INDOSTAR

Annual Report 2024-25

THE FLYWHEEL EFFECT

"There's no single defining action, no grand programme, no one killer innovation, no solitary lucky break, no wrenching revolution. Good to great comes about by a cumulative process... turn by turn of the flywheel."

— Jim Collins

Business greatness, as Jim Collins explains, is rarely the result of one dramatic leap. Instead, it emerges from a steady series of deliberate, consistent actions, repeated in alignment with a clear purpose, until momentum takes over.

The Flywheel Effect captures this truth:

each small, disciplined step compounds over time, building unstoppable force.

THIS IS THE STORY OF INDOSTAR.

What began in 2017 as a strategic pivot to retail lending, inspired by market shifts and a need for greater stability, has been strengthened year after year through sharper governance, technology-led efficiency, a granular, high-quality loan book, and a focussed leadership agenda built around core vehicle finance and affordable housing. Key milestones – strategic acquisitions, digitisation drives, exit from the corporate book, and expansion into micro-markets – were not isolated breakthroughs, but deliberate turns of the flywheel.

Today,

that persistence is delivering visible results. IndoStar enters 2024-25 with:

- A 95% retail portfolio anchored in vehicle finance;
- A deeper branch and micro-branch network reaching underserved markets;
- Stronger balance sheet fundamentals with diversified, low-cost funding;
- Scalable operations primed for sustained growth.

THE COMPANY IS NOW PAST THE STAGE OF PUSHING THE FLYWHEEL INTO MOTION – ITS MOMENTUM IS CARRYING IT FORWARD

As Collins reminds us,
"Once you get your flywheel to a certain point of momentum, you are no longer pushing it. It's propelling you."

For IndoStar, that point has arrived. The foundation is strong, the path is clear, and the momentum is real. The flywheel is turning – faster, stronger, and tougher to stop.

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INVESTOR INFORMATION

Market Capitalisation (as on March 31, 2025)	: ₹ 4,181 crore
CIN	: L65100MH2009PLC268160
BSE Code	: 541336
NSE Symbol	: INDOSTAR
AGM Date	: September 25, 2025
AGM Mode	: Through Video Conferencing

Scan this QR code to navigate investor-related information:

CORPORATE INFORMATION

BOARD OF DIRECTORS

Non-Executive Independent Chairperson
Ms. Naina Krishna Murthy

Non-Executive Independent Directors
Mr. Hemant Kaul
Ms. Sujatha Mohan
(Appointed with effect from April 21, 2025)

Non-Executive Directors
Mr. Aditya Joshi
Mr. Bobby Parikh
Mr. Devdutt Marathe
Mr. Vishal Goenka
(Appointed with effect from August 28, 2025)
Mr. Dhanpal Jhaveri
(upto August 28, 2025)

Executive Director
Mr. Randhir Singh
Managing Director & Executive Vice Chairman

CHIEF FINANCIAL OFFICER
Mr. Jayesh Jain

COMPANY SECRETARY & COMPLIANCE OFFICER
Ms. Shikha Jain

LEADERSHIP TEAM
Mr. Amit Kothari
Chief Technology Officer

Mr. Arvind Uppal
Head - Collections

Mr. Devraj C
Chief Business Officer

Mr. Dipesh Mehta
Chief Product Officer

Mr. Kaushal Mithani
Head - Treasury

Mr. K V Bhardwaj
Chief Credit Officer

Mr. Nitin Gyanchandani
Chief Risk Officer

STATUTORY AUDITORS
M S K A & ASSOCIATES
Chartered Accountants

CIN: L65100MH2009PLC268160

REGISTERED & CORPORATE OFFICE
Silver Utopia, Third Floor, Unit No 301-A,
Opposite P & G Plaza,
Cardinal Gracious Road,
Chakala, Andheri (E),
Mumbai – 400099
Tel No.: +91 22 4315 7000
E-mail: investor.relations@indostarcapital.com
Website: www.indostarcapital.com

DEBENTURE TRUSTEE
IDBI Trusteeship Services Limited
Asian Building, Ground Floor, 17,
R Kamani Marg, Ballard Estate,
Mumbai – 400 001
Tel No.: +91 22 40807000
Fax No.: +91 22 66311776
E-mail: itsl@idbitrustee.com

REGISTRAR & TRANSFER AGENT
MUFG Intime India Private Limited (earlier known as Link Intime India Private Limited)
C - 101, 247 Park, L.B.S. Marg,
Vikhroli (West),
Mumbai – 400083
Tel No.: +91 22 49186270
Fax No.: +91 22 49186060
E-mail: rnt.helpdesk@linkintime.co.in

BANKERS
- AU Small Finance Bank
- Bank of Maharashtra
- Canara Bank
- Central Bank of India
- DBS Bank India Limited
- DCB Bank
- IDFC First Bank
- Indian Overseas Bank
- IndusInd Bank Limited
- Karur Vysya Bank
- NABARD (National Bank for Agriculture and Rural Development)
- RBL Bank
- State Bank of India
- Suryoday Small Finance Bank
- Unity Small Finance Ban
- Yes Bank Limited

TRACTION ⋙ SPEED

“You don’t have to see the whole staircase, just take the first step.”
— Martin Luther King Jr.

In business, as in physics, the hardest part is the beginning.

Moving a heavy flywheel, a massive metal disc mounted on an axle, takes tremendous effort. Each initial push feels almost inconsequential. Progress is invisible. The momentum seems out of reach.

For IndoStar, this was the post-2020 period. The organisation was carrying legacy challenges, complex operations, and scattered focus. But rather than chasing a quick fix, IndoStar made a different choice: to push in one direction, with intent.

IndoStar’s First Pushes:

- It pulled back from wholesale lending, shifting to granular, secured retail finance
- It prioritised governance over growth – strengthening credit processes, re-aligning leadership, and bringing rigour back to risk
- It rebuilt credibility across stakeholders – investors, lenders, employees, and customers

These were steady pushes, necessary to align people, processes, and purpose. Like the first few turns of a flywheel, each action added just enough force to keep going.

And though the wheel moved slowly, **it moved in the right direction.**

About IndoStar

RETAIL-FOCUSSED NBFC FOR THE EMERGING INDIA

IndoStar Capital Finance Limited is a middle layered Non-Banking Finance Company (NBFC) registered with the Reserve Bank of India, offering end-to-end lending, financing, and credit solutions.

With Brookfield & Everstone as co-promoters, IndoStar Capital Finance Limited ('ICFL', 'IndoStar' or 'the Company'), is a professionally managed and institutionally owned entity dealing in comprehensive range of financial products like Used and New Commercial Vehicles, Construction Equipment, Farm Equipment, Car/MUV, Insurance and Micro LAP (small-ticket business loans). Catering to the aspirations of the growing consumer base in India, ICFL focusses on small time retail customers mainly in Tier 2 , Tier 3 and Tier 4 towns, offering them tailor-made solutions to earn their livelihood with competitive pricing & transparent terms.

Vision

Partner with our customers on their journey to financial success.

Mission

To be a major financial service provider to our target customers through empowered happy employees, and deliver a competitive shareholder return while maintaining highest ethical behaviour standards.

Core Values

Resilience

Ability to withstand and bounce back from difficult, adverse or challenging situations.

Ethics

Understanding the essence of Code of Conduct and governing business principles.

Accountability

Responsibility and ownership to the committed actions, decisions and the outcomes of those actions.

Collaboration

Work as a team towards a common goal, through shared knowledge, to achieve a desired outcome.

High-Performance

Achieving exceptional results by exceeding expectations, and consistent performance.

Key Focus Areas

- Continuously evolving product offerings
- Expanding distribution footprint
- Expanding the use of data and systems
- Digitalisation
- Expanding customer lifetime value
- Automating controls and alerts to minimise risk
- Ensuring a robust balance sheet
- Being agile and future-ready

Key Performance Highlights

Operational Highlights

MUMBAI Corporate Office

446 BRANCHES across **23 STATES**

₹ 7,963 CRORE AUM

₹ 5,250 CRORE Disbursements

Financial Highlights

₹ 1,403.9 CRORE Revenue from Operations

₹ 52.6 CRORE PAT

2.46% Net Stage 3

₹ 671.6 CRORE Net Total Income

5.6% Net Interest Margin

4.52% Gross Stage 3

28.5% CRAR

Sustainability Highlights

0 Instances of bribery or corruption cases recorded

100% Employees eligible for health insurance, medical insurance, and parental leaves

87.85% Employees trained for human rights issues

0.65 Emission intensity in tCO_2e per employee

Geographic Presence

STRATEGIC PRESENCE ACROSS INDIA

IndoStar's well-developed and expanding branch network has been instrumental in building steady momentum across its retail-focussed transformation. By delivering tailored lending solutions across both urban centres and emerging semi-urban and rural markets, the network strengthens customer access, operational efficiency, and portfolio quality.

