March 31, 2025

Original maturity of NCDs and bonds	Due within 1 year	Due 1 to 2 years	Due 2 to 3 years	More than 3 years	Total
On Maturity					
Issued at par and redeemable at par					
Upto 1 year					-
1 - 2 years					-
2 - 3 years	3,166.67	1,583.33		-	4,750.00
3 - 4 years	3,177.40	900.00	0.20	4,184.00	8,261.60
More than 4 years	776.25	5,525.43	7,525.23	13,755.08	27,581.99
Interest accrued and impact of EIR					(153.96)
Total	7,120.32	8,008.76	7,525.43	17,939.08	40,439.63

⁻ Interest rate ranges from 9% p.a to 13% p.a as at March 31, 2025

Terms of repayment of non-convertible debentures (NCDs) and bonds as at March 31, 2024

Original maturity of NCDs and bonds	Due within 1 year	Due 1 to 2 years	Due 2 to 3 years	More than 3 years	Total
On Maturity					
Issued at par and redeemable at par					
Upto 1 year	-	-	-	-	-
1 - 2 years	-	-	-	-	-
2 - 3 years	6,541.33	3,167.00	1,583.33	-	11,291.67
3 - 4 years	2,277.60	3,177.40	900.00	0.20	6,355.20
More than 4 years	-	<i>7</i> 76.25	3,798.83	8,373.92	12,949.00
Interest accrued and impact of EIR					285.73
Total	8,818.93	7,120.65	6,282.16	8,374.12	30,881.59

⁻ Interest rate ranges from 9% p.a to 12.38% p.a as at March 31, 2024

17. Borrowings (other than debt securities)

	As	As At			
Particulars	March 31, 2025	March 31, 2023			
(A) At amortised cost					
Indian rupee loan from banks	166,699.91	136,885.52			
Indian rupee loan from financial institutions	27,988.40	17,067.32			
Sub-total (A)	194,688.31	153,952.84			
(B) At fair value through profit & loss					
Compulsory Convertible Preference Shares (CCPS)*	19,909.35	-			
Sub-total (B)	19,909.35	=			
(C) Loans repayable on demand					
Cash credit from banks	8,491.30	1,218.28			
Working capital demand loan	-	389.14			
Sub-total (B)	8,491.30	1,607.42			
Total (A+B+C)	223,088.96	155,560.26			
(D) Out of the above					
- Within India	223,088.96	155,560.26			
- Outside India	-	-			
Total (D)	223,088.96	155,560.26			
(E) Out of the above					
 Secured (Against hypothecation of equipments, plant and machinery, book debts and equitable / registered mortgage of immovable property etc.) 	223,088.96	155,171.12			
- Unsecured	-	389.14			
Total (E)	223,088.96	155,560.26			

^{*} CCPS issued by the Compnay to Wanaka Inclusions has been partly classified as "Borrowing" and partly as "CCPS under Share Capital" as per IND AS 32. The quarterly returns or statements of current assets filed by the company with banks or financial institutions are in agreement with the subsidiary books of accounts. The company has used the borrowings from banks and financials institutions for the specific purpose for which they were taken during the financial year.

MOTES TO FINANCIAL STATEMENTS



for the year ended March 31, 2025

Quarter	Stock Statement	Portfolio	Difference
Q1	223,855.53	223,855.53	-
Q2	248,797.42	248,797.42	-
Q3	272,244.60	272,244.60	-
Q4	288,139.01	288,139.01	-
Total	1,033,036.56	1,033,036.56	-

Terms of repayment of term loans from banks & financial institution and working capital demand loans as at March 31, 2025

Original Maturity	Due with	Due within 1 year		2 years	Due 2 to 3 years		Due more than 3 years		
of loan	No. of installments	₹ in lakhs	No. of installments	₹ in lakhs	No. of installments	₹ in lakhs	No. of installments	₹ in lakhs	Total
Monthly									
upto 1 year	-	-	-	-	-	_	-	-	-
1 - 2 year									-
2 - 3 year	186	12,816.39	114	6,779.28	32	2,062.64	-	-	21,658.31
3 - 4 years	158	8,715.56	79	4,931.42	36	1,413.76	18.00	745.81	15,806.55
More than 4 years	320	23,971.78	261	20,995.00	196	15,648.48	168.00	14,422.07	75,037.33
Quarterly									
upto 1 year									-
1 - 2 year									-
2 - 3 year	42	16,064.71	25	11,820.64	14	6,029.18	-	-	33,914.53
3 - 4 years	2	1,303.57	12	1,303.57	7	794.56	2.00	249.05	3,650.75
More than 4 years	61	11,806.09	58	11,266.25	49	8,777.03	63.00	10,696.29	42,545.66
On Maturity									
upto 1 year	1	2,500.00	-	-	-	-	-	-	2,500.00
Interest accrued and impact of EIR		(424.82)							(424.82)
Total	780	76,753.28	549	57,096.16	334	34,725.65	251.00	26,113.22	194,688.31

⁻ Interest rate ranges from 9% p.a to 13% p.a as at March 31, 2025

Terms of repayment of term loans from banks & financial institution and Working Capital Demand Loans as at March 31, 2024

Original Maturity	Due with	Due within 1 year		2 years	Due 2 to	3 years	Due more t	Due more than 3 years	
of loan	No. of installments	₹ in lakhs	No. of installments	₹ in lakhs	No. of installments	₹ in lakhs	No. of installments	₹ in lakhs	Total
Monthly									
upto 1 year	-	-	-	-	-	-	-	-	-
1 - 2 year	-	-	-	-	-	-	-	-	-
2 - 3 year	135	10,024.18	112.00	8,487.59	40.00	2,462.07	-	-	20,973.84
3 - 4 years	151	9,165.44	120.00	7,425.18	41.00	3,483.54	-	-	20,074.16
More than 4 years	333	20,559.11	260.00	17,901.33	199.00	14,792.57	189.00	12,847.79	66,100.80
Quarterly									
upto 1 year	0	-	-	-	-	_	-	-	_
1 - 2 year	0	-	0	-	-	_	-	-	-
2 - 3 year	23	5,779.68	17	4,509.04	1	291.67	-	-	10,580.38
3 - 4 years	8	803.57	8	803.57	8	803.57	3	294.64	2,705.35
More than 4 years	43	7,984.82	44	8,379.62	42	7,737.19	67	9,888.03	33,989.66
On Maturity									
upto 1 year		389.14							389.14
Interest accrued and impact of EIR									(471.35)
Total	693	54,705.93	561	47,506.33	331	29,570.61	259	23,030.46	1,54,341.98

⁻ Interest rate ranges from 8.75% p.a to 12.05% p.a as at March 31, 2024

ONDITION NOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2025

18. Sub ordinated liabilities (₹ in Lakhs)

	As	At
Particulars	March 31, 2025	March 31, 2024
A. At amortised cost		
From Non-banking Financial Companies		
TATA CAPITAL LTD NCD TL 1 3000 (March 31, 2024 : 3000) 12.55% Rated, Unlisted, Unsecured, Taxable, Subordinated (Tier II), Non-Convertible Debentures and Redeemable in June 2028	2,922.76	2,930.89
A K CAPITAL FINANCE UNSCURED TIER 2 5000 (March 31, 2024 : 5000) 13.00% Rated, Unlisted, Unsecured, Taxable, Subordinated (Tier II), Non-Convertible Debentures and Redeemable in June 2029	4,737.19	4,678.42
TIPSONS CONSULTANCY TIER 2 NCD 1 2000 (March 31, 2024 : 2000) 13.00% Rated, Unlisted, Unsecured, Taxable, Subordinated (Tier II), Non-Convertible Debentures and Redeemable in September 2029	1,891.47	1,875.50
Total (A)	9,551.42	9,484.81
B. Out of the above		
- Within India	9,551.42	9,484.81
- Outside India	-	
Total (B)	9,551.42	9,484.81
C. Out of the above		
- Secured (Against hypothecation of equipments, plant and machinery, book debts and equitable / registered mortgage of immovable property etc.)		
- Unsecured	9,551.42	9,484.81
Total (C)	9,551.42	9,484.81

Terms of repayment as at March 31, 2025

Original maturity of sub-ordinated liabilities	Due within 1 year	Due 1 to 2 years	Due 2 to 3 years	More than 3 years	Total
Yearly					
Issued at par and redeemable at par					
More than 3 years	-	-	-	10,000.00	10,000.00
Interest accrued and impact of EIR			-		(448.58)
Total	-	-	-	10,000.00	9,551.42

⁻ Interest rate 10.50% p.a to 12.90% p.a. as at March 31, 2025

Terms of repayment as at March 31, 2024

Original maturity of sub-ordinated liabilities	Due within 1 year	Due 1 to 2 years	Due 2 to 3 years	More than 3 years	Total
Yearly					
Issued at par and redeemable at par					
More than 5 years	-	-	-	10,000.00	10,000.00
Interest accrued and impact of EIR			-		(515.19)
Total	-	-	-	10,000.00	9,484.81

⁻ Interest rates range from 12.55% p.a to 13.00% p.a as at March 31, 2024

19. Other financial liabilities

(₹ in Lakhs) As At **Particulars** March 31, 2025 March 31, 2024 Cash collateral # 27,318.75 22,398.86 Unrecognised Fair value gain (Liability) 1,171.63 991.44 1,066.06 702.34 Security deposit on Leased Assets Employee benefits payables 317.03 168.66 Unpaid dividend 2.68 4.10 Payable towards assignment / securitisation transactions 3,666.40 2,453.12 390.78 Advance from customers 5,570.91 2,606.95 Payable to customers / borrowers Other financial liabilities 170.03 598.45 39,283.49 30,314.70

^{*}Held in trust against off-books/ direct assignment transactions

ONDITION NOTES TO FINANCIAL STATEMENTS



(₹ in Lakhs)

for the year ended March 31, 2025

20. Current tax liabilities

Don't and are	As At		
Particulars	March 31, 2025	March 31, 2024	
Provision for taxation (Net of advance tax & TDS receivable)	275.69	1,066.56	

21. Provisions (₹ in Lakhs)

	As At			
Particulars	March 31, 2025	March 31, 2024		
Provision for employee benefits				
Provision for gratuity (refer note 44)	174.57	158.42		
Provision for leave benefits (refer note 44)	256.46	248.15		
Provision on undrawn loan comittements	46.26	32.59		
Total	477.29	439.16		

22. Other non financial liabilities

(₹ in Lakhs)

Destarlan	As At		
Particulars	March 31, 2025	March 31, 2024	
Statutory dues payable	381.30	160.48	
Payable to Insurance Company	49.33	66.56	
Total	430.63	227.04	

23. Share capital (₹ in Lakhs)

David and an	As At		
Particulars	March 31, 2025	March 31, 2024	
Share Capital (In Numbers):			
Authorized:			
3,65,00,000 (Previous year: 3,65,00,000) equity shares of Rs.10 each	3,650.00	3,650.00	
1,80,00,000 (Previous year : 1,80,00,000) CCPS of Rs. 20 each	3,600.00	3,600.00	
	7,250.00	7,250.00	
Issued, subscribed and fully paid-up:			
2,50,40,121 (Previous year : 2,25,34,645) equity shares of Rs.10 each	2,504.01	2,253.46	
84,91,029 (Previous year : 63,26,839) CCPS of Rs.20 each*	1,698.21	1,265.37	
TOTAL	4,202.22	3,518.83	

Reconciliation of the preference shares outstanding at the beginning and at the end of the year

(Rs. In Lakh, except per share data)

Particulars	March 31, 2025		March 31, 20		March 31	31, 2024	
runicolais	No. of Shares	Amount	No. of Shares	Amount			
Shares outstanding at the beginning of the year	6,326,839	1,265.37	6,326,839	1,265.37			
Reclassified from financial liabilities to share capital during the year	-	-	-	-			
Issued during the year	2,164,190	432.84	-	-			
Shares outstanding at the end of the year	8,491,029	1,698.21	6,326,839	1,265.37			

a. Reconciliation of the equity shares outstanding at the beginning and at the end of the year

(Rs. In Lakh, except per share data)

(K3. III Bakii) Checki per sitate da			per snare dara,	
Particulars	March 31, 2025		March 31	, 2024
rariicolars	No. of Shares	Amount	No. of Shares	Amount
Shares outstanding at the beginning of the year	22,534,645	2,253.46	22,534,645	2,253.46
Issued during the year	2,505,476	250.55	-	-
Shares outstanding at the end of the year	25,040,121	2,504.01	22,534,645	2,253.46

ONDITION NOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2025

b. Terms / rights attached to equity shares

The Company has only one class of equity shares, having a par value of Rs.10 per share. Each holder of equity share is entitled to one vote per share and has a right to receive dividend as recommended by the Board of Directors, subject to the necessary approval from the shareholders. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Terms / rights attached to CCPS

"The Company has one class of CCPS having a par value of Rs. 20 per share. Each CCPS shall be a non-cumulative compulsorily convertible preference share. Each CCPS shall, at all times, rank pari-passu in all respects and without any preference or priority among themselves. Each CCPS shall carry a preferential right vis-à-vis the equity shares of the Company with respect to payment of dividend and repayment of capital, subject to the articles of association of the Company. Each CCPS shall be entitled to a preferential dividend on a non-cumulative basis at the rate of 0.001% per annum from the Company in accordance with the applicable laws."

d. Aggregate number of bonus shares issued during the period of five years immediately preceding the reporting date. No bonus shares have been issued during the period of five years immediately preceding the reporting date.

e. Shareholders holding more than 5% equity shares in the Company

Particulars	March 3	March 31, 2025		March 31, 2025		March 31, 2024	
rariiculars	No. of Shares	% holding	No. of Shares	% holding			
Equity shares of Rs.10 each							
Electronica Industries Limited	10,517,125	42.00%	10,517,125	46.67%			
Mugdha Investment & Finance Private Limited	9,547,120	38.13%	9,547,120	42.37%			
Smt. Manisha S Pophale	702,424	2.81%	1,611,487	7.15%			
Aavishkaar India Fund VI	2,505,476	10.01%	-	0.00%			
Preference shares							
ESF Holdings	6,326,839	43.96%	6,326,839	100.00%			
Wanaka Inclusion Limited*	8,066,468	56.04%	-	0.00%			

^{*} CCPS issued by the Compnay to Wanaka Inclusions has been partly classified as "Borrowing" and partly as "CCPS under Share Capital" as per IND AS 32.

f. Disclosure of shareholding of promoters

Disclosure of shareholding of promoters as at March 31, 2025 is as follows:

Promoter name	March 31, 2025		March 3		March 3	1, 2024
rioniolei nume	No. of Shares	No. of Shares % holding		% holding		
Smt. Manisha S Pophale	702,424	2.81%	1,611,487	<i>7</i> .1 <i>5</i> %		
Ms. Shilpa Pophale	788,000	3.15%	66,500	0.30%		
Mr. Sujit Natekar	36,333	0.14%	34,333	0.15%		
Mr. Harsh Natekar	2,500	0.01%	2,000	0.01%		
Sujit Natekar (HUF)	500	0.00%	500	0.00%		
M/s Electronica Industries Limited	10,517,125	42.00%	10,517,125	46.67%		
M/s Electronica Hi Tech Machine Tools Private Limited	100,000	0.40%	100,000	0.44%		
M/s Mugdha Investment & Finance Private Limited	9,547,120	38.13%	9,547,120	42.37%		

g. For details of shares reserved for issue under the employee stock option plan (ESOP) of the Company, refer note 43.

