India's Changemakers

Building Business with Purpose

EFL - IMPACT REPORT 2026

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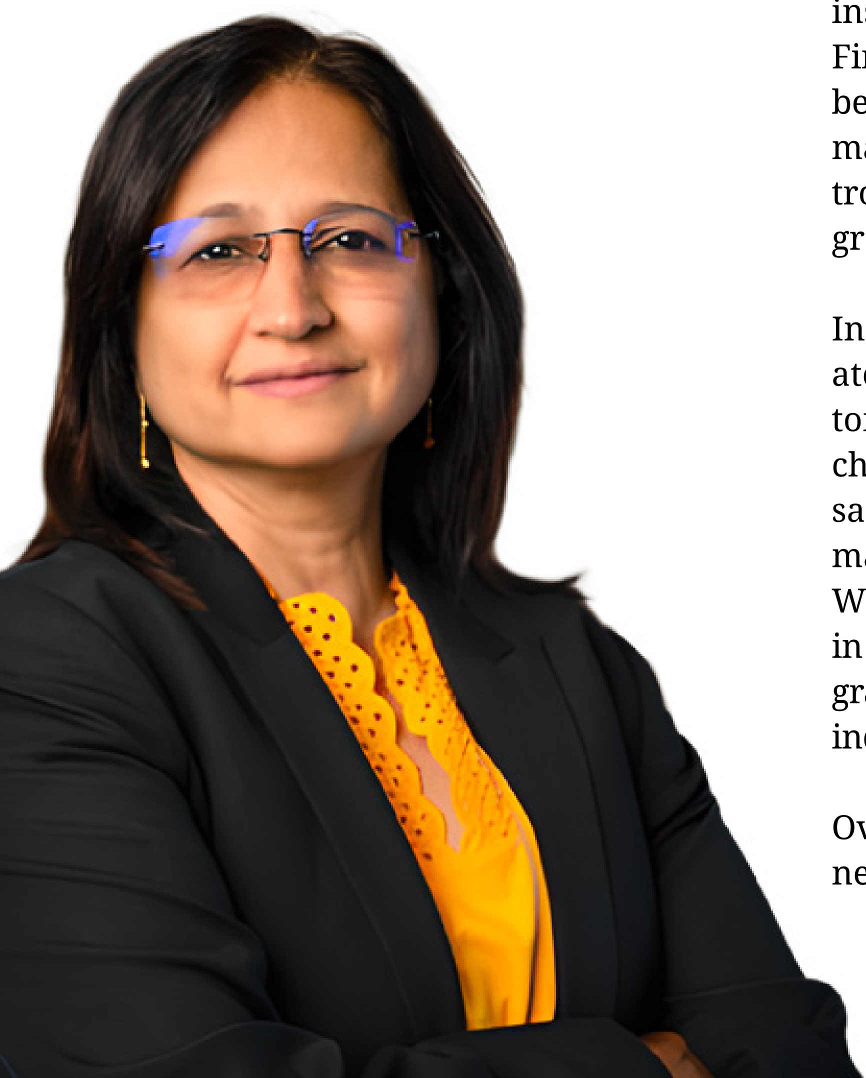
1 Message from Our MD & CEO Shilpa Pophale

I've been managing Electronica Finance Limited (EFL) for over two decades, overseeing both the day-to-day operations and the long-term direction of the organisation. EFL is part of a group that has existed for several decades. We began as a manufacturing group founded by my father along with two other promoter directors. The group was involved in multiple manufacturing activities, working largely with small customers who had a genuine need for finance.



At the time, banks and other lenders were not supportive of these customers, especially when it came to financing micro and small sized businesses, to meet their capital goods requirements. My father, as one of the founders of the group, was a true visionary. He had the ability to identify areas where no business yet existed and build opportunities from the ground up.

He recognised early on that small manufacturers had very limited access to finance for capital goods, and that insight led to the creation of Electronica Finance. Under his leadership, the group became well diversified, spanning both manufacturing and finance, with Electronica Finance emerging as one of the group's most significant companies.

Initially, the finance company was created to support our own group of customers who wanted to purchase machines. Over time, we realised that the same services could be extended to manufacturers across other segments. We began working with manufacturers in engineering and automotive fields and gradually expanded into several other industries, such as printing and plastics.

Over the years, these became key business lines for us. Our focus has consistently remained on Manufacturing SMEs (MSMEs) in India, particularly for their machine financing needs. This segment continues to be the core of our business.

Responsibility and sustainability are becoming increasingly important in shaping the future of business in India. As a country, we are heavily dependent on imports for energy, and there has always been a strong governmental focus on reducing that dependence.

This has led us to focusing on initiatives around roof-top solar financing, solar parks, and the creation of energy-efficient ecosystems within the MSME manufacturing space. With government support and subsidies, customers are becoming more aware of the need to adopt sustainable business models.

Sustainability today goes deeper into energy efficiency and extends into broader ESG considerations. Many of our customers, especially those focused on long-term growth, are actively integrating ESG into their businesses.