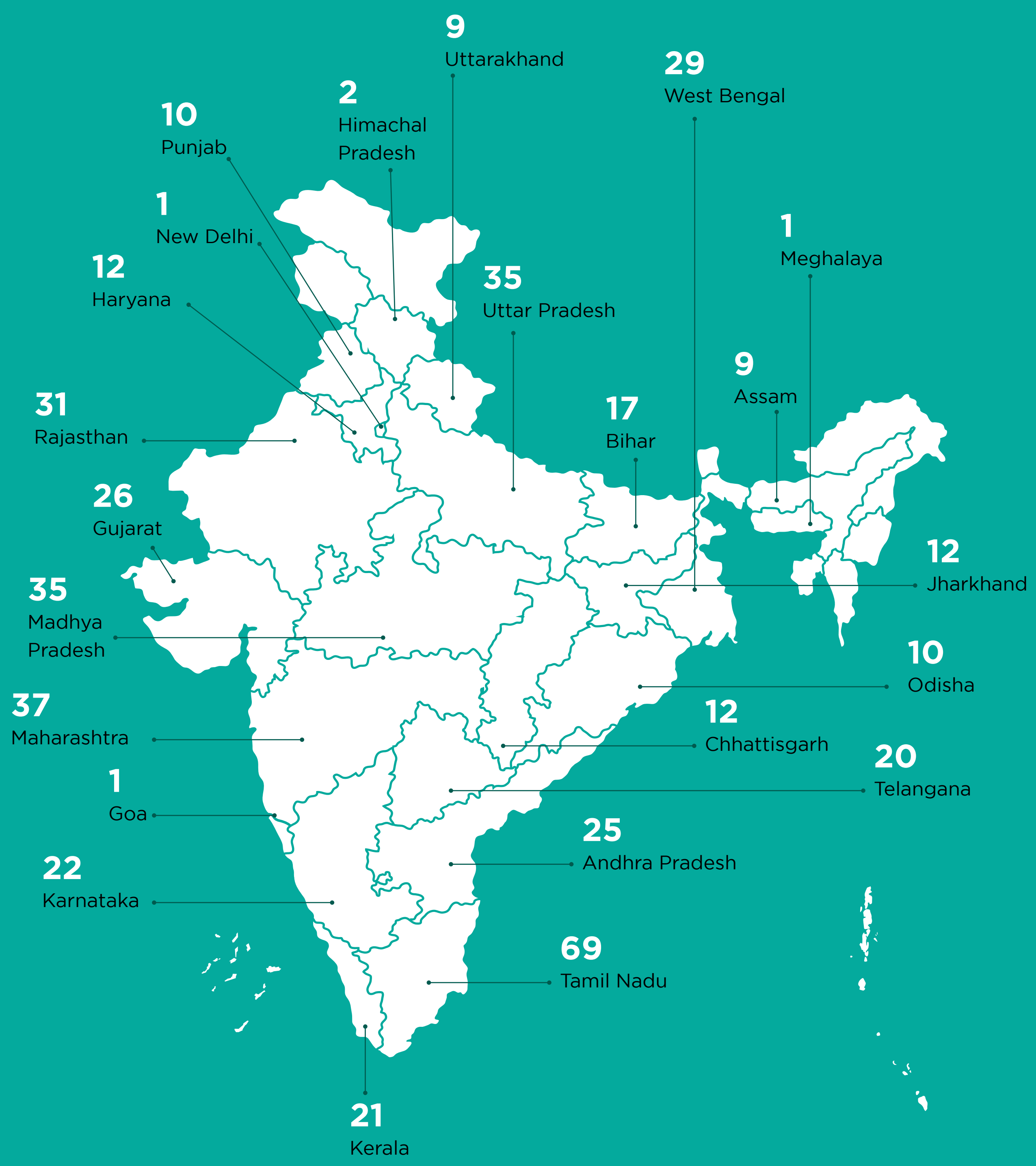
Each incremental step – new locations, deeper engagement, improved processes – reinforces the next, creating a cycle of growth that gains strength with consistency. This expanding reach continues to power the Company's shift toward a more resilient, inclusive, and scalable business model.

Presence

446 BRANCHES

across

23 STATES



Disclaimer: This map is a generalised illustration only for the ease of the reader to understand the locations, and it is not intended to be used for reference purposes. The representation of political boundaries and the names of geographical features/states do not necessarily reflect the actual position. Our Company or any of our Directors, officers or employees cannot be held responsible for any misuse or misinterpretation of any information or design thereof. Our Company does not warrant or represent any kind of connection with its accuracy or completeness.

MOMENTUM IS THE STRATEGY

"You do not need a killer innovation or lucky break to build momentum – just the discipline to keep pushing in the right direction."

— Jim Collins

Once a flywheel begins to turn, physics changes the game. The energy from each push does not disappear, it accumulates. The momentum increases. Every additional push becomes easier.

This is exactly what IndoStar began to experience. With the core realigned, the Company focussed on **disciplined execution and operational compounding**:

- Vehicle Finance volumes grew as the used vehicle segment saw tailwinds
- Micro LAP disbursements are gradually scaling through structured rollout across tier 3–5 towns
- Cost of funds declined, aided by improved credit ratings and investor confidence
- Digital tools like Indo Mitra, Scorecards, and Connector Apps made sourcing, underwriting, and collections faster, cheaper, and more accurate
- Governance structures matured, guiding proactive risk management

Each of these was a push. But unlike before, now each push built on the previous one.

- More disbursements improved AUM
- Better risk controls reduced delinquencies
- Lower NPAs improved credit perception
- Better perception attracted capital at lower cost

This was not just growth. It was growth governed by momentum.

And that is what the Flywheel Effect is all about:

Continuous actions, aligned with a single strategy, compounding over time.

Product Portfolio

ADVANCING RETAIL LENDING THROUGH MARKET-CALIBRATED BUSINESS SEGMENTS

IndoStar is steadily accelerating its retail-led momentum by addressing the growing credit demand in semi-urban and rural India through focussed segments – Vehicle Finance, and Micro LAP. Both of these segments are thoughtfully designed to meet the unique needs of underserved borrowers, and together they form a cohesive engine that gains strength with every turn.

As customer engagement deepens, operational learning sharpens, and digital processes scale, each success reinforces the next – compounding efficiency, expanding reach, and enhancing credit quality. This self-reinforcing cycle is driving IndoStar's transformation into a more secure, scalable, and growth-focussed lending platform.

Vehicle Finance

Segment Overview

IndoStar has evolved from a predominantly Commercial Vehicle (CV) lender into a diversified Vehicle Financer with a multi-segment portfolio – a transformation driven by its strategic intent to capture emerging growth opportunities, enhance portfolio resilience, and reduce sector-specific risks. Recognising the cyclical vulnerability of the CV segment, the Company has proactively expanded into adjacent asset classes such as cars, pickups, light trucks, small commercial vehicles, and farm and construction equipment.

With an aim to improving portfolio granularity and risk diversification, the Company has launched a 'Focus 4' strategy – designed to drive growth in secured, small-ticket products, including cars, pickups, light trucks, and small commercial vehicles, in Tier 3 and Tier 4 towns. These markets are witnessing robust demand due to rising prices of new vehicles, higher EMIs for new vehicles, and increasing preference for affordable used assets, amplified by regulatory transitions such as the BS-VI norms.

Leveraging the extensive infrastructure, strong operational capabilities built for its CV finance business, ICFL has created a scalable and cost-efficient platform to serve broader customer needs.

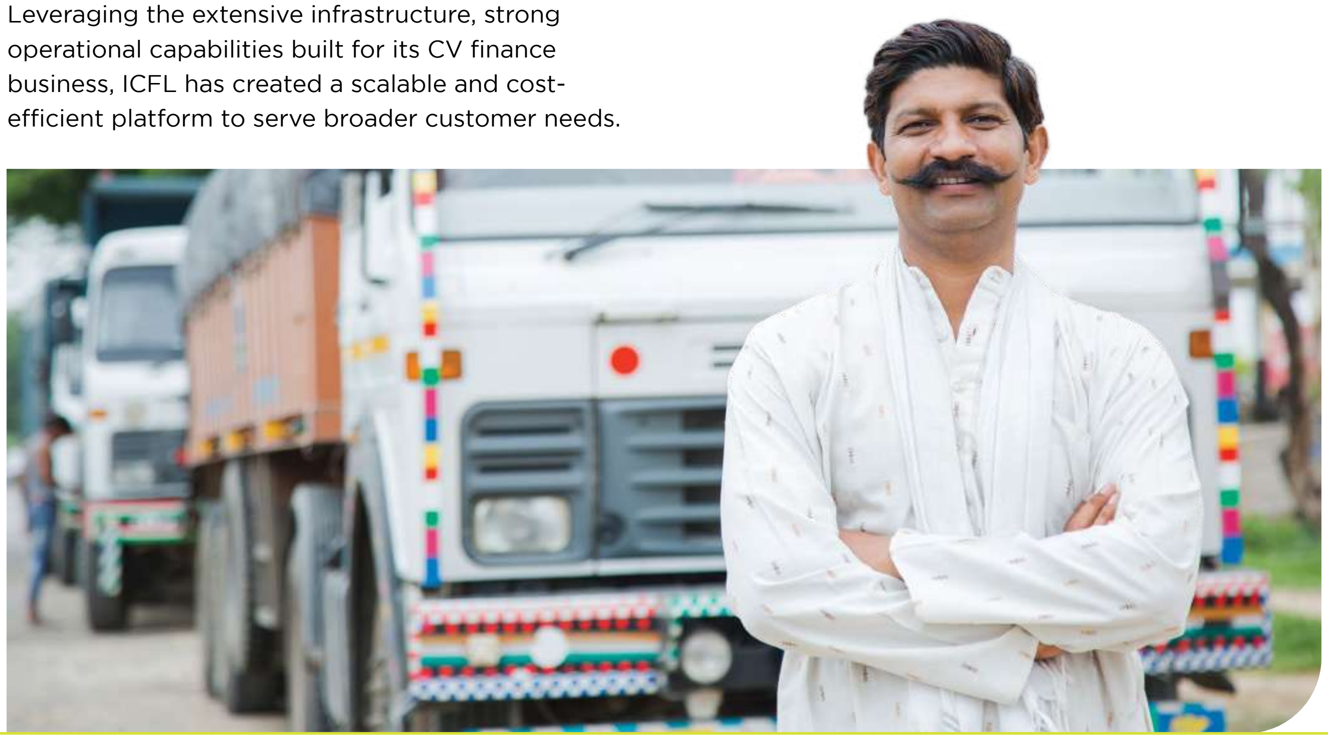
The Company's approach includes:

- Scaling up in used CV financing: a segment where ICFL has built deep domain expertise;
- Expansion into high-yield, small-ticket secured loans: passenger vehicles, farm equipment, and construction finance.

