ANNUAL REPORT
2024-25

SK FINANCE
Saath Aapke... Hamesha

ACCELERATING AMBITIONS



CUSTOMER CENTRICITY

DIGITAL FIRST

EXPANDING NETWORK

SUSTAINABILITY

www.skfin.in

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Scan this to view our Annual Report online.

ACCELERATING AMBITIONS

SK FINANCE

AAPKI TARAKKI KA PARTNER

Founded in 1994, SK Finance has steadily emerged as a trusted financial partner for millions across rural and semi-urban India, enabling access to easy credit while accelerating their financial aspirations. With a strong presence in the vehicle financing and MSME lending segments, we are committed to addressing the credit needs of unbanked and underserved populations through a diverse portfolio of customized financial solutions.

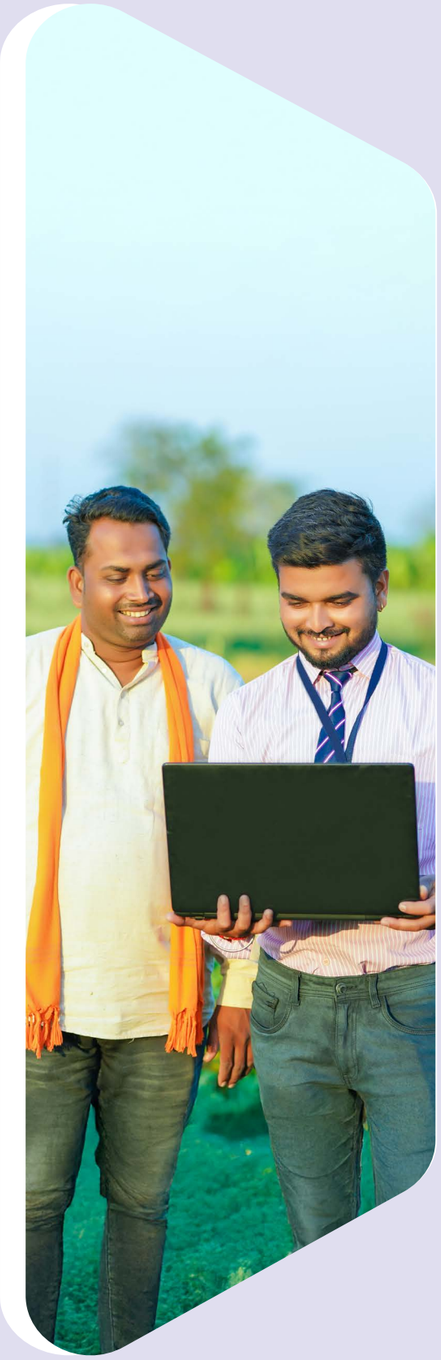
Even in a year shaped by macroeconomic headwinds, our focus remained clear – understanding our customers' needs and evolving with their financial aspirations, delivering tangible solutions and fostering enduring bonds.

With relentless determination, we are unlocking opportunities that have come our way. We continue to expand our footprint in the used vehicle and MSME sectors, strengthening our presence across core markets and deepening customer engagement. With strategic investments in technology, people and robust governance practices, we continue to drive operational excellence, offering seamless and efficient customer experiences.

Beyond lending, we focus on financial literacy and community outreach to foster economic growth at the grassroots level.

As we fortify our foundation for future possibilities, we remain committed to building a diversified, scalable, and long-term value for all stakeholders.

At every step, we remain committed to our core promise: Saath Aapke... Hamesha, fueling ambitions to accelerate mutual progress and build a lasting legacy together.



About SK Finance

EMPOWERING FINANCIAL GROWTH WITH PURPOSE

SK Finance Ltd. (SK Finance) is an RBI registered non-deposit taking non-banking finance company (NBFC), classified in the middle layer (NBFC ML). As a leading NBFC in India, we operate primarily in the vehicle financing and Micro, Small and Medium Enterprises financing segments.

Backed by seasoned leadership, marquee investors and a robust balance sheet, we have built a strong foundation of trust, excellence and customer centricity.

Over the years, we have expanded our presence to 12 States and Union Territories, strengthening our sourcing networks and efficiently servicing our customers.

Committed to driving financial inclusion with a deep understanding of the customers we serve, we offer high quality and customized loan solutions to meet the changing needs of our diverse borrowers.

Our asset-backed loans are largely designed to support income generation for mid-to-low-income customers, predominantly **self-employed, unbanked, or underbanked individuals** in rural and semi-urban India, who have l**imited access to formal lending channels**.



Business Segments

In our vehicle financing segment, we primarily offer a secured, diversified and retail-focused loan portfolio for funding **used and new commercial vehicles** (excluding medium and heavy commercial vehicles), **cars, tractors** and **new two-wheelers**.

Under MSME financing, we have identified **specific businesses** in the **MSME sector** to whom we offer loans.

Vehicle Financing

- Commercial vehicle loan
- Tractor loan
- Car loan
- Two-wheeler loan

Our Ethos

Vision

To become the most preferred customer and employee-friendly finance company, with an aim to provide last-mile coverage including to unbanked customers, by providing timely financial support with empathy, trust and technology.

Mission

Our Mission encompasses the word “CARE”.

Values

C

Customer First

We always put customer needs first.
We seek to understand our customers and recommend optimal solutions.

A

Agility

We build agile processes to become proactive and deliver timely support to customers and employees.

R

Reliable

Reliability is our middle name at SK Finance; we seek to be a preferred partner during customer and employee growth journeys.

E

Empathy

Empathy is the biggest trait that we live by reflecting our commitment with a personal touch and cooperation for maximum benefits.

Key Strengths

- 30+ years of deep NBFC industry expertise
- Supported by prominent investors
- Diversified loan portfolio
- Led by an experienced and professional management team
- Extensive market reach, leveraging both direct and indirect sourcing channels
- Robust underwriting, collections, and risk management systems
- Strategic partnerships with a diversified lender base
- Strong and consistent financial performance
- Technology-driven seamless operations

Adhering to industry best governance practices, our dedicated workforce provides expert guidance and support, ensuring hassle free loans and delightful customer experiences. Through continued investment in technology, we strive to streamline operations, strengthen risk management and unlock potential growth.

Our robust underwriting framework, structured around the three 3Is (Income, Intent and Insurance) helps us assess our borrowers' creditworthiness before approving loans. These pillars, refined over time, ensure that we identify and finance the right customer based on their specific needs.

3 Pillar Focus

Income

The first pillar evaluates both the income-generating activities of our customers and the collateral value of the security offered to enhance our credit decision-making

Intent

The second pillar understands the customer's intent to repay the loan by conducting multiple reference checks

Insurance

The third pillar ensures that our asset-backed lending acts as a form of insurance against potential customer defaults.

Building on over three decades of deep financial industry experience, we continue to evolve, diversifying our portfolio and expanding our presence to accelerate financial inclusion in the markets we serve.

Numbers That Define Us

~3 decades
of Industry Experience

36.46%
Disbursement CAGR FY 2017-25

41.50%
AUM CAGR FY 2017-25

648
No. of Branches as on March 31, 2025

12,416
Total Employees as on March 31, 2025

AA-/Stable
by CRISIL, ICRA, India Rating and CARE

5.9 lakh
Active loan accounts as on March 31, 2025

12
States and Union Territories as on March 31, 2025

29.30%
Growth in active loan accounts during FY25

FY25 Financial Highlights

₹ 13,261.13 crore
AUM

2.58%
Gross Stage 3

₹ 8,398.41 crore
Disbursements

29.5%
Capital Adequacy

₹ 379.66 crore
PAT

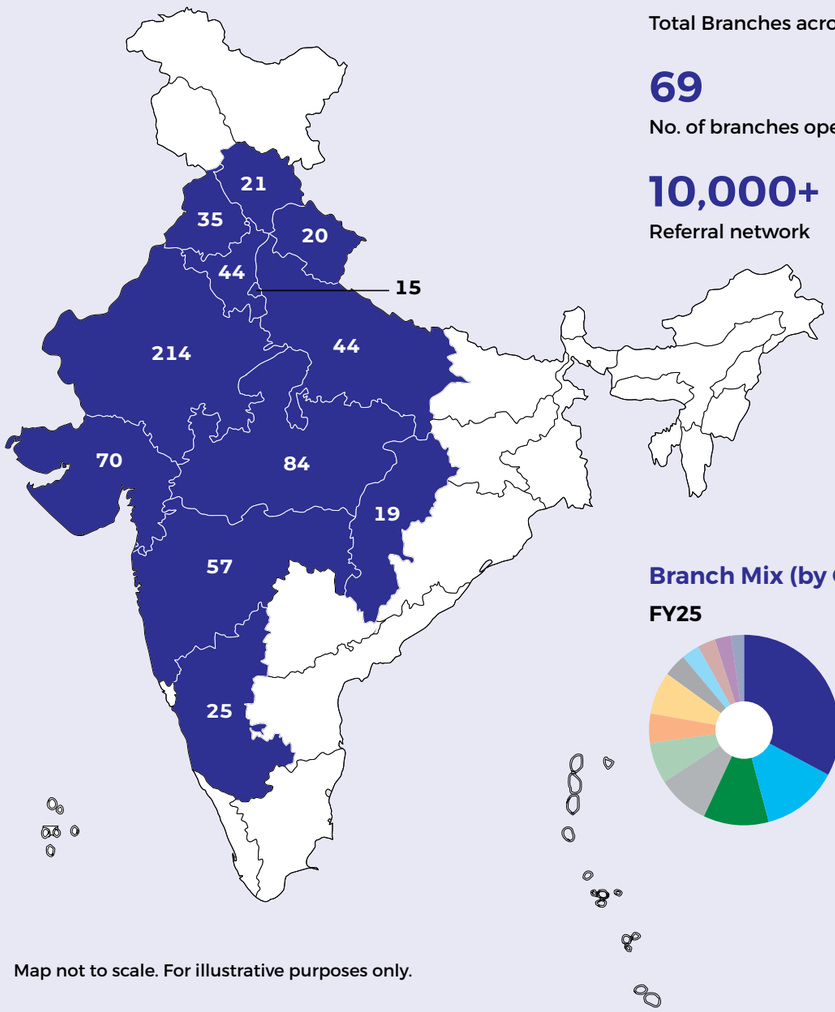
48.67%
Cost-to-Income ratio



Our Presence

DEEPENING OUR IMPACT

Committed to driving sustainable growth and a more inclusive financial landscape, we continued to deepen our footprint across our stronghold markets in FY25. Backed by a robust pan India branch network, 10,000+ DSAs and 12,416 dedicated employees and local market expertise, we remain focused on effectively meeting the evolving needs of our vast customer base in a dynamic marketplace.



Map not to scale. For illustrative purposes only.

Operating Environment

648

Total Branches across 12 states and UT

69

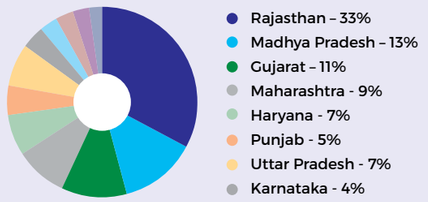
No. of branches opened in FY25

10,000+

Referral network

Branch Mix (by Geography)

FY25



Our Marquee Partnerships

A diverse funding base has been key to our continued growth over the years. Through strategic lending partnerships with **over 69 leading institutions** – including **public and private sector banks, development funds, financial institutions, Mutual Fund and Insurance companies.** Last year, we expanded our lending partnerships by onboarding **Asian Development Bank (ADB)** to our debt network, securing an external commercial borrowing (ECB) of **USD 100 million** to further strengthen our financial capabilities and enhance our lending solutions.

Public Sector Banks

State Bank of India	Punjab National Bank	Bank of Baroda	Union Bank of India	Canara Bank
Bank of Maharashtra	Bank of India	Indian Bank	Indian Overseas Bank	Punjab & Sind Bank
UCO Bank Ltd				

Private Sector Banks

IndusInd Bank Limited	IDFC First Bank Limited	Axis Bank Limited	Kotak Mahindra Bank Limited	HDFC Bank Limited
HSBC Bank	ICICI Bank Ltd	Federal Bank Limited	Bandhan Bank	DBS Bank
IDBI Bank	CSB Bank Limited	Yes Bank	DCB Bank Limited	Karnataka Bank
RBL Bank Limited	Dhanlaxmi Bank Limited	City Union Bank	Karur Vysya Bank	The South Indian Bank Limited
Woori Bank				

Small Finance Banks

AU Small Finance Bank	Ujjivan Small Finance Bank Ltd	Suryoday Small Finance Bank	Equitas Small Finance Bank	Capital Small Finance Bank Ltd
Utkarsh Small Finance Bank				

Financial Institutions

Asian Development Bank	Global Climate Partnership Fund S.A	FMO	Worldbusiness Capital Inc	Micro Units Development & Refinance Agency Ltd
National Bank for Agriculture and Rural Development	Small Industries Development Bank of India	Nabkisan Finance Limited	Bajaj Finance Limited	Morgan Stanley Asia (Singapore) Pte.

Mutual Funds

Aditya Birla Sun Life AMC Limited	ICICI Prudential Asset Management Company Limited	HDFC Asset Management Company Limited	Axis Asset Management Company Ltd	360 ONE Asset Management Limited

Insurance Companies

Nippon Life Insurance Company Ltd	Axis Max Life Insurance Limited	Royal Sundaram General Insurance Co. Limited

Lender Portfolio Dashboard

Category	March 31, 2025	March 31, 2024
Top 10 Lenders	46.13%	51.16%
Top 11-30 Lenders	40.50%	36.97%
Other Lenders	13.37%	11.88%

Over the years, we have built strong relationships with our lenders, enabling us to access diverse sources of funds. The continued trust of lenders has helped us secure long-term financing at competitive interest rates while gradually increasing the tenure of our borrowings and average ticket size with existing lenders. Furthermore, our focus on a diversified funding base has helped us sustain our cost of borrowings in FY25 despite an elevated base rate and tight liquidity conditions in the market.

Our Evolution in Action

	March 31, 2025	March 31, 2024	March 31, 2023	March 31, 2022	March 31, 2021
Average tenure of borrowings at origination (including securitisation) (in months)	48.47	46.54	43.83	38.89	39.55
Average residual tenure of borrowings (including securitisation) (in months)	36.89	35.38	34.62	28.20	30.97
Average ticket size (exposure per lender) (₹ crore)	168.18	154.05	106.71	80.32	55.59

Our consistent performance and growing lender confidence are further reflected in our credit rating of AA-stable (ICRA/CRISIL/CARE/India Ratings) as on March 31, 2025, reinforcing the market's continued trust in our vision, resilience and long-term growth focus.



Our Offerings

FULFILLING DIVERSE NEEDS WITH TAILORED CREDIT SOLUTIONS

We serve customers who remain underserved by the mainstream banking ecosystem, particularly in rural and semi-urban areas. By offering tailored credit solutions, including vehicle financing and MSME loans, we aim to bridge the credit gap and help unlock economic potential in these segments.

78.19%
of vehicle book consist of used vehicle financing

Staying at the forefront of innovation, we leverage cutting-edge technology to improve our products, simplify the customer journey and enrichen experiences.

We operate in a fairly non-cyclical product segment

We finance primarily income generating activities

Offering a Diverse Portfolio



Commercial Vehicle Loans

Our commercial vehicle loans enable customers to utilize their assets for intra-city transport, facilitating the transportation of goods and captive usage.



Tractor Loans

Through customized tractor loans, we empower farmers and owners of agricultural land to purchase used and new tractors, which are primarily for dual use of agricultural and other commercial activities.



Car Loans

Our car loans are designed for first-time buyers transitioning from two-wheelers, enabling access to vehicles primarily for personal use, enhancing mobility and convenience.



Two-wheeler Loans

Our two-wheeler loans assure easy access to the freedom and independence of owning a two-wheeler for individuals in rural and urban areas.



MSME Loans

We offer MSME loans for diverse retail-focused businesses, including traders, medical stores, school supply shops and garment shops, with inventory-based funding solutions.

Portfolio Dashboard

Commercial Vehicles

45
Tenor (months)

80.44%
Average LTV

17.89%
Blended Yield

₹ 5.6 lakh
ATS

Tractor

41
Tenor (months)

80.36%
Average LTV

19.74%
Blended Yield

₹ 3.7 lakh
ATS

Cars

46
Tenor (months)

76.05%
Average LTV

17.04%
Blended Yield

₹ 4.8 lakh
ATS

Two-wheelers

27
Tenor (months)

79.97%
Average LTV

21.46%
Blended Yield

₹ 70 k
ATS

MSMEs

77
Tenor (months)

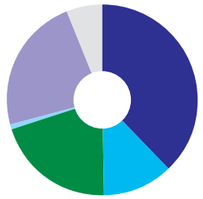
33.87%
Average LTV

19.44%
Blended Yield

₹ 4.2 lakh
ATS

FY25 Segment-wise Mix

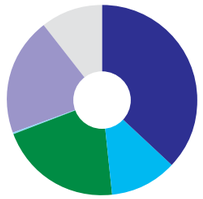
By AUM



- Commercial vehicle – 37.9%
- Tractors – 11.9%
- Cars – 20.4%
- Two-wheelers – 0.8%
- MSMEs – 23.1%
- Others* – 5.9%

FY25 Segment-wise Mix

By Disbursement



- Commercial vehicle – 37.0%
- Tractors – 11.3%
- Cars – 20.9%
- Two-wheelers – 0.2%
- MSMEs – 20.2%
- Others – 10.4%

*Note: Others include Co-lending, Personal Loan and Purchase Pool

Chairman's Message

DRIVING PROGRESS WITH RESPONSIBILITY



> Our journey this fiscal year has been marked by strategic resilience and a proactive response to a rapidly evolving global and domestic economic environment."

Amar Lal Daultani
Non-Executive Chairperson, SK Finance

Dear Stakeholders,

As we close FY25, I am delighted to share the encouraging progress that SK Finance has achieved over the past year. Our journey this fiscal year has been marked by strategic resilience and a proactive response to a rapidly evolving global and domestic economic environment. I take this opportunity to reflect on our accomplishments, the broader economic context, and the promising outlook for FY26.

Global Economic Landscape

In FY25, the global economy encountered a mix of uncertainties and modest growth. While advanced economies maintained steady, albeit subdued expansion, the emerging markets faced headwinds due to the lingering geopolitical tensions. Together, these factors put downward pressure on the global GDP growth over the period under review. As per the International Monetary Fund (IMF) (World Economic Outlook – April 2025 outlook), global GDP growth is projected at 2.8% in CY2025 and 3.0% in CY2026.

Indian Economic Performance and Prospects

Despite the global slowdown, India showcased a strong economic performance in FY25 relative to the world economy. The Indian GDP growth remained on an upward trajectory. FY25 was a year of slow credit offtake, led by liquidity squeeze in the banking and financial services industry. Despite these challenges, India demonstrated strong fundamentals and emerged as a critical pillar in supporting the World economic growth.

With a renewed focus on improving consumption, backed by encouraging actions taken by the regulator in the last few months as well as the hope for increased public sector investments and easing liquidity in the economy, Interest rate cuts, income tax relief and easing inflation are expected to provide tailwinds to domestic consumption in Fiscal 2026, while the expected normal monsoon will support agricultural incomes.

Considering the return of a strong domestic demand led by the rural growth and positive market indicators, expectations are for credit growth to accelerate in the near future.

Company Performance and Future Outlook

Surpassing ₹ 13,000 crore AUM and registering a strong 27% growth as compared to last year, your Company did admirably well despite a tough macro environment. Strategic investments in technology, people and operational improvements have been instrumental in achieving this while also laying a solid foundation for future growth. As we step into another year, we remain focused on leveraging new opportunities and delivering sustained value to our stakeholders by strengthening our governance framework, deepening our market reach and reinforcing our commitment to financial inclusion.

I extend my sincere gratitude to our dedicated team, our Board, and all our stakeholders for their continued trust and support. I feel privileged to be a part of SK Finance's story of resilience and success and look forward to breaking many more barriers to achieve unprecedented growth in times to come.

Warm regards,

Amar Lal Daultani
Non-Executive Chairperson, SK Finance

Managing Director and CEO's Communique

CULTIVATING A LEGACY OF SUSTAINABLE GROWTH



Today, SK Finance operates across 12 states and union territories, supported by 648 branches and a network of over 10,000 strong connector network.

Dear Stakeholders,

Last year was a challenging year in terms of multiple global and domestic challenges. Even as we navigated a complex landscape of global economic uncertainty, domestic headwinds, and operational challenges, our commitment to creating sustainable value for all stakeholders remained unwavering. Throughout the year, our dedicated teams worked tirelessly to solidify our foundations, optimize processes, and pursue growth opportunities – ensuring that every strategic initiative contributed to the long-term resilience and profitability of the organization.

World Economic Snapshot

The global economy demonstrated resilience in FY25, despite persistent headwinds. According to the IMF's January 2025 update, world growth is projected at 3.3% in both 2025 and 2026, modestly below the historical average but stable amid policy uncertainty and trade tensions. While advanced economies grappled with inflation normalization, the emerging markets continued to drive global growth. Looking ahead, synchronized monetary easing in major markets should bolster liquidity, though risks from protectionist measures and geopolitical frictions remain.

Indian Economic Landscape

India sustained its position as the fastest growing major economy, with the Reserve Bank of India forecasting 6.5% GDP growth for FY26 after a projected 6.5% expansion in FY25. The RBI's Monetary Policy Committee expects quarterly growth of 6.5% in Q1, 6.7% in Q2, 6.6% in Q3, and 6.3% in Q4, reflecting a balanced outlook amid evolving global trade dynamics. Key drivers include a strong rural economy, robust services demand, and a rebound in industrial activity supported by recent policy measures.

SK Finance's Performance and Outlook

In FY25, SK Finance delivered healthy business expansion. Disbursements rose 16% year-on-year to ₹ 8,398 crore, reflecting sustained customer demand and efficient distribution channels. The Assets under Management (AUM) also demonstrated a robust growth, growing 27% to ₹ 13,261 crore, driven by targeted lending in semi urban and rural markets and our contiguous expansion strategy. These results underscore our ability to scale responsibly, even as the industry faced headwinds from rising funding costs and elevated credit scrutiny.

Deepening our Geographic Reach

Building on our last year's foray into Uttar Pradesh and Karnataka, we intensified penetration in existing states. Today, SK Finance operates across 12 states and union territories, supported by **648 branches** and a network of over **10,000 strong connector network**. We also strengthened our human capital, adding over **1,050 employees**, taking our team to **12,416** dedicated professionals. This on-ground presence, combined with deep local insights, ensures that we efficiently meet our customers' evolving needs.

Strong Performance amid Domestic Challenges

FY25 presented unique operational challenges for your Company – from a harsh summer and unseasonal rains to funding pressures. However, continued measures to refine our risk management and intensify our collections efforts helped us to mitigate stress. Additionally, we enhanced our credit underwriting standards and tightened delinquencies monitoring, sustaining risk adjusted growth.

Consistent Investments in Technology & Infrastructure

Our commitment to building a diversified, scalable, and high return franchise remained unwavering. Steps taken towards this includes:

- **Enhancing Digital & Cloud Infrastructure**: We accelerated automation and cloud adoption, modernizing core processes for greater agility.
- **Cybersecurity & Data Protection**: Investments in advanced security protocols safeguard customer data and reinforce trust.

These initiatives exemplify our dedication to generate higher incremental returns on each incremental rupee spent, reinforcing our right to win.

Elevating Governance Standards

Corporate governance is a continuous journey. In FY25, we instituted enhanced Board oversight mechanisms, refined risk committees, and adopted best-in-class disclosure practices. Our governance framework continuously evolves with stakeholder expectations and regulatory norms, ensuring transparency and accountability at every level.

Competent team to tap Emerging Opportunities

At SK Finance, our people are our greatest asset. Through targeted training programs, leadership development, and a performance-oriented culture, we have cultivated a workforce ready to seize new and emerging opportunities. Combined with our ERP rollout, Service Cloud deployment, and process improvements in our LOS – now fully live – we stand primed to deliver seamless customer experiences, sharper risk insights, and superior operational leverage.

None of these accomplishments would be possible without the collective dedication of our employees, the strategic guidance of our Board, and the trust of our investors. We remain committed to creating long-term value, navigating challenges with integrity, and fulfilling our promise of sustainable growth.

Together, we are not just building a business – we are cultivating a legacy for generations to come.

Warm regards,

Rajendra Kumar Setia
MD & CEO

WHOLE-TIME DIRECTOR'S MESSAGE



> The first half of FY25 tested every facet of our business. Q1 was one of the hottest quarter in the year, straining rural livelihoods and supply chains.

Dear Shareholders,

We closed FY25 with an AUM of ~₹ 13,261 crore recording a growth of 27% y-o-y. While we grew at a rapid pace, we did so profitably. Our profit after tax grew 21.72% y-o-y reflecting improving operating efficiencies through the immense work put in by the team last year.

On the other hand, we continued to invest in building a strong team. Last year we added to our senior leadership team by attracting top talent from the industry. This further solidifies the belief external stakeholders' repose in our business.

While FY25 was challenging due to multiple macro headwinds, SK Finance managed to navigate through these unprecedented times emerging far more resilient and better equipped for the road ahead.

The first half of FY25 tested every facet of our business. Q1 was one of the hottest quarter in the year, straining rural livelihoods and supply chains.

Despite challenges, we never lost momentum. We doubled down on collections, strengthened risk analytics, and ensured uninterrupted service for our customers.

Investing in Technology for Operational Excellence

Adversity, for us, is an opportunity to reinforce our foundation. Aligned with this philosophy, we successfully implemented three major technology initiatives in FY25:

- LOS improvements helped us to improve our processes, thereby optimizing turn-around-time. These upgrades have reduced our processing time substantially and lowered our operating costs.
- **We successfully migrated our Finance and Support modules to a cloud-native platform – enhancing real-time visibility, streamlining operations, and automating key workflow:** We successfully deployed one of the best customer-facing cloud native service modules available in the market with an aim to achieve superior customer satisfaction.

Our technology investments are already yielding results – streamlining operations, sharpening risk management, and setting the stage for scalable growth.

Harnessing Rural-Led Domestic Growth in Future

Amid global uncertainty, India's domestic economy held firm, buoyed by rural demand. During second half of financial year 2024-25 (or FY25), rural consumption, agriculture, and allied activities started improving, driving GDP growth.

Continued strength in the agricultural sector, improved irrigation, and targeted government support should drive rural incomes and domestic consumption supporting this growth.

Positioned to Capitalize on Opportunity

SK Finance has established a strong three decade legacy in India's semi urban and rural markets. Coupled with a PAN India branch network, gives us a distinct advantage. Supported by a team of over 12,400+ professionals, empowered through extensive training and a performance-oriented culture, we stand ready to leverage our technology platforms and drive a healthy, risk-adjusted growth in loan book, thereby optimizing shareholder returns.

There is a Chinese proverb saying *"Be not afraid of growing slowly; be afraid only of standing still."*

This spirit of relentless determination guides us as we deepen our rural outreach, accelerate digital adoption, and unlock new efficiencies. None of this would be possible without the unwavering dedication of our employees, the strategic guidance of our Board of Directors, and the steadfast trust of our investors. To our team: thank you for turning every adversity into an opportunity. To our Board: we immensely value your counsel and support. And to our shareholders: we appreciate your confidence and look forward to creating long-term value, together.

As the macro environment has improved and further improves, we, as a team, are well placed to make the most of this. Our trust in our business reflects from the actions we have taken in the past. Especially last year where we have further strengthened our leadership team, imbibed technology within the system and improved operational processes placing us in a very strong position. We enter FY26 positively and remain confident to deliver a risk adjusted growth with improving profitability, thus sustainably creating shareholder value, as we have done in the past.

Yours sincerely,

Yash Setia
Whole-time Director

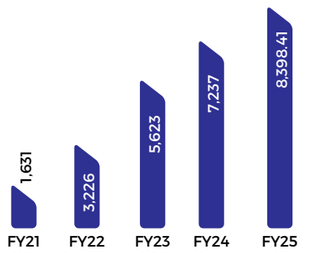
Highlights of the Year

ACCELERATING GROWTH WITH RESILIENCE

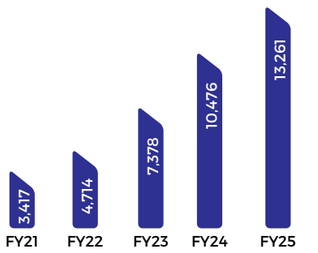
Despite weathering industry headwinds in FY25, SK Finance stayed strong, delivering an impressive performance backed by robust demand and focused expansion.

Financial Performance

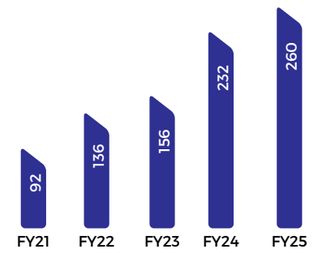
Disbursement (₹ in crore)



AUM (₹ in crore)

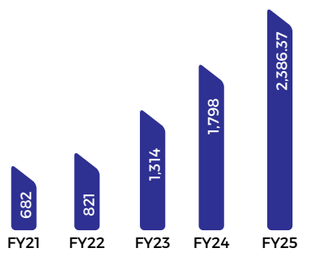


Book Value per Share* (₹)

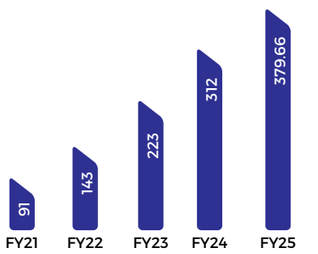


*After split and bonus

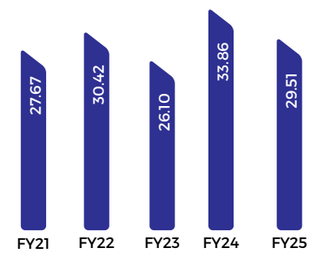
Total Income (₹ in crore)



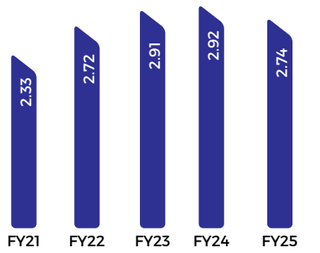
Profit after Tax (₹ in crore)



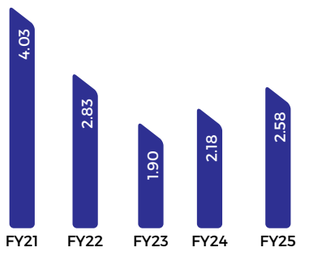
CRAR (%)



Return on Average Total Asset (%)



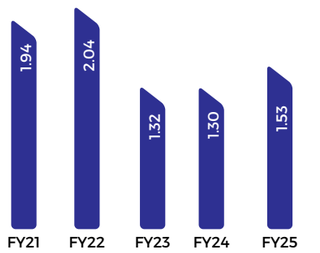
Gross Stage 3 (%)



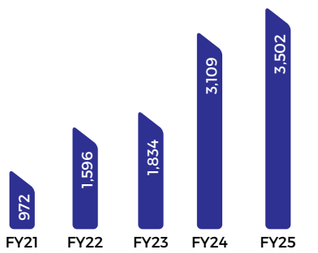
Return on average Equity (%)



Net Stage 3 (%)



Net Worth (₹ in crore)

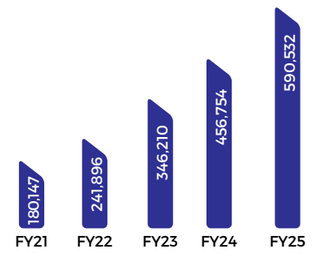


Debt-Equity Ratio

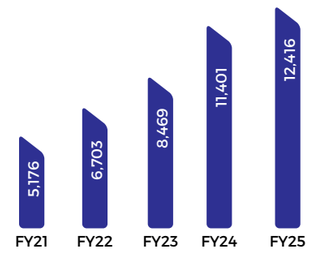


Operational Performance

Active Loan Accounts



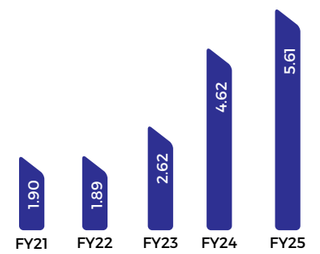
Employee Strength



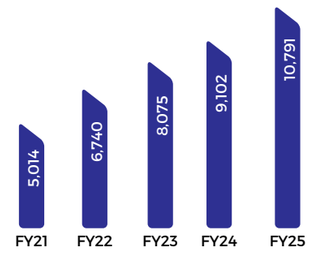
No. of Branches



Social Inclusion (₹ in crore)



Referral network



Customer Centricity

REDEFINING CUSTOMER EXPERIENCES

At SK Finance, we are committed to serving self-employed individuals from rural and semi-urban regions of India by providing timely and accessible capital customized to their unique needs.

Over the past three decades, we have developed a unique underwriting approach to ensure that we finance the right customer based on their specific requirements. The framework, centered on understanding each customer's 3Is – Income, Intent, and Insurance status – ensures a personalized and responsible lending experience, fostering financial inclusion and sustainable growth.

3 Pillars of Underwriting Framework

Income

- We operate an assessment based model, evaluating collateral value and income generating capabilities of our customers and their families to assess their loan repayment capacity
- Key factors include the customer's business income, income from family members and other ancillary family income

Intent

- We evaluate the customer's intent to pay before lending a loan through multiple reference checks
- Reference checks include checks from locals where the customer lives, checks from families and experience in business and past creditworthiness

Insurance

- We provide secured vehicle and MSME loans against collateral to mitigate lending risks
- The security-backed lending acts as insurance against potential customer defaults
- Robust evaluation of the collateral is undertaken, including external assessments and conservative evaluation, prior to loan approval



Deep Customer Insight

Dedicated to customer centricity since inception, we maintain a deep understanding of local markets and a robust on-ground presence, ensuring we remain easily accessible to our customers. Our customized financial solutions are tailored to suit those who require them most to achieve their business goals. We remain committed to delivering a seamless customer experience through efficient, automated systems and promptly addressing customer concerns with a particular focus on last-mile delivery. Through personalized solutions, responsive customer service and strategic focus, we aim to strengthen relationships and exceed customer expectations, positioning SK Finance as the lender of choice in our target markets.

₹ 8,398.42 crore
Total disbursements

Corporate Social Responsibility

SHAPING RESILIENT COMMUNITIES

SK Finance Limited ("the Company") has taken initiatives to drive positive and sustainable change to build resilient communities and support rehabilitation. The Company actively contributes to various focus areas, including health and wellness, sanitation and hygiene, education, vocational skill development, women empowerment, animal welfare, promoting sports among underprivileged children, environmental conservation, fitness programs, hospital support, traffic road safety and the promotion of art and culture.

FY25 CSR Focus Areas



Public Sanitation & Eradicating Poverty

We provided over 18,000 food packets to underprivileged communities of the Society during the fiscal year 2024-25 and water coolers during the summer months in public areas to ensure access to clean drinking water on a large scale. Additionally, sanitizer machines and dustbins were placed in public spaces.



Solar Skill Center

SK Finance has established a Solar Skill Center to offer training in solar product making, solar installation and solar system maintenance, along with placement assistance. With a focus on practical learning, the center equips individuals with essential skills, contributing to India's sustainable development goals and the growth of the green energy workforce.





Education

We strive to achieve this goal by offering quality education, providing financial assistance to underprivileged students, and facilitating vocational training programs. We also support education, promote girls education, and encourage reading habits by introducing a diverse range of books. Additionally, we focus on enhancing education infrastructure and providing essential support services to further empower students.

Health Care

The Company has set up various camps including Blood Donation Camps, providing ambulance services, medical infrastructure services, providing sanitation, etc. Also, in view to create more awareness in the society, our Company has organized WHWF (World Health and Wellness Fest) in Jaipur.





Developing Parks, Tree Plantation Drive and Spreading Awareness

We undertook various initiatives to enhance park development through tree plantations and organized multiple plantation drives to promote environmental protection. We have planted over 5,000+ trees in public spaces such as gardens, hospitals and schools during the fiscal year.

SK Skill Center

These centers offer comprehensive skill training programs designed to equip women with valuable resources, knowledge, and opportunities. By providing these opportunities, the Company aims to instill confidence, foster responsibility, and empower women to achieve economic independence.



Governance

DRIVING IMPACT WITH ROBUST GOVERNANCE

SK Finance is committed to maintaining responsible governance by upholding ethical business practices, ensuring transparency and adhering to regulatory compliance. We enforce stringent ethical standards across all operations, fostering a culture of fairness, integrity and accountability. Our governance framework prioritizes open communication with stakeholders, accurate financial reporting and corporate transparency to reinforce trust and credibility while delivering lasting value to all stakeholders.

Over the years, we have recognized our role as a corporate citizen and endeavored to adopt the highest standards of corporate governance and disclosure. Furthermore, we maintain a balanced governance structure through independent Board oversight, promoting diversity, transparency and accountability within leadership to drive sustainable and ethical business practices.

Our Board and leadership team are dedicated to fostering a culture of professionalism, ethical responsibility and stakeholder-centric value creation. By embedding sound governance into our business processes, we aim to enhance trust, manage risks effectively and ensure long-term resilience.

Our governance model is anchored in the principles of **fairness, integrity, and transparency**, which guide our decision-making and operational practices across all levels of the organization.



Our Guiding Principles

Transparency

We consider transparency essential for healthy, self-sustaining growth as it promotes self-enforcing checks and balances. Transparency also nurtures deep and longstanding trust among our stakeholders. We endeavor to exhibit the highest levels of transparency, exceeding statutory requirements, through accurate and timely disclosures.

Integrity

We are committed to the highest standards of honesty and professional ethics. Our operations reflect a zero-tolerance approach toward misrepresentation, fraud or manipulation.

Neutrality

We adhere to fair play and integrity in all our transactions with stakeholders, both internal and external. Our conduct is always equitable and transparent.

Customer-Centricity

Our services are built around a deep understanding of our customer's needs. Guided by the principles of empathy, fairness and transparency, we strive to offer financial solutions that are both accessible and responsible - supporting individuals and businesses without creating undue financial strain.

Accountability

In our organization, accountability means taking responsibility for our beliefs and delivering on promises. We cultivate a culture of end-to-end ownership across the organization. Our commitment to openness and transparency ensures accountability to all stakeholders, including workers, shareholders, suppliers, government agencies, society, business partners, and supply chain players.

Governance with 'CARE'

Our governance framework is designed to uphold our 'CARE' mission across the organization.

C

Customer-first

We prioritize our customers by embedding a customer-first mentality across all levels of our organization. Our governance practices ensure customer needs and feedback are integral to our decision-making processes.

A

Agility

Our agile processes allow us to be proactive and responsive to changes in the market and regulatory landscape. This adaptability ensures we remain competitive and quickly address potential risks and opportunities.

R

Reliable

Reliability is a cornerstone of our governance framework. Through stringent risk management, compliance, and internal audit functions, we ensure that our operations are consistent, dependable, and meet the highest standards of integrity.

E

Empathy

We foster a culture of empathy, ensuring a personal touch and cooperation in all our interactions. Our governance framework supports this by promoting ethical behavior, transparent communication, and a commitment to understanding and addressing the needs of our stakeholders.

- Risk management framework and three lines of defense governing the ERM process to safeguard business operations, we continue to strengthen our internal audits, risk assessment mechanisms and cybersecurity frameworks, ensuring robust risk management.

Three lines of defense driving our enterprise risk management framework

First line of defense (Business Units)

- Equipped with a leadership team with vast experience
- Leaders with specialized knowledge and a deep understanding of their respective domains
- Business heads focus on their respective product range and ensure sustainable credit growth

Second line of defense (Compliance and Risk Management Department)

- Equipped with an experienced team headed by an officiating CRO and CCO
- Responsible for designing and deploying an effective risk management framework in the organization as per the governance strategy defined by the Board
- Responsible for ensuring adherence to regulatory and statutory requirements
- Our dedicated risk management and compliance teams provide expertise and oversight. They develop frameworks, monitor adherence, and ensure that risks are managed consistently across the organization. This line acts as a safeguard, reinforcing the controls established by the first line of defense

Third line of defense (Internal Audit)

- An experienced HIA with knowledge of BFSI space
- Offers an independent and objective assurance of the effectiveness of our governance, risk management, and internal controls. By evaluating the efficiency and adequacy of our first and second lines of defense, internal audit helps ensure that our governance practices remain robust and resilient

FY25 Key Governance Initiatives: Responsible Business Practices

Established a robust Environment & Social Management System (ESMS) to seamlessly integrate, monitor and enhance ESG developments across all business functions, ensuring long-term sustainability.

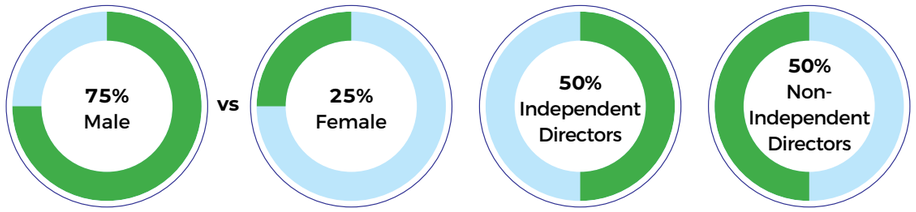
Formed an elite ESG Council, chaired by the Whole Time Director, to drive forward-looking sustainability strategies and embed ESG principles into critical decision-making processes.

Refined the Environmental & Social (E&S) policy with comprehensive updates, incorporating key provisions on health & safety, recycling, climate change adaptation, stakeholder engagement, supplier code of conduct (CoC) and responsible sourcing.

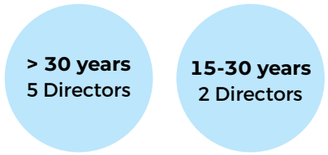
Enhanced HR policies with progressive clauses on workplace protection, security enhancements, social justice advocacy and holistic employee well-being, fostering a dynamic, inclusive and forward-thinking organizational culture that upholds the highest standards of professionalism and accountability.

These initiatives reinforce SK Finance's leadership in ethical business governance, ensuring transparency, compliance and sustainability remain at the forefront of our corporate ethos.

Board Diversity



Board Experience



Board Age Profile



Board of Directors

PIONEERS OF RESPONSIBLE PROGRESS

Guided by the expertise, vision and strategic direction of our esteemed Board of Directors, we navigate confidently in a dynamic market landscape. With innovation, sustainability and consistent growth at our core, we continue to transform the financial landscape of rural India, enhancing financial inclusivity and economic growth.



Mr. Amar Lal Daultani
Chairperson & Non-Executive Independent Director

Mr. Amar Lal Daultani holds a Bachelor's degree in Science from Agra University, Agra, Uttar Pradesh, India. He was previously associated with Allahabad Bank and Corporation Bank. He has over 34 years of experience in the field of credit, forex, treasury, risk management and other banking operations.



Mr. Rajendra Kumar Setia
Managing Director & Chief Executive Officer

Mr. Rajendra Kumar Setia holds a Bachelor's degree in Science from the University of Rajasthan, Jaipur, Rajasthan, India. He has over 30 years of experience in the financial services sector with our Company. He was awarded as one of the "ET Business Leaders of Rajasthan 2019" by the Times Group.



Mr. Yash Setia
Whole-time Director

Mr. Yash Setia holds a Bachelor's degree in Commerce from H.R. College of Commerce and Economics, the University of Mumbai, Mumbai, Maharashtra, India. He also holds a Master's degree in Finance from Babson College, Wellesley, Massachusetts, United States. He has over 6 years of experience in the financial services sector with our Company. He joined our Company as Head Strategy and Sr. Analytics with effect from August 1, 2018.



Mr. Anand Raghavan
Non-executive Independent Director

Mr. Anand Raghavan holds a Bachelor's degree in Commerce from the University of Madras, Chennai, Tamil Nadu, India. He is also a Chartered Accountant, certified by the Institute of Chartered Accountants of India. He was previously associated with Ernst & Young as a Partner and Sundaram Finance Limited as Vice President – Corporate Affairs. He was a member of the RBI constituted Committee on Functioning of Asset Reconstruction Companies and also served on the Committee for Revival of MSMEs in Tamil Nadu. He has over 39 years of experience in the financial sector.



Ms. Nanda Sameer Dave
Non-Executive Independent Director

Ms. Nanda Sameer Dave holds a Bachelor's degree in Science and a Master's degree in Business Administration from the University of Lucknow, Lucknow, Uttar Pradesh, India. She has been a member of the Indian Institute of Bankers and was previously associated with the RBI as an Executive Director.



Mr. Mukul Mathur
Non-Executive Independent Director

Mr. Mukul Mathur holds a Bachelor's degree in Engineering (Electronics and Communication) from the University of Delhi, New Delhi, India. He also has a Postgraduate Diploma in Business Management from XLRI, Jamshedpur, Jharkhand, India. He was previously associated with IBM India Private Limited as Vice President – IBM Security and with Wipro Infotech Limited as a Senior Engineer. He has over 36 years of experience in the field of IT services. Additionally, he holds a Postgraduate Certificate in Cybersecurity from the Massachusetts Institute of Technology, Massachusetts, United States of America. He has also served as a Consultant – Corporate Engagement in the IIT Bombay Development and Relations Foundations team. Currently, he is a Partner at ZeroT Plus Technologies LLP and a Director at Tanmatra Foundation and an advisor to BluSapphire Cyber Systems Pvt. Ltd.



Mr. Simit Batra
Non-Executive Nominee Director on behalf of TPG Growth IV SF Pte. Ltd.

Mr. Simit Batra holds a Bachelor's degree in Technology from the Indian Institute of Technology, Delhi, New Delhi, India and a Master's degree in Business Administration from the Indian Institute of Management, Ahmedabad, Gujarat, India. Currently, he is working with TPG Capital – India Private Limited as partner and was previously associated with Citigroup Global Markets India Private Limited. He has over a decade of experience in the fields of private equity and investment banking sectors. He serves as a Director on the boards of multiple Indian and foreign companies including Big Tree Entertainment Private Limited, Busybees Logistics Solutions Private Limited, Social Worth Technologies Private Limited, Landmark Insurance Brokers Private Limited, Eruditus Learning Solutions Pte. Ltd. and Livspace Pte. Limited. In the past, he has served as a Director on the boards of Brainbees Solutions Private Limited, Landmark Cars Private Limited and Interstellar Services Private Limited.



Ms. Debanshi Basu
Non-Executive Nominee Director on behalf of Baring Private Equity India AIF

Ms. Debanshi Basu holds a Bachelor's degree in Commerce from Osmania University, Hyderabad, Telangana, India. She is also a Chartered Accountant, certified by the Institute of Chartered Accountants of India. She has over 22 years of experience in the financial services sector. She was previously associated with Office Tiger Database Systems India Private Limited and Goldman Sachs India Securities Private Limited. She has been working with Baring Private Equity Partners Limited as its Senior Principal since August 11, 2009.

Leadership Team



Atul Arora
Chief Financial Officer



Anagha Bangur
Company Secretary & Compliance Officer



Raj Kumar Setia
President MSME



Munish Dayal
Senior President



Ritesh Sharma
Chief Operating Officer-1



Sameer Arora
Chief Operating Officer-2



Amarpreet Singh Batra
Chief Operating Officer-3



Vivek Haripal Singh
Chief Strategy Officer & Head-Resource Mobilization



Anil Sharma
Chief Human Resources Officer



Gajendra Sharma
National Credit Manager



Tej Pratap Singh
National Operation Manager



Harendra Singh Rathore
National Collection Manager



Jai Govind Pancholi
Chief Risk Officer



Anubha Khandelwal
Chief Compliance Officer & Principal Nodal Officer



Mridul Agrawal
Head - Internal Audit



Ajit Singh Sajwan
Chief Technology Officer



Bhavesh Kumar
Chief Information Security Officer



Anshul Jain
Head Brand Marketing

Board's Report

To,
The Shareholders,
SK Finance Limited

The Directors have pleasure in presenting the 31st (Thirty-First) Annual Report on the business and operations of SK Finance Limited (hereinafter referred as "**the Company**") together with the audited financial statements for the Financial Year ended on 31st March, 2025.

FINANCIAL SUMMARY AND HIGHLIGHTS

The Company's financial performance for the year ended on 31st March, 2025 is summarized below:

(₹ in lakhs)

Particulars	2024-25	2023-24
Total Income	2,38,637.77	1,79,794.91
Finance Cost	97,130.69	74,734.23
Net Interest Income	**1,14,889.51**	**88,549.43**
Total operating expenses	69,154.02	53,185.20
Pre-impairment operating profit	**72,353.06**	**51,875.48**
Impairment on financial instruments	23,876.97	11,943.35
Profit before tax	**48,476.09**	**39,932.13**
Tax expenses	10,509.38	8,739.80
a. Current Tax	9290.48	8,037.83
b. Earlier Year Taxes	-	-
c. Deferred Tax	1,218.90	701.97
Profit after tax	**37,966.71**	**31,192.33**
Other comprehensive income/(expenses)	(1,003.45)	(102.29)
Total comprehensive income after tax	36,963.26	31,090.04
Appropriation		
a. Dividend	-	-
b. Tax on Dividend	-	-
c. Transfer to statutory reserve	7,593.34	6,238.47
Earnings per share		
Basic	**28.36**	**25.00**
Diluted	**28.15**	**24.70**

KEY INDICATORS

- Total income for the year increased by 32.73% to ₹ 2,38,637.77/- Lakhs as compared to ₹ 1,79,794.91/- Lakhs in 2023-24.
- Profit before tax for the year was ₹ 48,476.09/- Lakhs as compared to ₹ 39,932.13/- Lakhs in 2023-24, showing a significant growth of 21.40%.
- Profit after tax for the year was ₹ 37,966.71 /- Lakhs as compared to ₹ 31,192.33/- Lakhs in 2023-24, showing a significant growth of 21.72%.

The detailed analysis of income and expenditure and financial ratios is made in the "Management Discussions and Analysis Report" forming part of this Annual Report.

STATE OF THE COMPANY'S AFFAIRS

BUSINESS DEVELOPMENTS

- **Disbursements**

  The Company offers, a wide range of commercial loans such as New and Used Commercial vehicle (excluding M&HCV), Car Loan, Tractor Loan, Two-Wheeler Loan, Micro, Small & Medium Enterprises (MSME) Loan and Others (Co-lending, Trade Advance and Personal Loan). The product wise disbursement of the Company for Financial Year 2024-25 is summarized here below:

(₹ in lakhs)

Particulars	2024-25	2023-24
Commercial vehicle loan	310,751.75	301,591.25
Car Loan	1,75,867.35	1,49,600.01
Tractor Loan	95,164.96	85,302.77
Two wheeler loan	1,738.88	18,646.01
MSME loans	1,68,701.30	1,40,392.58
Others	87,617.56	28,166.29
Total	**8,39,841.77**	**7,23,698.91**

- **Assets Under Management (AUM)**

  During the Financial Year 2024-25, the Company crossed the total asset size of ₹ 15,41,939.91/- Lakhs. The AUM of the Company stood at ₹ 13,26,112.89/- Lakhs as at 31st March, 2025 compared to ₹ 10,47,609.08/- Lakhs as at 31st March, 2024 registering a robust growth of 26.58% on Year on Year (YoY) basis.

- **Network Expansion (Branches)**

  The Company further expanded its geographical presence by reaching out to semi urban/rural areas and increased its footprint by opening new branches and making it more accessible to its customers. The Company strengthened its presence across the 12 states and union territories with a network of more than 648 branches by adding 69 branches during the year under review.

- **Capital Adequacy**

  Capital adequacy ratio ("CAR") as at 31st March, 2025 under Ind-AS stood at 29.51% which is well above the minimum regulatory norms for non-deposit accepting NBFCs. Out of the above, Tier I capital adequacy ratio stood at 29.51% and Tier II capital adequacy ratio stood at 0% respectively.

OTHER MATERIAL EVENTS

The following material events which are covered in detailed in the later section of this Board Report inter-alia are as mentioned below:

1. The Company has filed draft red herring prospectus dated May 1, 2024 ("DRHP") with the Securities and Exchange Board of India ("SEBI"), BSE Limited ("BSE") and the National Stock Exchange of India Limited("NSE") for the Initial public offer of its equity shares of face value of ₹1 each comprising a fresh issue of Equity Shares and an offer for sale of Equity Shares by certain selling shareholders ("Offer"). The Company has received In-Principal Approval from SEBI and both the stock exchanges i.e. NSE and BSE.
2. The Company has approved the new set of Articles of Association of the Company.
3. The Company has approved revision in Employee Stock Option Plan 2018 ("ESOP PLAN").
4. The Company has approved the change in the composition of the Board of Directors.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A detailed discussion on the following aspects is included in the **"Management Discussion and Analysis Report"** in accordance with the applicable provisions of the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 **("RBI Master Directions")** and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**"SEBI LODR"**) annexed as **Annexure-1**:

a. Global and Indian Economy;
b. Industry structure and developments;
c. Opportunities and Threats;
d. Segment–wise or product-wise performance;
e. Outlook;
f. Risks and concerns;
g. Internal control systems and their adequacy;
h. Discussion on financial performance with respect to operational performance;
i. Material developments in Human Resources / Industrial Relations front, including number of people employed;
j. Details of significant changes in key financial ratios along with a detailed explanation therefore;
k. Such other material aspects.

CHANGE IN THE NATURE OF THE BUSINESS

During the year there was no change in the nature of business of the Company.

However, your Company had amended object clause of its Memorandum of Association ("MOA") to solicit and procure insurance business as Composite Corporate Agent without any risk participation as per Insurance Regulatory and Development Authority of India (IRDAI) guidelines as approved by the shareholders in the Extra-ordinary General meeting dated 11th March, 2024. Thereafter the Company had received certificate of registration to act as a Corporate Agent (composite) under the IRDAI (Registration of Corporate Agents) Regulations, 2015 on December 18, 2024. Thereafter, The Company has started the business and operations of Corporate Agent.

INITIAL PUBLIC OFFER

The Board of Directors and the shareholders of the Company by resolutions passed on April 18, 2024 and April 25, 2024 respectively, have approved, subject to necessary approvals, Initial public offer of its equity shares of face value of ₹1 each comprising a fresh issue of Equity Shares up to 5,000 million and an offer for sale of Equity Shares by certain selling shareholders of up to 17,000 million ("Offer"). The Company has filed draft red herring prospectus dated May 1, 2024 ("DRHP") with the Securities and Exchange Board of India ("SEBI"), BSE Limited ("BSE") and the National Stock Exchange of India Limited("NSE").

The Company has received the In-principal approval from both the Stock exchanges i.e. National Stock Exchange of India Limited & BSE Limited and SEBI.

MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED IN BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THIS REPORT

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

TRANSFER TO RESERVES

Since the Company is a Middle-Layer Non-Banking Financial Company ("NBFC") registered with Reserve Bank of India ("RBI"), therefore as required under section 45-IC of the Reserve Bank of India Act, 1934 ("RBI Act"), the Company has transferred a sum of ₹ 7,593.34/- Lakhs to statutory reserves out of profits.

Further, the Board of Directors does not propose to transfer any amount to general reserves of the Company.

DIVIDEND

With a view to enhance the growth and business of the Company and in order to deal with the uncertain economic environment, the board of directors aim to retain the resources of the Company. Accordingly, they do not recommend any dividend for the financial year ended on 31st March, 2025.

The company has put in place a dividend distribution policy and observes compliance of the same. The policy is available on the website of the company at https://www.skfin.in/investor/policies-codes

DEPOSITS

Being a non-deposit taking NBFC, the Company has not accepted any deposits from the public within the meaning of the provisions of Master Direction - Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016 and provisions of the Companies Act, 2013 **("the Act")** are not applicable on the Company. Further, the Company shall not accept deposits from public without obtaining prior approval from the RBI.

RBI LICENSE & GUIDELINES

The RBI granted the Certificate of Registration to the Company vide Registration No. B-10.00080, to commence the business of a Non-Banking Financial Institution without accepting deposits. The Company is categorized as Non-Banking Financial Company - Middle Layer (NBFC-ML), and has complied with and continued to comply with RBI Master Directions and other applicable regulations issued by the RBI from time to time, to the extent applicable. The Company is majorly operating in two verticals, vehicle financing and financing for Micro, Small and Medium Enterprises ("MSME").

CAPITAL STRUCTURE

During the year, following changes took place in the Share Capital structure of the Company:

- **Authorized Share Capital**

  There has been no change in the Authorized Capital Structure of the Company during the year under review.

As at March 31, 2025, the authorized share capital of the Company was ₹ 30,00,00,000/- (Rupees Thirty Crore only) consisting of 30,00,00,000 (Thirty Crore) equity shares of face value of ₹ 1 (Rupees One only) each.

- **Issued, Subscribed and Paid-up Share Capital:**

  During the year, the following changes were effected in the issued, subscribed and paid-up share capital of the Company

- **Issue of fully paid up Bonus Equity Shares:**

  Based on shareholder's approval dated 11th March, 2024, the Board has approved the resolution for allotment of Bonus shares on 08th April, 2024.

- **Issue of Equity Shares under Employee Stock Option Plan (ESOP):**

  During the year, 2,57,140 (Two Lakh Fifty-Seven Thousand One Hundred and Forty) equity shares of the face value of ₹ 1/- (Rupees One only) each were allotted to the eligible employees upon the exercise of the stock options by the eligible employees with due approvals from the Nomination and Remuneration Committee**("NRC")**.

  Post the allotment of equity shares as mentioned aforesaid, the issued, subscribed and paid-up equity share capital of the company as on 31st March, 2025 stood at 13,40,02,204/- (Rupees Thirteen Crore Forty Lakhs Two Thousand Two Hundred and Four only) consisting of 13,40,02,204(Thirteen Crore Forty Lakhs Two Thousand Two Hundred and Four) equity shares of ₹ 1/- (Rupees One only) each. The new equity shares issued ranked pari-passu with the existing equity shares of the Company.

  No Equity Shares were issued with differential rights as to dividend, voting or otherwise.

CAPITAL ADEQUACY

Capital adequacy as at March 31, 2025 under Ind-AS stood at 29.51% which is well above the minimum regulatory norms for non-deposit accepting NBFCs.

EMPLOYEE STOCK OPTIONS (ESOP)

The Company had formulated and implemented Employee Stock Option Plan 2018 ("Plan"/"Scheme") approved by the shareholders on 11th September, 2018, as amended from time to time. The Board of Directors and/or the NRC being the administrator(s) under the Plan, inter-alia, administers and monitors the Plan in accordance with the provisions of the Act and rules made thereunder. During the year under review, 21,600 options were granted to eligible employees under the Plan. The details of the Options under the scheme are summarized below:

Details	Tranche-1	Tranche-2	Tranche-3	Tranche-4
Options granted	16,33,000	2,06,000	25,87,400	22,10,100
Options vested	16,33,000	1,91,000	10,62,400	-
Options exercised	14,18,968	1,00,500	2,55,640	-
Total number of shares arising as a result of exercise of option	14,18,968	1,00,500	2,55,640	-
Options lapsed	2,08,280	48,000	5,59,052	10,000
Variation in terms of options	The shareholders approved the revision in the SK Finance Limited Employee Stock Option Plan 2018 in the EXtra-Ordinary General meeting held on 25th April, 2024 to comply with the regulatory requirements in terms of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and to increase the ESOP pool.			
Exercise price (in ₹)	62.34	149.07	300	576.72
Money realized by exercise of options (in ₹)	8,84,58,465.12	1,49,81,535	7,66,92,000	-
Total number of options in force as at 31st March, 2025	5,752	57,500	17,69,708	22,00,100

Employee-wise details of options granted to:

a) Key Managerial Personnel:

Sr. No.	Name of Key Managerial Personnel as at 31st March, 2025	Tranche-I		Tranche -II		Tranche – III		Tranche-IV	
		Granted	Exercised	Granted	Exercised	Granted	Exercised	Granted	Exercised
1.	Mr. Atul Arora, Chief Financial Officer (CFO)	3,50,000	3,50,000	-	-	1,40,000	-	3,80,000	-
2.	Ms. Anagha Bangur, Company Secretary & Compliance Officer	12,000	12,000	-	-	16,000	-	20,000	-

b) Any other employee who received a grant of Options in any one year of Options amounting to five percent or more of Options granted during that year: The following employees have received grant of options amounting to five percent or more of Options granted during that year:

1. Sameer Arora, 2. Ritesh Sharma, 3. Pratit Vijayvargiya, 4. Girish Dangayach, 5. Nripendra, Singh, 6. Rohit Srivastava, 7. Anshul Jain, 8. Joydeep Mitra, 9. Shyam Singh Chandel, 10. Kunal Solanki, 11. Rohit Bhatt, 12. Yogesh Sethi, 13. Munish Dayal

c) Identified employees who were granted Options, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant: None

BORROWINGS (RESOURCE MIX)

The Company has diversified funding sources from Public Sector Banks, Private Sector Banks, Foreign Bank, Financial Institutions including foreign institutions, Mutual Funds, etc. During the year under review, the Company continued with its diverse methods of sourcing funds in addition to regular borrowings like Secured Debentures, Term Loans, Commercial Papers, External commercial Borrowing etc., and has also maintained prudential Asset Liability Match throughout the year. The Company sourced long-term debentures and loans from banks and other institutions in line with Company's Resource Planning Policy.