ONDITION NOTES TO FINANCIAL STATEMENTS



for the year ended March 31, 2025

24. Other equity (₹ in Lakhs)

	As At	
Particulars	March 31, 2025	March 31, 2024
(I) Securities premium account		
Balance as per last financial statements	9,712.79	9,712.79
Add: additions/transfer during the year	15,686.99	-
Less: utilised during the year	-	-
Closing balance	25,399.78	9,712.79
(II) Retained earnings		
Balance as per last financial statements	20,840.60	15,747.22
Profit for the year	4,739.06	6,393.98
Ind AS adjustments		-
Less:		
Dividend on CCPS	(0.01)	(0.01)
Retirement benefit - Actuarial gains / (Loss)	(3.56)	(29.14)
Tax impact on above	0.90	7.34
Cash flow hedge	(466.05)	
Tax impact on above	117.29	
Adjustment	-	-
Transfer to Statutory Reserve (20% of profit after tax as required by section 45-IC of Reserve Bank of India Act, 1934)	(947.81)	(1,278.80)
Compulsorily Convertible Preference Shares		
Dividend and related distribution tax	-	-
Closing balance	24,280.43	20,840.60
Other reserves		
(I) Statutory reserve as required by section 45-IC of Reserve Bank of India Act, 1934		
Balance as per last financial statements	6,306.72	5,027.92
Add: amount transferred from statement of profit and loss	947.81	1,278.80
Closing balance	7,254.53	6,306.72
(II) General reserve		
Balance as per last financial statements	2,230.24	2,230.24
Add : Transferred from Revaluation Reserve	-	-
Closing balance	2,230.24	2,230.24
(III) Capital reserves		
Balance as at the beginning of the year	6.76	6.76
Balance as at the end of the year	6.76	6.76
(IV) Capital redemption reserve		
Balance as at the beginning of the year	4.89	4.89
Balance as at the end of the year	4.89	4.89
(V) Employee stock option outstanding		
Balance as per last financial statements	217.53	125.77
Add: compensation of options granted during the year	93.97	91.76
Closing balance	311.50	217.53
Total	59,488.13	39,319.52

Nature and purpose of other equity

(i) Securities premium

Securities premium is used to record the premium on issue of shares. It can be utilised only for limited purposes in accordance with the provisions of the Companies Act, 2013.

(ii) Retained earnings

 $Retained\ earnings\ represents\ the\ surplus\ in\ profit\ and\ loss\ account\ and\ appropriations.$

The Company recognises change on account of remeasurement of the net defined benefit liability/(asset) as part of retained earnings with separate disclosure, which comprises of:

- actuarial gains and losses
- return on plan assets, excluding amounts included in net interest on the net defined benefit liability/(asset); and
- any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability / (asset).

(iii) Statutory Reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934

Statutory Reserve fund is created as per the terms of section 45-IC(1) of the Reserve Bank of India Act, 1934 as a statutory reserve.

(iv) General reserve

Amounts set aside from retained profits as a reserve to be utilised for permissible general purpose as per Law.

(v) Capital reserve

Capital reserve represents profit recognised in erstwhile years on reissue of forfeited shares.

(vi) Employee stock option outstanding account

Employee stock option outstanding account has been created as required by Ind AS 102 'Share Based Payments' on the Employee Stock Option Scheme operated by the Company for its employees.

ONDITION NOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2025

25. Interest income (₹ in Lakhs)

Particulars	For the year ended	
	March 31, 2025	March 31, 2024
Interest on loans		
Interest income on portfolio loans	45,298.98	38,531.68
Total	45,298.98	38,531.68

26. Fees and commission income

(₹ in Lakhs)

David and and and a state of the state of th	For the year ended		
Particulars	March 31, 2025	March 31, 2024	
Other operating revenue			
Prepayment charges	470.78	483.07	
Fees and commission income	1,160.27	1,028.09	
Total	1,631.05	1,511.16	

27. Net gain on sale of financial assets at amortised cost

(₹ in Lakhs)

David and an	For the year ended		
Particulars	March 31, 2025	March 31, 2024	
Net gain on sale of financial assets at amortised cost	5,039.23	6,561.15	
Total	5,039.23	6,561.15	

28. Sale of services (₹ in Lakhs)

Particulars	For the year ended		
	March 31, 2025	March 31, 2024	
Income from credit delivery arrangement	82.58	62.73	
Total	82.58	62.73	

29. Recoveries of financial assets written off

(₹ in Lakhs)

David and an	For the year ended		
Particulars	March 31, 2025	March 31, 2024	
Recoveries of financial assets written off	469.87	80.21	
Total	469.87	80.21	

30. Net gain on fair value changes

Davidania.	For the year ended		
Particulars	March 31, 2025	March 31, 2024	
Net Gain on fair value changes	345.12	485.62	
Total	345.12	485.62	

ONDITION NOTES TO FINANCIAL STATEMENTS



for the year ended March 31, 2025

31. Other income (₹ in Lakhs)

Don't and any	For the year ended	
Particulars	March 31, 2025	March 31, 2023
Interest on margin money deposits	304.63	238.47
Infrastructure charges received	438.51	500.94
Dividend	0.03	0.02
Profit on sale of mutual funds	1,672.99	486.85
Profit on sale of fixed asset	-	16.41
Other non-operating income	423.45	57.90
Credit balances written back	1,763.18	3,238.59
Total	4,602.79	4,539.19

32. Finance cost (₹ in Lakhs)

Doubled	For the year	For the year ended	
Particulars	March 31, 2025	March 31, 2024	
Interest			
on term loans from banks	17,129.27	14,678.38	
on non convertible debentures (including subordinated debts)	4,953.53	3,263.00	
on cash credit from banks	85.23	206.68	
on working capital demand loan	57.54	46.39	
on lease liability (Note 42)	159.69	120.92	
on others	8.30	67.72	
Bank charges	36.47	36.91	
Processing fees	186.33	79.92	
Other finance costs	169.25	357.32	
Total	22,785.61	18,857.24	

33. Customer loyalty bonus

(₹ in Lakhs)

	For the year ended	
Particulars	March 31, 2025	March 31, 2024
Customer loyalty bonus	2,298.78	783.01
Total	2,298.78	783.01

34. Impairment on financial instruments

David and an	For the year ended	
Particulars	March 31, 2025 March 3	March 31, 2024
Impairment on loans	1,997.21	588.53
loans written off	2,410.31	2,101.49
Total	4,407.52	2,690.02

ONDITION NOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2025

35. Employee benefit expenses

(₹ in Lakhs)

D. W. J	For the year ended	
Particulars	March 31, 2025	March 31, 2024
Salaries and incentives	13,627.13	10,747.21
Contribution to provident and other funds	627.66	532.43
Staff welfare expenses	149.70	202.30
Share based payment (refer note 43)	93.98	91.76
Directors' remuneration	166.04	144.70
Total	14,664.51	11,718.40

36. Other expenses

(₹ in Lakhs)

	For the year ended	
Particulars	March 31, 2025	March 31, 2024
Rent, rates and taxes	60.63	45.77
Electricity expenses	189.07	144.82
Insurance	170.23	234.83
Payment to the auditors (refer note below)	33.29	25.37
Legal and professional fees	1,125.06	1,006.95
GST expenses	482.68	422.66
Telephone expenses	124.11	131.24
CSR expenditure (refer note 49)	92.52	77.61
Donation	5.00	5.00
Business promotion expenses	495.49	393.27
Conference expenses	87.22	105.59
Travelling / conveyance expenses	1,147.47	1,009.65
Directors' sitting fees	21.50	12.50
IT expenses	560.06	403.16
Training and recruitment	324.36	240.12
Other balances written off	1,155.80	3,343.20
Provision on Ex-staff advance	(3.00)	298.14
Repair and Maintenance		
-Building	8.54	7.57
-Furniture & Fixtures	3.83	8.23
-Electricals Equipments	21.99	26.70
-Vehilces	1.27	16.07
-Others	41.29	27.90
Postage, Printing and Stationary	123.16	135.91
Office Expenses	201.23	169.23
Loss on sale of fixed asset	4.50	-
Impairment loss on investment property (Refer Note 12)	12.76	4.00
Miscellaneous expenses	375.38	328.99
Total	6,865.44	8,624.48

Payment to auditors

Bur Carlana	For the year ended	
Particulars	March 31, 2025	March 31, 2024
As auditor :		
Audit fees	20.00	13.50
Limited review	12.00	8.25
Certification	0.81	3.25
Reimbursement of expenses	0.48	0.37
Total	33.29	25.37

MOTES TO FINANCIAL STATEMENTS



for the year ended March 31, 2025

37. Contingent Liabilities and commitments

a. Contingent liabilities not provided for in respect of

(₹ in Lakhs)

Particulars	March 31, 2025	March 31, 2024
Guarantees excluding financial guarantees		
Corporate guarantee against credit delivery arrangements	668.49	890.31
Other amounts for which the Company is contingently liable		
Income tax	-	38.97

b. Capital and other commitments

(₹ in Lakhs)

Particulars	March 31, 2025	March 31, 2024
Other commitments – towards partially disbursed/un-encashed loans*	7,970.24	3,493.75

^{*}The amount includes LC limits which can be used for loan disbursement.

38. Earnings per Share (Basic and Diluted):

Basic EPS is calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS is calculated by dividing the profit attributable (i.e. after adjusting for interest on the convertible preference shares, net of tax) to equity holders of the Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into ordinary equity shares of the Company.

The following reflects the income and share data used in the basic and diluted EPS computations:

(₹ in Lakhs)

Particulars	March 31, 2025	March 31, 2024
Net Profit after tax attributable to equity shareholders (A)	4,739.06	6,393.98
Net Profit after tax including finance cost in respect of CCPS (B)	4,739.06	6,393.98
Weighted average number of equity shares in calculating Basic EPS (C)	24,601,000	22,534,645
Add: Effect of dilution:		
Stock options granted under ESOP in nos.	169,000	139,000
Compulsory Convertible Preference shares in nos.	12,978,913	6,327,000
Weighted average number of equity shares in calculating Diluted EPS (D) in nos.	37,748,913	29,000,645
Basic EPS (A/C)	19.26	28.37
Diluted EPS (B/D)	12.55	22.05
Nominal Value of Shares	10.00	10.00

39. Segment information

The Company operates in a single business segment i.e. financing, which has similar risks and returns for the purpose of IndAS 108 on 'Segment Reporting' specified under section 133 of the Companies Act 2013, read with rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016. The Company operates in a single geographical segment i.e. domestic. Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) of the Company. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Company. The Company is in a single business segment of providing financial services to customers in India. The entire revenues are billable within India and there is only one geographical segment.

40. Revenue from contract with customers

	For the	For the year ended	
Particulars	March 31, 2025	March 31, 2024	
Type of services			
Sale of services	82.58	62.73	
Fees and Commission income	1,160.27	1,028.09	
Total	1,242.85	1,090.82	
Geographical markets			
India	1,242.85	1,090.82	
Outside India		. -	
Total	1,242.85	1,090.82	
Timing of revenue recognition			
Services transferred at a point in time	1,242.85	1,090.82	
Services transferred over time			
Total	1,242.85	1,090.82	

MOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2025

Contract balances (₹ in Lakhs)

Dt	For the year ended	
Particulars	March 31, 2025	March 31, 2024
Receivable from customers under credit delivery arrangement* (Note 6)	305.83	351.95

 $^{^*}$ Accounts receivable are recognised when the right to consideration becomes unconditional.