Resultant

Average Ticket Size (ATS)

2024-25	₹ 6.7 lakhs
2023-24	₹ 8.0 lakhs



Portfolio and Customer Segments

ICFL's vehicle finance portfolio is anchored in two broad categories:

Commercial Vehicles (CVs)

Financing used and new Medium & Heavy CVs (M&HCV), Light CVs (LCV), Intermediate CVs (ICV), buses, and other goods transport vehicles.

Non-CV Segments

Passenger vehicles (cars, pickups), farm equipment (tractors), and construction equipment (light to medium machinery).

Key Customer Segments

- **Self-Employed Individuals** operating in transport and logistics
- **Small Fleet Operators** managing 2-5 vehicles
- **First-Time Users** entering the CV ownership market
- **Farmers and Rural Entrepreneurs** seeking mechanisation or goods transport assets

This diversity of products and borrowers enhances the resilience of our loan book and provides a natural hedge against cyclical downturns in any single segment.

Branch Network

55 BRANCHES
Added in 2024-25

446 VEHICLE
Finance branches across 23 states

70%+
of branches located in Tier 3–5 towns

KEY STRENGTHS

- Strong presence in under-penetrated markets with low banking access
- Proximity to high-growth demand pockets
- First-mover advantage in several Tier 4 & 5 locations
- High brand recall among transporters, small-business owners, and local communities
- Deep relationships built over more than a decade in core markets
- Strong referral-led customer acquisition network

ICFL's Strategic Priorities

Diversification of portfolio by expanding the non-CV share through deeper penetration in Passenger Vehicles, Farm Equipment, and Construction Equipment Financing.

Network expansion and productivity by growing our presence in underpenetrated rural and semi-urban markets while enhancing the efficiency of the existing branch network.

Preservation of asset quality through disciplined underwriting, proactive collections, and technology-led monitoring.

Financial resilience by optimising the cost of funds and maintaining a robust capital position to support sustainable, profitable growth.

Performance in 2024-25

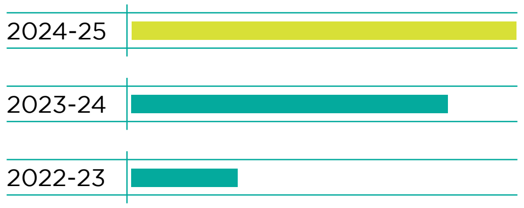
The Vehicle Financing business closed the year 2024-25 with an AUM of ₹ 7,401 crore, up 32% YoY from ₹ 5,594 crore in 2023-24. This growth stands out against a relatively flat industry backdrop, indicating the success of our diversified, small-ticket approach.

This growth was supported by a deliberate tightening of underwriting standards, evidenced by a reduction in Loan-to-Value (LTV) from 73.8% to 72.5%, thus enhancing collateral protection and lowers credit risk, strengthening portfolio quality. At the same time, ICFL sustained a healthy disbursement yield of approximately 18.5%, driven by higher yields in Used Vehicle and small-ticket segments, which command premium pricing given their risk-return profiles.

AUM (in ₹ crore)

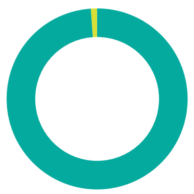
AUM Mix (Geography-Wise) (%)

Disbursements (in ₹ crore)



Disbursement Mix (Product-Wise) (%)

Disbursement Mix (New/Used) (%)



Disbursement Mix (Geography-Wise) (%)

Strengthening Credit and Collections Functions

Over the years, the Company has progressively strengthened its credit framework through automated, system-driven underwriting and documentation, anchored by robust policy controls. Coupled with proactive, technology-enabled collections, this approach ensures high-quality loan origination, early detection of risks, and timely resolution of delinquencies—driving sustained improvement in asset quality and a steady decline in NPAs.

Strong Credit Underwriting + Robust Collections & Monitoring = Outcome: Strong Asset Quality & Reduced NPAs

Strong Credit Underwriting

- Policy-Linked System Controls to block duplicate UCICs and enforce rules at the login stage in Loan Origination System (LOS)
- End-to-End System-Driven Underwriting with automated Aadhaar/PAN scanning, API-based CIBIL checks, and mandatory deduplication
- AML & Risk Categorisation built into LOS with escalation for suspicious cases
- Independent Valuations & Automated LTV Governance ensuring financing only within approved parameters
- Approval Matrix & Deviation Control keeping overrides minimal and policy-driven
- Digitised Documentation & Quality Check (QC) through E-agreements, eNACH, and pre-disbursement quality control

Robust Collections & Monitoring

- Real-Time Field Integration with geotagging and system-recorded verifications for accountability
- Post-Disbursement Monitoring with daily PDD tracking and immediate branch-level triggers
- Early Delinquency Management through field teams, call centre engagement, and digital outreach (App, SMS, WhatsApp, automated calls)
- DSA Monitoring & Breach Control with immediate business holds until compliance
- Proactive Recovery Measures such as repossession and legal proceedings when needed
- Strong Managerial Oversight to ensure uniform standards and quick escalation of risks

Outcome

Strong Asset Quality & Reduced NPAs

Industry Trends Driving Growth

01 Infrastructure-led Freight Expansion

Mega projects such as Bharatmala, PM Gati Shakti, and Sagarmala are strengthening road connectivity and port logistics, driving sustained freight and passenger transport demand

02 Policy Support and Incentives

Government focus on green mobility, rural subsidies, and vehicle scrappage policies is reshaping fleet renewal and stimulating demand across vehicle categories

03 Rising Urbanisation and Income Levels

Growing urban centres and increasing disposable incomes are creating sustained mobility demand, both for personal and goods transport

04 Transition to Alternative Fuel and Cleaner Technologies

Increasing consumer and policy push for EVs, CNG, LNG, and hybrid vehicles is opening up new product categories and financing opportunities

05 Formalisation of the Used Vehicle Market

Shift from fragmented to organised resale channels, supported by transparent pricing and certification, is expanding the addressable market for financiers

06 Organised and Digitised Financing Ecosystem

Expanding adoption of e-KYC, automated credit scoring, and digital loan origination is widening credit access and lowering turnaround times, especially for small-ticket and used vehicle loans

Strategic Transition from Legacy Portfolios

Over the years, the Company has transitioned from its origins in corporate and SME lending to a focused retail finance institution, offering diversified products in Vehicle Finance and Micro Loan Against Property (Micro LAP). This transformation reflects a deliberate shift towards high-growth, granular segments that offer stronger risk dispersion and long-term scalability.

While corporate and SME lending once contributed meaningfully to growth, their larger ticket sizes and concentrated exposures are less aligned with the current strategy of building a broad-based, high-yield retail portfolio. The recalibration of the portfolio mix is aimed at safeguarding the balance sheet, reducing concentration risks, and redeploying capital towards retail engines that can accelerate the Company's flywheel for sustained growth.

Corporate Lending

The corporate lending portfolio has been steadily scaled down as part of this strategic shift. In August 2024, the Company sold one corporate loan and certain pre-March 2022 Commercial Vehicle accounts to Phoenix Asset Reconstruction Company, aggregating to ₹ 320 crore of assets. During Q3 2024-25, IndoStar monetised ₹ 135 crore of Security Receipts from a corporate loan pool, simultaneously settling a ₹ 60 crore linked liability. At year-end, Security Receipts stood at ₹ 1,387 crore with provisioning of about 25-26%, supported by active recovery measures.

The corporate loan book declined from ₹ 388 crore in March 2024 to ₹ 156 crore in March 2025, driven by focussed legal action, negotiated settlements, and direct customer engagement. While fresh disbursements of ₹ 29 crore were made during the year, these were selective and in line with the cautious stance taken towards this segment. The residual 'old book' of ~₹ 211 crore, of corporate exposures, carries zero DPD as on March 31, 2025.

SME Lending

The SME portfolio has also been progressively reduced to align with the retailisation strategy.