The overall borrowing limit of the Company has been increased to ₹ 18,000 crores by special resolution by the shareholders through Postal Ballot on 07th December, 2024.

- **Private Placement of Non-Convertible Debentures:**

  During the year under review, your Company has issued Non-Convertible Debentures ("NCDs") and raised an amount aggregating to ₹ 1,60,000/- (Rupees One Lakh Sixty Thousand) Lakhs on a private placement basis, in various tranches and the NCDs are listed on the debt market segment of BSE Limited.

  As specified in the respective offer documents, the funds raised from NCDs were utilised for various financing activities, onward lending, to repay existing debts, working capital and general corporate purposes of the Company. Details of the end-use of funds were furnished to the Stock Exchange on a quarterly basis.

The brief details of NCDs issued on a private placement basis during the year 2024-25 is mentioned as under:

S. No	ISIN	Date of Issue	Date of Allotment	Secured/ Unsecured	Coupon Rate	Listed/ Unlisted	No. of Debentures	Maturity date	Issue Price (in ₹)	Amount (In Lakh)
1	INE124N07689	15/03/2024	02/04/2024	Secured	9.25% p.a.	Listed	28,000	02/04/2026	1,00,000/-	28,000
2	INE124N07697	11/04/2024	09/05/2024	Secured	9.25% p.a.	Listed	35,000	09/05/2027	1,00,000/-	35,000
3	INE124N07705	25/05/2024	03/06/2024	Secured	9.25% p.a.	Listed	5,000	03/06/2026	1,00,000/-	5,000
4	INE124N07713	11/06/2024	19/06/2024	Secured	9.25% p.a.	Listed	10,000	19/09/2027	1,00,000/-	10,000
5	INE124N07721	03/08/2024	14/08/2024	Secured	9.25% p.a.	Listed	22,000	14/08/2026	1,00,000/-	22,000
6	INE124N07697 (Re-issuance)	14/08/2024	23/08/2024	Secured	9.25% p.a.	Listed	2,500	09/05/2027	1,00,000/-	2,500
7	INE124N07739	14/09/2024	10/10/2024	Secured	9.25% p.a.	Listed	25,000	10/10/2027	1,00,000/-	25,000
8	INE124N07747	20/12/2024	02/01/2025	Secured	9.25% p.a.	Listed	12,500	02/01/2028	1,00,000/-	12,500
9	INE124N07754	07/01/2025	15/01/2025	Secured	9.25% p.a.	Listed	20,000	15/07/2027	1,00,000/-	20,000
Total							**1,60,000**			**1,60,000**

The Company has been regular in making payments of principal and interest on all the NCDs issued by the Company on a private placement basis. There are no NCDs which have not been claimed by investors or not paid by the Company after the date on which the NCDs became due for redemption. The assets of the Company which are available by way of security are sufficient to discharge the claims of the debt security holders as and when they become due.

- **Securitization/ Assignment:**

  During the year, the Company assigned /securitized its loan portfolio having principle value of ₹ 3,48,172.70/- Lakhs of which ₹ 2,30,331.98/- Lakhs were securitized through issue of Pass Through Certificates in tranches and ₹ 1,17,840.72/- Lakhs was assigned /securitized in Direct Assignment mode in 11 tranches.

- **Bank Borrowings:**

  During the year, the Company has raised fresh Secured Loans of ₹ 3,33,750.00/- Lakhs from Banks and Financial Institutions.

- **External commercial Borrowing:**

  During the year, the Company had availed total External Commercial Borrowing (ECBs) of US$ 100 Million from Asian Development Bank for financing prospective borrower as per the ECB guidelines issued by RBI from time to time. Out of same US$ 60 Million was raised in FY 24-25. The maturity of the borrowing is sixty (60) months after the Disbursement Date of each Tranche of Loan.

- **Commercial Papers:**

  As at 31st March, 2025, the Company has outstanding Commercial Paper (CPs). The brief details of the CPs issued during the year are tabled below:

S. No	ISIN	Date of Allotment	Listed/ Unlisted	No. of Units	Tenor	Maturity date	Issue Price (In ₹)	Amount (In Lakh)
1	INE124N14107	31/12/2024	Listed	1,200	127 days	07/05/2025	5,00,000/-	6,000
2	INE124N14107 (Re-issuance)	10/01/ 2025	Listed	500	117 days	07/05/2025	5,00,000/-	2,500

The Company has observed compliance with the Operational Circular for issue and listing of Non-Convertible Securities, Securitized Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper issued by SEBI and the Fixed Income Money Market and Derivatives Association of India (FIMMDA) guidelines in all its CP issuances.

The above-mentioned Commercial Papers were listed on BSE Limited.

CREDIT RATINGS

The Company's financial discipline and prudence is reflected in the credit ratings ascribed by rating agencies. During the year under review, the Company reported the following changes in the credit ratings.

Type of Instrument	Name of Credit Rating	Date of Credit Rating	Rating assigned	Previous rating assigned
(i) Non –convertible debentures	CARE Ratings Limited	09th January, 2025	-	CARE AA-/Stable
	CRISIL Ratings Limited	28th June, 2024	CRISIL AA-/Stable	CRISIL A+/Positive
	ICRA limited	08th January, 2025	ICRA Ltd AA-/Stable	ICRA Ltd AA-/Stable
	India Ratings & Research Private Limited	20th September, 2024	India Rating and Research AA-/Stable	India Rating and Research AA-/Stable
(ii) Market Linked debentures	CARE Ratings Limited	09th January, 2025	CARE PP-MLD AA-/ Stable	CARE PP-MLD AA-/ Stable
	CRISIL Ratings Limited	28th June, 2024	CRISIL PPMLD AA-/ Stable	CRISIL PPMLD A+/ Positive
	Acuité Ratings & Research Limited.	-	-	Acuite Rating and Research PPMLD AA-/Stable
(iii) Loan facility	CARE Ratings Limited	09th January, 2025	CARE AA-/Stable	CARE AA-/Stable
	India Ratings & Research Private Limited	20th September, 2024	India Rating and Research AA-/Stable	India Rating and Research AA-/Stable
(iv) Commercial paper	India Ratings & Research Private Limited	20th September, 2024	India Rating and Research A1+	India Rating and Research A1+

All of the above ratings indicate a high degree of safety with regard to timely payment of interest and principal. The company has placed on its website all credit ratings obtained for all its outstanding instruments and has intimated the revision in the ratings to the stock exchange.

INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to Sections 124 and 125 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), dividend, if not claimed for a period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, shall be transferred to the Investor Education and Protection Fund ("IEPF"). The Company has a board approved Policy for claiming unclaimed interest or principal on Non-Convertible Securities in pursuance to the Regulation 61A (2) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, read with Circular SEBI/HO/DDHS/DDHS-RAC-1/P/CIR/2023/176 issued on 08th November, 2023(as amended from time to time).

The Company issued Compulsory Convertible preference shares (CCPS) in the year 2012 which were converted into the equity shares of the company on 27th March, 2017. During the year under review, the company has transferred dividend of ₹ 1,199/- (Rupees One Thousand One Hundred and Ninety Nine only) remaining unclaimed on the aforesaid CCPS relating to the financial year 2016-17 to IEPF and necessary filings were made to the relevant authorities. The details of the same are provided on the website of the company at https://www.skfin.in/other-disclosure.

Further, there are no amount lying in the unclaimed dividend account.

The company has appointed Ms. Anagha Bangur, Company Secretary & Compliance Officer of the company as the "Nodal Officer" of the company for the purpose of the IEPF Rules.

DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

The Board of Directors of the Company has an optimum combination of Executive and Non-Executive Directors in adherence to the applicable provisions of the Companies Act, 2013 and SEBI LODR. As on March 31, 2025, the Board comprised of Eight Directors, which comprises of two Executive (Managing Director & Whole-Time Director), Six Non-Executive Directors out of which Four are Independent directors and two are Nominee Directors including two women directors.

During the year, the following changes took place in the Directors and KMPs' of the Company:

- **Resignation**

  During the year under review, there was no cessation or resignation of Directors from the Board.

- **Appointment/Re-appointment**

  1. The Board of Directors based on the recommendation of NRC approved the appointment of Ms. Nanda Sameer Dave (DIN: 08673208), as an Additional Director (Non-Executive and Independent) on the Board of the Company in their meeting held on 14th March, 2024.

     The Shareholders of the Company in their Extra-Ordinary General Meeting held on 25th April, 2024 approved the appointment of Ms. Nanda Sameer Dave as an Independent Director on the Board of the Company for the tenure of 5 years effective from 14th March, 2024 to 13th March, 2029 considering her qualification, expertise, track record, integrity and other evaluation criteria and found her fit and proper to appoint her as an independent director of the Company.

  2. The Board of Directors based on the recommendation from NRC approved the appointment of Mr. Mukul Mathur (DIN: 10025806), as an Additional Director (Non-Executive and Independent) on the Board of the Company in their meeting held on 29th March, 2024.

     The Shareholders of the Company in their Extra-Ordinary General Meeting held on 25th April, 2024 approved the appointment of Mr. Mukul Mathur as an Independent Director on the Board of the Company for the tenure of 5 years effective from 29th March, 2024 to 28th March, 2029 considering his qualification, expertise, track record, integrity and other evaluation criteria and found him fit and proper to appoint him as an independent director of the Company.

     The company has received all the requisite declarations from the aforesaid directors of the Company as prescribed in the Act, SEBI LODR, RBI Master Directions and enabling provisions of any other regulatory authority as applicable.

- **Retirement by Rotation**

  In accordance with the provisions of Section 152(6) of the Act read with the rules made thereunder and in terms of Articles of Association of the Company, Ms. Debanshi Basu (DIN: 07135074), Nominee Director got retired by rotation at the 30th Annual General Meeting (AGM) of the Company held on 07th August, 2024 and was re-appointed by the Shareholders of the company.

  Further, Mr. Yash Setia (DIN: 09831391), Whole-Time Director of the Company shall retire by rotation at the ensuing AGM and being eligible for reappointment, offers himself for re-appointment.

- **Key Managerial Personnel (KMP)**

  Pursuant to the provisions of Section 203 of the Act read with rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, SEBI LODR and RBI Master Directions, the following are the whole time key managerial personnel of the company as on 31st March, 2025.

  a) Mr. Rajendra Kumar Setia, Managing Director and Chief Executive Officer (CEO)

  b) Mr. Yash Setia, Whole time Director

  c) Mr. Atul Arora, Chief Financial Officer

  d) Ms. Anagha Bangur, Company Secretary and Compliance Officer

  There was no change in Key Managerial Personnel took place during the year under review.

- **Independent Directors**

  The Independent Directors have submitted the requisite declarations under Section 149(7) of the Act and Regulation 25(8) of the SEBI LODR confirming that they meet the criteria of independence as stipulated under the provisions of Section 149(6) of the Act, Regulation 16 (1) (b) of SEBI LODR and are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence.

Further, the Board after taking these declarations on record and after undertaking due assessment of the veracity of the same, concluded that the Independent Directors are persons of integrity and possess the relevant proficiency, expertise and experience to qualify as Independent Directors of the Company and are Independent of the Management of the Company. The Independent Directors have also complied with the Code for Independent Directors as prescribed in Schedule IV of the Act.

Pursuant to Schedule IV to the Act and the SEBI LODR, The independent directors met on March 19, 2025 without the presence of non-independent directors and members of the management and all the independent directors were present at such meeting.

In terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended, the names of all the Independent Directors of the Company have been included in the Independent Director's databank maintained by the Indian Institute of Corporate Affairs (IICA). Further, all the Independent Directors of the Company are exempted from appearing for the Online Proficiency Exam except Mr. Mukul Mathur, who has appeared and passed the Online Proficiency Exam.

DIRECTORS & OFFICERS LIABILITY INSURANCE

The Directors and Officers (D&O) insurance is liability insurance which covers or protects Directors of the Company from claims which may arise from decisions and actions taken while serving their duty. The Company has taken Directors & Officers Liability Insurance for Board of Directors including Independent Directors and members of Senior Management for such quantum and risks as determined by the Board.

CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT PERSONNEL

The Company has adopted a Code of Conduct for its Directors and Senior Management Personnel including a code of conduct for Independent Directors which suitably incorporates the duties of Independent Directors as laid down in Schedule IV of the Act and SEBI LODR. The said Codes can be accessed on the Company's website at https://www.skfin.in/investor/policies-codes

In terms of the SEBI LODR, all Directors and Senior Management Personnel have affirmed compliance with their respective codes as at 31st March, 2025. The Managing Director and Chief Executive Officer has also confirmed and certified the same, which forms part of Report on Corporate Governance.

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

Pursuant to the Regulation 25 of SEBI LODR, the Company has put in place a Familiarisation Programme to familiarise the Independent Directors about the Company and their roles, rights and responsibilities in the Company. Also, in terms of Schedule IV of the Companies Act, 2013, read with the rules made thereunder, the Independent Directors shall undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the Company.

The Company conducts programs/ presentations, periodically at regular intervals, to familiarise the Independent Directors with the strategies, operations and functions of the Company.

Further, on an ongoing basis as a part of the agenda of meetings of the Board/ Committee(s), presentations are regularly made to the Independent Directors on various matters inter alia covering the Company's businesses and financial operations, strategies, risk management framework, regulatory updates and other relevant matters. These presentations enable one-on-one interaction between the Independent Directors and the senior management of the Company/ internal auditor/chief compliance officer/ chief risk officer of the Company.

The details of the Familiarisation Programme during the Financial Year 2024-25 is explained in the Corporate Governance Report and the same is also available on the website of the Company https://www.skfin.in/investor/policies-codes.

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION AND OTHER DETAILS

Pursuant to the provisions of Section 134(3)(e) of the Act, the Company's Nomination, Remuneration and Compensation Policy (NRC Policy) on director's appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under Section 178(3) of the Act is available on the website of the Company https://www.skfin.in/investor/policies-codes.

The NRC Policy for Directors, Key Managerial Personnel and Senior Management Personnel is aligned to the philosophy on the commitment of fostering a culture of leadership with trust. The policy aims to ensure that the level and composition of the remuneration of the Directors, Key Managerial Personnel and Senior Management Personnel is reasonable and sufficient

to attract, retain and motivate them to successfully run the Company.

The Board of Directors during the year under review has reviewed and approved the revision in the NRC Policy on 28th May, 2024, owing to the RBI Master Directions and RBI Circular vide letter no. DOR.GOV.REC.No.29/18.10.002/2022-23 on Guidelines on Compensation of Key Managerial Personnel (KMP) and Senior Management in NBFCs dated 29th April, 2022.

Further, the Company has also adopted a 'Policy on Fit and Proper Criteria for Board of Directors' for ascertaining the 'Fit and Proper' criteria to be obtained at the time of appointment of directors and on a continuing basis, pursuant to the Master Direction – Reserve Bank of India (Non-Banking Financial Company– Scale Based Regulation) Directions, 2023. All the Directors of the Company have confirmed that they satisfy the 'fit and proper' criteria as prescribed under the RBI Master Direction.

PERFORMANCE EVALUATION

The Board, the Committees of the Board and independent directors continuously strive for efficient functioning of Board and its Committees and better corporate governance practices. Accordingly, pursuant to the provisions of Section 149(8) read with Schedule IV, Section 178(2), Section 134 of the Act, and Regulation 17 of SEBI LODR, the NRC in its meeting held on 3rd May, 2023 has laid down the criteria for the performance evaluation of Board, its committees and individual directors after taking into consideration the guidance note issued by the Institute of Company Secretaries of India (ICSI) and Securities and Exchange Board of India (SEBI).

In addition, pursuant to the Schedule IV of the Act and SEBI (LODR), the Independent directors in their meeting held on March 19, 2025 reviewed the performance of non-independent directors, Board of Directors as a whole and chairperson of the listed entity taking into account the views of executive directors and non-executive directors.

Feedback was sought by way of well-defined structured online questionnaire forms covering various aspects of the Board's functioning and the evaluation was carried out based on responses received from the Directors. The Board also considered the evaluation results as collated by the NRC while conducting the evaluation and expressed their satisfaction with the evaluation process. The evaluation process endorsed cohesiveness amongst directors, smooth communication between the Board and the management and the openness of the management in sharing the information with the Board and placing various proposals for the Board's consideration and approval.

The evaluation process, manner and performance criteria for Independent Directors in which the evaluation has been carried out is explained in detail in the "Report on Corporate Governance" forming part of this report.

EMPLOYEE REMUNERATION

Pursuant to Section 2(52) of the Act read with Rule 2A of the Companies (Specification of Definitions Details) Rules, 2014, public companies which have not listed their equity shares on a recognized stock exchange but have listed their non-convertible debt securities issued on private placement basis in terms of Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, shall not be considered as listed company in terms of the Act. Hence, provisions of section 197(12) of the Act read with rules 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are not applicable on the company.

BOARD MEETINGS

The calendar of the Board Meetings is circulated to the Directors in advance to enable them to plan their schedule for effective participation at the meetings. Additional Board Meetings are convened by giving appropriate notices to address company's specific needs. The Board meets at regular intervals to discuss and decide on significant strategic, financial, operational and compliance matters.

The Board of Directors met 10 times during the year under review i.e. on 18th April 2024, 30th April 2024, 14th June 2024, 28th May 2024, 15th July 2024, 14th August 2024, 26th September 2024, 24th October 2024, 29th January 2025 and 19th March 2025.

Frequency and quorum at these meetings and the intervening gap between any two meetings were in conformity with the provisions of the Act, SEBI LODR and Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI).

COMMITTEES OF THE BOARD

The Committees of the Board focus on certain specific areas and make informed decisions in line with the delegated authority. As on 31st March, 2025, the Board has 12 Committees, namely:

- Audit Committee
- Risk Management Committee
- IT Strategy Committee
- Nomination and Remuneration Committee
- Corporate Social Responsibility Committee
- Stakeholder Relationship Committee
- Investment Committee
- Executive Committee
- Product Approval Committee
- Customer Service Committee
- IPO Committee
- Wilful Defaulters-Review Committee

Further, the Board has also formed sub-committees of the management in order to facilitate quick decision making and encourage delegation of authority. Presently, there are 6 sub-committees, namely:

- Asset Liability Management Committee
- IT Steering Committee
- Risk Management Committee of Executives
- Internal Complaint Committee
- Information Security Committee
- Wilful Defaulter-Identification Committee

During the year under review, all recommendations made by the committees were accepted by the Board of Directors.

Details of Board Committees along with their composition, name of members, chairperson, change in Composition during the year, terms of reference, meetings held during the year and attendance thereat are provided in 'Report on Corporate Governance' forming part of the Annual Report.

INTERNAL FINANCIAL CONTROL SYSTEMS AND AUDIT

The Company's internal financial control system is designed to ensure operational efficiency, compliance with laws and regulations and accuracy and promptness in financial reporting. Review of the internal financial controls of the Company is undertaken annually which covers testing of process, assessing the risk where a material weakness exists, and testing and evaluating the operating effectiveness of internal control based on the assessed risk, review of key business processes for updating risk control matrices, etc. Moreover, the Company continuously upgrades its systems and undertakes review of policies, Standard Operating Procedure (SOP), guidelines, manuals and authority matrix and the Company has documented internal audit and control system for all layers compliances of the Company.

The internal financial control is supplemented by extensive internal audits, regular reviews by the management and standard policies and guidelines to ensure reliability of financial and all other records to prepare financial statements, its reporting and other data. The Audit Committee of the Board reviews internal audit reports given along with management responses. The Audit Committee also monitors the implemented suggestions. The statutory auditors of the Company have also certified on the existence and operating effectiveness of the internal financial controls relating to financial statements as at 31st March, 2025. The details of the Internal Financial Controls and issues related thereto have been explained in the **"Management Discussion and Analysis Report", forming part of this Annual Report**.

AUDITORS

- **Statutory Auditors**

  The Board of directors, based on the recommendation of the Audit Committee, at their meeting held on July 15, 2024 appointed M/s. Deloitte Haskins and Sells, Chartered Accountants (Firm Registration No. 117365W) as Statutory Auditors of the Company, in terms of the RBI guidelines, to hold office for a continuous period of three years until the conclusion of 33rd Annual General Meeting of the Company to be held in the FY 2027-28, for carrying out the audit of the financial statements of the Company. The said appointment was also approved by the shareholders in its meeting held on 7th August, 2024.

  M/s. Deloitte Haskins and Sells, Chartered Accountants have given their confirmation to the effect that they are eligible and have not been disqualified in any manner from continuing as Statutory Auditors of the Company.

  Further, the Auditors' Report "with an unmodified opinion", given by the Statutory Auditors on the Financial Statements of the Company for FY 2024-25, is disclosed in the Financial Statements of the Company. There has been no qualification, reservation, adverse remark or disclaimer given by the Statutory Auditors in their Report for the year under review.

  No instance of fraud in terms of the provisions of section 143(12) of the Act have been reported by the Statutory Auditors in their report for the FY 2024-25.

  The Reserve Bank of India, through its circular dated 27th April, 2021, issued Guidelines for Appointment of Statutory Auditors (the 'Guidelines'/'circular'), mandating NBFCs (including HFCs) with an asset size of ₹ 15,000 crore and above to appoint minimum two audit firms as joint auditors for a continuous period of three years. Further, the Guidelines also specifies that an auditor who has completed a period of three years (counted as one tenure) as on the date of the circular shall not be eligible for re-appointment in the same entity for six years (two tenures) after completion of one tenure of three years.

In line with the RBI requirements, the Board of Directors, based on the recommendation of the Audit Committee, at their meeting held on 28th May, 2025, have approved and recommended the appointment M/s A. BAFNA & CO, Chartered Accountants (Firm Regn. No. – 003660C), as Joint Statutory Auditors for a period of three years from the ensuing 31st Annual General Meeting till the conclusion of the 34th Annual General Meeting to be held in the calendar year 2028 to the shareholders of the company. The Profile and other details of the proposed Joint statutory Auditors forms part of the Annual General Meeting notice.

M/s A. BAFNA & CO, Chartered Accountants have furnished a certificate of their eligibility as per Section 141 of the Act and have provided their consent for appointment as Statutory Auditors of the Company.

- **Secretarial Auditor**

Pursuant to the provisions of section 204 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of SEBI (LODR), the board of directors had appointed M/s V.M. & Associates, Company Secretaries (Firm Registration No P1984RJ039200) to conduct secretarial audit of the company for the financial year ended 2024-25 in their meeting held on 28th May, 2024. The Secretarial Audit Report in Form MR-3 is annexed to this report as Annexure-3. Your Directors are pleased to inform that there were no qualifications, reservation or adverse remark or disclaimer in the audit report for the financial year 2024-25.

Pursuant to Regulation 24A(2) of SEBI LODR, a report on secretarial compliance for Financial Year ended 31st March, 2025 has been issued by M/s V.M. & Associates, Company Secretaries (Firm Registration No P1984RJ039200). The said report is also available on the website of the Company at https://www.skfin.in/investor/stock-exchange.

Further, the Board of Director has approved the re-appointment of M/s V. M. & Associates, Company Secretaries as Secretarial Auditors of the Company to carry out secretarial audit of the Company for the financial year 2025-26 in their Board meeting held on 28th May, 2025.

REPORTING OF FRAUDS BY AUDITORS

During the period under review, the auditors of the Company did not report, under section 143(12) of the Act, any instances of fraud committed against the Company by its officers or employees, the details of which would need to be mentioned in the Board's Report.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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 NBFC registered with RBI are exempt from the applicability of the provisions of Section 186 of the Act. As such, the particulars of loans and guarantees have not been disclosed in this Report

As regards to investments made by the Company, the details have been provided in notes to the financial statements of the Company for the year ended 31st March, 2025 (Refer Note No. 9).

RELATED PARTY TRANSACTIONS

Pursuant to the provisions of the Act, Regulation 23 of SEBI LODR and as required under the RBI Master Directions, the Board based on the recommendation of its Audit Committee, adopted a Policy on Materiality on Related Party Transactions and on Dealing with Related Party Transactions and the said policy is available on the website of the Company at https://www.skfin.in/investor/policies-codes.

All the related party transactions that were entered during the financial year were in the ordinary course of business and on an arm's length basis. There were no materially significant transactions made by the company with the related parties either individually or taken together with the previous transactions which may have a potential conflict with the interest of the company at large. All the related party transactions are placed before the Audit Committee and subsequently before the Board of Directors for approval and review on quarterly basis. Transactions with related parties, as per the requirements of Ind-AS, are disclosed in the Notes to Accounts annexed to the financial statements (Refer Note No. 38)

Pursuant to the provisions of Section 134(3)(h) read with Rule 8(2) of the Companies (Accounts) Rules, 2014, there are no transactions were entered by the Company during the year which required to be reported. Accordingly, the disclosure of Related Party Transactions in Form AOC-2 is not applicable on the company.

VIGIL MECHANISM/WHISTLE BLOWER POLICY

Pursuant to Section 177(9) and 177(10) of the Act and Regulation 4(2)(d)(iv) and Regulation 22 of the SEBI LODR, the Company has in place a whistle blower policy/vigil mechanism to provide a formal mechanism to the Directors and employees to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct. A whistle blowing or reporting mechanism, as set out in the Policy, invites all Directors and employees to act responsibly to uphold the reputation of the Company. The Policy aims to ensure that serious concerns are properly raised and addressed and are recognized as an enabling factor in administering good governance practices.

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. The whistle blower complaints are reviewed by the Audit Committee on a yearly basis. The Vigil Mechanism/Whistle Blower policy is available on the website of the Company at https://www.skfin.in/investor/policies-codes.

During the year, Six (6) whistle blower event was reported and which was resolved by taking necessary action. Thus, the mechanism is functioning well. None of the personnel have been denied access to the Chairperson of Audit Committee.

ANTI-BRIBERY AND ANTI-CORRUPTION POLICY

The Company has a Board approved Anti-Bribery and Anti-Corruption Policy ("Policy") which serves as a guide for all employees, directors and associated persons for ensuring compliance with applicable anti-bribery and anti-corruption laws, rules and regulations.

The Company follows a 'zero-tolerance approach' towards bribery and corruption and is committed to act professionally, fairly and with integrity in all its business dealings and relationships. The Company also conducts training for employees to make them aware of the corrupt practices and mandatorily compliance of Code of Conduct of the Company. The said policy is disclosed on the website of the Company at https://www.skfin.in/policies.

Brief details of Anti-Bribery complaints during the year is mentioned as follows:

S.No.	Particulars	Status
1	Number of complaints received during the year	29
2	Number of complaints disposed-off during the year	29
3	Number of cases pending for more than 90 days	Nil
4	Number of workshops or awareness programme carried out	225
5	Nature of action taken by the Company	Separation of services, Suspension without pay, Advisory & Warning

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

A. Conservation of Energy:

i. The steps taken or impact on conservation of energy:

The operations of the Company, being a financial service do not require intensive consumption of electricity. However, the Company is taking all possible measures to conserve energy. Several environment friendly measures were adopted by the Company as prescribed below.

ii. The steps taken by the Company for utilizing alternate sources of energy:

- The Company has installed energy efficient LEDs lighting fixtures in all newly opened branches during the Financial Year.
- Discontinued the use of paper towels at the registered office, conserving approx. 12 lakh paper sheets annually and reducing carbon emission by around 32 tCO2e.
- Generated and consumed 76,505 KWh of Solar power during the financial year, avoiding approx. 54.78 tCO2e of emissions.
- Implemented administrative controls to ensure all unused lights and appliances are switched off at work hours.
- Rolled out energy audits at the registered office and all branches, promoting awareness, establishing efficient systems and reduction in energy consumption and wastage.
- Formed an ESG Council to lead sustainability efforts, with dedicated housekeeping staff trained to optimize energy usage.
- Replaced plastic bottles at the registered office with steel alternatives to reduce plastic waste and enhance employee health.
- The Company has updated its Environmental and Social (E&S) policy to include:
  - Workplace health and safety, recycling and climate change.
  - Stakeholder engagement and additional clauses referring to Supplier Code of Conduct (COC), sustainable sourcing and supply chains, Indigenous community impact, Land acquisition & involuntary resettlement.
- Updated the HR policy with clauses on workplace protection, security, social justice & employee well-being.

- Creating environmental awareness by way of distributing the information in electronic / digital form;
- Reduction in water and energy consumption and recycling of waste paper generation at various locations; and
- Education and awareness programs for employees.

iii. The Capital investment on energy conservation equipment:

As per the business activities carried out by your Company, this year the Company has installed Motion sensors for saving the energy at large at its registered office as capital investment on energy conservation equipment.

B. Technology Absorption:

i. The efforts made towards technology absorption:

The Company has improved operational process and patron overall journey, and has launched cognitive chatbot platform for self-service with the regional level support to manage customer accounts 24X7 which results in reducing customer queries. Along with effective communication with customers, the Company's integrated WhatsApp chatboat provides instant updates on their queries resulting in reducing the waiting time of the agents.

ii. The benefit derived like product improvement, cost reduction, product development or import substitution:

The Company uses the enhanced information technology in business operations which results in quicker loan turnaround time, reduction in transaction costs and digitized the collection processes.

iii. In Case of imported technology (imported during the last three years reckoned from the beginning of the financial year):

a) The details of technology imported: Not Applicable

b) The year of import: Not Applicable

c) Whether the technology has been fully absorbed: Not Applicable

d) If not fully absorbed, areas where absorption has not taken place, and the reason thereof: Not Applicable

iv. The expenditure incurred on Research and Development: Not Applicable

C. Foreign exchange earnings and Outgo:

The details of foreign exchange earnings and foreign exchange expenditures are as below:

(Amount in Lakh)

S. No.	Particulars	FY 2024-25	FY 2023-24
1	Foreign exchange earnings	NIL	NIL
2	Foreign exchange expenditures	6,557.24	4,477.21

RISK MANAGEMENT

Pursuant to the provisions of the RBI Master Directions, SEBI LODR and the Act, your Company has adopted a Risk Management policy which ensure sustainable business growth with stability and minimize unfavorable impact on the business objectives, develop stakeholder value, undertake businesses that are well understood and within acceptable risk appetite and develop a strong risk culture across the Company. Further, this Policy seeks to sustain and enhance long-term competitive advantage for the Company and enable the Company to proactively manage uncertainty and changes in the internal and external environment to limit negative impacts and capitalize on opportunities. The Risk Management policy is available on the website of the Company at https://www.skfin.in/investor/policies-codes.

Your Company is exposed to various risks that are an inherent part of any financial service business which inter alia include the following:

a) Credit Risk: Credit risk framework is defined by credit policies and product policies that set out the principles and control requirements under which credit is extended to customers in various business verticals. The policies and standards cover all stages of the credit cycle, including origination, credit approval, documentation, administration, monitoring and recovery. The Company has laid down limits and caps on various aspects to control the magnitude of credit risk. Regular and timely risk reporting with adequate control mechanism is prevalent across the organisation. Loan administration and monitoring is carried out through portfolio profiling, early warning framework and other credit risk activities around asset quality trends and concentration. The credit culture of the Company mandates that lending is based on credit analysis, with full understanding of the purpose of the loan and is commensurate to customer's financials and ability to repay from business operations.

b) Market & Liquidity Risk: Market risks framework reviews and monitor the risks arising from movement in interest rates and exchange rates. It ensures adherence to the RBI guidelines and Policy framework on Liquidity Risk Management Policy as well monitors and ensures adherence to the tolerance limit as approved by the Board. It also develops a contingency funding plan in case of exigencies. It establish the principles for Market & Liquidity Risk Stress Testing in the system.

c) Operational Risk: Operational Risk has been defined by the RBI as the risk of loss due to inadequate or failed internal processes, people, system or external events, including legal risk but excluding strategic and reputational risks and it is inherent in all banking/ financial products, activities, processes and systems. This is managed through a Board-approved Operational Risk Management Policy, structured around the Three Lines of Defence: business unit (first line), an independent Operational Risk Management Department (ORMD) (second line), and Internal Audit (third line). These units collaborate to manage, monitor, and mitigate operational risks effectively. The ORMD implements the framework, overseen by the Operational Risk Management Department, which reports to the Risk Management Committee of Executive (RMCE). Outsourcing Risks, being vital part of operational risk, are managed under an Outsourcing Risk Policy, ensuring due-diligence, oversight and compliance with RBI guidelines. The Company has a comprehensive Business Continuity Management (BCM) plan in place with policies, and procedures meticulously designed to align with regulatory guidelines. The ORMD is tasked with coordinating with various Units to identify the critical business functions and processes across the Company, for which effective Business Continuity Plan ("BCP") needs to be planned for.

d) Foreign Exchange Risk: defined as the risk that a Company may suffer losses as a result of adverse exchange rate movements during a period in which it has an open position, either spot or forward, or a combination of the two, in an individual foreign currency. Companies are also exposed to interest rate risk, which arises from the maturity mismatch of foreign currency positions. Even in cases where spot and forward positions in individuals currencies are balanced, the maturity pattern of forward transactions may produce mismatches. As a result, Companies may suffer losses as a result of changes in permia/ discounts of the currencies concerned.

e) Compliance Risk: Compliance risk has been defined as the risk of legal or regulatory sanctions, material financial loss, failure to protect customer information or loss to reputation a Company may suffer as a result of its failure to comply with laws, regulations, rules, policies related self-regulatory organization standards, and codes of conduct as applicable

f) Information Technology and Information/ Cyber Security Risk: Information Technology and Information/Cyber Security Risk defines as the business risk associated with the use, ownership, operation, involvement, influence and adoption of IT within an enterprise. Your Company is committed towards creating an environment of increased risk awareness at all levels. It aims to constantly upgrade the security measures to ensure avoidance and mitigation of various risks. Your Company has policies and procedures in place to measure, assess, monitor, and manage these risks systematically across all its portfolios and also implemented required security technology to mitigate identified risks.

The Board has formed a Risk Management Committee to identify the risks impacting the business, formulate strategies/ policies aimed at risk mitigation as part of risk management. The Risk Management Committee (RMC), functions in line with the RBI Master Directions and SEBI LODR. The Board of Directors has also constituted Risk Management Committee of Executives and Asset Liability Management Committee ("ALCO Committee") to provide the support functions to the Risk Management Committee of Board in the day to day affairs of the company.

The details of the Risk Management Framework and issues related thereto have been explained in the "Management Discussion and Analysis Report" forming part of this Annual Report.

CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

The Company's Corporate Social Responsibility ('CSR') initiatives are aligned with the mission of transforming rural lives and hence focus on areas such as health and wellness, sanitation and hygiene, education including education through Cinema on Wheels and vocational skill development, women empowerment, animal welfare, promoting sports for underprivileged children, environmental conservation, Fitness Programs, Autism Care Centre & Supporting Hospitals, Traffic Road Safety programs and Art and Culture.

During the year, the Company has, in consonance with the CSR policy of the Company, undertaken a number of initiatives that contribute to the society at large. The company has in place, a duly constituted CSR Committee for fulfilling the corporate social responsibility objectives of the Company. The details

on CSR Activities undertaken by the Company for the Financial Year 2024-25, as prescribed under Companies (Corporate Social Responsibility Policy) Rules, 2014, is provided in the "Annual Report on CSR Activities" annexed as **Annexure - 4**

The Company's CSR Projects are compliant with the CSR mandate as specified under Section 135 read with Schedule VII of the Act along with the Companies (Corporate Social Responsibility Policy) Rules, 2014 ("CSR Rules"), as amended from time to time and in line with notifications issued by the Ministry of Corporate Affairs ("MCA"), from time to time.

The Corporate Social Responsibility Policy has been hosted on the website of the Company at https://www.skfin.in/investor/policies-codes.

REGULATORY & STATUTORY COMPLIANCE

The company has strong control to ensure adherence with all the applicable laws and regulations.

SECRETARIAL STANDARDS

Secretarial Standards are formal guidelines that establish standard procedure and structure for undertaking specific tasks and actions within an organization. These standards are in addition to the provisions of the Companies Act, 2013 and not in substitution to the original legal requirements. Pursuant to section 118(10) of the Companies Act, 2013, every Company shall observe Secretarial Standards with respect to general and board meetings specified.

The company has implemented proper systems to ensure compliance with the all applicable Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI) and have complied with the same.

INTERNAL CONTROL SYSTEM AND INTERNAL AUDIT

The Company has designed a robust and comprehensive internal control system across all major processes to ensure efficient operations, compliance with laws and reliability of financial reporting. Internal Audit is conducted by an in-house Head of Internal Audit. The internal audit is undertaken based on a robust internal audit charter and a risk-based internal audit policy, outlining the audit purpose, role, structure, authority and responsibilities of the Internal Audit Department. The Risk Based Internal Audit framework supports the system, which evaluates the effectiveness of internal controls, risk management and governance processes to provide independent assurance to the Board of Directors and Audit Committee of the Board. The Risk Based Internal Audit framework is appropriate for the business's size, scale and complexity and the risk based internal audit plan is developed based on the risk profile of its activities. The Audit Committee of the Board approves the risk based internal audit plan annually and regularly reviews the Head of Internal Audit observations, performance status, providing guidance as needed.

ANNUAL RETURN

Pursuant to the provisions of Section 134(3)(a) and Section 92(3) of the Act, read with Rule 11 and 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return of the Company is available on the website of the Company at https://www.skfin.in/investor/investor-services

COST RECORDS

The Central Government has not prescribed the maintenance of cost records under sub section (1) of section 148 of the Act for any of the services rendered by the Company. Accordingly, the maintenance of cost records is not applicable on the company.

CORPORATE GOVERNANCE

The company recognizes its role as a corporate citizen and endeavors to adopt the best practices and the highest standards of Corporate Governance through emphasizing on transparency and disclosures in and around the company. The Company is committed in carrying out its activities on ethical stances and providing accountability to its customers, government and others. The company believes in balancing the interests of its stakeholders such as shareholders, management, customers, suppliers, government, etc. The report on corporate governance forms integral part of this Annual Report.

The Company is a High Value Debt Listed Entity ("HVDLE") pursuant to the provisions of the SEBI LODR. Accordingly, Regulation 16 to Regulation 27 of the SEBI LODR in respect of Corporate Governance is applicable to the Company with effect from 07th September, 2021 on a "comply or explain basis" until 31st March, 2025 and on a mandatory basis thereafter. In accordance with the same the company has complied with all the provision of Regulation 16 to Regulation 27 of SEBI LODR and RBI Master Direction during the year.

A **"Report on Corporate Governance"** together with a certificate from the practicing company secretaries M/s V. M. & Associates, Company Secretaries regarding compliance of conditions of corporate governance as per the relevant provisions of the SEBI LODR is attached and forms part of this Annual Report. The report contains the details as required to be provided on the composition and category of directors, number of meetings of the board, composition of the various committees, annual board evaluation, remuneration policy, criteria for board nomination and senior management appointment, whistle blower policy/ vigil mechanism, disclosure of relationships between directors inter-se, general body meetings and other disclosures etc.

COMPLIANCE CERTIFICATE

As required in terms of Regulation 17(8) of the SEBI LODR, the Chief Financial Officer and the Managing Director & CEO of the Company have submitted a compliance certificate to the board as specified in Part B of Schedule II of the SEBI LODR regarding the Financial Statements and Internal Controls relating to financial reporting for the year ended on 31st March, 2025. The said Certificate is attached as Annexure-2 and forms part of this Report.

DISCLOSURES PURSUANT TO THE SEXUAL HARASSMENT OF WOMEN AT THE WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The company has always believed in safety of Women in and around the organization, to achieve the same the company has in place a policy for Prevention of Sexual Harassment describing the procedure for the Redressal of complaints pertaining to sexual harassment in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013 ("POSH Act") and rules made thereunder.

During the year, the company has conducted various workshops and sessions in relation to the awareness of the POSH Act amongst the employees.

An Internal Complaints Committee (ICC) has been set up in accordance with the POSH Act to redress complaints in relation to sexual harassment and all employees of the company are covered under this policy. During the FY2024-25, the Company had received 4 (Four) complaints on sexual harassment under the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013, which were duly investigated and resolved.

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND THE COMPANY'S OPERATIONS IN FUTURE

There were no significant and material orders passed by the Regulators or Courts or Tribunals that would impact the going concern status of the Company and its future operations during the FY 2024-25.

INSOLVENCY AND BANKRUPTCY CODE, 2016

No application or any proceeding has been filed against the Company under the Insolvency and Bankruptcy Code, 2016 ('IBC Code') during the FY2024-25.

SUBSIDIARIES, JOINT VENTURES, ASSOCIATE COMPANIES

During the year under review and as on the date of this Report, your Company had no subsidiary, joint venture or associate company. Also, the Company did not become a part of any joint venture during the year.

OTHER DISCLOSURES

Other disclosures with respect to Board's Report as required under the Act read with the Rules notified thereunder and the SEBI LODR are either NIL or Not Applicable.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Act, the Board of Directors, to the best of their knowledge and belief, confirm that:

i. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

ii. the Directors had 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 as at 31st March, 2025 and of the profit of the company for that period;

iii. the Directors had 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;

iv. the Directors had prepared the annual accounts on a going concern basis;

v. the Directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and

vi. the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

ACKNOWLEDGEMENT

Your Directors place on record their sincere appreciation for the assistance and guidance provided by the Reserve Bank of India, the Ministry of Corporate Affairs, the Securities and Exchange Board of India, government and other regulatory Authorities.

Your Directors also gratefully acknowledge all stakeholders of the Company viz. customers, members, dealers, vendors, banks, financial institutions, trustees for debenture holders and other business partners for the excellent support received from them during the year.

Finally, our employees, who are instrumental in helping the Company scale new heights, year after year, their commitment and contribution is deeply acknowledged. Your Directors look forward to your continuing support.

For and on behalf of the Board of Directors
For **SK Finance Limited**

Rajendra Kumar Setia
Managing Director and Chief Executive Officer
DIN: 00957374

Yash Setia
Whole Time Director
DIN: 09831391

Place: Jaipur
Date: May 28, 2025
Regd. Address: G 1-2, New Market, Khasa Kothi,
Jaipur – 302001 (Rajasthan)
Website: www.skfin.in Email: info@skfin.in

Annexure-1

Management Discussion and Analysis

Global Economic Overview

As per the International Monetary Fund (IMF) (World Economic Outlook – April 2025 outlook), global GDP growth is projected at 2.8% in CY2025 and 3.0% in CY2026 as compared to 3.3% projected in January 2025 for both CY2025 and CY2026. Global growth numbers have been revised on account of swift escalation of trade tensions and high level of policy uncertainty intensifying downside risks. Global inflation is projected at 4.3% in CY2025 and 3.6% in CY2026. Furthermore, the risks to inflation remain significant going forward, with tariffs being imposed by US on imports. US economy contracted by 0.2% in the first quarter of CY 2025 on account of lower consumer and government spending, offset by increase in fixed investments. The euro area's GDP rose 0.6% in the first quarter of 2025 vs a growth of 0.3% in the previous quarter.

Indian Economy Overview

India is expected to remain one of the fastest-growing economies in the world despite challenges posed by geopolitical instability. In May 2025, the National Statistical Office (NSO), in its first revised estimates of national income, estimated the country's real gross domestic product (GDP) to have expanded 6.5% on-year in Fiscal 2025. The Indian economy was among the fastest-growing even before the Covid-19 pandemic. In the years leading up to the global health crisis, which disrupted economic activities, the country's economic indicators improved gradually owing to strong local consumption and lower reliance on global demand.

The Trump Administration in the United States (US) announced a host of tariffs on products such as automobile, automobile parts, steel and aluminium in the first three months of CY2025. On April 5, 2025, US announced additional tariff of 10% on nearly all countries in addition to the existing tariffs. China and European Union announced retaliatory tariffs on the US. On April 9, 2025, US government paused differential tariffs for most countries for 90 days excluding China which will face a higher tariff of 125 percent. Introduction of tariffs on major global economies is expected to increase downside risks on global growth.

Going forward, the expectation of slower global growth, along with anticipated reciprocal tariffs on India after three months, is likely to exert downside risks to Crisil's 6.5% growth forecast for fiscal 2026. Uncertainty about the duration and frequent changes in tariffs could also hinder domestic investments. Interest rate cuts, income tax relief and easing inflation are expected to provide tailwinds to domestic consumption in Fiscal 2026, while the expected normal monsoon will support agricultural incomes. Moreover, the anticipated decline in global crude oil prices, resulting from a potential global slowdown, is expected to provide additional support to domestic growth.

Indian economy to be a major part of world trade

Along with being one of the fastest growing economies in the world, India overtook the Japan to become the fourth -largest economy in the world in CY 2025. In terms of purchasing power parity ("PPP"), India is the third-largest economy in the world, after China and the United States. According to the United Nations Conference on Trade and Development, global trade improved between January and March 2024.

NBFC Sector: Credit to grow faster than systemic credit

Over the past decade, banking credit growth lagged systemic credit growth for several years as NBFCs grew at a much faster pace. NBFCs clocked 15% CAGR in credit, between fiscals 2016 and 2018, mainly due to aggressive expansion of their footprint and entry of numerous new players across India. This also coincided with a decline in bank credit growth. However, the NBFC sector faced headwinds after the IL&FS default in September 2018, followed by a liquidity crisis. Later, funding challenges and the Covid-19 pandemic added to the pressures, curbing growth. Banks benefitted in this milieu and used their surplus liquidity to gain market share in terms of credit in a few key segments.

The credit growth of NBFCs which has trended above India's GDP growth historically, is expected to continue to rise at a faster pace. NBFCs have shown remarkable resilience and gained importance in the financial sector ecosystem, growing from less than ₹ 2 trillion AUM at the turn of the century to ₹ 48 trillion at the end of FY25. During FY19 to FY25, NBFC credit is estimated to have witnessed a growth at CAGR of 13.2%. NBFCs AUM as of FY19 was approximately ₹ 23 trillion which has grown at a 6 year CAGR of 13.2% to ₹ 48 trillion as of FY25. Rapid revival in the economy is expected to drive consumer demand in FY26, leading to healthy growth in NBFCs.

Impact of RBI Monetary Policy and GOI Initiatives

The RBI's monetary policy and government initiatives influence the NBFC sector. The RBI's decisions on interest rates and liquidity management impact NBFCs' funding costs and profitability.

- **RBI Actions:** The RBI's decision to cut the repo rate in February 2025 provided relief to NBFCs by lowering borrowing costs. In 2024, Central banks across the globe started to lower their policy rates. During the first nine months of FY25 (April - December 2024), the Monetary Policy Committee (MPC) of the RBI, in its various meetings, decided to keep the policy repo rate unchanged at 6.5% to balance the twin requirements of maintaining growth and keeping inflation within acceptable limits. But in February 2025, RBI reduced the repo rate by 25 basis points (bps), bringing it down to 6.25% and further slash in April 2025 and June 2025 taking to 5.50% in June 2025. Previously, the rate cut happened in March 2020 when it was brought down by 75 basis points to 4.40%. The primary reason behind the rate cut was to stimulate economic growth.

Company Overview

Our firm is registered with the Reserve Bank of India as a non-deposit-taking, non-banking finance company in the middle layer ("NBFC ML"). Our operational activities are focused on two main areas: providing finance for vehicles and Micro, Small, and Medium-sized Enterprises ("MSME"). We primarily serve self-employed individuals located in rural and semi-urban areas. Our financial products aim to fulfil the timely capital needs of these clients. To determine their creditworthiness, we analyse various aspects such as their business model, income and cash flow, the feasibility of the asset being financed, their financial stability, experience, and social circumstances, rather than solely relying on the value of collateral. Over time, we have built significant underwriting strengths based on three core pillars of three 'I's: Income, Intent, and Insurance.

- **Income:** Our primary focus, forming the first core element, is on financing activities that generate earnings for our customers. This approach aids our credit assessment process by considering both the value of any security offered and the earning potential of our clients.
- **Intent:** The second core element involves assessing the customer's commitment to repayment. We evaluate their earnings and conduct several reference checks to understand their willingness to meet their financial obligations.
- **Insurance:** The third core element of our underwriting process is that our lending, secured by assets, functions as a form of insurance against potential defaults by customers.

Our Product Segment

Our business is structured around two core product lines: vehicle finance and MSME finance. Within the vehicle finance line, our principal activity involves providing financial solutions for both used and new commercial vehicles (excluding medium and heavy commercial vehicles) ("CVs [excluding M&HCVs]"), passenger cars, tractors, and new two-wheelers.

Over the course of the reporting year, the total assets under management recorded an increase of 27% amounting to ₹ 13,261.13 crore, up from ₹ 10,476.09 crore in the previous fiscal year.

Product	As on March 31, 2024	As on March 31, 2025
CV	4,437.27	5,021.83
Tractor	1,387.99	1,579.21
Car	2,026.60	2,707.29
Two-wheeler	229.63	103.67
MSME	2,130.98	3,070.96
Others	263.63	778.18

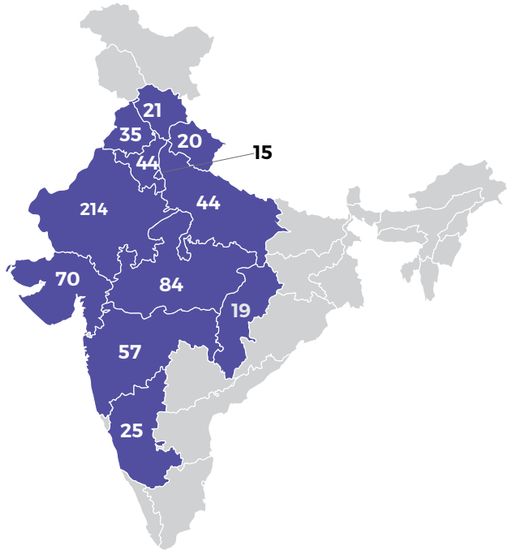
Others include co-lending, personal loan and purchase book

(Fig. in ₹ Cr.)

Our loan comprise a large number of small-ticket loans, and are focused on retail clients. Our primary customer base consists of individuals in the informal sector, predominantly located in India's rural and semi-urban regions. Assessing the creditworthiness and engaging with this customer segment can often present complexities. However, we have successfully integrated technology across our operational processes and throughout the entire customer journey, encompassing loan application, credit assessment, collections, post-loan management, and customer support.

Distribution

As of March 31, 2025, the Company's geographical presence covers 12 states and union territories facilitated by our extensive network of 648 branches. Starting our journey in Rajasthan, we have strategically grown our presence across Gujarat, Madhya Pradesh, Punjab, Haryana, Maharashtra, Chhattisgarh, Himachal Pradesh, Uttarakhand, Delhi NCR, Uttar Pradesh, and Karnataka. With thirty years of operating experience within these regions, our organization has developed a profound understanding of the specific needs and requirements of our customer base.



A significant aspect of our approach to sourcing used vehicle loans is our network of referrers. Over the past three decades, we have effectively established a referral network comprising over 10,000 agents who are typically small-scale operators based within the local areas where we conduct business. As of March 31, 2025, our total referral network comprised of 10,791 agents.

Commercial Vehicles

Commercial vehicles, excluding medium and heavy commercial vehicles, represent our largest product category. Our primary focus within this area is on financing small and light commercial vehicles. The demand for these vehicles is mainly driven by the basic consumption needs of the local economy. Serving the everyday requirements of the local ecosystem, this demand tends to be relatively non-cyclical. Over the years, our organisation has successfully carved out a niche in the financing of used commercial vehicles.

As of the end of March 31, 2025, the assets under management within our commercial vehicle division amounted to ₹ 5,021.83 crore, constituting 37.86% of our total AUM. This division achieved an AUM growth of 13.17% y-o-y, supported by disbursements of ₹ 3,107.52 crore in FY25, reflecting a y-o-y increase of 3.04%.

Cars

Our primary focus within the car product line is on used passenger vehicles, with an average loan amount of ₹ 4.76 lakh. These vehicles largely represent an aspirational purchase for the working population in rural and semi-urban India. Our customers utilise their cars for personal purposes.

As of the end of March 2025, the assets under management in our car division totalled ₹ 2,707.29 crore, representing 20.42% of our overall AUM. This division experienced an AUM growth of 33.59% y-o-y, supported by disbursements of ₹ 1758.67 crore in FY25, achieving a y-o-y growth of 17.56 %.

Tractors

Our customers in this segment typically use tractors for a dual purpose. During the harvesting period, the tractor is employed in agricultural activities, whilst during the remainder of the year, it is used for other income-generating activities such as the transportation of good, construction activities, water tank transportation etc.

At the close of March 2025, the assets under management in our tractors division amounted to ₹ 1,579.21 crore, constituting 11.91% of our total AUM. This division recorded an AUM growth of 13.78% y-o-y, supported by disbursements of ₹ 951.65 crore in FY25, achieving a y-o-y, growth of 11.56 %.

Two-wheelers

Two-wheelers vehicles are predominantly acquired for personal use. These typically involve smaller ticket loans for the purchase of new two-wheelers.

The assets under management in our two-wheeler division stood at ₹ 103.67 crore, comprising 0.78% of our overall AUM.

MSME Business

Our primary offering within the Micro, Small, and Medium-sized Enterprise sector involves providing finance based on inventory for specific identified business. These include grocery retailers, medical shops, auto parts suppliers, cycle dealers, opticians, and plumbing essential stores etc. These loans are small ticket loans, with an average ticket size of ₹ 4.12 lakh. The majority of these loans are secured against self-occupied residential property (SORP) and by self-occupied commercial property (SOCP). Our MSME loans are entirely sourced internally, with our business development managers undertaking various marketing activities to connect with potential customers. These activities include distributing leaflets,

establishing stands in prominent business locations, meeting traders and shopkeepers at major wholesale markets, inviting existing customers to endorse their relationship with our organisation to generate further leads, and engaging with community leaders such as the village sarpanch or elders, or councils to build connections.

As of March 31, 2025, our MSME operations were conducted from 380 branches out of a total of 648 branches. The reach of our MSME business has expanded 5 times in FY25 compared to FY19.

At the close of March 2025, the assets under management within our MSME division amounted to ₹ 3,070.96 crore, representing 23.16% of our total AUM. This division achieved an AUM growth of 44.11% y-o-y, supported by disbursements of ₹ 1687.01 crore in the FY25, resulting in a y-o-y growth of 20.16%.

Funding Sources

Secure access to both debt and equity is fundamental for the expansion of any Non-Banking Financial Company. Over the years, our organisation has cultivated a robust lending network encompassing more than 60 funding partners. Our approach consistently prioritises sound liability management, integrating these considerations into our strategic planning to ensure our capacity to procure debt capital which aligns with the Company's requirements.

We have successfully broadened our funding avenues by obtaining debt from private sector banks, public sector banks, mutual funds, and financial institutions and also through a variety of instruments. These include term loans from both public and private banks, non-convertible debentures, overdrafts against fixed deposits, external commercial borrowings, pass-through certificates (PTCs), and direct assignments (DAs). This diversification has enabled us to access debt capital comfortably and support the Company's growth trajectory.

As of March 31, 2025, the outstanding tenor of our borrowings averaged 48 months, with an average transaction size (ATS) of ₹ 168.12 crore, demonstrating a y-o-y improvement.

	Tenor in Months	ATS in ₹ crore
FY21	40	55.59
FY22	39	80.32
FY23	44	106.71
FY24	47	154.05
FY25	48	168.12

As previously mentioned, despite generally higher base rates throughout the last financial year, we maintained a healthy average borrowing rate at 9.10% in FY25 compared to 9.30% in FY24.

	Average Borrowing Rate %	Incremental Cost of Borrowing in %
FY21	10.17%	9.74%
FY22	8.84%	8.80%
FY23	9.42%	9.15%
FY24	9.30%	9.21%
FY25	9.10%	9.17%

Our credit rating as of March 31, 2025 stood at AA- from CRISIL, CARE, ICRA, and India Ratings. We have consistently demonstrated the confidence that the lending community has placed in the Company through our consistent performance. This is clearly reflected in the steady upgrades to our ratings, as shown below:

Rating Upgrade

Instruments/facilities	CARE ratings	ICRA	India ratings	CRISIL ratings
Long-term bank facilities	CARE AA-; Stable	-	IND AA-/ Stable	-
Market-linked debentures	CARE PP-MLD AA-; Stable	-	-	CRISIL PPMLD AA-/Stable
Non-convertible debentures	-	ICRA AA- Stable	IND AA-/ Stable	CRISIL AA-/Stable
Commercial paper	-	-	IND A1+	-

Collections Infrastructure

For any Non-Banking Financial Company, a robust collections infrastructure forms the essential part of its business model. We recognise this and have established a resilient collection process supported by a dedicated team. Our collections strategy is distinguished by a high-engagement approach, prioritising the development of a personal connection with our customers, alongside the use of technology-driven mechanisms for consistent follow-ups and automated reminders ahead of payment due dates.

As of March 31, 2025, our collections team comprised over 2100 individuals. Ongoing and timely investment in this area remains a priority for us, and the quality of our assets reflects the effectiveness of our collection management system. We also have a skilled tele-calling team that regularly engages with customers, providing education on the consequences of defaulting on Equated Monthly Installment (EMI) payments.

Over time, we have transitioned our collections process from cash-based to digital methods, which has demonstrated steady progress y-o-y. Our digital collections for FY25 reached 81.17%, compared to 46.47% in FY21.

Opportunities

- **Increased Consumption and E-commerce Expansion to Support Commercial Vehicle Demand:** According to CRISIL MI&A estimates, the e-commerce sector is projected to grow by 23-28% during FY25. This growth is primarily driven by rising consumption across the nation and the increasing adoption of e-commerce. Consequently, the demand for last-mile logistics is expected to increase, which, in turn, could lead to an expansion of delivery fleets by e-commerce platforms seeking greater control over their delivery processes.

- **Government Spending on Road Infrastructure:** Overall capital expenditure in the road sector, encompassing National Highways, State Highways, and rural roads, has been on an upward trend. State roads, including highways, major district roads, and rural roads, along with those falling under the Pradhan Mantri Gram Sadak Yojana, play a significant role in the economic development of mid-sized towns and rural areas. Therefore, they act as a key driver for the growth of vehicle sales.

- **Growing Credit Demand from MSMEs:** The government is placing particular emphasis on the Micro, Small, and Medium-sized Enterprise sector in India due to its substantial economic contribution and the number of people it employs. With a growing presence of MSME lenders in smaller cities and an increasing focus from lenders on underserved customer segments, the loan portfolio is anticipated to experience strong growth in the future. CRISIL MI&A forecasts that the portfolio of secured MSME loans with a ticket size of less than ₹ 0.5 million will grow at a Compound Annual Growth Rate (CAGR) of 18-20% over Fiscal Years 2024 to 2027, supported by increased focus and greater market penetration by lenders for such loans.

- **Co-lending:** Co-lending serves as a strategic alliance between two financial institutions, creating new business opportunities for both parties. It enables NBFCs to collaborate with other organisations to offer a wider range of products to underserved and unserved markets. This fosters consumption and facilitates the distribution of risks in an optimal manner. The emergence of numerous new-age enterprises has generated further business prospects. Co-lending presents an excellent opportunity to leverage existing infrastructure and introduce tailored products that meet customer needs without incurring significant balance sheet risks. We continue to explore potential in this area.

Threats

- **Geopolitical Tension:** Over the past couple of years, global geopolitical tensions have persisted. The ongoing conflict between Russia and Ukraine, coupled with instability in the Middle East, has heightened uncertainties surrounding economic growth. Furthermore, recent concerns regarding trade disputes have amplified worries about a slowdown in global economic expansion.