41. Disclosure of transactions with related parties as required by Ind AS 24

List of the Related Party and Nature of the Related Party Relationship as identified by the key management persons are classified as under:

Name of the Related Party	Nature of Relationship
Mugdha Investment & Finance Private Limited	Holding Company
Electronica Industries Limited	
Electronica Tungsten Limited	
Electronica Hi-Tech Engineering Private Limited	Fellow Subsidiary
Kashedikar Enterprises Private limited	
Dharmadhikari Enterprises Private Limited	
Shilpa S. Pophale - Managing Director	
Sujit S. Natekar - Director (Non Executive)	
Vivekanand Ramachandran (CFO w.e.f. September 09, 2022) (Resigned w.e.f February 02, 2024)	Kay Akamaranan Baraanal (KAAB)
Vipin Maheshwari (CFO w.e.f. August 12, 2024)	Key Management Personnel (KMP)
Khwahish Rawal (CS upto June 21, 2023)	
Vallabh P Ghate (CS w.e.f. November 20, 2023)	
Mr. Mohan Tanksale	
Mrs. Smita Sandhane	Independent Director
Mrs. Sandhya Vasudevan	
Manisha S. Pophale	
Personnel (KMP)	Close member of Key Management
Priya A. Dharmadhikari	
Harsh S. Natekar	
Electronica Hitech Engineering Private Limited	Enterprises over which KMP & their
Electronica Hitech Machine Tools Private Limited	close members exercise significant
Sujit Sharad Natekar (HUF)	influence

Transactions with Related Party and amounts outstanding as under:

Nature of transaction/ Relationship/ Name of related parties	March 31, 2025	March 31, 2024
Key Managerial Personnel		
1. Key Managerial Remuneration		
Short Term employee benefits	280.07	254.85
2. Shilpa Shrikant Pophale		
Loan accepted	42.00	90.00
Loan repaid	143.12	1.58
Interest paid on loan	9.28	3.78
Balance outstanding	-	92.31
3. Sujit S. Natekar		
Loan accepted	-	16.50
Loan repaid	16.21	3.25
Interest paid on Loan	0.86	0.73
Balance outstanding	-	15.42
Independent Director		
1. Mr. Mohan Tanksale		
Sitting Fees	7.00	4.00
2. Mrs. Smita Sandhane		
Sitting Fees	8.25	4.75
3. Mrs.Sandhya Vasudevan		
Sitting Fees	6.25	3.75
Reimbursement of expenses	2.29	0.40
Close member of Key Management Personnel		
1. Manisha Shrikant Pophale		
Loan accepted	-	78.29
Loan repaid	90.23	3.21
Interest paid on Loan	5.94	3.82
Balance outstanding	-	84.29
2. Harsh S Natekar		
Salary	0.38	2.54
Loan accepted	30.00	-
Loan repaid	243.83	23.21
Interest paid on Loan	15.00	18.09
Balance outstanding	-	200.65
3. Mugdha Rahul Kashkhediker		
Salary & Incentives	-	11.70

MOTES TO FINANCIAL STATEMENTS



for the year ended March 31, 2025

Nature of transaction/ Relationship/ Name of related parties	March 31, 2025	March 31, 2024
Enterprises over which KMP & their close members exercise significant influence		
1. Electronica Hitech Machine Tools Private Limited.		
ICD accepted	385.00	350.00
ICD repaid	385.00	350.00
Interest credit on ICD	20.71	19.97
Interest paid on ICD	20.71	19.97
ICD payable	=	=
2. Electronica Hitech Engineering Private Limited		
New business loan	25.26	=
Interest charged	3.75	4.80
Repayment	13.64	=
Repayment of loan	-	13.64
Loans Outstanding	17.61	25.26
3. Sujit Sharad Natekar (HUF)		
Monthly Rent for Guest house	4.39	3.99

 $[\]ensuremath{^{*}}\ensuremath{^{*}}\ensuremath{^{T}}\ensuremath{\text{Transaction}}$ values are excluding taxes and duties.

42. Operating Leases

The Company has entered into commercial lease arrangements in respect of branch premises which are renewable on mutual consent at agreed terms. Certain lease agreements contain a clause for escalation of lease payments after every 12 months. The tenure of the non-cancellable operating lease agreements range from 6 months to 36 months. There are no sub-leases. Lease payments during the year are charged to the Statement of Profit and Loss.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

(₹ in Lakhs)

Particulars	March 31, 2025	March 31, 2024
Opening Balance	1,439.47	678.63
Addition	463.41	1,148.99
Depreciation	(548.97)	(388.15)
Deletion	(2.91)	-
Adjustment	58.57	-
Closing Balance (Note 13B)	1,409.57	1,439.47

Lease Liability Movement

(₹ in Lakhs)

		, ,
Particulars	March 31, 2025	March 31, 2024
Opening Balance	1,585.62	784.30
Addition during the year	303.07	1,148.99
Interest on Lease Liability (Refer note 32)	159.69	120.92
Deletion during the year	(6.57)	-
Lease rental payments	(617.05)	(474.88)
Adjustment	28.39	6.29
Closing Balance	1,453.15	1,585.62

Future Undiscounted lease cash outflow for all leased assets as at March 31, 2025:

(₹ in Lakhs)

Particulars	Not later than one year	Between one to five years	Later than five years
Lease cash outflow	594.04	1,058.52	21.74

Lease payments recognised in Profit & Loss (for agreements not considered in Ind AS 116)

		(\ III EURIIS)
Particulars	March 31, 2025	March 31, 2024
Operating lease payments recognized in the Statement of Profit & Loss	7.36	10.32

^{*} Related parties as defined under clause 9 of the Ind AS 24 'Related party disclosures' have been identified based on representations made by key managerial personnel and information available with the Company. All above transactions are in the ordinary course of business and on an arms' length basis. All outstanding balances are to be settled in cash and are unsecured.

^{*} Provisions for gratuity, compensated absences and other long term service benefits are made for the Company as a whole and the amounts pertaining to the key managerial personnel are not specifically identified and hence are not included above.

ONDITION NOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2025

Amounts recognised in statement of profit or loss:

(₹ in Lakhs)

Particulars	March 31, 2025	March 31, 2024
Depreciation expense of right-of-use assets (Note 13B)	(548.97)	(388.15)
Interest expense on lease liabilities (Note 32)	159.69	120.92
Expense relating to short-term leases	7.36	10.32
Total amount recognised in profit or loss	(381.92)	(256.91)

43. Stock based payments

The Company has provided various share-based payment schemes to its Directors and Employees.

The Board of Directors of the Company at its meeting held on January 3, 2018, approved grant of stock options aggregating to 80,252 equity shares of the face value of Rs. 10 each in a manner provided in the Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Share Capital and Debentures) Rules, 2014 and other rules framed thereunder.

The Board of Directors of the Company at its meeting held on May 28, 2019, approved grant of stock options aggregating to 1,35,116 equity shares of the face value of Rs. 10 each in a manner provided in Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Share Capital and Debentures) Rules, 2014 and other rules framed thereunder

The Nomination and Remuneration Committee of the Company at its meeting held on August 24, 2020 approved grant of stock options aggregating to 1,18,713 equity shares of the face value of Rs. 10 each in a manner provided in Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Share Capital and Debentures) Rules, 2014 and other rules framed thereunder.

The Board of Directors of the Company at its meeting held on Nov 10, 2021, approved grant of stock options aggregating to 8,072 equity shares of the face value of Rs. 10 each in a manner provided in Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Share Capital and Debentures) Rules, 2014 and other rules framed thereunder.

The Board of Directors of the Company at its meeting held on Aug 26, 2022, approved grant of stock options aggregating to 1,50,000 equity shares of the face value of Rs. 10 each in a manner provided in Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Share Capital and Debentures) Rules, 2014 and other rules framed thereunder.

The Nomination and Remuneration Committee of the Company at its meeting held on Sep 13, 2023, approved grant of stock options aggregating to 1,14,000 equity shares of the face value of Rs. 10 each in a manner provided in Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Share Capital and Debentures) Rules, 2014 and other rules framed thereunder. Under the scheme, grant has been made as of March 31, 2025, details of which, are given as under:

Particulars	March 31, 2025					
Grant date	September	August	November	August	May	January
	26, 2023	26, 2022	10, 2021	24, 2020	28, 2019	25, 2018
Exercise price (Rs.)	Rs. 169.38	Rs. 169.38	Rs. 169.38	Rs. 169.38	Rs. 10	Rs. 10
	per option	per option	per option	per option	per option	per option
Outstanding at the beginning of the year	99,500	95,000	3,072	52,000	83,075	44,243
Options granted during the year	-	-	-	-	-	-
Options vested and exercisable at the end of the period	-	28,380	2,028	52,000	80,801	44,243
Options unvested at the end of the period	96,500	57,620	1,044	-	-	-
Options cancelled during the year	3,000	9,000	-	-	2,274	-
Options outstanding at the end of the year	96,500	86,000	3,072	52,000	80,801	44,243

Particulars		March 31, 2024				
Grant date	September	August	November	August	Мау	January
	26, 2023	26, 2022	10, 2021	24, 2020	28, 2019	25, 2018
Exercise price (Rs.)	Rs. 169.38	Rs. 169.38	Rs. 169.38	Rs. 169.38	Rs. 10	Rs. 10
	per option	per option	per option	per option	per option	per option
Outstanding at the beginning of the year	-	1,03,000	3,072	54,000	88,020	46,194
Options granted	99,500	-	_	-	-	-
Options vested and exercisable	-	-	1,014	34,667	83,075	44,243
Options unvested	99,500	95,000	2,058	17,333		-
Options cancelled	-	8,000	-	2,000	4,945	1,951
Options outstanding	99,500	95,000	3,072	52,000	83,075	44,243





for the year ended March 31, 2025

Grant date	Exercise price (Rs./option)	Options granted	Options vested and exercisable	Options unvested	Options cancelled	Options outstanding
January 25, 2018	Rs. 10	80,252	44,243	-	36,009	44,243
May 28, 2019	Rs. 10	135,116	80,801	-	54,315	80,801
August 24, 2020	Rs. 169.38	118,713	52,000	-	66,713	52,000
November 10, 2021	Rs. 169.38	8,072	2,028	1,044	5,000	3,072
August 26, 2022	Rs. 169.38	150,000	28,380	57,620	64,000	86,000
September 26, 2023	Rs. 169.38	114,000	-	96,500	1 <i>7,</i> 500	96,500

Weighted average fair value of stock options granted during the year is as follows:

Particulars	March 31, 2025	March 31, 2023
Grant date		September 26, 2023
Number of options granted	Nil	99,500
Weighted average fair value per share		205.46

Following table depicts range of exercise prices and weighted average remaining contractual life:

Total for all grants	No. of options	Range of exercise prices (Rs.)	Weighted average exercise price (Rs.)	Weighted average remaining contractual life (years)
Outstanding at the beginning of the year	376,890	Rs 10 & Rs.169.38	97.42	2.54
Granted during the year	-	-	-	-
Cancelled during the year	14,274	Rs 10 & Rs.169.38	97.42	-
Expired during the year	-	-	-	-
Exercised during the year *	-	-	-	-
Outstanding at the end of the year	362,616	Rs 10 & Rs.169.38	114.42	1.96
Exercisable at the end of the year	207,452	Rs 10 & Rs.169.38	73.31	-

^{&#}x27;* The weighted average exercise price has not been computed as there are no stock options exercised during the period.

Method used for accounting for share based payment plan

The Company has used the fair value method to account for the compensation cost of stock options to employees. The fair value of options used are estimated on the date of grant using the Black – Scholes Model. The key assumptions used in Black – Scholes Model for calculating fair value as on the date of respective grants are:

Grant date	Risk free interest rate	Expected life	Expected volatility	Dividend yield	Fair value of the underlying share in the market at the time of the option grant (Rs.)
January 25, 2018	7.43%	4 Years	10.91%	1.09%	58.97
May 28, 2019	7.03%	4 Years	15.33%	1.09%	77.09
August 24, 2020	5.29%	4 Years	24.49%	0.27%	198.46
November 10, 2021	6.22%	4 Years	21.17%	0.72%	170.19
August 26, 2022	7.22%	4 Years	21.26%	0.60%	191.23
September 26, 2023	7.15%	4 Years	12.29%	0.40%	346.55

⁻ Volatality used in the "Black-Scholes model" is the annual standard deviation of the continuously compounded rate of the return of the stock over a period of the time. The equity shares of the company is not listed so the volatality of the listed peers has been considered.

ONDITION NOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2025

Shares reserved for issue under Employee Stock Option Plan

Pa	rticulars	No. of Stock options/ Equity shares	
	a. Number of equity shares approved/reserved for issue under Employee Stock Option Plan, 2017 to employees of the Company drawn in accordance with Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Share Capital and Debentures) Rules, 2014 and other Rules framed thereunder:	676,039	
b.	Options granted under the scheme up to March 31, 2025	606,153	
c.	Options cancelled up to March 31, 2025 and added back to pool for future grants	116,416	
d.	Net ESOP Granted	362,616	
e.	Balance available under the scheme for future grants (e=a-b+c)	186,302	

44. Employee Benefits (Ind AS 19):

Defined benefits plans

(A) Gratuity

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the Gratuity Act, an employee who has completed five years of service is entitled to specific benefits. The level of benefits provided depends on the member's length of service and salary at retirement age.

If the plan is funded then in case the actual return on the plan assets drops in the future period it may result in increase in the liability. There is also a risk of asset liability matching i.e. the cashflow for plan assets does not match with cashflow for plan liabilities.