At Electronica Finance, we support this by funding energy-efficient machines and offering rooftop solar financing for industrial customers, particularly those in energy-intensive industries. These solutions help customers reduce energy costs while contributing to sustainability.

On a personal level, sustainability has always been close to my heart. From childhood, I've been deeply engaged with nature, particularly birdwatching, and my formal education was in biology, specialising in Botany. This has shaped my personal commitment to a sustainable lifestyle.

As an organisation, we support NGOs involved in wildlife conservation and afforestation. Our head office itself is a certified green building, and we actively encourage energy-efficient practices among our employees.

The impact we aim to create is multi-layered. We believe in building a business that is profitable, sustainable, and mindful of all stakeholders, including employees, lenders, and customers. Many of the customers we fund do not have access to finance elsewhere, and our support enables their business growth and furthers employment generation.

In the external market, as our customers grow, they create growth opportunities for all their stakeholders, including us.

Internally, we focus strongly on employee centricity, ensuring our people feel supported and valued. Ultimately, we believe that financial success is essential for long-term existence, but it must go hand in hand with responsibility and sustainability.

Looking ahead, Electronica Finance Limited will continue to operate as a secured lender with a strong focus on the manufacturing ecosystem. We serve both organised manufacturers seeking growth capital to expand capacity and smaller customers who are funded against property. Funding manufacturing SMEs has always been our strength, and we have done so successfully over the years.

With growing opportunities in India's manufacturing sector and strong Government focus on employment generation, we see significant potential ahead. Manufacturing will remain a key driver of growth and employment creation, especially in an uncertain global environment and the advent of AI-ML in the services industry.

What truly sets us apart from other lenders is our deep understanding of the manufacturing ecosystem. We have a unique ability to assess machines as assets and fund against them, while also utilising our expertise in various industries. Equally important is our strong customer-centric approach.

We believe that doing what is right for the customer leads to responsible lending and long-term growth. This philosophy has helped us build enduring relationships, with a large portion of our business coming from repeat customers.

From first-hand experience, I know the challenges women face when in a leadership position. For women aspiring to start businesses, particularly in manufacturing, passion is key. While women entrepreneurs in this sector have traditionally been few, the landscape is changing as more women engineers enter manufacturing. Balancing family responsibilities with career growth can be challenging, especially during crucial phases, but with the right support system, and the passion and aspiration towards creating real value, it can be done.

Seeking help from family and trusted colleagues is essential. With persistence and confidence, women can build strong businesses and careers. The opportunities are vast, and there should be no limits to aspiration. Our customers are driving change, and we serve as the platform for this crucial work. We believe in the power of MSMEs to change not only India but the world, and this, our first-ever impact report, is a testament to that power - building impact through entrepreneurship.

2 India’s Entrepreneurial Heroes: MSMEs Changing the World

Electronica Finance Ltd (EFL), headquartered in Pune, India, was founded in 1990 on the premise of championing micro, small and medium sized enterprises (MSMEs).

Our founding director, Mr. S.R. Pophale, an innovator and leader with the customer first approach in mind, saw the potential of India’s numerous MSMEs in shaping the future of the nation - and also recognised the financial difficulties that come with starting new businesses.

EFL was born to bridge that gap, and today we are one of India’s leading Non-Banking Finance Companies (NBFC) with around 150 branches and 1500 employees. Since the start of our story, we have been focused on financing enterprises underlining environmental and social sustainability.

One of the core areas we build our business around is battling sustainability, the biggest threat to our shared planet. The past ten years have demonstrated a dramatic intensification of sustainability impacts and highlighted an ever increasing need for global action.

Record heat both on land and in the ocean, rapid ice melt in glaciers and accelerated rise of sea levels have all profoundly impacted ecosystems and increased extreme weather events - forces that India is highly vulnerable to. At the same time, India is also a significant emitter, and this is what we aim to change.

As a nation, India is experiencing a transformative shift towards renewable energy, with rooftop solar installations taking a central role in this change. The Government has set ambitious targets for renewable energy capacity to reach 500 GW by 2030, and this is where we as an enterprise can have the most positive impact.

In order to do so, we design our products to be sustainable from the get-go: this includes financing renewable energy projects such as solar rooftop installations enabling businesses and households to transition to clean energy and providing loans for activities recognised under the Green Credit Programme (GCP), including afforestation, sustainable agriculture, water conservation and waste management.

We also finance industrial decarbonisation and energy-efficient technologies. Looking to the future, we are exploring opportunities to finance projects such as climate-resilient infrastructure, green certification and a waste-to-energy theme. In a nutshell, we help our customers - MSMEs, the bedrock of the Indian economy - transition toward environmentally and socially sustainable business models.

Our Reasons for Optimism

Though the world is turbulent, conflicts persist, economic uncertainty continues and global political structures shift, we firmly believe that responsible business, i.e. fighting for causes such as sustainable development and climate action is not only the right thing to do - it is also economically sound.