By March 2025, the SME book had reduced to ₹ 353 crore from ₹ 485 crore a year earlier, with recoveries supported by legal action, negotiated settlements, and direct engagement with customers. No fresh disbursements were made in this portfolio during the year, reflecting the decision to redeploy capital towards higher-yield, lower-concentration retail businesses.

Micro Loan Against Property (Micro LAP)

Segment Overview

With the phased reduction of legacy SME and corporate exposures, IndoStar has been consciously redeploying capital into segments that offer stronger risk diversification, sustained demand, and healthier collateral cover. One of the most significant steps in this transition during 2024-25 was the introduction of the Micro Loan Against Property (Micro LAP) product.

The Micro LAP product offers small-ticket, fully secured loans, typically below ₹6 lakhs, against self-owned residential property. These loans enable borrowers to meet working capital requirements, invest in business expansion, or manage other productive needs, while ensuring strong collateral coverage. IndoStar has built a dedicated local team of over 300 people focussed exclusively on this business. From day one, the product has been offered through a fully digital, end-to-end journey with API integrations on existing LOS and LMS platforms, incurring no incremental technology costs. Leveraging shared branch infrastructure ensures cost efficiency, while the vehicle finance network is being used both for market expansion and for cross-selling opportunities, as seen in early successes in Tamil Nadu.

Portfolio and Customer Segments

Targeting customers engaged in small-scale trading, manufacturing, and service activities primarily in Tier 2 and Tier 3 towns, the Micro LAP portfolio:

Offers collateral-backed loans secured by clear title residential property, with LTV typically below 50%.

Provides loan tenures of 5-7 years and average ticket sizes ranging ₹ 3-6 lakhs, significantly lower than legacy SME loans of ₹ 50 lakhs+.

ICFL's Strategic Priorities

Expand geographic reach in high-potential semi-urban and rural clusters, leveraging dedicated on-ground teams, a fully digital origination model, and existing branch infrastructure to scale the Micro LAP business from current markets into new states in a calibrated manner.

Strengthen cross-sell capabilities within existing customer segments, using the vehicle finance network to introduce Micro LAP and other retail products, deepening relationships and increasing customer lifetime value.

Optimise cost structures through operational synergies, maximising branch and technology infrastructure across product lines to enable scalable growth with minimal incremental costs.

Performance in 2024-25

In its first year of operations, IndoStar's Micro LAP portfolio reached ₹ 52 crore in AUM, with ₹ 54 crore disbursed to around 1,000 active borrowers. The rollout leveraged the Company's expanding distribution footprint and robust credit processes, resulting in sound early repayment trends and a healthy risk profile.

AUM (in ₹ crore)

2024-25	52

Disbursement (in ₹ crore)

2024-25	54

Strengthening Credit and Collections Functions

Building on the robust credit framework established in Vehicle Finance, the Micro LAP portfolio benefits from IndoStar's automated underwriting, policy-linked controls, and system-driven credit monitoring. Additionally, it employs:

- CRIF data for enhanced risk profiling specific to microfinance segments
- Granular bounce and collection tracking to proactively manage early delinquencies
- Dedicated collections outreach using digital channels and field support to maintain asset quality

Industry Trends Driving Growth

01 Growing MSME Credit Demand in Tier 2–4 Cities

Increasing economic activity in smaller cities and towns is driving demand for small-ticket secured loans among low- and mid-income MSMEs, who rely on Micro LAP for business expansion and working capital

02 Expanding Financial Inclusion and Digital Lending

Government initiatives and FinTech platforms are promoting credit access for underserved segments through simplified documentation, e-KYC, and faster loan disbursal

03 Increasing Demand for Small-Ticket Secured Credit

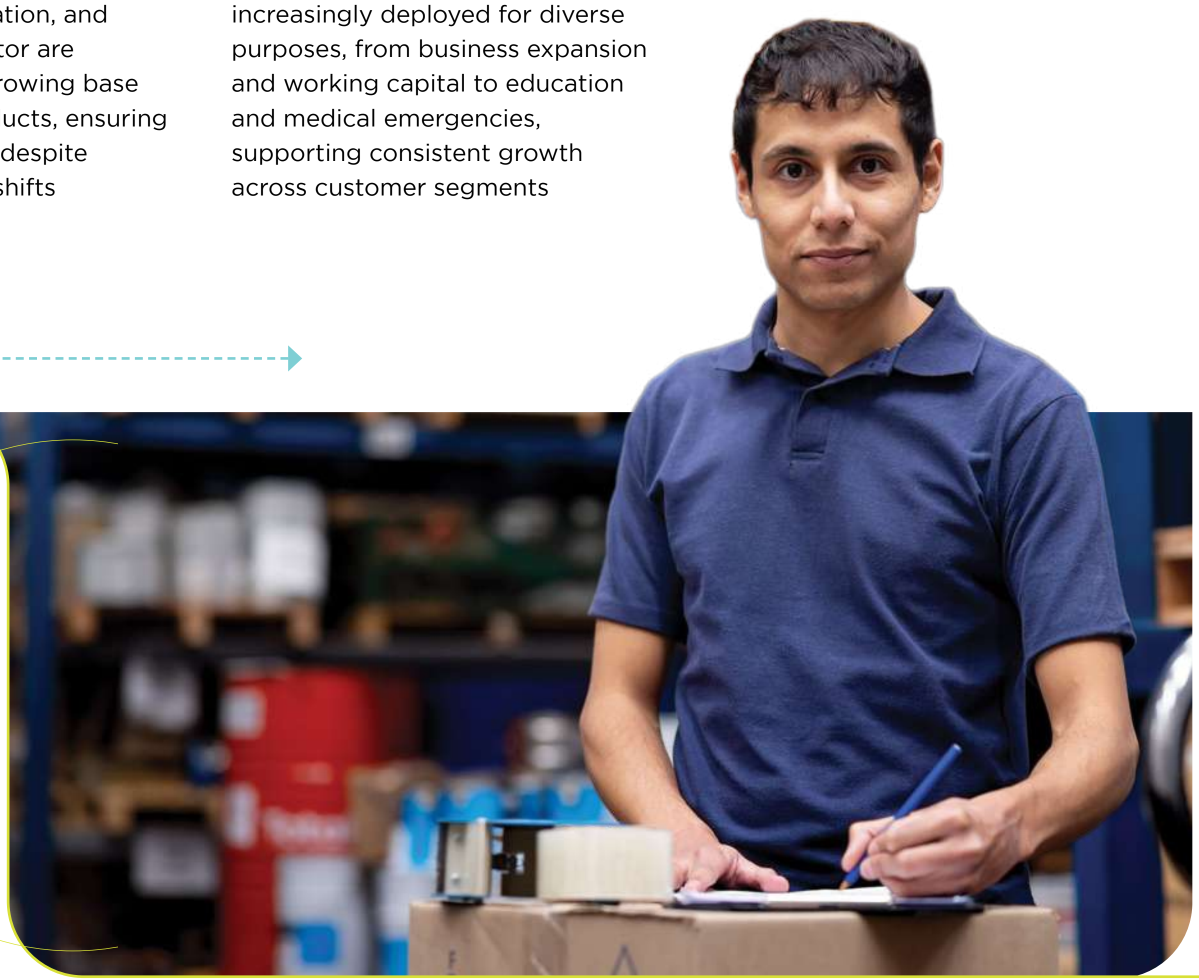
A rising preference for secured credit over unsecured loans among individuals and MSMEs, due to better interest rates, higher loan amounts, and the inherent comfort of collateral, is fuelling Micro LAP uptake

04 Rising Middle Class and Economic Resilience

The growing middle class, increasing urbanisation, and a resilient SME sector are expanding the borrowing base for Micro LAP products, ensuring sustained demand despite cyclical economic shifts

05 Financial Products Catering to Diverse Needs

Micro LAP loans are being increasingly deployed for diverse purposes, from business expansion and working capital to education and medical emergencies, supporting consistent growth across customer segments



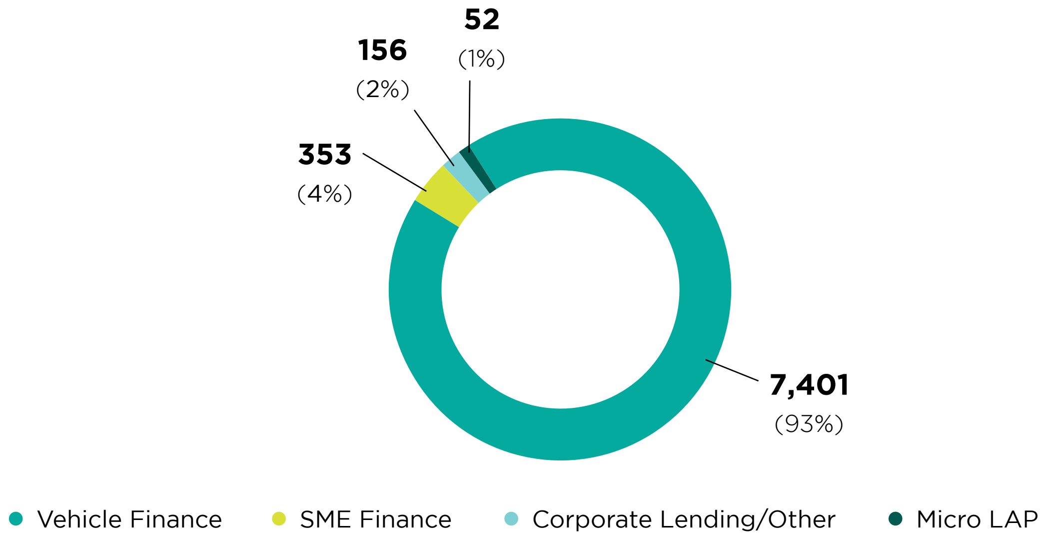
Strategic Divestment of Housing Finance Business

In line with its strategy to focus on core retail lending businesses, IndoStar completed the sale of its wholly-owned subsidiary, IndoStar Home Finance Private Limited (now Niwas Housing Finance Private Limited), to Witkopeend BV, an affiliate of BPEA EQT Mid-Market Growth Partnership. The transaction was announced at a fully diluted consideration of ₹ 1,750 crore and was completed on July 17, 2025, with necessary approvals in place.