- **Cyber Attack:** As business evolves with continuous technological advancements and the rise of Artificial Intelligence, the risks associated with cyberattacks have escalated. Individuals, organizations, and national security face significantly greater threats if these risks are not effectively managed. The repercussion of sustained cyberattacks could have far-reaching consequences for financial markets and the global economy.

Business Highlights

The principal business highlights of the FY25 include the following:

- The Company expanded its operational network from 579 branches to 648 branches across 12 states and union territories as of March 31, 2025.
- Disbursements grew by 16.05%, reaching ₹8398.42 crore in FY25, compared to ₹7,236.99 crore in FY24.
- Assets Under Management (AUM) reached ₹ 13,261.13 crore in FY25, increasing from ₹ 10,476.09 crore in FY24, a rise of 26.58%.
- The total active loan at the end of the financial year reached 5.91 lakh.
- Profit After Tax (PAT) increased to ₹ 379.67 crore in FY25, up from ₹ 311.92 crore in FY24, representing a growth of 21.72%.
- Our employee numbers increased to 12,416 as of March 31, 2025, compared to 11,401 as of March 31, 2024.

Financial Highlights

The following table presents the Company's financial performance for FY25:

(Amount in ₹ lakh)

Particulars	FY25	FY24
Total Income	2,38,637.77	1,79,794.91
Profit before tax	48,476.09	39,932.13
Profit after tax	37,966.71	31,192.33
Earnings Per share		
Basic	28.36	25.00
Diluted	28.15	24.70

The key indicators to showcase our Company's performance:

(Amount in ₹ lakh)

S. No.	Particulars	2024-25	2023-24
1	Total Income	2,38,637.77	1,79,794.91
2	Net Interest Income	1,14,889.51	88,549.43
3	Capital Adequacy Ratio	29.51%	33.86%
4	Assets Under Management	13,26,112.89	10,47,609.08
5	Securitisation done during the year	2,11,549.79	1,61,873.10

Ratios

S. No.	Particulars	FY25	FY24
1	Debt Equity Ratio	3.33	2.88
2	Net Profit Margin	15.91%	17.35%

Risk Management

The Risk Management Committee, a body formed by the Board of Directors and comprising both directors and senior personnel, oversees risk management. This committee ensures a periodic review of the risk management policy and plan, along with their implementation and monitoring. Risk owners are accountable to this committee for the identification, assessment, aggregation, reporting, and monitoring of risks relevant to their specific operational areas.

Risk Name	Impact and Mitigation
Credit Risk	Credit risk is the risk of actual or probable financial loss to our Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from our receivables from customers and loans and advances now or in future. The sanction and renewal of any credit facility to a particular borrower requires appropriate credit approval by the concerned authority. The appropriate authority is entrusted with the task of verifying the credentials of the customer as per set processes and guidelines. We manage and control credit risk by setting limits on the amount of risk that we are willing to accept for individual counterparties and for a group of counterparties and by monitoring exposures in relation to such limits. The credit worthiness of borrowers is regularly reviewed and monitored by line credit risk managers, who are responsible for maintaining the portfolio quality as per given risk-return targets. Further we have established a credit quality review process to provide early identification of possible changes in the creditworthiness of counterparties. The credit quality review process aims to allow us to assess the potential loss as a result of the risks to which it is exposed and take corrective actions.
Market & Liquidity Risk	Liquidity risk is the risk that we will encounter difficulty in meeting the obligations associated with our financial liabilities that are settled by delivering cash or another financial assets. Our approach to managing liquidity is to ensure, as far as possible, that we will have sufficient liquidity to meet our financial liabilities when they are due, under both normal and stressed conditions in a timely manner, without incurring unacceptable losses or risking damage to our reputation. We have obtained fund based working capital loans from various banks. Further, we have access to funds from debt market through non-convertible debentures and other debt instruments including term loans. Short term facilities including cash credits and working capital demand loans are renewed on yearly basis and are revolving in nature. We also manage liquidity by raising funds through securitization transactions. We use debt funds and fixed deposit receipts to manage and/or invest our available surplus. We have also taken overdraft facilities on our investments in fixed deposits, and used such funds as working capital in the ordinary course of business. Our asset liability management committee ("**ALCO**") defines its risk management strategy and set the overall policies and procedures. The liquidity risk management strategies are reviewed by the ALCO to align with changes to the external environments, including regulatory changes, business conditions and market developments.
Operational Risk	Operational Risk means the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. It includes legal risk but excludes strategic and reputational risk and it is inherent in all banking/ financial products, activities, processes and systems. Our company manages operational risk through a comprehensive framework that includes risk identification, assessment, monitoring, and mitigation strategies. We have established robust internal controls and procedures to ensure the integrity of our operations. Our employees are trained to adhere to these processes and are encouraged to report any irregularities or issues promptly. We also maintain contingency plans to ensure business continuity in the event of unforeseen disruptions. To strengthen the operational risk culture within our company, we regularly share advisories and provide training to our employees. Additionally, we manage risks associated with outsourcing by implementing stringent oversight and control measures to ensure that our service providers adhere to our standards and requirements. By continuously monitoring and improving our operational processes, we aim to minimize the impact of operational risks on our business and maintain a high standard of operational excellence.

Internal Control Systems and Their Adequacy

Our Company operates under a framework of well-established internal controls, implemented through various regulations and protocols that undergo regular assessment across all business segments. Our employees are trained to adhere to these processes and are encouraged to report any irregularities or issues promptly.

Furthermore, we have a dedicated Audit Committee reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board. They shall also be responsible for verifying that systems for internal control are adequate and are operating effectively.

Our internal audit functions make an evaluation of the adequacy and effectiveness of internal systems on an ongoing basis so that business units adhere to our policies, compliance requirements and internal guidelines.

Information Technology and IT Security

We are a technology driven company using systems with digital infrastructure to manage a scalable and sustainable operating model. Our core partner for loan origination system ("**LOS**"), loan management software ("**LMS**") and collection system is Nucleus Software Exports Limited. Our LOS, LMS and collection systems are cloud-based with data integration and streamlined report generation to reduce manual intervention, turnaround time and operation costs. Meanwhile, we also have third-party technology partners who help manage the entire end to end employee engagement, manage customer communication and customer relationship management and help with various business support technology enablement.

We have implemented transformation initiatives across all our core functions such as data analytics that flag early warning signs, predictive analytics and digitized collection and monitoring. Particularly for our MSME financing vertical, we have digitized our sourcing capabilities by implementing a virtual branch concept, wherein we source loans for MSMEs through SKOP, our app-based service. We have developed a virtual paperless origination to disbursal process and our sales employees utilize a mobility-driven cloud-based tool (such as our mobile application) to on-board our potential customers by visiting such customers at their location. For our loan origination and underwriting processes, we leverage analytics to gather data intelligence on our customers and collateral data points during the origination process, and analyze such data to process loan applications, assess credit risks and identify fraud. We also leverage SKOP, our mobile application with live image capturing features to generate valuation reports for vehicles and/or property collaterals, which shortens the turnaround time and reduces the associated costs. For credit approval and disbursement, we utilize data backed analytics in making underwriting decisions and updating our used vehicle internal grids or valuation matrix from time to time. We have implemented a largely paperless approach to credit underwriting.

We utilize technology for payments by adopting digital payment methods such as eNACH, and UPI/BBPS. The digital payment options allow our customers to repay the vehicle loans and MSME loans at their convenience without having to spend time and effort in visiting our branches, and thereby improve our collection efficiency. As we endeavor to optimize our customers' experience and provide real-time support services to our referral, we have implemented SKAI Chatbot with WhatsApp integration in five different languages to provide customer support at all times. We further deepen our customer engagement with

Annexure-2

CEO/CFO CERTIFICATE

To,
The Board of Directors
SK FINANCE LIMITED

Pursuant to the regulation 17(8) read with Part B of Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, We, Rajendra Kumar Setia, Managing Director & Chief Executive Officer and Atul Arora, Chief Financial Officer of the Company, to the best of our knowledge and belief, certify that

A. We have reviewed financial statements and the cash flow statements for the year ended 31st March, 2025 and that to the best of our knowledge and belief;

   i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   ii. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

D. We have disclosed, based on our evaluation wherever applicable to the Auditors and the Audit Committee that;

   i. there were no significant changes in internal controls over financial reporting during the year;

   ii. there were no significant changes in accounting policies during the year, and

   iii. there were no instances of significant fraud of which we are aware and the involvement therein, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Rajendra Kumar Setia
Managing Director & CEO
DIN: 00957374

Atul Arora
Chief Financial Officer

Place: Jaipur
Date: May 28, 2025

Annexure-3

Form No. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED March 31, 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,
SK Finance Limited
G 1-2, New Market, Khasa Kothi
Jaipur– 302001 (Rajasthan)

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

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, the explanations and clarifications given to us and the representations made by the Management, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2025 ('Audit Period') 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 March 31, 2025 according to the provisions of:

(i) The Companies Act, 2013 ('the Act') and the rules made thereunder;

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

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

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

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

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 **(Not applicable to the Company during the Audit Period)**;

(b) 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;

(d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 **(Not applicable to the Company during the Audit Period)**;

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

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Act and dealing with client;

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

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

(i) Securities and Exchange Board of India (Debenture Trustee) Regulations, 1993 (in relation to obligations of Issuer Company);

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

(k) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.

(vi) As confirmed, following other laws are specifically applicable to the Company for which the Management has confirmed that the Company has devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively:

(a) The Reserve Bank of India Act, 1934;

(b) Master Direction – Reserve Bank of India (Non-Banking Financial Company-Scale Based Regulation) Directions, 2023;

(c) Scale Based Regulation (SBR): A Revised Regulatory Framework for NBFCs and guidelines notified thereunder;

(d) Master Direction - Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016;

(e) Master Direction-Monitoring of Frauds in NBFCs (Reserve Bank) Directions, 2016 **(repealed w.e.f. July 15, 2024);**

(f) Master Direction- Reserve Bank of India (Fraud Risk Management in NBFCs) Directions, 2024 **(effective from July 15, 2024);**

(g) Master Direction – Reserve Bank of India (Filing of Supervisory Returns) Directions-2024;

(h) Master Direction - Know Your Customer (KYC) Direction, 2016;

(i) Master Direction – Reserve Bank of India (Information Technology Governance, Risk, Controls and Assurance Practices) Directions, 2023;

(j) Master Direction- Reserve Bank of India (Outsourcing of Information Technology Services) Directions, 2023;

(k) Master Direction- Reserve Bank of India (Internal Ombudsman for Regulated Entities) Directions, 2023;

(l) Master Direction – Reserve Bank of India (Securitisation of Standard Assets) Directions, 2021;

(m) Master Direction- Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021; and

(n) Master Direction- Reserve Bank of India (Treatment of Wilful Defaulters and Large Defaulters) Directions, 2024.

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

i. Secretarial Standards issued by The Institute of Company Secretaries of India;

ii. The Listing Agreement entered into by the Company with BSE Limited.

During the Audit Period the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that

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

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance. Further, independent directors were present at Board Meetings which were called at shorter notice to transact business which were considered urgent by the management in compliance of Section 173(3) of the Act. A system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the company has:

(a) Duly passed the resolution under Section 180(1)(c) and Section 180(1)(a) of the Act, read with its applicable rules, as amended to authorize the Board of Directors to borrow money in excess of the aggregate of the paid-up share capital, free reserves and securities premium of the Company, but not exceeding a sum of ₹ 18,000/- Crores (Rupees Eighteen Thousand Crores Only) and to create mortgage and /or charge on assets of the Company to secure the aforesaid borrowing;

(b) Duly passed the resolution pursuant to Section 42 and 71 of the Act for issue of Non-Convertible Debentures including but not limited to subordinate debentures, bonds and/or other debt securities etc. for an amount upto ₹ 6,300/- Crore (Rupees Six Thousand Three Hundred Crore Only) on private placement basis in one or more tranches;

(c) Altered the provisions of Articles of Association of the Company;

(d) Amended various clauses of SK Finance Limited Employee Stock Option Plan 2018;

(e) Approved the Initial Public Offer ("IPO") by way of fresh issue of Equity Shares and offer for sale by existing shareholders of the Company;

(f) Filed the Draft Red Herring Prospectus and has received the in-principle approvals from the Securities and Exchange Board of India ("SEBI"), BSE Limited and National Stock Exchange of India Limited for the proposed IPO;

(g) Allotted 2,57,140 (Two Lakh Fifty Seven Thousand One Hundred and Forty) equity shares upon exercise of options by its eligible employees under its Employee Stock Option Plan 2018;

(h) Issued and allotted 1,60,000 (One Lakh Sixty Thousand) Non-Convertible Debentures aggregating to ₹ 16,00,77,90,000/- (Rupees Sixteen Hundred Crore Seventy Seven Lakhs Ninety Thousand Only) on private placement basis in multiple tranches;

(i) Redeemed Non-Convertible Debentures amounting to ₹ 12,47,00,00,000/- (Rupees Twelve Hundred and Forty Seven Crores Only) pursuant to maturity;

(j) Approved the utilization of Securities Premium account in writing off the expenses upto an amount not exceeding ₹ 50,00,00,000/- (Rupees Fifty Crores only);

(k) Raised funds through External Commercial Borrowings up to USD 100 Million equivalent to ₹ 8,65,13,90,000/- (Rupees Eight Hundred Sixty Five Crore Thirteen Lakhs Ninety Thousand only). Out of the total USD 100 Million, Tranche 1 amounting to USD 60 Million equivalent to ₹ 5,21,45,96,523.60 (Rupees Five Hundred and Twenty One Crores Forty Five Lakh Ninety Six Thousand Five Hundred and Twenty Three and Six paisa only) has been received;

(l) Filed an application suo moto under section 454 of the Act and rules made thereunder for adjudication of offence/default committed under section 62(1)(b) of the Act read with Rule 12 of the Companies (Share Capital and Debenture) Rules, 2014 and the Adjudicating Officer i.e. Registrar of Companies Cum Official Liquidator, Rajasthan adjudicated the offence/default by levying penalty of requisite amount as mentioned in the order of Adjudicating Officer; and

(m) Filed a settlement application under Chapter II of the SEBI (Settlement Proceedings) Regulations, 2018 and remitted settlement amount of ₹ 67,50,000/- (Indian Rupees Sixty Seven Lakhs and Fifty Thousand Only) to SEBI in terms of Regulation 16 of SEBI (Settlement Proceedings) Regulations, 2018 upon receipt of summary settlement notice from SEBI for alleged violation of Section 23(1), 26(4), 26(6) and 33(1) of the Act and Regulation 4(3), 6, 7, 8, 9 and 16 of SEBI (Issue and Listing of Debt Securities) Regulations, 2008 in the matter of

Deemed Public Issue of Non-Convertible Securities initially allotted on private placement basis. The aforesaid settlement application is pending with SEBI.

Place: Jaipur
Date: May 28, 2025
UDIN: F003355G000470888

For **V. M. & Associates**
Company Secretaries
(ICSI Unique Code P1984RJ039200)
PR 5447 / 2024

CS Manoj Maheshwari
Partner
Membership No.: FCS 3355
C P No.: 1971

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

Annexure A

To,
The Members,
SK Finance Limited
G 1-2, New Market, Khasa Kothi
Jaipur– 302001 (Rajasthan)

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.

Place: Jaipur
Date: May 28, 2025
UDIN: F003355G000470888

For **V. M. & Associates**
Company Secretaries
(ICSI Unique Code P1984RJ039200)
PR 5447 / 2024

CS Manoj Maheshwari
Partner
Membership No.: FCS 3355
C P No.: 1971

Annexure-4

Annual Report on Corporate Social Responsibility (CSR) Activities

[Pursuant to Section 135 of the Companies Act, 2013 ("Act") and Annexure II of the Companies (Corporate Social Responsibility Policy) Rules, 2014]

1. Brief outline on CSR Policy of the Company

"Corporate social responsibility("CSR") is a model by which companies make a concerted effort to operate in ways that enhance society and the environment. By adopting CSR, companies aim to address societal challenges, enhance community well-being and promote environmental sustainability. The approach not only drives positive change but also fosters a meaningful and enduring relationship between the company and the communities it serves, contributing to long-term success and societal progress."

Your Company remains committed to its CSR initiatives to drive positive and sustainable change to build resilient communities and support their rehabilitation. The Company actively contributes to various focus areas, including health and wellness, sanitation and hygiene, education (including innovative projects like Cinema on Wheels), Vocational skill development, women empowerment, animal welfare, promoting sports among underprivileged children, environmental conservation, fitness programs, Autism Care Centre and hospital support, traffic road safety, measures for the benefit of armed forces personnel and their dependents, and the promotion of art and culture. These initiatives aim to address the fundamental needs of communities and create a long-term, meaningful impact for beneficiaries.

The Company's social initiatives are designed in alignment with the CSR policy and in compliance with Schedule VII of the companies Act, 2013 and guidelines issued by the Ministry of Corporate Affairs from time to time The CSR Policy outlines the framework for implementing and managing social initiatives across various areas and projects of the Company.

To enhance the effectiveness of its CSR programs, the Company has conducted extensive research and development to identify key CSR thrust areas in India, ensuring compliance with its CSR obligations. The Company gives preference to the areas around which the Company operates. Our Company along with the Trust formed by it i.e. "**SK FOUNDATION**" established in the year 2019, undertakes CSR activities within the broad framework of Schedule VII of the Companies Act, 2013 and CSR policy of the company.

The Company has, with the support and guidance of its Trust undertaken the following activities inter-alia including:

- **Education:** The Company is committed to inspire a passion for learning and broadening minds. Through various education institutions, we strive to achieve this goal by offering quality education, providing financial assistance to underprivileged students, and facilitating vocational training programs. We also support specialized education, promote girls education, and encourage reading habits by introducing a diverse range of books on topics such as time management and leadership development, etc. Additionally, we focus on enhancing education infrastructure and providing essential support services to further empower students.
- **Education through Cinema on Wheels:** In collaboration with Cinema On Wheels Private Limited, SK Foundation has continued education awareness project aimed at reaching a wide audience. This initiative brings national and international cinematic works to viewers, raising public awareness about art, culture, and social responsibility. By supporting small cinematic projects that serve these goals, the project encourages creativity, innovation, and the development of high-quality art. Additionally, it promotes financial literacy, preserves and conveys our cultural heritage to underserved communities, and strengthens cultural connections within these areas.
- **Solar Skill Centre:** SK Foundation has established the SK Solar Training Centre in Khatipura, Jaipur, to create green jobs and empower youth in renewable energy sector. The Centre offers training in solar product making, solar installation and solar system maintenance, along with placement assistance. With a focus on practical learning, the center equips individuals with essential skills, contributing to India's sustainable development goals and the growth of the green energy workforce.
- **Health Care:** The Company's goal is to give healthy environment for underprivileged communities of the society by undertaking numerous healthcare programs through medical institutions including but not limited to setting up Blood Donation and other medical Camps, providing ambulance services, medical infrastructure services, providing sanitation, etc. Also, in view to create more awareness in the society, our Company has organized WHWF (World Health and Wellness Fest) in Jaipur.
- **Public Sanitation & Eradicating Poverty:** The Company together with SK Foundation, distributed over 18000 food packets to underprivileged communities of the Society during the fiscal year 2024-25 and during the summer months, water coolers have been installed in public areas to ensure access to clean and safe drinking water to the Society. Additionally, sanitizer machines and dustbins were placed in public spaces to promote hygiene environment, encourage proper waste disposal, and help individuals maintain a clean and germ-free environment. These initiatives reflect our commitment to improving public sanitation and supporting society.
- **Autism Care Centre and supporting hospitals:** The Company through its trust is dedicated to support the Babylon Trust by providing financial assistance. This initiative aims to benefit children by ensuring they receive essential treatment, medical relief, and proper care under the guidance of specialized team of doctors of Babylon Trust The program ensures comprehensive and expert support for the children in need.
- **Promoting Fitness Programme:** The Company undertook several initiatives to promote health awareness and physical fitness amongst the large section of the society. These include organizing marathon, blood donation camps and disease screening programs to encourage healthy habits and prompt medical attention wherever required. These activities aimed to educate the public at large on health related matters, foster culture of fitness, and provide them with opportunities to enhance their physical and mental health.
- **Animal welfare:** The Company strive to take care of the welfare of stray and abandoned animals, particularly Indian cows, bulls, oxen and orphaned calves. Our efforts include providing nutritious food and fodder, ensuring proper shelter, addressing their healthcare needs. Additionally, the Company undertakes initiatives for the protection and well-being of birds, reaffirming our commitment to safeguarding animal life and promoting ecological harmony.
- **Traffic Road Safety:** The Company strives to raise awareness about traffic rules and guidelines to reduce the risk of road traffic injuries. With the guidance of several state traffic police authorities, the Company has donated barricades and helmets to enhance public safety. Additionally, the Company has constructed and installed kiosks at the key locations/states to support the traffic police in effectively managing and regulating traffic flow.
- **Developing park, tree plantation drive and spreading awareness:** In Partnership with SK Foundation, the Company undertook initiatives to enhance park development through tree plantations and the installation of iron fencing. Multiple plantation drives were organized to promote environmental protection. Additionally, the Company has planted over 5000+ trees in public spaces such as gardens, hospitals, and schools, reinforcing its commitment to creating greener and healthier communities.
- **Women Empowerment:** The Company firmly believes that empowering women equates to empowering the nation. In line with this belief, the Company actively undertakes initiatives such as providing skill development training, creating platforms for women to earn a livelihood, enhancing their capabilities, and raising awareness to foster their growth and independence.

SK Skill Centre: The Company, in collaboration with SK Foundation, operates two skill centers located in Heerapura and Jawahar Nagar on the outskirt of Jaipur, supporting women. These centers offer comprehensive skill training programs designed to equip women with valuable resources, knowledge, and opportunities. The training focuses on various income-generating skills such as stitching, weaving, knotting, braiding, natural dyeing, block and screen printing, pottery, and other handicraft techniques. By providing these opportunities, the Foundation aims to instil confidence, foster responsibility, and empower women to achieve economic independence.

2. Composition of CSR Committee:

The Board of Directors has constituted a CSR Committee in accordance with the requirements of Section 135(1) of the Companies Act, 2013. The composition of the committee as on 31st March, 2025 was as under:

S. No.	Name of the Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Rajendra Kumar Setia	Chairperson - Managing Director and Chief Executive Officer	2	2
2	Mr. Anand Raghavan	Member - Independent Director	2	2
3	Mr. Simit Batra	Member - Nominee Director	2	2
4	Mr. Yash Setia	Member - Whole Time Director	2	2
5	Mr. Mukul Mathur*	Member - Independent Director	2	2

* Mr. Mukul Mathur, was appointed as an Independent Director on the Board of the Company in the board meeting held on 29th March, 2024 and his appointment was subsequently approved in shareholders meeting on 25th April, 2024. Following the Reconstitution of the CSR Committee, the Board of Directors appointed Mr. Mukul Mathur as the member of CSR Committee, replacing Mr. Amar Lal Daultani with effect from 18th April, 2024.

3. Provide the web-link where Composition of CSR Committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

- Composition of CSR Committee: https://www.skfin.in/about/composition-board
- CSR Policy of the company: https://www.skfin.in/investor/policies-codes
- Projects/programs approved by Board: https://www.skfin.in/investor/investor-services

4. Provide the executive summary along with web-link(s) of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable.

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 on the company.

5. (a) Average net profit of the company as per section 135(5): ₹2,88,50,80,448/-

(b) Two percent of average net profit of the company as per section 135(5): ₹5,77,01,609/-

(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: ₹75,49,616/-

(e) Total CSR obligation for the financial year ((b)+(c)-(d)): ₹5,01,51,993/-

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project)

i. Details of CSR amount spent against ongoing projects for the financial year: NIL

ii. Details of CSR amount spent during the year against ongoing projects for the preceding financial year(s):

Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Project duration	Amount allocated for the project (in ₹).	Amount spent (in ₹)	Status of Project
1	Autism Care centre and supporting Hospitals	Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.	3 years from April 01, 2022 to March 31, 2025	79,90,507	FY 22-23: 56,66,734 FY 23-24: 22,29,970 FY 24-25: 93,803	Completed

iii. Details of CSR amount spent against other than ongoing projects for the financial year:

Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project State	Amount spent for the project (in ₹)
1.	Public Sanitation and Eradicating Poverty	Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.	Yes	Rajasthan, Madhya Pradesh, Punjab, Uttar Pradesh, Maharashtra, Gujrat , Haryana	2,43,87,394
2.	Health care	Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.	Yes	Rajasthan, Delhi, Gujrat	92,74,004
3.	Education	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	Yes	Rajasthan, Madhya Pradesh	62,47,601

Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project State	Amount spent for the project (in ₹)
4.	Art & Culture Program	Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional art and handicrafts;	Yes	Rajasthan, Gujrat	58,82,809
5.	Women Empowerment	Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.	Yes	Rajasthan	48,64,271
6.	Traffic Road Safety	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	Yes	Rajasthan, Uttar Pradesh, Madhya Pradesh, Himachal Pradesh, Uttarakhand, Gujrat	39,08,206
7.	Animal Welfare	Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga.	Yes	Rajasthan	9,92,435
8.	Developing park, tree plantation drive and spreading awareness	Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga.	Yes	Rajasthan, Madhya Pradesh	5,37,624
	Total				**5,60,94,344**

(b) Amount spent in Administrative Overheads: Nil.

(c) Amount spent on Impact Assessment: Not Applicable on the company.

(d) Total amount spent for the Financial Year ((a)+(b)+(c)): ₹ 5,60,94,344/-

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

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		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
5,60,94,344/-	NIL	Not Applicable	Not Applicable	0	Not Applicable

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

Sl. No.	Particular	Amount (in ₹)*
i.	Two percent of average net profit of the company as per sub-section (5) of section 135	5,01,51,993/-
ii.	Total amount spent for the Financial Year	5,60,94,344/-
iii.	Excess amount spent for the Financial Year [(ii)-(i)]	59,42,351/-
iv.	Surplus arising out of the CSR projects or Programmes or activities of the previous Financial Years, if any	NIL
v.	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	59,42,351/-

*Note: The Company's CSR budget of FY 2024-25 was ₹ 5,77,01,609/- and the company had spent an excess amount of ₹ 75,49,616 during the FY 2023-24 /- which was available for set off against prescribed CSR expenditure of ₹ 5,77,01,609/- of the FY 2024-25. Further, the Company had spent ₹ 5,60,94,344/- against the total CSR obligation of ₹ 5,01,51,993/- leading to an excess spend of ₹ 59,42,351/- towards approved CSR Budget.

7 Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

S. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub section (6) of section 135 (in ₹)	Balance Amount in Unspent CSR Account under sub-section (6) of Section 135 (in ₹)	Amount spent in the Financial Year (in ₹).	Amount transferred to a fund as specified under Schedule VII as per second proviso to sub section (5) of section 135, if any.		Amount remaining to be spent in succeeding financial years. (in ₹)	Deficiency (if any)
					Amount (in ₹)	Date of transfer		
1	2023-2024	-	-	-	0	-	0	0
2	2022-2023	40,61,788	93,803	93,803	0	-	0	0
3	2021-2022	1,72,10,000	0	0	0	-	0	0

8 Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Yes

✓ No

If Yes, enter the number of Capital assets created/ acquired:

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]	Pin code of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address
Not Applicable							

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: The Company had spent its CSR obligation as per the approved budget of the company.

For and on behalf of the Board of Directors
For **SK Finance Limited**

Mr. Rajendra Kumar Setia
(Chairman of CSR Committee & Managing Director & Chief Executive Officer)
DIN: 00957374

Mr. Yash Setia
Whole Time Director & Member of CSR Committee
DIN: 09831391

Place: Jaipur
Date: May 28, 2025
Regd. Address: G 1-2, New Market, Khasa Kothi, Jaipur – 302001 (Rajasthan)
Website: www.skfin.in Email: cs@skfin.in

Report on Corporate Governance

Pursuant to the Companies Act, 2013 ("the Act"), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI LODR Regulations**"), Master Direction – Reserve Bank of India (Non-Banking Financial Company– Scale Based Regulation) Directions, 2023 ("**RBI Master Directions**") including all other amendments/notifications/circulars as may be applicable on SK Finance Limited (hereinafter referred to as " the Company"/ "Our Company") , the report on Corporate Governance forming part of the Directors' Report for Financial year 2024 -25 is presented below.

1. COMPANY'S PHILOSOPHY ON THE CODE OF GOVERNANCE

The Company pursues its long-term corporate goals on the bedrock of financial discipline, ethical standards, transparency and trust. The governance practices and processes ensure that the interest of all the stakeholders are taken into account in a transparent manner and are firmly embedded into the culture of the organization. Our Company has a dynamic, experienced and well-diversified Board. The Board along with its Committees and the Corporate Governance mechanism in place, undertakes its fiduciary duties towards all its stakeholders. The Company's efforts are aimed at maximizing the value for the stakeholders while carrying out its operations in well-governed and compliant manner. The Company's Board approved Policies has been uploaded on the Company's website and can be accessed at https://www.skfin.in/investor/policies-codes. The Corporate Governance philosophy of the Company, inter-alia, is driven by the following fundamental principles:

1. Timely and adequate disclosure of material information to all stakeholders;
2. Fair and transparent business practices;
3. Adequate Risk Management System and Financial Controls;
4. Compliance of applicable laws and statute(s);
5. Effective management control and monitoring of performance by the Board.

The Company being a High Value Debt Listed Entity pursuant to SEBI LODR Regulations has ensured the Compliance of Regulation 17 to Regulation 27 of the SEBI LODR Regulations in respect of Corporate Governance during the year ended 31st March 2025. Also, the Company has aligned its corporate governance practices in a manner so as to achieve compliance as envisaged in the Act, SEBI LODR Regulations and RBI Master Directions.

2. BOARD OF DIRECTORS ('BOARD')

The Board of Directors of the Company consists of eminent persons with diverse blend of skills from industry, having practical knowledge or experience in respect of one or more of the areas viz., Accountancy, Banking, Finance, Information Technology, Economics and Management, Risk Management, Business Management and Payments & Settlement Systems. The Board provides strategic guidance on the affairs of the Company. The Board meets regularly to discuss, review and decide upon matters such as policy formulation, setting up of strategic goals, performance appraisals, overall governance and various other aspects of business as well as regulatory aspects. Apparently, board strives to incorporate fresh perspectives while ensuring stability and continuity.

Composition of the Board

Our Company has an optimum combination of Executive and Non-Executive Directors including Women Directors on its Board to ensure high quality of governance and effective functioning of the board, in conformity with provisions of the Act and rules made thereunder, SEBI LODR Regulations and RBI Master Directions. As on 31st March, 2025, there were 8 (eight) Directors on the Board in the Company, with 2 (two) Executive Directors and 6 (six) Non-Executive Directors which includes 2 (two) Nominee Directors and 4 (four) Independent Directors ("collectively referred as Directors"). All the Directors possesses requisite qualifications and experience in general corporate management, risk management, banking, finance, economics, marketing, digitization, analytics and other allied fields which enable them to contribute effectively to the Company by providing valuable guidance and expert advice to the Management and enhance the quality of Board's decision making processes. The brief profiles of the directors can be accessed at https://www.skfin.in/about/board-of-directors.

Director & Officer Insurance (D & O Insurance):

The Company has in place D & O Insurance pursuant to Regulation 25(12) of SEBI LODR

Regulations and Articles of Association of the Company, for all the Directors including Independent Directors for such quantum and risks as determined by the Board.

Fit and Proper Criteria:

The Company has formulated and adopted a Policy on Fit and Proper Criteria for Board of Directors as per the provisions of RBI Master Directions read with all the applicable circulars and guidelines issued by the Reserve Bank of India. All the Directors of our Company have confirmed that they fulfil the fit and proper criteria as prescribed under the RBI Master Directions.

Succession Planning:

Succession Planning is a strategic initiative with an aim to identify employees to fill key leadership and critical roles in the future. The Nomination and Remuneration Committee works closely with the Board to ensure orderly succession in appointments to the role of Board and of Senior Management. The committee is dedicated in developing and implementing a comprehensive leadership succession plan that ensures continuity and efficiency.

The Company has in place Succession Planning Policy for appointments to the Board and to the Senior Management.

Relationship between our Directors:

There is no relationship between the Directors inter-se except Mr. Yash Setia, Whole Time Director being the son of Mr. Rajendra Kumar Setia, Managing Director & Chief Executive Officer.

Details of other directorships and Chairmanships/Memberships of Committees of each director in various Companies as on March 31, 2025:

The following table lays down the composition and category of the Board of Directors including the details of their other board directorship, committee membership and shareholding as on 31st March, 2025 in the Company.

Name and DIN of the Director	Designation and Category	Date of Appointment	Number of equity shares held[3]	No. of Directorships in other companies[1]	Number of Committee positions held in other Public companies[1 & 2]	
					Member (Including as chairperson)	Chairperson
Mr. Amar Lal Daultani (DIN: 05228156)	Chairperson and Independent Director (Non-Executive)	01-04-2016	Nil	1	Nil	Nil
Mr. Anand Raghavan (DIN: 00243485)	Independent Director (Non-Executive)	07-04-2018	Nil	3	3	3
Ms. Debanshi Basu (DIN: 07135074)	Nominee Director representing Baring Private Equity India AIF (Equity Investor) (Non-Executive)	09-11-2020	Nil	1	1	Nil
Mr. Mukul Mathur[9] (DIN: 10025806)	Independent Director (Non-Executive)	29-03-2024	Nil	Nil	Nil	Nil
Ms. Nanda Sameer Dave[9] (DIN: 08673208)	Independent Director (Non-Executive)	14-03-2024	Nil	Nil	Nil	Nil
Mr. Rajendra Kumar Setia (DIN: 00957374)	Managing Director and Chief Executive Officer(Promoter) (Executive)	21-11-1994	4,19,02,747	Nil	Nil	Nil

Name and DIN of the Director	Designation and Category	Date of Appointment	Number of equity shares held[3]	No. of Directorships in other companies[1]	Number of Committee positions held in other Public companies[1 & 2]	
					Member (Including as chairperson)	Chairperson
Mr. Simit Batra (DIN: 09739615)	Nominee Director representing TPG Growth IV SF PTE. Ltd (Equity Investor)(Non-Executive)	13-06-2023	Nil	Nil	Nil	Nil
Mr. Yash Setia (DIN: 09831391)	Whole Time Director (Promoter) (Executive)	30-01-2023	2600	NIL	NIL	NIL

Notes:

1. Number of Directorships and committee positions excludes his/her Directorships in the Company, Private Companies, Section 8 Companies and Foreign Companies.
2. Audit Committee and Stakeholders Relationship Committee have been considered for chairmanship/membership of directors.
3. The shareholders in their meeting held on 11th March, 2024 approved the sub-division of Equity Share from face value of ₹ 2/- (Rupees Two) each into 2 (Two) Equity Shares of the Company of face value of ₹1/- (Rupee One) each and approved the issue of Bonus shares to the eligible shareholders of the Company whose names appeared in the register of members/beneficial owners' position as on record date i.e. 16th March, 2024, in proportion of 1 (One) equity share of ₹ 1 (Rupees One) each for every 1(One) equity share of ₹ 1 (Rupees One only) held as on record date. The Board of Directors on 08th April, 2024 approved the allotment of Bonus Shares to the Equity shareholders of the Company.
4. There are no convertible instruments issued by the Company.
5. Pursuant to the provisions of Section 165 of the Act, none of the Directors hold directorships in more than 20 Companies or 10 public companies across all Companies in which they serve as Directors. (For reckoning the limit of public companies in which a person can be appointed as director, directorship in private companies that are either holding or subsidiary company of a public company is included.)
6. Pursuant to Regulation 17A of the SEBI LODR Regulations, none of the Directors are Directors in more than 7 Listed entities and serves as an Independent Director in more than 7 Listed entities or serves as an Independent Director in 3 listed entities in case he/she serves as a Whole Time Director/Managing Director in any listed entity.
7. Pursuant to Regulation 26 of the SEBI LODR Regulations, none of the Director is a member of more than 10 Committees and no such Director is a Chairperson of more than 5 Committees, across all public limited companies whether listed or not, and HVDLEs in which he/she is a Director.
8. The Independent directors are not on the Board of more than three NBFCs (NBFC-Middle Layer or NBFC-Upper Layer) at the same time in line with the RBI Master Directions.
9. Ms. Nanda Sameer Dave and Mr. Mukul Mathur were appointed as Additional Director (Non-Executive and Independent) of the Company by the Board of Directors vide their meeting held on 14th March, 2024 and 29th March, 2024, respectively and their appointment as an Independent Directors was approved by the Shareholders of the Company in their Extra-Ordinary General Meeting held on 25th April, 2024.

The names of the listed entities where the directors were holding directorship as on 31st March, 2025 are given below:

Name of Director	DIN	Name of the Listed Entity	Category of Directorship
Mr. Amar Lal Daultani	05228156	Raghav Productivity Enhancers Limited	Independent Director (Non-Executive)
Mr. Anand Raghavan	00243485	i. Five-Star Business Finance Limited ii. Aptus Value Housing Finance India Limited	i. Independent Director (Non-Executive) ii. Independent Director (Non-Executive)
Ms. Debanshi Basu	07135074	-	-
Mr. Mukul Mathur	10025806	-	-
Ms. Nanda Sameer Dave	08673208	-	-

Name of Director	DIN	Name of the Listed Entity	Category of Directorship
Mr. Rajendra Kumar Setia	00957374	-	-
Mr. Simit Batra	09739615	-	-
Mr. Yash Setia	09831391	-	-

Notes:

1. For reckoning directorship in listed companies, only equity listed companies and High value debt listed entity have been considered.

SKILLS/EXPERTISE/COMPETENCE OF THE BOARD OF DIRECTORS

The Board comprises of highly qualified members who possess required skills, expertise and competence that allow them to effectively contribute to the Board and its Committees. The Board approved chart or matrix setting out the skills/expertise/competence of the Board is as below:

S. No.	Core Skills/ Expertise/ Competencies	Brief description of skills	Mr. Amar Lal Daultani	Mr. Anand Raghavan	Ms. Debanshi Basu	Mr. Mukul Mathur	Ms. Nanda Sameer Dave	Mr. Rajendra Kumar Setia	Mr. Simit Batra	Mr. Yash Setia
1.	Business Experience	• Established leadership skills in strategic planning, succession planning, driving change and long-term growth and guiding the company towards its vision, mission and values. • Critically analyzing complex and detailed information and developing innovative solutions and striking a balance between agility and consistency. • Expertise in the field of Banking and Financial Services.	✓	✓	✓	✓	✓	✓	✓	✓
2.	Financial Experience and Risk Oversight	• The Company uses various financial metrics to measure its performance. Accurate Financial Reporting and Robust Auditing are critical to its success. • The Company expects its Directors to have an understanding of Finance and Financial Reporting Processes. • To understand and oversee various risks facing the Company and ensure that appropriate policies and procedures are in place to effectively manage risk.	✓	✓	✓	-	✓	✓	✓	✓
3.	Technology and Innovation	• An appreciation of emerging trends in Banking and Financial services across the globe. • Expertise in digital and robotic innovation in the field of Finance and Investments. • Ability to visualize future trends and devise strategies for adoption.	✓	-	-	✓	✓	✓	-	-
4.	Governance and Regulatory Oversight	• Devise systems for compliance with a variety of regulatory requirements. • Reviewing compliance and governance practices for a long-term sustainable growth of the Company and protecting stakeholders' interest.	✓	✓	✓	✓	✓	✓	✓	✓
5.	Consumer Insights and Marketing Exposure	• Ability in developing strategies to increase market share through innovation, build better brand experience for customers, improve prospective customer engagement levels and help establish active customers become loyal brand followers.	✓	-	-	✓	-	✓	✓	✓

BOARD MEETINGS

Being the apex body constituted by shareholders for overseeing the functioning of the Company, the Board evaluates all the strategic decisions on a collective consensus basis amongst the Directors. The Board Meetings are pre-scheduled and tentative annual calendar for the meetings of the Board is finalized in advance in consultation with all Board members. However, in case of urgent business requirements, approval of the Board is taken by passing resolution(s) through circulation, as permitted by law, which is noted in the subsequent meeting or on shorter notice by adhering to the compliances as mentioned under the Act. During the year the Board met 10 (Ten) times on 18th April, 2024, 30th April, 2024, 28th May, 2024, 14th June, 2024, 15th July, 2024, 14th August, 2024, 26th September, 2024, 24th October, 2024, 29th January, 2025 and 19th March, 2025. Our Company facilitated the Directors with an option to participate through video conferencing to enable the directors' participation at the meetings. The necessary quorum was present for all the meetings.

The Company Secretary & Compliance Officer prepares and sends the Notice and detailed Agenda setting out the business to be transacted at the Meeting(s), supported by detailed Notes on Agenda to each Director at least seven days before or on shorter notice as required, prior to the date of the Board Meeting(s). With the approval of the Board, all information which is in the nature of Unpublished Price Sensitive Information (UPSI), is circulated to the Board and its Committees at a shorter notice before the commencement of the respective Meetings. The Company ensures that timely and relevant information are made available to all the directors in order to facilitate their effective participation and contribution during the meetings. The maximum interval between any two consecutive meetings was not more than 120 days.

The Board, *inter-alia*, periodically reviews strategy and business plans, annual operating and capital expenditure budget(s), actions taken on the Board recommendations/ suggestions, compliance report of all laws applicable to the Company, as well as steps taken by the Company to rectify instances of non-compliances, if any, appointment and remuneration of directors, key managerial personnels and senior management personnels, approval of quarterly/half-yearly/ annual results, transactions with related parties, and effectiveness of the internal controls and audit procedures. The Board members are kept informed about any material development/ business update/regulatory amendment through various modes from time to time.

The status of attendance of each Director at Board Meetings and the last Annual General Meeting (AGM) held on 07th August, 2024 is given below:

Name of the Director	Attendance		
	Entitled	Attended	Last AGM
Mr. Amar Lal Daultani	10	10	Yes
Mr. Anand Raghavan	10	10	Yes
Ms. Debanshi Basu	10	10	No
Mr. Mukul Mathur	10	08	Yes
Ms. Nanda Sameer Dave	10	09	Yes
Mr. Rajendra Kumar Setia	10	10	Yes
Mr. Simit Batra	10	10	No
Mr. Yash Setia	10	10	Yes

INDEPENDENT DIRECTORS

The Independent Directors are appointed for a specific term based on the recommendations of the Nomination and Remuneration Committee ("NRC"), by the Board and the shareholders at their respective meeting(s). They are appointed as per the provisions of the Act, SEBI LODR Regulations and RBI Master Directions. None of the Independent Directors are Promoters or are related to Promoters of the Company. All the Committees which require Independent Directors in the composition have Independent Directors as specified in terms of the SEBI LODR Regulations, the Act and the RBI Master Directions. These Committees function within the defined terms of reference in accordance with the Act, the SEBI LODR Regulations, RBI Master Directions and as approved by the Board, from time to time.

Mr. Amar Lal Daultani (DIN: 05228156) was appointed as an Independent Director with effect from 01st April, 2016 for a period of 5 years. His appointment was approved by the shareholders for a second consecutive term of five years effective from 01st April, 2021, at the Extra-Ordinary General Meeting held on 30th March, 2020.

Mr. Anand Raghavan (DIN: 00243485) was appointed as an Independent Director with effect from 07th April, 2018 for a period of 5 years. His appointment was approved by the shareholders for a second consecutive term of five years effective from 07th April, 2023, at the Extra-Ordinary General Meeting held on 23rd February, 2023.

Ms. Nanda Sameer Dave (DIN: 08673208) was appointed as an Additional Director (Non-Executive and Independent) by the Board in their meeting held on 14th March, 2024 and her appointment as an Independent Director for a term of five years effective from 14th March, 2024, was approved by the shareholders at the Extra-Ordinary General Meeting held on 25th April, 2024.

Mr. Mukul Mathur (DIN: 10025806) was appointed as an Additional Director (Non-Executive and Independent) by the Board in their meeting held on 29th March, 2024, and his appointment as an Independent Director for a term of five years effective from 29th March, 2024, was approved by the shareholders at the Extra-Ordinary General Meeting held on 25th April, 2024.

No Independent Director stepped down from their position over the course of the Financial Year ended 31st March, 2025.

MEETING OF INDEPENDENT DIRECTORS

In compliance with Regulation 25 (3) of the SEBI LODR Regulations and Schedule IV of the Act, a separate meeting of Independent Directors was held on 19th March, 2025 for FY 2024-25, without the presence of Non-Independent Directors and members of the management. At this meeting, the Independent Directors *inter-alia* evaluated the performance of the Non-Independent Directors and the Board as a whole and the performance of the Chairperson and discussed aspects relating to the quality, quantity and timeliness of flow of information between the Company management and the Board. The evaluation was carried on broad parameters such as Board Composition & quality, Board meetings and procedures, Knowledge and Skills, Strategy formulation and execution, Personal Attributes and such other relevant factors. The independent directors expressed their satisfaction towards the performance of the Chairperson, Board as a whole and the Non-Independent Directors of the Company.

DECLARATION OF INDEPENDENT DIRECTORS

All the Independent Directors have confirmed their independence in accordance with Section 149 of the Act and requirements as set out under Regulation 16(1)(b) of the SEBI LODR Regulations. In terms of Regulation 25(8) of the SEBI LODR Regulations, the Independent Directors have also confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence. Based on the declarations received from the Independent Directors, the Board of Directors have confirmed that they meet the criteria of independence and that they are independent of the management of the company. The names of all the Independent Directors of the Company have been included in the Independent Director's databank maintained by Indian Institute of Corporate Affairs (IICA). Further, all the Independent Directors of the Company are exempted from appearing for the Online Proficiency Exam except Mr. Mukul Mathur, who has appeared and passed the Online Proficiency Exam.

The terms and conditions of appointment of Independent Directors are available on the website of the Company at https://www.skfin.in/investor/policies-codes.

Familiarization Programme

Pursuant to the provisions of the Act and Regulation 25(7) of the SEBI LODR Regulations, the Company has in place the familiarization Programme which aims to familiarize Independent Directors with the Non-Banking and Financial services, technology, governance, risk management, analytics, management, products and areas in which the Company operates, the business model, the operational and financial performance of the Company, significant changes in the regulations including those pertaining to corporate social responsibility, duties and responsibilities of Independent Directors under the Act, SEBI LODR regulations including prohibition of insider trading regulations, RBI Master directions so as to enable them to take well informed decisions in a timely manner. The details of the familiarization Programmes have been hosted on the website of the Company and can be accessed on the link https://www.skfin.in/investor/policies-codes.

PERFORMANCE EVALUATION

Pursuant to the provisions of Section 149(8) read with Schedule IV, Section 178(2), Section 134 of the Act and Regulation 17 & 19 respectively, read with Part D of Schedule II of SEBI LODR Regulations, Nomination-Remuneration & Compensation Policy of the company ("the NRC Policy"), the NRC in its meeting held on 03rd May, 2023 has laid down the criteria for the performance evaluation of Board, its committees and individual directors after taking into consideration the guidance note issued by the Institute of Company Secretaries of India ("ICSI") and Securities and Exchange Board of

India ("SEBI"), the NRC and Board has carried out an annual performance evaluation of its own performance, evaluation of Committees of Board as well as performance of all the Directors individually (including Independent Directors), as required. The evaluation involves self-evaluation by the Board Member and subsequent assessment by the Independent Directors. A member of the Board does not participate in the discussion of his/her evaluation. The performance evaluation of the Non-Independent Directors, Chairman and the Board as a whole was carried out by the Independent Directors. The performance evaluation of the Independent Directors was carried out by the entire Board excluding the Director being evaluated. Performance evaluation was carried out on below criteria:

Evaluation Criteria	Criteria specified
Criteria of Board as a Whole	Board Structure Board Meetings and Procedures Board Development Board Strategy and Risk Management Board and Management Relations Succession Planning Grievance Redressal for Investors Conflict of Interest Stakeholder Value and responsibility Corporate Cultures & Values Review of Board Evaluation Facilitation of Independent Directors
Criteria of Individual Directors Including Independent Directors	**Evaluation of Independent Directors & other Non-Executive Directors :** Participation at Board/ Committee Meetings Managing Relationship Knowledge and Skill Personal Attributes Additional Evaluation Factor for Independent Directors include Integrity, Independent Judgement, Confidentiality, Adherence to code of conduct. **Evaluation of Executive Directors:** Leadership Strategy formulation & Execution Financial Planning/Performance Relationships with the Board External Relations Human Resources Management/ Relations Product/Service Knowledge
Evaluation of Board Committee	Adequacy and Composition of Committees Well defined terms of reference Meeting Frequency and procedures Combination of optimum expertise Time commitment Key Initiatives taken
Evaluation of Chairperson of the Board	Managing Relationship Leadership

Feedback was sought by way of well-defined structured online questionnaire forms covering various aspects of the Board's functioning and the evaluation was carried out based on responses received from the Directors. The Board also considered the evaluation results as collated by the NRC while conducting the evaluation and expressed their satisfaction with the evaluation process. The evaluation process endorsed cohesiveness amongst directors, smooth communication between the Board and the management and the openness of the management in sharing the information with the Board and placing various proposals for the Board's consideration and approval.

The Directors were satisfied on the parameters of evaluation, the implementation of the evaluation exercise and the outcome of the evaluation process.

DIRECTORS REMUNERATION CRITERIA

Executive Directors: Remuneration payable to the Executive Directors is in line with the Act, SEBI LODR Regulations, RBI Master Directions and the board approved NRC Policy of the company. The elements of the remuneration packages inter-alia includes salary, perquisites, allowances, superannuation including gratuity and provident fund (fixed component), commission and variable component. The annual increment of the Managing Director & CEO and Whole Time Director is approved by the Board of Directors as per the authority given, within the limits as approved by the shareholders at the General Meeting(s) and based on the recommendation of the applicable committee in accordance with the NRC policy, after thorough performance evaluation of various key parameters which includes Leadership, Strategy formulation & Execution, Financial Planning/Performance, Relationships with the Board, External Relations, Human Resources Management/ Relations, Product/Service Knowledge.

The details of the remuneration paid to the Executive Directors for the Financial Year ended 31st March, 2025 are as follows:

(₹ in Lakhs)

S. No.	Name	Gross Salary	Commission	Stock Option/ Sweat Equity[2]	Others[3]	Total Amount
1.	Mr. Rajendra Kumar Setia	306.90	0	0	210	516.90
2.	Mr. Yash Setia	115	0	0	48	163

Notes:

1. The Executive Directors are not eligible for any severance fee. Service contract and the notice period are as per the terms of agreement entered into by them with the company.
2. No stock options or sweat equity shares were granted to the executive directors during the FY 24-25.
3. The executive directors were paid performance linked bonus as recommended by the NRC and approved by the Board of Directors, which was linked with their business performance.

a. Non-Executive Directors: The Company is being benefited from the expertise, advice and inputs provided by the Non-Executive Directors. Remuneration to the Non-Executive Directors is paid by the way of Sitting Fees and commission inclusive of all the applicable taxes for attending the meetings of the Board and its Committees. The total sitting fees and commission paid to each Non-Executive Directors during Financial Year 2024-25 is given as below:

(₹ in Lakhs)

S. No.	Name	Sitting Fees	Commission
1.	Mr. Amar Lal Daultani	₹ 22.85	₹ 5.75
2.	Mr. Anand Raghavan	₹ 22.75	₹ 5.75
3.	Ms. Debanshi Basu	Nil	Nil
4.	Mr. Mukul Mathur	₹ 16.25	Nil
5.	Ms. Nanda Sameer Dave	₹ 20.25	Nil
6.	Mr. Simit Batra	Nil	Nil

This sum is reviewed periodically taking into consideration the performance of the Company, the overall responsibility cast on the directors and other relevant factors such as their expertise, inputs received from them, bringing strong governance on the Board etc. No stock options were granted to the Non-Executive Directors during the year. During the year, none of the non-executive directors had any other pecuniary relationship/ transaction with the company except Ms. Debanshi Basu, who was a director in Infrasoft Technologies Limited till 16th January, 2025 which provided the services related to Information Technology to the Company.

The details of the remuneration paid to the Directors during the Financial Year ended 31st March 2025 and details of allowances/perquisites are provided in the Annual Return placed on the website of the company at the web link https://www.skfin.in/investor/investor-services.

3. SENIOR MANAGEMENT PERSONNEL:

The details of Senior Management Personnel (SMP's) of the Company as on March 31, 2025 are outlined below along with changes since the close of the previous Financial Year:

S. No.	Name	Designation	Effective date of Change during the year, if any	Reason for change
1.	Ajit Singh Sajwan	Chief Technology Officer	No Change	-
2.	Amarpreet Singh Batra	Chief Operating Officer – 3	No Change	-
3.	Anil Sharma	Chief Human Resources Officer	26th September, 2024	Change in Designation
4.	Anshul Jain	Head – Brand Marketing	No Change	-
5.	Anubha Khandelwal	Chief Compliance Officer & Principal Nodal Officer	No Change	-
6.	Anuj Rawat	Head of Internal Audit	15th June, 2024	Resignation
7.	Bhavesh Kumar	Chief Information Security Officer	No Change	-
8.	Gajendra Sharma	National Credit Manager	No Change	-
9.	Girish Dangayach	Chief Digital Officer	23rd November, 2024	Re-categorized from SMP to Non-SMP
10.	Harendra Singh Rathore	National Collection Manager	No Change	-
11.	Jai Govind Pancholi	Chief Risk Officer	20th March, 2025	Appointment as SMP
12.	Mridul Agrawal	Head of Internal Audit	20th March, 2025	Appointment as SMP
13.	Munish Dayal	Senior President	03rd October, 2024	Appointment as SMP
14.	Raj Kumar Setia	President -MSME	26th September, 2024	Change in Designation
15.	Rajendra Shah	Head of Internal Audit	16th June, 2024 19th March, 2025	• Appointment as SMP with effect from 16th June 2024 • Resignation from post of HIA approved with effect from 19th March 2025
16.	Rajiv Kumar Yadav	National Legal Head	Vacant from 24th October, 2024	Vacant, due to sudden demise of the personnel.
17.	Ritesh Sharma	Chief Operating Officer -1	No Change	-
18.	Sameer Arora	Chief Operating Officer - 2	No Change	-
19.	Tej Pratap Singh	National Operational Manager	No Change	
20.	Vaibhav Bumb	Officiating Chief Risk Officer	19th March, 2025	Ceased to be an Officiating Chief Risk Officer
21.	Vivek Haripal Singh	Chief Strategy Officer and Head- Resource Mobilization	26th September, 2024	Change in Designation

4. COMMITTEES OF THE BOARD

In order to facilitate the day-to-day operations, the Board has constituted various committees and delegated necessary powers to the Committees. The Committees constituted by the Board focus on specific areas and take informed decisions along with the specific recommendations to the Board within the framework designed by the Board. As on 31st March 2025, the Company has Twelve Committees of the Board:

1. Audit Committee;
2. Nomination and Remuneration Committee;
3. Stakeholders Relationship Committee;
4. Risk Management Committee;
5. Corporate Social Responsibility Committee;
6. IT Strategy Committee;
7. Executive Committee;
8. Product Approval Committee;
9. Investment Committee;
10. Customer Service Committee;
11. IPO Committee; and
12. Wilful Defaulters-Review Committee.

Further, the Board has also formed sub-committees of the management in order to facilitate quick decision-making and encourage delegation of authority. Presently, there are Six sub-committees, namely:

1. Asset Liability Management Committee;
2. IT Steering Committee;
3. Risk Management Committee of Executives;
4. Internal Complaint Committee;
5. Information Security Committee; and
6. Wilful Defaulter-Identification Committee.

The terms of reference or charter of the aforesaid Committees are decided by the Board and noted by the relevant Committee in line with the applicable laws. Minutes of the Committee meetings are placed before the Board/ relevant Board Committee for noting. During the year, the Committee meetings were held through hybrid mode. The role and composition including the number of meetings and attendance are detailed below.

1. AUDIT COMMITTEE

Regulatory Requirement

The Audit Committee of the Board has been constituted as per the requirements set out in Section 177 of the Act read with the relevant rules made thereunder, Regulation 18 of the SEBI LODR Regulations and Regulation 94 of Chapter – XI Governance Guidelines of the RBI Master Directions.

Meeting Details

During the Financial Year 2024-25, 10(Ten) Audit Committee Meetings were held on 18th April, 2024, 30th April, 2024, 28th May, 2024, 14th June, 2024, 27th June, 2024, 15th July, 2024, 14th August, 2024, 24th October, 2024 , 29th January, 2025 and 19th March, 2025.

Composition & Attendance

The Composition of the Audit Committee and the details of attendance of the Members at the Meetings held during the year under review are as under:

Name of the Member	Status in Committee	Category	Member of Committee Since	No. of Meetings entitled to attend	No. of Meetings attended
Mr. Anand Raghavan	Chairperson	Non-Executive Independent Director	07-04-2018	10	10
Mr. Amar Lal Daultani	Member	Non-Executive Independent Director	01-04-2016	10	10
Ms. Debanshi Basu	Member	Non- Executive Nominee Director	09-11-2020	10	9
Ms. Nanda Sameer Dave	Member	Non- Executive Independent Director	18-04-2024	9	8

The necessary quorum was present for all the above meetings and Chairperson of the Audit Committee was present in Annual General Meeting to answer the queries of the shareholders. Leave of absence was granted to the respective members who could not attend committee meetings. Members of audit

committee are financially literate and possess requisite experience in finance or accounting.

Besides the members of the committee, meetings of the Audit Committee was attended by the Chief Financial Officer, Investor Observers, Auditors of the Company (wherever required) and other invitees with the permission of the Chairperson. The Company Secretary & Compliance Officer acts as a secretary to the Committee.

Terms of reference

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

a) Oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

b) recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;

c) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;

d) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:

   i. Matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;

   ii. changes, if any, in accounting policies and practices and reasons for the same;

   iii. major accounting entries involving estimates based on the exercise of judgment by management;

   iv. significant adjustments made in the financial statements arising out of audit findings;

   v. Compliance with listing and other legal requirements relating to financial statements;

   vi. Disclosure of any related party transactions;

   vii. Modified opinion(s) in the draft audit report;

e) Reviewing, with the management, the quarterly financial statements before submission to the board for approval;

f) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public issue or rights issue or preferential issue or qualified institutions placement], and making appropriate recommendations to the board to take up steps in this matter;

g) Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;

h) Approval or any subsequent modification of transactions of the listed entity with related parties;

i) Scrutiny of inter-corporate loans and investments;

j) Valuation of undertakings or assets of the listed entity, wherever it is necessary;

k) Evaluation of internal financial controls and risk management systems;

l) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

m) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

n) Discussion with internal auditors of any significant findings and follow up there on;

o) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;

p) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

q) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

r) to review the functioning of the whistle blower mechanism;

s) Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;

t) Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.;

u) Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders;

v) monitoring the end use of funds raised through public offers and related matters;

w) The audit committee shall mandatorily review the following information:

   i. Management discussion and analysis of financial condition and results of operations;

   ii. Management letters / letters of internal control weaknesses issued by the statutory auditors;

   iii. Internal audit reports relating to internal control weaknesses; and

   iv. The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.

   v. Statement of deviations:

      - Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).

      - Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notice in terms of Regulation 32(7).

x) To review the functioning of the vigil mechanism;

y) The Committee may call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and;

z) To oversight governance, compliance, implementation of Anti-Bribery and Anti-Corruption Policy and monitor the effectiveness considering its suitability and adequacy

aa) To oversee the Implementation of KYC/AML Policy;

bb) To accord the necessary approvals for selling of Individual Loans and Classification of Non-Performing Asset as prescribed under Sale of Stressed Asset Policy;

cc) To ensure that an Information System Audit of the internal systems and processes is conducted every year to assess operational risks faced by the Company.

dd) To oversee and approve any adjustments in the Expected Credit Losses (ECL) model output (i.e. a management overlay).

ee) Review with Statutory Auditors, any audit problems or difficulties and management's response;

ff) Resolve any disagreements of the Statutory Auditors with the management regarding financial reporting;

gg) Review the performance of the Statutory Auditors and submit report to RBI post approval from ACB

hh) Internal Audit:

- To review and approve the Risk Based Internal Audit Policy & propose the same to the Board.
- Review with Internal Auditors, any audit problems or difficulties and management's response;
- Approval of the audit plan and its execution, reporting structure, budget, coverage and frequency of internal audit to determine the priorities of the internal audit function based on the level and direction of risk;
- Discuss with internal auditors for status on closure of audit reports;
- Review all pending high and medium risk issues & persisting irregularities along with status of compliance and suggest requisite action on areas in which risk mitigation has not been undertaken despite risk identification.
- To ensure assessment of the internal audit function at least once in a year for adherence to the internal audit policy, objectives and expected outcomes.
- To review the consolidated position of major risks faced by the Company at

least annually based on inputs from all forms of audit.