Movement in defined benefit obligations:

(₹ in Lakhs)

Post Conference	As At		
Particulars	March 31, 2025	March 31, 2024	
Defined benefit obligation as at the opening of the year	400.12	348.19	
Current service cost	13.37	25.65	
Interest on defined benefit obligation	21.88	21.44	
Remeasurements due to:			
Actuarial loss/(gain) arising from change in financial assumptions	(10.34)	1.09	
Actuarial loss/(gain) arising from change in demographic assumptions	(17.90)	(8.96)	
Actuarial loss/(gain) arising on account of experience changes	24.81	45.79	
Benefits paid by employer	(29.24)	(33.08)	
Benefits paid by fund	-	-	
Past Service Cost	35.00	•	
Liabilities assumed/(settled)	-	-	
Defined benefit obligation as at the end of the year	437.70	400.12	

Movement in plan assets:

(₹ in Lakhs)

Particulars	As At		
rariculars	March 31, 2025	March 31, 2024	
Fair value of the asset as at the beginning of the year	241.70	217.19	
Employers contributions	-	-	
Interest on plan assets	17.04	15.72	
Actuarial loss/(gain)	4.39	8.79	
Remeasurements due to:			
Actual return on plan assets less interest on plan asset	-	-	
Benefits paid	-	-	
Assets acquired/(settled)	-	-	
Fair value of plan asset as at the end of the year	263.13	241.70	

Reconciliation of net liability/asset:

		(,	
Particulars	As At		
	March 31, 2025	March 31, 2024	
Net defined benefit liability/(asset) as at the beginning of the year	158.42	131.00	
Expense charged to Statement of Profit and Loss	53.21	31.37	
Amount recognised in other comprehensive income	(7.82)	29.13	
Employer contributions/payments	(29.24)	(33.08)	
Net defined benefit liability/(asset) as at the end of the year	174.57	158.42	

MOTES TO FINANCIAL STATEMENTS



for the year ended March 31, 2025

Expenses charged to the Statement of Profit and Loss:

(₹ in Lakhs)

Particulars	As At		
	March 31, 2025	March 31, 2024	
Current service cost	13.37	25.65	
Interest cost	4.83	5.71	
Past Service Cost	35.01	-	
Total	53.21	31.37	

Remeasurement (gains)/losses in other comprehensive income:

(₹ in Lakhs)

Dord of the	As At	
Particulars	March 31, 2025	March 31, 2024
Opening amount recognised in other comprehensive income	6.32	(22.81)
Changes in financial assumptions	(10.34)	1.09
Changes in demographic assumptions	(17.90)	(8.96)
Experience adjustments	24.81	45.79
Actual return on plan assets less interest on plan assets	(4.39)	(8.79)
Adjustment to recognise the effect of asset ceiling	-	-
Closing amount recognised outside profit or loss in other comprehensive income	(1.50)	6.32

Amount recognised in Balance Sheet:

(₹ in Lakhs)

Double day	As At		
Particulars	March 31, 2025	March 31, 2024	
Present value of Unfunded defined benefit obligation	437.70	400.12	
Fair value of plan assets	(263.13)	(241.70)	
Net funded obligation	174.57	158.42	
Amount not recognised due to asset limit	-	-	
Present value of Funded defined benefit obligation	-	-	
Net defined benefit liability recognised in Balance Sheet	174.57	158.42	

Actual Return on Plan Assets

(₹ in Lakhs)

Particulars	As At		
	March 31, 2025	March 31, 2024	
Interest Income on Plan Assets	17.04	15.72	
Remeasurements on Plan Assets	4.39	8.79	
	21.43	24.51	

Key actuarial assumptions:

(₹ in Lakhs)

0. 2. 1	As	At
Particulars	March 31, 2025	March 31, 2024
Economic Assumptions		
Discount rate (p.a.)	6.47%	7.05%
Salary escalation rate (p.a.)	8.00%	10.00%
Expected Rate of Returns on Assets	6.47%	7.24%
Rate of Future Salary increase	8.00%	10.00%
Demographic Assumptions		
Mortality	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate
Employee Turnover/Withdrawal rate	80.00%	Sales - 85.00% Non-Sales - 47.27%
Retirement age	55 years	55 years
Category of plan assets		
Insurer managed funds	100%	100%

The scheme has been funded through a Trust. The Trust has taken a policy from the Bajaj Allianz Life Insurance Co. Ltd.(BALICL) and the fund is under management of the (BALICL).

ONDITION NOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2025

Sensitivity analysis for significant assumptions is as shown below:

(₹ in Lakhs)

Particulars -			As	at		
		March 31, 2025	;	March 31, 2024		
		Salary	Withdrawal	Salary	Discount	Withdrawal
	rate	escalation rate	rate	escalation rate	rate	rate
Impact of increase in 100 bps on defined benefit obligation	(2.79)	4.59	(0.51)	(4.63)	6.20	(1.10)
Impact of decrease in 100 bps on defined benefit obligation	2.85	(4.57)	0.53	4.79	(6.10)	1.14

Projected plan cash flow:

(₹ in Lakhs)

Particulars	As At	
rariculars	March 31, 2025	March 31, 2024
Maturity Profile :		
Expected benefits for year 1	376.80	199.57
Expected benefits for year 2	79.54	88.98
Expected benefits for year 3	13.07	60.80
Expected benefits for year 4	3.28	18.76
Expected benefits for year 5	0.81	12.24
Expected benefits for year 6 and above	0.24	16.17

Expected contribution to fund in the next year:

(₹ in Lakhs)

Particulars	As At		
	March 31, 2025	March 31, 2024	
Expected contribution to fund in the next year	189.84	1 <i>7</i> 1.69	

(B) Compensated absences

(₹ in Lakhs)

		(\ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \	
Particulars	As	As At	
	March 31, 2025	March 31, 2024	
Maturity Profile			
Present value of unfunded obligations	256.46	248.15	
Expense recognised in the Statement of Profit and Loss	27.60	143.35	
Discount rate (p.a.)	6.47%	7.05%	
Salary escalation rate (p.a)	8.00%	10.00%	

Key actuarial assumptions:

(₹ in Lakhs)

	(III Editio
	As At
Particulars	March 31, 2025 March 31, 2024
Economic Assumptions	
Discount rate (p.a.)	6.47% 7.05%
Salary escalation rate (p.a.)	8.00% 10.00%
Expected Rate of Returns on Assets	N.A. N.A
Demographic Assumptions	
Mortality	IALM (2012-14) IALM (2012-14) Ultimate Ultimate
Employee Turnover/Withdrawal rate	80.00% Sales - 85.00% Non-Sales - 47.27%
Leave availment ratio	2.00% 2.00%
Retirement age	55 years 55 years

To estimate liabilities towards availment, an assumption towards leave availment is needed. It is assumed that 2% leaves out of opening balance will be availed during the year (in addition to accrual of leaves during the financial year).

ONDITION NOTES TO FINANCIAL STATEMENTS



for the year ended March 31, 2025

C) Various Risk Exposures

Salary escalation rate

More than expected increase in the future salary levels may result in increase in the liability

Employee Turnover rate/Withdrawal rate

If the actual withdrawal rate in the future turns out to be more or less than expected then it may result in increase in the liability

Mortality / Disability

If the actual mortality rate in the future turns out to be more or less than expected then it may result in increase in the liability

Discount rate

In case the yield on the government bonds drops in the future period then it may result in increase in the liability

Investment risk

If the plan is funded then in case the actual return on the plan assets drops in the future period it may result in increase in the liability. There is also a risk of asset liability matching i.e. the cashflow for plan assets does not match with cashflow for plan liabilities.

45 Events after reporting date

There have been no events after the reporting date that require adjustment/disclosure in these financial statements.

46. Fair values

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique.

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques. This note describes the fair value measurement of both financial and non-financial instruments.

Valuation framework

The Company will assess the fair values for assets qualifying for fair valuation.

The Company's valuation framework includes:

- 1. Benchmarking prices against observable market prices or other independent sources;
- 2. Development and validation of fair valuation models using model logic, inputs, outputs and adjustments.

These valuation models are subject to a process of due diligence and validation before they become operational and are continuously calibrated. These models are subject to approvals by various functions.

Valuation methodologies adopted

Fair values of financial assets, other than those which are subsequently measured at amortised cost, have been arrived at as under:

* Fair values of investments held for trading under FVTPL have been determined under level 1 (refer note no. 47) using quoted market prices of the underlying instruments;

The Company has determined that the carrying values of cash and cash equivalents, bank balances, trade receivables, short term loans, floating rate loans, trade payables, short term debts, borrowings, bank overdrafts and other current liabilities are a reasonable approximation of their fair value and hence their carrying value are deemed to be fair value.

47. Fair value hierarchy

The Company determines fair values of its financial instruments according to the following hierarchy:

Level 1: valuation based on quoted market price: financial instruments with quoted prices for identical instruments in active markets that the Company can access at the measurement date.

Level 2: valuation based on using observable inputs: financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.

Level 3: valuation technique with significant unobservable inputs: – financial instruments valued using valuation techniques where one or more significant inputs are unobservable.

Quantitative disclosures of fair value measurement hierarchy for financial instruments as at March 31, 2025 :

				(/ III Eakiis
Fair value measurement using				
Carrying	Quoted prices	Significant observable	Significant unobservable	Total
value	in active (Level 1)	inputs (Level 2)	inputs (Level 3)	
7.86	7.48	-	0.38	7.86
355.56	355.56	-	-	355.56
	7.86	7.86 7.48	Carrying Quoted prices in active (Level 1) 7.86 Carrying Quoted prices in active (Level 1) 7.86 Carrying Quoted prices inputs (Level 2) 7.86	Carrying Quoted prices in active (Level 1) Significant observable inputs (Level 2) inputs (Level 3) 7.86 7.48 - 0.38

ONDITION NOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2025

Quantitative disclosures of fair value measurement hierarchy for financial instruments as at March 31, 2024:

(₹ in Lakhs)

	Fair value measurement using				
Particulars	Carrying	Quoted prices	Significant observable	Significant unobservable	Total
	value	in active (Level 1)	inputs (Level 2)	inputs (Level 3)	
Financial assets classified in Fair					
Value through Proft or Loss (FVTPL)					
Investments	6.70	6.14	-	0.56	6.70

The following table presents the changes in level 3 financial assets for the periods:

(₹ in Lakhs)

Particulars	For the year ended			
rariculars	March 31, 2025	March 31, 2024		
Opening balance	0.56	0.56		
Acquisitions during the year	-	-		
Disposals during the year	-	-		
Fair value gains/losses recognised in profit or loss	(0.18)	-		
Gains / (losses) recognised in other comprehensive income	-	-		
Closing balance	0.38	0.56		

Fair value of financial instruments measured at amortised cost as at March 31, 2025 :

(₹ in Lakhs)

		Fair v	alue measuremen	nt using	
Particulars	Carrying value	Quoted prices in active (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Financial assets		(Level 1)	Inpuis (Level 2)	inpois (Level 3)	
Cash and cash equivalents	43,617.04	-	-	-	43,617.04
Bank balances other than cash and cash equivalents	1,105.98	-	-	-	1,105.98
Other receivables	305.83	-	-	305.83	305.83
Loans	314,768.84	-	-	314,768.84	314,768.84
Other financial assets	4,143.60	-	-	4,143.60	4,143.60
Financial Liabilities					
Other payables	898.58	-	-	898.58	898.58
Debt securities	40,439.63	-	-	40,439.63	40,439.63
Borrowings (Other than debt securities)	223,088.96	-	-	223,088.96	223,088.96
Sub ordinated liabilities	9,551.42	-	-	9,551.42	9,551.42
Lease Liability	1,453.15	-	-	1,453.15	1,453.15
Other financial liabilities	39,283.49	-	-	39,283.49	39,283.49

Fair value of financial instruments measured at amortised cost as at March 31, 2024:

		•			,
		Fair v	alue measuremen	ıt using	
Particulars	Carrying value	Quoted prices in active	Significant observable	Significant unobservable	Total
	value	(Level 1)	inputs (Level 2)	inputs (Level 3)	
Financial assets					
Cash and cash equivalents	9,928.48	9,928.48	-	-	9,928.48
Bank balances other than cash and cash equivalents	4,354.07	4,354.07	-	-	4,354.07
Other receivables	351.95	-	-	351.95	351.95
Loans	239,777.67	-	-	239,777.67	239,777.67
Other financial assets	3,743.14	-	-	3,743.14	3,743.14
Financial Liabilities					
Other payables	867.71	-	-	867.71	867.71
Debt securities	30,881.59	-	-	24,152.63	24,152.63
Borrowings (Other than debt securities)	155,560.26	-	-	136,370.83	136,370.83
Deposits	-	-	-	-	-
Sub ordinated liabilities	9,484.81	-	-	6,692.83	6,692.83
Lease Liability	1,585.61	-	-	1,585.61	1,585.61
Other financial liabilities	30,314.70	-	-	30,314.70	30,314.70

ONDITION NOTES TO FINANCIAL STATEMENTS



for the year ended March 31, 2025

Valuation technique used

- Assets measured at fair value on a recurring basis - Loans

The scheduled future cash flows (including principal and interest) are discounted using the lending rate prevailing as at the Balance sheet date. The discounting factor is applied assuming the cash flows will be evenly received in a month. Further the overdue cash flows upto 90 Days (upto stage 2) are discounted assuming they will be received in the third month. Fairvalue of cash flows for stage 3 loans are assumed as carrying value less provision for expected credit loss.

- For Investment in Equity Instruments

For Investments in equity instruments and liquid/debt mutual funds, the company has assessed the carrying value as an approximation of the fair value.

- Financial liabilities measured at amortised cost - Borrowings

The fair value of fixed rate borrowings is determined by discounting expected future contractual cash flows using current market interest rate being charged for new borrowings. The fair value of floating rate borrowing is deemed to equal its carrying value.

There have been no transfer between Level 1, 2 and 3 during the year ended March 31, 2025 and March 31, 2024.

48. Capital management

Objective

The Company's objective is to maintain appropriate levels of capital to support its business strategy taking into account the regulatory, economic and commercial environment.

The Company aims to maintain a strong capital base to support the risks inherent to its business and growth strategies. The Company endeavours to maintain a higher capital base than the mandated regulatory capital at all times.

Planning

The Company's assessment of capital requirement is aligned to its planned growth which forms part of an annual operating plan which is approved by the Board and also a long range strategy. These growth plans are aligned to assessment of risks—which include credit, liquidity and interest rate.

The Company monitors its capital to risk-weighted assets ratio (CRAR) through its Assets Liability Management Committee (ALCO).

(i) Regulatory capital

(₹ in Lakhs)

Particulars	As	As At			
raniculars	March 31, 2025	March 31, 2024			
Tier I capital	78,227.59	38,223.12			
Tier II capital	8,793.12	10,358.01			
Total	87,020.71	48,581.13			
Risk weighted assets (RWA)	351,527.87	265,336.94			
Tier I CRAR	22.26%	14.41%			
Tier II CRAR	2.50%	3.90%			

Note 1: CRAR as at March 31, 2025 & March 31, 2024 is on the basis of CRAR filed with RBI.

Note 2: During the year the Compulsory Convertible Preference Shares (CCPS) issued by the Company to Wanaka Inclusions a private equity investor, has been reported as part of 'Borrowings (other than debt securities)' as it meets the criteria specified in definition of financial liability under Ind AS 32. However, the same has been included as Tier-1 Capital for calculation of CRAR as per RBI guidelines.