Furthermore, in the coming decades emerging markets are expected to drive the majority of global economic growth, and India, the world's most populous nation, is especially considered a front-runner, with its GDP growing by 6.5%* in FY25 alone.

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

MD & CEO Shilpa Pophale

* Source: Government Data

In this MSMEs play a pivotal role, as they employ over 111 million people, produce goods and services for local and global markets and shape communities. They are the backbone of the economy, contributing around 30% of the nation's GDP. But what if these businesses didn't just aim for growth - what if they aimed for sustainable growth?

Look at some of our customers. A textile manufacturer in Tiruppur, financed by EFL, switched to renewable energy and water-efficient dyeing processes. Within a year, they cut carbon emissions by 30%, reduced water usage by half and attracted new clients who valued environmentally responsible production. Their costs dropped, profits rose and employees felt pride in their work.

A tech firm in Bangalore embraced energy-efficient servers, remote -first work policies and digital collaboration tools that reduced office energy consumption. They not only saved money but also positioned themselves as a green innovator, attracting both talent and investors.

Now, scale this across India's 6.3 million registered MSMEs. If even 10% shift towards a sustainable business model:

- Millions of tonnes of CO_2 emissions could be avoided
- Hundreds of thousands of jobs could be created in green sectors
- Communities would gain from cleaner environments and stronger economies

The potential is staggering - sustainability isn't a cost; it's an opportunity. MSMEs that innovate and operate responsibly don't just protect the planet; they strengthen their businesses, inspire their teams and shape India's future.

Yet what truly matters is how to turn this potential into action - action that creates visible, positive change in society. While over 90% of Indian MSMEs recognise sustainability as a priority, only around 29% have fully integrated ESG practices into their operations. This shows that every entrepreneur has the power to make their business a force for good - proving that doing well and doing good can go hand in hand - and we are here to help them get started.

WE PRACTICE WHAT WE PREACH

We build impact as an enterprise and through entrepreneurship. With our customer-centric products, we facilitate the work of our customers, India's entrepreneurial pioneers, who are driving change and guiding India and the world toward a more responsible future. At the same time EFL also stands out as an exemplary workplace and employer.

We believe that giving back to the community is essential for us to be successful ourselves, and corporate social responsibility has been a core part of EFL long before it became mandated. From the beginning we have embraced the philosophy that businesses should hold their resources as trustees for society, using them for collective welfare, not personal gain, thereby aiming for equitable wealth distribution and social good.

Therefore, for us, Corporate Social Responsibility (CSR) is not charity or mere donations, but a way of going beyond business as usual, creating shared values and contributing to social and environmental good.

In addition to creating change through financing MSMEs with innovative ideas to make the world a better place, we collaborate with NGOs, self-help groups, government bodies, and social enterprises to promote

economic and social change for the marginalised and the disadvantaged sections of Indian society.

In 2025, we collaborated with NGOs such as Rotary Club, NICHE Foundation, Urja Trust, Saahas Trust and Nirmalya Trust to achieve our goals. We also supported the Grasslands Trust to advance conservation of the grassland ecosystem, with a major focus on restoration efforts in Gulunche Pune, a region known for its semi-arid grassland landscape. The funds were effectively utilised for the diversification of native grass species and the ecological development of the area.

A total of 12,000 saplings were planted, contributing to improved habitat quality, enhanced biodiversity, and strengthened ecological resilience in the region.

We also funded Gram Gaurav Pratishthan – Pani Panchayat in the same time period. It is a charitable trust located in Naigaon village, which lies in the severely drought-prone region of Purandhar near Pune. Since its establishment, the organisation has been the backbone of various developmental initiatives and projects implemented under the Pani Panchayat model.

They have built an equitable and community-led water management system designed to strengthen water security, promote sustainable farming, and enhance socio-economic stability in drought-affected rural communities. Their work has also empowered local communities to make collective decisions, manage natural resources responsibly, and ensure fair and transparent access to water for all.

EFL in 2025: Creating Sustainable Success

For EFL, 2025 was all about purpose, progress, and transformation. Guided by our vision to innovate, empower and transform lives, we continued to redefine how MSMEs access finance - unlocking opportunities, fuelling entrepreneurship and creating livelihoods across India.

With solutions like OneLoan, leasing and our fully digital loan processes, we have made access to credit simpler, faster and more human, empowering MSMEs to focus on building their dreams - and a more equitable future.

As a company we came across teams and functions to drive strategic initiatives, celebrate our culture, and strengthen our shared sense of purpose - the belief that finance, when driven by purpose, can change lives and strengthen communities.

Looking ahead, we are inspired to deepen our impact - expanding digital solutions, developing customer-focused products, and advancing initiatives, especially in education, sustainability, and women's empowerment.

This impact would not be possible without the commitment of our investors, to whom we are deeply grateful.

INSIGHT FROM OUR PARTNER

Tarun Arora,
Partner at Encourage Capital

Encourage Capital has been investing in India for many years, and I have personally been with the firm for a significant part of that journey. Our primary focus has been on financial services, particularly in areas such as MSME finance and microfinance, where the objective is to serve underserved customer segments.