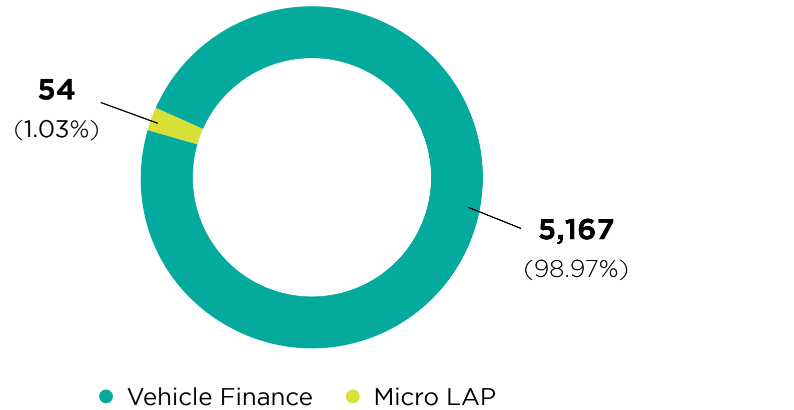
This divestment enables IndoStar to concentrate capital and management attention on its higher-return Commercial Vehicle Finance and Micro LAP segments. The inflow from the sale is expected to strengthen the Company's capital position, and improve Return on Equity (ROE). Management views this as a key enabler for sustaining profitable growth without the need for additional equity fundraising in the near term.

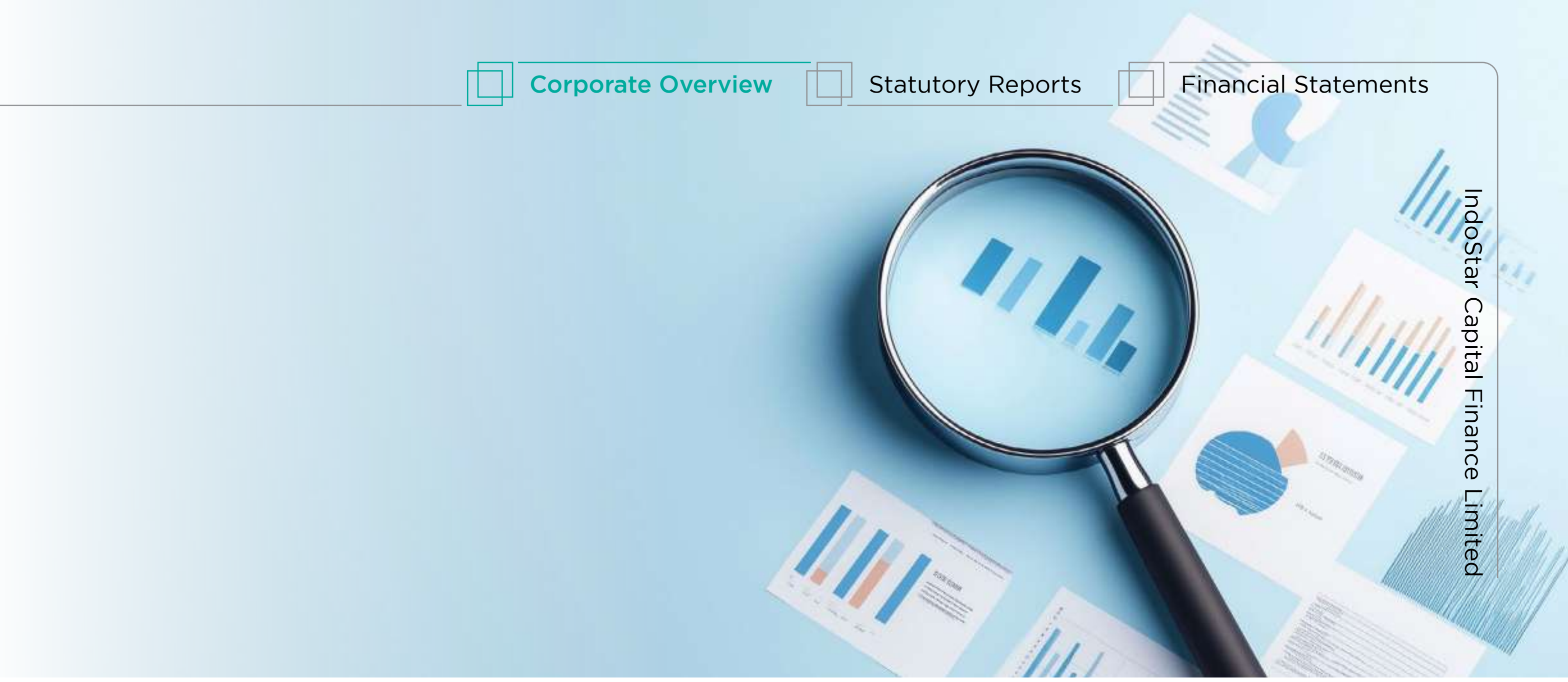
Segment-Wise Revenue Contribution

Assets Under Management (AUM) – ₹ 7,963 crore



Gross Retail Disbursement – ₹ 5,221 crore





Financial Highlights

FINANCIAL PERFORMANCE SNAPSHOT

Over the past five years, IndoStar has set in motion a disciplined transformation – shifting towards secured, high-yield retail lending while enhancing governance and operational resilience. This deliberate pivot has not only led to stronger disbursement growth and profitability, but also to a more granular, stable AUM base and improved asset quality.

Each of these outcomes has strengthened the next, setting off a self-reinforcing cycle where performance improvements fuel greater efficiency, attract higher-quality borrowers, and build institutional confidence. This momentum is now propelling IndoStar toward sustainable, inclusive, and scalable growth.

Gross and Net NPA

Gross / NPA (%)

	Gross	NPA
2024-25	4.52	2.46
2023-24	4.97	2.09
2022-23	8.06	3.78
2021-22	15.52	7.29
2020-21	4.40	1.98

Net Total Income

(in ₹ crore)

2024-25	671.6
2023-24	544.1
2022-23	475.1
2021-22	539.2
2020-21	501.0

(Total Income minus finance costs)

Profit After Tax (PAT)

(in ₹ crore)

2024-25	52.6
2023-24	71.6
2022-23	187.3
2021-22	(769.2)
2020-21	(241.5)

Disbursements

(in ₹ crore)

2024-25	5,250
2023-24	4,560
2022-23	1,612
2021-22	4,368
2020-21	1,539

Net Worth

(in ₹ crore)

2024-25	3,426
2023-24	3,102
2022-23	3,023
2021-22	2,878
2020-21	3,679

Net Interest Margin

(%)

2024-25	5.60
2023-24	5.50
2022-23	5.70
2021-22	5.80
2020-21	4.80

Return on Average Assets (ROAA)

(%)

2024-25	0.51
2023-24	0.85
2022-23	2.51
2021-22	(8.27)
2020-21	(2.30)

Assets Under Management

(in ₹ crore)

2024-25	7,963
2023-24	6,493
2022-23	6,191
2021-22	8,252
2020-21	8,001

Net Interest Income (NII)

(in ₹ crore)

2024-25	663.1
2023-24	523.0
2022-23	450.9
2021-22	527.9
2020-21	495.6

Cost to Income Ratio (%)

2024-25	72%
2023-24	72%
2022-23	68%
2021-22	61%

Return on Equity (ROE)

(%)

2024-25	1.61
2023-24	2.35
2022-23	7.07
2021-22	(22.04)
2020-21	(6.61)

IndoStar 2.0 – Strategies Guiding Growth

STRATEGIC REALIGNMENT TOWARDS RETAIL-CENTRIC GROWTH AND CLARITY

IndoStar's growth strategy is built on strengthening its retail footprint, enhancing product profitability, maintaining robust asset quality, and driving cost efficiency through digital and process-led innovation. Guided by the transformation roadmap of IndoStar 2.0 and propelled by the newly launched Project LEAP, the Company is focussed on building a scalable, resilient, and profitable lending platform tailored to underserved markets.