Proposed for approval at the annual general meeting (not recognised as a liability)

(₹ in Lakhs)

		(=	
Don't a large	As At		
Particulars	March 31, 2025	March 31, 2024	
Dividend on equity shares (a)	-	-	
Profit after tax for the year ended (b)	4,739.06	6,393.98	
Dividend proposed as a percentage of profit after tax (a/b)	0.00%	0.00%	

49. Details of CSR expenses:

(₹ in Lakhs)

Don't and annual from the state of the state	For the year ended			
Particulars	March 31, 2025	March 31, 2023		
a) Gross amount required to be spent by the Company during the year	92.47	62.09		
b) Amount spent during the year on purposes other than construction/acquisition of any asset :	(92.52)	(77.61)		
Amount Spent				
c) Yet to be spent / (excess spent) (a-b)	(0.05)	(15.52)		

There is no shortfall in the CSR amount required to be spent by the Company as per section 135(5) of the Act for the financial years ended March 31, 2025 and March 31, 2024.

CSR activities include Education, Preventive Healthcare, Scholarship Scheme, Training and Skill Development, Contribution towards Primary, Secondary and Higher Education and other activities which are specified under Schedule VII of Companies Act, 2013.

The Company has neither made any CSR Contributions towards its related parties nor recorded any provision for CSR expenditure during the financial years ended March 31, 2025 and March 31, 2024.

MOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2025

50. Ratios:

Particulars	Numerator	Denominator	Ratio 31st March 2025	Ratio 31st March 2024	% of variance	Reasons for variance (if above 25%)
Capital to risk-weighted assets ratio (CRAR)	Total Capital Funds	Risk Weighted Assets	24.76%	18.31%	35.25%	Equity and CCPS raised during the year
Tier I CRAR	Net Owned Funds	Risk Weighted Assets	22.26%	14.41%	54.50%	Equity and CCPS raised during the year
Tier II CRAR	Defered Revenue Expenditure +Deferred Tax+Intangible Asset	Risk Weighted Assets	2.50%	3.90%	-35.86%	Tier II capital raised in earlier year after Risk weight has reduced

51. Risk management objectives and policies

Risk Management Framework

A summary of the major risks faced by the Company, its measurement monitoring and management are described as under:

Nature of risk	Arising from	Executive governance structure	Measurement, monitoring and management of risk
Liquidity and funding risk	Liquidity risk arises from mismatches in the timing of cash flows. Funding risk arises: * when long term assets cannot be funded at the expected term resulting in cashflow mismatches; * amidst volatile market conditions impacting sourcing of funds from banks.	Board appointed Asset Liability Management Committee (ALCO)	Liquidity and funding risk is: * measured by identifying gaps in the structural and dynamic liquidity statements. * monitored by - assessment of the gap between visibility of funds and the near term liabilities given current liquidity conditions and evolving regulatory directions for NBFCs. - a constant calibration of sources of funds in line with emerging market conditions in banking markets. - periodic reviews by ALCO relating to the liquidity position and stress tests assuming varied 'what if' scenarios and comparing probable gaps with the liquidity buffers maintained by the Company. - managed by the Company's treasury team under the guidance of ALCO.
Interest rate risk	Interest rate risk stems from movements in market factors such as interest rates, credit spreads which impacts investments, income and the value of portfolios.	Board appointed Asset Liability Management Committee (ALCO)	Interest rate risk is: * measured using Valuation at Risk ('VaR'), and modified duration analysis and other measures, including the sensitivity of net interest income. * monitored by assessment of probable impacts of interest rate sensitivities under simulated stress test scenarios given range of probable interest rate movements on both fixed and floating assets and liabilities. * managed by the Company's treasury team under the guidance of ALCO.
Credit risk	Credit risk is the risk of financial loss arising out of a customer or counterparty failing to meet their repayment obligations to the Company.	Board appointed Risk Management Committee.	Credit risk is: *measured as the amount at risk due to repayment default of a customer or counterparty to the Company. Various matrics such as EMI default rate, overdue position, collectione fficiency, customers non performing loans etc. are used as leading indicators to assess credit risk. * monitored by Risk Management Committee using level of credit exposures, portfolio monitoring, repurchase rate, bureau data of portfolio performance and industry, geographic, customer and portfolio concentration risks. * managed by a robust control framework by the risk department which continuously align credit policies, obtaining external data from credit bureaus and reviews of portfolios and delinquencies. The same is periodically reviewed by the Board appointed Risk Management Committee.





for the year ended March 31, 2025

Liquidity and funding risk

The Company's ALCO monitors asset liability mismatches to ensure that there are no imbalances or excessive concentrations on either side of the Balance Sheet.

The Company continuously monitors liquidity in the market; and as a part of its ALCO strategy, the Company maintains a liquidity buffer managed by an active investment desk to reduce this risk.

The Company maintains a judicious mix of borrowings from banks and other financial institutions. The Company continues to diversify its sources of borrowings with an emphasis on longer tenor borrowings. This strategy of balancing varied sources of funds and long tenor borrowings has helped the Company maintain a healthy asset liability position and contain interest rate movements during the financial year 2024-25.

The table below summarises the maturity profile of the undiscounted cashflow of the Company's financial liabilities and financial assets:

(\ In Lakins						
		March 31, 202	5	I	March 31, 202	4
Particulars	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial liabilities						
Debt securities	<i>7</i> ,118.90	33,320.73	40,439.63	10,073.45	33,513.35	43,586.81
Borrowings (Other than debt securities)	85,554.02	137,534.94	223,088.96	65,496.55	113,254.07	178,750.62
Sub ordinated liabilities	-	9,551.42	9,551.42	1,017.60	11,949.06	12,966.65
Other payables	898.58	-	898.58	867.71	_	867.71
Lease Liability	-	1,453.15	1,453.15	-	1,585.61	1,585.61
Derivative financial instrument	-	355.56	355.56	-	_	-
Other financial liabilities	1 <i>5</i> ,895.70	23,387.79	39,283.49	7,221.78	23,092.91	30,314.70
Financial Assets						
Loans	97,753.67	217,015.17	314,768.84	108,374.69	245,320.12	353,694.81
Cash and cash equivalents	43,617.04		43,617.04	<i>7,</i> 391 <i>.</i> 76	-	<i>7,</i> 391. <i>7</i> 6
Bank balances other than cash and cash equivalents	958.28	147.70	1,105.98	6,619.73	271.05	6,890.79
Investments		7.86	7.86	-	6.70	6.70
Other receivables	305.83		305.83	351.95	-	351.95
Other financial assets	187.03	3,956.57	4,143.60	559.08	3,184.07	3,743.14

ONDITION NOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2025

The table below shows an analysis of assets and liabilities analysed (maturity analysis) according to when they are to be recovered or settled.

March			5		March 31, 202	(₹ in Lakhs) 4
Particulars	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS						
Financial Assets						
Cash and cash equivalents	43,617.04	-	43,617.04	9,928.48	-	9,928.48
Bank balances other than cash and cash equivalents	958.28	147.70	1,105.98	4,083.02	271.05	4,354.07
Other receivables	305.83	-	305.83	351.95		351.95
Loans	97,753.67	217,015.17	314,768.84	81,911.96	1 <i>57</i> ,865.71	239,777.67
Investments	-	7.86	7.86		6.70	6.70
Other financial assets	187.03	3,956.57	4,143.60	559.08	3,184.06	3,743.14
Non financial assets						
Current tax assets	76.22		76.22	1,075.00	30.51	1,105.51
Deferred tax assets (Net)	-	414.53	414.53	-	-	-
Investment property	-	379.64	379.64	-	400.34	400.34
Property, plant and equipment	-	12,250.86	12,250.86	-	11,116.83	11,116.83
Right of use Asset	_	1,409.57	1,409.57		1,439.47	1,439.47
Intangible assets	-	334.13	334.13	_	272.77	272.77
Capital work in progress	-	96.60	96.60	_	99.05	99.05
Other non financial assets	1,034.05	_	1,034.05	1,027.28	_	1,027.28
Total Assets	143,932.12	236,012.63	379,944.75	98,936.76	174,686.50	273,623.26
			,		-	
LIABILITIES AND EQUITY						
Ligbilities						
Financial Liabilities						
Payables -						
Trade payables						_
Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
Total outstanding dues of other than micro enterprises and small enterprises	-	-	-	-	-	-
Other payables				-	-	-
Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
Total outstanding dues of other than micro enterprises and small enterprises	898.58	-	898.58	867.71	-	867.71
Debt securities	7,118.90	33,320.73	40,439.63	8,818.92	22,062.68	30,881.59
Borrowings (Other than debt securities)	85,554.02	137,534.94	223,088.96	55,924.22	99,636.04	155,560.26
Sub ordinated liabilities	-	9,551.42	9,551.42	-	9,484.81	9,484.81
Other financial liabilities	15,895.70	23,387.79	39,283.49	7,221.78	23,092.92	30,314.70
Derivative financial instrument	-	355.56	355.56	-	-	-
Lease Liability	-	1,453.15	1,453.15	-	1,585.62	1,585.62
Non financial liabilities						
Current tax liabilities	275.69	-	275.69	1,066.56	-	1,066.56
Deferred Tax Liabilities	-	-		-	357.46	357.46
Provisions	356.62	120.67	477.29	284.75	154.41	439.16
Other non financial liabilities	430.63	-	430.63	227.04	-	227.04
Equity						
Equity share capital	-	4,202.22	4,202.22	-	3,518.83	3,518.83
Other equity	-	59,488.13	59,488.13	-	39,319.53	39,319.53
Total Equity & liabilities	110,530.14	269,414.61	379,944.75	74,410.97	199,212.27	273,623.24

ONDITION NOTES TO FINANCIAL STATEMENTS



for the year ended March 31, 2025

Market risk

Market risk is the risk that the fair value of future cash flow of financial instruments will fluctuate due to changes in the market variables such as interest rates, foreign exchange rates and equity prices. The Company do not have any exposure to foreign exchange rate and equity price risk.

Interest rate risk

On Investments

Sensitivity analysis

(₹ in Lakhs)

	Fair value	Sensitivity to fair value		
Particulars	Ind AS	1% increase	1% decrease	
March 31, 2025	7.86	7.94	7.78	
March 31, 2024	6.70	6.76	6.63	

On assets and liabilities

Interest rate sensitivity on fixed and floating rate assets and liabilities with differing maturity profiles is measured quarterly assuming varied changes in interest rates are presented and monitored by ALCO.

Sensitivity analysis as at March 31, 2025 :

(₹ in Lakhs)

B I	Fair value	Sensitivity to	fair value
Particulars	Ind AS	1% increase	1% decrease
Loans	314,768.84	317,916.53	311,621.15
Investment properties	590.92	596.83	585.01
Debt securities	40,439.63	40,844.03	40,035.23
Borrowings (Other than debt securities)	223,088.96	225,319.85	220,858.07
Cash Collateral	27,318.75	27,591.94	27,045.56
Security deposit on Leased Assets	1,066.06	1,076.72	1,055.40
Sub ordinated liabilities	9,551.42	9,646.93	9,455.91

Sensitivity analysis as at March 31, 2024:

(₹ in Lakhs)

			(\ III EUKIIS)	
	Fair value	Sensitivity to fair value		
Particulars	Ind AS	1% increase	1% decrease	
Loans	2,39,777.67	2,37,379.90	2,42,175.45	
Investment properties	581.84	576.02	587.66	
Debt securities	24,152.63	23,774.81	24,544.04	
Borrowings (Other than debt securities)	1,36,370.83	1,34,580.52	1,38,216.87	
Cash Collateral	22,398.86	22,622.85	22,174.87	
Security deposit on Leased Assets	702.34	709.36	695.32	
Sub ordinated liabilities	6,692.83	6,398.78	7,003.47	

Credit risk

Credit risk is the risk of financial loss arising out of a customer or counterparty failing to meet their repayment obligations to the Company.

The company assesses the risk of loss on realisation in case of Stage 3 loans based on the available collateral security, which can be plant & machinery, property, book debts, vehicles etc.

The Company assesses the credit quality of all financial instruments that are subject to credit risk. The computation of Probability of defaults has been derived based on overall behaviour of the portfolio.

Classification of financial assets under various stages

 $\label{thm:company} The \ Company\ classifies\ its\ financial\ assets\ in\ three\ stages\ having\ the\ following\ characteristics:$

Stage 1: When loans are first recognised, the Company recognises an allowance based on 12M-ECL. Such loans also include facilities where the credit risk has improved and the loan has been reclassified from stage 2 or stage 3.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the company records an allowance applicable to Lifetime ECL.

MOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2025

Definition of Default (Asset becomes credit impaired - Stage III)

A default is considered to have occurred with regard to a particular obligor when one or more of the following events has taken place.

- (a) It is determined that the obligor is unlikely to pay its debt obligations (principal, interest, or fees) in full
- (b) A credit loss event associated with any obligation of the obligor, such as a charge-off, specific provision, or distressed restructuring involving the forgiveness or postponement of principal, interest, or fees; or
- (c) The obligor is past due more than 90 days on any credit obligation; or
- (d) The obligor has filed for bankruptcy or similar protection from creditors.
- (e) Any of the hypothecated assets has been repossessed

Stage 3: Loans considered credit-impaired (as outlined in Note 39). The Company records an allowance as applicable for the Lifetime ECL.

In line with the internal credit risk management and regulatory requirements the default is defined as any loans/advance remaining overdue for more than 90 days due to non-payment of installment and or interest

Significant increase in Credit Risk (Stage II)

Under the classification requirement for loans and advances under Ind-AS, a case has to have classified under Stage 2 where there is a significant increase in credit risk demonstrated by non-payment of installment and or interest by the counter party.

In line with existing portfolio performance and experience and definition set forth by RBI guidelines, EFL shall classify portfolio which is more that 30 days past due as Stage 2.

Computation of Expected Credit Losses (ECL)

ECL is a product of PD % X LGD % X EAD

For Stage 1 (DPD Bucket 0 & 1) – 12-month average PD% x LGD% x EAD of Stage 1 portfolio

For Stage 2 (DPD Bucket 2 & 3) - Lifetime PD% x LGD% x EAD of Stage 2 portfolio

For Stage 3 (DPD 4 and above) - PD 100% X LGD% X EAD of Stage 3 portfolio

Probability of Default (PD) is calculated as Historical PD giving impact of forward looking by using macro economic factor.