We believe there is a strong opportunity to support these customers by financing their needs while also generating sustainable commercial returns for our investors.

When we evaluate an investment, the most important consideration for us is the quality of the partner. That was a key reason we were drawn to Electronica Finance Limited.

When we first met Shilpa and her father, we were deeply impressed by how grounded, relatable, and authentic they were, despite the scale and success of what they had built.

That initial interaction left a strong impression on us, and while it took time before we ultimately invested, our conviction only strengthened as we continued to engage with them.

From a commercial perspective, Electronica Finance Limited also stood out

because of its long track record of profitability and consistent growth. We had followed the business closely for several years before making our investment and were confident in the strength of its fundamentals.

In parallel, through our own work in rooftop solar financing, we identified a significant opportunity within EFL's customer base, particularly among commercial and industrial clients.

Many of these customers were missing out on an asset that could deliver strong financial returns due to a lack of awareness and limited access to financing. Partnering with EFL allowed us to address that gap and help unlock value for these customers.

On a personal level, what inspires me most about EFL is its culture. The organisation operates as more than just a workplace. There is a strong sense of camaraderie within the team, with many core members having worked together for years and genuinely supporting one another like a family.

This culture clearly comes from the top, driven by Shilpa's leadership. It inspires me to go the extra mile with the people I work with and to focus on building meaningful, long-term relationships.

Another aspect I deeply admire about EFL is its resilience. Over the years, the company has navigated multiple market cycles with remarkable tenacity and focus. Rather than being distracted by external noise, the team has stayed committed to what they are building and executed with discipline. That ability to remain grounded and focused is something I strive to bring into my own work as well.

encourage capital[SM]

3 The Story of EFL: A Journey of Passion & Progress

Starting out in the 70s, the driving force behind our founder, Mr. S. R. Pophale, was a passion to innovate, branch out and start a new business with the purpose of contributing to the nation's economy.

In 1990, building on this understanding of machinery, manufacturing and MSMEs, the pioneering idea for a financing company for machine loans saw daylight, and EFL was born.

Soon other innovative services like doorstep finance and assessment-based financing became a part of the company's product portfolio.

Today we provide businesses with trusted and innovative financial solutions tailored to their unique needs. With a focus on customer satisfaction and responsiveness, we make it easier for businesses to achieve their goals and grow with confidence.

Responsible Finance is Our Everyday Business

We are driven by the trust of our customers and the passion of our people. Trust, integrity, transparency and excellence are our core foundation. With 35 years of experience under our belt, we are all about customer centricity and innovation to help MSMEs do the same. Across our products, the only kind of business we do is that which is responsible.

Our groundbreaking products, services and last-mile connectivity have also been recognised by the Small Industries Development Bank of India (SIDBI), resulting in a partnership now more than 15 years old.

The partnership leverages SIDBI's role as the apex MSME development financial institution and EFL's strong on-ground presence and origination capabilities to enhance credit access for small enterprises across India.

Through a Credit Delivery Arrangement (CDA) facility, EFL is able to originate and underwrite loans for MSMEs in line with SIDBI's credit parameters and underlying values of ethics, empowerment, innovation, equality and environment - the very same principles we base our work on.

OUR PRODUCT PORTFOLIO - INNOVATION INSPIRED BY YOU

For MSMEs to change the world, they need the right tools and companies like EFL to believe in them. It is them who we are inspired by and whom we innovate for, and this core value of customer centricity is brought to life in our products.

Every product, every innovative idea begins with a customer challenge, guiding our creation of smarter solutions. We are inspired by conversations with and on-the-ground insights coming from our customers, and as our customers grow, so do our innovations. We do not innovate for the sake of innovating but to create working solutions for real-life problems.

Currently we offer a suite of financial solutions for MSMEs, including machinery loans, working capital loans, industrial property loans, business loans, rooftop solar loans and loans against property (LAP).

Machine Finance

We are pioneers in machine finance with deep expertise in both machinery and financing. Our strong industry knowledge gives us a unique edge in serving manufacturers efficiently.

OneLoan

OneLoan simplifies multiple loan repayments by consolidating them into a single structured loan for smoother cash flow.

Loan Against Property (LAP)

Our Loan Against Property (LAP) is specifically designed for manufacturers, offering customised financing solutions based on operational needs and scale of business.

Raftaarr

Our trusted online marketplace for buying and selling industrial machinery - a one-stop, tech-driven solution for seamless transactions.

Rooftop Solar Loans

Among the early movers in rooftop solar financing, we have made it easy for MSMEs to switch to solar while balancing cash flow and energy savings. This support not only helps in reducing operational costs but also aligns with national and corporate sustainability goals.

Leasing Solutions

Our leasing offering provides businesses with access to equipment without the burden of upfront costs - ensuring flexibility and smarter cash flow management.