Project LEAP

As IndoStar's retailisation journey gathered momentum under the IndoStar 2.0 blueprint, it became clear that achieving the next phase of growth required more than just portfolio realignment. To scale profitably in a competitive, cost-conscious environment, the Company needed a sharper operating rhythm, one that could reduce inefficiencies, unify processes across a growing branch network, and strengthen accountability at every level.

This insight gave rise to **Project LEAP** – Lean, Efficient, Agile, Profitable, a Company-wide transformation programme launched in 2024-25 to turn strategic intent into operational excellence. Initially piloted at the Head Office to refine its framework, the project has since been deployed across all business units and branches, driving measurable improvements in speed, cost efficiency, and service quality.

Its core thrust areas include:

- Aligning operational activities closely with strategic priorities, ensuring every action supports long-term growth goals
- Driving innovation in product, process, and service delivery to differentiate IndoStar in underserved markets
- Eliminating inefficiencies and optimising cost structures to improve profitability without compromising service
- Leveraging data and technology to enhance speed, accuracy, and productivity across the loan lifecycle

By embedding these practices, Project LEAP acts as the execution engine of IndoStar 2.0, bridging the gap between what the Company wants to achieve and how it gets done, thus creating a disciplined, scalable platform for sustained retail-centric growth.

IndoStar 2.0 marks a decisive shift from legacy wholesale lending to a retail-first platform. The Company is scaling small-ticket, secured products in underpenetrated markets using a multiproduct branch model. With technology embedded across the loan lifecycle and a clear focus on returns, IndoStar 2.0 lays the foundation for sustainable, profitable growth.

The transformation rests on four key strategic pillars:

Focus on Higher-Yield Products

Before Indostar 2.0
Portfolio mix leaned heavily on larger-ticket loans, with retail AUM at 84%. Used CV focus was emerging but not dominant, and branch presence was largely in higher-tier markets.

After Indostar 2.0
Retail AUM at 98%, 99% of vehicle finance disbursements in used vehicles, CV yields at ~18.5%, and ticket size reduced to ₹ 6.7 lakhs to improve granularity. Branch footprint extended deep into Tier 3 & 4 towns through micro-branches.

Key Actions:
- Recalibrated product mix to high-yield, low-ticket secured loans (Used CVs, Passenger Vehicles, Farm Equipment)
- Launched high-yield Micro LAP in May 2024 for rural and semi-urban micro-entrepreneurs
- Incentivised branch teams on unit economics to ensure branch-level profitability
- Corporate insurance tie-ups with HDFC Life, Bajaj Allianz GIC, Magma HDI, Tata AIA and Chola MS to offer loan and credit protection

Strengthening Asset Quality

Before Indostar 2.0
Gross Stage 3 assets at 8.06%, Net Stage 3 at 3.78%, stress book ~5% of vehicle finance AUM, and legacy corporate/SME exposures dragging asset quality.

After Indostar 2.0
Gross Stage 3 reduced to 4.52%, Net Stage 3 to 2.46%, stress book contained at ~4%, supported by strong gross collection efficiencies (97% in Q4 2024-25).

Key Actions:
- Technology-enabled collections to minimise cash handling
- Optimised collection infrastructure with a 1+ flow process for faster recoveries
- Reduced stressed non-core assets by exiting corporate and SME books
- Cleared legacy delinquencies in core business via repossessions and settlements

Diversifying the Liability Franchise

Before Indostar 2.0
Ratings under pressure (AA-/Negative from CRISIL, A+ from CARE) with higher reliance on legacy debt and fewer funding channels.

After Indostar 2.0
Long-term ratings upgraded to 'AA-/Stable' by CARE in November 2023 and long term ratings outlook revised to 'Stable' by CRISIL in September 2024 and short-term rating maintained A1+ by both CRISIL and CARE. Funding mix diversified across banks, capital markets, and securitisation, with bank funding share steadily increasing.

Key Actions:
- Multiple securitisation transactions and a successful public NCD issue
- Increasing bank funding share to replace costlier borrowings
- Maintaining a strong cash position and disciplined gearing (2.0x standalone)

Cost Optimisation and Operating Efficiency

Before Indostar 2.0
404 branches, larger legacy formats, higher manpower costs, and slower origination-to-disbursal turnaround.

After Indostar 2.0
446 branches with a rising share of lean micro-branches despite expansion.

Key Actions:
- Leveraged technology across the loan lifecycle to speed up origination through disbursal
- Opened micro-branches with smaller catchments and lean staffing
- Scaled up customer self-service through the Indo Mitra app and digital fulfilment tools
- Continued process digitisation to lower service costs and improve efficiency

The details in the 'Before Indostar 2.0' part include numbers from 2022-23, before Indostar 2.0 strategy was initiated while the numbers in the 'After Indostar 2.0' part include the numbers as of March 31, 2025.

Customer Centricity

CUSTOMER-FIRST INITIATIVES FOR INCLUSIVE & SEAMLESS LENDING

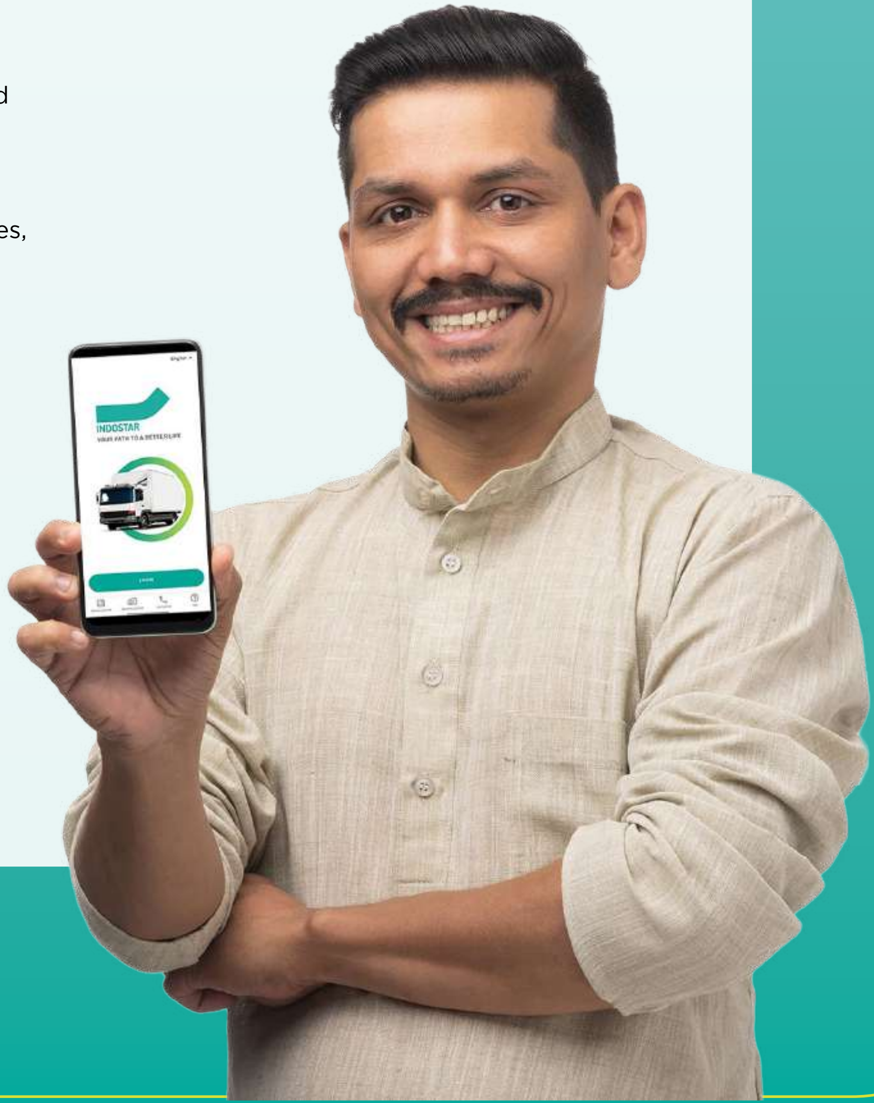
IndoStar's strategic vision is anchored in creating a truly customer-centric lending platform – one that anticipates and adapts to evolving customer needs across retail segments. The Company's deliberate focus on digitisation, regional depth, and product innovation creates a differentiated, scalable model that puts customers first at every stage of their borrowing journey.

Simpler, Faster, and Transparent Lending

IndoStar strengthened its digital capabilities to deliver a seamless and efficient borrowing experience:

- 2-day average turnaround time for loan sanctioning through automated workflows and real-time credit scoring
- 100% digital process for Micro LAP
- Self-service mobile apps offering EMI schedules, document access, and payment tracking
- Only 7-8% of collections in cash, highlighting digital adoption

The Company also introduced profile-based PD templates, a digital connector onboarding app, and backend system automation to reduce manual intervention and standardise underwriting.



Reaching Underserved Markets

IndoStar deepened financial inclusion by expanding across Tier 3 to Tier 5 towns, supported by lean micro-branch models and localised sourcing. In the vehicle segment, the average loan ticket size stood at ₹ 6.7 lakhs, addressing rural affordability needs. The CV Finance vertical served customers across 23 states, with ~45% of the portfolio concentrated in the southern markets.