- Approve hiring of experts who can be hired on contractual basis after assuring that such expertise does not exist within audit function.

ii) Internal Controls

- To put in place and oversee the Internal Audit Function of the Company;
- To put in place a robust system of Internal audit of all outsourced activities;
- To approve Risk Based Internal Audit ("RBIA") plan to determine the priorities of the internal audit function based on the level and direction of risk, as consistent with the entity's goals and review it on annual basis;
- Review the performance of RBIA and formalize & maintain a quality assurance and improvement program that covers all aspects of the internal audit function;
- Review Management letters / letters of internal control weaknesses issued by internal auditors;
- Review management's report on internal control and Statutory auditor's attestation/observations on management's assertion;
- To formulate and maintain a quality assurance and improvement program that covers all aspects of the internal audit function which shall include assessment of the internal audit function at least once in a year for adherence to the internal audit policy, objectives and expected outcomes;
- To promote the use of new audit tools/ new technologies for reducing the extent of manual monitoring / transaction testing / compliance monitoring, etc.;
- To appoint Internal Audit Head ("HIA") for a fixed tenure, as deemed fit;
- To meet the HIA on the quarterly basis without the presence of the senior management, including the MD & CEO.

jj) Risk Management:

- Discuss with the management, the Company's policies with respect to risk assessment and risk management, including appropriate guidelines to govern the process, as well as the Company's major financial risk exposures including policy for foreign exchange and derivative transactions and the steps management has undertaken to control them.
- Review and approve the risk assessment of business and other functions on an annual basis.

kk) Related party transactions:

- The committee may grant omnibus approval for related party transactions proposed to be entered into by the Company and shall specify the criteria for making the omnibus approval in compliance of provisions mentioned under SEBI LODR;

ll) RBI Compliances:

- To review & monitor all frauds involving an amount of ₹ 1 crore and above.
- To certify the fact that the systems and procedures, identified as the causative factors and plugging of the lacunae has been ensured for all fraud cases to be closed
- To review all individual cases of fraud involving ₹ 25 lakh or more and also review the attempted frauds.
- To review periodically the cases of wilful default and recommend steps to be taken to prevent such occurrences and their early detection should these occur.
- The Committee shall ensure that all the necessary steps are being taken by the company to comply with the various master directions, notices and circulars issued by RBI from time to time;
- To review audit notes and ensure compliance with KYC norms on quarterly basis;
- To review periodically ageing analysis of entries pending reconciliation with outsourced vendors.
- To approve the classification of the Accounts that are past due beyond 90 days but not treated as impaired, with the rationale for the same clearly documented.
- To oversee the implementation of the Compliance policy and reviewing the activities undertaken by the Compliance Function on a quarterly basis.
- To review the Compliance Risk Assessment Framework on an annual basis
- To ensure detailed annual review of Compliances in the organization and review any material Compliance failure while ensuring that appropriate remedial or disciplinary action is taken.;
- To track the status of compliance of all regulatory guidelines/ prescriptions/ communications and disseminate the same within the organization to the relevant stakeholders and ensure proper compliance.
- To meet the CCO at quarterly intervals on a one to one basis without the presence of any official from the senior management, including MD & CEO
- To review the performance appraisal of the Chief Compliance Officer.

mm) Responsibilities under the Code of Conduct for Prevention of Insider Trading:

- Review the compliances of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015("Code") at least once in a financial year and shall verify that the systems for internal control are adequate and are operating effectively.
- Taking on record such reports as may be required from the Compliance Officer under the Code at least once in a year.
- The Audit Committee of a listed company or other analogous body for intermediary or fiduciary shall review compliance with the provisions of these regulations at least once in a financial year and shall verify that the systems for internal control are adequate and are operating effectively;
- The compliance officer shall report to the board of directors and in particular, shall provide reports to the Chairman of the Audit Committee, if any, or to the Chairman of the board of directors at such frequency as may be stipulated by the board of directors, but not less than once in a year
- Deciding penal and disciplinary action in respect of violation of the Regulations/Code.

nn) Others:

- Shall have the power to seek information from any employees, obtain legal or professional advice from external sources and have full access to information contained in the records of the Company and secure attendance of outsiders with relevant expertise, if it considers necessary.
- Carrying out such other functions as may be specifically referred to the Audit Committee by the Board and/or other committees of directors of the Company.
- Carrying out any other functions and roles as provided under the Companies Act, the SEBI Listing Regulations, SEBI ICDR Regulations, each as amended and other applicable laws or by any regulatory authority and performing such other functions as may be necessary or appropriate for the performance of its duties;
- Such information as may be prescribed under the Companies Act, and the rules thereunder, SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, each as amended.

2. NOMINATION AND REMUNERATION COMMITTEE

Regulatory Requirement

The NRC of the Board has been constituted as per the requirements set out in Section 178 of the Act read with relevant rules made thereunder, Regulation 19 of the SEBI LODR Regulations and Regulation 94 of Chapter – XI Governance Guidelines of the RBI Master Directions.

Meeting Details

During the Financial Year 2024-25, 6(Six) NRC Meetings were held on 18th April, 2024, 28th May, 2024, 14th June, 2024, 26th September, 2024, 23rd November, 2024 and 19th March, 2025.

Composition & Attendance

The Composition of the NRC and the details of attendance of the Members at the Meetings held during the year under review are as under:

Name of the Member	Status in Committee	Category	Member of Committee Since	No. of Meetings entitled to attend	No. of Meetings attended
Mr. Anand Raghavan	Chairperson	Non- Executive Independent Director	07-04-2018	6	6
Mr. Amar Lal Daultani1	Member	Non- Executive Independent Director	01-04-2016	1	1
Ms. Debanshi Basu	Member	Non- Executive Nominee Director	09-11-2020	6	5
Mr. Mukul Mathur	Member	Non- Executive Independent Director	18-04-2024	5	4

Notes:

1. Mr. Amar Lal Daultani ceased to be a member of the NRC Committee w.e.f. 18th April, 2024 w.e.f. closure of business hours.

The necessary quorum was present for all the above meetings and Chairperson of the NRC was present in Annual General Meeting to answer the queries of the shareholders. Leave of absence was granted to the respective members who could not attend committee meetings.

Besides the members of the committee, meeting of the NRC was attended by the Chief Financial Officer, Investor Observers, and other invitees with the permission of Chairperson of the meeting. The Company Secretary & Compliance Officer acts as a secretary to the Committee.

Terms of reference

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

Nomination:

a) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;

b) Formulation of criteria for evaluation of performance of independent directors and the board of directors;

c) For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:

i. use the services of an external agencies, if required;

ii. consider candidates from a wide range of backgrounds, having due regard to diversity; and

iii. consider the time commitments of the candidates.

d) Devising a policy on diversity of board of directors;

e) Identifying 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 of directors their appointment and removal;

f) Make recommendation to the Board on whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;

g) Recommend to the board, all remuneration, in whatever form, payable to senior management.

h) To undertake the process of due diligence to determine the suitability of the person for appointment / continuing to hold appointment as a director on the Board and to assess the “fit and proper” criteria of the existing and proposed directors;

i) To devise a policy on Succession Planning;

j) To periodically review Succession Plan for Senior Managerial Personnel and Key Managerial Personnel as may be required.

k) To ensure ‘fit and proper’ status of proposed/ existing directors and that there is no conflict of interest in appointment of directors on Board of the company, KMPs and senior management.

Remuneration & Compensation Plans:

l) To recommend to the Board a policy, relating to the remuneration, compensation and commission of the directors, key managerial personnel and other employees;

m) To oversee the framing, review and implementation of compensation policy of the company which should have the approval of the board;

n) To formulate the criteria for making payments to Non-Executive Directors;

o) To recommend to the board, all remuneration, in whatever form, payable to Executive and Non-Executive directors;

p) To recommend changes in the company’s compensation plans, in consultation with management and allot shares when options are exercised by eligible employees.

q) The compensation of Key Managerial Personnel (KMPs) and senior management needs to be reasonable, recognizing all relevant factors including adherence to statutory requirements and industry practices.

r) The compensation packages may comprise of fixed and variable pay components aligned effectively with prudent risk taking to ensure that compensation is adjusted for all types of risks, the compensation outcomes are symmetric with risk outcomes, compensation pay-outs are sensitive to the time horizon of the risks, and the mix of cash, equity and other forms of compensation are consistent with risk alignment.

Performance Evaluation:

s) To specify the criteria for evaluation of performance of the Board, its committees and individual directors including Independent Directors;

t) To review the implementation and compliance of the performance evaluation;

u) To specify the criteria for evaluation of performance of the KMPs and SMPs with KPIs;

v) Determination and review of KPIs for the performance evaluation of KMPs and SMPs.

ESOP:

The Nomination and Remuneration Committee shall perform such functions as are required to be performed by the committee under the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021:

w) Administering and reviewing the implementation of the employee stock option plans of the Company, as may be required;

x) determining the eligibility of employees to participate under the employee stock option plans of the Company;

y) granting options to eligible employees and determining the date of grant;

z) determining the number of options to be granted to an employee;

aa) determining the exercise price under the employee stock option plans of the Company; and

bb) construing and interpreting the employee stock option plans of the Company and any agreements defining the rights and obligations of the Company and eligible employees under the employee stock option plans of the Company, and prescribing, amending and/or rescinding rules and regulations relating to the administration of the employee stock option plans of the Company;

cc) formulate detailed terms and conditions of the scheme;

dd) frame suitable policies and procedures to ensure that there is no violation of securities laws by the company and its employees.

Others:

ee) The NRC may work in close coordination with Risk Management Committee (RMC) of the company to achieve effective alignment between compensation and risks.

ff) the NRC may ensure that compensation levels are supported by the need to retain earnings of the company and the need to maintain adequate capital based on ICAAP

gg) To oversee the familiarization programmes of the Independent Directors;

hh) To scrutinize the declarations submitted by the existing / proposed directors.

ii) To ensure that except for directorship in a subsidiary, KMP shall not hold any office

(including directorships) in any other NBFC-Middle Layer or NBFC-Upper Layer;

jj) carrying out any other activities as may be delegated by the Board and functions required to be carried out by the Nomination and Remuneration Committee as provided under the Companies Act, 2013, the SEBI Listing Regulations, RBI Master Directions or any other applicable law, as and when amended from time to time.

3. STAKEHOLDERS RELATIONSHIP COMMITTEE

Regulatory Requirement

The Stakeholders Relationship Committee of the Board has been constituted as per the requirements set out in Section 178 of the Act and Regulation 20 of the SEBI LODR Regulations.

Meeting Details

During the Financial Year 2024-25, 1(One) Stakeholders Relationship Committee (SRC) Meeting was held on 27th May, 2024.

Composition & Attendance

The Composition of the Stakeholders Relationship Committee and the details of attendance of the Members at the Meetings held during the year under review are as under:

Name of the Member	Status in Committee	Category	Member of Committee Since	No. of Meetings entitled to attend	No. of Meetings attended
Mr. Amar Lal Daultani	Chairperson	Non- Executive Independent Director	20-12-2022	1	1
Mr. Rajendra Kumar Setia	Member	Managing Director & CEO	20-12-2022	1	1
Mr. Simit Batra	Member	Non- Executive Nominee Director	13-06-2023	1	1
Mr. Yash Setia	Member	Whole time Director	13-06-2023	1	1

The necessary quorum was present for all the above meetings and Chairperson of the SRC was present in Annual General Meeting to answer the queries of the shareholders..

Besides the members of the committee meeting of the Stakeholders Relationship Committee was attended by the Chief Financial Officer, Investor Observers, and other invitees with the permission of the Chairperson. The Company Secretary & Compliance Officer acts as a secretary to the Committee.

The investor complaints are processed in a centralized web-based complaints redress system called SCORES. There were no investor grievances received during the financial year ended on 31st March, 2025. Ms. Anagha Bangur, Company Secretary acts as the Compliance officer for the purpose of SEBI LODR Regulations and keeps a regular track of such complaints. The investor grievances are also reported to the Stock Exchange on a quarterly basis in accordance with the SEBI LODR Regulations.

The Company hereby submits the statement of the investor complaints for the year ended on March 31, 2025 and details are tabulated as below:

No. of shareholders complaints received during the Financial Year	NIL
No. of complaints not solved to the satisfaction of shareholders	NIL
No. of investor complaints pending at the end of the Financial Year	NIL

Terms of reference

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

a) 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, general meetings etc.

b) Review of measures taken for effective exercise of voting rights by shareholders.

c) Review of adherence to the service standards adopted by the company in respect of various services being rendered by the registrar & share transfer agent.

d) Review of the various measures and initiatives taken by the company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/ annual reports/statutory notices by the shareholders of the company.

e) Formulate and recommend to the Board policy(s) and procedure(s) in line with the statutory guidelines to ensure speedy disposal of request received from security holders from time to time.

f) Monitor and review any investor complaints received by the company directly or through SEBI or SCORES and ensure its timely and speedy resolution, in consultation with the Company Secretary & Compliance officer and Registrar and Transfer Agent ("RTA") of the company.

g) Oversee the statutory compliance relating to all securities including dividend payments and transfer of unclaimed amounts to the Investor Education and Protection Fund.

h) Suggest and drive implementation of various investor-friendly initiatives.

i) Committee may consult with other committees of the Board, if required, while discharging its responsibilities.

j) Carrying out any other functions as is referred by the Board from time to time or required to be carried out by the Stakeholders Relationship Committee as contained in the Companies Act, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 or any other applicable law, as and when amended from time to time.

4. RISK MANAGEMENT COMMITTEE

Regulatory Requirement

The company has constituted Risk Management committee (RMC) in accordance with Regulation 21 of SEBI LODR Regulations and Regulation 39 of Chapter – VI Governance Guidelines of the RBI Master Directions.

Meeting Details

During the Financial Year 2024-25, 6(Six) Risk Management Committee Meetings were held on 27th May, 2024, 13th August, 2024, 23rd October, 2024, 06th November, 2024 , 28th January, 2025 and 19th March, 2025.

Composition & Attendance

The Composition of the Risk Management Committee and the details of attendance of the Members at the Meetings held during the year under review are as under:

Name of the Member	Status in Committee	Category	Member of Committee since	No. of Meetings entitled to attend	No. of Meetings attended
Ms. Nanda Sameer Dave	Chairperson	Non- Executive Independent Director	18-04-2024	6	6
Mr. Mukul Mathur	Member	Non- Executive Independent Director	18-04-2024	6	6
Mr. Amar Lal Daultani[1]	Member	Non- Executive Independent Director	01-04-2016	6	6
Mr. Anand Raghavan	Member	Non- Executive Independent Director	09-02-2022	6	6
Ms. Debanshi Basu	Member	Non-Executive Nominee Director	12-08-2021	6	6
Mr. Rajendra Kumar Setia	Member	Managing Director & CEO	13-04-2013	6	6
Mr. Simit Batra	Member	Non-Executive Nominee Director	13-06-2023	6	3

Notes:

1. Mr. Amar Lal Daultani ceased to be chairperson and was inducted as Member w.e.f. 18th April, 2024.
2. Mr. Vaibhav Bumb ceased to be member w.e.f. 18th April, 2024 and was inducted as permanent invitee. Thereafter, Mr. Jai Govind Pancholi was appointed as Chief Risk Officer of the company w.e.f. 20th March, 2025 in the meeting of Board of Directors held on 19th March, 2025 and consequently, inducted as Permanent Invitee in place of Mr. Vaibhav Bumb.
3. Ms. Anubha Khandelwal and Mr. Bhavesh Kumar were inducted as permanent invitees to the Committee.

The necessary quorum was present for all the above meetings and Chairperson of the RMC was present in Annual General Meeting to answer the queries of the shareholders. Leave of absence was granted to the respective members who could not attend committee meetings.

Besides the members of the committee, meeting of the Risk Management Committee was attended by the Chief Financial Officer, Investor Observers, Permanent and other invitees with the permission of the Chairperson. The Company Secretary & Compliance Officer acts as a secretary to the Committee.

Terms of reference

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

a) To formulate a detailed risk management policy which shall include:
   i. A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
   ii. Measures for risk mitigation including systems and processes for internal control of identified risks.
   iii. Business continuity plan

b) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

c) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;

d) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;

e) To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;

f) The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

g) The board of directors shall define the role and responsibility of the Committee and may delegate monitoring and reviewing of the risk management plan to the committee and such other functions as it may deem fit such function shall specifically cover cyber security;

h) The Committee shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the board of directors;

Risk Management Systems:

i) To examine and determine the sufficiency of the Company's internal processes for reporting on and managing key risk areas;

j) To assess and recommend to the Board acceptable levels of risk;

k) To monitor and review the working and functioning of the Risk Management Committee of Executives;

l) To carry out any other functions as is referred by the Board from time to time or enforced by any statutory notification / amendment or modification as may be applicable.

m) To monitor sectoral exposure limits for consumer credit as approved by Board on an ongoing basis.

Liquidity Risk:

n) To evaluate the overall risks faced by the company including liquidity risk;

o) To monitor and review the working and functioning of the Asset Liability Management Committee;

Information Technology and Information/Cyber Security Risk

p) To review and update Information Technology and Information security risks, including the Cyber Security related risks in consultation with the IT Strategy Committee as presented by the Chief information Security Officer ("**CISO**") on quarterly basis.

Chief Risk Officer:

q) To formulate policy for safeguarding the independence of the Chief Risk Officer;

r) The Chief Risk Officer shall report directly to Managing Director (MD) & Chief Executive Officer (CEO)/ RMC. In case the CRO reports to the MD & CEO, the RMC/ Board shall meet the CRO without the presence of the MD & CEO, at least on a quarterly basis.

s) The CRO shall be involved in the process of identification, measurement and mitigation of risks.

t) All credit products (retail or wholesale) shall be vetted by the CRO from the angle of inherent and control risks.

Outsourcing Financial Services:

u) To formulate and implement a comprehensive Outsourcing of Financial Services policy;

v) To approve a framework for evaluating the risks and materiality of all existing and prospective outsourcing and the policies that apply to such arrangements;

w) To lay down appropriate approval authorities for outsourcing depending on risks and materiality;

x) To set up suitable administrative framework of senior management for the purpose of implementing robust risk management practices with respect to Outsourcing;

y) To undertake regular review of outsourcing strategies and arrangements for their continued relevance, safety and soundness;

z) To decide on business activities of a material nature to be outsourced and to approve such arrangements;

aa) To review the central record of material outsourcing on half yearly basis;

bb) To establish adequate management structure to monitor and control the outsourcing activities.

cc) To review the working of risk management committee of executives w.r.t. discussions and decisions pertaining to outsourcing of financial services.

dd) To approve on boarding the vendor whose estimated annual expenses is more than ₹ 2 crore. For existing vendor, whose actual annual expense reaches the limit of ₹ 2 crore shall be submitted to the Committee in subsequent meeting.

Others

ee) To review portfolio level report of all accounts turned into Special Mention Account or Non-Performing Asset along with status of repayment from such accounts.

ff) To execute strategy of overall governance and oversight of core risk management activities when delegated by the Board of directors of the Company.

gg) any other similar or other functions as may be laid down by Board from time to time and/or as may be required under applicable law, as and when amended from time to time, including the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, RBI Master Direction – Reserve Bank of India (Non-Banking Financial Company–Scale Based Regulation) Directions, 2023 notified vide RBI/DoR/2023-24/106 DoR. FIN.REC.No.45/03.10.119/2023-24 dated October 19, 2023.

5. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

Regulatory Requirement

The Company has constituted a CSR Committee in accordance with Section 135 of the Act and Companies (Corporate Social Responsibility Policy) Rules 2014. The detailed report on CSR activities is attached as "Annual Report on CSR Activities" which forms part of this Annual Report.

Meeting Details

During the Financial Year 2024-25, 2(Two) CSR Committee Meetings were held on 28th May, 2024 and 15th July, 2024.

Composition & Attendance

The Composition of the CSR Committee and the details of attendance of the Members at the Meetings held during the year under review are as under:

Name of the Member	Status in Committee	Category	Member of Committee Since	No. of Meetings entitled to attend	No. of Meetings attended
Mr. Rajendra Kumar Setia	Chairperson	Managing Director & CEO	30-01-2015	2	2
Mr. Anand Raghavan	Member	Non- Executive Independent Director	07-04-2018	2	2
Mr. Simit Batra	Member	Non-Executive Nominee Director	13-06-2023	2	2
Mr. Yash Setia	Member	Whole Time Director	30-01-2023	2	2
Mr. Mukul Mathur	Member	Non- Executive Independent Director	18-04-2024	2	2

Notes:

1. Mr. Amar Lal Daultani ceased to be member w.e.f. 18th April, 2024.

The necessary quorum was present for all the above meetings.

Besides the members of the committee, meetings of the CSR Committee was attended by the Chief Financial Officer, Investor Observers and other invitees with the permission of Chairperson of the Meeting. The Company Secretary & Compliance Officer acts as a secretary to the Committee.

Terms of reference

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

1. Formulate and recommend to the Board of Directors of the Company, a CSR Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013;
2. Implementing the CSR policy and monitoring the same from time to time;
3. Reviewing and making recommendations, as appropriate, with regard to the Company's CSR policy indicating CSR programs / projects to be undertaken by the Company as specified under Schedule VII of the Companies Act, 2013;
4. Recommending the amount of expenditure to be incurred on the identified CSR activities;
5. Formulate and recommend to the Board, an annual action plan consisting of list of approved projects or programs to be undertaken within the purview of Schedule VII of the Companies Act, 2013, manner of execution of such projects, modalities of fund utilization and implementation schedules, monitoring and reporting mechanism for the projects, and details of need and impact assessment, if any, for the projects to be undertaken;
6. Coordinating with implementing agencies for implementing programs and executing initiatives as per the CSR policy and review the performance of such agencies periodically for execution of CSR programs or projects of the Company;
7. Identification and monitoring the implementation of multi-year projects / programs ("Ongoing Projects") and recommending to the Board modifications, if any, for the smooth implementation of the Ongoing Projects within the overall legally permissible time period. The Committee may also recommend to the Board, after providing reasonable justification that a CSR project or program that was not initially approved as a multi-year project be re-categorized as an Ongoing Project.
8. Fix the schedule of implementation of CSR projects and programs and monitoring the progress on approved projects and shortfalls in achieving the CSR plan;
9. Reviewing the expenditure incurred on CSR activities by the company and submission of the Annual report on CSR to the Board;
10. Monitoring the administrative overheads in pursuance of CSR activities or projects or programs so that they do not exceed the prescribed thresholds;
11. The Committee shall ensure that the necessary monitoring mechanism has been put in place to monitor the utilization of the funds disbursed for CSR activities or projects or programs.
12. To recommend to the Board an amount available for setting off the excess amount spent against CSR Obligations of the financial year(s) following the year of excess spend.
13. Liaising with management on the Company's CSR program, including significant sustainable development, community relations and procedures;
14. Identifying the principal areas of risks and impacts relating to CSR and ensuring that sufficient resources are allocated to address these liabilities;
15. Reviewing the Company's CSR performance to assess the effectiveness of the Company's CSR program and to determine whether the Company is taking all appropriate action in respect of those matters and has been duly diligent in carrying out its responsibilities and to make recommendations for improvement, where appropriate;
16. Reporting regularly to the Board with respect to such matters as are relevant for the Committee to discharge its responsibility;
17. Performing any other activities consistent with applicable laws and as the Committee or the Board determines necessary or appropriate.

6. IT STRATEGY COMMITTEE

Regulatory Requirement

The company has constituted IT Strategy Committee in accordance with the Reserve Bank of India (Information Technology Governance, Risk, Controls and Assurance Practices) Directions, 2023 dated November 07, 2023, as amended from time to time.

Meeting Details

During the Financial Year 2024-25, 4(Four) IT Strategy Committee Meetings were held on 27th May, 2024, 13th August, 2024, 23rd October, 2024 and 28th January, 2025.

Composition & Attendance

The Composition of the IT Strategy Committee and the details of attendance of the Members at the Meetings held during the year under review are as under:

Name of the Member	Status in Committee	Category	Member of Committee Since	No. of Meetings entitled to attend	No. of Meetings attended
Mr. Mukul Mathur[1]	Chairperson	Non- Executive Independent Director	18-04-2024	4	4
Mr. Amar Lal Daultani[2]	Member	Non- Executive Independent Director	22-09-2017	4	4
Ms. Nanda Sameer Dave	Member	Non- Executive Independent Director	18-04-2024	4	4
Mr. Simit Batra	Member	Non –Executive Nominee Director	13-06-2023	4	1
Mr. Yash Setia	Member	Whole Time Director	30-01-2023	4	4

Notes:

1. Mr. Mukul Mathur was appointed as Chairperson of the Committee w.e.f. 18th April, 2024.
2. Mr. Amar Lal Daultani has ceased to be Chairperson and was inducted as Member w.e.f. 18th April, 2024.
3. Mr. Bhavesh Kumar, Chief Information Security Officer and Mr. Ajit Singh Sajwan, Chief Technology Officer ceased to be the members and were inducted as Permanent Invitees to the committee w.e.f. 18th April, 2024.
4. Mr. Anand Raghavan ceased to be a member w.e.f. 18th April, 2024.

The necessary quorum was present for all the above meetings. Leave of absence was granted to the respective members who could not attend committee meetings.

Besides the members of the committee, meeting of the IT Strategy Committee was attended by the Chief Financial Officer, Investor Observers, Permanent and other invitees with the permission of the Chairperson. The Company Secretary & Compliance Officer acts as a secretary to the Committee.

Terms of reference

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

1. The Committee shall work in partnership with other Board committees and Senior Management to provide input to them for IT Governance;
2. Approving and reviewing IT strategy and policy documents and suggest changes, if required;
3. Ensuring that the management has put an effective strategic planning process in place;
4. Ascertaining that management has implemented processes and practices that ensure that the IT delivers value to the business;
5. Ensuring IT investments represent a balance of risks and benefits and that budgets are acceptable;
6. Monitoring the method that management uses to determine the IT resources needed to achieve strategic goals and provide high-level direction for sourcing and use of IT resources;
7. Ensuring proper balance of IT investments for sustaining NBFC's growth and becoming aware about exposure towards IT risks and controls;
8. Review the Digital processes and its Roadmap;
9. Review of Cyber Security Arrangements;
10. Review the working of IT Steering Committee of the Company;
11. Review the status of IT Investments;
12. Review the IT Outsourcing Arrangements and evaluating the risks and materiality of associated with prospective outsourcing on periodic basis and recommending the same to the Board;
13. Describing the approval authorities for outsourcing depending on nature of risks and materiality of outsourcing;
14. Review organizational arrangements so that security concerns are appreciated, receive

adequate attention and get escalated to appropriate levels in the hierarchy to enable quick action;

15. Reviewing the adequacy and effectiveness of the Business Continuity Planning and Disaster Recovery Management at least on annual basis;
16. Institute an effective governance mechanism and risk management process for all IT outsourced operations;
17. Ensuring that contingency plans have been developed and tested adequately;
18. Ensuring an independent review and audit in accordance with approved policies and procedures;
19. Guide in preparation of IT Strategy and ensure that the IT Strategy aligns with the overall strategy of the RE towards accomplishment of its business objectives.
20. Ensuring processes for assessing and managing IT and cybersecurity risks are put in place.
21. Ensuring that the budgetary allocations for the IT function (including for IT security), cyber security are commensurate with the company's IT maturity, digital depth, threat environment and industry standards and are utilized in a manner intended for meeting the stated objectives.

7. EXECUTIVE COMMITTEE

The Executive Committee is a Board delegated committee that deals with strategic and operational matters which require fast decision making. The Committee monitors resource mobilization and ensures efficient and timely decisions on the matters relating to Finance activities of the Company. The decisions taken at the meetings of Executive committee are within the power conferred by the Board to the committee. Such decisions are further noted at a duly convened Board meeting.

Meeting Details

During the Financial Year 2024-25, 57 (Fifty Seven) Executive Committee Meetings were held on 02nd April,2024, 11th April, 2024, 25th April, 2024, 07th May, 2024, 09th May, 2024, 21st May, 2024, 25th May, 2024, 03rd June, 2024, 11th June, 2024, 18th June, 2024, 19th June, 2024, 25th June, 2024, 27th June, 2024, 29th June, 2024, 08th July, 2024, 17th July, 2024, 30th July, 2024, 03rd August, 2024, 14th August, 2024, 14th August, 2024, 23rd August, 2024, 06th September, 2024, 14th September, 2024, 20th September, 2024, 27th September, 2024, 30th September, 2024, 03rd October, 2024, 10th October, 2024, 28th October, 2024, 04th November, 2024, 20th November, 2024, 27th November, 2024, 29th November, 2024, 02nd December, 2024, 09th December, 2024, 18th December, 2024, 20th December, 2024, 24th December, 2024, 30th December, 2024, 31st December, 2024, 31st December, 2024, 02nd January, 2025, 07th January, 2025, 10th January, 2025, 15th January, 2025, 28th January, 2025, 29th January, 2025, 10th February, 2025, 17th February, 2025, 24th February, 2025, 28th February, 2025, 10th March, 2025, 13th March, 2025, 20th March, 2025, 25th March, 2025, 26th March, 2025 and 29th March, 2025.

Composition & Attendance

The Composition of the Executive Committee and the details of attendance of the Members at the Meetings held during the year under review are as under:

Name of the Member	Status in Committee	Category	Member of Committee Since	No. of Meetings entitled to attend	No. of Meetings attended
Mr. Rajendra Kumar Setia	Chairperson	Managing Director & CEO	28-05-2015	57	57
Mr. Vivek Haripal Singh	Member	Chief Strategy Officer and Head– Resource Mobilization	28-06-2018	57	57
Mr. Atul Arora	Member	Chief Financial Officer	28-05-2015	57	57
Mr. Vaibhav Bumb[1]	Member	Officiating Chief Risk Officer	09-05-2023	9	5
Mr. Yash Setia	Member	Whole Time Director	30-01-2023	57	51
Mr. Munish Dayal[2]	Member	Senior President	29-01-2025	11	10

Notes:

1. Mr. Vaibhav Bumb, Officiating Chief Risk Officer ceased to be member of Executive Committee of Board w.e.f. 14.06.2024
2. Mr. Munish Dayal was inducted as member w.e.f. 29th January, 2025.

The necessary quorum was present for all the above meetings. Leave of absence was granted to the respective members who could not attend committee meetings. The Company Secretary & Compliance Officer acts as a secretary to the Committee.

Terms of reference

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

a) Managing the day to day business and operational affairs of the Company;

b) Establishing best management practices, functional standards and work ethics;

c) Borrow money and exercise all powers to borrow moneys not exceeding ₹ 18,000 Crores (Rupees Eighteen Thousand Crores only) in Indian Rupees or equivalent thereof in any foreign currency(ies) in aggregate at any time including but not limited to term loans, cash credit, working capital, overdraft facility, external commercial borrowing, commercial paper, securitization and assignment transaction and other form of borrowings and taking all necessary actions connected therewith within the limit prescribed under law and authorize employees of the company for execution;

d) Creation/modification of charges on assets of the company to secure borrowings made/to be made under section 179 and 180(1)(c) of the Companies Act, 2013 and satisfaction of charges post repayment of such borrowings.

e) Issue and Allot non-convertible debentures aggregating up to ₹ 6,300 Crores (Rupees Six Thousand and Three hundred Crores only) in one or more tranches from time to time (including but not limited to public issue of Non- Convertible Debentures (NCDs), if any) and to do all such acts, deeds and things, and take necessary actions and to comply with all formalities as may be required in connection with and incidental to the aforesaid offering of NCDs, including the prior and post issue formalities and with power to settle any question, difficulties or doubts that may arise in regard to the issue or allotment of such NCDs as may be deemed fit;

f) Provide guarantee including performance guarantee, issue letter of comfort and providing securities and taking all necessary actions connected therewith (subject to applicable provisions of Companies Act, 2013 and applicable laws;

g) Review of banking arrangement/facilities and taking all necessary actions connected therewith including re-financing for optimization of borrowing costs (subject to overall limit of borrowing);

h) Selling of portfolio through direct assignment of its receivables/ book debts upto 12% (twelve Percent) of the Total Asset under Management (AUM) immediately preceding quarter end in favour of banks / financial institutions, other investing agencies and trustees for the holders of debentures / bonds / Pass Through Certificates and other instruments and authorize employees of the company for execution;

i) Selling of portfolio through securitization transactions (PTCs) of its receivables/ book debts upto 35% (Thirty Five percent) of the Total AUM immediately preceding quarter end in favour of banks / financial institutions, other investing agencies and trustees for the holders of debentures / bonds / Pass Through Certificates and other instruments and authorize employees of the company for execution;

j) To approve the Write off cases of receivables/ book debts/ asset of the company;

k) Purchasing assignment and through securitized portfolio of other company's/ body corporate receivables/ banks / financial institutions receivables/ book debts upto 10% of Total AUM immediately preceding quarter

end in favour of company and to authorize employees of the company for execution;

l) Adoption, Amendment of functional and internal management policies and Standard Operating Procedures ("SOP") falling under the purview of Executive Committee of Board;

m) To ensure the implementation of all approved policies and SOP's falling under the purview of Executive Committee of Board and to do all such ancillary activities related to such policies and SOP's;

n) To enter into co-lending arrangements with Banks, financial institutions, Non-banking financial companies and other body corporates and to all such acts, things and deeds as may be required in this regard in compliance with co-lending policy approved by the Board of Directors of the Company;

o) Advise on financial matters/policies in overall interest of Company;

p) Opening of various bank/ demat/escrow accounts and/or operation of bank/ demat/ escrow accounts;

q) Appointment of employees/ officers as authorize signatories on behalf of the company for appearing before various judicial, quasi-judicial, non-judicial, forms, governments, semi-governments authorities or any other governing body;

r) Appointment of employees/ officers as authorize signatories on behalf of the company for Securitization of its Receivables/ book debts/ asset of the company;

s) Appointment of employees/ officers of company as 'Authorized Officer' under Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 ("SARFAESI Act") and allied rules as amended from time to time;

t) Empanelment of Vendors for Outsourcing Arrangements, conduction of Due Diligence or such other matters in this connection;

u) Authorize employees/officers for signing various agreements, engagement letters, mandates;

v) To approve all charges and any revisions thereof as per the interest rate policy of the company;

w) To approve the process in relation to Recruitment, on-boarding, re-hiring and separation of employee;

x) To Approve the Schemes/processes for Employee benefits, Leave Entitlement Manual and Learning & Development Programme for their Implementation;

y) To authorize the Managing Director & Chief Executive Officer or Whole Time Director or Chief Financial Officer or Company Secretary & Compliance Officer of the company to sign, certify and submit various forms, returns, Board/Committee resolutions, documents, agreements, affidavits, undertakings, clarifications, declaration/disclosure, papers and letters etc. on behalf of the company with any Statutory, Judicial, Quasi-Judicial Authority(ies) and to do all such ancillary acts, deeds, matters and things as required in the best interest of the Company;

z) To enter into any type of Derivative Products and Structured Hedge Contract with banks / financial institutions /other body corporate and to authorize employees of the company for its execution;

aa) To approve Sale of Stressed Assets/Loans in compliance with the board approved Sale of stressed assets policy of the company and any other applicable law.

8. PRODUCT APPROVAL COMMITTEE

Regulatory Requirement

The company has constituted Product Approval Committee in accordance with the RBI Master Direction - Compliance Function and Role of Chief Compliance Officer (CCO) notified vide RBI/2022-23/24 Ref.No.DoS.CO.PPG./ SEC.01/11.01.005/2022-23 dated April 11, 2022 and RBI Master Directions, as amended from time to time.

Meeting Details

During the Financial Year 2024-25, 6(Six) Product Approval Committee Meetings were held on 17th May, 2024, 23rd July, 2024, 15th October, 2024, 07th November, 2024, 03rd February, 2025 and 29th March, 2025.

Composition & Attendance

The Composition of the Product Approval Committee and the details of attendance of the Members at the Meetings held during the year under review are as under:

Name of the Member	Status in Committee	Category	Member of Committee Since	No. of Meetings entitled to attend	No. of Meetings attended
Mr. Rajendra Kumar Setia	Chairperson	Managing Director & CEO	12-04-2023	6	6
Mr. Ajit Singh Sajwan	Member	Head of IT Projects-CTO	12-04-2023	6	6
Ms. Anubha Khandelwal	Member	Chief Compliance Officer	04-11-2022	6	6
Mr. Atul Arora	Member	Chief Financial Officer	12-04-2023	6	6
Mr. Balveer Bera	Member	Head of IT Projects-DVP Projects	12-04-2023	6	6
Mr. Gajendra Sharma	Member	Chief of Credit	12-04-2023	6	6
Mr. Tej Pratap Singh	Member	National Head of Operations	20-12-2023	6	6
Mr. Vaibhav Bumb	Member	Officiating Chief Risk Officer	09-05-2023	5	5
Mr. Yash Setia	Member	Whole time Director	04-11-2022	6	6
Mr. Sameer Bhatia	Member	Chief Digital Officer	03-02-2025	2	2
Mr. Jai Govind Pancholi	Member	Chief Risk Officer	20-03-2025	1	1

The necessary quorum was present for all the above meetings. The Company Secretary & Compliance Officer acts as a secretary to the Committee.

Besides the members of the committee, meeting of the Product Approval Committee was attended by the invitees and proposers with the permission of the Chairperson.

Terms of reference

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

1. The Committee shall review any product proposals and suggest modifications if any.
2. The Committee shall review any changes, modification, up gradation, revision in the existing products, as and when proposed.
3. The Committee shall propose the approval of the products to the Board of Directors in accordance with the Board approved Credit Policy.

9. INVESTMENT COMMITTEE

The company has constituted an Investment Committee which is a Board Delegated Committee in accordance with RBI Master Directions.

Meeting Details

During the Financial Year 2024-25 19 (Nineteen) Investment Committee Meetings were held on 10th April, 2024, 18th May, 2024, 10th June, 2024, 05th July, 2024, 13th July, 2024, 23rd July, 2024, 02nd August, 2024, 13th August, 2024, 27th August, 2024, 10th September, 2024, 18th September, 2024, 30th September, 2024, 14th October, 2024, 05th November, 2024, 18th December, 2024, 31st December, 2024, 14th January, 2025, 17th February, 2025 and 08th March, 2025

Composition & Attendance

The Composition of the Investment Committee and the details of attendance of the Members at the Meetings held during the year under review are as under:

Name of the Member	Status in Committee	Category	Member of Committee Since	No. of Meetings entitled to attend	No. of Meetings attended
Mr. Rajendra Kumar Setia	Chairperson	Managing Director & CEO	04-11-2022	19	19
Mr. Atul Arora	Member	Chief Financial Officer	04-11-2022	19	19
Mr. Vivek Haripal Singh	Member	Chief - Strategy officer and Head- Resource Mobilization	04-11-2022	19	19
Mr. Ankur Rastogi	Member	DVP - Resource Mobilisation	04-11-2022	19	19
Mr. Arpan Nayak[1]	Member	AVP- Resource Mobilisation	28-05-2024	17	17
Mr. Honey Jain	Member	Finance Controller	04-11-2022	19	19

Notes:

1. Mr. Arpan Nayak, Associate Vice – President, Resource Mobilization was included as a member w.e.f. 28-05-2024

The necessary quorum was present for all the above meetings. The Company Secretary and Compliance Officer acts as a secretary to the Committee.

Terms of reference

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

a. Deployment of funds/ sale of investments towards investment activities undertaken under the Investment policy:

b. Approve deployment or liquidation of funds in Fixed Deposits;

c. Approve recommendations for any changes in the investment policy and subsequently submit to the Board for ratification and approval for implementation;

d. Determining classification of investments into current and long term investments;

e. Ensuring Investment of funds as per the policy guidelines;

f. Ensuring Accounting of the Securities transactions and reconciliation thereof and valuation of securities;

g. Reassessing all onboarded Companies and re-approving on unanimous consent basis on a half yearly basis;

h. Approve any breach in the Internal Limits defined in this policy, depending upon the rationale for such breach and risk associated with such breaches.

i. Establish procedures governing:

- disposal of securities and realization of proceeds and revenue dues;
- day to day monitoring of Investment portfolio;
- review of portfolio as and when required

j. Reviewing annually the internal control structure established by Chief Strategy Officer & Head of Resource Mobilisation;

k. Re-approving onboarded company for further investment, in case there has been any downward change in the rating of the same, post approval from Investment Committee;

l. Delegating power to Managing Director & CEO/Chief Financial Officer/Chief Strategy Officer and Head of Resource Mobilisation of the company to place FDs with Banks/ SFBs, as and when required , to manage day to day cash management/funds planning cost effectively;

m. Any other matter incidental to the above scope to necessary to support objectives of investment policy or within scope of the regulatory guidelines.

10. CUSTOMER SERVICE COMMITTEE (CSC):

Regulatory Requirement

The company has constituted Customer Service Committee (CSC) on 01st February, 2024 which is a Board Delegated Committee in accordance with Master Direction - Reserve Bank of India (Internal Ombudsman for Regulated Entities) Directions 2023.

Meeting Details

During the Financial Year 2024-25, 04 (Four) Customer Service Committee Meetings were held on 27th May, 2024, 13th August, 2024, 23rd October, 2024 and 28th January, 2025.

Composition & Attendance

The Composition of the CSC are as under:

Name of the Member	Status in Committee	Category	Member of Committee Since	No. of meetings entitled to attend	No. of Meetings attended
Mr. Yash Setia	Chairperson	Whole Time Director	01-02-2024	4	4
Mr. Rajendra Kumar Setia	Member	Managing Director & CEO	01-02-2024	4	4
Ms. Nanda Sameer Dave	Member	Non- Executive Independent Director	18-04-2024	4	4
Mr. Amar Lal Daultani	Member	Non- Executive Independent Director	18-04-2024	4	4

Notes:

1. Ms. Anubha Khandelwal, Mr. Chetan Gupta and Mr. Nirmal Joshi are permanent invitees of the meeting.

The Company Secretary & Compliance Officer acts as a secretary to the Committee. The necessary quorum was present for all the above meetings.

Besides the members of the committee, meeting of the Customer Service Committee was attended by the Chief Financial Officer, Permanent and other invitees with the permission of the Chairperson.

Terms of reference

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

1) To review the level of customer service in the Company including customer complaints and the nature of their resolution;

2) To provide guidance in improving the level of customer service;

3) To ensure that the Company provides and continues to provide services focused on Customer Centricity across all its category of customers to help the Company in protecting and growing its brand equity;

4) To evolve innovative measures for enhancing the quality of customer service and improving the overall satisfaction level of customers;

5) To ensure implementation of directives received from RBI with respect to rendering of services to customers;

6) To determine the structure of emoluments, facilities and benefits accorded to the Internal Ombudsman / Deputy Internal Ombudsman, which should be appropriate keeping in view their stature and position being at the apex of the grievance redress mechanism and also the need to attract experienced persons with requisite expertise;

7) To review the periodic reports (including the analysis of complaints) furnished by the Internal Ombudsman to the committee;

8) To review and discuss the cases where the decision of the Internal Ombudsman has been rejected;

9) To review and approve the SOP for handling rejected/ partially rejected complaints;

10) To review the root cause analysis for the complaints received and controls implemented to improve the process;

11) To review complaints escalated by the customer to RBI and reason thereof;

12) To review any amendments made in the Customer Grievance Redressal mechanism and provide guidance on the same;

13) To review customer service aspects and intimate the same to the Board and guide for initiating prompt corrective action wherever service quality / skill gaps have been noticed;

14) To review metrics and indicators that provide information on the state of customer service; providing direction to the management on actions to be taken to improve the metrics;

15) To reviewing the actions taken/ being taken to standardize the delivery of customer experience across all branches.

11. IPO COMMITTEE:

Regulatory Requirement

The company has constituted an IPO Committee which is a Board Delegated Committee constituted on 01st February, 2024 for the purposes of approving and undertaking various activities in relation to the Initial Public Offer and listing of the Equity Shares on one or more of the recognized stock exchanges.

Meeting Details

During the Financial Year 2024-25, 02 (Two) IPO Committee Meetings were held on 26th April, 2024 and 01st May, 2024.

Composition & Attendance

The Composition of the IPO Committee are as under:

Name of the Member	Status in Committee	Category	Member of Committee Since	No. of meetings entitled to attend	No. of Meetings attended
Rajendra Kumar Setia	Chairperson	Managing Director & CEO	01-02-2024	2	2
Yash Setia	Member	Whole Time Director	01-02-2024	2	2
Anand Raghavan	Member	Non- Executive Independent Director	01-02-2024	2	2
Simit Batra	Member	Non-Executive Nominee Director	01-02-2024	2	2

Notes:

1. Mr. Niren Shah is the Permanent Invitee to the Committee.

The necessary quorum was present for all the above meetings. The Company Secretary and Compliance Officer acts as a secretary to the Committee.

Terms of reference

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

(a) To take on record the number of Equity Shares proposed to be offered by the Selling Shareholder(s);

(b) To make applications to, seek clarifications, obtain approvals and seek exemptions from, where necessary, the SEBI, the Stock Exchanges, the Registrar of Companies, Rajasthan at Jaipur ("RoC"), the relevant registrar of companies, the Reserve Bank of India, and any other governmental or statutory authorities as may be required in connection with the Offer and accept on behalf of the Board such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions and sanctions as may be required and wherever necessary, incorporate such modifications / amendments as may be required in the draft red herring prospectus, the red herring prospectus and the prospectus as applicable;

(c) To finalize, settle, approve, adopt and file in consultation with the book running lead managers appointed for the Offer (the "BRLMs") where applicable, the draft red herring prospectus, the red herring prospectus and the prospectus in connection with the Offer, the preliminary and final international wrap, abridged prospectus, and any amendments, supplements, notices, addenda or corrigenda thereto together with any summaries thereof as may be considered desirable or expedient ("Offer Documents"), and take all such actions as may be necessary for the submission and filing of these documents including incorporating such alterations/corrections/ modifications as may be required by SEBI, the RoC or any other relevant governmental and statutory authorities or in accordance with Applicable Laws;

(d) To decide, negotiate and finalise in consultation with the BRLMs on the actual Offer size, timing, pricing, discount, reservation and all the terms and conditions of the Offer, including any reservation, green shoe option and any rounding off in the event of any oversubscription, the price band (including offer price for anchor investors), any revision to the price band, bid period, minimum bid lot for the purpose of bidding, final Offer price after bid closure, to finalize the basis of allocation and to allot the Equity Shares to the successful allottees and credit Equity Shares to the demat accounts of the successful allottees in accordance with applicable law, determine the anchor investor portion, and to do all such acts and things as may be necessary and expedient for, and incidental and ancillary to the Offer including to make any amendments, modifications, variations or alterations in relation to the Offer;

(e) To appoint, instruct and enter into and terminate arrangements with the BRLMs, and in consultation with BRLM(s), appoint and enter into agreements with intermediaries including underwriters to the Offer, syndicate members to the Offer, brokers to the Offer, escrow collection bankers to the Offer, refund bankers to the Offer, registrars, sponsor bank(s), legal advisors, auditors, advertising agency, independent chartered accountants, industry expert, depositories, custodians, printers and any other agencies or persons or intermediaries in relation to the Offer, including any successors or replacements thereof, and to negotiate, finalise and amend the terms of their appointment, including but not limited to the execution of the mandate letter with the BRLMs and negotiation, finalization, execution and remuneration of all such intermediaries/agencies including the payments of commissions, brokerages, etc.;

(f) To negotiate, finalise and settle and to execute and deliver or arrange the delivery of the draft red herring prospectus, the red herring prospectus, the prospectus, the preliminary and final international wrap, offer agreement, syndicate agreement, underwriting agreement, share escrow agreement, cash escrow agreement, agreements with the registrar to the Offer, agreement with the advertising agency in relation to the Offer, bid-cum-application forms, confirmation of allotment notes and all other documents, deeds, agreements and instruments whatsoever with the registrar to the Offer, legal advisors, auditors, advertising agency, stock exchange(s), BRLMs, and any other agencies/intermediaries in connection with the Offer, and any notices, supplements and corrigenda thereto, with the power to authorise one or more officers of the Company to execute all or any of the aforesaid documents or any amendments thereto as may be required or desirable in relation to the Offer;

(g) To decide, negotiate and finalize, in consultation with the BRLMs, all matters regarding the Pre-IPO Placement, if any, including entering into discussions and execution of all relevant documents with Investors;

(h) To seek, if required, the consent and/or waiver of the lenders of the Company, customers, suppliers, strategic partners, parties with whom the Company has entered into various commercial and other agreements, all concerned government and regulatory authorities in India or outside India, and any other consents and/or waivers that may be required in relation to the Offer or any actions connected therewith;

(i) To open and operate bank accounts in terms of the cash escrow and sponsor bank agreement with a scheduled bank to receive applications along with application monies, for handling of refunds, and for the purposes set out in Section 40(3) of the Companies Act, 2013, as amended, in respect of the Offer, and to authorise one or more officers of the Company to execute all documents/ deeds as may be necessary in this regard;

(j) To determine the amount, the number of Equity Shares, terms of the issue of the equity shares, the categories of investors for the Pre-IPO Placement, if any including the execution of the relevant documents with the investors, in consultation with the BRLMs, and rounding off, if any, in the event of oversubscription and in accordance with Applicable Laws;

(k) To determine and finalise the bid opening and bid closing dates (including bid opening and bid closing dates for anchor investors), the floor price/price band for the Offer (including issue price for anchor investors), reservation or discount (if any), approve the basis of allotment and confirm allocation/allotment of the equity shares to various categories of persons as disclosed in the DRHP, the RHP and the Prospectus, in consultation with the BRLM(s) and the Selling Shareholders (to the

extent applicable) and do all such acts and things as may be necessary and expedient for, and incidental and ancillary to the Offer including any alteration, addition or making any variation in relation to the Offer;

(l) all actions as may be necessary in connection with the Offer, including extending the Bid/ Offer period, revision of the price band, allow revision of the Offer portion in case any Selling Shareholder decides to revise it, in accordance with the applicable laws;

(m) To authorise and approve in consultation with the BRLM(s), incurring of expenditure and payment of fees, commissions, brokerage, remuneration and reimbursement of expenses in connection with the Offer;

(n) To accept and appropriate the proceeds of the Offer in accordance with the Applicable Laws;

(o) To approve code of conduct as may be considered necessary by the IPO Committee or as required under the Applicable Laws, regulations or guidelines for the Board, officers of the Company and other employees of the Company;

(p) To approve the implementation of any corporate governance requirements, code of conduct for the Board, officers and other employees of the Company that may be considered necessary by the Board or the IPO Committee or as may be required under the Applicable Laws or the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and listing agreements to be entered into by the Company with the relevant stock exchanges, to the extent allowed under Applicable Laws;

(q) To finalise and issue receipts/allotment letters/confirmation of allotment notes either in physical or electronic mode representing the underlying Equity Shares in the capital of the Company with such features and attributes as may be required and to provide for the tradability and free transferability thereof as per market practices and regulations, including listing on one or more stock exchanges, with power to authorise one or more officers of the Company to sign all or any of the aforestated documents;

(r) To undertake as appropriate such communication with the Selling Shareholders as required under applicable law, including inviting the existing shareholders of the Company to participate in the Offer by making an offer for sale in relation to such number of Equity Shares held by them as may be deemed appropriate, and which are eligible for the offer for sale in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "SEBI ICDR Regulations"), take all actions as may be necessary and authorised in connection with the Offer for Sale and to approve and take on record the approval of the Selling Shareholder(s) for offering their Equity Shares in the Offer for Sale and the transfer of Equity Shares in the Offer for Sale;

(s) To authorise and approve notices, advertisements in relation to the Offer in consultation with the relevant intermediaries appointed for the Offer in accordance with the SEBI ICDR Regulations, Companies Act, as amended and other Applicable Laws;

(t) To issue advertisements in such newspapers and other media as it may deem fit and proper in accordance with the SEBI ICDR Regulations, Companies Act, 2013, as amended and other Applicable Laws;

(u) To decide the total number of Equity Shares to be reserved for allocation to eligible categories of investors, if any;

(v) To do all such acts, deeds, matters and things and execute all such other documents, etc., as may be deemed necessary or desirable for such purpose, in consultation with the Selling Shareholders and BRLMs, including without limitation, to determine the anchor investor portion and allocation to anchor investors, to finalise the basis of allocation and to allot the shares to the successful allottees as permissible in law, issue of allotment letters/ confirmation of allotment notes, credit of Equity Shares to the demat accounts of the successful allottees in accordance with the relevant rules, in consultation with the BRLMs in accordance with Applicable Laws;

(w) To do all such acts, deeds and things as may be required to dematerialise the Equity Shares and to sign and/ or modify, as the case maybe, agreements and/or such other documents as may be required with the National Securities Depository Limited, the Central Depository Services (India) Limited, registrar and transfer agents and such other agencies, authorities or bodies as may be required in this connection and to authorise one or more officers of the Company to execute all or any of the aforestated documents;

(x) To make in-principle and final applications for listing and trading of the Equity Shares in one or more stock exchange(s) for listing of the Equity Shares and to execute and to deliver or arrange the delivery of necessary documentation to the concerned stock exchange(s) in connection with obtaining such listing including without limitation, entering into listing agreements and affixing the common seal of the Company where necessary and to take all such other actions as may be necessary in connection with obtaining such listing;

(y) To settle all questions, difficulties or doubts that may arise in relation to the Offer, including issue, allotment, terms of the Offer, utilisation of the Offer proceeds and matters incidental thereto as it may deem fit;

(z) To submit undertaking/certificates or provide clarifications to the SEBI, Registrar of Companies, Rajasthan at Jaipur, the Reserve Bank of India and the relevant stock exchange(s) where the Equity Shares are to be listed;

(aa) To negotiate, finalize, settle, execute and deliver any and all other documents or instruments and to do or cause to be done any and all acts or things as the IPO Committee may deem necessary, appropriate or advisable in order to carry out the purposes and intent of this resolution or in connection with the Offer and any documents or instruments so executed and delivered or acts and things done or caused to be done by the IPO Committee shall be conclusive evidence of the authority of the IPO Committee in so doing;

(bb) To execute and deliver and/or to authorise and empower officers of the Company (each, an "Authorised Officer") for and on behalf of the Company to execute and deliver, on a several basis, any and all other documents or instruments and any declarations, affidavits, certificates, consents, agreements as well as amendments or supplements thereto as may be required from time to time or that the Authorised Officers consider necessary, appropriate or advisable, in connection with the Offer, including, without limitation, engagement letter(s), memoranda of understanding, the listing agreements, the registrar agreement, the depositories agreements, the offer agreement, the underwriting agreement, the syndicate agreement, the cash escrow and sponsor bank agreement and confirmation of allocation notes, with the BRLMs, syndicate members, bankers to the Offer, registrar to the Offer, bankers to the Company, managers, underwriters, guarantors, escrow agents, accountants, auditors, legal counsel, depositories, trustees, custodians, advertising agencies, and all such persons or agencies as may be involved in or concerned with the Offer, if any and any and all other documents or instruments and doing or causing to be done any and all acts or things as the IPO Committee and/or Authorised Officer may deem necessary, appropriate or advisable in order to carry out the purposes and intent of the foregoing or in connection with the Offer and any documents or instruments so executed and delivered or acts and things done or caused to be done by the IPO Committee and/or Authorised Officer shall be conclusive evidence of the authority of the IPO Committee and/or Authorised Officer and Company in so doing;

(cc) To decide, negotiate and finalise the pricing and all other related matters regarding the execution of the relevant documents with the investors in consultation with the BRLMs and in accordance with Applicable Laws;

(dd) To if necessary, withdraw the draft red herring prospectus or the red herring prospectus or to decide to not proceed with the Offer at any stage in accordance with Applicable Laws and in consultation with the BRLMs; and

(ee) To delegate any of its powers set out hereinabove, as may be deemed necessary and permissible under Applicable Laws to the officials of the Company.

12. WILFUL DEFAULTERS-REVIEW COMMITTEE

Regulatory Requirement

The company has constituted Wilful Defaulters-Review Committee on 24th October, 2024 which is a Board Delegated Committee in accordance with Reserve Bank of India (Treatment of Wilful Defaulters and Large Defaulters) Directions, 2024 dated July 30, 2024.

Meeting Details

During the Financial Year 2024-25, no meeting of Wilful Defaulters-Review Committee was held.

Composition & Attendance

The Composition of the Wilful Defaulters-Review Committee is as under:

Name of the Member	Status in Committee	Category
Mr. Rajendra Kumar Setia	Chairperson	Managing Director & CEO
Mr. Amar Lal Daultani	Member	Non- Executive Independent Director
Ms. Nanda Sameer Dave	Member	Non- Executive Independent Director

Terms of reference

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

a) Review and examine the evidence of willful default on the part of the borrower / guarantor/ promoter/ director/ persons who are in charge and responsible for the management of the affairs of the entity;

b) Review and Classify the proposal as wilful defaulter basis examination of evidences of wilful default as proposed by Identification Committee.

c) Ensure that the parties are given necessary opportunities to put forth their cases before classifying them as wilful defaulters;

d) Review and consider the proposal of the identification committee along with written representation, if any, and take a decision.

e) Review of the problematic areas leading to advancement of wilful defaulters in the Company and develop control measures to mitigate the same;

f) Review the wilful defaulters status of the Company at periodic intervals and highlight unfavorable trends and issues to the management and Board as appropriate;

g) To pass a reasoned order and communicate to the wilful defaulter.

5. GENERAL BODY MEETINGS/POSTAL BALLOT

a) Details of the last three Annual General Meetings and Special resolutions passed thereat:

AGM	Date &Time	Location	Special Resolutions passed
30th AGM	August 07, 2024 at 10:30 a.m.	Through Video Conferencing Hosted at Plot No.36, Dhuleshwar Garden, Jaipur-302001 (Rajasthan)	No Special Resolution was passed in the 30th AGM.
29th AGM	September 25, 2023 at 02:30 p.m.	Through Video Conferencing Hosted at Plot No.36, Dhuleshwar Garden, Jaipur-302001 (Rajasthan)	To approve the remuneration of non-executive directors of the company
28th AGM	August 03,2022 at 10:00 a.m.	Through Video Conferencing Hosted at Plot No.36, Dhuleshwar Garden, Jaipur-302001 (Rajasthan)	No Special Resolution was passed in the 28th AGM.

b) Details of the Extra ordinary General Meeting and Special resolutions passed thereat during the FY 2024-25.

Pursuant to Section 100, 101 of Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014 and clause 1.2.7 of Secretarial standards on General Meetings ("SS-2") issued by the Institute of Company Secretaries of India ("ICSI"), the Company received shareholders' approval with the requisite majority on April 25, 2024 at Extraordinary General Meeting ("EGM") of the Shareholders:

Date & Time of EGM	Venue of EGM	Agenda Passed as Special Resolution
25th April, 2024 at 03:00 P.M	Plot No. 36, Dhuleshwar Garden, Jaipur-302001 (Rajasthan)	1. To approve the alteration of the Articles of Association of the company.
		2. To consider and approve the appointment of Ms. Nanda Sameer Dave (DIN: 08673208) as an Independent Director of the company.
		3. To consider and approve the appointment of Mr. Mukul Mathur (DIN: 10025806) as an Independent Director of the company.
		4. To approve the Revision in the SK Finance Limited Employee Stock Option Plan 2018 ("ESOP Plan").
		5. To consider and approve the Initial Public Offer of Equity Shares of the company.

Notes:
1. Quorum was present not only at the time of commencement of the Meeting but also while transacting business.

c) Details of special business passed through Postal Ballot during FY 2024-25

In compliance with Sections 108 & 110 and other applicable provisions, if any, of the Act read with Rule 20 and 22 of the Companies (Management and Administration) Rules, 2014, Secretarial Standard on General Meetings ("SS-2") issued by the Institute of Company Secretaries of India (ICSI), General Circulars No.14/2020 dated April 8, 2020, No. 17/2020 dated April 13, 2020, and No. 09/2024 dated September 19, 2024 issued by the Ministry of Corporate Affairs ("MCA Circulars") and other applicable rules / regulations / guidelines /circulars /notifications, the approval of the Members of the Company for below mentioned Special Business were obtained through Postal Ballot Notice dated October 24, 2024 by way of remote electronic voting (E-voting).