CUSTOMER SUCCESS STORY

One of our satisfied customers is Suryakant Jadhav, founder of Kedar Industries, a business operating in manufacturing and export in Pune. Mr. Jadhav was interested in installing solar panels to cut down on his electricity bills, but at the time the cost for such a project was too high.

The opportunity for changing to solar came when Mr. Jadhav purchased a plot for a new factory: he saw building a new facility operating on green energy as a smart business decision and made project plans accordingly. But, regardless of approaching multiple banks, he was faced with the same problem standing in the way of so many small businesses: he could not secure funding. Fortunately, Mr. Jadhav crossed paths with one of our representatives by happenstance and was introduced to EFL.

Though all of Mr. Jadhav's assets were tied up in the loan he had taken for the new factory, we were able to offer him a solution. Our no-collateral Rooftop Solar Loan made it possible for him to install the system, and now he uses the money from reduced electricity bills to pay off EMIs. When they are paid, he will have saved the entire cost of the project, and his operational costs will be further reduced.

We are proud to have helped Mr. Jadhav - his success story and others like it are exactly what EFL was built to make possible.

"Thanks to the Rooftop Solar Loan from EFL, our business is shining brighter than ever! Not only are we saving on electricity bills, but we're also making a positive impact on the environment.

EFL made the process seamless, and we're thrilled with the results.

Suryakant Jadhav,
Founder of Kedar Industries

VOICE OF OUR CUSTOMER

Ram Mahatme,
Technodry System Engineering Pvt. Ltd

Technodry is located at Chakan, Pune, Maharashtra, and is a leading engineering company specialising in industrial drying and evaporation solutions. We are a leading Indian manufacturer of spray dryers and evaporation systems, including distillery plants and turnkey projects. We serve a broad spectrum of industries, such as pharmaceuticals, food processing, chemicals, detergents, and distilleries.

With over 500 successful installations across India and international markets, Technodry has earned a strong reputation as a trusted technology and solution partner.

By strengthening their in-house design capabilities and adopting manufacturing practices, the company achieved a major milestone with a turnover of Rs. 56 Crore in FY 2024-25. Building on this strong foundation, Technodry has set an ambitious growth target of 110 Crore for FY 2025-26.

As the company is growing consistently, we actively started looking for cost- and energy-saving solutions to support sustainable growth. During this period, we identified Rooftop Solar Installation as the most effective solution for reducing electricity costs.

With the support of EFL, we availed a loan of Rs. 25 Lakhs in February 2024 and successfully installed a solar power system at our Chakan factory.

We chose EFL because of their deep understanding of SME businesses, quick decision-making process, minimal documentation, and relationship-driven approach. Their customised financial solutions aligned perfectly with our business requirements and long-term growth objectives.

After the installation of the Rooftop Solar, we are saving Rs. 40,000 to Rs. 50,000 per month on electricity costs, which is a significant saving. This amount is being effectively utilised in other critical areas of the business to support further growth and operational efficiency.

By installing Rooftop Solar, we have not only reduced our electricity expenses but also contributed positively toward environmental protection and social responsibility.

Technodry firmly believes that SMEs can achieve sustainable and responsible growth by maintaining transparent financial records, partnering with lenders like EFL who understand their business models, and prioritising long-term financial relationships over short-term funding.

Strong financial discipline, along with a clear growth roadmap, is essential for securing the right institutional and green finance support.

Our Values Come to Life

Our four core values are the cornerstones of our business, our guiding stars. They define the way we work and inspire us to safeguard, value and nurture our relationships. While our company moves at a faster pace, constantly evolving and improving, our values remain consistent, urging us to be empathetic, ethical and responsible in all circumstances and relationships.

Think Original

It is better to fail in originality than to succeed in imitation.

Customer First

When the customer comes first, the customer will last.

Be Transparent

Transparency is the currency of trust.

Enjoy Work

The only way to do great work is to enjoy what you do.

Electronica Finance Limited is a people's company. We value our people as much as we value our business. We think of ourselves as a family of devoted individuals working towards a shared goal and incorporate our values into every aspect of what we do.

EMPLOYEE EXPERIENCE

One of our oldest employees is Dattatray Janardan Deokule, who has been with EFL almost from the beginning of our story. He first joined the company 31 years ago and instantly felt like he had found a place he belongs to.

As he puts it, no matter how much time you spend as a part of the EFL family, coming to the office still feels new and nice every day. For Mr. Deokule EFL is like a second home, and though his three sons often tell him to retire, that day is yet to come.

He thinks an organisation that lets people be who they are and gives immense opportunities for growth is a rare find and especially appreciates the EFL's transparency in all its operations and with employees and customers alike.

This kind of employer is something he wants for his family as well, so when he became aware of an opening for a sales role at EFL, he immediately submitted the CV of his youngest son.

Now you can find father and son working at the same office, and Mr. Deokule finds pride not only in his own work at EFL, but also enjoys seeing the next generation of his family working hard as well - for a company that will allow him to grow and flourish like his father has.

EFL always puts their people first and in return all the employees put the customer first. That's the deal, and that is how it should be. I am proud to be an EFLite.