Loss given Default (LGD) is calculated as Historical default and recovery thereof.

Primary and Collateral Securities

The nature of lending products of the company are either secured or unsecured. Secured products are secured by hypothecation of primary security (for purchase of which the loan was granted) and/or it may be additionally secured by hypothecation of a collateral security for property loans, the company secures its charge on security by mortgage of property. Although the primary security and collateral are important risk mitigating factors for credit risk, it is ensured that lending decisions are taken based on the assessment of the customer's ability to repay, preparedness to generate sufficient cash flows and intention to repay which is assessed based on previous track records.

Based on the nature of product and the Company's assessment of the customer's credit risk, the borrower may be mandated to secure the loan by offering suitable collateral security. Depending on its quantum and form, collateral security can have a significant financial impact on mitigating the credit risk.

The Company periodically monitors the market value of primary and collateral securities and compares its exposure to arrive at loan to value metrics for high risk customers. The Company selectively exercises its right to repossess the machinery, surrender the insurance policies and attach the properties across all secured products.

Where-ever required, it also resorts to invoking its right under the SARFAESI Act and other judicial remedies available for its machine finance and industrial property loan assets. The repossessed assets are either sold or released to delinquent customers in case they come forward to settle their dues.

The Company does not record repossessed assets on its Balance Sheet as non–current assets held for sale unless there is a documented transaction of purchase of such asset against full (or partial) settlement of loan.

ONDITION NOTES TO FINANCIAL STATEMENTS



for the year ended March 31, 2025

Analysis of Concentration Risk

The Company continues to grow its product offerings by expanding its geographic reach in order to reduce geographic concentrations while continually calibrating its product mix across its various categories of lending.

ECL sensitivity to future economic conditions

Expected credit loss impairment allowances recognised in the financial statements reflect the estaimations used in computation of its input vairables i.e. PD and LGD percentages.

The following table summarises the impact on the Expected Credit Loss (ECL) at the end of the reporting period arising on due to changes in PD % and LGD%.

(₹ in Lakhs)

Dtil	As	At
ted ECL ted ECL coverage mount for alternate situations al scenario ide scenario (-5%) e scenario (+5%) overage ratios by scenarios	March 31, 2025	March 31, 2024
Gross carrying amount of loans	320,455.14	243,480.42
Reported ECL	5,686.30	3,702.76
Reported ECL coverage	1.77%	1.52%
ECL amount for alternate situations		
Central scenario	5,686.30	3,702.76
Downside scenario (-5%)	5,970.62	3,887.90
Upside scenario (+5%)	5,401.99	3,517.62
ECL coverage ratios by scenarios		
Central scenario	1.77%	1.52%
Downside scenario (-5%)	1.86%	1.60%
Upside scenario (+5%)	1.69%	1.44%

52. Additional Regulatory Requirements

a. Loans and advances to promoters, Directors, Key Managerial Personnel and Related Parties:

As at March 31, 2025

(₹ in Lakhs)

Type of Borrower	Loan	Advance	Percentage of Loan to total loan	Percentage of advance to total advance
Promoters	-	-	-	-
Directors	-	-	-	-
Key Managerial Personnel	-	-	-	-
Related Parties	17.61	-	0.00%	-

As at March 31, 2024

(₹ in Lakhs)

Type of Borrower	Loan	Advance	Percentage of Loan to total loan	Percentage of advance to total advance
Promoters	-	-	-	-
Directors	-	-	-	-
Key Managerial Personnel	-	-	-	-
Related Parties	25.26	-	0.00%	-

b] No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder

c] Registration of Charges or Satisfaction with Registrar of Companies (ROC)

All charges or satisfaction are registered with ROC within the statutory period for the financial year ended March 31, 2025 and March 31, 2024. No Charge or satisfactions are yet to be registered with ROC beyond the Statutory period

d] Compliance with number of layers of companies

The Company has complied with the number of layers pescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017 for the financial years ended March 31, 2025 and March 31, 2024

e] Undisclosed Income

There are no transactions relating to previously unrecorded income that have 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).

MOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2025

- f] The Company has not advances or loaned or invested (either from borrowed funds or share premium or any other sources or other kind of funds) to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Baneficiaries.
- g] The Company has not received any funds (which are material either individually or in the aggregate) from any person or entity, including foreign entity ("FundingParties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

h] Details of Crypto Currency or Virtual Currency

The Company has not traded or invested in Crypto currency or Virtual currency during the financial year ended March 31, 2025 and March 31, 2024.

i] Wilful Defaulter

The Company has not been declared as a wilful defaulter by any bank or financial institution or other lender, as the Company had no borrowings during the financial year ended March 31, 2025 and March 31, 2024.

j) Fraud Reporting

The company has not reported any fraud during the year ended march 31 2025.

During the year ended March 31, 2024, the Company had detected fraud in the nature of embezzlement of funds amounting to Rs 322.20 Lakh by an employee, who was working at the Head Office of the Company. The fraud was detected after reconciliation of the accounts and internal investigation by the Company when the perpetrator was on leave. The perpetrator embezzled the funds of the Company amounting to by making unauthorised payment for third parties not connected with the Company. The Company has lodged a FIR with the concerned police station in the matter and investigation is underway. The Company had made necessary intimations to the RBI and BSE in connection with the said matter. An amount of Rs.298.14 lakhs (net of Rs.24.06 lakhs recovered by the Company) had been fully provided for and shown as part of Other expenses.

k) Relationship with Struck off companies

There are no relationship with Struck off companies during the year ended March 31, 2025 and March 31, 2024.

ONOTES TO FINANCIAL STATEMENTS



for the year ended March 31, 2025

53. Additional disclosures as required by RBI

As required by Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023

a. Capital to Risk Assets Ratio ('CRAR')"

Sr. No.	Particulars	March 31, 2025	March 31, 2024
(i)	CRAR (%)	24.76%	18.31%
(ii)	CRAR — Tier I Capital (%)	22.26%	14.41%
(iii)	CRAR — Tier II Capital (%)	2.50%	3.90%
(iv)	Amount of subordinated debt raised as Tier II Capital	-	6,553.92
(v)	Amount raised by issue of Perpetual Debt Instruments	-	-

Note 1: CRAR as at March 2025 is on the basis of CRAR filed with RBI.

Note 2: During the year the Compulsory Convertible Preference Shares (CCPS) issued by the Company to Wanaka Inclusions, a private equity investors, has been reported as part of 'Borrowings (other than debt securities)' as it meets the criteria specified in definition of financial liability under Ind AS 32. The same has been included as Tier-1 Capital for calculation of CRAR as per RBI guidelines.

b. Investments (₹ in Lakhs)

Sr. No.	Particulars	March 31, 2025	March 31, 2024
1	Value of Investment		
(i)	Gross value of Investments	7.86	6.70
	(a) In India	7.86	6.70
	(b) Outside India	-	-
(ii)	Provision for Depreciation	-	-
	(a) In India	-	-
	(b) Outside India	-	-
(iii)	Net Value of Investments	7.86	6.70
	(a) In India	7.86	6.70
	(b) Outside India		
2)	Movement of provisions held towards depreciation on investments		
(i)	Opening Balance	-	-
(ii)	Add: Provisions made during the year	-	-
(iii)	Less: Write off/ write back of excess provision during the year	-	-
(iv)	Closing Balance	-	-

c. Derivatives:

1. Forward Rate Agreement (FRA) / Interest Rate Swap (IRS)

(₹ in Lakhs)

Sr. No.	Particulars	March 31, 2025	March 31, 2024
1	The Notional principal of swap agreement	15,482.49	-
2	Losses which would be incurred if counterparties failed to fulfil their obligations under the agreement	-	-
3	Collateral required by the Company upon entering into swaps	-	-
4	Concentration of credit risk arising from the swaps	-	-
5	The fair value of the swap book (Asset/(liability))	(355.56)	-

2. Disclosures on risk exposure and derivatives

Qualitative Disclosures

Sr. No.	Particulars	March 31, 2025	March 31, 2024
1	Derivative (Notional Principal Amount)		
	For Hedging	15,482.49	-
2	Marked to market position	-	-
	(a) Asset [+] Estimated Gain	-	-
	(b) Liability [-] Estimated Loss	(355.56)	-
3	Credit Exposure	15,126.93	-
4	Unhedged exposures	-	-

ONDITION NOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2025

d. Disclosures relating to Securitization

During the previous year the Company has sold loans through securitization. The information on securitization activity of the Company as an During the year the Company has sold loans through securitization. The information on securitization activity of the Company as an originator is as shown below:

(₹ in Lakhs)

Sr. No.	Particulars	March 31, 2025	March 31, 2024
1	Total number of loans securitized	-	-
2	Total book value of loans securitized	-	-
3	Total book value of loans securitised including loans placed as collateral	-	-
4	Sale consideration received for loans securitised	-	-
5	Excess interest spread recognised in the statement of profit and loss	-	-
6	Credit enhancements provided and outstanding (Gross):	-	-
	- Interest subordination	-	-
	- Principal subordination	-	-
	- Cash collateral	-	-

Position of outstanding balances is as under:

(₹ in Lakhs)

Sr. No.	Particulars	March 31, 2025	March 31, 2024
1	No. of SPVs sponsored by the NBFC for securitization transaction $\#$	1	1
2	Total amount of securitized assets as per books of the SPVs	509.84	1,679.50
3	Total amount of exposures retained by the NBFC to comply with MRR as on the date of balance sheet	585.90	580.55
	a) Off-balance sheet exposures	-	-
	* First Loss	-	-
	* Others	-	-
	b) On-balance sheet exposures	585.90	580.55
	* First Loss	585.90	580.55
	* Others	-	-
4	Amount of exposures to securitization transaction other than MRR	-	-
	a) Off-balance sheet exposures	-	-
	(i) Exposure to own securitizations	-	-
	* First Loss	-	-
	* Others	-	-
	(ii) Exposure to third party securitizations	-	-
	* First Loss	-	-
	* Others	-	-
	b). On-balance sheet exposures	-	-
	(i) Exposure to own securitizations	-	-
	* First Loss	-	-
	* Others	-	-
	(ii) Exposure to third party securitizations	-	-
	* First Loss	-	-
	* Others	-	-

[#] Only the SPVs relating to outstanding securitization transactions reported here.

e. Details of Financial Assets sold to Securitization / Reconstruction Company for Asset Reconstruction

 $The \ Company \ has \ not \ sold \ financial \ assets \ to \ Securitisation \ / \ Reconstruction \ companies \ for \ asset \ reconstruction \ in \ the \ current \ and \ previous \ year.$

f. Details of Assignment Transactions undertaken by the NBFC

Disclosures pursuant to Master Direction – Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021 issued by the Reserve Bank of India ("RBI") vide their Notification No. RBI/DOR/2021-22/86 Master Direction DOR. STR.REC.51/21.04.048/2021-22 dated September 24, 2021 (the "Notification") as updated from time to time.

ONDITION NOTES TO FINANCIAL STATEMENTS



for the year ended March 31, 2025

a) Details of transfer through Assignment in respect of loans not in default during the year ended March 31, 2025

(₹ in Lakhs)

Sr. No.	Particulars	March 31, 2025
(i)	No. of Accounts assigned	4,751
(ii)	Aggregate principal outstanding of loans transferred through assignment (Rs Lakhs)	52,733.75
(iii)	Aggregate consideration received (Rs Lakhs)	47,460.38
(iv)	Weighted average original maturity of loans	4.68
(v)	Weighted average remaining maturity of loans (in years)	3.72
(vi)	Weighted average holding period of loans (in years)	0.96
(vii)	Retention of beneficial economic interest	10%
(viii)	Coverage of tangible security coverage	100%
(ix)	Rating wise distribution of rated loans	Unrated

- b. The Company has not acquired loans not in default during the year ended March 31, 2025, under the said Notification.
- c. The Company has neither transferred nor acquired any stressed loans during the year ended March 31, 2025, under the said Notification.
- g. Details of non-performing financial assets purchased / sold:

The Company has not purchased / sold non-performing financial assets in the current and previous year.

h. Asset Liability Management

Maturity pattern of certain items of assets and liabilities as on March 31, 2025

(₹ in Lakhs)

Sr. No.	Particulars	1 day to 7 days	8 days to 14 days	15 days to 30/31 days	up to	Over 2 months up to 3 months	up to	Over 6 months up to 1 year	Over 1 year up to 3 years	Over 3 years up to 5 years	Over 5 years	Total
1	Advances#	6,009.86	1,490.10	4,136.74	6,768.32	8,405.82	24,760.83	46,182.00	143,624.43	<i>57,</i> 91 <i>5</i> .88	1 <i>5,4</i> 74.86	314,768.84
2	Deposits	-	-	-	-	-	-	-	-	-	-	-
3	Investments	-	-	-	-	-	-	-	<i>7</i> .83	-	0.03	7.86
4	Borrowings*	10,103.1 <i>7</i>	134.19	3,519.61	5,822.83	11,045.47	22,853.92	39,193.74	107,31 <i>5.</i> 76	51,443.99	1,737.99	253,170.67

[#]net of cash collateral and security deposit taken from borrower

Maturity pattern of certain items of assets and liabilities as on March 31, 2024

(₹ in Lakhs)

Sr. No.	Particulars	1 day to 7 days	8 days to 14 days	15 days to 30/31 days	Over 1 months up to 2 months	up to	up to	Over 6 months up to 1 year	Over 1 year up to 3 years	Over 3 years up to 5 years	Over 5 years	Total
1	Advances#	<i>5</i> ,110. <i>77</i>	1,371.32	610.87	<i>7</i> ,159.85	7,224.92	20,864.19	39,570.04	1,11,552.47	37,543.97	8,769.27	2,39,777.67
2	Deposits	-	-	-	-	_	-	-	-	-	-	-
3	Investments	-	-	-	-	-	-	-	-	-	6.70	6.70
4	Borrowings*	3,245.94	60.95	2,421.83	4,177.43	<i>7,77</i> 1.45	18,414.44	28,651.10	90,479.76	32,664.04	8,039.71	1,95,926.66