Agenda Items	Type of Resolution	Date of Scrutinizer's Report	Date of Passing the Resolution	% of Votes in favour of the Resolution	% of Votes against the Resolution
1. To authorize the board to borrow money in excess of paid-up capital, free reserves and securities premium u/s 180(1)(c) of the Companies Act, 2013 .	Special Resolution	December 10, 2024	December 07, 2024	100%	-
2. To approve creation of charges on assets of the company under section 180(1)(a) of the Companies Act, 2013 to secure borrowings made/to be made under section 180(1)(c) of the Companies Act, 2013.	Special Resolution			100%	-
3. To authorise the board for issuance of Non-Convertible Debentures, in one or more tranches for one year.	Special Resolution			100%	-

The Board of Directors in their meeting held on 24th October 2024 appointed CS Manoj Maheshwari (FCS: 3355), Practicing Company Secretary, as Scrutinizer for conducting the Postal Ballot e-voting exercise in a fair and transparent manner. National Securities Depository Limited (NSDL) was appointed as an Agency for providing and supervising electronic platform for e-voting.

Procedure of Postal Ballot

The Postal Ballot has been conducted in compliance to the provisions of the Act read with rules made thereunder along with SS-2 issued by ICSI and MCA Circulars. The Company provided facility to its members to cast their votes through remote E-voting instead of circulating postal ballot forms.

The Postal ballot notice along with the explanatory statement annexed thereto was dispatched only by way of e-mail to all Members of the Company appearing in the Register of Members/List of Beneficial Owners and whose e-mail ids were registered with the company as on the Cut-off Date. Further, in compliance with the Rule 22 of the Companies (Management and Administration) Rules, 2014, advertisement was published by the Company in English newspaper in English language and in Vernacular newspaper in Vernacular language i.e. Hindi, informing about the completion of the dispatch of the Postal Ballot Notice.

The Scrutinizer submitted his report to the Company Secretary & Compliance Officer as authorized by the Chairperson of the Board after the completion of the scrutiny of the e-Voting results and consequently, the

results were declared on the website of Stock Exchange, NSDL and the Company .

The resolutions, been passed by requisite majority, were deemed to have been passed on the last date specified by the Company for remote e-voting.

Further, there is no proposal in the ensuing AGM to transact any business that requires the passing of resolution through postal ballot.

6. MEANS OF COMMUNICATION

The company strives to maintain utmost transparency in its communication with the Shareholders, Debenture Holders, Lenders and other Stakeholders. Full and timely disclosure of information having bearing on the performance/ operation of the company including the Company's financial performance and other material information are intimated in electronic mode through the BSE Listing centre for dissemination of such information to the public at large. The Unaudited and Audited financial results of the Company are sent to the Stock Exchange and Debenture trustees promptly after they are approved by the Board of Directors. These results are simultaneously posted on the website of the Company at the Weblink https://www.skfin.in/investor/investor-services. The Company also published its results in widely circulated newspapers.

The website of the company i.e. www.skfin.in contains a complete overview of the Company. The Company's Annual Report, financial results, details of its business, corporate announcements, policies, transcripts of general meetings, contact information of the designated officials handling investor grievances, credit ratings and other details as required under various laws are regularly updated on the Company's website.

Annual Reports, notice of the meetings and other communications to the members of the company, debenture trustees and to all other persons so entitled are generally sent through e-mail. The Ministry of Corporate Affairs ("MCA") and SEBI has through various circulars issued from time to time granted relaxation from dispatch of physical copies of annual return. Therefore, the Annual Report for FY 2024-25 and Notice of 31st AGM of the Company is being sent to the Members, Debenture Trustees, Debenture Holders and Auditors of the Company only through their registered e-mail addresses in accordance with MCA and SEBI Circulars.

7. GENERAL SHAREHOLDER INFORMATION

31st Annual General Meeting	Day & Date: Monday, 04th August, 2025 Time: 02:00 PM Venue: Video Conferencing (VC)/Other Audio-Visual Means (OAVM)	Through video conferencing
Financial Year	The financial year covers the period from 1st April, 2024 to 31st March, 2025.	
Dividend Payment Date	The Board has not recommended dividend for F.Y. 2024-2025.	
Name and address of Stock Exchange where Securities are listed and confirmation about payment of annual listing fees	The Company has issued privately placed Non-Convertible Debentures and Commercial Papers which were listed on: **BSE Limited (BSE)** 25th Floor, PJ Towers, Dalal Street, Mumbai-400001 MH IN The Company has paid the requisite listing fees in full.	
Registrars to the Issue and Share transfer Agents	**Kfin Technologies Limited** Selenium Building, Tower B, Plot No- 31 & 32, Financial District, Nanakramguda, Serilingampally Hyderabad Rangareddi Telangana 500032 India. Email id: einward.ris@kfintech.com	
Share Transfer System	In terms of Regulation 7 of the SEBI LODR Regulation, M/s Kfin Technologies Limited continues to be the Registrar and Share Transfer Agent and handles all relevant share registry services. All the securities of the Company are in dematerialized form, hence there are no physical transfer of securities.	
Debenture Trustees	**1. Vardhman Trusteeship Private Limited** The Capital, A Wing, 412A, Bandra Kurla Complex, Bandra (East) Mumbai 400 051 Contact Person: Mr. Nilesh Palav E-Mail: compliance@vardhmantrustee.com rushabh@vardhmantrustee.com	
Dematerialization of shares and liquidity	100% of the equity shares of the company are in electronic form with both National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL"). Transfer of these shares are done through the depositories with no involvement of the company.	
Outstanding Convertible instruments	The Company has not issued any convertible instruments during the reporting period.	
Commodity price risk or foreign exchange risk and hedging activities	Commodity price risk: Not Applicable The company has fully hedged its foreign exchange risks associated with External Commercial Borrowings.	
Locations	The Company has strengthened its presence across the 12 states and union territories with a network of more than 648 branches. The geographic concentration of branches are provided in the Management Discussion and Analysis Report of this annual report.	
Address for correspondence	**Registered Office Address** G-1&2, New Market, Khasa Kothi, Jaipur-302001 (Rajasthan) Ph.:+91-141-4161300/309,Fax:+91-141-4012809, Website: www.skfin.in, E-Mail: info@skfin.in **For queries/ complaints** Contact person: Ms. Anagha Bangur Designation: Company Secretary & Compliance Officer Email id: cs@skfin.in	

Credit ratings obtained

During the period under review, the Company reported the following changes in the credit ratings.

Type of Instrument	Name of Credit Rating	Rating assigned	Previous rating assigned
(i) Non – convertible debentures	CARE Ratings Limited	-	CARE AA-/Stable
	CRISIL Ratings Limited	CRISIL AA-/Stable	CRISIL A+/Positive
	ICRA limited	ICRA Ltd AA-/Stable	ICRA Ltd AA-/Stable
	India Ratings & Research Private Limited	India Rating and Research AA-/Stable	India Rating and Research AA-/Stable
(ii) Market Linked debentures	CARE Ratings Limited	CARE PP-MLD AA-/ Stable	CARE PP-MLD AA-/ Stable
	CRISIL Ratings Limited	CRISIL PPMLD AA-/ Stable	CRISIL PPMLD A+/ Positive
	Acuité Ratings & Research Limited.	-	Acuite Rating and Research PPMLD AA-/Stable
(iii) Loan facility	CARE Ratings Limited	CARE AA-/Stable	CARE AA-/Stable
	India Ratings & Research Private Limited	India Rating and Research AA-/Stable	India Rating and Research AA-/Stable
(iv) Commercial paper	India Ratings & Research Private Limited	India Rating and Research A1+	India Rating and Research A1+

8. DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2025

a. Distribution of equity shareholding as on 31st March, 2025:

Number of Shares	Holding	Percentage to capital	Number of Accounts	Percentage to total accounts
Upto 50,00,000	3,62,99,459	27.09%	302	98.69 %
50,00,001- 1,00,00,000	71,95,836	5.37%	1	0.33%
Above 1,00,00,000	9,05,06,909	67.54%	3	0.98 %
Total	**13,40,02,204**	**100%**	**306**	**100%**

b. Categories of equity shareholders as on 31st March, 2025:

Category	No of equity shares*	Percentage of Holding
Promoter & Promoter Group*	4,31,44,771	32.20%
Alternate Investment Funds	2,03,35,020	15.18%
Foreign Institutional Investors	6,53,62,157	48.78%
Others	51,60,256	3.86%
Total	**13,40,02,204**	**100%**

*The equity shares in Promoter & Promoter group comprises of persons as under:

S. No.	Name of person	Category	No. of shares
1	Mr. Rajendra Kumar Setia	Promoter	4,19,02,747
2	Rajendra Kumar Setia HUF	Promoter	2,50,000
3	Mr. Yash Setia	Promoter	2,600
4	Ms. Bhajan Devi Setia	Promoter Group	2,600
5	Ms. Shalini Setia	Promoter Group	2,600
6	Mr. Raj Kumar Setia	Promoter Group	7,65,224
7	Mr. Sameer Arora	Promoter Group	2,19,000

9. OTHER DISCLOSURES

a) All transactions entered into with the Related Parties as defined under the Act and SEBI LODR Regulation during the financial year were in the ordinary course of business and on an arm's length basis. The details of the transactions with related parties were placed before the Audit Committee and Board on the quarterly basis throughout the year.

During the Financial Year 2024-25, there were no materially significant transactions or arrangements entered into between the Company and its Promoters, Directors or their Relatives or the Management, Subsidiaries, etc., that may have potential conflict with the interests of the Company at large. Further, details of related party transactions are presented in Note Number 38 to Financial Statements in the Annual Report. The policy on dealing with Related Party Transaction is available on the Company's website at the web link https://www.skfin.in/investor/policies-codes

Note: Pursuant to Regulation 23(9) of SEBI LODR Regulations, the Company have submitted the disclosures of related party transactions along with the half yearly financial results.

b) Details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years;

- **Compounding matter with ROC:**

  The Company had filed a suo moto application for adjudication of penalties dated April 26, 2024, before the RoC seeking adjudication of penalties for non- compliance with section 62(1)(b) of the Companies Act, 2013. In this regard, the RoC, by way of its order dated May 22, 2024, has imposed a penalty of ₹ 4 lakhs (Rupees Four Lakhs) upon the Company and ₹ 1 lakh (Rupees One Lakh) each on our Managing Director and Chief Executive Officer, Whole-time Director, Chief Financial Officer and the Company Secretary. Our Company, Managing Director and Chief Executive Officer, Whole-time Director, Chief Financial Officer and the Company Secretary, have made the payments pertaining to the aforesaid penalties.

- **Settlement Application filed with SEBI:**

  SEBI has issued summary settlement notice dated August 29, 2024 to the Company for alleged violation of Section 23(1), 26(4), 26(6) and 33(1) of the Companies Act, 2013 and Regulation 4(3), 6, 7, 8, 9 and 16 of the SEBI (Issue and Listing of Debt Securities) Regulations, 2008 for Non-Convertible Debentures issued to Karvy Capital Limited in FY 2018-19 on private placement basis. Accordingly, the company has filed the Settlement Application with SEBI on September 27, 2024 under Chapter-II of the Securities and Exchange Board of India (Settlement Proceedings) Regulations, 2018 ("SEBI Settlement Regulations") by paying settlement amount of ₹ 67,50,000/- (Rupees Sixty-Seven Lakh and Fifty Thousand). The same is pending with SEBI for its consideration.

c) The Vigil Mechanism as envisaged in the Act and the Rules prescribed thereunder, RBI Guidelines and the SEBI LODR Regulations is implemented through the Whistle Blower Policy. This Policy provides for adequate safeguards against victimization of persons who use such mechanism and makes provision for direct access to the Chairperson of the Audit Committee. The Audit Committee is apprised on the vigil mechanism on a periodic basis. During the year, no personnel was denied access to the Chairperson of the Audit Committee..

The Whistle Blower Policy provides for protected disclosure and protection to the Whistle Blower. Under the Vigil Mechanism all stakeholders have been provided access to the Audit Committee through the Chairperson, to report illegal or unethical behavior, actual or suspected fraud(s) or violation of the Company's Codes of Conduct or Corporate Governance Policies or any improper activity. The Whistle Blower Policy is available on the Company's website at the Weblink https://www.skfin.in/investor/policies-codes.

d) Disclosure of commodity price risks and commodity hedging activities- Not Applicable since the Company does not have any derivatives denominated in foreign currency.

e) The Company during the reporting period has not raised funds through preferential allotment or qualified institutions placement.

f) During the year, the Board has accepted all recommendations made by the committees of the board.

g) The total fees paid to Statutory Auditors of the Company and all entities in the network firm/network entity of which the statutory auditor is a part, for the year ended March 31, 2025, are as follows:

M/s S.R. Batliboi & Associates LLP*

S. No.	Particulars	Fees Amount
1	Fees for IPO related Services	1,49,93,690
Total		**1,49,93,690**

M/s Deloitte Haskins & Sells*

S. No.	Particulars	Fees Amount
1	Statutory Audit Fee	1,12,34,717
2	Non-Audit Service	3,81,500
Total		**1,16,16,217**

* In accordance with section 139 of the Companies Act, 2013, M/s S.R. Batliboi & Associates LLP, were appointed for a three-year term i.e. till the conclusion of the 30th AGM of the Company. Further in compliance with the RBI Circular and following the recommendations of the Audit Committee and the Board Meeting held on 15th July, 2024, M/s Deloitte Haskins & Sells, Chartered Accountants [Firm Registration Number: 117365w] were appointed as a Statutory Auditors by the Members in the 30th Annual General Meeting of the Company for a period of 3 consecutive years from the conclusion of 30th AGM held on 07th August, 2024 till the conclusion of 33rd AGM of the Company to be held in the calendar year 2027.

h) The Company is committed to providing and promoting a safe and healthy work environment for all its employees at the workplace and has adopted a 'Policy on Prevention of Sexual Harassment at workplace' to prohibit, prevent or deter any acts of sexual harassment at workplace and

to provide the procedure for the Redressal of complaints pertaining to sexual harassment and in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 and the rules thereunder. Appropriate reporting mechanisms are in place for ensuring protection against Sexual Harassment and the right of Women to work with dignity.

The following is a summary of Sexual Harassment complaint(s) received and disposed off during the year 2024-25, pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules framed thereunder:

Complaints at the beginning of the year	Complaints received during the year	Complaints resolved during the year	Complaints pending at the end of the year
NIL	4	4	0

i) The Company has not provided any Loans and Advances in the nature of loans to firms/ companies in which directors are interested.

j) The Company does not have any subsidiary company. But, in consideration with the proposed initial public offering of the Company, the Board has approved "Policy on determining material subsidiaries". The policy may be referred at the website of the Company at the weblink: https://www.skfin.in/investor/policies-codes

k) All the members of the Board and Senior Management personnel have affirmed compliance with the Code of Conduct for the year ended March 31, 2025. The Code is displayed on the website of the Company at the Weblink: https://www.skfin.in/investor/policies-codes. A declaration to this effect signed by the Managing Director and CEO forms part of Annual Report as **Annexure - I**.

l) The Management Discussion and Analysis Report (MDAR) forms part of this Annual Report. The detailed report is placed in a separate section of the Annual Report.

m) A certificate from Mr. Manoj Maheshwari, Practicing Company Secretary (Membership No. FCS 3355), partner of M/s V. M. & Associates, Company Secretaries has been received stating that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies by SEBI/Ministry of Corporate Affairs or any such statutory authority. The same forms part of the Annual Report as "**Annexure-II**".

n) A certificate from Mr. Manoj Maheshwari, Practicing Company Secretary (Membership No. FCS 3355), partner of M/s V. M. & Associates, Company Secretaries regarding compliance of conditions of corporate governance forms part of Annual Report as "**Annexure – III"**.

o) The Company adheres to the Fair Practices Code (FPC) recommended by sector regulator, the Reserve Bank of India (RBI) and seeks to promote good and fair practices by setting minimum standards in dealing with customers while doing lending business. Moreover, the comprehensive Know Your Customer (KYC) Guidelines and Anti Money Laundering Standards, issued by the RBI, are also strictly followed.

p) The Company has framed and adopted a Code of conduct to regulate, monitor and report trading by designated persons and immediate relatives of designated persons in the listed securities of the Company as required under the SEBI (Prohibition of Insider Trading) Regulations, 2015 (SEBI PIT Regulations). A policy containing procedures for conduct of inquiry in case of leakage of UPSI or suspected leakage of UPSI forms part of the Code for designated persons and immediate relatives of designated persons. The Company has also formulated a Code of practices and procedures for fair disclosure of UPSI and a policy for determination of 'legitimate purposes' for communicating / procuring UPSI. The said Code of practices and procedures for fair disclosure is available on the Company's website at https://www.skfin.in/investor/policies-codes

10. ADOPTION OF MANDATORY AND NON-MANDATORY REQUIREMENTS OF PART E OF SCHEDULE II OF SEBI LISTING REGULATIONS:

The Company has fulfilled the following non - mandatory requirements:

- The Report of the Statutory Auditors on the financial statement of the Company for the FY 2024-25 doesn't contain any qualification.
- The Chairperson of the Company is a non-executive director and is not related to the Managing Director and the Chief Executive Officer of the Company.
- The position of Chairperson and Managing Director are held by different individuals;

For and on behalf of the Board of Directors
For **SK Finance Limited**

Yash Setia
Whole-Time Director
DIN: 09831391

Rajendra Kumar Setia
Managing Director & CEO
DIN: 00957374

Place: Jaipur
Date: May 28, 2025
Regd. Address: G 1-2, New Market,
Khasa Kothi, Jaipur – 302001 (Rajasthan)
Website: www.skfin.in Email: info@skfin.in

Annexure I

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

To,
The Board of Directors
SK FINANCE LIMITED

I, Rajendra Kumar Setia, Managing Director and Chief Executive Officer of the Company acknowledges that the Board of Directors of SK Finance Limited has adopted a Code of Conduct to be followed by all Members of the Board and Senior Management Personnel of the Company respectively in compliance with the Regulation 17(5) of Securities Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015. I hereby declares that as per Regulation 17(5), Regulation 26(3) and Schedule V of Securities Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, all Board Members and Senior Management Personnel have affirmed Compliance with the Code of Conduct for the year ended on 31st March, 2025.

Rajendra Kumar Setia
Managing Director & Chief Executive Officer
DIN: 00957374

Place: Jaipur
Date: May 28, 2025
Regd. Address: G 1-2, New Market, Khasa Kothi,
Jaipur – 302001 (Rajasthan)
Website: www.skfin.in Email: info@skfin.in

Annexure II

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to BSE Limited's Notice dated January 07, 2022 read with Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members,
SK Finance Limited
G 1-2, New Market, Khasa Kothi
Jaipur– 302001 (Rajasthan)

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **SK Finance Limited** having **CIN: U65923RJ1994PLC009051** and having registered office at **G 1-2, New Market, Khasa Kothi, Jaipur – 302001 (Rajasthan)** (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with BSE Limited's Notice no. 20220107-16 dated January 07, 2022 read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on 31st March, 2025 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, Reserve Bank of India or any such other Statutory Authority.

Sr.No.	Name of Director	DIN
1.	Rajendra Kumar Setia	00957374
2.	Yash Setia	09831391
3.	Anand Raghavan	00243485
4.	Amar Lal Daultani	05228156
5.	Debanshi Basu	07135074
6.	Simit Batra	09739615
7.	Nanda Sameer Dave	08673208
8.	Mukul Mathur	10025806

Ensuring the eligibility of, for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Jaipur
Date: May 28, 2025
UDIN: F003355G000470855

For **V. M. & Associates**
Company Secretaries
(ICSI Unique Code P1984RJ039200
PR 5447 / 2024

CS Manoj Maheshwari
Partner
Membership No.: FCS 3355
C P No.: 1971

Annexure III

CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members,
SK Finance Limited
G 1-2, New Market, Khasa Kothi
Jaipur– 302001 (Rajasthan)

1. We have examined the compliance of conditions of Corporate Governance of SK Finance Limited ("the Company") for the year ended on March 31, 2025 ("Audit Period") as stipulated in Regulations 17 to 27 and paragraphs C, D and E of Schedule V of The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [collectively referred to as "SEBI Listing Regulations"].

   During the Audit Period, the Company was a High Value Debt Listed Entity ("HVDLE") pursuant to Regulation 15(1A) of SEBI Listing Regulations. Accordingly, Regulation 17 to Regulation 27 of the SEBI Listing Regulations were applicable on the Company.

Management's Responsibility for compliance with the conditions of SEBI Listing Regulations

2. The compliance with the conditions of Corporate Governance is the responsibility of the management of the Company, including the preparation and maintenance of all relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in SEBI Listing Regulations.

Our Responsibility

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. We have examined the relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with the Corporate Governance requirements by the Company.
5. We have conducted our examination in accordance with the Guidance Note on Corporate Governance Certificate and the Guidance Manual on Quality of Audit & Attestation Services issued by the Institute of Company Secretaries of India ("ICSI").

Opinion

6. In our opinion and to the best of our information and according to the explanations given to us and the representation made by the directors and the management, we hereby certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned SEBI Listing Regulations.
7. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Restriction on use

8. The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the SEBI Listing Regulations, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

Place: Jaipur
Date: May 28, 2025
UDIN: F003355G000470987

For **V. M. & Associates**
Company Secretaries
ICSI Unique Code P1984RJ039200)
PR 5447 / 2024

CS Manoj Maheshwari
Partner
Membership No.: FCS3355
C P No.: 1971

INDEPENDENT AUDITOR'S REPORT

To The Members of SK Finance Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of SK Finance Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2025, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and notes to the financial statements, including a summary of material accounting policies and other explanatory information.

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, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, and its profit, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("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 made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

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 of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matter to be communicated in our report.

Key Audit Matter	Auditor's Response
Impairment of loans Management estimates impairment provision using Expected Credit loss model for the loan exposure as per the Board approved policy which is in line with Ind AS and the Regulations. Measurement of loan impairment involves application of significant judgement by the management. The most significant judgements are: • Timely identification and classification of the impaired loans, including classification of assets into stage 1, 2, or 3 using criteria in accordance with Ind AS 109 including the impact of RBI's regulatory circulars, • The segmentation of loans for ECL assessment on a collective basis,	Our audit approach included testing the design, operating effectiveness of internal controls and substantive audit procedures in respect of impairment of loans. In particular, our procedures include: We examined Board approved policy approving methodologies for computation of ECL that addresses policies, procedures and controls for assessing and measuring credit risk on all lending exposures, commensurate with the size, complexity and risk profile specific to the borrowers. We evaluated the design and operating effectiveness of controls across the processes relevant to ECL, including the judgements and estimates used by the Management. We tested accuracy of the computation of the ECL estimate including reasonableness of the methodology used to determine macro- economic overlays and adjustments to the output of the ECL Model.

Key Audit Matter	Auditor's Response
• Determination of probability of defaults (PD) and loss given defaults (LGD) based on the default history of loans, subsequent recoveries made and other relevant factors. • Adjustments to model driven ECL results. The relevant disclosures are made in financial statements for ECL including those related to judgements and estimates used by the Management in determination of the ECL. Refer note 3(C), 8 and 44(8) to the financial statements.	We tested the completeness of loans and advances included in the Expected Credit Loss calculations as of 31 March 2025 by reconciling it with the balances as per loan balance register and loan commitment report as on that date. We tested assets in stage 1, 2 and 3 on sample basis to verify that they were allocated to the appropriate stage. We tested samples to ascertain the accuracy of the input data used for determining the PD and LGD rates. We tested the appropriateness of EAD, PD and LGD on sample basis. We assessed the adequacy and appropriateness of disclosures in compliance with Ind AS 107 in relation to ECL.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis and Directors' Report (the "Reports"), but does not include the financial statements and our auditor's report thereon. The Reports 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 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 on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.
- When we read the reports, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'.

Responsibilities of Management and Board of Directors for the Financial Statements

The Company's Board of Directors is 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 including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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, 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 the Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibility 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:

- 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.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- 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.
- 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 financial controls that we identify during our audit.

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

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

Other Matter

The financial statements of the Company for the year ended March 31, 2024, were audited by another

auditor who expressed an unmodified opinion on those statements on 28 May 2024.

Our opinion on the financial statements is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, 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 relevant books of account.

   d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 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 A”. 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) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion 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, as amended in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 37 to the financial statements;

   ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts - Refer Note 53 to the financial statements;

   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company;

   iv. (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in the note 91(viii) to the financial statements no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

   (b) The Management has represented, that, to the best of its knowledge and belief, as disclosed in the note 91(viii) to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

   (c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

   v. The Company has not declared or paid any dividend during the year and has not proposed final dividend for the year.

   vi. Based on our examination, which included test checks, the Company has used an accounting software for maintaining its books of account for the year ended March 31, 2025 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. Further, during the course of our audit, we did not come across any instance of the audit trail feature being tampered with.

   Additionally audit trail has been preserved by the Company as per the statutory requirements for record retention.

2. As required by the Companies (Auditor’s Report) Order, 2020 (“the Order”) issued by the Central Government in terms of Section 143(11) of the Act, we give in “Annexure B” a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm’s Registration No. 117365W)

G. K. Subramaniam
Partner Membership No. 109839
UDIN 25109839BMOFWE3915

Place: Jaipur
Date: May 28, 2025

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph f under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the "Act")

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

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The Company's management and Board of Directors are responsible for establishing and maintaining internal financial controls with reference to financial statements 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 on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note"). 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 of the Company based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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 authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

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.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2025, based on the criteria for internal financial control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 117365W)

G. K. Subramaniam
Partner Membership No. 109839
UDIN 25109839BMOFWE3915

Place: Jaipur
Date: May 28, 2025

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

(i) a. (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment, capital work-in-progress and relevant details of right-of-use assets.

(B) The Company has maintained proper records showing full particulars of intangible assets.

b. The Company has a program of verification of property, plant and equipment so to cover all the items once every 3 years which, in our opinion, it is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, no such assets were due for physical verification during the year. Since no physical verification of property, plant and equipment was due during the year the question of reporting on material discrepancies noted on verification does not arise.

c. Based on our examination of the registered sale deed provided to us, we report that, the title deeds of all the immovable properties, (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in property, plant and equipment are held in the name of the Company as at the balance sheet date.

d. The Company has not revalued any of its property, plant and equipment (including Right of Use assets) and intangible assets during the year, hence clause 3(i)(d) of the Order is not applicable.

e. No proceedings have been initiated during the year or are pending against the Company as at March 31, 2025 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii) a. The Company is engaged primarily in lending activities and consequently does not have any inventory and hence reporting under clause 3(ii)(a) of the Order is not applicable.

b. According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, at points of time during the year, from banks or financial institutions on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly statements comprising (stock statements, book debt statements, credit monitoring arrangement reports, statements on ageing analysis of the debtors/other receivables, and other stipulated financial information) filed by the Company with such banks or financial institutions are in agreement with the unaudited books of account of the Company of the respective quarters.

(iii) As explained in Note 1 to the financial statements, the Company is a non-deposit taking non-banking financial company (NBFC) registered with the Reserve Bank of India ("RBI") and as part of its business activities, is engaged in the business of lending across various types of loans.

During the year, in the ordinary course of its business, the Company has made investments in, provided security and granted loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties. The Company has not provided any guarantee to any other entity during the year. With respect to such investments, security and loans and advances:

a. The Company's principal business is to give loans, and hence reporting under clause 3(iii) (a) of the Order is not applicable.

b. In our opinion, having regard to the nature of the Company's business, the investments made, guarantees provided, security given and the terms and conditions of the grant of all the loans and advances in the nature of loans and guarantees provided, during the year are, prima facie, not prejudicial to the Company's interest.

c. In respect of loans and advances in the nature of loans (together referred to as "loan assets"), the schedule of repayment of principal and payment of interest has been stipulated. Note 3(C) to the Financial Statements explains the Company's accounting policy relating to impairment of financial assets which include loans assets. In accordance with that policy, loan assets with balances as at March 31, 2025, aggregating Rs. 31,093.97 lakh were categorised as credit impaired ("Stage 3") and Rs. 41,539.69 lakh were categorised as those where the credit risk has increased significantly since initial recognition ("Stage 2"). Disclosures in respect of such loans have been provided in Note 44(B)(i) to the Financial Statements. Additionally, out of loans and advances in the nature of loans with balances as at the year-end aggregating Rs. 11,08,501.83 lakh, where credit risk has not significantly increased since initial recognition (categorised as "Stage 1"), overdue in the repayment of interest and/or principal aggregating Rs. 6,727.67 lakh were also identified, albeit of less than 31 days. In all other cases, the repayment of principal and interest is regular. Having regard to the nature of the Company's business and the volume of information involved, it is not practicable to provide an itemised list of loan assets where delinquencies in the repayment of principal and interest have been identified.

d. The total amount in respect of loans and advances in the nature of loans overdue for more than ninety days, as at the year-end is Rs. 31,093.97 lakh. Reasonable steps are being taken by the Company for recovery of the principal and interest.

e. The Company's principal business is to give loans, and hence reporting under clause 3(iii) (e) of the Order is not applicable.

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. Hence, reporting under clause 3(iii)(f) is not applicable.

(iv) According to information and explanation given to us, the Company has not granted any loans, made investments or provided guarantees or securities that are covered under the provisions of sections 185 or 186 of the Companies Act, 2013, and hence reporting under clause 3(iv) of the Order is not applicable

(v) In our opinion and according to the information and explanations given to us, the Company being Non-Banking Finance Company registered with RBI provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014, as amended, are not applicable. We are informed by the Management of the Company that no order has been passed by the Company Law Board, National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal against the Company in this regard.

(vi) The maintenance of cost records has not been specified for the activities of the Company by the Central Government under section 148(1) of the Companies Act, 2013.

(vii) In respect of statutory dues:

a. The Company has generally been regular in depositing undisputed statutory dues, including Goods and Service Tax, Provident Fund, Employees' State Insurance, Income Tax, Cess and other material statutory dues applicable to it, with the appropriate authorities. As explained to us, the Company did not have any dues payable on account of sales tax, service tax, duty of customs, duty of excise and value added tax.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, cess and other material statutory dues in arrears as at March 31, 2025 for a period of more than six months from the date they became payable.

b. Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2025 on account of disputes are given below:

Name of the Statute	Nature of the Dues	Amount (Rs. in lakh)	Period to which the Amount Relates	Forum where Dispute is Pending
Finance Act, 1994	Service Tax	550.37	FY 2010-2015	Customs, Excise and Service Tax Appellate Tribunal
Finance Act, 1994	Service Tax	446.89	FY 2015-2018	Customs, Excise and Service Tax Appellate Tribunal
CGST Act, 2017	GST	591.80	FY 2017-2018	Goods and Service Tax Department- Additional Commissioner

Name of the Statute	Nature of the Dues	Amount (Rs. in lakh)	Period to which the Amount Relates	Forum where Dispute is Pending
CGST Act, 2017	GST	172.86	FY 2018-2019	Goods and Service Tax Department- Additional Commissioner
Income Tax Act, 1961	Income Tax	33.46	FY 2019-2020	Commissioner of Income Tax (Appeals)

(viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

(ix) With respect to reporting requirements of paragraph 3(ix) of the Order:

a. The Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

b. The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

c. To the best of our knowledge and belief, in our opinion, term loans availed by the Company were, applied by the Company during the year for the purposes for which the loans were obtained, other than temporary deployment.

d. On an overall examination of the maturity profile of financial assets and financial liabilities provided in Note XX to the financial statements of the Company, 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 any subsidiary or associate or joint venture during the year and hence, reporting under clause 3(ix)(e) of the Order is not applicable.

f. The Company does not have any subsidiary or associate or joint venture and hence reporting on clause 3(ix)(f) of the Order is not applicable.

(x) a. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.

b. During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable to the Company.

(xi) a. To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

b. To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

c. We have taken into consideration the whistle blower complaints received by the Company during the year (and upto the date of this report) and provided to us, while determining the nature, timing and extent of our audit procedures.

(xii) The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.

(xiii) The Company is in compliance with Section 177 and 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

(xiv) a. In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

b. We have considered, the internal audit reports issued to the Company during the year and covering the period upto March 31, 2025.

(xv) In our opinion, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with them and hence provisions of section 192 of the Act are not applicable to the Company.

(xvi) a. The Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and it has obtained the registration.

b. During the year, the Company has conducted 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) and hence reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.

d. According to the information and explanations provided to us, the Group does not have any CIC as part of the group and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.

(xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors of the Company during the year.

(xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, Asset Liability Maturity (ALM) pattern, other information accompanying the financial statements and 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 indicating 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) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there are no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause 3(xx) of the Order is not applicable for the year.

(xxi) The Company did not have any Subsidiary, Associate or Joint Venture and hence, reporting under the clause (xxi) of the Order is not applicable.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 117365W)

G. K. Subramaniam
Partner Membership No. 109839
UDIN 25109839BMOFWE3915

Place: Jaipur
Date: May 28, 2025

Balance Sheet

As at March 31, 2025

(₹ in lakhs except otherwise stated)

Particulars	Note No.	As at March 31, 2025	As at March 31, 2024
ASSETS			
Financial assets			
Cash and cash equivalents	4	38,569.15	40,999.64
Bank balance other than cash and cash equivalents	5	1,51,846.12	1,55,476.42
Derivative financial instruments	6	565.83	1,980.01
Receivables			
Other receivables	7	1,682.27	7.41
Loans	8	11,84,088.05	9,64,384.41
Investments	9	1,03,941.03	28,754.70
Other financial assets	10	35,326.43	14,356.86
Total financial assets		**15,16,018.88**	**12,05,959.45**
Non-financial assets			
Current tax assets (net)		348.46	2,310.37
Deferred tax assets (net)	33	1,091.21	1,972.62
Property, plant and equipment	11	21,585.03	17,972.99
Capital work-in-progress	12	-	208.37
Intangible assets under development	13	275.64	-
Other intangible assets	14	956.50	1,356.31
Other non-financial assets	15	1,664.19	1,132.11
Total non-financial assets		**25,921.03**	**24,952.77**
Total assets		**15,41,939.91**	**12,30,912.22**
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
Derivative financial instruments	6	894.95	67.70
Debt securities	16	2,17,668.36	1,53,655.91
Borrowings (other than debt securities)	17	9,42,740.83	7,39,832.06
Other financial liabilities	18	27,614.23	23,787.38
Total financial liabilities		**11,88,918.37**	**9,17,343.05**
Non-financial liabilities			
Provisions	19	1,194.97	1,472.38
Other non-financial liabilities	20	1,644.77	1,238.69
Total non-financial liabilities		**2,839.74**	**2,711.07**
EQUITY			
Equity share capital	21	1,340.01	1,337.44
Other equity	22	3,48,841.79	3,09,520.66
Total equity		**3,50,181.80**	**3,10,858.10**
Total liabilities and equity		**15,41,939.91**	**12,30,912.22**
Material accounting policies	1-3		

The accompanying notes form an integral part of the financial statements.
As per our report of even date attached

For **Deloitte Haskins & Sells**
Chartered Accountants
Firm Registration No: 117365W

G.K. Subramaniam
Partner
ICAI Membership No. 109839

Place : Jaipur
Date : May 28, 2025

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

Rajendra Kumar Setia
(Managing Director & CEO)
DIN - 00957374

Atul Arora
(Chief Financial Officer)

Place : Jaipur
Date : May 28, 2025

Yash Setia
(Whole Time Director)
DIN - 09831391

Anagha Bangur
(Company Secretary)
Membership No.: F10697

Statement of Profit and Loss (including other comprehensive income)

For the year ended March 31, 2025

(₹ in lakhs except otherwise stated)

	Particulars	Note No.	For the year ended March 31, 2025	For the year ended March 31, 2024
	Revenue from operation			
	Interest income	23	2,12,020.20	1,63,283.66
	Fees and commission income	24	9,662.05	6,165.22
	Net gain on fair value changes	25	-	704.66
	Net gain on de-recognition of financial instruments under amortised cost category	26	16,111.89	8,965.92
(I)	**Total revenue from operations**		**2,37,794.14**	**1,79,119.46**
(II)	Other income	27	843.63	675.45
(III)	**Total income (I+II)**		**2,38,637.77**	**1,79,794.91**
	Expenses			
	Finance costs	28	97,130.69	74,734.23
	Net loss on fair value changes	25	281.40	-
	Impairment on financial instruments	29	23,876.97	11,943.35
	Employee benefits expenses	30	49,792.94	38,633.73
	Depreciation and amortization	31	4,649.45	3,611.35
	Other expenses	32	14,430.23	10,940.12
(IV)	**Total expenses**		**1,90,161.68**	**1,39,862.78**
(V)	**Profit before tax (III-IV)**		48,476.09	39,932.13
(VI)	**Tax expense**	33		
	(1) Current tax		9,290.48	8,037.83
	(2) Deferred tax		1,218.90	701.97
	Total tax expense		**10,509.38**	**8,739.80**
(VII)	**Profit for the year (V-VI)**		**37,966.71**	**31,192.33**
(VIII)	**Other comprehensive income**	33		
	Items that will not be reclassified to profit or loss			
	Remeasurements of the defined benefit plans		(192.71)	(136.69)
	Income tax relating to items that will not be reclassified to profit or loss		48.50	34.40
	Items that will be reclassified to profit or loss			
	Cash flow hedge reserve		(1,148.22)	-
	Income tax relating to items that will be reclassified to profit or loss		288.98	-
	Other comprehensive income		**(1,003.45)**	**(102.29)**
(IX)	**Total comprehensive income for the year (VII+VIII) (comprising profit and other comprehensive income for the year)**		**36,963.26**	**31,090.04**
(X)	**Earnings per equity share par value of ₹ 1 each**	34		
	Basic (₹)		28.36	25.00
	Diluted (₹)		28.15	24.70
Material accounting policies		1-3		

The accompanying notes form an integral part of the financial statements.
As per our report of even date attached

For **Deloitte Haskins & Sells**
Chartered Accountants
Firm Registration No: 117365W

G.K. Subramaniam
Partner
ICAI Membership No. 109839

Place : Jaipur
Date : May 28, 2025

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

Rajendra Kumar Setia
(Managing Director & CEO)
DIN - 00957374

Atul Arora
(Chief Financial Officer)

Place : Jaipur
Date : May 28, 2025

Yash Setia
(Whole Time Director)
DIN - 09831391

Anagha Bangur
(Company Secretary)
Membership No.: F10697

Statement of Cash Flows

For the year ended March 31, 2025

(₹ in lakhs except otherwise stated)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Cash flows from operating activities		
Profit before tax	48,476.09	39,932.13
Adjustments for:		
Loss/(gain) on sale of property, plant and equipment	3.94	(4.32)
Finance costs	97,120.26	74,685.54
Interest income	(2,12,020.20)	(1,63,283.66)
Net gain on de-recognition of financial instruments under amortised cost category	(16,111.89)	(8,965.92)
Net gain on investments	(2.65)	(1,338.81)
Impairment on financial instruments	23,876.97	11,943.35
Employee share based payment expenses	1,752.60	1,442.02
Depreciation and amortization	4,649.45	3,611.35
	(52,255.43)	**(41,978.32)**
Cash inflow from interest on loans	1,94,296.95	1,49,419.70
Cash outflow towards finance cost	(96,074.23)	(68,268.10)
Cash generated from operation before working capital changes	**45,967.29**	**39,173.28**
Working capital changes:		
(Increase)/decrease in trade receivables	(1,674.86)	1,067.72
(Increase) in loans	(2,43,253.29)	(2,74,563.30)
(Increase)/decrease in other financial assets	(10,462.01)	430.66
(Increase) in other non-financial assets	(532.08)	(446.09)
Increase in other financial liabilities	6,135.55	10,061.81
Increase/(decrease) in provisions	(470.12)	279.51
Increase/(decrease) in other non-financial liabilities	406.08	(44.47)
	(2,03,883.44)	**(2,24,040.88)**
Income taxes paid (net of refunds)	(7,328.58)	(8,119.68)
Net cash (used in) operating activities (A)	**(2,11,212.02)**	**(2,32,160.56)**
Cash flows from investing activities		
Purchase of property, plant and equipment, capital work in progress and other intangible assets	(8,082.82)	(8,450.44)
Proceeds from sale of property plant and equipment	149.93	134.89
Investment in fixed deposits	(1,31,274.98)	(1,64,573.76)
Proceeds from redemption of fixed deposits	1,37,175.67	56,324.40
Purchase of investments	(9,25,659.57)	(9,72,039.71)
Proceeds from redemptions of investments	8,51,358.48	9,96,064.66
Interest received on investments	19,763.36	13,383.90
Net cash (used in) investing activities (B)	(56,569.93)	(79,156.06)

Statement of Cash Flows

For the year ended March 31, 2025

(₹ in lakhs except otherwise stated)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Cash flows from financing activities		
Proceeds from issue of shares including securities premium (net off expenses)	767.86	94,952.15
Proceeds from issue of debt securities	1,68,247.72	51,000.00
Repayment of debt securities	(1,05,852.75)	(70,617.33)
Proceeds from borrowings (other than debt securities)	5,98,035.49	4,64,384.69
Repayment of borrowings (other than debt securities)	(3,93,538.14)	(2,61,376.89)
Payment of lease liability	(2,308.72)	(1,775.07)
Net cash generated from financing activities (C)	**2,65,351.46**	**2,76,567.55**
Net increase / (decrease) in cash and cash equivalents (A+B+C)	(2,430.49)	(34,749.07)
Add : Cash and cash equivalents as at the beginning of the year	40,999.64	75,748.71
Cash and cash equivalents as at the end of the year*	**38,569.15**	40,999.64
*Components of cash and cash equivalents as at the end of the year (refer note 4)		
Balances with banks	22,550.40	35,417.15
Term deposits with original maturity of 3 months or less	13,221.62	3,628.89
Cash on hand	2,797.13	1,953.60
	38,569.15	40,999.64

Change in liabilities arising from financing activities

Particulars	As at April 1, 2023	Issued/ taken	Repaid	Non-cash changes*	As at March 31, 2024	Issued/ taken	Repaid	Non-cash changes*	As at March 31, 2025
Debt securities	1,71,495.99	51,000.00	(70,617.33)	1,777.25	1,53,655.91	1,68,247.72	(1,05,852.75)	1,617.48	2,17,668.36
Borrowings (other than debt securities)	5,32,818.22	4,64,384.69	(2,61,376.89)	4,006.04	7,39,832.06	5,98,035.49	(3,93,538.14)	(1,588.58)	9,42,740.83
Subordinated liabilities	-	-	-	-	-	-	-	-	-
Lease liability	6,863.50	3,532.94	(1,775.07)	569.05	9,190.42	3,742.01	(2,217.39)	742.52	11,457.56
Total	**7,11,177.71**	**5,18,917.63**	**(3,33,769.29)**	**6,352.33**	**9,02,678.39**	**7,70,025.22**	**(5,01,608.28)**	**771.42**	**11,71,866.75**

* Non-cash changes includes amortisation of transaction cost, accrued interest, exchange differeance and change in lease liability on account of termination.

Material accounting policies 1-3

The above statement of cash flows has been prepared under the 'indirect method' as set out in Ind AS 7 - 'Statement of cash flows'.

The accompanying notes form an integral part of the financial statements.
As per our report of even date attached

For **Deloitte Haskins & Sells**
Chartered Accountants
Firm Registration No: 117365W

G.K. Subramaniam
Partner
ICAI Membership No. 109839

Place : Jaipur
Date : May 28, 2025

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

Rajendra Kumar Setia
(Managing Director & CEO)
DIN - 00957374

Atul Arora
(Chief Financial Officer)

Place : Jaipur
Date : May 28, 2025

Yash Setia
(Whole Time Director)
DIN - 09831391

Anagha Bangur
(Company Secretary)
Membership No.: F10697

Statement of Changes in Equity

For the year ended March 31, 2025

(₹ in lakhs except otherwise stated)

A. Equity share capital

Particulars	As at March 31, 2025	As at March 31, 2024
Balance at the beginning of the reporting year	1,337.44	586.39
Changes in equity share capital during the year	2.57	751.05
Balance at the end of the reporting year	**1,340.01**	**1,337.44**

Equity share capital

Particulars	As at March 31, 2025		As at March 31, 2024	
Equity shares of ₹ 1 each issued, subscribed and fully paid	Number	Amount	Number	Amount
Balance at the beginning of the reporting year	13,37,45,064	1,337.44	2,84,29,328	568.58
Changes in equity share capital due to prior period errors	-	-	-	-
Restated balance at the beginning of the current/previous year	13,37,45,064	1,337.44	2,84,29,328	568.58
Changes in equity share capital during the year	2,57,140	2.57	10,53,15,736	768.86
Balance at the end of the reporting year	**13,40,02,204**	**1,340.01**	**13,37,45,064**	**1,337.44**

Particulars	As at March 31, 2025		As at March 31, 2024	
Equity shares of ₹ 1 each issued, subscribed and partly paid (March 31, 2024: partly paid up ₹ 1.75 each)	Number	Amount	Number	Amount
Balance at the beginning of the reporting year	-	-	10,17,447	17.81
Changes in equity share capital due to prior period errors	-	-	-	-
Restated balance at the beginning of the current/previous year	-	-	10,17,447	17.81
Changes in equity share capital during the year	-	-	(10,17,447)	(17.81)
Balance at the end of the reporting year	**-**	**-**	**-**	**-**

Note 1 - refer note 21(f) for description of changes in equity shares during the year.

B. Other equity

Particulars	Share application money pending allotment	Reserves and surplus					Other comprehensive income on	Total
		Statutory reserve	Securities premium	Share options outstanding account	Retained earnings- other than remeasurement of post employment benefit obligations	Retained earnings- remeasurement of post employment benefit obligations	Effective portion of cash flow hedges	
Balance as at April 1, 2023	**-**	**13,358.74**	**1,14,358.01**	**986.93**	**54,190.65**	**(106.83)**	**-**	**1,82,787.50**
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-
Restated balance as at April 1, 2023	**-**	**13,358.74**	**1,14,358.01**	**986.93**	**54,190.65**	**(106.83)**	**-**	**1,82,787.50**
Profit for the year (net of tax)	-	-	-	-	31,192.33	-	-	31,192.33
Other comprehensive income for the year (net of tax)	-	-	-	-	-	(102.29)	-	(102.29)
Total Comprehensive income for the year ended March 31, 2024	**-**	**-**	**-**	**-**	**31,192.33**	**(102.29)**	**-**	**31,090.04**
Transfer/utilizations								

Statement of Changes in Equity

For the year ended March 31, 2025

(₹ in lakhs except otherwise stated)

Particulars	Share application money pending allotment	Reserves and surplus					Other comprehensive income on	Total
		Statutory reserve	Securities premium	Share options outstanding account	Retained earnings- other than remeasurement of post employment benefit obligations	Retained earnings- remeasurement of post employment benefit obligations	Effective portion of cash flow hedges	
Application money received/ (adjusted) during the year	160.02	-	-	-	-	-	-	160.02
Transfer to statutory reserve	-	6,238.47	-	-	(6,238.47)	-	-	-
Securities premium on fresh issue of equity share capital		-	95,772.54	-	-	-	-	95,772.54
Securities premium on transfer of ESOP Shares to employees	-	-	318.72	-	-	-	-	318.72
Share issue expenses		-	(1,072.61)	-	-	-	-	(1,072.61)
Share options exercised during the year	-	-	162.46	(162.46)	-	-	-	-
Share based payment expenses	-	-	-	1,133.17	-	-	-	1,133.17
Transfer of reserve on account of bonus issue	-	-	-	-	(668.72)	-	-	(668.72)
Balance as at March 31, 2024	**160.02**	**19,597.21**	**2,09,539.12**	**1,957.64**	**78,475.79**	**(209.12)**	**-**	**3,09,520.66**
Balance as at April 1, 2024	**160.02**	**19,597.21**	**2,09,539.12**	**1,957.64**	**78,475.79**	**(209.12)**	**-**	**3,09,520.66**
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-
Restated balance as at April 1, 2024	**160.02**	**19,597.21**	**2,09,539.12**	**1,957.64**	**78,475.79**	**(209.12)**	**-**	**3,09,520.66**
Profit for the year (net of tax)	-	-	-	-	37,966.71	-	-	37,966.71
Other comprehensive income for the year (net of tax)	-	-	-	-	-	(144.21)	(859.24)	(1,003.45)
Total Comprehensive income for the year ended March 31, 2025	**-**	**-**	**-**	**-**	**37,966.71**	**(144.21)**	**(859.24)**	**36,963.26**
Transfer/utilizations								
Application money received/ (adjusted) during the year	(160.02)	-	-	-	-	-	-	(160.02)
Transfer to statutory reserve	-	7,593.34	-	-	(7,593.34)	-	-	-
Securities premium on fresh issue of equity share capital	-	-	-	-	-	-	-	-
Securities premium on transfer of ESOP shares to employees	-	-	765.29	-	-	-	-	765.29
Share issue expenses	-	-	-	-	-	-	-	-
Share options exercised during the year	-	-	343.60	(343.60)	-	-	-	-
Share based payment expenses	-	-	-	1,752.60	-	-	-	1,752.60
Balance as at March 31, 2025	**-**	**27,190.55**	**2,10,648.01**	**3,366.64**	**1,08,849.16**	**(353.33)**	**(859.24)**	**3,48,841.79**

Material accounting policies 1-3

The accompanying notes form an integral part of the financial statements.
As per our report of even date attached

For **Deloitte Haskins & Sells**
Chartered Accountants
Firm Registration No: 117365W

G.K. Subramaniam
Partner
ICAI Membership No. 109839

Place : Jaipur
Date : May 28, 2025

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

Rajendra Kumar Setia
(Managing Director & CEO)
DIN - 00957374

Atul Arora
(Chief Financial Officer)

Place : Jaipur
Date : May 28, 2025

Yash Setia
(Whole Time Director)
DIN - 09831391

Anagha Bangur
(Company Secretary)
Membership No.: F10697

Notes to the Financial Statement

For the year ended March 31, 2025

Note 1 – Corporate Information

SK Finance Limited ("SKFL" or "the Company") is a Public Limited Company incorporated under the provisions of the Companies Act, 1956. The Company is holding a Certificate of Registration ('CoR') and registered as a Non-Banking Financial Company ('NBFC') as defined under Section 45-IA of the Reserve Bank of India ('RBI') Act, 1934 and having its registered office in G 1-2, New Market, Khasa Khoti, Jaipur-302001 Rajasthan. The Company is a NBFC classified under 'Middle Layer' pursuant to Scale Based Regulations prescribed by the RBI vide its Circular Ref. No. RBI/2021-22/112 DOR CRE.REC. No.60/03.10.001/2021-22 dated October 22, 2021 as amended read with Master Direction - Reserve Bank of India (Non-Banking Financial Company - Scale Based Regulation) Directions, 2023 dated October 19, 2023 as amended. The Company is engaged in the business of asset financing, lending to Small and Medium Enterprises and allied activities.

Note 1A – Basis of preparation

A. Statement of compliance and basis of preparation of financial statements

The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income) and the Statement of Changes in Equity are prepared and presented in the format prescribed in the Division III of Schedule III to the Companies Act, 2013 (the ´Act'). The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 'Statement of Cash Flows'. The Balance Sheet, The Statement of Profit and Loss (including other comprehensive income), The Statement of Cash Flows, The Statement of Changes in Equity and notes to the financial statements, including a summary of material accounting policies and other explanatory information are together referred as the 'financial statements' of the Company.

The financial statements of the Company as at and for the year ended March 31, 2025 have been prepared and presented in accordance with the accounting principle generally accepted in India specified under Section 133 of the 'Act' read with the Companies (Indian Accounting Standards) Rules 2015, as amended.

The financial statements are prepared and presented on accrual and going concern basis and the relevant provisions of Act and the guidelines and directives issued by the Reserve Bank of India (RBI) to the extent applicable. Any application guidance/ clarifications/ directions issued by RBI or other regulators are implemented as and when they are issued/ applicable.

These financial statements were authorized for issue by the Company's Board of Directors in their meeting held on May 28, 2025.

B. Basis of measurement

These financial statements have been prepared on the historical cost basis except for certain financial assets and liabilities that are measured at fair value/amortised cost, as applicable (refer to material accounting policies), net defined (asset)/ liability, present value of defined benefit obligations at fair value, investments carried at fair value and liabilities for equity-settled share-based payment arrangements at fair value. The methods used to measure fair value are detailed further in notes to financial statements.

C. Functional and presentation currency

These financial statements are prepared in Indian Rupees (INR or ₹), which is the Company's functional currency. All financial information presented in INR or ₹ has been rounded to the nearest lakhs and two decimals thereof, except as stated otherwise. The Company presents its Balance sheet in order of liquidity.

Note -2 Use of estimates and judgements

The preparation of financial statements to be in conformity with the Ind AS requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as on the date of the financial statements and the reported income and expenses during the reported period. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates. The estimates and the underlying assumptions are reviewed on an ongoing basis.

Judgement, estimates and assumptions are required in particular for:

I. Determination of estimated useful lives of property, plant and equipment and intangible assets

Useful lives of property, plant and equipment and intangible assets are based on the life prescribed in Part C of Schedule II of the 'Act'.

Notes to the Financial Statement

For the year ended March 31, 2025

II. Measurement of defined benefit obligations

The obligation arising from defined benefit plan is determined on the basis of actuarial valuation. Key actuarial assumptions which form the basis of above valuation includes discount rate, trends in salary escalation, demographics and life expectancy.

III. Recognition of deferred tax

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, depreciation carry-forwards and tax credits. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences and depreciation carry-forwards could be utilized.

IV. Recognition and measurement of provisions and contingencies

The recognition and measurement of provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the reporting date. The actual outflow of resources at a future date may therefore, vary from the amount included in other provisions.

V. Fair value of share-based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which depends on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option or appreciation right, volatility, future salary increases and dividend yield and making assumptions about them.

For the measurement of the fair value of equity-settled transactions with employees at the grant date, the Company uses a Black-Scholes model.

VI. Fair value of financial instruments

The fair value of financial instruments 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 another valuation technique. When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. Judgements and estimates include considerations of liquidity and model inputs related to items such as credit risk (both own and counterparty), funding value adjustments, correlation and volatility.

VII. Business model assessment

Classification and measurement of financial assets depends on the results of the SPPI (Solely Payments of Principal and Interest) and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed. The Company monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held.

VIII. Effective Interest Rate (EIR) method

The Company's EIR methodology recognises interest income/expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given/taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the financial instruments. This estimation, by nature, requires an element of judgement regarding the expected behaviour 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.

IX. Impairment of financial assets

The Company recognizes loss allowances for Expected Credit Losses (ECL) on its financial

Notes to the Financial Statement

For the year ended March 31, 2025

assets measured at amortized cost, Fair Value through Other Comprehensive Income (FVOCI) and Fair Value through Profit and Loss (FVTPL). At each reporting date, the Company assesses whether the above financial assets are credit-impaired. A financial asset is 'credit- impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

X. Determination of lease term

Ind AS 116 Leases requires lessee to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes assessment on the expected lease term on lease by lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of lease and the importance of the underlying to the Company's operations taking into account the location of the underlying asset and the availability of the suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

XI. Discount rate for lease liability and right of use assets

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics. And discount rate of security deposits is generally based on the SBI deposit rate at the time of deposit.

Note 3 – Material accounting policies

This note provides a list of the material accounting policies adopted in the preparation of these financial statements. Accounting policies are consistently applied except where a newly-issued Ind AS initially adopted or a revision to an existing Ind AS requires a change in the accounting policy.

A. Property, plant and equipment

i. Recognition and measurement

Property, Plant and Equipment (PPE) are stated at cost less accumulated depreciation and impairment losses, if any.

Cost of an item of PPE comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use.

Advances paid towards acquisition of PPE outstanding at each balance sheet date is classified as capital advances under other non-financial assets and cost of assets not ready to use before such date are disclosed under capital work-in-progress. The capital work-in-progress is stated at cost less impairment, if any.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company and cost of respective item can be measured reliably.

iii. Depreciation, estimated useful lives and residual value

Depreciation is calculated using the straight-line method to write down the cost of property, plant and equipment to their residual values over their estimated useful lives in the manner prescribed in Part C of the Schedule II of the 'Act', and is recognised in the statement of profit and loss (including other comprehensive income). Depreciation is charged on a pro-rata basis for assets acquired/sold during the year from/to the date of acquisition/sale. The Company has estimated 5% residual value at the end of the useful life for all block of assets.

The estimated useful lives of items of PPE for the current and comparative periods are as follows:

Nature of assets	Useful life as per part c Schedule II of the 'Act'	Useful life adopted by the Company
Furniture and fixture	10 years	10 years
Vehicles	8 years	8 years
Office equipment	5 years	5 years
Computers and accessories	3 years	3 years
Servers and networks	6 years	6 years
Plant and equipment	15 years	15 years

Notes to the Financial Statement

For the year ended March 31, 2025

Leasehold improvements are depreciated over the remaining period of lease or estimated useful life of the assets, whichever is lower.

The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted prospectively if appropriate.

Changes in the expected useful life are accounted for by changing the depreciation period or methodology, as appropriate, and treated as changes in accounting estimates prospectively.

iv. De-recognition

PPE are de-recognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on de-recognition of the asset is recognised in other income/expense in the Statement of Profit and Loss (including other comprehensive income) in the year the asset is de-recognised.

B. Intangible assets

i. Recognition and measurement

Intangible assets are stated at cost of acquisition less accumulated amortization and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates.

Intangible assets not ready for the intended use on the date of Balance Sheet are disclosed as 'Intangible assets under development'.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in the Statement of Profit and Loss (including other comprehensive income) as incurred.

iii. Amortisation

Intangible assets comprise computer software which is amortized on a straight-line basis over the estimated useful economic life. The useful life of the intangible assets are estimated at 3 to 5 years.

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

iv. De-recognition

Intangible assets are de-recognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on de-recognition of the asset is recognised in other income/expense in the Statement of Profit and Loss (including other comprehensive income) in the year the asset is de-recognised.

C. Impairment of financial assets

Methodology for computation of Expected Credit Losses (ECL)

The financial instruments covered within the scope of ECL include financial assets measured at amortised cost and FVOCI.

The loss allowance has been measured using lifetime ECL except for financial assets on which there has been no significant increase in credit risk since initial recognition. In such cases, loss allowance has been measured at 12 month ECL.

At each reporting date, the Company assesses whether any financial asset carried at amortised cost and FVOCI is credit-impaired. A financial asset is credit- impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred since initial recognition. Evidence that a financial asset is credit-impaired includes the observable data such as Days Past Due ('DPD') or default event.

ECL is a probability weighted estimate of credit losses, measured as follows:

ECL has been estimated by determining the probability of default ('PD'), loss given default ('LGD') and Exposure at Default ('EAD'). PD has been computed using observed history of default and converted into forward looking PD's using suitable macro-economic variable data. For the financial assets that are credit impaired at the reporting date, the methodology is similar with PD set at 100%.

For trade receivables, the Company applies a simplified approach. It recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

Notes to the Financial Statement

For the year ended March 31, 2025

Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

Criteria used for determination of movement from stage 1 (12 month ECL) to stage 2 (lifetime ECL), stage 3 (Credit impaired)

The Company applies a three-stage approach to measure ECL on financial assets measured at amortised cost. The assets migrate through the following three stages based on an assessment of qualitative and quantitative considerations:

- **Stage 1: 12 month ECL:**

  For exposures where there has not been a significant increase in credit risk since initial recognition and that are not credit impaired upon origination, the portion of the lifetime ECL associated with the probability of default events occurring within the next 12 months is recognised. Interest income is accrued using the EIR on the gross carrying amount.

- **Stage 2: Lifetime ECL (significant impaired):**

  At each reporting date, the Company assesses whether there has been a significant increase in credit risk for financial assets since initial recognition. In determining whether credit risk has increased significantly since initial recognition, the Company uses DPD information and other qualitative factors to assess deterioration in credit quality of a financial asset.