Responsible Lending, Trusted Relationships

IndoStar's lending approach is built on speed, simplicity, and transparency, as consistently reflected in customer feedback. Its responsible practices, minimal documentation, clear communication, and strong digital support, enhance borrower confidence and credit behaviour.

Its granular and diversified portfolio strategy ensures stability while supporting a broad base of retail borrowers.

Loan Mela Activity

The Loan Mela activity allows direct engagement with customers without the need for fixed infrastructure. With negligible incremental cost, limited to tents, standees, and basic team expenses, the initiative has already contributed 3–4% of monthly disbursements, adding meaningfully to the topline. The Loan Mela formalises this approach by creating a standardised outreach format, supported by partnerships with local transporter associations and bulk deployment of marketing materials.

Case Study

Fuelling Recovery and Growth

Uma Maheswar Reddy, Managing Partner of M/s. Jagan Travels, has been operating night service buses for over two decades. With a fleet of 50 buses covering routes across South and East India, his business is a vital regional mobility provider.

His association with IndoStar Capital Finance began nine years ago with funding for new buses. Over time, IndoStar became a reliable financial partner, supporting both fleet expansion and working capital needs through refinancing.

The COVID-19 pandemic tested the resilience of his business. Operations came to a halt, and cash flows dried up. While many lenders hesitated, IndoStar acted promptly, extending refinancing support that helped him retain staff and prepare for a restart.

Mr. Reddy availed funding for four new buses. The process, he says, was smooth – quick approvals, minimal paperwork, and responsive service. With IndoStar's continued support, Jagan Travels is now back on its growth path.

IndoStar stood by us when we needed them the most. Their timely support helped us rebuild and grow stronger. I fully trust and recommend them.
– Uma Maheswar Reddy

Case Study

From Driver to Fleet Owner

From a small village in Domgarh, Kuandarki (Dist. Moradabad, UP), Mohd Naim's journey is a remarkable story of grit, determination, and transformation. Starting as a helper and cleaner in the transport trade, Naim rose through the ranks to become a long-route driver, covering extensive stretches from UP to West Bengal.

Coming from a humble farming background with financial responsibilities at an early age, his dream was always to own a vehicle of his own. That dream turned into reality when he financed his first used commercial vehicle through IndoStar Capital Finance Limited.

With a disciplined approach and a strong market reputation, Naim soon found himself with growing opportunities. IndoStar supported him again, this time to acquire a brand-new TATA 1918. Today, he proudly

owns four commercial vehicles, three of which are financed by IndoStar, and enjoys a better quality of life.

Beyond his own success, Mohd Naim has become an inspiration in his village, guiding other drivers on the path to ownership and financial independence.

IndoStar is like family. They have always stood by me, not like a bank, but like a true friend.
– Mohd Naim

Case Study

From 7 to 25 Vehicles – Powered by Trust

The journey of this IndoStar customer began in 2019 with just seven commercial vehicles. Today, he owns over 25 – a result of hard work and the consistent support from IndoStar Capital Finance Limited.

From the start, IndoStar, through Mr. Rajesh Kumar, provided timely approvals, quick disbursals, and a seamless digital process that minimised paperwork and eliminated the need for physical signatures. The convenience and efficiency made every loan experience smooth and stress-free.

The financial partnership has not only enabled his business growth but also personal progress – from living in a rented home to building his own house. His positive experience with IndoStar has led him to refer many others and build a long-term relationship with the Company.

IndoStar has supported me throughout my journey – from my early days to now. Their quick processing, digital convenience, and personal attention have helped me grow – in business and in life.
– Ganpathy K, Sri Krishna Travels

Case Study

Brothers Behind the Wheel of Progress

Rakesh Kumar Singh and his younger brother Nitesh Kumar, hailing from Giridih, Jharkhand, are a shining example of how perseverance, family support, and the right financing partner can drive long-term success.

Their association with IndoStar Capital Finance Limited (ICFL) began in 2021, when Rakesh took his first loan to finance a commercial vehicle. From day one, IndoStar impressed with quick file processing, hassle-free appraisals, and a digital loan experience that minimised paperwork and eliminated the need for physical signatures.

Starting with two vehicles, the brothers steadily expanded their operations to own more than eight commercial vehicles, the majority financed by ICFL. The trust built over multiple loan cycles led them to become long-standing customers with a strong relationship with the Giridih branch team.

The growth didn't stop with business. With improved income and financial stability, the family was able to build a new, larger home – a significant milestone from their modest beginnings. Their satisfaction with IndoStar's service has made them active advocates, referring many new customers from their community.

IndoStar supported us like a partner from day one. Their process is smooth, the service is personal, and we always felt heard. With their help, we grew our fleet and built our home.
– Rakesh Kumar Singh & Nitesh Kumar

Digitalisation Journey

ENABLING END-TO-END DIGITAL INTEGRATION

As credit demand shifts to newer borrower segments and geographies, the Company is leveraging its digital capabilities to respond with agility. Real-time data, integrated tools, and self-service platforms ensure responsiveness, scalability, and long-term viability across a diverse market landscape.

Digital-first Customer Experience

Digital interfaces are central to the Company's engagement model. Customer onboarding, servicing, and interactions are increasingly handled through digital platforms. Micro-branches operate with app-based interfaces, while housing finance customers are served remotely through paperless journeys. Product design and customer experience are shaped using data analytics to ensure precision in service delivery.

- Mobile-first approach deployed at micro-branches

This digital-first model enables downstream integration of automation across the lending lifecycle.

IndoStar Connect: Enabling End-to-End Digital Lending

IndoStar has launched IndoStar Connect, a next-generation Loan Origination System (LOS) designed to drive scale, productivity, and compliance. Built on a cloud-native platform, the system supports seamless mobile and web-based onboarding, enabling faster decision-making and paperless lending.

The platform strengthens the entire lending value chain:

Sales Flow

Instant lead capture via mobile app, digital consent, one-click KYC and CIBIL checks, geo-tagged field verification, and automated case allocation

Credit Flow

Early authentication of customer bank details, repayment mapping from CIBIL, AI-driven credit assessments, and instant AML checks for robust risk control

2 DAYS
Average turnaround time (TAT) from origination to disbursal

100%
Paperless digital onboarding in retail products

40%+
Disbursals processed through automated loan kits and digital channels

Real-time

Bounce dashboards and predictive analytics deployed at branch level

By combining automation with real-time data integration, IndoStar Connect enhances operational efficiency, improves credit quality, and ensures regulatory compliance, while delivering a superior customer experience.

Tech-enabled Micro LAP Rollout

The Micro LAP product, launched in 2024-25, is built entirely on the existing digital architecture. It operates on a low-cost, API-led model that supports small-ticket loans to self-employed borrowers in rural and semi-urban areas. Origination, credit evaluation, disbursal, and monitoring are executed through system integrations without additional tech investments.

- Fully digital origination and servicing model
- LTV maintained below 50%
- Average ticket size under ₹ 6 lakhs

The rollout validates the flexibility and extensibility of the Company's technology backbone.

Scalable, Cost-efficient Tech Infrastructure

Digital systems have been optimised to enhance employee output and reduce operating costs. Productivity gains have been driven by real-time data access, task-level automation, and revised KPIs aligned with digital tools. Technology enables geographic scale without proportional increase in cost, allowing the Company to maintain lean operations even as volumes rise.

- Target cost-to-income ratio near 50%
- No incremental tech spending is required for Micro LAP expansion

The infrastructure is designed to support scale with minimal marginal cost, contributing to long-term operating leverage.

Mobile & Self-Service Platforms

Customer and branch-facing applications are key to delivering scalable services. These platforms support core functions such as loan application status, payments, redressals, and servicing without physical intervention. The Company continues to increase self-service penetration across micro-branches and the housing finance vertical.

- Mobile-enabled service integrated into all core retail verticals
- System-led self-service model operational at micro-branches and in housing finance

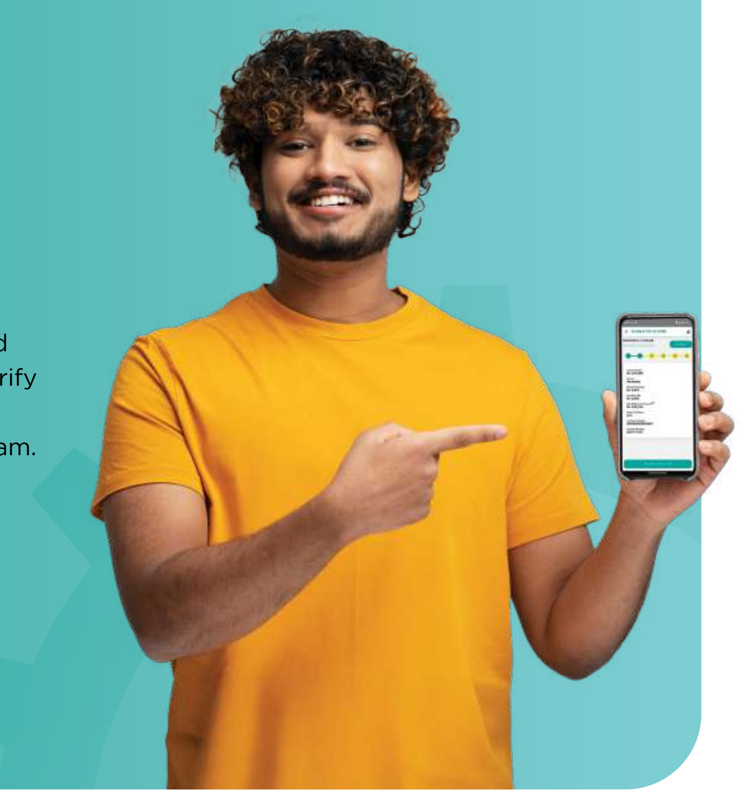
These platforms reduce servicing costs while improving turnaround and transparency.