Dattatray Janardan Deokule,
EFL Employee

VOICE OF OUR PEOPLE

Ashutosh Puntambekar,
COO, Electronica Finance Limited

I have been with Electronica Finance Limited for many years. Over this journey, I've worked across multiple roles, and today I serve as the Chief Operating Officer of the company. In this role, I oversee several key functions, including human resources, marketing and strategy, credit and underwriting operations, and the technology backbone of the organisation.

Electronica Finance Limited is an MSME-focused financial institution. It began its journey as a captive financier to its parent manufacturing company, which produced machines and needed a way to finance them for customers. While the business has evolved significantly since then, some things have remained constant throughout its long journey.

The values that guide us today are the same values we started with, and our focus on the MSME segment has never changed. In fact, those founding principles continue to shape how we think about the future of the company.

EFL is an institution that believes deeply in serving all stakeholders fairly and responsibly. Whether it is customers, employees, supplier partners, bankers, or investors, we believe we have done justice to each of them so far, and we are committed to continuing this approach well into the future.

Our contribution to positive change in India is closely tied to our focus on MSMEs. This segment plays a critical role in the Indian economy through its contribution to economic output, exports, and employment generation.

By supporting MSMEs, we believe we are contributing in our own way to the growth and transformation of the Indian economy. As our founder often said, this is EFL's way of giving back to the country and to society.

Our funding enables social impact in multiple ways. When we support small and medium enterprises, we contribute to wealth creation and financial inclusion, especially for businesses that are outside the formal credit system and otherwise dependent on informal sources of finance.

We also support employment generation, as MSMEs are among the largest creators of jobs in the country. In addition, through our machine financing and rooftop solar financing portfolios, we contribute meaningfully to environmental sustainability by enabling energy efficiency and carbon reduction.

At the heart of our organisation are a few core values that guide our daily work. Customer centricity is deeply embedded in our DNA.

Everything we do, from product design and process improvement to underwriting and service delivery, is centred around customer needs. Our machine finance and rooftop solar finance offerings are strong examples of this philosophy in action.

Innovation is another cornerstone of EFL. Given my role overseeing marketing and strategy, innovation is a daily focus for me and my teams. This includes how we leverage technology, how we reach customers, and how we continuously improve service delivery. Innovation is not optional for us; it is a value we actively live by.

Ethics and integrity sit at the very top of our value system. No level of performance or business success is ever allowed to compromise these principles. This commitment has been demonstrated consistently through our actions as an organisation.

Another value that is deeply important to us is social impact and community building. We aim to transform lives through wealth creation, financial inclusion, employment generation, and our CSR and ESG initiatives.

Community, for us, exists at two levels. One is the MSME customer community. Over the years, we have engaged extensively with industry associations, local bodies, and MSME groups to share knowledge, create awareness, and support better decision-making. These engagements go beyond business and include education on topics such as rooftop solar, regulatory changes, and productivity-enhancing investments.

The second and equally important community is our employees. As a financial institution, people are as critical as capital. We have always believed in being a people-first employer.

Whether it was organising vaccination drives, supporting employees through personal crises, or investing in mental and physical wellness initiatives, we have consistently taken concrete steps to care for our people. This is especially important for teams working on the ground under constant pressure. When employees are supported and their well-being is prioritised, they are better equipped to serve customers and contribute meaningfully to the organisation.

This collective focus on values, people, and purpose is what defines Electronica Finance Limited and continues to guide us forward.

4 Our Impact: Ethical Business is Profitable Business

Since our inception we have been driving positive societal change. In fact, the choice to do good is one of the most important building blocks of EFL. Our founder, Mr. S.R. Pophale, believed that business should always be ethical and that where there is a will to do good, there is a way.

He recognised that the biggest possible positive impact would come from supporting MSMEs and advocating for sustainable business on the grassroots level - the basis of the Indian economy. We have tried to follow his vision in every aspect of our work.

Empowering a Sustainable Future

At EFL, sustainability is a guiding principle that shapes our products, partnerships and purpose. Sustainability for us means financing growth that is environmentally conscious, socially inclusive and governed responsibly.

Every time we make a business decision, we consider the impact it will have on the customer and society as a whole. Special focus areas for us are transitioning to clean energy and fostering inclusive growth.

TRANSITIONING TO CLEAN ENERGY

India's transition to clean energy is an environmental necessity, and the impact of solar panels on natural resources, emissions, public health and behavioural change is too significant to ignore.

To address this need to make solar power available for enterprises and individuals alike, the government has taken steps such as launching the National Rooftop Portal, a unified platform designed to simplify everything from registration to subsidy disbursement, and PM-Surya Ghar: Muft Bijli Yojana, an exclusively residential rooftop solar programme, as well as made access to loans for rooftop solar adoption easier.

India's rooftop solar adoption is delivering tangible benefits across households, businesses, and communities. From Delhi to Gujarat, the rollout of rooftop solar systems has led to remarkable savings on electricity bills and has significantly reduced reliance on coal, cutting carbon emissions and easing grid strains.