  For credit exposures where there has been a significant increase in credit risk since initial recognition but that are not credit impaired, a lifetime ECL is recognised. Interest income is accrued using the EIR on the gross carrying amount.

- **Stage 3: Credit impaired:**

  Financial assets are assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the asset have occurred. For financial assets that have become credit impaired, a lifetime ECL is recognised and interest revenue is calculated by applying the EIR to the amortized cost (net of loss allowance).

  If, in a subsequent period, credit quality improves and reverses any previously assessed significant increase in credit risk since origination, then the ECL reverse from lifetime ECL (credit impaired) to lifetime ECL (significant impaired)/12-months ECL.

Method used to compute lifetime ECL:

The Company calculates ECLs based on a probability-weighted scenarios to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to the Company in accordance with the contract and the present value of cash flows that the entity expects to receive. The Company applies statistical techniques to estimate lifetime ECL.

Manner in which forward looking assumptions are incorporated in ECL estimates:

The Company considers its historical loss experience and adjusts it for current observable data. In addition, the Company uses reasonable forecasts of future economic conditions including judgement to estimate the amount of ECL. The methodology and assumptions including any forecasts of future economic conditions are periodically reviewed and changes, if any, are accounted for prospectively.

D. Impairment of non-financial assets

The carrying values of assets/cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists. If the carrying amount of the assets exceeds the estimated recoverable amount, an impairment is recognised for such excess amount in the Statement of Profit and Loss (including other comprehensive income).

The recoverable amount is the greater of the fair value less costs of disposal and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on pre-tax discount rate.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods which no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss (including other comprehensive income), to the extent the amount was previously charged to the statement of profit and loss (including other comprehensive income).

Notes to the Financial Statement

For the year ended March 31, 2025

E. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value (except trade receivables which is at transaction price) and, in the case of financial assets not recorded at fair value through profit or loss, transaction fees or costs that are directly attributable and incremental to the origination/ acquisition of the financial asset.

All regular way purchase or sale of financial assets are recognised and derecognised on a trade date basis.

Regular way purchase or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Classification

The Company classifies its financial assets as subsequently measured at either amortized cost or fair value based on the business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Business model assessment

The Company assesses the objective of a business model in which an asset is held such that it best reflects the way the business is managed and is consistent with information provided to management. The information considered includes:

- The objectives for the portfolio, in particular, management's strategy of focusing on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of the assets;
- The frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Company's stated objective for managing the financial assets is achieved and how cash flows are realised;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed.

Assessment whether contractual cash flows is solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

Subsequent measurement and gains and losses:

The Company classifies its financial assets in the following measurement categories:

(i) Amortised cost (AC)

A financial asset is measured at amortised cost if it meets both of the following conditions:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. EIR is being calculated by considering all costs and incomes attributable to acquisition of a financial asset reported as part of interest income in the Statement of Profit and Loss (including other comprehensive income). The losses if any, arising from impairment are recognised in

Notes to the Financial Statement

For the year ended March 31, 2025

the Statement of Profit and Loss (including other comprehensive income).

(ii) Fair value through profit and loss (FVTPL)

This is a residual category for classification. Any asset which does not meet the criteria for classification as at amortised cost or FVOCI, is classified as FVTPL. Financial assets at FVTPL are measured at fair value, and changes in fair value therein are recognised in the Statement of Profit and Loss (including other comprehensive income).

(iii) Fair value through other comprehensive income (FVOCI)

Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that meets the SPPI test, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognized in the other comprehensive income (OCI).

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

The Company issues non-convertible debentures, the return of which is linked to performance of specified indices market indicators over the period of the debenture. Such debentures have a component of an embedded derivative which is fair valued at a reporting date. The resultant 'net unrealised loss or gain' on the fair valuation of these embedded derivatives is recognised in the Statement of Profit and Loss (including other comprehensive income). The debt component of such debentures is measured at amortised cost using yield to maturity basis.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by Company are recognised at the proceeds received.

Financial liabilities

All financial liabilities are recognised initially at fair value. In the case of financial liabilities not recorded at fair value through profit or loss, the financial liabilities are recognized at fair value plus transaction fees or costs that are directly attributable and incremental to the origination/ acquisition of the financial liabilities.

All financial liabilities are subsequently measured at amortised cost using EIR method. Liabilities which are classified at fair value through profit or loss, including derivatives that are liabilities, shall be subsequently measured at fair value. Interest expense and foreign exchange gains and losses are recognised in the Statement of Profit and Loss (including other comprehensive income). Any gain or loss on derecognition is also recognised in the Statement of Profit and Loss (including other comprehensive income).

F. Derecognition of financial assets and financial liabilities

Financial Assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under assignment arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The Company assesses the derecognition test where the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred or retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in the Statement of Profit and Loss (including other comprehensive income).

Financial liability

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The difference between the carrying value of the financial liability and the consideration paid is recognised in the Statement of Profit and Loss (including other comprehensive income).

G. Write-offs

Financial assets are written off when there is no realistic prospect of recovery. This is generally the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts or fraud cases. Any subsequent recoveries are credited to impairment on financial instruments in the Statement of Profit and Loss (including other comprehensive income). However, financial assets that are written-off may be subject to enforcement activities to comply with the Company's procedures for recovery of amounts due.

H. Measurement of 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 between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company has taken into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

The Company's accounting policies and disclosures require the measurement of fair values for financial instruments such as investments etc.

When measuring the fair value of a financial asset or a financial liability, the Company uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:-

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

I. Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business.

J. Derivative financial instruments

The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate risk and foreign exchange rate risk. Derivatives held include foreign exchange forward contracts, interest rate swaps and cross currency 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. 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.

Notes to the Financial Statement

For the year ended March 31, 2025

Derivative financial instruments are initially recognised at fair value on the date at which a derivative contract is entered into and are subsequently re-measured at fair value at the end of each reporting period. The resulting gain or loss is recognised in the Statement of Profit and Loss (including other comprehensive income).

Derivatives embedded in a host contract that is an asset within the scope of Ind AS 109 are not separated. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Derivatives embedded in all other host contract are separated only if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host and are measured at fair value through profit or loss.

K. Hedge accounting

The Company makes use of derivative instruments to manage exposures to interest rate and foreign currency. In order to manage particular risks, the Company applies hedge accounting for transactions that meet specified criteria. At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging / economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the Company would assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an on-going basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges that meet the criteria for hedge accounting are accounted for, as described below:

Fair value hedges

Fair value hedges hedge the exposure to changes in the fair value of a recognised asset or liability, or an identified portion of such an asset, liability that is attributable to a particular risk and could affect the Statement of Profit and Loss (including other comprehensive income).

For designated and qualifying fair value hedges, the cumulative change in the fair value of a hedging derivative is recognised in the Statement of Profit and Loss (including other comprehensive income) in net gain/(loss) on fair value changes. Meanwhile, the cumulative change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item in the balance sheet and is also recognised in the Statement of Profit and Loss (including other comprehensive income) in net gain/(loss) on fair value changes.

The Company classifies a fair value hedge relationship when the hedged item (or group of items) is a distinctively identifiable asset or liability hedged by one or a few hedging instruments. If the hedging instrument expires or is sold, terminated or exercised, or where the hedge no longer meets the criteria for hedge accounting, the hedge relationship is discontinued prospectively. If the relationship does not meet hedge effectiveness criteria, the Company discontinues hedge accounting from the date on which the qualifying criteria is no longer met. For hedged items recorded at amortised cost, the accumulated fair value hedge adjustment to the carrying amount of the hedged item on termination of the hedge accounting relationship is amortised over the remaining term of the original hedge using the recalculated EIR method by recalculating the EIR at the date when the amortisation begins. If the hedged item is derecognised, the unamortised fair value adjustment is recognised immediately in the Statement of Profit and Loss (including other comprehensive income).

Cash flow hedges

A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability (such as all or some future interest payments on variable rate debt) or a highly probable forecast transaction and could affect profit and loss. For designated and qualifying cash flow hedges, the effective portion of the cumulative gain or loss on the hedging instrument is initially recognised directly in OCI within equity (cash flow hedge reserve). The ineffective portion of the gain or loss on the hedging instrument is recognised immediately in the Statement of Profit and Loss. When the hedged cash flow affects the statement of profit and loss, the effective portion of the gain or loss on the hedging instrument is recorded in the corresponding income or expense line of the statement of profit and loss. When a hedging instrument expires, is sold, terminated, exercised, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss that has been recognised in OCI at that time remains in OCI and is recognised when the hedged forecast transaction is ultimately recognised in the statement of profit and loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in OCI is immediately transferred to the statement of profit and loss.

L. Revenue recognition

Interest income

Interest income from financial asset is recognised by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets.

The EIR is the rate that discounts the estimated future cash flows through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset adjusted for transaction fees or costs that are directly attributable. The interest income is recognised on EIR method on a time proportion basis applied on the carrying amount for financial assets.

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is recorded as a positive or negative adjustment to the carrying amount of the asset in the Balance Sheet with an increase or reduction in interest income. The adjustment is subsequently amortised through Interest income in the Statement of Profit and Loss (including other comprehensive income).

Interest income on credit impaired assets is recognised by applying the EIR to the amortised cost (i.e. carrying value net of loss allowance) of the financial asset.

Delayed payment interest levied on customers for delay in repayments/non-payment of contractual cash flows is accrued on certainty of realization.

Income from investments are recognised on accrual basis as the investments are classified as fair value through profit and loss.

Fees and commission income

Revenue towards satisfaction of a performance obligation (other than for those items to which Ind AS 109 Financial Instruments are applicable) is measured at amount of transaction price (net of variable consideration) allocated to that performance obligation. Ind AS 115 Revenue from contracts with customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers.

The Company recognises revenue from contracts with customers based on a five-step model as set out in Ind AS 115:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the Company satisfies a performance obligation

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

Income from other financial charges including cheque bouncing charges, foreclosure charges

Notes to the Financial Statement

For the year ended March 31, 2025

are collected from loan customers for early payment/closure of loan and are recognised on realisation.

Net gain on fair value changes

The Company classifies certain financial assets for subsequent measurement at fair value through profit or loss (FVTPL) or fair value through other comprehensive income (FVOCI). The Company recognises unrealised gains on fair value change of financial assets measured at FVTPL and realised gains on de-recognition of financial asset measured at FVTPL and FVOCI on net basis in the Statement of Profit and Loss (including other comprehensive income).

Income from other support services is accounted on accrual basis.

Net gain/(loss) on de-recognition of financial instruments under amortised cost category

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 basis the scheduled cash flows, on execution of the transaction, discounted at the applicable rates is recorded upfront in the Statement of Profit and Loss (including other comprehensive income).

M. Employee benefits

(i) Compensated absences

The Company accounts for the liability for compensated absences based on an independent actuarial valuation conducted by an independent actuary using the Projected Unit Credit Method as at the Balance Sheet date. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the Statement of Profit and Loss (including other comprehensive income) in the period in which they arise.

(ii) Post-employment obligations

The Company operates the following post-employment schemes:

a. Gratuity – Defined Benefit Plan

The Company provides for gratuity to all employees. The benefit is in the form of lump sum payments to vested employees on resignation, retirement or death while in employment or on termination of employment of on amount equivalent to 15 days basic salary payable to each completed year of service. Vesting occurs after completion of five years of service. The same is valued by an independent external actuary as at the Balance Sheet date using the projected unit credit method to determine the present value of defined benefit obligation and the related service costs.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the Balance Sheet.

b. Provident Fund/Employee State Insurance Scheme - Defined Contribution Plan

In accordance with the applicable law, all employees of the Company are entitled to receive benefits under the Provident Fund Act, 1952. The Company contributes an amount, on a monthly basis, at a determined rate to the pension scheme administered by the Regional Provident Fund Commissioner ('RPFC') and the Company has no liability for future provident fund benefits other than its annual contribution. Since it is a defined contribution plan, the contributions are accounted for on an accrual basis and recognized in the statement of profit and loss (including other comprehensive income).

(iii) Share based payment

Employees Stock Option Scheme ("ESOS") - Equity settled

The ESOS provides for grant of the equity shares of the Company to employees. The scheme provides that employees are granted an option to subscribe to the equity shares of the Company that vest in the graded manner. The option may be exercised within the specified period.

Equity-settled share-based payments to employees are recognised as an expense at the fair value of equity stock options at the grant date. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the graded vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity.

Notes to the Financial Statement

For the year ended March 31, 2025

N. Taxes

Income tax

Income tax expense comprises current and deferred tax. It is recognised in the Statement of Profit and Loss (including other comprehensive income), except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

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 and the Income Computation and Disclosure Standards (ICDS) prescribed therein. Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current tax assets and current tax liabilities are offset only if the Company has a legally enforceable right to set off the recognised amounts, and it intends to realise the asset and settle the liability on a net basis or simultaneously.

Deferred tax

Deferred tax is recognised using the Balance Sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for deductible temporary differences to the extent that it is probable that taxable profits will be available against which the deductible temporary differences can be utilised.

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 utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised 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 recognised outside profit or loss is recognised either in other comprehensive income or in other 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 the deferred taxes relate to the same taxable entity and the same taxation authority.

O. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the financial year, adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares), if any, that have changed the number of equity shares outstanding, without a corresponding change in resources. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year considered for deriving basic earnings per share and weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

P. Leases

The Company assesses whether a contract contains a lease, at the inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether (i) the contract involves the use of identified

Notes to the Financial Statement

For the year ended March 31, 2025

asset; (ii) the Company has substantially all of the economic benefits from the use of the asset through the period of lease and (iii) the Company has right to direct the use of the asset.

Company as a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the site on which it is located, less any lease incentives received.

Certain lease arrangements include the option to extend or terminate the lease before the end of the lease term. The right-of-use assets and lease liabilities include these options when it is reasonably certain that the option will be exercised.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. The Company considers incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprises of fixed payments, including in-substance fixed payments, amounts expected to be payable under a residual value guarantee and the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option.

The lease liability is subsequently measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the lease liability, right-of-use asset or is recorded in statement of profit and loss (including other comprehensive income) if the carrying amount of the right-of-use asset has been reduced to zero.

Right of use assets has been presented under Property, plant and equipment while lease liability is presented under Other Financial Liabilities in the Balance Sheet. Lease payments made by the Company are classified as financing cash flows.

Q. Provisions, Contingent liabilities and Contingent assets

Provisions are recognised when the enterprise has a present obligation (legal or constructive) as a result of past events, and 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 measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value.

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.

Contingent assets are not recognised in the financial statement. Contingent assets are disclosed in the financial statements where an inflow of economic benefits is probable. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and the Company recognize such assets.

Notes to the Financial Statement

For the year ended March 31, 2025

R. Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

S. Foreign currency transactions

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in statement of profit and loss (including other comprehensive income), if any.

T. Statement of cash flows

Cash flows are reported using the indirect method, whereby profit / (loss) before exceptional items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated.

Notes to the Financial Statement

For the year ended March 31, 2025

(₹ in lakhs except otherwise stated)

4 Cash and cash equivalents

Particulars	As at March 31, 2025	As at March 31, 2024
Cash on hand	2,797.13	1,953.60
Balances with banks		
(i) In current account	22,550.40	35,417.15
(ii) In term deposits with original maturity of 3 months or less	13,221.62	3,628.89
Total	**38,569.15**	**40,999.64**

5 Bank balances other than cash and cash equivalents

Particulars	As at March 31, 2025	As at March 31, 2024
Freehold deposits with banks	68,173.88	79,510.83
Balances with banks to the extent held as margin money or security against the borrowings *	83,672.24	75,965.59
Total	**1,51,846.12**	**1,55,476.42**

* Balances with banks held as security against borrowings amounts to ₹ 69,118.49 lakhs (March 31, 2024: ₹ 66,000.19 lakhs) and as cash collateral for securitisation of receivables amounts to ₹ 14,553.75 lakhs (March 31, 2024: ₹ 9,965.40 lakhs).

6 Derivative financial instruments

Particulars	As at March 31, 2025		As at March 31, 2024	
Part I	Fair value assets	Fair value liability	Fair value assets	Fair value liability
Currency derivatives				
Cross currency swaps	565.83	-	1,980.01	-
Interest rate derivatives				
Interest rate swaps	-	894.95	-	67.70
Total derivative financial instruments	**565.83**	**894.95**	**1,980.01**	**67.70**
Part II				
Included in above (Part I) are derivatives held for hedging and risk management purposes as follows				
Fair value hedging				
Cross currency swap	-	-	1,980.01	-
Cash flow hedging				
Cross currency swap	-	1,330.88	-	-
Interest rate swaps	-	807.01	-	-
Undesignated derivatives	**1,808.77**	**-**	**-**	**67.70**
Total derivative financial instruments	**1,808.77**	**2,137.89**	**1,980.01**	**67.70**

Notes to the Financial Statement

For the year ended March 31, 2025

(₹ in lakhs except otherwise stated)

6.1. Notional amount of derivatives financial instruments cross currency swaps is ₹ 73,684.89 lakhs (March 31, 2024 is ₹ 29,890.86 lakhs) and Interest rate swaps is ₹ 75,681.55 lakhs (March 31, 2024 is ₹ 18,663.69 lakhs).

6.2 Refer note 44 on financial risk management for maturity analysis of derivative financial liabilities.

6.3. The Company enters into derivatives for risk management purposes. Derivatives held for risk management purposes include hedges that either meet the hedge accounting requirements or hedges that are economic hedges. The table above shows the fair values of derivative financial instruments recorded as assets or liabilities together with their notional amounts. The notional amounts indicate the value of transactions outstanding at the year end and are not indicative of either the market risk or credit risk.

7 Receivables

Particulars	As at March 31, 2025	As at March 31, 2024
Other receivables		
Receivables considered good - unsecured	1,682.27	7.41
Total	**1,682.27**	**7.41**

7.1 No other receivable are due from directors or other officers of the Company either severally or jointly with any other person, or from firms including limited liability partnerships (LLPs) or private companies respectively in which any director is a partner, a director or a member.

Other receivables ageing schedule

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months to 1 years	1 to 2 years	2 to 3 years	More than 3 years	Total
As at March 31, 2025						
Undisputed other receivables – considered good	1,682.27	-	-	-	-	1,682.27
Undisputed other receivables – which have significant increase in credit risk	-	-	-	-	-	-
Undisputed other receivable – credit impaired	-	-	-	-	-	-
Disputed other receivables - considered good	-	-	-	-	-	-
Disputed other receivables – which have significant increase in credit risk	-	-	-	-	-	-
Disputed other receivables – credit impaired	-	-	-	-	-	-
Total	**1,682.27**	**-**	**-**	**-**	**-**	**1,682.27**

Notes to the Financial Statement

For the year ended March 31, 2025

(₹ in lakhs except otherwise stated)

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months to 1 years	1 to 2 years	2 to 3 years	More than 3 years	Total
As at March 31, 2024						
Undisputed other receivables – considered good	7.41	-	-	-	-	7.41
Undisputed other receivables – which have significant increase in credit risk	-	-	-	-	-	-
Undisputed other receivable – credit impaired	-	-	-	-	-	-
Disputed other receivables - considered good	-	-	-	-	-	-
Disputed other receivables – which have significant increase in credit risk	-	-	-	-	-	-
Disputed other receivables – credit impaired	-	-	-	-	-	-
Total	**7.41**	**-**	**-**	**-**	**-**	**7.41**

There are no unbilled and undue receivables, hence the same is not disclosed in the ageing schedule.

8 Loans

Particulars	As at March 31, 2025	As at March 31, 2024
A. Loans - amortised cost		
(a) Term loans	11,88,754.50	9,67,288.21
(b) Others		
- Trade advances	2,566.09	3,127.58
- Retained interest under direct assignments	16,069.34	10,926.42
Total - Gross Loans (A)	**12,07,389.93**	**9,81,342.21**
Less: Impairment loss allowance	(23,301.88)	(16,957.80)
Total - Net Loans (A)	**11,84,088.05**	**9,64,384.41**
B. Secured/ Unsecured		
(a) Secured by tangible assets	11,99,405.70	9,71,421.24
(b) Unsecured	7,984.23	9,920.97
Total - Gross Loans (B)	**12,07,389.93**	**9,81,342.21**
Less: Impairment loss allowance	(23,301.88)	(16,957.80)
Total - Net Loans (B)	**11,84,088.05**	**9,64,384.41**

Notes to the Financial Statement

For the year ended March 31, 2025

(₹ in lakhs except otherwise stated)

8.1 All loans are in India and have been granted to individuals or entities other than public sector.

8.2 The Company covers/secures the credit risk associated with the loans given to customers by creating an exclusive charge/ hypothecation/ security on the assets/vehicles as mentioned/specified in the loan agreement with the customers.

8.3 During the year, the Company has not given any loan or advance to promoters, directors, key managerial personnel's and the related parties (as defined under the Act), either severally or jointly with any other person that are (a) repayable on demand, (b) without specifying any terms or period of repayment.

8.4 Refer note 44 on financial risk management for credit risk of assets.

8.5 Term loans originated by the Company are hypothecated with borrowings and debts securities on the pari passu basis as security.

9 Investments

Particulars	As at March 31, 2025	As at March 31, 2024
At fair value through profit or loss account		
Outside India	**-**	**-**
In India		
Debts securities	91,724.00	24,842.19
Security receipt of ARC	12,217.03	3,912.51
Total	**1,03,941.03**	**28,754.70**

9.1 Investments in debts securities includes ₹ 29,137.66 lakhs (March 31, 2024: ₹ 16,924.29 lakhs) held as high quality liquid assets (i.e. 'HQLA') for meeting Liquidity Coverage Ratio ('LCR') requirement in compliance with Master Direction - Reserve Bank of India (Non-Banking Financial Company –Scale Based Regulation) Directions, 2023 dated October 19,2023.

9.2 Debts securities includes investments earmarked in favour of trustees for the benefit of debenture holders as security.

10 Other financial assets

Particulars	As at March 31, 2025	As at March 31, 2024
At amortised cost		
Unsecured considered good		
Other advances recoverable	13,074.41	2,568.86
Excess interest spread receivable	22,057.53	11,466.05
Security deposits	425.42	429.93
Total gross	**35,557.36**	**14,464.84**
Less: Impairment loss allowance	(230.93)	(107.98)
Total net of impairment loss allowance	**35,326.43**	**14,356.86**

Notes to the Financial Statement

For the year ended March 31, 2025

(₹ in lakhs except otherwise stated)

11 Property, plant and equipment

Particulars	Land	Furniture and fixtures	Vehicles	Office equipment	Computers	Leasehold improvement	Plant and equipment	Right of use assets (ROU)	Total
Balance as at April 1, 2023	**8.88**	**1,873.83**	**1,515.26**	**1,479.53**	**2,068.50**	**3,222.74**	**-**	**8,381.74**	**18,550.47**
Additions	-	607.09	633.65	411.92	850.59	2,009.33	28.15	3,577.35	8,118.09
Disposals/adjustments	-	(7.68)	(153.74)	(21.32)	(42.27)	(17.35)	-	(683.61)	(925.97)
Balance as at March 31, 2024	**8.88**	**2,473.24**	**1,995.17**	**1,870.13**	**2,876.82**	**5,214.72**	**28.15**	**11,275.48**	**25,742.59**
Accumulated depreciation as at April 1, 2023	**-**	**500.42**	**307.15**	**455.32**	**1,057.22**	**782.44**	**-**	**2,183.88**	**5,286.43**
Depreciation for the year	-	207.04	216.96	297.14	564.65	494.33	0.56	1,317.94	3,098.62
Disposals/adjustments	-	(4.68)	(39.28)	(15.73)	(37.28)	(14.82)	-	(503.65)	(615.44)
Accumulated depreciation as at March 31, 2024	**-**	**702.78**	**484.83**	**736.73**	**1,584.59**	**1,261.95**	**0.56**	**2,998.17**	**7,769.61**
Net carrying amount as at March 31, 2024	**8.88**	**1,770.46**	**1,510.34**	**1,133.40**	**1,292.24**	**3,952.77**	**27.59**	**8,277.31**	**17,972.99**
Balance as at April 1, 2024	**8.88**	**2,473.24**	**1,995.17**	**1,870.13**	**2,876.82**	**5,214.72**	**28.15**	**11,275.48**	**25,742.59**
Additions	-	435.21	746.06	416.28	944.41	1,560.16	-	3,797.31	7,899.43
Disposals/adjustments	-	(8.62)	(195.10)	(28.94)	(118.72)	(17.84)	-	(1,073.42)	(1,442.64)
Balance as at March 31, 2025	**8.88**	**2,899.83**	**2,546.13**	**2,257.47**	**3,702.51**	**6,757.04**	**28.15**	**13,999.37**	**32,199.38**
Accumulated depreciation as at April 1, 2024	**-**	**702.78**	**484.83**	**736.73**	**1,584.59**	**1,261.95**	**0.56**	**2,998.17**	**7,769.61**
Depreciation for the year	-	256.20	265.46	364.53	654.52	731.24	1.78	1,680.78	3,954.51
Disposals/adjustments	-	(3.85)	(65.39)	(19.81)	(108.46)	(17.84)	-	(894.41)	(1,109.76)
Accumulated depreciation as at March 31, 2025	**-**	**955.13**	**684.90**	**1,081.45**	**2,130.65**	**1,975.35**	**2.34**	**3,784.54**	**10,614.36**
Net carrying amount as at March 31, 2025	**8.88**	**1,944.70**	**1,861.23**	**1,176.02**	**1,571.87**	**4,781.69**	**25.81**	**10,214.83**	**21,585.03**

11.1. The Company has not carried out any revaluation of property, plant and equipment during the year ended March 31, 2025 and March 31, 2024

11.2 The title deeds of the immovable properties mentioned above are in the name of the Company.

11.3 The Company does not have any benami property, where any proceeding has been initiated or pending against the Company for holding any benami property.

11.4 The Company has elected to include ROU assets pertaining to lease of buildings as part of the property, plant and equipment as permitted under paragraph 47 of Ind AS 116.

Notes to the Financial Statement

For the year ended March 31, 2025

(₹ in lakhs except otherwise stated)

11.5 Details of immovable properties of land, whose title deeds have been pledged in favour of trustees for the benefit of debenture holders as security, has been explained in note 16.

11.6 On transition to Ind AS, the Company has elected to continue with the carrying value of all Property, plant and equipment measured as per the previous GAAP and use that carrying value as the deemed cost of Property, plant and equipment.

12 Capital work-in-progress (CWIP)

Particulars	As at March 31, 2025	As at March 31, 2024
Capital work-in-progress	-	**208.37**
Total	-	**208.37**

a) Capital work-in-progress (CWIP) ageing schedule

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As at March 31, 2025					
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**
As at March 31, 2024					
Projects in progress	208.37	-	-	-	208.37
Projects temporarily suspended	-	-	-	-	-
Total	**208.37**	**-**	**-**	**-**	**208.37**

b) Capital work-in-progress (CWIP) completion schedule

There is no capital-work-in progress for which completion is overdue or has exceeded its cost compared to its original plan in the Company.

13 Intangible assets under development (IAUD)

Particulars	As at March 31, 2025	As at March 31, 2024
Intangible assets under development	**275.64**	**-**
Total	**275.64**	**-**

a) Intangible assets under development (IAUD) ageing schedule

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As at March 31, 2025					
Projects in progress	275.64	-	-	-	275.64
Projects temporarily suspended	-	-	-	-	-
Total	**275.64**	**-**	**-**	**-**	**275.64**
As at March 31, 2024					
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**

Notes to the Financial Statement

For the year ended March 31, 2025

(₹ in lakhs except otherwise stated)

b) Intangible assets under development (IAUD) completion schedule

There is no intangible assets under development for which completion is overdue or has exceeded its cost compared to its original plan in the Company.

14 Other intangible assets

Particulars	Computer software	Total
Balance as at April 1, 2023	**1,479.43**	**1,479.43**
Additions	833.90	833.90
Disposals/adjustments	-	-
Balance as at March 31, 2024	**2,313.33**	**2,313.33**
Accumulated depreciation as at April 1, 2023	**444.29**	**444.29**
Amortization for the year	512.73	512.73
Disposals/adjustments	-	-
Accumulated depreciation as at March 31, 2024	**957.02**	**957.02**
Net carrying amount as at March 31, 2024	**1,356.31**	**1,356.31**
Balance as at April 1, 2024	**2,313.33**	**2,313.33**
Additions	295.13	295.13
Disposals/adjustments	-	-
Balance as at March 31, 2025	**2,608.46**	**2,608.46**
Accumulated depreciation as at April 1, 2024	**957.02**	**957.02**
Amortization for the year	694.94	694.94
Disposals/adjustments	-	-
Accumulated depreciation as at March 31, 2025	**1,651.96**	**1,651.96**
Net carrying amount as at March 31, 2025	**956.50**	**956.50**

14.1. Company has not carried out any revaluation of intangible assets during the year ended March 31, 2025 and March 31, 2024.

14.2 On transition to Ind AS, the Company has elected to continue with the carrying value of all other intangible assets measured as per the previous GAAP and use that carrying value as the deemed cost of other intangible assets.

15 Other non-financial assets

Particulars	As at March 31, 2025	As at March 31, 2024
Prepaid expenses	1,422.09	804.15
Balances with statutory / government authorities	62.44	39.60
Advance against salary to staff	157.60	179.11
Capital advances	22.06	109.25
Total	**1,664.19**	**1,132.11**

Notes to the Financial Statement

For the year ended March 31, 2025

(₹ in lakhs except otherwise stated)

16 Debt securities

Particulars	As at March 31, 2025	As at March 31, 2024
At amortised cost		
Secured		
Non-convertible debentures	2,09,247.38	1,53,306.00
Unsecured		
Non-convertible debentures	-	349.91
Commercial paper	8,420.98	-
Total (A)	**2,17,668.36**	**1,53,655.91**
Debt securities in india	2,17,668.36	1,53,655.91
Debt securities outside india	-	-
Total (B)	**2,17,668.36**	**1,53,655.91**

a) Nature of security

Debentures are secured by mortgage of the Company's immovable property situated at Chennai in the state of Tamil Nadu (till January 10, 2025) and are also secured against fixed deposits, investments and designated loans assets. The total asset cover is 100%-120% of the principal amount of the said debentures. The total amount of personal guarantee given by directors and others, against the debt securities amounts to Nil (March 31, 2024: Nil)

b) Terms of repayment schedule of secured privately placed redeemable non-convertible debentures

Maturity schedule	Interest rate range		Carrying amount	
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
Maturity within 1 year	8.95% - 10.94%	8.90% - 10.44%	3,999.79	99,576.89
Maturity between 1 to 3 years	9.20% - 9.25%	9.25% - 11.33%	1,75,501.41	12,212.62
Maturity between 3 to 5 years	9.65% - 9.70%	9.65% - 9.70%	31,743.89	42,332.40
Total			**2,11,245.09**	**1,54,121.91**
Less: Unamortised finance cost			(1,997.71)	(815.91)
Total amortised cost			**2,09,247.38**	**1,53,306.00**

c) Terms of repayment schedule of unsecured privately placed redeemable non-convertible debentures

Maturity schedule	Interest rate range		Carrying amount	
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
Maturity within 1 year	-	9.20% - 9.25%	-	350.27
Total			**-**	**350.27**
Less: Unamortised finance cost			-	(0.36)
Total amortised cost			**-**	**349.91**

Notes to the Financial Statement

For the year ended March 31, 2025

(₹ in lakhs except otherwise stated)

d) Terms of repayment schedule of commercial paper

Maturity schedule	Interest rate range		Carrying amount	
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
Maturity within 1 year	8.95% - 9.00%	-	8,420.98	-
Total			**8,420.98**	**-**
Less: Unamortised finance cost			-	-
Total amortised cost			**8,420.98**	**-**

e) The Company has not defaulted in the repayment of dues to its lenders.

17 Borrowings (other than debt securities)

Particulars	As at March 31, 2025	As at March 31, 2024
At amortised cost		
Secured		
Term loans		
From banks	6,09,323.39	5,12,454.70
From other parties	40,691.43	41,220.62
External commercial borrowings	63,965.57	17,026.35
Loans repayable on demand		
from banks (cash credit facilities and working capital demand loans)	7,326.23	18,108.38
Other loans		
Associated liabilities in respect of securitization transactions*	2,21,434.21	1,51,022.01
Total (A)	**9,42,740.83**	**7,39,832.06**
Borrowings in India	8,78,775.26	7,22,805.71
Borrowings outside India	63,965.57	17,026.35
Total (B)	**9,42,740.83**	**7,39,832.06**

* Inculdes associated liabilities in respect of securitization transactions from banks of ₹ 2,01,846.90 lakhs (March 31, 2024: ₹ 1,47,822.87 lakhs) and from other parties ₹ 19,587.31 lakhs (March 31, 2024: ₹ 3,199.14 lakhs)

a) Nature of security

i) Term loans from banks, from other parties and external commercial borrowings are secured by way of hypothecation on book debts, receivable and fixed deposits along with personal guarantees of directors. The total amount of personal guarantee given by directors against the term loans amounting to ₹ 58,001.55 lakhs (March 31, 2024 ₹ 87,953.15 lakhs).

ii) Cash credit facilities and working capital demand loans from banks are secured by way of hypothecation on book debts, term deposits and receivable along with personal guarantees of directors. The total amount of personal guarantee given by directors against the cash credit facilities and working capital demand loans amounting to Nil (March 31, 2024 ₹ 57.36 lakhs).

Notes to the Financial Statement

For the year ended March 31, 2025

(₹ in lakhs except otherwise stated)

iii) Associated liabilities in respect of securitization transactions' represents amount received in respect of securitization transactions as these transactions do not meet the derecognition criteria specified under IND AS. These are secured by way of hypothecation of designated loans assets receivables. The Company has provided credit enhancement to the trust by way of cash collateral and bank guarantee.

b) Terms of repayment schedule of term loans from banks

Maturity schedule	Interest rate range		Carrying amount	
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
Maturity within 1 year	8.50% - 10.10%	7.95% - 10.95%	19,840.23	22,775.22
Maturity between 1 to 3 years	7.10% - 10.95%	7.10% - 10.40%	2,93,367.39	2,12,282.25
Maturity between 3 to 5 years	7.50% - 10.00%	7.10% - 10.10%	2,98,826.83	2,65,246.53
Maturity greater than 5 years	-	8.80% - 9.35%	-	15,024.36
Total			**6,12,034.45**	**5,15,328.36**
Less: Unamortised finance cost			(2,711.06)	(2,873.66)
Total amortised cost			**6,09,323.39**	**5,12,454.70**

c) Terms of repayment schedule of term loans from other parties

Maturity schedule	Interest rate range		Carrying amount	
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
Maturity within 1 year	7.50% - 10.80%	5.15% - 11.75%	5,176.88	13,236.83
Maturity between 1 to 3 years	7.75% - 9.90%	7.50% - 10.62%	35,573.93	28,039.51
Total			**40,750.81**	**41,276.34**
Less: Unamortised finance cost			(59.38)	(55.72)
Total amortised cost			**40,691.43**	**41,220.62**

d) Terms of repayment schedule of external commercial borrowings

Maturity schedule	Interest rate range		Carrying amount	
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
Maturity between 1 to 3 years	10.80% - 10.85%	10.80% - 10.85%	3,295.93	5,357.97
Maturity between 3 to 5 years	9.06% - 10.57%	10.55% - 10.60%	61,611.59	11,917.85
Total			**64,907.52**	**17,275.82**
Less: Unamortised finance cost			(941.95)	(249.47)
Total amortised cost			**63,965.57**	**17,026.35**

Notes to the Financial Statement

For the year ended March 31, 2025

(₹ in lakhs except otherwise stated)

e) Terms of repayment schedule of associated liabilities related to securitization transactions

Maturity schedule	Interest rate range		Carrying amount	
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
Maturity within 1 year	8.95% - 9.00%	9.10% - 9.10%	304.48	1,012.92
Maturity between 1 to 3 years	8.75% - 9.25%	8.50% - 9.00%	48,366.69	20,095.83
Maturity between 3 to 5 years	8.35% - 8.95%	8.75% - 9.25%	1,03,404.46	1,16,617.04
Maturity greater than 5 years	8.35% - 9.10%	9.00% - 9.75%	70,368.49	13,497.70
Total			**2,22,444.12**	**1,51,223.49**
Less: Unamortised finance cost			(1,009.91)	(201.48)
Total amortised cost			**2,21,434.21**	**1,51,022.01**

f) Loans repayable on demand includes on cash credit and working capital demand loans from banks which are secured by specific charge on identified receivables and term deposits. As at March 31, 2025, the rate of interest across the cash credit and working capital demand loans was in the range of 6.95% p.a. to 10.05% p.a. (March 31, 2024 - 7.95% p.a. to 11.45% p.a.)

g) The Company has not defaulted in the repayment of dues to its lenders.

h) The Company has utilised the borrowings for the purpose for which it was obtained except temporary deployment pending application of proceeds.

18 Other financial liabilities

Particulars	As at March 31, 2025	As at March 31, 2024
Lease liability (refer note 39)	11,457.56	9,190.42
Creditors for other expenses	5,001.05	7,012.77
Advances received from customers	1,348.87	1,027.86
Pending remittance on assignments	8,954.16	5,975.28
Security and other deposits	852.59	581.04
Unclaimed dividend	-	0.01
Total	**27,614.23**	**23,787.38**

19 Provisions

Particulars	As at March 31, 2025	As at March 31, 2024
Provision for employee benefits		
Gratuity (refer note 40)	587.49	1,299.30
Compensated absences (refer note 40)	607.48	173.08
Total	**1,194.97**	**1,472.38**

Notes to the Financial Statement

For the year ended March 31, 2025

(₹ in lakhs except otherwise stated)

20 Other non-financial liabilities

Particulars	As at March 31, 2025	As at March 31, 2024
Statutory dues payables	1,303.95	1,001.19
Security deposits	340.82	237.50
Total	**1,644.77**	**1,238.69**

21 Equity share capital

Particulars	As at March 31, 2025	As at March 31, 2024
Authorized		
30,00,00,000 (March 31, 2024: 30,00,00,000) equity shares of ₹ 1 each fully paid up with voting rights	3,000.00	3,000.00
Issued and subscribed		
13,40,02,204 (March 31, 2024: 13,37,45,064) equity shares of ₹ 1 each	1,340.01	1,337.44
Paid up (fully paid)		
13,40,02,204 (March 31, 2024: 13,37,45,064) equity shares of ₹ 1 each	1,340.01	1,337.44

During the previous year, shares of face value of ₹ 2 each has been sub-divided into 2 equity shares of ₹ 1 each and issued an bonus in ratio of 1:1.

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

Particulars	No. of shares	Amount
Equity shares of ₹ 1 each, fully paid-up		
Balance as at April 1, 2023	**2,84,29,328**	**568.58**
Add : Issued during the year	39,89,491	79.79
Less : Converted into fully paid up during the year	10,17,447	20.35
Before adjustment of sub-division of shares	**3,34,36,266**	**668.72**
Adjusted no. of shares on account of sub-division of equity share of ₹ 1 each	6,68,72,532	668.72
Add: Bonus shares issued during the year	6,68,72,532	668.72
Balance as at March 31, 2024	**13,37,45,064**	**1,337.44**
Add : Issued during the year	2,57,140	2.57
Balance as at March 31, 2025	**13,40,02,204**	**1,340.01**
Equity shares of ₹ 1 each, partly paid-up		
Balance as at April 1, 2023	**10,17,447**	**17.81**
Add : Issued during the year	-	-
Less : Converted into fully paid up during the year	(10,17,447)	(17.81)
Balance as at March 31, 2024	**-**	**-**
Add : Issued during the year	-	-
Balance as at March 31, 2025	**-**	**-**

Notes to the Financial Statement

For the year ended March 31, 2025

(₹ in lakhs except otherwise stated)

b. Rights, preferences and restrictions attached to equity shares

The Company has only one class of outstanding equity shares having a face value of ₹ 1 per share. In respect of every equity share (whether fully paid or partly paid), voting right shall be in the same proportion as the capital paid up on such equity share. During the year the Company has not declared and paid any dividend. In the event of the liquidation of the Company, the holder of the equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to capital paid upon such equity share.

c. Details of shares held by each shareholder holding more than 5% shares in the Company

Particulars	As at March 31, 2025		As at March 31, 2024	
	No. of shares	% Holding	No. of shares	% Holding
Equity shares				
Rajendra Kumar Setia	4,19,02,747	31.27%	4,30,70,524	32.20%
Norwest Venture Partners X – Mauritius	3,04,21,656	22.70%	3,20,69,840	23.98%
TPG Growth IV	2,32,83,665	17.38%	2,42,23,896	18.11%
India Business Excellence Fund IV	71,95,836	5.37%	71,95,836	5.38%
Total	**10,28,03,904**	**76.72%**	**10,65,60,096**	**79.67%**

d. Number of shares reserved for share options

Particulars	As at March 31, 2025	As at March 31, 2024
Equity shares of ₹ 1 fully paid up		
Number of shares reserved for ESOPs (refer note 41)	**40,36,060**	**22,66,400**

e. Details of shareholding of promoters and promoter groups (face value ₹ 1 per share)

Promoter name	As at March 31, 2025		As at March 31, 2024		% Changes during the year
	No. of shares	% Holding	No. of shares	% Holding	
Promoter:					
Rajendra Kumar Setia	4,19,02,747	31.27%	4,30,70,524	32.20%	-2.71%
Rajendra Kumar Setia HUF	2,50,000	0.19%	2,50,000	0.19%	0.00%
Yash Setia*	2,600	0.00%	2,600	0.00%	0.00%
Promoter Group:					
Bhajan Devi Setia	2,600	0.00%	2,600	0.00%	0.00%
Raj Kumar Setia	7,65,224	0.57%	7,65,224	0.57%	0.00%
Shalini Setia	2,600	0.00%	2,600	0.00%	0.00%
Sameer Arora	2,19,000	0.16%	4,39,000	0.33%	-50.11%
Sanjeev Arora	-	0.00%	9,000	0.01%	-100.00%
	4,31,44,771	**32.19%**	**4,45,41,548**	**33.31%**	

* Pursuant to resolution dated March 14, 2024, Yash Setia has been classified as the promoter.

Notes to the Financial Statement

For the year ended March 31, 2025

(₹ in lakhs except otherwise stated)

f. During the year ended March 31, 2025,the Company has allotted 2,57,140 shares to employees in accordance with the Company's employees stock option scheme(s). During the year ended March 31, 2024, the Company has issued 38,64,144 fully paid equity shares of ₹ 2/- each and the Company has allotted 1,25,347 shares to employees in accordance with the Company's employees stock option scheme(s). Also, called ₹ 0.25 per share on 10,17,447 partly paid shares which converted to fully paid equity share.

g. Shares allotted as fully paid-up without payment being received in cash / by way of bonus shares:-

The Company has not issued bonus shares or shares for consideration other than cash during the five year period immediately preceding the reporting date except as stated below-

i) The Board of Directors of the Company in its meeting held on February 01, 2024 and shareholders of the Company in the Extraordinary General Meeting held on March 11, 2024 approved the sub-division of shares from ₹ 2 per share to ₹ 1 per share and also approved the bonus share in the ratio of 1:1.

ii) Pursuant to above approval, the Company has effected the sub-division of the equity shares from face value of ₹ 2 each to ₹ 1 each and has allotted 6,68,72,532 equity shares of face value of ₹ 1 each as bonus shares in the proportion of one bonus equity share of face value of ₹ 1 for every one equity share of face value of ₹ 1 held as on the record date i.e. March 16, 2024, by capitalising an amount of ₹ 668.72 lakhs from 'Retained earnings- other than remeasurement of post employment benefit obligations'.

iii) Consequently, in terms of the Employee Stock Option Scheme of the Company, the grant price and the number of outstanding stock options in respect of stock options granted under the Employee Stock Option Scheme were proportionately adjusted.

h. Shares bought back :-

The Company has not bought back any of its securities during the five year period immediately preceding the reporting date.

22 Other equity

Particulars	As at March 31, 2025	As at March 31, 2024
Securities premium	2,10,648.01	2,09,539.12
Share options outstanding account	3,366.64	1,957.64
Statutory reserve	27,190.55	19,597.21
Retained earnings- other than remeasurement of post employment benefit obligations	1,08,849.16	78,475.79
Retained earnings- remeasurement of post employment benefit obligations	(353.33)	(209.12)
Other comprehensive income - Cash flow hedge reserve	(859.24)	-
Share application money pending allotment	-	160.02
Total	**3,48,841.79**	**3,09,520.66**

22.1 Nature and purpose of reserve

Securities premium

Securities premium is used to record the premium received on issue of shares. It is utilized in accordance with the provisions of the Companies Act, 2013.

Notes to the Financial Statement

For the year ended March 31, 2025

(₹ in lakhs except otherwise stated)

Share options outstanding account

In accordance with resolution approved by the shareholders, the Company has reserved shares options, for issuance to the eligible employees through ESOP scheme. The shareholders of the Company have approved stock option scheme on September 11, 2018 as amended from time to time. The administrator (i.e. nomination and remuneration committee ('NRC') of the Company's board of directors) has the power to grant the options in pursuance to the ESOP scheme, each option consist of one equity share. Such option vest at a definite date, save for specific incidents, prescribed in the schemes as framed/ approved by the Company. Such options are exercisable for a period following vesting at the discretion of the NRC, subject to the conditions prescribed in the ESOP scheme as amended from time to time."

Statutory reserve

This is a statutory reserve created in accordance with section 45 IC(1) of the RBI Act, 1934 which requires the Company to transfer a specified sum (not less than 20% of its profit after tax) to reserve fund based on its net profit as per the Statement of Profit and Loss (including other comprehensive income). As per Section 45 IC(2) of the RBI Act, 1934, no appropriation of any sum from this reserve fund shall be made by the NBFC.

Retained earnings- other than remeasurement of post employment benefit obligations

Retained earnings represents surplus/accumulated earnings of the Company and are available for distribution to shareholders.

Retained earnings- remeasurement of post employment benefit obligations

The Company recognises change on account of remeasurement of the net defined benefit liability / asset as part of retained earnings.

Share application money pending allotment

Share application money pending allotment as at March 31, 2025 and March 31, 2024 represents amount received towards Nil and 53,340 equity shares respectively of the Company pursuant to ESOP scheme and have been subsequently allotted.

Other comprehensive income - Cash flow hedge reserve

It represents the cumulative gains/(losses) arising on revaluation of the derivative instruments designated as cash flow hedges through OCI.

22.2 Other equity movement

Particulars	As at March 31, 2025	As at March 31, 2024
(i) Securities premium		
Opening balance	2,09,539.12	1,14,358.01
Addition during the period/year	1,108.89	96,253.72
Deduction during the period/year	-	(1,072.61)
Closing balance	**2,10,648.01**	**2,09,539.12**
(ii) Share options outstanding account		
Opening balance	1,957.64	986.93
Addition during the period/year	1,752.60	1,133.17
Transfer to securities premium	(343.60)	(162.46)
Closing balance	**3,366.64**	**1,957.64**

Notes to the Financial Statement

For the year ended March 31, 2025

(₹ in lakhs except otherwise stated)

Particulars	As at March 31, 2025	As at March 31, 2024
(iii) Statutory reserve		
Opening balance	19,597.21	13,358.74
Transfer from retained earnings	7,593.34	6,238.47
Closing balance	**27,190.55**	**19,597.21**
(iv) Retained earnings- other than remeasurement of post employment benefit obligations		
Opening balance	78,475.79	54,190.65
Net profit for the period/year	37,966.71	31,192.33
Transfer to statutory reserve	(7,593.34)	(6,238.47)
On issue of bonus shares	-	(668.72)
Closing balance	**1,08,849.16**	**78,475.79**
(v) Retained earnings- remeasurement of post employment benefit obligations		
Opening balance	(209.12)	(106.83)
Other comprehensive income for the period/year	(144.21)	(102.29)
Closing balance	**(353.33)**	**(209.12)**
(vi) Other comprehensive income - Cash flow hedge reserve		
Opening balance	-	-
Other comprehensive income for the period/year	(859.24)	-
Closing balance	**(859.24)**	**-**

23 Interest income

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Financial assets measured at amortised Cost		
Interest income on financial assets measured at amortised cost	1,89,921.84	1,49,998.41
Interest on deposits with banks	11,971.90	5,142.70
Financial assets measured at fair value through profit or loss (FVTPL)		
Income on investment	10,126.46	8,142.55
Total	**2,12,020.20**	**1,63,283.66**

24 Fees and commission income

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Foreclosure and other charges	9,093.44	6,165.22
Insurance commission	568.61	-
Total	**9,662.05**	**6,165.22**

Notes to the Financial Statement

For the year ended March 31, 2025

(₹ in lakhs except otherwise stated)

25 Net loss on fair value changes

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Net loss on financial instruments at fair value through profit or loss		
On trading portfolio		
- Investments	2.65	1,262.72
- Derivative contracts	(284.05)	(558.06)
Total net loss on fair value changes	**(281.40)**	**704.66**
Fair value changes:		
- Realized	2.65	1,262.72
- Unrealized	(284.05)	(558.06)
Total net loss on fair value changes	**(281.40)**	**704.66**

26 Net gain on de-recognition of financial instruments under amortised cost category

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Gain on derecognition of financial instruments	16,111.89	8,965.92
Total	**16,111.89**	**8,965.92**

27 Other income

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Income from support services	511.59	595.25
Net gain on derecognition of property, plant and equipment	-	4.32
Miscellaneous income	332.04	75.88
Total	**843.63**	**675.45**

28 Finance costs

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
At amortised cost		
Interest on debt securities	19,064.16	17,612.26
Interest on borrowings	76,567.44	55,631.30
Interest on lease liability (refer note 39)	990.32	762.46
Other borrowing costs	475.42	727.92
Other interest expenses	33.35	0.29
Total	**97,130.69**	**74,734.23**

Notes to the Financial Statement

For the year ended March 31, 2025

(₹ in lakhs except otherwise stated)

29 Impairment on financial instruments

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
At amortised cost		
Loans	12,419.17	4,373.45
Bad debts written-off (net of recoveries)	11,457.80	7,569.90
Total	**23,876.97**	**11,943.35**

30 Employee benefits expenses

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Salaries and wages	42,420.84	33,395.45
Contribution to provident and other funds	2,906.25	2,302.64
Staff welfare expenses	1,852.95	1,311.16
Gratuity and compensated absence (refer note 40)	860.30	491.31
Share based payments to employees (refer note 41)	1,752.60	1,133.17
Total	**49,792.94**	**38,633.73**

31 Depreciation and amortization

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Depreciation on property, plant and equipment (refer note 11)	2,273.73	1,780.68
Depreciation on right of use assets (refer note 11)	1,680.78	1,317.94
Amortization of intangible assets (refer note 14)	694.94	512.73
Total	**4,649.45**	**3,611.35**

32 Other expenses

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Rent, taxes and energy costs	876.92	686.83
Repairs and maintenance	297.17	200.48
Communication costs	920.16	842.73
Printing and stationery	316.37	315.48
Advertisement and publicity expenses	398.69	264.98
Business promotion expenses	725.58	427.88
Director's fees, allowances and expenses	102.02	47.80
Auditor's fees and expenses (refer note 35)	116.16	118.79
Legal and professional charges	1,857.90	1,564.87
Collection expenses	1,048.17	654.22
Travelling expenses	2,626.71	2,155.31
Net loss on derecognition of property, plant and equipment	3.94	-
Expenses towards corporate social responsibility (refer note 36)	560.94	461.98
Other expenditure	4,579.50	3,198.77
Total	**14,430.23**	**10,940.12**

Notes to the Financial Statement

For the year ended March 31, 2025

(₹ in lakhs except otherwise stated)

33 Tax expenses

(A) Amounts recognized in statement of profit and loss (including other comprehensive income)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Current tax expense		
Current period	9,290.48	8,037.80
Total current tax expense (A)	**9,290.48**	**8,037.80**
Deferred tax (asset) / liability, net		
Origination and reversal of temporary differences	1,218.90	701.98
Deferred tax (income) / expense (B)	**1,218.90**	**701.98**
Total tax expense for the year (A)+(B)	**10,509.38**	**8,739.78**

(B) Amounts recognized in other comprehensive income

Particulars	For the year ended March 31, 2025			For the year ended March 31, 2024		
	Before tax	Tax (expense) / benefit	Net of tax	Before tax	Tax (expense) / benefit	Net of tax
Items that will not be reclassified to profit or (loss)						
- Remeasurements of the defined benefit plans	(192.71)	48.50	(144.21)	(136.69)	34.40	(102.29)
Items that will be reclassified to profit or loss						
- Cash flow hedge reserve	(1,148.22)	288.98	(859.24)	-	-	-
Total	**(1,340.93)**	**337.48**	**(1,003.45)**	**(136.69)**	**34.40**	**(102.29)**

(C) Reconciliation of effective tax rate

Particulars	For the year ended March 31, 2025		For the year ended March 31, 2024	
	Amount	% terms	Amount	% terms
Profit before tax as per statement of profit and loss (including other comprehensive income)	48,476.09		39,932.13	
Enacted Tax Rate is 25.168%	12,200.46	25.17%	10,050.12	25.17%
Add/(less) : Non-deductible expenses for tax purposes				
CSR expenses	141.18	0.29%	116.27	0.29%
Deduction u/s 80JJAA of the Income Tax Act, 1961	(772.16)	-1.59%	(807.83)	-2.02%
Tax related to earlier years	(900.94)	-1.86%	-	0.00%
Tax effect of expenses that are deductible for tax purposes	(159.16)	-0.33%	(618.78)	-1.55%
Total adjustments	**(1,691.08)**	**-3.49%**	**(1,310.34)**	**-3.28%**
Total tax expense	**10,509.38**	**21.68%**	**8,739.78**	**21.89%**

33(C.1) The Company has elected to exercise the option permitted under section 115BAA of the income-tax act, 1961, as introduced by the taxation laws (amendment) ordinance, 2019.

(D) Movement in deferred tax balances

Particulars	Net balance March 31, 2024	Recognized in profit or loss	Recognized in OCI	Net balance March 31, 2025	Deferred tax asset	Deferred tax liability
Deferred tax asset/(liabilities)						
Expected credit loss (ECL)	4,141.61	1,510.67	-	5,652.28	5,652.28	-
Unamortized processing fee	(312.54)	(86.74)	-	(399.28)	-	399.28
Employee benefits	370.57	(118.32)	48.50	300.75	300.75	-
Lease liability	2,313.05	570.59	-	2,883.64	2,883.64	-
Right to use asset	(2,009.80)	(440.37)	-	(2,450.17)	-	2,450.17
Excess interest spread receivable	(2,885.78)	(2,665.66)	-	(5,551.44)	-	5,551.44
Depreciation on property, plant and equipment	41.63	91.50	-	133.13	133.13	-
Other adjustments	313.85	(80.57)	288.98	522.27	522.27	-
Total	**1,972.59**	**(1,218.90)**	**337.48**	**1,091.18**	**9,492.07**	**8,400.89**

Particulars	Net balance March 31, 2023	Recognized in profit or loss	Recognized in OCI	Net balance March 31, 2024	Deferred tax asset	Deferred tax liability
Deferred tax asset/(liabilities)						
Expected credit loss (ECL)	3,150.51	991.10	-	4,141.61	4,141.61	-
Unamortized processing fee	95.44	(407.98)	-	(312.54)	-	312.54
Employee benefits	265.82	70.35	34.40	370.57	370.57	-
Fair valuation impact on investments	(13.71)	13.71	-	-	-	-
Lease liability	1,727.41	585.64	-	2,313.05	2,313.05	-
Right to use asset	(1,510.80)	(499.00)	-	(2,009.80)	-	2,009.80
Excess interest spread receivable	(1,169.45)	(1,716.33)	-	(2,885.78)	-	2,885.78
Depreciation on property, plant and equipment	(8.95)	50.58	-	41.63	41.63	-
Other adjustments	103.90	209.95	-	313.85	313.85	-
Total	**2,640.17**	**(701.98)**	**34.40**	**1,972.59**	**7,180.71**	**5,208.12**

33(D.1) The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Notes to the Financial Statement

For the year ended March 31, 2025

(₹ in lakhs except otherwise stated)

34 Earnings per equity share (EPS)

Basic EPS is calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year. Partly paid up shares are included as fully paid equivalents according to the fraction paid up.

Diluted EPS is calculated by dividing the profit attributable to equity holders 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 equity shares.

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
(i) Profit for the year, attributable to equity shareholders	37,966.71	31,192.33
(ii) Weighted average number of equity shares for basic earnings per share	1,338.58	1,247.54
(iii) Effect of dilution on account of ESOP and partly paid-up shares	10.05	15.07
(iv) Weighted average number of equity shares for diluted earnings per share	1,348.62	1,262.61
Earning per share (basic) (i/ii)	28.36	25.00
Earning per share (diluted) (i/iv)	28.15	24.70
Face value per share	1	1

35 Payment to auditors

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
a) As auditor:		
Audit fees	54.49	65.40
Limited review	54.50	32.70
b) For other services:		
Certification fees	3.82	17.17
c) For reimbursement of expenses	**3.35**	**3.52**
Total	**116.16**	**118.79**

36 Corporate social responsibility (CSR)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
a. Amount required to be spent by the Company during the financial year	510.00	390.00
b. Amount spent during the year ended:		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	560.94	461.98

c. Pursuant to Section 135 (5) & (6) of companies act, 2013 read with companies (corporate social responsibility policy) rules, 2014, the Company have transferred Nil (March 31, 2024 Nil) in a separate bank account as 'unspent CSR account', which will be spent over the period of 3 years.

d. Details of related party transactions in relation to CSR expenditure as per Ind AS 24, related party disclosures (refer note no 38).

Notes to the Financial Statement

For the year ended March 31, 2025

(₹ in lakhs except otherwise stated)

e. The Company has undertaken CSR activities in the domain of education, healthcare, women empowerment, traffic road safety, animal welfare and other activities as per schedule VII of the Companies Act, 2013.

37 Contingent liabilities and commitments

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
(i) Contingent liabilities:-		
(a) Claims against the company not acknowledged as debt;		
- Indirect tax matter	2,460.07	2,327.29
- Direct tax matter	33.46	33.46
(b) Guarantees:-		
- towards law suits, claims and proceedings, including collection and repossession related matters, which arise in the ordinary course of business	43.30	5.42
(c) Other money for which the company is contingently liable	-	75.00
	2,536.83	**2,441.17**
(ii) Commitments:-		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided	1,974.36	-
(b) Other commitments	-	-
	1,974.36	**-**

37 Contingent liabilities and commitments (Continued)

i) Demand raised by the office of commissioner, central excise, Jaipur for the period December 2010 to June 2017 (net of amount paid under protest and provided), for non-payment of service tax on services rendered towards collection of receivables and liquidity facilities in respect of securitization / direct assignments transactions is ₹ 1,662.37 lakhs. The Company has filed an appeal against this order with the CESTAT, New Delhi and has deposited an amount equal to 7.5% of the tax demand i.e. ₹ 51.10 lakhs under protest.

ii) Demand raised by the office of the principal commissioner, central goods and service tax commissionerate, Jaipur for the period July 2017 to March 2019 for non-payment of GST on excess interest spread income on assignment transactions is ₹ 797.70 lakhs (net of amount paid under protest and provided). The Company has filed appeal against the demand with Appellate Authority and has pre-deposited a sum of ₹ 38.23 lakhs.

iii) The assistant commissioner, income tax, through an order dated March 31, 2022, has confirmed the demand of income tax of ₹ 33.46 lakhs from the Company and thereby reducing the amount of refund with the same in relation to under reporting of income. The Company has filed the appeal for the same on April 23, 2022 to commissioner of income-tax (appeals).

iv) The Company's pending litigations comprises of claims against the Company by the customer and proceedings pending with other authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable, in the financial statements. The Company do not expect the outcome of these proceedings to have a materially adverse effect on its financial statements.