#net of cash collateral and security deposit taken from borrower

^{*}includes cash credit facilities secured against hypothecation of book debts

^{*}includes cash credit facilities secured against hypothecation of book debts

ONDITION NOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2025

i. Exposures

Exposure to real estate sector, both direct & indirect

(₹ in Lakhs)

Sr. No.	Particulars	March 31, 2025	March 31, 2024
a)	Direct Exposure		
	(i) Residential Mortgages -		
	Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	56,610.50	51,637.59
	(ii) Commercial Real Estate -		
	Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, Multi-tenanted commercial premises industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based limits;	23,975.90	18,543.22
	(iii) Investments in Mortgage Backed Securities (MBS) and other securitized exposures -	-	-
	a. Residential	-	-
	b. Commercial Real Estate	-	-
b)	Indirect Exposure		
	Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs).	-	-

Exposure to Capital Market

(₹ in Lakhs)

Sr. No.	Particulars	March 31, 2025	March 31, 2024
(i)	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	7.86	6.70
(ii)	Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-	-
(iii)	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-
(iv)	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares/convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances;	-	-
(v)	Secured and unsecured advances to stock brokers and guarantees issued on behalf of stock brokers and market makers;	-	-
(vi)	coans sanctioned to corporates against the security of shares / bonds / debentures r other securities or on clean basis for meeting promoter's contribution to the equity f new companies in anticipation of raising resources;		-
(vii)	Bridge loans to companies against expected equity flows / issues;	-	=
(viii)	All exposures to Venture Capital Funds (both registered and unregistered).	-	-
	Total Exposure to Capital Market	7.86	6.70

j. Details of financing of parent company products:

 $The \ Company \ does \ not \ have \ any \ financing \ of \ parent \ company \ products \ during \ the \ current \ and \ previous \ year.$

k. Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the Company

The Company has not exceeded the prudential exposure limits during the current and previous year.

I. Unsecured Advances – Refer note no. 7 B (ii)

m. Registration obtained from other financial sector regulators:

The Company is registered only with Reserve Bank of India.

n. Details of Non Compliance with requirements of Companies act, 2013

There are no non Compliance with requirements of Companies act, 2013.

o. Disclosure of penalties imposed by RBI and other regulators:

No Penalties were imposed by RBI and other regulators during current year. During the previous year fines of Rs. 1.43 lacs were levied by BSE Limited for delay in compliances under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

ONDITION NOTES TO FINANCIAL STATEMENTS



for the year ended March 31, 2025

p. Ratings assigned by credit rating agencies and migration of ratings during the year:

(₹ in Lakhs)

Sr. No.	Name of the rating agency	Instrument	Date of rating	Rating as at March 31,2025	Rating limit	Rating as at March 31,2024	Rating limit
1	India Rating and Research Pvt. Ltd.	Bank Lines	March 27, 2025	IND A / Stable	230,000.00	IND A-/Stable	1,87,500.00
2	India Rating and Research Pvt. Ltd.	NCD	March 27, 2025	IND A / Stable	34,000.00	IND A-/Stable	34,000.00
3	ICRA Limited	NCD	March 17, 2025	[ICRA]A (Stable)	4,200.00	[ICRA]A-(Stable)	3,375.00
4	ICRA Limited	СР	March 17, 2025	ICRA A1 Assigned	2,500.00	-	

q. Net Profit or Loss for the period, prior period items and changes in accounting policies

There are no prior period items that have impact on the current year's profit or loss

r. Revenue Recognition

There have been no instances in which revenue recognition has been postponed pending the resolution of significant uncertainties

s. Remuneration to Directors

(₹ in Lakhs)

Sr. No.	Particulars	March 31, 2025	March 31, 2024
1	Transactions with the independent directors		
	Directors' Sitting Fees	21.50	12.50

t. Provisions and Contingencies

(₹ in Lakhs)

Sr. No.	Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account	March 31, 2025	March 31, 2024
1	Provision towards NPA	1,459.68	1,558.84
2	Provision made towards Income Tax	1,729.18	1,066.56
3	Provision for Standard Assets	523.86	2,143.92
4	Provision for leave benefits	8.31	248.15
5	Provision for gratuity	16.15	158.42

u. Draw down from Reserves:

There has been no draw down from reserves during the year ended March 31, 2025 (previous year: Nil).

v. Concentration of Deposits, Advances, Exposures and Stage 3 Assets

(₹ in Lakhs)

Sr. No.	Particulars	March 31, 2025	March 31, 2024
1	Concentration of Advances		
	Total advances to twenty largest borrowers	14,113.49	10,918.77
	(%) of advances to twenty largest borrowers to total advances	4.40%	4.48%
2	Concentration of Exposures		
	Total exposure to twenty largest borrowers/customers	14,113.49	10,918.77
	(%) of exposure to twenty largest borrowers/customers to total exposure	4.40%	4.48%
3	Concentration of Stage 3 Assets		
	Total exposure to top four Stage 3 accounts	249.87	382.87

w. Sector-wise Stage 3 Assets

			(till Editilis)
Sr. No.	Sector		NPAs to Total n that Sector
		March 31, 2025	March 31, 2024
1	Agriculture & allied activities	-	-
2	MSME	0.70%	0.54%
3	Corporate borrowers	0.00%	0.06%
4	Services	1.96%	4.12%
5	Unsecured personal loans	0.00%	-
6	Auto loans	11.51%	10.01
7	Other Retail loans	6.60%	0.18%

ONDITION NOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2025

x. Movement of Stage 3 Assets

(₹ in Lakhs)

Sr. No.	Particulars	March 31, 2025	March 31, 2024
(i)	Net Stage 3 Assets to Net Advances (%)	1.05%	0.82%
(ii)	Movement of Stage 3 Assets (Gross)		
	a. Opening balance	3,519.71	2,154.66
	b. Additions during the year	5,431.50	3,598.72
	c. Reductions during the year	(2,614.53)	(2,233.67)
	d. Closing balance	6,336.67	3,519.71
(iii)	Movement of Net Stage 3 Assets		
	a. Opening balance	1,960.86	1,165.21
	b. Additions during the year	3,256.17	1,670.99
	c. Reductions during the year	(1,898.88)	(875.34)
	d. Closing balance	3,318.15	1,960.87
(iv)	Movement of provisions for Stage 3 Assets (excluding provisions on Stage 1 & Stage 2 Assets)		
	a. Opening balance	1,558.85	989.45
	b. Provisions made during the year	2,175.32	1,927.73
	c. Write-off/write-back of excess provisions	(715.65)	(1,358.33)
	d. Closing balance	3,018.52	1,558.85

y. Disclosure of Complaints

Sr. No.	Particulars	March 31, 2025	March 31, 2024
(i)	No. of complaints pending at the beginning of the year	3	0
(ii)	No. of complaints received during the year	418	226
(iii)	No. of complaints redressed during the year	415	223
(iv)	No. of complaints pending at the end of the year	6	3

Till the previous year, the customer complaints received through RBI were reported. In current year, we have included the complaints directly received by the company and accordingly the previous year number has been suitably modified.

z. Outstanding of loans against security of gold as a percentage to total assets is Nil (March 31, 2024: Nil).

ONDITION NOTES TO FINANCIAL STATEMENTS



for the year ended March 31, 2025

aa. Disclosure of restructured accounts as required by RBI NBFC Master Direction

	Type of Restructuring	Others					
Sr. No.	Asset Classification	Standard	Sub-Standard	Doubtful	Loss	Total	
1	Restructured Accounts as on April 1, 2024						
	a. No. of borrowers	7.00	4	-	ı	11	
	b. Amount outstanding	377.20	145.53	-	-	522.73	
	c. Provision thereon	18.86	101.81	-	-	120.67	
2	Fresh restructuring during the year						
	a. No. of borrowers	1.00	-	-	-	1	
	b. Amount outstanding	41.67	-	-	-	41.67	
	c. Provision thereon	0.17	-	-	-	0.17	
3	Upgradations to restructured standard category during the FY						
	a. No. of borrowers	1.00	-	-	-	1.00	
	b. Amount outstanding	24.41	-	-	-	24.41	
	c. Provision thereon	0.27	-	-	-	0.27	
4	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY						
	a. No. of borrowers	-	(1.00)	-	-	(1.00)	
	b. Amount outstanding	-	(24.41)	-	-	(24.41)	
	c. Provision thereon	-	(0.27)	-	-	(0.27)	
5	Down gradations of restructured accounts during the FY						
	a. No. of borrowers	-	(2.00)	2.00	-	-	
	b. Amount outstanding	-	(36.00)	36.00	-	-	
	c. Provision thereon	-	(23.01)	23.01	-	-	
6	Write-offs/Recovery of restructured accounts during the FY						
	a. No. of borrowers	(2.00)	-			(2.00)	
	b. Amount outstanding	(119.40)	(36.73)	-	-	(156.13)	
	c. Provision thereon	(6.55)	(47.61)	-	-	(54.16)	
7	Restructured Accounts as on March 31, 2025	-	-	-	-		
	a. No. of borrowers	7.00	1.00	2.00	-	10.00	
	b. Amount outstanding	323.88	48.40	36.00	_	408.27	
	c. Provision thereon	12.75	30.93	23.01		66.69	

MOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2025

ab. Disclosure on the asset classification and computation of provisions as per extant prudential norms on Income Recognition, Asset Classification and Provisioning (IRACP) RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020 (₹ in Lakhs)

Sr. No.	Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
	(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7) = (4)-(6)
1	Performing Assets						
	Standard	Stage 1	309,067.54	2,026.34	307,041.20	1,236.27	790.07
		Stage 2	5,050.93	641.44	4,409.49	20.20	621.24
	Subtotal for Standard						
2	Non- Performing Assets (NPA)						
	Substandard	Stage 3	5,160.41	2,467.13	2,693.27	516.04	1,951.09
	Doubtful - up to 1 year	Stage 3	910.43	412.82	497.61	182.09	230.73
	1 to 3 years	Stage 3	265.83	138.57	127.26	79.75	58.82
	More than 3 years	Stage 3	-	-	-	-	-
	Subtotal for doubtful		6,336.67	3,018.52	3,318.14	777.88	2,240.64
	Loss	Stage 3	-	-	-	-	-
	Subtotal for Loss						
	Other items						
	Other items such as guarantees,	Stage 1	7,970.24	46.26	<i>7</i> ,923.98	-	46.26
	loan commitments, etc. which are in the scope	Stage 2	-	-	-	-	-
	of Ind AS 109 but not covered under current	Stage 3	-	-	-	-	-
	Income Recognition, Asset Classification and						
	Provisioning (IRACP) norms.						
	Subtotal						
		Stage 1	317,037.78	2,072.60	314,965.18	1,236.27	836.33
	Total	Stage 2	5,050.93	641.44	4,409.49	20.20	621.24
		Stage 3	6,336.67	3,018.52	3,318.14	777.88	2,240.64
		Total	328,425.38	5,732.56	322,692.81	2,034.35	3,698.21

- ac. Liquidity Risk Management disclosure for Non-Banking Financial Companies and Core Investment Companies RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated November 04, 2019
- 1) Funding Concentration Based on Significant Counterparty (both deposits & borrowings)

(₹ in Lakhs)

Sr. No.	No. of Significant Counterparties		% of Total Liabilities
1	26	228,521.24	90.26%

As regards the deposits is concerned, company is a non deposit taking NBFC so not applicable

- 2) Top 20 Large Deposits (Amount in Rs. lakhs $\&\,\%$ of total deposits) : Not applicable
- 3) Top 10 borrowings (Amount in Rs. lakhs & % of total borrowings)

Sr. No.	Number of Significant Counterparties	Amount	% of Total Liabilities
1	State Bank of India	26,442.53	10.44%
2	The Federal Bank Ltd	25,449.26	10.05%
3	IDFC First Bank Ltd	19,590.02	7.74%
4	Bank of Maharashtra	15,184.64	6.00%
5	Indian Bank	12,547.47	4.96%
6	Canara Bank	12,137.75	4.79%
7	Union Bank	10,106.46	3.99%
8	Tripple Jump	8,528.38	3.37%
9	HDFC Bank	7,935.53	3.13%
10	Catholic Syrian Bank Ltd	7,131.45	2.82%
	Top 10 borrowings	145,053.49	57.29%

ONDITION NOTES TO FINANCIAL STATEMENTS



for the year ended March 31, 2025

4) Funding Concentration based on Significant instrument / product

(₹ in Lakhs)

Sr. No.	Name of Instrument / Product	Amount	% of Total Liabilities
1	Term Loan	191 <i>,77</i> 6.98	75.75%
2	Non -Convertible Debentures	18,832.43	7.44%
3	Bonds	6,210.00	2.45%
4	Borrowings towards Securitization	509.84	0.20%
5	Commercial Papers	2,401.79	0.95%
6	Cash Credit	8,491.30	3.35%

Note: The above funding concentration excludes CCPS and other minor items.

Significant instrument/product is as defined in RBI Circular RBI/2019-20/88 DOR.NBFC (PD) CC.No.102/03.10.001/2019-20 dated 4 November 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies.

5) Stock Ratios

- a) Commercial papers as a % of total public funds, total liabilities & total assets: 0.95% (Previous year: Nil)
- b) Non Convertible debentures (original Maturity of less than one year) as a % of total public funds, total liabilities & total assets: Nil, Company has not issued any debentures having original maturity of less than one year.
- c) Other Short term liabilities, if any as a % of total public funds, total liabilities and total assets

(₹ in Lakhs)

Sr. No.	Name of Instrument / Product	Amount	% of Total Liabilities
1	Working Capital Demand Loan	0.00	0.00%
2	Commercial Papers	2,401.79	0.95%
3	Cash Credit	8,491.30	3.35%

6) Institutional Set up for liquidity risk management

EFL is having Liquidity risk management policy which has been approved by the board covering Liquidity Risk Management Policy, Strategies and Practices, Management Information System (MIS), Internal Controls, Maturity profiling, Liquidity Risk Measurement – Stock Approach, Currency Risk, Managing Interest Rate Risk, Liquidity Risk Monitoring Tools.