As a part of our environmental stewardship, EFL continues to drive the transition to cleaner sources of energy through focused financing for rooftop solar and energy-efficient machinery.

We offer customised rooftop solar loans, designed to make clean energy accessible for various consumers, including MSMEs, residential properties and institutions. These loans cover up to ₹3 crore, with up to ₹50 lakhs being collateral-free, and feature flexible repayment terms.

To date, we have facilitated the installation of 96 MW of rooftop solar capacity, which has led to an estimated 108,000+ tonnes of carbon dioxide emissions avoided, underscoring our impact on climate action.

INVESTING IN ENERGY-EFFICIENT MACHINERY

The machinery finance landscape in India is evolving rapidly, driven by technological advancements and government initiatives. As businesses increasingly emphasise sustainability, the machinery finance sector is evolving to offer green financing options that have lower interest rates for businesses that adopt eco-friendly machinery or implement green initiatives.

These financing options enable companies to invest in energy-efficient machinery, reduce their environmental impact and contribute to sustainable growth.

Energy-efficient machinery uses modern technology like automation, smart sensors and VFDs to cut energy use, lower costs and reduce emissions by optimising performance, eliminating waste and controlling operations like speed and temperature. They help MSMEs reduce power consumption, lower operating costs and increase productivity and we are proud to say that up to 70% of machinery financed across our portfolio fits into this category.

In addition, Raftaarr, our digital platform for selling used machinery, is helping prolong the lifecycle of machines, drastically cutting the need for new production. This in turn saves significant raw materials, reduces energy consumption, and lowers carbon emissions associated with manufacturing, thereby promoting a circular economy and minimising landfill waste.

Furthermore, investing in upgraded equipment is also an investment in customer well-being. Safer, more efficient machinery not only ensures compliance with modern regulations but also makes sure customers are protected, increasing productivity by reducing accidents, boosting morale through feelings of security and enabling smoother operations with fewer interruptions, ultimately fostering a strong safety culture and better business outcomes. This positive impact is another testament to the importance of our work.

96 MW of solar capacity installed
compares to powering **80,000**
Indian homes for a year

1,080,757.2 tonnes CO_2 emissions avoided
compares to removing **230,000**
cars off the road for a year

212,325 MSME jobs generated
akin to employing a **medium**
sized city

Beyond Business as Usual

In addition to creating impact through business, for years we have been fostering positive change through our corporate social responsibility (CSR) initiatives.

Our CSR policy is driven by a vision to positively impact society and transform lives, going beyond mere financial contributions. For us CSR is not a charitable endeavour but a way of going beyond business as usual.

At the heart of our approach to corporate social responsibility is a commitment to social impact and our belief that corporate success and societal progress are mutually symbiotic.

Our CSR focus areas, the places we feel we can have the biggest impact on, are Education, Sustainable Livelihood, Skill Development and Women's Empowerment. These are underlined with an emphasis on Environmental Sustainability and Rural Development.

Our activities in these areas encompass everything from vocational education and scholarships for underprivileged children to skills development among marginalised communities and raising health awareness with a focus on women.

Our activities are underlined with an emphasis on environmental sustainability, which means that we ensure ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water.

We are proud of the impact we have in these areas, well exemplified below.

(HOLISTIC) EDUCATION IS EVERYTHING

We are committed to the holistic development of the people we serve and believe that education is a key component in this process. We promote special education and employment-enhancing vocational skills. We believe that children are our future and focus on developing the youth of India not just academically but also socially, emotionally and physically as well.

In addition to classroom education, we focus on skill development, especially in rural areas. This approach, aiming at creating sustainable livelihoods, has been developed through a deep understanding of the needs of rural communities and an appreciation of the constraints they face.

We believe that the key to a sustainable future is through skill development, and this is why we are working towards the betterment of our fellow citizens by providing them with the necessary skills required to lead a better life.

In this area we have carried out many successful projects that we are proud of. The EFL National Apprentice Programme and Project Udaan focus on skill development and providing employment opportunities to youth from underprivileged families. These programmes prepare participants for careers in the NBFC sector through a comprehensive, placement-linked training model.

Designed in collaboration with industry experts, the projects use a blended approach of classroom and on-the-job learning during internships at partner companies. Along with technical and domain-specific skills, participants receive career counselling, exposure visits and sessions on communication, interview and job-readiness skills.

Furthermore, there are about 60 million girls in India who are out of school, in many cases because of poverty. This is why we have embraced the cause of educating a girl child, and successfully so. To this day, our project UDAAN has reached 200 students, who have received not only financial assistance but also help shaping their careers by arranging workshops and sessions to gain valuable skills.

As a continuation, we joined hands with a local NGO in the state of Maharashtra to carry out project UDAAN 2.0 to lift up visually challenged girls.

This innovative project was designed to provide free education and vocational training for visually challenged girls from rural areas, and so far it has transformed the lives of three individuals. These young women, hailing from small villages and challenging financial backgrounds, have not only achieved their career dreams but also become role models for their own communities.