Notes to the Financial Statement

For the year ended March 31, 2025

(₹ in lakhs except otherwise stated)

38 Related party disclosure

Related party disclosures, as required by notified Ind AS 24 - 'Related party disclosures' are given below:

A. Names of related parties

Particulars

a) Names of the related parties where control exists

The Company has no subsidiary and holding Company.

b) Key management personnel

Rajendra Kumar Setia	Managing Director and CEO
Yash Setia	Whole-time Director
Atul Arora	Chief Financial Officer
Anagha Bangur	Company Secretary
Amar Lal Daultani	Independent Director
Anand Raghavan	Independent Director
Nanda Sameer Dave	Independent Director (Since March 14, 2024)
Mukul Mathur	Independent Director (Since March 29, 2024)
Akshay Tanna	Nominee Director (Upto June 13, 2023)
Debanshi Basu	Nominee Director
Simit Batra	Nominee Director

c) Relatives of key management personnel and promoter group

Bhajan Devi Setia	Mother of Managing Director and CEO
Shalini Setia	Wife of Managing Director and CEO
Raj Kumar Setia	Brother of Managing Director and CEO
Sameer Arora	Promoter group (Chief Operating Officer)

d) Entities controlled or jointly controlled by individual having significant influence or their relatives

Infrasoft Technologies Limited	Company (Upto January 16, 2025)
SK Foundation	Trust
Sk Finance Limited Employee Gratuity Trust	Trust
Rajendra Kumar Setia HUF	Hindu Undivided Family of Managing Director and CEO

Disclosure has been made only when there have been any transactions and outstanding balances with those parties.

B. Key management personnel compensation

The table below describes the compensation to key management personnel under Ind AS 24:

Particulars		For the year ended March 31, 2025	For the year ended March 31, 2024
i)	Short-term employee benefits	928.09	907.40
ii)	Post-employment benefits	-	-
iii)	Other long-term benefits	-	-
iv)	Termination benefits	-	-
v)	Share-based payment *	-	-

* The above details does not include employee stock option plan cost charged in statement of profit and loss (including other comprehensive income) as the same is calculated for the Company as a whole, the said expense/ liability pertaining specifically to key managerial personnel are not known.

Notes to the Financial Statement

For the year ended March 31, 2025

(₹ in lakhs except otherwise stated)

38(B.1) As liability for gratuity and compensated absences is provided on actuarial basis, and calculated for the Company as a whole, the said expense/ liability pertaining specifically to key managerial personnel are not known, and hence, not included in the above table.

38(B.2) Gross remuneration comprises salary, medical reimbursement, leave travel concession, allowances and performance bonus but excludes non monetary value of other perquisites computed on the basis of the Income Tax Act and Rules.

C. Transactions/balances with related parties

i) Transactions during the year

Name of the related party	Nature of transactions	For the year ended March 31, 2025	For the year ended March 31, 2024
Directors			
Rajendra Kumar Setia	Salary	517.61	561.61
Yash Setia	Salary	163.39	160.31
Amar lal Daultani	Sitting fees	31.17	24.14
Anand Raghavan	Sitting fees	31.07	23.66
Nanda Sameer Dave	Sitting fees	22.07	-
Mukul Mathur	Sitting fees	17.71	-
Rajendra Kumar Setia	Insurance expenses	5.13	5.06
Rajendra Kumar Setia	Personal guarantee received for borrowings	-	35,000.00
Rajendra Kumar Setia	Issue of share capital#	-	7,362.14
Relative of directors		**-**	
Raj Kumar Setia	Salary	96.91	203.31
Shalini Setia	Rent	45.65	43.47
Raj Kumar Setia	Issue of share capital	-	2,503.95
Key management personnel (excluding directors)		**-**	
Atul Arora	Salary	114.49	111.85
Anagha Bangur	Salary	30.58	25.83
Atul Arora	Issue of share capital	-	1,518.62
Anagha Bangur	Issue of share capital	-	1.87
Entities controlled or jointly controlled by individual having significant influence or their relatives		**-**	
Infrasoft Technologies Limited	Information Technology Expenses	20.40	22.11
SK Foundation	CSR Expenses	296.82	334.77
SK Foundation	Donation	22.69	20.05
Sk Finance Limited Employee Gratuity Trust	Gratuity	1,200.00	-

Notes to the Financial Statement

For the year ended March 31, 2025

(₹ in lakhs except otherwise stated)

ii) Outstanding balances

Name of the related party	Nature of transactions	As at March 31, 2025	As at March 31, 2024
Directors			
Rajendra Kumar Setia	Equity share capital	419.03	430.71
Yash Setia	Equity share capital	0.03	0.03
Rajendra Kumar Setia	Salary payable	-	11.06
Yash Setia	Salary payable	-	4.39
Relative of directors			
Bhajan Devi Setia	Equity share capital	0.03	0.03
Shalini Setia	Equity share capital	0.03	0.03
Raj Kumar Setia	Equity share capital	7.65	7.65
Raj Kumar Setia	Salary payable	-	2.61
Key management personnel (excluding directors)			
Atul Arora	Equity share capital	2.00	5.90
Anagha Bangur	Equity share capital	0.12	0.12
Atul Arora	Salary payable	-	3.06
Anagha Bangur	Salary payable	-	0.71
Entities controlled or jointly controlled by individual having significant influence or their relatives			
Rajendra Kumar Setia HUF	Equity share capital	2.50	2.50

The issue of share capital includes receipt of pending call money of partly paid up shares during the year ended March 31, 2024.

38(C.1) The above details does not include employee stock option plan cost charged in statement of profit and loss (including other comprehensive income) as the same is calculated for the Company as a whole, the said expense/ liability pertaining specifically to key managerial personnel are not known.

38(C.2) As liability for gratuity and compensated absences is provided on actuarial basis, and calculated for the Company as a whole, the said expense/ liability pertaining specifically to key managerial personnel are not known, and hence, not included in the above table.

38(C.3) Gross remuneration comprises salary, medical reimbursement, leave travel concession, allowances and performance bonus but excludes non monetary value of other perquisites computed on the basis of the Income Tax Act and Rules.

D. Personal guarantees provided by directors

Details of personal gurantees given by the directors for borrowings as at March 31, 2025 and March 31, 2024 is stated under note 16 and 17.

E. Terms and conditions of transactions with related parties

All transactions with these related parties are priced on an arm's length basis. Outstanding amount as at the end of the year are unsecured and to be settled in cash.

Notes to the Financial Statement

For the year ended March 31, 2025

(₹ in lakhs except otherwise stated)

39 Leases

Lease in the capacity of lessee:

The Company's lease asset primarily consist of leases for office premises having lease term upto 25 years with an option to extend the lease or terminate on mutual agreement between lessee and lessor. At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee.

The table below provides details for the changes in the carrying value of right of use assets

Particulars	As at March 31, 2025	As at March 31, 2024
Opening balance	**8,277.31**	**6,197.86**
Additions	3,797.31	3,577.35
Depreciation (refer note 11)	(1,680.78)	(1,317.94)
Adjustment/Deletion (refer note 11)	(179.01)	(179.96)
Closing balance	**10,214.83**	**8,277.31**

The table below provides details for the changes in the lease liabilities

Particulars	As at March 31, 2025	As at March 31, 2024
Opening balance	**9,190.42**	**6,863.50**
Additions	3,742.01	3,532.94
Finance cost accrued during the year (refer note 28)	990.32	762.46
Payment of lease liabilities	(2,217.39)	(1,775.07)
Adjustment/Deletion	(247.80)	(193.41)
Closing balance	**11,457.56**	**9,190.42**
Current	**1,311.29**	**1,016.53**
Non-current	**10,146.26**	**8,173.89**

The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis

Particulars	As at March 31, 2025	As at March 31, 2024
Within one year	2,271.84	1,836.59
One to three years	4,278.22	3,355.61
Three to five years	3,985.98	3,081.59
More than five years	5,514.74	5,021.31
Closing balance	**16,050.78**	**13,295.10**

Notes to the Financial Statement

For the year ended March 31, 2025

(₹ in lakhs except otherwise stated)

40 Employee benefits

A. The Company contributes to the following post-employment defined benefit plans in India.

(i) Defined contribution plans:

The Company makes provident fund contributions to recognized provident fund for employees. The Company has recognized ₹ 2906.25 lakhs (March 31, 2024 ₹ 2302.64 lakhs) for provident fund and national pension fund contributions in the statement of profit and loss (including other comprehensive income).

(ii) Defined benefit plan:

Gratuity :-

The Company's defined benefit gratuity plan requires contributions to be made to a separately administered fund. The gratuity plan is funded with ICICI Prudential Life Insurance Company Limited (w.e.f. financial year ended March 31, 2025). The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the Act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. The Company accounts for the liability for future gratuity benefits based on an actuarial valuation. The net present value of the Company's obligation is actuarially determined based on the projected unit credit method as at balance sheet date.

A. Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognized in the company's financial statements as at balance sheet date:

Particulars	As at March 31, 2025	As at March 31, 2024
Present value of defined benefit obligation (A)	1,787.49	1,299.30
Fair value of plan assets (B)	1,200.00	-
Net liability recognized in the balance sheet (A-B)	**587.49**	**1,299.30**

B. Change in fair value of plan assets

The following table shows changes in fair value of plan assets and its components.

Particulars	Fair value of Plan assets	
	As at March 31, 2025	As at March 31, 2024
Opening balance	-	-
Employer contributions	1,200.00	-
Benefits paid	-	-
Return on plan assets	41.82	-
Experience adjustments	(41.82)	-
Closing balance	**1,200.00**	**-**

Notes to the Financial Statement

For the year ended March 31, 2025

(₹ in lakhs except otherwise stated)

C. Movement in net defined benefit liability

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit liability and its components.

Particulars	Defined benefit obligation	
	As at March 31, 2025	As at March 31, 2024
Opening balance	1,299.30	920.42
Included in profit or loss:		
Current service cost	381.71	277.29
Past service cost	-	-
Interest cost	86.02	62.33
	1,767.03	**1,260.04**
Included in OCI		
Remeasurement loss (gain):		
Actuarial loss (gain) arising from:		
Demographic assumptions	0.37	1.94
Financial assumptions	50.95	18.45
Experience adjustment	99.56	116.30
Return on plan assets excluding interest income	-	-
	150.88	**136.69**
Other		
Contributions paid by the employer		
Benefits paid	(130.42)	(97.43)
Liabilities settled	-	-
Closing balance	**1,787.49**	**1,299.30**

D. Defined benefit obligations

i. Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages)

Particulars	As at March 31, 2025	As at March 31, 2024
Discount rate	6.59%	6.97%
Expected Return on Plan Assets	6.97%	0.00%
Salary increase rate	7.00%	7.00%
Attrition Rate	10% - 46%	11% - 46%
Retirement Age (in years)	60	60
Pre-retirement mortality	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate
Disability	Nil	Nil

Assumptions regarding future mortality have been based on published statistics and mortality tables.

Notes to the Financial Statement

For the year ended March 31, 2025

(₹ in lakhs except otherwise stated)

ii. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below :

Particulars	As at March 31, 2025		As at March 31, 2024	
	Increase	Decrease	Increase	Decrease
Discount rate (100 bps)	1,650.42	1,945.97	1,208.15	1,403.67
Future salary growth (100 bps)	1,936.03	1,656.52	1,396.94	1,212.45
Attrition (100 bps)	1,766.93	1,809.02	1,286.70	1,312.19

E. Investments quoted in active markets:

Particulars	As at March 31, 2025	As at March 31, 2024
Government securities	541.20	-
Corporate securities	528.96	-
Other investments	129.84	-
Total	**1,200.00**	**-**

F. Expected maturity analysis of the defined benefit plans in future years

Particulars	As at March 31, 2025	As at March 31, 2024
Expected contributions / addl. provision next year	890.17	277.29
Average duration of defined benefit obligations	5.10 years	4.70 years
Expected total benefit payments		
Year 1	131.78	103.53
Year 2	139.37	115.53
Year 3	168.37	121.09
Year 4	160.21	148.94
Year 5	178.93	128.86
Next 5 years	781.71	591.37

G. Description of risk exposures

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such entity is exposed to various risk as follows:

Salary increases : The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

Discount rate : Reduction in discount rate in subsequent valuations can increase the plan's liability.

Mortality & disability : Actual deaths and disability cases proving lower or higher than assumed in the valuation can impact the liabilities.

Withdrawals : Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact plan's liability.

Notes to the Financial Statement

For the year ended March 31, 2025

(₹ in lakhs except otherwise stated)

H. Compensated absences

The Company has provided for compensatory leaves which can be availed and encashed as per the Company's policy. The net amount of compensated absences of the Company's obligation is actuarially determined based on the projected unit credit method as at balance sheet date by actuarial valuation. Amount recognised in the statement of profit and loss (including other comprehensive income) is as under :

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Compensated absences	607.48	173.08

I. The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

41 Share Based Payment

A Share option plans (equity-settled)

The Company had formulated and implemented a policy i.e. Employee Stock Option Plan 2018 approved by the shareholders on September 11, 2018 which was amended and replaced by "Amended and Restated Employee Stock Option Plan 2018" ("Plan") by the shareholders on October 31, 2018 (1st amendment). Further, the shareholders of the Company amended the scheme on March 11, 2022 (2nd amendment) and April 25, 2024 (3rd amendment). The Nomination and Remuneration Committee (NRC) of the Board of Directors of the Company, inter alia, administers and monitors the Plan in accordance with the provisions of Companies Act, 2013 and rules made thereunder. It was further classified in three schemes (i.e. ESOP-I, ESOP-II and ESOP-III).

Out of options granted, 25% shares will vest at the end of eighteen months from the date of grant, 25% at the end of the thirty months , 25% at the end of the forty-two months and balance 25% at the end of fifty-four months. The fair value of the options will be estimated at the grant date using a Black-Scholes pricing model, taking into account the terms and conditions upon which the ESOP were granted.

Such option vest at definite date, save for specific incidents, prescribed in the schemes as framed/ approved by NRC. Such options are exercisable for a period following vesting at the discretion of the NRC, subject to a maximum of 7 years from the date of vesting for ESOP Schemes.

The fair value of the option is determined using a Black-Scholes options pricing model. During the year ended March 31, 2025 ₹ 1752.6 lakhs (March 31, 2024 ₹ 1133.17 lakhs) has recognized to the Company's statement of profit and loss (including other comprehensive income) in respect of equity-settled share-based payments transactions.

B Movement of share options

Movement in the options outstanding under the Employees Stock Option Plan for the year ended March 31, 2025

Scheme reference	Grant date	Balance as at April 1, 2024	Granted during the year	Exercised during the year	Lapsed/ cancelled/ adjusted during the year	Balance as at March 31, 2025	Weighted average exercise price
ESOP - I (a)	15-Oct-18	7,252	-	(1,500)	-	5,752	62.34
ESOP - II (a)	02-Apr-19	12,500	-	-	-	12,500	149.07
ESOP - II (c)	05-Nov-20	45,000	-	-	-	45,000	149.07
ESOP - I (b) and II (d)	05-Aug-22	21,25,248	-	(2,50,640)	(1,67,300)	17,07,308	300.00
ESOP - I (c) and II (e)	05-May-23	76,400	-	(5,000)	(6,000)	65,400	300.00

Notes to the Financial Statement

For the year ended March 31, 2025

(₹ in lakhs except otherwise stated)

Scheme reference	Grant date	Balance as at April 1, 2024	Granted during the year	Exercised during the year	Lapsed/ cancelled/ adjusted during the year	Balance as at March 31, 2025	Weighted average exercise price
ESOP - III	28-May-24	-	14,76,800	-	(10,000)	14,66,800	576.72
ESOP - III	24-Oct-24	-	5,75,000	-	-	5,75,000	576.72
ESOP - III	20-Mar-25		1,58,300	-	-	1,58,300	576.72
		22,66,400	**22,10,100**	**(2,57,140)**	**(1,83,300)**	**40,36,060**	

The total options exercisable as at March 31, 2025 is 8,15,360.

The weighted average remaining contractual life of options as at March 31, 2025 is 4.35 years.

Movement in the options outstanding under the Employees Stock Option Plan for the year ended March 31, 2024

Scheme reference	Grant date	Balance as at April 1, 2023	Granted during the year	Exercised during the year	Lapsed/ cancelled/ adjusted during the year	Addition in number of option on account of bonus and sub-division*	Balance as at March 31, 2024	Weighted average exercise price
ESOP - I (a)	15-Oct-18	1,24,660	-	(1,22,847)	-	5,439	7,252	62.34
ESOP - II (a)	02-Apr-19	3,125	-	-	-	9,375	12,500	149.07
ESOP - II (c)	05-Nov-20	18,750	-	(2,500)	(5,000)	33,750	45,000	149.07
ESOP - I (b) and II (d)	05-Aug-22	6,00,200	-	-	(68,888)	15,93,936	21,25,248	300.00
ESOP - I (c) and II (e)	05-May-23	-	21,600	-	(2,500)	57,300	76,400	300.00
		7,46,735	**21,600**	**(1,25,347)**	**(76,388)**	**16,99,800**	**22,66,400**	

The total options exercisable as at March 31, 2024 is 5,65,502.

The weighted average remaining contractual life of options as at March 31, 2024 is 4.28 years.

* Pursuant to resolution by The Board of Directors of the Company in its meeting held on February 01, 2024 and shareholders of the Company in the Extraordinary General Meeting held on March 11, 2024 approved the sub-division of shares from ₹ 2 per share to ₹ 1 per share and also approved the bonus share in the ratio of 1:1. Consequently, in terms of the Employee Stock Option Scheme of the Company, the grant price and the number of outstanding stock options in respect of stock options granted under the Employee Stock Option Scheme were proportionately adjusted.

C Fair value of share options

The fair value of options granted is estimated using the Black Scholes Option Pricing Model after applying the key assumption which are tabulated below.

Scheme	ESOP - I (a)	ESOP - II (a)	ESOP - II (c)	ESOP - I (b) and II (d)	ESOP - I (c) and II (e)	ESOP - III	ESOP - III	ESOP - III
Grant Date	15-Oct-18	02-Apr-19	05-Nov-20	05-Aug-22	05-May-23	28-May-24	24-Oct-24	20-Mar-25
Exercise price (₹)*	62.34	149.07	149.07	300.00	300.00	576.72	576.72	576.72
Expected life of the option (Years)	4.50 to 7.50	4.50 to 7.50	1.50 to 4.50	4.50 to 7.50	4.00 to 6.76	4.50 to 7.50	4.00 to 7.00	4.00 to 7.00
Annual Dividend yield	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Expected volatility	0.30	0.30	0.47	0.46	0.44	0.32 to 0.54	0.32 to 0.40	0.32 to 0.44
Risk free rate	7.81% to 7.98%	7.81% to 7.98%	3.82% to 5.01%	6.89% to 7.39%	7.02% to 7.09%	7.41% to 7.52%	6.85% to 6.88%	6.64% to 6.69%

Notes to the Financial Statement

For the year ended March 31, 2025

(₹ in lakhs except otherwise stated)

Scheme	ESOP - I (a)	ESOP - II (a)	ESOP - II (c)	ESOP - I (b) and II (d)	ESOP - I (c) and II (e)	ESOP - III	ESOP - III	ESOP - III
Fair value per share options (₹)	24.34 to 32.97	58.16 to 78.79	43.93 to 75.37	129.53 to 167.73	169.71 to 237.16	135.06 to 289.24	151.10 to 275.26	162.37 to 297.13
Market price (₹)	62.35	149.07	159.08	310.01	393.26	519.22	571.63	638.54

The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

* Pursuant to resolution by The Board of Directors of the Company in its meeting held on February 01, 2024 and shareholders of the Company in the Extraordinary General Meeting held on March 11, 2024 approved the sub-division of shares from ₹ 2 per share to ₹ 1 per share and also approved the bonus share in the ratio of 1:1. Consequently, in terms of the Employee Stock Option Scheme of the Company, the grant price and the number of outstanding stock options in respect of stock options granted under the Employee Stock Option Scheme were proportionately adjusted.

42 Transfer of financial assets

42.1 Transfer of financial assets that do not result in derecognition

The Company has transferred its receivables through securitization agreement with a first loss default guarantee (FLDG) such as corporate guarantee, cash collateral, subscription to subordinated pass through certificates (PTCs) etc. The Company has also agreed to provide servicing assistance to the transferee pursuant to the terms of servicing agreement.

In view of the above, the Company has retained substantially all the risks and rewards of ownership of the financial asset and thereby does not meet the derecognition criteria as set out in Ind-AS 109 and recognises an associated liability for the consideration received.

The Company had no ability to use these assets during the tenure of the receivables in view of the legal transfer pursuant to securitisation agreement.

The following table sets out the carrying amount of the financial assets transferred that are not derecognized in their entirety and associated liabilities:

Particulars	As at March 31, 2025	As at March 31, 2024
Securitisation		
Carrying amount of assets	2,57,311.62	1,81,016.91
Carrying amount of associated liabilities	2,21,434.21	1,51,022.01
Fair value of assets (A)	2,49,722.13	1,85,608.55
Fair value of associates liabilities (B)	2,19,999.14	1,51,033.71
Net position at fair value (A-B)	**29,722.99**	**34,574.84**

42.2 Transfer of financial assets that are derecognised

During the year, the Company has assigned (earlier measured at amortised cost) by way of direct assignment as per the agreed terms of the deals. Since substantial risk and rewards related to these assets were transferred to the buyer, the assets have been de-recognised from the books of accounts. The table below summarises the carrying amount of the derecognised financial assets measured at amortised cost and the gain/(loss) on derecognition during the year:

Particulars	As at March 31, 2025	As at March 31, 2024
Direct assignment		
Carrying amount of transferred assets measured at amortised cost	1,17,840.72	1,01,260.29

Notes to the Financial Statement

For the year ended March 31, 2025

(₹ in lakhs except otherwise stated)

Particulars	As at March 31, 2025	As at March 31, 2024
Carrying amount of exposures retained by the company at amortised cost	12,708.59	11,540.51
Gain on sale of the derecognised financial assets	14,501.92	9,632.78

Since the Company transferred the above financial asset in a transfer that qualified for derecognition in its entirety, therefore the whole of the interest spread (over the expected life of the asset) is recognized on the date of derecognition itself as interest strip receivable and correspondingly recognised as gain on derecognition of financial asset.

42.3 Transferred financial assets that are derecognised in their entirety but where the Company has continuing involvement

The Company has not transferred any assets that are derecognised in their entirety where the Company continues to have continuing involvement.

43 Fair values of financial instruments

A. Categories of financial assets and financial liabilities:

The following table shows the carrying amounts of financial assets and financial liabilities which are classified as fair value through profit and loss (FVTPL), fair value through other comprehensive income (FVTOCI) and amortised cost.

Particulars	As at March 31, 2025				As at March 31, 2024			
	FVTPL	FVTOCI	Amortised cost	Total	FVTPL	FVTOCI	Amortised cost	Total
Financial assets								
Cash and cash equivalents	-	-	38,569.15	38,569.15	-	-	40,999.64	40,999.64
Bank balance other than cash and cash equivalents	-	-	1,51,846.12	1,51,846.12	-	-	1,55,476.42	1,55,476.42
Derivative financial instruments	1,896.71	(1,330.88)	-	565.83	1,980.01	-	-	1,980.01
Receivables								
Other receivables	-	-	1,682.27	1,682.27	-	-	7.41	7.41
Loans	-	-	11,84,088.05	11,84,088.05	-	-	9,64,384.41	9,64,384.41
Investments	1,03,941.03	-	-	1,03,941.03	28,754.70	-	-	28,754.70
Other financial assets	-	-	35,326.43	35,326.43	-	-	14,356.86	14,356.86
Total	**1,05,837.74**	**(1,330.88)**	**14,11,512.02**	**15,16,018.88**	**30,734.71**	**-**	**11,75,224.74**	**12,05,959.45**
Financial liabilities								
Derivative financial instruments	87.94	807.01	-	894.95	67.70	-	-	67.70
Debt securities	-	-	2,17,668.36	2,17,668.36	-	-	1,53,655.91	1,53,655.91
Borrowings (other than debt securities)	-	-	9,42,740.83	9,42,740.83	-	-	7,39,832.06	7,39,832.06
Other financial liabilities	-	-	27,614.23	27,614.23	-	-	23,787.38	23,787.38
Total	**87.94**	**807.01**	**11,88,023.42**	**11,88,918.37**	**67.70**	**-**	**9,17,275.35**	**9,17,343.05**

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For the year ended March 31, 2025

(₹ in lakhs except otherwise stated)

B. Fair value hierarchy:

Fair values of financial assets and financial liabilities measured as fair value, including their levels in the fair value hierarchy, are presented below.

Particulars	As at March 31, 2025				As at March 31, 2024			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Derivative financial instruments	-	565.83	-	565.83	-	1,980.01	-	1,980.01
Investments								
Security receipt of ARC	-	12,217.03	-	12,217.03	-	3,912.51	-	3,912.51
High quality liquid assets (HQLA)	-	-	-	-		-	-	-
Debts securities	-	91,724.00	-	91,724.00	-	24,842.19	-	24,842.19
Total	**-**	**1,04,506.86**	**-**	**1,04,506.86**	**-**	**30,734.71**	**-**	**30,734.71**
Financial liabilities								
Derivative financial instruments	-	894.95	-	894.95	-	67.70	-	67.70
Total	**-**	**894.95**	**-**	**894.95**	**-**	**67.70**	**-**	**67.70**

Financial instruments measured at amortised cost

Particulars	As at March 31, 2025			As at March 31, 2024		
	Carrying amount	Fair value	Fair value hierarchy	Carrying amount	Fair value	Fair value hierarchy
Financial assets						
Loans	11,84,088.05	11,53,028.94	Level 3	9,64,384.41	10,15,936.27	Level 3
Total	**11,84,088.05**	**11,53,028.94**		**9,64,384.41**	**10,15,936.27**	
Financial liabilities						
Debt securities	2,17,668.36	2,05,866.31	Level 3	1,53,655.91	1,55,064.33	Level 3
Borrowings (other than debt securities)	9,42,740.83	9,39,447.15	Level 3	7,39,832.06	7,50,589.90	Level 3
Total	**11,60,409.19**	**11,45,313.46**		**8,93,487.97**	**9,05,654.23**	

The financial assets and liabilities, such as cash and cash equivalents, bank balances other than cash and cash equivalents, other receivable, other financial assets and liabilities approximate their carrying amounts largely due to the short term maturity of these instruments.

C. Measurement of fair values

The fair value of financial instruments have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements). The categories used are as follows:

The categories used are as follows:

Level 1 : Level 1 hierarchy includes financial instruments measured using unadjusted quoted prices in active markets that the Company has the ability to access for the identical assets or liabilities. A financial instrument is classified as a Level 1 measurement if it is listed on an exchange. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2 : The fair value of financial instruments that are not traded in active markets is determined using valuation techniques which maximize the use of observable market data either directly or indirectly, such as quoted prices for similar assets and liabilities in active markets, for substantially the full term of the financial instrument but do not qualify as Level 1 inputs. If all significant inputs required to fair value an instrument are observable the instrument is included in Level 2.

Notes to the Financial Statement

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Level 3 : If one or more of the significant inputs is not based in observable market data, the instruments is included in Level 3. That is, Level 3 inputs incorporate market participants' assumptions about risk and the risk premium required by market participants in order to bear that risk. The Company develops Level 3 inputs based on the best information available in the circumstances.

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values, as well as the significant unobservable inputs used.

Financial instruments measured at fair value

Instrument type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Investments in debt securities	Fair value is based on market-observable data such as secondary market prices for its traded debt and where no data is available, it is estimated using prevailing bond rate on balance sheet date. The Company has liquid debt instruments.	Not applicable	Not applicable
Investments in security receipts	The Investment in security receipts are valued using the closing NAV.	Not applicable	Not applicable
Derivative financial instrument (assets)	Cross currency interest rate swap (CCIRS) held for the purpose of hedging foreign currency denominated External Commercial Borrowings are accounted as a derivative financial instrument. CCIRS is being considered under Level 2 for fair valuation which is performed through discounted cash flow method by deriving future forward rates from published zero coupon yield curve. All future cash flows for both the paying and receiving legs in the swap contract are discounted to present value using these forward rates and accordingly arrived at the valuation for a point of time. The fair value of Interest Rate Swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.	Not applicable	Not applicable

Financial instruments not measured at fair value

Instrument type	Valuation technique
Loans	The fair values of loans and receivables are calculated using a portfolio-based approach, grouping loans as far as possible into homogenous groups based on similar characteristics. The fair value is then extrapolated to the portfolio using discounted cash flow models that incorporate interest rate estimates considering all significant characteristics of the loans. This fair value is then reduced by impairment allowance which is already calculated incorporating probability of defaults and loss given defaults to arrive at fair value net of risk.
Debt securities and borrowings other than debt securities	The fair values of the Company's debt securities and borrowings other debt securities are calculated based on a discounted cash flow model and for the purpose of disclosures are classified under Level 3.

Transfer between fair value hierarchy levels

There were no significant changes in the classification and no significant movements between the fair value hierarchy classifications of assets and liabilities.

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For the year ended March 31, 2025

(₹ in lakhs except otherwise stated)

44 Financial risk management

The Company has exposure to the following risks arising from financial instruments:

A) Credit risk ;

B) Liquidity risk ; and

C) Market risk

A. Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the risk management committee. The risk management committee of board exercises supervisory power in connection with the risk management of the Company, developing and monitoring risk management policies, monitoring of the exposures, reviewing adequacy of risk management process, ensuring compliance with the statutory/ regulatory framework of the risk management process.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

Management believes that an effective risk management process is the key to sustained operations thereby protecting value for all stakeholders, identifying and mitigating and continuously monitoring risks to business, achieving business objectives, improving governance processes and preparing for unplanned circumstances. Management ensures effective risk management by implementing following steps:

1. Adheres to procedures described in various policies approved by the board from time to time by implementing adequate financial controls.
2. Communicates various policies to the stakeholders through suitable training and communication and periodical review of its relevance in changing business atmosphere.
3. Identifies risks and promotes proactive approach for treating such risks.
4. Allocates adequate and timely resources to mitigate, manage and minimize the risks and their adverse impact on outcomes.
5. Strives towards strengthening the risk management system through continuous learning and improvement.
6. Complies with all relevant laws and regulations across the areas of operations of the Company.
7. Optimizes risk situations to manage adverse exposure on deliverables and bring them in line with acceptable risk appetite of the Company in consonance with business objectives.
8. Engages internal auditors to periodically review various aspects of the internal control systems. The reports of the internal auditors are reviewed by the audit committee.
9. The Company has implemented adequate internal financial controls.
10. The Company has a board approved asset liability management policy.

B. Credit risk

Credit risk is the risk of actual or probable financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and loans and advances now or in future. The sanction and renewal of any credit facility to a particular borrower requires appropriate credit approval by concerned authority. The appropriate authority has been entrusted with the task of verifying the credentials of the customer as per set processes and guidelines. The Company manages and controls credit risk by setting limits on the amount of risk it is

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willing to accept for individual counterparties and for group of counterparties and by monitoring exposures in relation to such limits. Credit worthiness of borrowers is regularly reviewed and monitored by line credit risk managers, who are responsible for maintaining the portfolio quality as per given risk – return targets. The credit quality review process aims to allow the Company to assess the potential loss as a result of the risks to which it is exposed and take corrective actions.

The gross carrying amounts of following financial assets represent the maximum credit risk exposure:-

Particulars	As at March 31, 2025	As at March 31, 2024
Loans	11,88,754.51	9,67,288.21
Others	18,635.42	14,054.00
Total	**12,07,389.93**	**9,81,342.21**

i. Credit quality analysis

The following table sets out the information about the credit quality of financial assets measured at amortised cost.

Particulars	As at March 31, 2025					As at March 31, 2024				
	Stage 1	Stage 2	Stage 3	Others*	Total	Stage 1	Stage 2	Stage 3	Others*	Total
Gross Loans										
Neither past due nor impaired	10,11,860.78	-	-	1,387.95	10,13,248.73	8,45,717.47	-	-	484.73	8,46,202.20
Past due but not impaired										
01-30 days past due	79,762.90	-	-	3,063.04	82,825.94	59,902.55	-	-	1,420.39	61,322.94
31-90 days past due	-	40,531.86	-	21,531.09	62,062.95	-	28,014.23	-	10,947.22	38,961.45
Impaired (more than 90 days)	-	-	30,616.89	-	30,616.89	-	-	20,801.62	-	20,801.62
Others	**16,878.15**	**1,007.83**	**477.08**	**272.36**	**18,635.42**	**12,619.04**	**757.11**	**556.61**	**121.24**	**14,054.00**
	11,08,501.83	**41,539.69**	**31,093.97**	**26,254.44**	**12,07,389.93**	**9,18,239.06**	**28,771.34**	**21,358.23**	**12,973.58**	**9,81,342.21**
Expected credit loss ratio	0.27%	8.67%	41.35%	14.55%	1.93%	0.40%	10.24%	40.97%	12.54%	1.73%
Impairment loss allowance	(3,023.56)	(3,602.28)	(12,857.23)	(3,818.81)	(23,301.88)	(3,633.06)	(2,946.55)	(8,751.40)	(1,626.79)	(16,957.80)
Net Loans	**11,05,478.27**	**37,937.41**	**18,236.74**	**22,435.63**	**11,84,088.05**	**9,14,606.00**	**25,824.79**	**12,606.83**	**11,346.79**	**9,64,384.41**

*Others: The Company categorised loans with Days Past Due ('DPD') more than 90 days as Stage 3. For "Others" represents assets which had been an Non-Performing Assets ('NPA') in the past but yet to be fully normalized (Zero DPD) though it has moved to Stage1 and Stage 2 i.e. below 90 days as of the balance sheet date and continued to be classified as NPA in accordance with the RBI circular number RBI/2021-2022/125 dated November 12, 2021.

ii. Collaterals held and concentrations of credit risk

Collaterals held

Maximum exposure to credit risk

The maximum exposure to credit risk of loans is their carrying amount. The maximum exposure is before considering the effect of mitigation through collateral.

Narrative description of collateral

Collateral primarily include vehicles purchased by retail loan customers and in case of MSME customer, collateral primarily includes the property.

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Quantitative information of collateral

The Company monitors its exposure to loan portfolio using the Loan To Value (LTV) ratio, which is calculated as the ratio of the gross amount of the loan to the value of the collateral. The value of the collateral for retail loans except loan against property is derived by writing down the asset cost at origination by 12.50% p.a on reducing balance basis.

Quantitative information of collateral - secured loans

Collateral coverage	Collateral value of loans	
	As at March 31, 2025	As at March 31, 2024
Less than 50% coverage	1.41	6.06
51% to 70% coverage	1.00	410.72
71% to 90% coverage	427.37	4,313.12
91% to 100% coverage	4,108.73	19,351.89
More than 100% coverage	25,87,173.25	17,31,175.88
Total	**25,91,711.76**	**17,55,257.67**

Quantitative information of collateral - credit impaired assets

Collateral coverage	Collateral value of loans	
	As at March 31, 2025	As at March 31, 2024
Less than 50% coverage	0.05	3.58
51% to 70% coverage	-	409.46
71% to 90% coverage	427.37	4,004.85
91% to 100% coverage	1,755.31	3,092.34
More than 100% coverage	66,239.11	26,562.89
Total	**68,421.84**	**34,073.12**

Concentration of credit risk

Company's loan portfolio is predominantly to finance retail vehicle loans. The Company manages concentration of risk primarily by geographical region in India. The following tables show the geographical concentrations of loans:

Particulars	As at March 31, 2025	As at March 31, 2024
A - Northern state	9,94,033.71	8,10,771.47
B - Western state	2,13,356.22	1,70,570.74
Total	**12,07,389.93**	**9,81,342.21**

iii. Amounts arising from ECL

a Inputs, assumptions and techniques used for estimating impairment

Inputs considered in the ECL model:

In assessing the impairment of financial loans under expected credit loss (ECL) model, the assets have been segmented into three stages. The three stages reflect the general pattern of credit deterioration of a financial instrument. The differences in accounting between stages, relate to the recognition of expected credit losses and the measurement of interest income.

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The Company categorizes loan assets into stages primarily based on the months past due status.

Stage 1 : 0-30 days past due

Stage 2 : 31-90 days past due

Stage 3 : More than 90 days past due

The Company applies the general approach to providing for expected credit losses prescribed by Ind AS 109, which permits the use of the lifetime expected loss provision for advances other than stage 1. The Company has computed expected credit losses based on a provision matrix (EAD x PD x LGD) which uses historical credit loss experience and using forward looking economic variables of the Company.

Assessment of significant increase in credit risk (SICR):

The credit risk on a financial asset of the Company is assumed to have increased significantly since initial recognition when contractual payments are more than 30 days past due. Accordingly the financial assets shall be classified as stage 2, if on the reporting date, it has been past due for more than 30 days.

In determining whether credit risk has increased significantly since initial recognition, the Company uses days past due information, early warning signals (EWS) in terms of unusual events including incidents and frauds, repossession of an asset, etc. and forecast information to assess deterioration in credit quality of a financial asset.

Definition of default

The Company considers a financial asset to be in “default” and therefore stage 3 (credit impaired) for ECL calculations when the borrower becomes 90 days past due on its contractual payments.

Exposure at default

"Exposure at default” (EAD) represents the gross carrying amount of the assets subject to impairment.

Estimations and assumptions considered in the ECL model

The Company has made the following assumptions in the ECL Model:

a. “Loss given default” (LGD) is common for all three stages and is based on loss experiences in past. Actual cash flows on the past portfolio are discounted at contractual interest rate for arriving loss rate.

b. ”Probability of Default” (PD) is applied on stage 1 and stage 2 on portfolio basis and for stage 3 PD at 100%. This is calculated as an average historical movement of default rates and future adjustment for macro-economic factor.

Write-off of financial assets

Financial assets are written off either partially or in their entirety when there is no realistic prospect of recovery. This is generally the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts.

b An analysis of changes in gross carrying amount as follows:

Particulars	Stage 1	Stage 2	Stage 3	Others	Total
Gross Loans					
Balance as at April 1, 2023	6,71,255.56	19,420.40	13,807.84	8,367.81	7,12,851.61
Transfer to/from stage 1	2,281.37	(1,484.13)	(173.79)	(623.45)	-
Transfer to/from stage 2	(17,405.06)	17,548.33	(32.38)	(110.89)	-
Transfer to/from stage 3	(10,260.73)	(2,756.53)	14,553.57	(1,536.31)	-
Transfer to/from Others	(8,189.01)	(1,306.36)	(128.29)	9,623.66	
New financial assets originated during the year	7,10,184.38	8,923.04	2,170.04	2,421.45	7,23,698.91
Matured or repaid or derecognized	(4,29,614.32)	(11,573.41)	(6,531.08)	(5,168.69)	(4,52,887.50)
Write-offs	(13.13)	-	(2,307.68)	-	(2,320.81)

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Particulars	Stage 1	Stage 2	Stage 3	Others	Total
Balance as at March 31, 2024	**9,18,239.06**	**28,771.34**	**21,358.23**	**12,973.58**	**9,81,342.21**
Transfer to/from stage 1	2,467.24	(1,581.66)	(286.84)	(598.74)	-
Transfer to/from stage 2	(27,754.16)	27,949.16	(37.48)	(157.52)	-
Transfer to/from stage 3	(15,897.85)	(3,436.97)	21,685.08	(2,350.26)	-
Transfer to/from Others	(17,890.88)	(2,670.06)	(169.15)	20,730.09	-
New financial assets originated during the year	8,22,111.59	10,695.52	2,813.04	4,221.63	8,39,841.78
Matured or repaid or derecognized	(5,72,735.09)	(18,184.66)	(12,601.12)	(8,564.34)	(6,12,085.21)
Write-offs	(38.08)	(2.98)	(1,667.79)	-	(1,708.85)
Balance as at March 31, 2025	**11,08,501.83**	**41,539.69**	**31,093.97**	**26,254.44**	**12,07,389.93**

c Impairment loss allowance:

The following table shows reconciliations from the opening to the closing balance of the loss allowances::

Particulars	Stage 1	Stage 2	Stage 3	Others	Total
Impairment loss allowance - Gross Loans					
Balance as at April 1, 2023	6,630.09	1,700.82	4,454.45	1,026.95	13,812.31
Transfer to/from stage 1	59.42	(41.35)	(2.38)	(15.69)	-
Transfer to/from stage 2	(2,710.75)	2,721.91	(2.62)	(8.54)	-
Transfer to/from stage 3	(5,158.15)	(1,146.39)	6,952.60	(648.06)	-
Transfer to/from Others	(1,343.40)	(160.65)	(12.47)	1,516.52	
New financial assets originated or impact of changes in credit risk during the year	10,739.73	876.25	495.93	433.96	12,545.87
Matured or repaid or derecognized	(4,583.88)	(1,004.04)	(3,134.11)	(678.35)	(9,400.38)
Balance as at March 31, 2024	**3,633.06**	**2,946.55**	**8,751.40**	**1,626.79**	**16,957.80**
Transfer to/from stage 1	28.61	(17.45)	(5.70)	(5.46)	-
Transfer to/from stage 2	(3,391.46)	3,408.12	(4.46)	(12.20)	-
Transfer to/from stage 3	(7,708.32)	(1,437.05)	10,126.47	(981.10)	-
Transfer to/from Others	(3,196.20)	(408.76)	(22.42)	3,627.38	-
New financial assets originated or impact of changes in credit risk during the year	15,790.52	1,093.56	225.10	655.42	17,764.60
Matured or repaid or derecognized	(2,132.65)	(1,982.69)	(6,213.16)	(1,092.02)	(11,420.52)
Balance as at March 31, 2025	**3,023.56**	**3,602.28**	**12,857.23**	**3,818.81**	**23,301.88**

C Liquidity risk

Liquidity risk is risk that the Company will encounter difficulty in meeting the obligation associated with its financial liabilities that are settled by delivering cash or another financial assets. The Company’s approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its financial liabilities when they are due, under both normal and stressed condition in a timely manner, without incurring unacceptable losses or risking damage to the Company’s reputation.

The Company has obtained fund based working capital loans from various banks. Further, the Company has access to funds from debt market through non-convertible debentures and other debt instruments including term loans. Short term facilities including cash credits and working capital demand loans are renewed on yearly basis and are revolving in nature. The Company also manages liquidity by raising funds through securitization transaction.

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The Company uses debt funds and fixed deposit receipts to manage/ invest its available surplus. The Company has also taken the overdraft facilities on its investments in fixed deposits, and used as a working capital in an ordinary courses of business.

The asset liability management committee (ALCO) of the Company defines its risk management strategy and set the overall policies and procedures. The Liquidity risk management strategies are reviewed by the ALCO to align with changes to the external environments, including regulatory changes, business conditions and market developments.

Maturity profile of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted.

Particulars	Carrying amount	Total	On demand	0 - 12 months	1-3 years	3-5 years	5+ years
As at March 31, 2025							
Non-derivative financial liabilities							
Debt securities	2,17,668.36	2,17,668.36	-	23,256.35	1,84,307.00	10,105.01	-
Borrowings (other than debt securities)	9,42,740.83	9,42,740.83	7,326.23	3,84,560.99	4,60,000.50	90,853.11	-
Other financial Liabilities	27,614.23	27,614.23	14,807.80	-	-	-	12,806.43
Derivative financial liabilities							
Derivative financial instruments	**894.95**	**894.95**	**-**	**-**	**-**	**-**	**894.95**

Particulars	Carrying amount	Total	On demand	0 - 12 months	1-3 years	3-5 years	5+ years
As at March 31, 2024							
Non-derivative financial liabilities							
Debt securities	1,53,655.91	1,53,655.91	-	1,14,397.69	18,964.02	20,294.20	-
Borrowings (other than debt securities)	7,39,832.06	7,39,832.06	18,108.38	2,94,425.68	3,54,427.68	72,275.32	595.00
Other financial liabilities	23,787.38	23,787.38	13,569.09	-	-	-	10,218.29
Derivative financial liabilities							
Derivative financial instruments	**67.70**	**67.70**	**-**	**-**	**49.27**	**18.43**	**-**

D Market risk

i. Interest rate risk

Interest rate risk consists primarily of risk inherent in ALM activities and relates to the potential adverse impact of changes in market interest rates on future net interest income (NII). Interest rate risk arises from mismatches in re-pricing of interest rate sensitive assets (RSA) and rate sensitive liabilities (RSL).

Board of directors of the Company is responsible for management of its interest rate risk and sets the overall policy and risk limits. In order to manage/mitigate interest rate risk, the Company has defined interest rate sensitive gap tolerance limits for each time bucket which is approved by the Board. Treasury is entrusted with the responsibility of managing interest rate risk within the prescribed overall risk limits and the same is monitored by ALCO. Further, the Company undertakes NII analysis to assess the impact of changes in interest rate on the earnings of the Company.

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(₹ in lakhs except otherwise stated)

Exposure to interest rate risk

Company's interest rate risk arises from borrowings. The interest rate profile of the Company's interest bearing financial instruments as reported to the management of the Company is as follows:

Particulars	As at March 31, 2025	As at March 31, 2024
Fixed-rate instruments		
Financial assets	15,16,018.88	12,05,959.45
Financial liabilities	6,06,700.43	4,13,126.92
Variable-rate instruments		
Financial assets	-	-
Financial liabilities	5,82,217.94	5,04,216.13
Total Net	**3,27,100.52**	**2,88,616.40**

Fair value sensitivity analysis for fixed-rate instruments

The Company do not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased/(decreased) profit or loss before tax by the amounts shown below. This analysis assumes that all other variables remain constant.

Particulars	As at March 31, 2025		As at March 31, 2024	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
Variable rate instruments	5,822.18	(5,822.18)	5,042.16	(5,042.16)
Cash Flow Sensitivity	**5,822.18**	**(5,822.18)**	**5,042.16**	**(5,042.16)**

ii. Foreign currency risk

Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Foreign currency risk for the Company arises majorly on account of foreign currency borrowings. The Company manages this foreign currency risk by entering into cross currency swaps and forward contract. When a derivative is entered into for the purpose of being as hedge, the Company negotiates the terms of those derivatives to match with the terms of the hedge exposure. The Company's policy is to fully hedge its foreign currency borrowings at the time of drawdown and continue till repayment. The Company holds derivative financial instruments such as cross currency interest rate swap for changes in exchange rate in foreign currency and floating interest rate. The counterparty for these contracts is generally a bank. These derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in market place.

Particulars	Currency	As at March 31, 2025	As at March 31, 2024
Financial liabilities in ₹	USD	74,322.71	31,736.15

Cash flow sensitivity analysis for foreign currency risk

The Company's policy is to fully hedge its foreign currency borrowings at the time of drawdown and remain so till repayment. Thus, there is no sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments. This analysis assumes that all other variables remain constant.

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iii. Price risk exposure

The Company's exposure to price risk is not material and it is primarily on account of investment of temporary treasury surplus in the highly liquid debt funds for very short durations. The Company has a board approved policy of investing its surplus funds in highly rated debt mutual funds and other instruments having insignificant price risk, not being equity funds/ risk bearing instruments.

iv. Hedging Policy

The Company hedging policy only allows for effective hedging relationships to be considered as hedges as per the relevant Ind AS. Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. The Company enters into hedge relationships where the critical terms of the hedging instrument match exactly with the terms of the hedged item, and so a qualitative and quantitative assessment of effectiveness is performed.

Fair Value Hedge and Cash Flow Hedge

The impact of the hedging instrument and hedged item on the balance sheet and statement of profit and loss (including other comprehensive income).

Hedging Instrument

The Notional value and Carrying amount for derivative has been shown under note 6. The change in fair value of the derivative has been shown under note 25.

Hedge Ratio

The foreign exchange forward and currency swap contracts are denominated in the same currency as the highly probable future foreign currency principal and interest payments, therefore the hedge ratio is 1:1.

45 Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities according to be when they are expected to be recovered or settled.

Particulars	As at March 31, 2025			As at March 31, 2024		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS						
Financial assets						
Cash and cash equivalents	38,569.15	-	38,569.15	40,999.64	-	40,999.64
Bank balance other than cash and cash equivalents	1,30,120.52	21,725.60	1,51,846.12	1,21,363.78	34,112.64	1,55,476.42
Derivative financial instruments	-	565.83	565.83	-	1,980.01	1,980.01
Receivables						
Other receivables	1,682.27	-	1,682.27	7.41	-	7.41
Loans	3,81,211.74	8,02,876.31	11,84,088.05	3,12,986.61	6,51,397.80	9,64,384.41
Investments	70,213.44	33,727.59	1,03,941.03	11,801.12	16,953.58	28,754.70
Other financial assets	10,080.47	25,245.96	35,326.43	2,571.60	11,785.26	14,356.86
Total financial assets	**6,31,877.59**	**8,84,141.29**	**15,16,018.88**	**4,89,730.16**	**7,16,229.29**	**12,05,959.45**

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Particulars	As at March 31, 2025			As at March 31, 2024		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Non-financial assets						
Current tax assets (net)	-	348.46	348.46	-	2,310.37	2,310.37
Deferred tax assets (net)	-	1,091.21	1,091.21	-	1,972.62	1,972.62
Property, plant and equipment	-	21,585.03	21,585.03	-	17,972.99	17,972.99
Capital work-in-progress	-	-	-	-	208.37	208.37
Intangible assets under development	-	275.64	275.64	-	-	-
Other intangible assets	-	956.50	956.50	-	1,356.31	1,356.31
Other non-financial assets	1,539.52	124.67	1,664.19	965.72	166.39	1,132.11
Total non-financial assets	1,539.52	24,381.51	25,921.03	965.72	23,987.05	24,952.77
Total assets	**6,33,417.11**	**9,08,522.80**	**15,41,939.91**	**4,90,695.88**	**7,40,216.34**	**12,30,912.22**
LIABILITIES						
Financial liabilities						
Derivatives financial instruments	-	894.95	894.95	-	67.70	67.70
Debt securities	23,256.35	1,94,412.01	2,17,668.36	1,14,397.69	39,258.22	1,53,655.91
Borrowings (other than debt securities)	3,91,887.22	5,50,853.61	9,42,740.83	3,12,534.06	4,27,298.00	7,39,832.06
Other financial liabilities	14,807.80	12,806.43	27,614.23	13,569.09	10,218.29	23,787.38
Sub total	4,29,951.37	7,58,967.00	11,88,918.37	4,40,500.84	4,76,842.21	9,17,343.05
Non-Financial liabilities						
Provisions	347.79	847.18	1,194.97	120.61	1,351.77	1,472.38
Other non-financial liabilities	1,323.72	321.05	1,644.77	1,038.73	199.96	1,238.69
Sub total	1,671.51	1,168.23	2,839.74	1,159.34	1,551.73	2,711.07
Total Liabilities	**4,31,622.88**	**7,60,135.23**	**11,91,758.11**	**4,41,660.18**	**4,78,393.94**	**9,20,054.12**

46 Capital Management

The Company's capital management strategy is to effectively determine, raise and deploy capital so as to create value for its shareholders. The same is done through a mix of either equity and/or convertible and/or combination of short term /long term debt & borrowing as may be appropriate. The Company determines the amount of capital required on the basis of operations, capital expenditure and strategic investment plans.

The Company is subject to the capital adequacy requirements of the Reserve Bank of India (RBI), as per RBI, NBFCs are required to maintain a minimum capital to risk weighted assets ratio ("CRAR") consisting of Tier I and Tier II capital of 15% of its aggregate risk weighted assets. Further, the total of Tier II capital cannot exceed 100% of Tier I capital at any point of time. The capital management process of the Company ensures to maintain the minimum CRAR at all the times. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board.

Notes to the Financial Statement

For the year ended March 31, 2025

(₹ in lakhs except otherwise stated)

The primary objectives of the Company's capital management policy are to ensure that the Company complies with capital requirements required by regulator, maintains strong credit ratings and healthy capital ratios in order to support its business and to maximize shareholder value.

Particulars	As at March 31, 2025	As at March 31, 2024
Tier I capital	3,08,450.81	2,78,481.04
Total Capital funds	**3,08,450.81**	**2,78,481.04**
Risk weighted assets	10,45,262.45	8,22,434.85
Tier I Capital ratio	29.51%	33.86%
Total Capital ratio	**29.51%**	**33.86%**

Tier I capital comprises of shareholders' equity and retained earnings. Tier II Capital comprises of general provision and loss reserves (12 month expected credit losses). Credit enhancement relating to securitisation transactions have been adjusted against Tier I and Tier II capital in accordance with RBI circular DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020. Tier 1 and Tier II capital have been reported based on financial statements of the Company and as prescribed by RBI guidelines. Risk weighted assets represents the weighted sum of Company's credit exposures based on their risk as prescribed by RBI guidelines.

47 Segment reporting

The managing director (MD) of the Company has been identified as the chief operating decision maker (CODM) as defined by the Ind AS 108, "operating segments". The Company's operating segments are established in the manner consistent with the components of the Company that are evaluated regularly by the CODM. The Company is engaged primarily in the business of financing and there are no reportable segments as per Ind AS 108. Presently, the Company's operations are predominantly confined in India. There are no individual customer contributing more than 10% of Company's total revenue. All non-current assets other than financial instruments, deferred tax assets, post-employment benefit assets of the Company are located in India.

48 Revenue from contracts with customers

a) The Company has recognized following amounts relating to revenue in the statement of profit and loss (including other comprehensive income):

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Fees and commission income (refer note 24)	9,662.05	6,165.22
Income from support services (refer note 27)	511.59	595.25
Total revenue	**10,173.64**	**6,760.47**

b) Disaggregation of revenue from contracts with customers

In the following table, revenue is disaggregated by primary geographical market, major products/ service lines and timing of revenue recognition:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Primary geographical market		
India	10,173.64	6,760.47
Total	**10,173.64**	**6,760.47**

Notes to the Financial Statement

For the year ended March 31, 2025

(₹ in lakhs except otherwise stated)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Major products/service lines		
Income from support services (refer note 27)	511.59	595.25
Fees and commission income (refer note 24)	9,662.05	6,165.22
Total	**10,173.64**	**6,760.47**
Timing of revenue recognition		
At a point in time	10,173.64	6,760.47
Over a period of time	-	-
	10,173.64	**6,760.47**

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers:

Particulars	As at March 31, 2025	As at March 31, 2024
Contracts assets	-	-
Contracts liabilities	-	-
Other receivables	**1,682.27**	**7.41**

49 Details of dues under micro, small and medium enterprises

Dues to micro, small and medium enterprises as defined under the micro, small and medium enterprises development act (MSMED), to the extent identified and information available with the Company pursuant to section 22 of the micro, small and medium enterprises development act (MSMED), 2006, details are mentioned below:

Particulars	As at March 31, 2025	As at March 31, 2024
Principal amount due to suppliers under MSMED Act, as at the year end	92.96	108.66
Interest accrued and due to suppliers under MSMED Act, on the above amount as at the year end	-	-
Payment made to suppliers (other than interest) beyond the appointed day, during the year	-	-
Interest paid to suppliers under MSMED Act (other than Section 16)	-	-
Interest paid to suppliers under MSMED Act (Section 16)	-	-
Interest due and payable to suppliers under MSMED Act, for payments already made	-	-
Interest accrued and remaining unpaid at the year end to suppliers under MSMED Act	-	-

Notes to the Financial Statement

For the year ended March 31, 2025

(₹ in lakhs except otherwise stated)

50 Analytical Ratios

Particulars	As at March 31, 2025	As at March 31, 2024	% Variance	Reason for Variance (if above 25%)
Capital to risk weighted assets ratio(CRAR) Numerator : Tier I capital+Tier II capital Denominator: Total risk weighted assets	29.51%	33.86%	-12.85%	NA
Tier I CRAR Numerator : Tier I capital Denominator: Total risk weighted assets	29.51%	33.86%	-12.85%	NA
Tier II CRAR Numerator : Tier II capital Denominator: Total risk weighted assets	0.00%	0.00%	0.00%	NA
Liquidity Coverage Ratio Numerator : High quality liquid assets amount (HQLA) Denominator: Total net cash flow amount	255.26%	168.85%	51.18%	Increase in HQLA on account of higher liquidity maintained and decrease in in borrowings outflow.

RBI disclosures from Notes 51 to 89 have been prepared as per RBI Circulars / Notification / Master Direction / Scale Based Regulation etc. basis Ind-AS financial statements

51 Capital adequacy ratio

Particulars	As at March 31, 2025	As at March 31, 2024
CRAR (%)	29.51%	33.86%
CRAR-Tier- I capital (%)	29.51%	33.86%
CRAR-Tier- II capital (%)	0.00%	0.00%

52 Investments

Particulars	As at March 31, 2025	As at March 31, 2024
(1) Value of investments		
(i) Gross value of investments		
(a) In India	1,03,941.03	28,754.70
(b) Outside India	-	-
(ii) Provision for depreciation		
(a) In India	-	-
(b) Outside India	-	-
(iii) Net value of investments		
(a) In India	1,03,941.03	28,754.70
(b) Outside India	-	-

Notes to the Financial Statement

For the year ended March 31, 2025

(₹ in lakhs except otherwise stated)

Particulars	As at March 31, 2025	As at March 31, 2024
(2) Movement of provisions held towards depreciation on investments		
(i) Opening balances	-	-
(ii) Add: provision made during the year	-	-
(iii) Less : Write-off / write-back of excess provisions during the year	-	-
(iv) Closing balance	-	-

53 Derivatives

The Company has market linked derivatives contracts as at March 31, 2025: Nil. (March 31, 2024: Nil).

a) Forward Rate Agreement / Interest Rate Swap

S No	Particulars	As at March 31, 2025	As at March 31, 2024
i)	The notional principal of swap agreements	1,49,366.44	48,554.55
ii)	Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements		-
iii)	Collateral required by the applicable NBFC upon entering into swaps	-	-
iv)	Concentration of credit risk arising from the swaps*	-	-
v)	The fair value of the swap book	(329.12)	1,912.31

*Counter - party for all swaps entered into by the Company are scheduled commercial banks.

The Company has hedged its foreign currency borrowings through cross currency swaps and holds interest rate swaps against some of its term loan from banks.

b) Exchange traded interest rate (IR) derivatives

The Company has not traded into any exchange traded interest rate derivative during the current and previous year.

c) Disclosures on Risk Exposure in Derivatives

Qualitative Disclosures

i) The Company undertakes the derivatives transaction to prudently hedge the risk in context of a particular borrowing or to diversify sources of borrowing and to maintain fixed and floating borrowing mix. The Company do not indulge into any derivative trading transactions. The Company reviews, the proposed transaction and outline any considerations associated with the transaction, including identification of the benefits and potential risks (worst case scenarios); an independent analysis of potential savings from the proposed transaction. The Company evaluates all the risks inherent in the transaction viz., counter party risk, Market Risk, Operational Risk, basis risk etc.

ii) Credit risk is controlled by restricting the counterparties that the Company deals with, to those who either have banking relationship with the Company or are internationally renowned or can provide sufficient information. Market/Price risk arising from the fluctuations of interest rates and foreign exchange rates or from other factors shall be closely monitored and controlled. Normally transaction entered for hedging, will run over the life of the underlying instrument, irrespective of profit or loss. Liquidity risk is controlled by restricting counterparties to those who have adequate facility, sufficient information, and sizable trading capacity and capability to enter into transactions in any markets around the world.

Notes to the Financial Statement

For the year ended March 31, 2025

(₹ in lakhs except otherwise stated)

iii) The respective functions of trading, confirmation and settlement should be performed by different personnel. The front office and back-office role is well defined and segregated. All the derivatives transactions are quarterly monitored and reviewed. All the derivative transactions have to be reported to the board of directors on every quarterly board meetings including their financial positions.

iv) Refer note 3 for detailed accounting policies on derivatives and hedge accounting.