54 Disclosure as required by circular no RBI/2022-23/26-DOR.ACC.REC.No.20/21.04.018/2022-23 dated April 19, 2022

A) Exposure

1) Exposure to real estate sector

Sr. No.	Particulars	March 31, 2025	March 31, 2024
i)	Direct exposure		
	a) Residential Mortgages –		
	Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented. Exposure would also include non-fund based (NFB) limits.	56,610.50	51,637.59
	b) Commercial Real Estate —		
	Lending secured by mortgages on commercial real estate (office buildings, retail space, multipurpose commercial premises, multifamily residential buildings, multi tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits.	23,975.90	18,543.22
	c) Investments in Mortgage-Backed Securities (MBS) and other securitized exposures –		
	i. Residential	-	-
	ii. Commercial Real Estate	-	·
ii)	Indirect Exposure		
	Fund based and non-fund-based exposures on National Housing Bank and Housing Finance Companies.	_	-
Total Exp	osure to Real Estate Sector	80,586.40	70,180.81

ONDITION NOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2025

2) Exposure to capital market

(₹ in Lakhs)

Sr. No.	Particulars	March 31, 2025	March 31, 2024
i)	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt *	7.86	6.70
ii)	Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity oriented mutual funds	-	-
iii)	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security	-	-
iv)	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances	-	_
٧)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	-	-
vi)	Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources	-	-
vii)	Bridge loans to companies against expected equity flows / issues	-	=
viii)	Underwriting commitments taken up by the NBFCs in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds	-	-
	Financing to stockbrokers for margin trading	-	=
	All exposures to Alternative Investment Funds:		
	i) Category I	-	-
	ii) Category II	-	-
	iii) Category III	-	-
	Total exposure to capital market	7.86	6.70

3) Sectoral exposure

(₹ in Lakhs)

		March 31, 202	5	March 31, 2024		
Sectors	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector
1. Agriculture and Allied Activities	5.00	-	0.00%	-	-	-
2. Industry	-	-				
2.1 Micro and Small	241,919.00	1,654.00	0.68%	180,770.00	688.00	0.4%
3. Services	-	-				
3.1 Other Services	3,587.00	60.00	1.67%	76,699.00	2,128.00	2.8%
3.2 NBFCs	17,927.00	-	0.00%			
4. Personal Loans	-	-		-	-	
4.1 Vehicle / Auto Loans	7,594.00	874.00	11.51%	7,037.00	704.00	10.0%
4.2 Other Retail Loans	57,394.00	3,749.00	6.53%	19,359.00	30.00	0.2%
Total of All Loans	328,426.00	6,337.00	1.93%	283,865.00	3,550.00	1.3%

4) Intra-group exposures

Sr. No.	Particulars	March 31, 2024	March 31, 2023
i)	Total amount of intra-group exposures	17.61	25.26
ii)	Total amount of top 20 intra-group exposures	1 <i>7</i> .61	25.26
iii)	Percentage of intra-group exposures to total exposure of the NBFC on borrowers/customers	Less than 1%	Less than 1%

5) Unhedged foreign currency exposure

Company's unhedged foreign currency expressed as on March 31, 2025 is NIL (March 31, 2024 - NIL)

ONDITION NOTES TO FINANCIAL STATEMENTS



for the year ended March 31, 2025

B) Related Party Disclosure

(₹ in Lakhs)

Particulars	Parent C	Company	Subsidi	aries	Group Enterprises	
ramcolars	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
Deposits	-	-	-	-	-	-
Advances	-	-	-	-	1 <i>7</i> .61	25.26
Interest paid	-	-	-	-	20.71	19.97
Interest received	-	-	-	-	3.75	4.80
Rent	-	-	-	-	4.39	3.99
Salary	-	-	-	-	-	-
Total	-	-	-	-	46.46	54.02

continued..

(₹ in Lakhs)

Particulars Particulars	Key Managen	nent Personnel	Relatives of Key Management Personnel		
runicolais	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024	
Borrowings	-	-	=	-	
Deposits	-	107.73	=	284.94	
Advances	-	-	-	-	
Interest paid	10.14	4.51	20.94	21.91	
Interest received	-	-	=	-	
Rent	-	-	-	-	
Salar -	-	0.38	14.24		
Total	10.14	112.24	21.32	321.09	

continued..

(₹ in Lakhs)

Particulars	Associates/ J	loint ventures	Total	
Turreordis	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
Deposits	-	-	1	392.67
Advances	-	-	17.61	25.26
Interest paid	-	-	51. <i>7</i> 9	46.39
Interest received	-	-	3.75	4.80
Rent	-	-	4.39	3.99
Salary	-	-	0.38	14.24
Total	-	-	77.92	487.35

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Particulars		Maximum amount outstanding during the year		
	March 31, 202	5 March 31, 2024		
Deposits	813.0)4 423.03		
Advances	29.	34.10		
Interest paid				
Interest received				
Rent				
Salary		-		
Total	842.	05 457.13		

ONDITION NOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2025

C) Overseas Assets

The Company does not have any overseas assets as at 31 March 2025 and 31 March 2024.

D) Off-Balance sheet SPVs sponsored (which are required to be consolidated as per accounting norms)

The Company does not have any exposure to off balance sheet SPVs sponsored as at 31 March 2025 and 31 March 2024.

E) Disclosure of complaints

Summary information on complaints received by the NBFCs from customers

Sr. No.	Particulars	March 31, 2025	March 31, 2024
	Complaints received by the NBFC from its customers		
1.	Number of complaints pending at beginning of the year	3	-
2.	Number of complaints received during the year	418	205
3.	Number of complaints disposed during the year	415	203
3.1	Of which, number of complaints rejected by the NBFC	-	-
4.	Number of complaints pending at the end of the year	6	2
	Number of maintainable complaints received by the NBFC from Office of Ombudsman (RBI)	51	21
1.	Number of complaints resolved in favour of the NBFC by Office of Ombudsman	51	3
2.	Number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman	-	17
3.	Number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC	-	-
4.	Number of Awards unimplemented within the stipulated time (other than those appealed)	-	-
	Number of complaints pending at the end of the year		1

Top five grounds of complaints received by the NBFCs from customers

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
As at March 31, 2025					
Loans & Advances	1	223	278%	4	-
Bureau Updation	-	33	65%	-	-
Foreclosure	-	56	143%	2	-
Charges	-	11	-54%	-	-
Mis Selling	-	94	100%		
Others	2	1	-99%	-	-
Total	3	418	104%	6	-
As at March 31, 2024					
Loans & Advances	-	59	157%	-	-
Bureau Updation	-	20	67%	-	-
Foreclosure	-	23	229%	-	-
Charges	-	24	0%	-	-
Others	-	79	0%	-	-
Total	-	205		-	-

F) Breach of Covenant

There are no breach of covenants in respect of debt securities issued by the Company during the FY 2024-25 and 2023-24.

G) Divergence in Asset Classification and Provisioning

Below two conditions are not satisfied hence the details of diversions are not required to be disclosed:

- a) No additional provisions have been assessed by RBI exceeding 5 percent of the reported profits before tax and impairment loss on financial instruments for the year ended 31 March 2025 and 31 March 2024.
- b) RBI has not identified additional Gross NPAs exceeding 5 percent of reported Gross NPAs for the year ended 31 March 2025 and 31 March 2024.

MOTES TO FINANCIAL STATEMENTS



for the year ended March 31, 2025

55. During the year, to relieve COVID-19 pandemic related stress, the Company has invoked resolution plans for eligible borrowers based on the parameters laid down in accordance with the one time restructuring policy approved by the Board of Directors of the Company and in accordance with the guidelines issued by the RBI on 6 August 2020

Borrower Type	Exposure to Accounts classified as Standard (pursuant to implementation of resolution plan) Position as at March 31, 2024 (A)	Of (A) Aggregated exposure that slipped into NPA during the year ended March.31, 2025	Of (A), amount written off during the year ended March 31, 2025	Of (A), amount paid by the borrowers during the year ended March 31, 2025	Exposure to accounts classified as Standard pursuant to implementation of resolution plan) — Position as on March 31, 2025
Personal Loan	-	-	-	-	-
MSME	1,873.98	90.76	37.15	1,661.28	84.79
Others – small business	671.98	71.55	52.11	1 <i>7</i> 6.9 <i>7</i>	371.35
Total	2,545.95	162.31	89.26	1,838.25	456.14

- 56 Company had implemented a new ERP package during the earlier years and there continue to be customizations / enhancement to the ERP package based on requirements of the Company. The issues pertaining to migration of data are largely identified and resolved, and in respect of certain transactions balances have been maintained in the books of accounts on the basis of alternate evidence / information as available with the management.
- 57 Figures for the previous years have been regrouped / reclassified wherever considered necessary to confirm with the current year's presentation.

Particulars		As at March 31, 2025		As at March 31, 2024	
		Amount outstanding	Amount overdue	Amount outstanding	Amount overdue
	Liabilities side :				
(1)	Loans and advances availed by the NBFCs inclusive of interest				
	accrued thereon but not paid:				
	(a) Debentures:				
	i) Secured	23,066.25	-	19,983.40	-
	ii) Unsecured	17,373.39	-	10,898.19	-
	(b) Deferred Credits	-	-	-	-
	(c) Term Loans	194,688.31	-	153,952.84	-
	(d) Inter-corporate loans and borrowing				
	(e) Commercial Paper				
	(f) Public Deposits*				
	(g) Other Loans (specify nature)				
	i) Cash credit from banks	8,491.30	-	1,218.28	-
	ii) Working capital demand loan	-	-	389.14	-
	iii) Compulsory Convertible Preference Shares (CCPS)*	19,909.35	-	-	
	iv) Subordinated Liabilities	9,551.42	-	9,484.81	-
(2)	Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):				
	(a) In the form of Unsecured debentures				
	(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security				
	(c) Other public deposits				
	* Please see Note 1 below	-	-	-	-
	Assets side :				
(3)	Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:				
	(a) Secured	310,168.99	-	237,898.72	-
	(b) Unsecured	4,599.85	-	1,878.94	-

ONDITION NOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2025

Particulars		As at March	As at March 31, 2025		As at March 31, 2024	
		Amount outstanding	Amount overdue	Amount outstanding	Amount overdue	
(4)	Break up of Leased Assets and stock on hire and hypothecation loans counting towards EL/HP activities					
	(i) Lease assets including lease rentals under sundry debtors:					
	(a) Financial lease					
	(b) Operating lease					
	(ii) Stock on hire including hire charges under sundry debtors:					
	(a) Assets on hire					
	(b) Repossessed Assets					
	(iii) Hypothecation loans counting towards EL/HP activities					
	(a) Loans where assets have been repossessed					
	(b) Loans other than (a) above	-	-	-		
(5)	Break-up of Investments :					
	Long Term investments:					
	1. Quoted:					
	(i) Share:					
	(a) Equity	7.48	-	6.14		
	(b) Preference					
	(ii) Debentures and Bonds					
	(iii) Units of mutual funds					
	(iv) Government Securities					
	(v) Others (Please specify)					
	2. Unquoted:					
	(i) Shares:					
	(a) Equity	0.38	-	0.56		
	(b) Preference					
	(ii) Debentures and Bonds					
	(iii) Units of mutual funds					
	(iv) Government Securities					
	(v) Others (Please specify)					
(6)	Borrower group-wise classification of all leased assets, stock-on- hire and loans and advances :					
	Category	Amount net of provisi		of provisions		
		Secured	Unsecured	Secured	Unsecure	
	1. Related Parties **					
	(a) Subsidiaries					
	(b) Companies in the same group	17.54	-	25.12		
	(c) Other related parties		-			
	2. Other than related parties	314,751.30		239,752.55		
	Total	314,768.84	_	239,777.67		





for the year ended March 31, 2025

(7)	Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):				
	Please see note 3 below				
	Category	Market Value / Break up or fair value or NAV	Book Value Net of (Provisions)	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
	1. Related Parties **				
	(a) Subsidiaries				
	(b) Companies in the same group	0.03	0.03	0.21	0.21
	(c) Other related parties				
	2. Other than related parties	7.83	7.83	6.49	6.49
	Total	7.86	7.86	6.70	6.70
	** As per Accounting Standard of ICAI (Please see Note 3)				
(8)	Other information				
	Particulars		Amount		Amount
	(i) Gross Non-Performing Assets				
	(a) Related parties	-			
	(b) Other than related parties		6,336.67		3,519. <i>7</i> 1
	(ii) Net Non-Performing Assets				
	(a) Related parties		-		-
	(b) Other than related parties		3,318.15		1,960.87
	(iii) Assets acquired in satisfaction of debt	-		_	

Notes

- 1. As defined in Paragraph 2(1)(xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.
- 2. Provisioning norms shall be applicable as prescribed in the Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998.
- 3. All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up/fair value/NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in column (5) above.

As per our report of even date

For Sharp & Tannan Associates
Chartered Accountants
ICAI Firm Registration No. 109983W

CA Tirtharaj Khot

Partner Membership No.(F) 037457

Place: Pune Date: May 22, 2025 For and on Behalf of Board of Directors Electronica Finance Limited CIN: U74110PN1990PLC057017

Ms. Shilpa Pophale Managing Director & CEO DIN: 00182457

Mr. Sujit Natekar Director DIN: 00182517

Mr. Vipin Maheshwari Chief Financial Officer Vallabh Ghate Company Secretary M No. A41587

Place: Pune Date: May 22, 2025

Annual Report 2024-25 **ONDITION**

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ELECTRONICA FINANCE LIMITED

Audumber, 101/1, Erandwane, Dr. Ketkar Road, Pune - 411004. Maharastra, India, Ph. No. 020 6729 0700 CIN: U74110PN1990PLC057017