Last but not least, the Electronica Finance Limited Scholarship is our initiative to help girls in need of financial assistance to pursue their education.

The scholarship is awarded to a girl child from a family where at least one of the parents is working in one of our customers' businesses. The aim of the scholarship is to empower girls and encourage them to pursue their dreams.

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Through the scholarship given by Electronica Finance Limited, I could manage my food and stay expenses while I was preparing for my bank exam. I cannot thank EFL enough for the scholarship I was selected for. Today I am working as a PO in a reputed bank and have adjusted to the role. My parents, who could never go to school, are very proud of me, which makes me very happy.

Now that I am financially stable, I am supporting my sister's education and also manage to send some money home to my parents.

Voice of Our Impact: ***Sunita Waskar****, Scholarship Recipient*

WOMEN'S EMPOWERMENT

We are committed to women's empowerment and have initiated several programmes in this area. We have set up a separate fund for the purpose that invests in and supports projects that aim to promote gender equality. The goal of project Meeta - meaning true friend, Meeta-Earth and Meeta-Seva is to provide low income girls and women with free access to clean and safe sanitary products.

For these projects we partnered with two NGOs, Seva Sahayog in Pune-Maharashtra and EARTH in North East Maharashtra to create opportunities for socio-economically backward women to learn how to make hygienic products and earn a living through the sales of the products. The programmes provide training, mentoring and financial support and have changed the lives of many girls and women in this tribal area.

It has made them financially self-reliant and empowered them to fight against social taboos and superstitions related to menstruation, as well as increased awareness among adolescent girls on menstrual hygiene, built self-esteem and empowered girls for greater socialisation.

OTHER COMMUNITY INITIATIVES

We are a socially conscious company, and our mission is to help make a positive difference in the communities we serve. We do this through volunteer programmes, charitable donations and sponsorships as well as employee engagement initiatives and other activities. We are proud of our long-standing commitment to social responsibility and corporate citizenship.

We want to ensure every child has access to nutritious food every day of their lives and are proud to contribute to Annamrita, the ISKCON initiative that serves disadvantaged children nutritious, wholesome, hygienic midday meals prepared in hi-tech kitchens.

The initiative aims to tackle malnutrition among children, nurturing the body while nourishing the soul. These mid-day meals are doing much more than just filling bellies: they are giving these kids the fuel they need to keep up with their peers and get through the day without missing a beat.

The donations were enough to make us all aware of how receiving and giving are interconnected and the exercise helped us realise the importance of charity and how it is a form of self-development.

5 Food for Thought & a Look to the Future

To sum it all up, even though our history spans over three decades, we are still at the beginning of our journey and excited to carry on building a more equitable and sustainable future.

It is evident that there is more work for us to do and opportunities to impact society, as there is a rising credit demand for MSMEs and a growing emphasis on green lending, which creates opportunities for not only business growth, but also positive environmental impact as well.

We will continue on the road mapped out in our strategy to contribute to a greener and more responsible future and humbly acknowledge that we are far from perfect.

Looking forward, in order to grow our impact, we will keep focusing on sustainable and responsible financing, employee empowerment and talent development, and scaling up our CSR initiatives. This means we will:

Ensure ethical lending practices and transparent customer communication. We follow a customer-first approach rooted in trust and transparency, from clearly explaining loan terms and charges to ensuring fair and responsible lending practices, making sure every customer understands and feels confident about their financial decisions.

Focus on financing green energy, sustainable manufacturing and eco-friendly projects. For example, through our solar finance and energy-efficient machine finance offerings, we will continue to empower businesses to adopt cleaner technologies, reduce energy costs and minimise their environmental impact.

Invest in learning and development programmes to upskill employees and prepare future leaders. We will continue to conduct structured training programmes, leadership workshops and functional skill sessions to help our employees stay future-ready.

Promote diversity, equity, and inclusion across all levels of the organisation. We are committed to creating an inclusive workplace where everyone feels valued and respected.

Support education, skill development and women's empowerment. Through initiatives like Project Udaan and Educate a Girl Child, we focus on the holistic development of children - nurturing them academically, socially and emotionally, with a strong emphasis on empowering young girls through education. We will continue to support Project Meeta and its sub-initiatives to champion women's health, hygiene, and livelihoods and aim to scale these programmes to create a deeper and wider social impact.

Collaborate with NGOs and social enterprises for inclusive growth. We work closely with NGOs and social enterprises to create sustainable livelihood opportunities and skill development programmes for youth from underprivileged backgrounds. Going forward, we shall aim to expand existing partnerships to drive deeper, inclusive growth.

Every step we take reminds us that innovation and inclusion are not just goals - they are our way of transforming lives and building a more equitable future for all.

Looking back, we can proudly say that we have changed lives and communities for the better and believe that together we can multiply our impact so that the world we leave for generations to come is better - for everyone.

We welcome you to join us on our journey!