Quantitative Disclosures

S No	Particulars	As at March 31, 2025		As at March 31, 2024	
		Currency Derivatives*	Interest Rate Derivatives#	Carrying amount	Fair value hierarchy
(i)	Derivatives (Notional Principal Amount) For hedging	73,684.89	-	29,890.86	-
	Derivatives (Notional Principal Amount)	-	75,681.55	-	18,663.69
(ii)	Marked to Market Positions				
	a) Asset (+)	565.83	-	1,980.01	-
	b) Liability (-)	-	(894.95)	-	(67.70)
(iii)	Credit Exposure	-	-	-	-
(iv)	Unhedged Exposures	-	-	-	-

* Cross currency swap

Interest rate swap

54 Disclosure pursuant to RBI notification : Details of securitisation transactions

S No	Particulars	As at March 31, 2025	As at March 31, 2024
1	No of SPEs holding assets for securitisation transactions originated by the originator (only the SPVs relating to outstanding securitization exposures to be reported here)	21	15
2	Total amount of securitized assets as per books of the SPEs	2,63,172.43	1,82,493.23
3	Total amount of exposures retained by the NBFC to comply with MRR as on the date of balance sheet		
	a) Off-balance sheet exposures		
	First loss	-	-
	Others	-	-
	b) On-balance sheet exposures		
	First loss	20,693.98	11,406.01
	(Cash collateral term deposits with banks)		
	Others*	44,100.75	31,802.80
4	Amount of exposures to securitization transactions other than MRR		
	a) Off-balance sheet exposures		
	i) Exposure to own securitizations		
	First loss	-	-
	Others	-	-

Notes to the Financial Statement

For the year ended March 31, 2025

(₹ in lakhs except otherwise stated)

S No	Particulars	As at March 31, 2025	As at March 31, 2024
	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	-	-
5	Sale consideration received for the securitised assets	4,60,228.49	2,98,870.00
	Gain/loss on sale on account of securitisation	-	-
6	Form and quantum (outstanding value) of services provided by way of, liquidity support, post-securitisation asset servicing, etc.	-	-
7	Performance of facility provided		
	Credit enhancement facility		
	- Fixed deposit		
	(a) Amount paid	-	-
	(b) Repayment received	-	-
	(c) Outstanding amount	20,693.98	11,406.01
8	Average default rate of portfolios observed in the past	0.72%	0.98%
9	Amount and number of additional/top up loan given on same underlying asset	-	-
10	Investor complaints		
	(a) Directly/Indirectly received and;	NIL	NIL
	(b) Complaints outstanding	NIL	NIL

* MRR including securitization investments.

55 Disclosure pursuant to RBI notification : Loans not in default/stressed loans transferred and acquired to/from other entities

a) Details of loans (not in default) transferred through assignment

S No	Particulars	As at March 31, 2025	As at March 31, 2024
(i)	Amount of loan accounts assigned	1,17,840.72	1,01,260.29
(ii)	Retention of beneficial economic interest (MRR)	10%-15%	10%-15%
(iii)	Weighted average maturity (Residual Maturity)	52 Months	44 Months
(iv)	Weighted average holding period	11 Months	17 Months
(v)	Coverage of tangible security coverage	2.63 times	100%
(vi)	Rating-wise distribution of rated loans	Unrated	Unrated

Notes to the Financial Statement

For the year ended March 31, 2025

(₹ in lakhs except otherwise stated)

b) Details of loans (not in default) acquired through assignment

S No	Particulars	As at March 31, 2025	As at March 31, 2024
(i)	Amount of loan accounts assigned	64,444.62	-
(ii)	Retention of beneficial economic interest (MRR)	10%	-
(iii)	Weighted average maturity (residual maturity)	27 Months	-
(iv)	Weighted average holding period	10 Months	-
(v)	Coverage of tangible security coverage	2.15 times	-
(vi)	Rating-wise distribution of rated loans	Unrated	-

c) Details of stressed loans transferred

S No	Particulars	As at March 31, 2025		As at March 31, 2024	
		To asset reconstruction companies (ARC)		To asset reconstruction companies (ARC)	
		NPA*	SMA	NPA*	SMA
(i)	No. of accounts	8,434.00	-	5,173.00	-
(ii)	Aggregate principal outstanding of loans transferred	23,992.43	-	8,574.25	-
(iii)	Weighted average residual tenor of the loans transferred	25 Months	-	less than 2 years	-
(iv)	Net book value of loans transferred (at the time of transfer)	17,245.08	-	5,952.97	-
(v)	Aggregate consideration	17,611.00	-	5,890.00	-
(vi)	Additional consideration realized in respect of accounts transferred in earlier years	-	-	-	-

*Including written off loans for the year ended March 31, 2025: 1,875.02 lakhs (March 31, 2024: ₹ 1,714.57 lakhs)

The Company has not reversed any amount of provision in Statement of Profit and Loss (including other comprehensive income) on account of sale of stressed loans.

d) Details of stressed loans acquired

The Company has not acquired any stressed loan during the financial year ended March 31, 2025 and March 31, 2024.

e) Details of ratings of SRs outstanding

Rating	Rating Agency	Recovery Rating	As at March 31, 2025	As at March 31, 2024
			Gross Value of oustanding SRs	Gross Value of oustanding SRs
RR1+	India Rating & Research	More than 150%	-	1.10
RR2	India Rating & Research	75%-100%	950.81	2,225.30
RR2	India Rating & Research	75%-100%	2,399.32	-
RR2	India Rating & Research	75%-100%	3,094.00	-
Unrated*			**6,138.82**	**2,870.00**

*The rating for the SRs of gross value ₹ 6,138.82 lakhs (March 31, 2024: ₹ 2,870.00 lakhs) are unrated till approval of financial statement and rating will be obtained in due course of time as per RBI circular RBI/DOR/2024-25/116 DoR.FIN.REC.16/26.03.001/2024-25 dated April 24, 2024.

Notes to the Financial Statement

For the year ended March 31, 2025

(₹ in lakhs except otherwise stated)

56 Asset liability management

Maturity pattern of certain items of assets and liabilities as per RBI guidelines.

As at March 31, 2025

Particulars	Liabilities			Assets		
	Foreign currency liability	Borrowings from banks	Market borrowings	Advances	Deposits*	Investments
1 to 7 days	-	2,483.52	7,190.35	34,392.58	113.44	221.57
8 to 14 days	-	1,527.85	14,791.74	982.11	20,082.95	90.06
15 to 30/31 days	-	13,768.57	4,623.06	1,137.72	6.16	5,084.44
Over one month to 2 months	-	17,376.95	23,914.16	25,306.37	51,836.01	42,866.04
Over 2 months upto 3 months	1,593.64	26,937.41	12,980.92	41,928.95	37,049.16	1,081.92
Over 3 months to 6 months	1,166.96	47,578.65	35,145.20	91,979.96	14,537.38	2,648.72
Over 6 months to 1 year	9,211.01	1,35,058.67	59,794.90	1,87,614.45	19,717.02	18,220.69
Over 1 year to 3 years	27,672.33	3,19,925.78	2,96,709.38	5,41,109.90	21,725.62	12,002.91
Over 3 years to 5 years	24,321.64	62,599.18	14,037.32	2,29,948.42	-	2,505.30
Over 5 years	-	-	-	52,989.47	-	19,219.38
Total	**63,965.58**	**6,27,256.58**	**4,69,187.03**	**12,07,389.93**	**1,65,067.74**	**1,03,941.03**

As at March 31, 2024

Particulars	Liabilities			Assets		
	Foreign currency liability	Borrowings from banks	Market borrowings	Advances	Deposits*	Investments
1 to 7 days	-	3,546.58	12,181.17	31,884.08	108.48	1,105.94
8 to 14 days	-	10,749.29	979.93	426.86	5.76	18.91
15 to 30/31 days	-	10,042.36	2,056.90	1,721.88	1,006.12	2,353.76
Over one month to 2 months	-	29,809.76	25,269.54	23,291.87	51,680.77	3,212.79
Over 2 months upto 3 months	1,661.91	27,546.10	2,078.96	34,026.49	2,706.63	208.90
Over 3 months to 6 months	561.38	55,084.44	30,024.39	73,938.09	10,974.58	3,003.93
Over 6 months to 1 year	2,039.13	1,57,994.65	55,305.26	1,49,812.09	58,510.33	1,896.89
Over 1 year to 3 years	7,869.12	3,44,870.07	20,652.50	4,50,332.32	33,543.58	8,953.74
Over 3 years to 5 years	4,894.82	87,671.92	2.78	1,78,265.45	569.06	1,944.71
Over 5 years	-	595.01	-	37,643.08	-	6,055.13
Total	**17,026.36**	**7,27,910.18**	**1,48,551.43**	**9,81,342.21**	**1,59,105.31**	**28,754.70**

* Deposit is in the form of term deposits with banks.

The Company has no foreign currency assets.

Notes to the Financial Statement

For the year ended March 31, 2025

(₹ in lakhs except otherwise stated)

57 Disclosure on Restructured Accounts

The Company has not restructured any non-performing financial assets during the financial year ended March 31, 2025 and March 31, 2024.

58 Exposure to real estate sector

S No	Particulars	As at March 31, 2025	As at 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.	-	-
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.	-	-
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.	9,730.65	-
Total Exposure to real estate sector		**9,730.65**	**-**

The above information is provided as per MIS/reports generated available for internal reporting purpose which include certain estimates and assumption. The same has been relied upon by auditors.

59 Exposure to capital market

S No	Particulars	As at March 31, 2025	As at 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	-	-
(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	-	-

Notes to the Financial Statement

For the year ended March 31, 2025

(₹ in lakhs except otherwise stated)

S No	Particulars	As at March 31, 2025	As at March 31, 2024
(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 stockbrokers and guarantees issued on behalf of stockbrokers and market makers	-	-
(vi)	Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources	-	-
(vii)	Bridge loans to companies against expected equity flows / issues	-	-
(viii)	Underwriting commitments taken up by the NBFCs in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds	-	-
(ix)	Financing to stockbrokers for margin trading	-	-
(x)	All exposures to Alternative Investment Funds:		
	a) Category I	-	-
	b) Category II	-	-
	c) Category III	-	-
Total Exposure to Capital Market		**-**	**-**

The above information is provided as per MIS/reports generated available for internal reporting purpose which include certain estimates and assumption. The same has been relied upon by auditors.

60 Sectoral exposure

S No	Sectors	As at March 31, 2025			As at March 31, 2024		
		Total exposure	Gross NPAs	% of Gross NPAs to total exposure in that sector	Total exposure	Gross NPAs	% of Gross NPAs to total exposure in that sector
1	Agriculture and Allied Activities	-	-	-	-	-	-
2	Industry	-	-	-	-	-	-
3	Services	-	-	-	-	-	-
4	Personal Loans	2,32,598.67	10,051.03	4.32%	1,81,993.51	4,044.72	2.22%
5	Others						
	Auto loans	9,74,791.26	47,297.38	4.85%	7,99,348.70	30,287.09	3.79%

The above information is provided as per MIS/reports generated available for internal reporting purpose which include certain estimates and assumption. The same has been relied upon by auditors.

Notes to the Financial Statement

For the year ended March 31, 2025

(₹ in lakhs except otherwise stated)

61 Intra-group exposures

The Company does not have any intra-group exposures for the year ended March 31, 2025 and March 31, 2024.

62 Unhedged foreign currency exposure

The Company has nil unhedged foreign currency exposure as at March 31, 2025 and March 31, 2024. Refer note 44 for policies to manage induce currency risk.

63 Related Party Transactions

Refer note 38 of financial statement for related party disclosures.

The Company does not have entered into any transactions related to borrowings, deposits, placement of deposits, advances & investment during the year with director's, KMP & their relative's. Hence there is no outstanding balance related to mentioned transactions during the years.

64 Disclosure of complaints

a. Summary information on complaints received by the NBFCs from customers and from the offices of ombudsman

S No	Particulars	As at March 31, 2025	As at March 31, 2024
Complaints received by the NBFC from its customers			
1	No. of complaints pending at the beginning of the year	120	123
2	No. of complaints received during the year	12,784	6,848
3	No. of complaints disposed during the year	12,526	6,851
3.1	Of which, No. of complaints rejected by the NBFC*	1,107	798
4	No. of complaints pending at the end of the year**	378	120
Maintainable complaints received by the NBFC from office of ombudsman			
5	No. of maintainable complaints received by the NBFC from office of ombudsman	37	13
5.1	Of 5, No. of complaints resolved in favour of the NBFC by office of ombudsman	37	13
5.2	Of 5, No. of complaints resolved through conciliation/ mediation/advisories issued by office of ombudsman	-	-
5.3	Of 5, No. of complaints resolved after passing of awards by office of ombudsman against the NBFC	-	-
6	Number of awards unimplemented within the stipulated time (other than those appealed)	-	-

* Represents number of complaints submitted by internal ombudsman to RBI vide circular no. RBI/2021-2022/126 dated November 15, 2021.

** These complaints were resolved subsequently.

Notes to the Financial Statement

For the year ended March 31, 2025

(₹ in lakhs except otherwise stated)

b. Top five grounds of complaints received by the NBFCs from customers

Grounds of complaints, (i.e. complaints relating to)	No. of complaints pending at the beginning of the year	No. of complaints received during the year	% change in the no. of complaints received over the previous year	No. of complaints pending at the end of the year	Out of 5, no. of complaints pending beyond 30 days
1	2	3	4	5	6
As at March 31, 2025					
Loans and advances related	27	3,663	173.36%	189	-
Credit information corporation (CIC) updation related	1	219	-23.96%	-	-
Mismatch in details related	9	650	-1.66%	13	-
Foreclosure related	11	1,254	24.04%	-	-
Customer documents related	11	1,387	56.02%	34	-
Others	61	5,611	111.02%	142	-
Total	**120**	**12,784**	**86.68%**	**378**	**-**
As at March 31, 2024					
Loans and advances related	29	1,340	188.79%	27	-
Credit information corporation (CIC) updation related	6	288	10.34%	1	-
Mismatch in details related	19	661	155.21%	9	-
Foreclosure related	16	1,011	299.60%	11	-
Customer documents related	11	889	370.37%	11	-
Others	42	2,659	285.36%	61	-
Total	**123**	**6,848**	**223.63%**	**120**	**-**

The above information is provided as per MIS/reports generated available for internal reporting purpose which include certain estimates and assumption. The same has been relied upon by auditors.

65 Breach of covenant

The Company has no instances of breach of covenant in respect of loans availed and debt securities issued as at March 31, 2025 and March 31, 2024.

66 Divergence in asset classification and provisioning

RBI vide its circular RBI/2022-23/26 DOR.ACC.REC.No.20/21.04.018/2022-23 dated April 19, 2022, has directed NBFCs shall make suitable disclosures, if either or both of the following conditions are satisfied:-

(a) the additional provisioning requirements assessed by RBI (or National Housing Bank(NHB) in the case of Housing Finance Companies) exceeds 5 percent of the reported profits before tax and impairment loss on financial instruments for the reference period, or

(b) the additional Gross NPAs identified by RBI/NHB exceeds 5 per cent of the reported Gross NPAs for the reference period.

There has been no material divergence observed by the RBI for the financial year 2022-23 (as per assessment by the RBI during financial year 2023-24) in respect of the NBFC's asset classification and provisioning under the extant prudential norms on income recognition asset classification and provisioning (IRACP) which require such disclosures.

Notes to the Financial Statement

For the year ended March 31, 2025

(₹ in lakhs except otherwise stated)

67 Disclosure on modified opinion

The auditor have expressed an unmodified opinion for the year ended March 31, 2025 and March 31, 2024.

68 Income and expenditure of exceptional nature

The Compnay has not booked any income or expenditure of exceptional nature during the year ended March 31, 2025 and March 31, 2024.

69 Details of financing of parent company products

These details are not applicable since the Company is not a subsidiary of any company.

70 Details of single borrower limit ('SGL') / group borrower limits ('GBL') exceeded by NBFC's

The Company has not exceeded the single borrower limits / group borrowers limits during the financial year ended March 31, 2025 and March 31, 2024.

71 Unsecured advances

The Company has not given any unsecured advances against intangible securities such as charge over the rights licenses, authority, etc. during the financial year ended March 31, 2025 and March 31, 2024.

72 Registration obtained from other financial sector regulators

Regulator	Registration no.	Valid Up to
Insurance Regulatory and Development Authority - Corporate agent	CA1009	Valid till 17-Dec-27

73 Details of penalties imposed by RBI and other regulators

ROC has levied penalty of Rs 4 lakh which was paid by the Company, pursuant to suo-moto settlement application filed by the Company with respect to non compliances with section 62(1)(b) of the Companies Act, 2013.

No penalty was levied during the year ended March 31, 2025 and March 31, 2024.

74 Details of ratings assigned by credit rating agencies and migration of ratings during the year

S.No.	Products	Rating assigned*	Previous rating assigned *
(i)	Non-convertible debentures	-	CARE AA-/Stable
		CRISIL AA-/Stable	CRISIL A+/Positive
		ICRA Ltd AA-/Stable	ICRA Ltd AA-/Stable
		India Rating and Research AA-/Stable	India Rating and Research AA-/Stable
(ii)	Market Linked debentures	CARE PP-MLD AA-/Stable	CARE PP-MLD AA-/Stable
		CRISIL PPMLD AA-/Stable	CRISIL PPMLD A+/Positive
		-	Acuite Rating and Research PPMLD AA-/Stable
(iv)	Loan facility	CARE AA-/Stable	CARE AA-/Stable
		India Rating and Research AA-/Stable	India Rating and Research AA-/Stable
(v)	Commercial paper	India Rating and Research A1+	India Rating and Research A1+

* Month of rating assigned relates to rating valid on March 31, 2025 and March 31, 2024.

Notes to the Financial Statement

For the year ended March 31, 2025

(₹ in lakhs except otherwise stated)

75 Remuneration of non-executive directors

S.No.	Name of Director	Nature of payment	As at March 31, 2025	As at March 31, 2024
1	Amar Lal Daultani	Sitting fees and allowances	31.17	24.14
2	Anand Raghavan	Sitting fees and allowances	31.07	23.66
3	Mukul Mathur	Sitting fees and allowances	17.71	-
4	Nanda Sameer Dave	Sitting fees and allowances	22.07	-

76 Provisions and contingencies

Break up of 'Provisions and Contingencies' shown under the head expenditure in Statement of Profit and Loss (including other comprehensive income)	For the year ended March 31, 2025	For the year ended March 31, 2024
Provisions for depreciation on investment	-	-
Provision towards NPA	13,339.45	6,483.17
Provision made towards Income tax / deferred tax	10,509.38	8,739.80
Other provision and contingencies (refer note 30)	860.30	491.31
Provision for standard assets	(920.28)	(2,109.72)

77 Draw down from reserves

The Company has not made any draw down from reserves during the year ended March 31, 2025 and March 31, 2024 except as shown in note 22.

78 Revenue Recognition

There have been no instances in which revenue recognition has been postponed pending the resolution of significant uncertainties during the year ended March 31, 2025 and March 31, 2024.

79 Consolidated financial statements

The Company has no subsidiaries for consolidation.

80 Concentration of advances, exposures and NPA's

i) Concentration of advances

S No	Particulars	As at March 31, 2025	As at March 31, 2024
1	Total advances to twenty largest borrowers	1,210.63	1,184.60
2	Percentage of advances to twenty largest borrowers to total advances	0.10%	0.12%

ii) Concentration of exposures*

S No	Particulars	As at March 31, 2025	As at March 31, 2024
1	Total exposure to twenty largest borrowers / customers	84,853.30	29,325.25
2	Percentage of exposures to twenty largest borrowers / customers to total exposure on borrowers/ customers	6.59%	2.95%

* Exposure comprises of loan and investment exposure.

Notes to the Financial Statement

For the year ended March 31, 2025

(₹ in lakhs except otherwise stated)

iii) Concentration of NPA's

S No	Particulars	As at March 31, 2025	As at March 31, 2024
1	Total exposure to top four NPA accounts	151.13	259.07

iv) Sector wise NPA % of NPAs to total advances in that sector

S No	Particulars	As at March 31, 2025	As at March 31, 2024
1	Agriculture & allied activities	-	-
2	MSME	-	-
3	Corporate borrowers	-	-
4	Services	-	-
5	Unsecured personal loans	-	-
6	Auto loans	4.85%	3.79%
7	Other personal loans	4.32%	2.22%

81 Movement of non-performing assets (NPA's)

Particulars		As at March 31, 2025	As at March 31, 2024
i)	**Net NPAs to net advances (%)**	3.42%	2.47%
ii)	**Movement of Gross non-performing assets (Gross NPAs)**		
	a) Opening balance	34,331.81	22,175.65
	b) Addition during the year	46,930.42	27,104.12
	c) Reduction during the year	(23,913.83)	(14,947.96)
	d) Closing balance	57,348.40	34,331.81
iii)	**Movement of Net non-performing assets (Net NPAs)**		
	a) Opening balance	23,953.62	16,694.25
	b) Addition during the year	33,299.57	18,365.64
	c) Reduction during the year	(16,580.83)	(11,106.27)
	d) Closing balance	40,672.36	23,953.62
iv)	**Movement of provisions for NPAs (excluding provisions on standard assets)**		
	a) Opening balance	10,378.19	5,481.40
	b) Provision made during the year	13,630.85	8,738.48
	c) Write-off / write-back of excess provisions	(7,333.00)	(3,841.69)
	d) Closing balance	16,676.04	10,378.19

82 Overseas assets (for those with joint ventures and subsidiaries abroad)

There are no overseas assets owned by the Company.

83 Off-balance sheet SPVs sponsored

There are no SPVs which are required to be consolidated as per accounting norms during the year ended March 31, 2025 and March 31, 2024.

Notes to the Financial Statement

For the year ended March 31, 2025

(₹ in lakhs except otherwise stated)

84 Disclosures on frauds pursuant to RBI Master direction

Frauds amounting to ₹ 64.26 lakhs reported during the year ended March 31, 2025 and ₹ 14.85 lakhs were reported during the year ended March 31, 2024.

85 Net Profit or Loss for the year, prior period items and changes in accounting policies

There are no prior period items and changes in accounting policies.

86 Loans to directors, senior officers and relatives of directors

Particulars	As at March 31, 2025	As at March 31, 2024
Directors and their relative	Nil	Nil
Entities associated with directors and their relatives	Nil	Nil
Senior officers and their relatives	7.28	Nil

87 Comparison of provisioning as per IRAC norms and Ind AS 109

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
As at March 31, 2025						
Performing assets						
Standard	Stage 1	11,08,501.83	3,023.56	11,05,478.27	4,440.44	(1,416.88)
	Stage 2	41,539.69	3,602.28	37,937.41	168.28	3,434.00
Subtotal		**11,50,041.52**	**6,625.84**	**11,43,415.68**	**4,608.72**	**2,017.12**
Non-performing assets (NPA)						
Substandard	Stage 3	25,082.02	10,361.94	14,720.08	4,958.46	5,403.48
Substandard	Others*	26,254.44	3,818.81	22,435.63	3,732.08	86.73
Doubtful - up to 1 year	Stage 3	5,982.41	2,483.04	3,499.37	2,110.99	372.05
1 to 3 years	Stage 3	25.35	10.54	14.81	10.10	0.44
More than 3 years	Stage 3	4.19	1.71	2.48	2.10	(0.39)
Subtotal for doubtful		**6,011.95**	**2,495.29**	**3,516.66**	**2,123.19**	**372.10**
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		**57,348.41**	**16,676.04**	**40,672.37**	**10,813.73**	**5,862.31**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current income recognition, asset classification and provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		-	-	-	-	-
Total	Stage 1	**11,08,501.83**	**3,023.56**	**11,05,478.27**	**4,440.44**	**(1,416.88)**
	Stage 2	**41,539.69**	**3,602.28**	**37,937.41**	**168.28**	**3,434.00**
	Stage 3	**31,093.97**	**12,857.23**	**18,236.74**	**7,081.65**	**5,775.58**
	Others*	**26,254.44**	**3,818.81**	**22,435.63**	**3,732.08**	**86.73**
	Total	**12,07,389.93**	**23,301.88**	**11,84,088.05**	**15,422.45**	**7,879.43**

Notes to the Financial Statement

For the year ended March 31, 2025

(₹ in lakhs except otherwise stated)

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
As at March 31, 2024						
Performing assets						
Standard	Stage 1	9,18,239.06	3,633.06	9,14,606.00	3,693.90	(60.84)
	Stage 2	28,771.34	2,946.55	25,824.79	124.84	2,821.71
Subtotal		**9,47,010.40**	**6,579.61**	**9,40,430.79**	**3,818.74**	**2,760.87**
Non-performing assets (NPA)						
Substandard	Stage 3	17,725.87	7,237.45	10,488.42	3,531.06	3,706.39
Substandard	Others*	12,973.58	1,626.79	11,346.79	1,932.67	(305.88)
Doubtful - up to 1 year	Stage 3	3,601.05	1,500.81	2,100.24	1,356.85	143.96
1 to 3 years	Stage 3	26.41	11.11	15.30	12.38	(1.27)
More than 3 years	Stage 3	4.90	2.03	2.87	3.24	(1.21)
Subtotal for doubtful		**3,632.36**	**1,513.95**	**2,118.41**	**1,372.47**	**141.48**
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		**34,331.81**	**10,378.19**	**23,953.62**	**6,836.20**	**3,541.99**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current income recognition, asset classification and provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		-	-	-	-	-
Total	Stage 1	9,18,239.06	3,633.06	9,14,606.00	3,693.90	(60.84)
	Stage 2	28,771.34	2,946.55	25,824.79	124.84	2,821.71
	Stage 3	21,358.23	8,751.40	12,606.83	4,903.53	3,847.87
	Others*	12,973.58	1,626.79	11,346.79	1,932.67	(305.88)
	Total	**9,81,342.21**	**16,957.80**	**9,64,384.41**	**10,654.94**	**6,302.86**

*Others: The Company categorised loans with Days Past Due ('DPD') more than 90 days as Stage 3. For "Others" represents assets which had been an Non-Performing Assets ('NPA') in the past but yet to be fully normalized (Zero DPD) though it has moved to Stage1 and Stage 2 i.e. below 90 days as of the balance sheet date and continued to be classified as NPA in accordance with the RBI circular number RBI/2021-2022/125 dated November 12, 2021.

In terms of requirement of Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023, non-banking financial companies (NBFCs) are required to create an impairment reverse for any short fall in impairment allowance under Ind AS 109 and income recognition and asset classification and provisioning (IRACP) norms (including provision on standard assets). The impairment allowance under Ind AS 109 made by the Company exceeds the total provision required under IRACP (including standard assets provisioning), as at March 31, 2025 and March 31, 2024 and accordingly, no amount is required to be transferred to impairment reserve.

Notes to the Financial Statement

For the year ended March 31, 2025

(₹ in lakhs except otherwise stated)

88 Disclosure on Liquidity Risk Management Framework

Quantitative Disclosure on Liquidity Coverage Ratio (LCR) for the financial year 2024- 2025 is given below:

No.	Particulars	Quarter ended March 31, 2025		Quarter ended December 31, 2024		Quarter ended September 30, 2024		Quarter ended June 30, 2024	
		Total unweighted value (average)	Total weighted value (average)	Total unweighted value (average)	Total weighted value (average)	Total unweighted value (average)	Total weighted value (average)	Total unweighted value (average)	Total weighted value (average)
	High Quality Liquid Assets								
1	Total high quality liquid assets (HQLA)*	35,530.96	32,325.58	27,105.06	23,742.97	20,478.74	17,134.21	21,825.57	18,445.95
	Cash outflows								
2	Deposits (for deposit taking companies)	-	-	-	-	-	-	-	-
3	Unsecured wholesale funding	-	-	-	-	-	-	114.64	131.84
4	Secured wholesale funding	36,632.79	42,127.70	34,792.34	40,011.19	31,967.70	36,762.86	35,598.16	40,937.89
5	Additional requirements, of which								
i	Outflows related to derivative exposures and other collateral requirements	-	-	-	-	-	-	-	-
ii	Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
iii	Credit and liquidity facilities	-	-	-	-	-	-	-	-
6	Other contractual funding obligations	7,414.73	8,526.93	7,177.04	8,253.60	7,201.70	8,281.95	6,922.72	7,961.13
7	Other contingent funding obligations	-	-	-	-	-	-	-	-
8	**TOTAL CASH OUTFLOWS**	44,047.51	50,654.64	41,969.38	48,264.79	39,169.40	45,044.81	42,635.53	49,030.86
	Cash Inflows								
9	Secured lending	-	-	-	-	-	-	-	-
10	Inflows from fully performing exposures	38,692.45	29,019.34	40,221.80	30,166.35	38,575.82	28,931.86	41,841.74	31,381.30
11	Other cash inflows	50,495.80	37,871.85	30,718.83	23,039.12	28,568.75	21,426.56	35,929.89	26,947.42
12	**TOTAL CASH INFLOWS**	33,035.63	37,990.98	31,477.03	36,198.59	29,377.05	33,783.60	31,976.65	36,773.14
13	**TOTAL HQLA**		32,325.58		23,742.97		17,134.21		18,445.95
14	**TOTAL NET CASH OUTFLOWS**		12,663.66		12,066.20		11,261.20		12,257.71
15	**LIQUIDITY COVERAGE RATIO (%)**		**255.26%**		**196.77%**		**152.15%**		**150.48%**

* HQLA includes cash and bank balance and investment in government backed securities.

Notes to the Financial Statement

For the year ended March 31, 2025

(₹ in lakhs except otherwise stated)

Quantitative Disclosure on Liquidity Coverage Ratio (LCR) for the financial year 2023- 2024 is given below:

No.	Particulars	Quarter ended March 31, 2024		Quarter ended December 31, 2023		Quarter ended September 30, 2023		Quarter ended June 30, 2023	
		Total unweighted value (average)	Total weighted value (average)	Total unweighted value (average)	Total weighted value (average)	Total unweighted value (average)	Total weighted value (average)	Total unweighted value (average)	Total weighted value (average)
	High Quality Liquid Assets								
1	Total high quality liquid assets (HQLA)*	21,322.45	17,946.82	17,757.94	14,812.96	13,590.84	11,311.50	11,449.92	9,466.66
	Cash outflows								
2	Deposits (for deposit taking companies)	-	-	-	-	-	-	-	-
3	Unsecured wholesale funding	119.36	137.26	117.72	135.38	121.50	139.72	126.65	145.64
4	Secured wholesale funding	30,214.49	34,746.67	27,031.50	31,086.23	26,178.61	30,105.40	33,132.66	38,102.56
5	Additional requirements, of which								
i	Outflows related to derivative exposures and other collateral requirements	-	-	-	-	-	-	-	-
ii	Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
iii	Credit and liquidity facilities	-	-	-	-	-	-	-	-
6	Other contractual funding obligations	6,635.67	7,631.02	5,267.67	6,057.82	5,823.79	6,697.35	5,208.17	5,989.40
7	Other contingent funding obligations	-	-	-	-	-	-	-	-
8	**TOTAL CASH OUTFLOWS**	**36,969.52**	**42,514.95**	**32,416.89**	**37,279.43**	**32,123.89**	**36,942.47**	**38,467.48**	**44,237.60**
	Cash Inflows								
9	Secured lending	-	-	-	-	-	-	-	-
10	Inflows from fully performing exposures	36,742.70	27,557.03	26,415.99	19,811.99	21,106.51	15,829.88	31,031.76	23,273.82
11	Other cash inflows	21,147.14	15,860.35	32,958.52	24,718.89	44,291.64	33,218.73	82,369.25	61,776.94
12	**TOTAL CASH INFLOWS**	**27,727.14**	**31,886.21**	**24,312.67**	**27,959.57**	**24,092.92**	**27,706.85**	**28,850.61**	**33,178.20**
13	**TOTAL HQLA**		**17,946.82**		**14,812.96**		**11,311.50**		**9,466.66**
14	**TOTAL NET CASH OUTFLOWS**		**10,628.74**		**9,319.86**		**9,235.62**		**11,059.40**
15	**LIQUIDITY COVERAGE RATIO (%)**		**168.85%**		**158.94%**		**122.48%**		**85.60%**

* HQLA includes cash and bank balance and investment in government backed securities.

Qualitative Disclosure on LCR

The Liquidity Coverage Ratio (LCR) is a global minimum standard to measure the Company's liquidity position. Reserve Bank introduced the liquidity coverage ratio (LCR) requirement for all deposit-taking NBFCs and non-deposit taking NBFCs with an asset size of ₹ 5,000 crore and above. LCR seeks to ensure that the Company has an adequate stock of unencumbered High-Quality Liquid Assets (HQLA) that can be converted into cash easily and immediately to meet its liquidity needs under a 30-day calendar liquidity stress scenario. LCR is calculated by dividing the stock of HQLA's by its total net cash outflow over a 30 day calendar period.

Notes to the Financial Statement

For the year ended March 31, 2025

(₹ in lakhs except otherwise stated)

The Company has adopted the liquidity risk framework as required under RBI regulation. It ensures a sound and robust liquidity risk management system by maintaining sufficient liquidity through inclusion of a cushion of unencumbered, high quality liquid asset to withstand a range of stress events, including those involving the loss or impairment of both unsecured and secured funding sources. The Board of Directors have delegated responsibility of balance sheet Liquidity Risk Management to the Asset Liability Management Committee.

The LCR is calculated by dividing a Company's stock of HQLA by it's total net cash outflows over a 30 -day stress period. The requirement, as on March 31, 2025 and March 31, 2024 is 100% and 85% repectively. In order to determine High quality Liquid Assets, Company considers all the allowable assets as per RBI including Cash and Bank Balances and investment in Government backed Securities. In order to determine net cash outflows, Company considers total expected cash outflow minus total expected cash inflows for the subsequent 30 calendar days. As per regulations, stressed cash flows is computed by assigning a predefined stress percentage to the overall cash inflows and cash outflows. Net cash outflow over next 30 days is computed as stressed outflows less minimum of stressed inflows subject to 75% of stressed outflow. Accordingly LCR would be computed by dividing Company's stock of HQLA by it's total net cash outflow.

Cash outflow under secured wholesale funding includes contractual obligations under Term loans, NCDs, Interest payable within 30 days. Outflow under other contractual funding obligations primarily includes outflow on account of sundry payables. In order to determine Inflows from fully performing exposures, Company considers the collection from performing advances in next 30 days. Other Cash inflows includes investments in mutual funds,debt securities and fixed deposits which are maturing within 30 days.

Public disclosure on liquidity risk

(i) Funding concentration based on significant counterparty (both deposits and borrowings)

Particulars	Number of significant counterparties	Amount	% of Total deposits	% of Total liabilities
As at March 31, 2025	28	9,95,018.83	Not Applicable	83.49%
As at March 31, 2024	23	7,26,922.37	Not Applicable	79.01%

(ii) Top 20 large deposits (amount and % of total deposits) - Not applicable

(iii) Top 10 borrowings

Particulars	Amount	% to Total borrowings
As at March 31, 2025	5,87,554.62	50.63%
As at March 31, 2024	5,07,414.15	56.79%

(iv) Funding concentration based on significant instrument/product

Name of the instrument/product	As at March 31, 2025		As at March 31, 2024	
	Amount	% of Total liabilities	Amount	% of Total liabilities
Debt securities (including commercial paper)	2,17,668.36	18.26%	1,53,655.91	16.70%
Term loan from banks	6,09,323.39	51.13%	5,12,454.70	55.70%
Term loan from financial institutions-Secured	40,691.43	3.41%	41,220.62	4.48%
Associated liabilities under securitisation	2,21,434.21	18.58%	1,51,022.01	16.41%
External commercial borrowings	63,965.57	5.37%	17,026.35	1.85%
Short term borrowings	7,326.23	0.61%	18,108.38	1.97%

Notes to the Financial Statement

For the year ended March 31, 2025

(₹ in lakhs except otherwise stated)

(v) Stock Ratios:

Sectors	As at March 31, 2025			As at March 31, 2024		
	Total public funds	Total liabilities	Total assets	Total public funds	Total liabilities	Total assets
Commercial paper, as a % of	0.73%	0.71%	0.55%	Nil	Nil	Nil
Non-convertible debentures (original maturity of less than one year), as a % of	Nil	Nil	Nil	Nil	Nil	Nil
Other short term liabilities*, as a % of	36.47%	35.51%	27.45%	49.43%	48.00%	35.88%

* Other short term liabilities include all contractual obligation payable within a period of 1 year excluding commercial paper.

(vi) Institutional set-up for liquidity risk management

SK finance limited (SKFL) has constituted asset liability management committee ('ALCO') to oversee liquidity risk management in compliance with board approved policy. It comprises of senior management of the Company and headed by managing director or/and executive director. ALCO meetings are held once in a quarter or more frequently as required from time to time. The minutes of ALCO meetings are placed before the risk management committee (RMC) and the board of directors.

SKFL has also constituted RMC for the effective supervision and management of various aspects including liquidity risks faced by the Company. This committee shall provide necessary directives to ALCO, as and when necessary. The ALCO and RMC updates the board at regular intervals.

Notes:

1) Significant counterparty is “Significant counterparty” is defined as a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of total liabilities.

2) Significant instrument/product is "significant instrument/product" is defined as a single instrument/ product of group of similar instruments/products which in aggregate amount to more than 1% of the total liabilities.

3) Total Liabilities has been computed as sum of all liabilities (Balance Sheet figure) less Equities and Reserves/Surplus.

4) Public funds are “Public funds" includes funds raised either directly or indirectly through public deposits, inter-corporate deposits, bank finance and all funds received from outside sources such as funds raised by issue of Commercial Papers, debentures etc. but excludes funds raised by issue of instruments compulsorily convertible into equity shares within a period not exceeding 5 years from the date of issue.; as defined in Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 dated October 19,2023.

Notes to the Financial Statement

For the year ended March 31, 2025

(₹ in lakhs except otherwise stated)

89 Detail of resolution plan implemented under the resolution framework for Covid-19 related stress as per RBI circular dated August 06, 2020 (resolution framework-1.0) and May 5, 2021 (resolution framework-2.0) for half year ended March 31, 2025 as given below-

Particulars	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at September 30, 2024 (A) *	Of (A), aggregate debt that slipped into NPA during the half year ended March 31, 2025##	Of (A) amount written off during the half year ended March 31, 2025	Of (A) amount paid by the borrowers during the half year ended March 31, 2025	Exposure to accounts classified as standard consequent to implementation of resolution plan – position as at March 31, 2025
Personal Loans #	127.95	8.10	-	37.51	82.34
Corporate persons	-	-	-	-	-
MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	**127.95**	**8.10**	**-**	**37.51**	**82.34**

* Consist of unbilled and overdue principal

Includes restructuring implemented pursuant to OTR 2.0 for personal loans, individual business loans and small business loans.

Includes loan transferred to ARC during the year.

90 Figures for the previous year have been re-grouped / reclassified wherever necessary, to confirm to current year’s classification. The details for regrouping are as follows:

i) The security deposit as at March 31, 2024 amounting to ₹ 237.5 lakhs has been reclassified from 'Other financial liabilities' to 'Other non-financial liabilities'.

91 Note on the audit trail

For the year ended March 31, 2025

The Company has used an accounting software for maintaining its books of account for the year ended March 31, 2025 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. Additionally the audit trail that was enabled and operated for the year ended March 31, 2025, has been preserved by the Company as per the statutory requirements for record retention.

For the year ended March 31, 2024

The Company has two accounting software for maintaining its books of account. In respect of;

i) One software relating to general ledger accounting, the audit trail (edit log) feature was enabled at application level changes (i.e. for transaction level and Master table level changes but not enabled at database level). The audit trail feature has operated throughout the year for transaction level changes and has not operated from April 1, 2023 to April 7, 2023 for Master table level changes. Further, the audit trail feature did not operate throughout the year at database level with regard to privileged/access rights. Accordingly, we are unable to assess whether there are any instances of audit trail feature being modified with in respect of the period when the audit trail feature did not operate. For the remaining period, the 3 instances of modification of audit trail feature were noticed on master table level changes (the feature was disabled and then enabled 3 times)

ii) For the other software related to loan management system, the audit trail feature was enabled at application level and at database level. Further, at application level, audit trail feature was operated effectively throughout the year and no instances of modification with the audit trail feature was noted. Further also, on database level, sufficient appropriate evidence is not available to demonstrate whether the audit trail feature operated through the year or whether there was any instance of audit trail feature being modified with.

Notes to the Financial Statement

For the year ended March 31, 2025

(₹ in lakhs except otherwise stated)

92 Other Statutory Information

(i) The Company does not have any investment property.

(ii) The Company does not have any charges or satisfaction which is yet to be registered with registrar of companies beyond the statutory period for borrowings.

(iii) The Company, being a Non-Banking Financial Company ("NBFC") registered with the Reserve Bank of India ('RBI') as a 'Middle Layer' NBFC as per the Scale Based Regulations prescribed by the RBI, the provisions of section 2(87) read with companies (restriction on number of layers) Rules 2017 are not applicable.

(iv) The quarterly statement of current assets submitted to banks/ financial institutions which are provided as security against the borrowings are in agreement with the books of account.

(v) There have been no significant events after the reporting date require disclosure in these financial statements.

(vi) The Company has not entered any transactions with companies that were struck off under section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 1956.

(vii) The Company has not traded or invested in crypto currency or virtual currency during the financial year.

(viii) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (intermediaries) with the understanding that the intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (ultimate beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

The Company has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries

(ix) The Company has no such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

(x) During the year, no scheme of arrangements in relation to the Company has been approved by the competent authority in terms of sections 230 to 237 of the Companies Act, 2013. Accordingly, aforesaid disclosure are not applicable to the Company.

(xi) Security deposit for securitisation cases is maintained as cash collateral deposits with banks under lien with respective trustee.

(xii) The Company has not declared wilful defaulter by any bank or financial institution or other lenders.

(xiii) SEBI has determined the settlement amount of Rs 67.50 lakh which was paid by the Company, pursuant to a summary settlement application filed by the Company on September 27, 2024 with SEBI under the SEBI (Settlement Proceedings) Regulations, 2018 without admitting or denying the findings of fact and conclusions of law with respect to certain non compliances of deemed public issue norms for issuance of fully repaid Non-Convertible Debentures (NCDs) for 50 crore issued on private placement basis.The mentioned settlement application is pending with SEBI.

Notes to the Financial Statement

For the year ended March 31, 2025

(₹ in lakhs except otherwise stated)

(xiv) Pursuant to the RBI circular dated February 15, 2022, the Company has implemented necessary system in place to align its definition of default for loan assets with the guidelines stipulated in RBI circular dated November 12, 2021 - 'Prudential Norms on Income Recognition, Asset classification and Provisioning pertaining to Advances- Clarifications' (the 'RBI circular') for regulatory reporting, as applicable. The financial statement for the year ended March 31, 2025 and March 31, 2024, are prepared in accordance with the applicable Ind-As guidelines and the RBI Circular dated March 13, 2020 – 'Implementation of Indian Accounting Standards'.

Material accounting policies 1-3

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

For **Deloitte Haskins & Sells**
Chartered Accountants
Firm Registration No: 117365W

G.K. Subramaniam
Partner
ICAI Membership No. 109839

Place : Jaipur
Date : May 28, 2025

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

Rajendra Kumar Setia
(Managing Director & CEO)
DIN - 00957374

Atul Arora
(Chief Financial Officer)

Place : Jaipur
Date : May 28, 2025

Yash Setia
(Whole Time Director)
DIN - 09831391

Anagha Bangur
(Company Secretary)
Membership No.: F10697

Appendix to the Financial Statement

For the year ended March 31, 2025

(₹ in lakhs except otherwise stated)

Schedule to the balance sheet of a Non Deposit Taking Non-Banking Financial Company as required in terms of Annex-VIII of Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023

Particulars			Amount outstanding	Amount overdue
Liabilities side:			**As at March 31, 2025**	**As at March 31, 2025**
1	Loans and advances availed by the NBFC inclusive of interest accrued thereon but not paid:			
	(a) Debentures	: Secured	2,09,247.38	-
		: Unsecured	-	-
	(Other than falling within the meaning of public deposits)		-	-
	(b) Deferred credits		-	-
	(c) Term loans from bank		6,09,323.39	-
	(d) Inter-corporate loans and borrowing		1,04,657.00	-
	(e) Commercial paper		8,420.98	-
	(f) Other loans:		-	-
	Associated liabilities in respect of securitization transactions		2,21,434.21	-
	Loan from:			
	(i) Directors		-	-
	(ii) Shareholders		-	-
	(iii) CC limit from bank		7,326.23	-
	(iv) Unsecured loan from bank and institution		-	-

Particulars		Amount outstanding
Assets side:		**As at March 31, 2025**
2	**Break-up of loans and advances including bills receivables [other than those included in (3) below] (net off provision on NPA):**	
	(a) Secured	11,76,237.88
	(b) Unsecured	7,850.17
3	**Break up of leased assets and stock on hire and other assets counting towards asset financing 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) Other loans counting towards asset financing activities	
	(a) Loans where assets have been repossessed	-
	(b) Loans other than (a) above	-

Particulars			Amount outstanding
Assets side:			**As at March 31, 2025**
4	**Break-up of investments:**		
	Current investments:		
	1. Quoted:		
	(i) Shares:	(a) Equity	-
		(b) Preference	-
	(ii) Debentures and bonds		48,198.50
	(iii) Units of mutual funds		-
	(iv) Government securities		-
	(v) Others		-
	2. Unquoted:		
	(i) Shares:	(a) Equity	-
		(b) Preference	-
	(ii) Debentures and bonds		17,558.34
	(iii) Units of mutual funds		-
	(iv) Government securities		-
	(v) Others*		
	Security receipt of ARC		4,456.60
	Long term investments		
	1. Quoted:		
	(i) Shares:	(a) Equity	-
		(b) Preference	-
	(ii) Debentures and bonds		25,967.16
	(iii) Units of mutual funds		-
	(iv) Government securities		-
	(v) Others		-
	2. Unquoted:		
	(i) Shares:	(a) Equity	-
		(b) Preference	-
	(ii) Debentures and bonds		-
	(iii) Units of mutual funds		-
	(iv) Government securities		-
	(v) Others*		-
	Security receipt of ARC		7,760.43

* excluding Investments in Pass Through Certificates under securitisation transactions.

5	Borrower group-wise classification of assets finances as in (2) and (3) above (Amount net of provisions):	As at March 31, 2025		
Category		Secured	Unsecured	Total
1.	Related parties			
	(a) Subsidiaries	-	-	-
	(b) Companies in the same group	-	-	-
	(c) Other related parties	-	-	-
2.	Other than related parties*	11,76,237.88	7,850.17	11,84,088.05
Total		**11,76,237.88**	**7,850.17**	**11,84,088.05**

* As per Ind AS 24 - 'Related party disclosures

6	Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):	As at March 31, 2025	
Category		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	-	-
	(c) Other related parties	-	-
2.	Other than related parties*	1,03,941.03	1,03,941.03
Total		**1,03,941.03**	**1,03,941.03**

* As per Ind AS 24 - 'Related party disclosures

	7 Other information	As at March 31, 2025
	Particulars	Amount
i	Gross non-performing assets	
	(a) Related parties	-
	(b) Other than related parties	57,348.41
ii	Net non-performing assets	
	(a) Related parties	-
	(b) Other than related parties	40,672.37
iii	Assets acquired in satisfaction of debt	**-**

Notice of Annual General Meeting

NOTICE is hereby given that the **31st (Thirty-First)** Annual General Meeting ("AGM/ Meeting") of the members of **SK Finance Limited** (the "Company") will be held on Monday, August 04, 2025 at 02:00 P.M. Indian Standard Time ('**IST**') through Video Conferencing ("**VC**") or Other Audio-Visual Means ("**OAVM**") to transact the following business:

ORDINARY BUSINESS:

ITEM NO. 01 – TO RECEIVE, CONSIDER AND ADOPT THE AUDITED FINANCIAL STATEMENTS OF THE COMPANY FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2025 TOGETHER WITH THE REPORTS OF THE BOARD OF DIRECTORS AND AUDITORS THEREON.

ITEM NO. 02 - TO APPOINT A DIRECTOR IN PLACE OF MR. YASH SETIA (DIN:09831391), WHO RETIRES BY ROTATION AND BEING ELIGIBLE, OFFERS HIMSELF FOR RE-APPOINTMENT.

ITEM NO. 03 - TO APPOINT M/s A. BAFNA & CO, CHARTERED ACCOUNTANTS [FIRM REGISTRATION NUMBER: 003660C], AS JOINT STATUTORY AUDITORS OF THE COMPANY AND TO FIX THEIR REMUNERATION:

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

RESOLVED THAT pursuant to the provisions of Section 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") read with the Companies (Audit and Auditors) Rules, 2014, Guidelines for Appointment of Statutory Central Auditors (SCAs)/ Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) dated April 27, 2021 issued by Reserve Bank of India ('RBI Guidelines'), other applicable regulations of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any amendment(s), modification(s), variation(s) or re-enactment(s) thereof for the time being in force), enabling provisions of the Articles of Association of the Company read with board approved Policy for appointment of Statutory Auditors and based on the recommendation of the Audit Committee and the Board of Directors of the Company, consent of Members of the Company be and is hereby accorded to appoint M/s BAFNA & CO, Chartered Accountants, (Firm Registration Number: 003660C) as the Joint Statutory Auditors of the Company, to hold office for a period of 3 consecutive years from the conclusion of this AGM till the conclusion of 34th AGM to be held in the calendar year 2028, subject to the fulfilment of the eligibility criteria by the Auditors for every year.

RESOLVED FURTHER THAT the Board of Directors based on the recommendation of Audit Committee, be and is hereby authorised to decide and finalize the terms and conditions of appointment, including the overall audit fees of the Joint Statutory Auditors.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to the foregoing resolution."

By Order of the Board of Directors
For **SK Finance Limited**

Anagha Bangur
Company Secretary & Compliance Officer
M. No.: F10697

Place: Jaipur
Date: May 28, 2025
Regd. Address: G 1-2, New Market, Khasa Kothi,
Jaipur – 302001 (Rajasthan)
Website: www.skfin.in Email: cs@skfin.in

NOTES:

1. The proceedings of the Annual General Meeting ("AGM") shall be deemed to be conducted at the Corporate Office of the Company at Plot No. 36, Dhuleshwar Garden, Jaipur- 302001 (Rajasthan).
2. The Ministry of Corporate Affairs, Government of India (the "MCA") vide General Circular no. 09/2024 dated September 19, 2024 read with all earlier circulars issued in this regards ('MCA Circulars'), have allowed the Companies to conduct their Annual General Meeting through Video Conferencing (VC) or Other Audio Visual Means (OAVM), without the physical presence of the Members at a common venue, subject to the fulfilment of conditions as specified in the MCA Circulars. In compliance with the provisions of the Companies Act, 2013 and MCA Circulars, the AGM of the Company is being held through VC / OAVM.
3. The Securities and Exchange Board of India ("SEBI") vide Circular no.. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2024/133 dated October 03, 2024 and earlier circulars issued in this regards ('SEBI Circulars') had inter-alia, relaxed certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') related to dispatch of hard copy of Annual Report to the debenture holders, pursuant to relaxation granted by the Ministry of Corporate Affairs (MCA). In compliance with the MCA Circulars and SEBI Circulars, the Annual Report and notice of AGM shall be sent only by email to the Members, trustees, debenture-holders and to all other persons so entitled. Further, the Annual Report and notice of AGM shall be given only through emails registered with the Company or with the depository participant/depository.
4. The financial statements including Board's report, Auditor's report and other documents required to be attached therewith ("Annual Report") and AGM Notice will be sent only by email to the members, directors, debenture holders, debenture trustees, auditors and to all other persons so entitled. Further the Annual Report along with AGM notice shall be sent through email to the members whose name appears on the Register of Members/List of Beneficial Owners, as received from NSDL/Central Depository Services (India) Limited on July 04, 2025. It is however, clarified that all the persons who are members of the Company as on July 04, 2025 (including those members who may not have received this Annual Report & AGM Notice due to non – registration of their e-mail IDs) shall be entitled to vote in relation to the resolutions specified in this AGM Notice. In case any such person requires a physical copy, the same will be provided on receipt of such request addressed to cs@skfin.in Members may note that the Notice and Annual Report for the Financial year 2024-25 will also be available on the Company's website at https://www.skfin.in/investor and on the website of the stock exchange i.e. BSE Limited at www.bseindia.com.
5. Pursuant to the provisions of the Companies Act, 2013, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
6. Since the AGM will be held through VC / OAVM, the Route Map is not annexed to this Notice.
7. Institutional/Corporate Members intending to participate in the AGM through their authorised representatives are requested to send a duly certified copy of their Board or Governing body's resolution/Authorization letter etc. authorising their representatives to attend and vote on their behalf at the AGM pursuant to Section 113 of the Companies Act, 2013 to cs@skfin.in. Further, HUF members shall participate through Karta or any other member of HUF duly authorized by the Karta by way of authority letter.
8. Attendance of Members/Authorized Representatives through video conferencing shall be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
9. Members seeking any information with regard to the financial statements, accounts or any matter to be placed at AGM are requested to submit their questions in advance to cs@skfin.in from their registered email address, mentioning their name, DPID and Client ID and mobile number latest by July 24, 2025, and the same will be replied by the Company suitably. Alternatively, the members may also post their queries directly on the VC Platform i.e. the Microsoft teams app during the AGM.
10. In case of joint holders attending the Meeting, only such joint holder whose name appears as the first holder in the order of names as per the Register of Members of the company will be entitled to vote.
11. Brief profile and other information about the Director in respect of re-appointment as required under Secretarial Standard on General Meetings ('SS-2') is annexed to this Notice as **Annexure-I**.
12. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Companies Act, 2013 will be available electronically for inspection by the Members during the continuance of AGM.
13. All the documents referred to in the Notice are open for inspection during working hours on all working days from the date of circulation of this notice till the conclusion of the AGM. Members may request for such documents by sending their requests at cs@skfin.in from their registered email address, mentioning their name, DPID and Client ID and mobile number.
14. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts.
15. Members are requested to address all their correspondence including demat/remat applications, request for share transfers, intimation of change of address and other correspondence to the Company's Registrar & Securities Transfer Agent (RTA) :-

    Registrar & ShareTransfer Agent:

    KFin Technologies Limited

    Address: Selenium Tower B, Plot No. 31& 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad – 500032, Telangana

    Contact Person: Hanumantha Rao Patri - Assistant Vice President – Corporate Registry Telephone No: +91 91 9381616972

    Email id: einward.ris@kfintech.com

    Website: https://www.kfintech.com
16. Members are requested to notify the changes if any, in address, contact details, bank account etc. immediately to their respective depository participants.
17. The Members may contact their respective depository participants for making nominations as permitted under Section 72 of the Companies Act, 2013.
18. During the AGM being held through VC, where a poll on any item is required, the members shall cast their vote on the resolutions only by sending emails at secretarial@skfin.in through their registered email addresses.
19. Procedure for attending the AGM through VC/ OAVM:

    a) Members can attend the AGM through Video Conferencing on August 04, 2025 at 2:00 P.M. by clicking on the below mentioned link.

    Please join the meeting from your computer, tablet or smartphone.

    HYPERLINK

    https://teams.microsoft.com/l/meetup-join/19%3ameeting_YzE4N2ZlYTYtNTQ3MS00NDk5LWI5YWUtMzY5MDYyMWVmYzgx%40thread.v2/0?context=%7b%22Tid%22%3a%22ce10ab6d-c564-44a0-bbfc-f094de91f005%22%2c%22Oid%22%3a%22c2584273-1302-4df0-93b7-405acbc845da%22%7d

    Join the meeting now

    Meeting ID: 472 271 303 107 5

    Passcode: hp3iH2mz

    b) After clicking on the aforesaid link, a dialogue box will appear stating "Type your name here".

    c) After entering the aforesaid details, please click on "Next Button" and Join the meeting.

    d) The aforesaid link for joining the meeting through VC shall be active for participation on the date of the Meeting i.e. August 04, 2025. from 2:00 P.M. (IST) till 3:00 P.M. (IST). The link will be disabled for participation after the said time of 3:00 P.M. (IST).

    e) Members who need assistance before or during the meeting, can contact at +91-9001288882 or email at cs@skfin.in.

By Order of the Board of Directors
For **SK Finance Limited**

Anagha Bangur
Company Secretary & Compliance Officer
M. No.: F10697

Place: Jaipur
Date: May 28, 2025
Regd. Address: G 1-2, New Market, Khasa Kothi,
Jaipur – 302001 (Rajasthan)
Website: www.skfin.in Email: cs@skfin.in

Annexure-I

BRIEF PROFILE AND OTHER INFORMATION OF DIRECTOR BEING RE-APPOINTED AS SET OUT IN THIS NOTICE, IN TERMS OF CLAUSE 1.2.5 OF SECRETARIAL STANDARD ON GENERAL MEETINGS (SS-2) ISSUED BY THE INSTITUTE OF THE COMPANY SECRETARIES OF INDIA.

Name	Mr. Yash Setia
Date of Birth	04th December, 1995
Age	29 Years
DIN	09831391
Date of first appointment on the Board	30th January, 2023
Qualifications	Holds a Bachelor's degree in Commerce from H.R. College of Commerce and Economics, Mumbai and has completed Master's in Finance from Babson College, Boston, USA.
Brief Profile and Experience	Yash Setia is a Whole-time Director on the Board of the Company. He holds a bachelor's degree in commerce from H.R. College of Commerce and Economics, the University of Mumbai, Maharashtra, India. He also holds a master's degree in finance from Babson College, Wellesley, Massachusetts, United States. He has over six years of experience in the financial services sector with the Company. He joined the Company as Head Strategy and Senior Analytics with effect from August 1, 2018
Other Directorships	Nil
Chairpersonship/ membership of Committees in other companies	Nil
Relationship with other Directors, Manager and Key Managerial Personnel of the Company	Son of Mr. Rajendra Kumar Setia, Managing Director & Chief Executive Officer of the Company
No. of equity shares held in the Company	2,600 equity shares of ₹ 1/- each
No. of Board meetings attended during the Financial year 2024-25	10
Terms and conditions of re-appointment	Liable to retire by rotation and other existing terms and conditions as approved by shareholders in the Extra-Ordinary General Meeting held on 15th April, 2025.
Remuneration last drawn	₹ 1,55,09,688/- for the Financial Year 2024-25
Remuneration sought to be paid	Mr. Yash Setia was appointed as Whole-time Director for a period of five years w.e.f. 30th January, 2023, liable to retire by rotation and terms and conditions other than the remuneration remain same as approved by the members in the Extra-ordinary General Meeting held on 30th January, 2023. The proposed re-appointment of Mr. Yash Setia as Whole-time Director is due to retirement by rotation and his remuneration will be paid as per the resolution passed by the members at the Extra-Ordinary General Meeting held on 15th April, 2025.

By Order of the Board of Directors
For **SK Finance Limited**

Anagha Bangur
Company Secretary & Compliance Officer
M. No.: F10697

Place: Jaipur
Date: May 28, 2025
Regd. Address: G 1-2, New Market, Khasa Kothi,
Jaipur – 302001 (Rajasthan)
Website: www.skfin.in Email: cs@skfin.in

CORPORATE INFORMATION

Board of Directors & KMPs

Mr. Amar Lal Daultani

Chairperson & Non-Executive Independent Director

Mr. Rajendra Kumar Setia

Managing Director & Chief Executive Officer

Mr. Yash Setia

Whole Time Director

Mr. Anand Raghavan

Non-Executive Independent Director

Ms. Nanda Sameer Dave

Non-Executive Independent Director

Mr. Mukul Mathur

Non-Executive Independent Director

Mr. Simit Batra

Non-Executive Nominee Director

Ms. Debanshi Basu

Non-Executive Nominee Director

Mr. Atul Arora

Chief Financial Officer

Ms. Anagha Bangur

Company Secretary & Compliance Officer

Statutory Auditors

M/s Deloitte Haskins & Sells
Chartered Accountants
19th Floor, Shapath-V, S.G. Highway
Ahmedabad, Gujarat, India - 380015

Secretarial Auditors

M/s V.M. & Associates
Company Secretaries
403, Royal World, Sansar Chandra Road,
Jaipur - 302001

Registered Office

G 1-2, New Market, Khasa Kothi
Jaipur, Rajasthan - 302001
CIN: U65923RJ1994PLC009051

Corporate Office

Plot No. 36, Dhuleshwar Garden, C-Scheme
Jaipur, Rajasthan, India - 302001

Mumbai Office

D-111, First Floor, Kanakia Zillion,
Kurla Bus Depot
LBS Marg, Kurla West, Mumbai,
Maharashtra - 400 070

Registrar & Securities Transfer Agent

KFin Technologies Limited
Selenium Tower B, Plot No. 31 and 32,
Financial District, Nanakramguda,
Serilingampally, Hyderabad - 500 032,
Telangana, India

Debenture Trustees

Beacon Trusteeship Limited
5W, 5th Floor, The Metropolitan
E-Block, Bandra Kurla Complex, Bandra (East),
Mumbai, Maharashtra - 400051

Vardhman Trusteeship Private Limited

The Capital, A Wing, 412A,
Bandra Kurla Complex, Bandra (East)
Mumbai - 400 051



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G 1-2, New Market, Khasa Kothi, Jaipur, Rajasthan - 302001
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