INDOSTAR
YOUR PATH TO A BETTER LIFE

Indo Mitra App

Indo Mitra is a mobile application designed exclusively for customers of IndoStar, offering a seamless and convenient way to manage their vehicle loans. Built with user-friendly features and real-time updates, the app empowers users to verify their loan credentials, explore available vehicle listings, and engage directly with the IndoStar team.

- Access loan details easily
- Stay updated about new features
- Browse through our vehicle directory



Digital Tools: 'Path' App, Scorecards, and Connector App

Technology enablement extends to employee tools and partner onboarding systems. The 'Path' app, used by the salesforce, is fully integrated into the origination workflow, automating kit generation and approvals. Scorecards and Probability of Default (PD) frameworks are being developed to improve consistency in credit profiling, especially in informal-income segments. The digital connector interface, currently in the launch phase, will streamline referral partner activation through a fully digitised onboarding process.

OVER 40%
of disbursals processed via automated loan kits

Connector app currently being deployed for referral partner onboarding

These systems improve sourcing efficiency while ensuring compliance and control.

Digital Vendor Management System

To streamline vendor creation, ensure compliance, and provide complete visibility for vendor-related activities, IndoStar Capital Finance Limited introduced Digital Vendor Management System. This platform aims to enhance user experience, reduce Turn Around Time (TAT), and minimise manual interventions while maintaining regulatory and operational standards. With this launch, entire vendor onboarding journey for business and non-business vendors will be fully digital and will be completed digitally on this platform.

Key Benefits

- Streamlined and automated workflow for vendor onboarding
- Faster processing with reduced manual intervention
- Enhanced accuracy and compliance with regulatory standards
- Centralised document management for easy access and tracking

Ensuring Cybersecurity

Cybersecurity threat landscape has significantly evolved in the last few years. To safeguard itself and its customers from imminent cyber threats, IndoStar Capital has adopted a holistic approach to strengthen the overall cybersecurity posture by significantly investing in hiring and upskilling teams, enhancing process, fine tuning incident response plans and assessing readiness to mitigate any incidents by investing in latest technology solutions. Further, a comprehensive approach encompassing the four pillars:

1. Protect
2. Detect
3. Respond
4. Recover

has been put in place to manage and mitigate cybersecurity risks. This has helped IndoStar Capital create a more robust and resilient cybersecurity posture that is better equipped to withstand and recover from any cyberattacks.

THE POWER OF PERSISTENCE IN MOTION

There is a moment in every flywheel journey when the system, once heavy and resistant, begins to generate its own energy. Less effort now yields more impact.

By the end of 2024-25, IndoStar's flywheel had gathered meaningful velocity. It no longer needed extraordinary effort to move – because systems, people, and direction were aligned.

Unlocking a Self-Reinforcing Cycle:

- **Project LEAP** (Lean, Efficient, Agile, Profitable), launched in March 2025, aimed at embedding operational discipline and digital agility across the organisation
- **Micro LAP** pilot scaled to over **1,000 customers, ₹ 52 crore AUM,** and **zero delinquencies,** positioning it as a high-yield, low-risk growth driver
- **Used vehicle focus** (99% of CV disbursements) and entry into Farm Equipment and Passenger Vehicles diversified income streams
- **Non-CV disbursements** (Used Cars, Tractors, and Farm Equipment) accounted for **41% of total disbursements** - **₹ 5,250 crore,** highlighting early success in diversification
- **Branch network expanded** to **446 locations,** deepening rural and semi-urban penetration.
- **Affordable Housing Finance exit** marked a strategic simplification, unlocking capital and sharpening core focus

And what began as an effort to survive has become a model to scale:

- Scale that's controlled
- Growth that's profitable
- Expansion that's purposeful

IndoStar's journey is no longer about turning around. It's about staying the course and letting each rotation power the next. Because in a well-built flywheel, momentum becomes self-sustaining.

Chairperson's Message

MESSAGE FROM THE CHAIRPERSON

Dear Stakeholders,

The year 2024-25 has been a transformational year for IndoStar. The pieces we had been putting in place – a sharper focus on retail, a stronger and more balanced portfolio, deeper cultural cohesion, came together like the gears of a finely tuned engine. We moved away from the legacy path of corporate lending and pivoted firmly toward retail lending, a decision rooted not in short-term trends, but in long-term conviction.

Every decision we made, from diversifying products to embedding technology across touchpoints, was part of a broader choreography aimed at improving quality, sustainability, and consistency. These were not isolated shifts. There were thought through to make sure one was cohesive with the other. They were steps in a carefully planned journey that's now gathering speed and energy.

A Changing Landscape, A Sharpened Focus

This momentum was shaped against a backdrop of strong but evolving macroeconomic conditions. In 2024–25, India's economy continued to stand out as a beacon of growth, clocking 6.5% GDP growth despite a volatile global backdrop. Strong domestic consumption, sustained infrastructure investment, and ongoing formalisation underpinned expansion, while inflation stayed largely within the RBI's target range. Credit demand was robust, particularly in retail and MSME segments, fuelled by rising incomes and deeper digital penetration.

Within this context, NBFCs played an increasingly important role in expanding financial access, growing credit at nearly 20%, well above the 12% recorded by commercial banks. Total net advances rose to ₹ 24.5 lakh crore, and sector assets grew 20% to ₹ 28.2 lakh crore. Growth was supported by diversification into higher-margin segments such as vehicle finance, infrastructure lending, and emerging retail products. operational efficiency gains, modest asset quality improvement, and rapid technology adoption enhanced customer engagement, credit assessment, and collections. However, profitability in the microfinance segment fell sharply, reflecting elevated stress levels.

The sector also underwent structural change. The number of registered NBFCs fell slightly amid tighter regulatory oversight, stronger compliance norms, and RBI-led encouragement of consolidation for stability. At the same time, new entrants, particularly FinTechs and private equity-backed platforms, targeted underserved and informal borrower segments. Funding sources diversified, with greater use of Private Placement and Public Issue of non-convertible debentures and External Commercial Borrowings. With most players well-capitalised and embracing digital innovation, the NBFC sector emerged more resilient, more efficient, and better positioned to deliver inclusive credit across India's diverse economic landscape.

₹ 24.5 LAKH CRORE

Total Advances Growth

2.5%

Return on Average Assets

From Stability to Self-Sustaining Growth

IndoStar navigated this dynamic external environment with discipline and determination. We focussed not just on growth, but on sustainable growth. During the year, we brought down our incremental cost of funds by over 200 basis points. We sharpened our liability mix and prepared to retire legacy high-cost borrowings early in 2025–26. Our progress is already earning recognition as CRISIL reaffirmed our long-term credit rating at AA-, while revising our outlook to 'Stable'. Our capital adequacy ratio stands strong at 28.5%, and improved operating metrics signal tighter cost control and focussed execution.

This institutional strength has laid the groundwork for a new phase – one driven by self-sustaining momentum.

> Our progress is already earning recognition as CRISIL reaffirmed our long-term credit rating at AA-, while revising our outlook to 'Stable'. Our capital adequacy ratio stands strong at 28.5%, and improved operating metrics signal tighter cost control and focussed execution.

With favourable macro tailwinds, a sharpened strategy, and a disciplined balance sheet, we are entering this next chapter with renewed confidence.

A Year of Deliberate Action

In 2024–25, we demonstrated clarity of purpose by reshaping our portfolio and sharpening our strategic focus. We exited legacy businesses, most notably, divesting our housing finance subsidiary, Niwas Housing Finance Private Limited, to an affiliate of BPEA EQT for ₹ 1,750 crore. This move freed up capital for higher-yielding segments and enhanced operational focus.

We expanded our reach, adding 55 branches in underbanked geographies and growing our network to 446 locations, primarily across Tier 3 to Tier 5 towns. This deeper penetration supports secured retail lending expansion. The Vehicle Finance business transitioned from a primarily commercial vehicle lender to a diversified player, financing used medium and heavy commercial vehicles, light commercial vehicles, passenger vehicles, farm equipment, and construction machinery. A major growth lever was the launch of the Micro LAP vertical, designed for small businesses and rural entrepreneurs, a high-yield segment well-suited to our branches and collections infrastructure.

Operationally, we strengthened our talent base, and reinforced control frameworks. Simultaneously, we also advanced our digital transformation through mobile-enabled sales platforms, digitised onboarding, automated underwriting, and cloud-based loan management systems. These investments are designed to boost scalability without proportionate cost increases, positioning us as an integrated, retail-focussed NBFC capable of serving diverse borrower needs with agility, accuracy, affordability and accountability.

Outlook: Turning Momentum into Motion

Looking ahead, we aim to grow our AUM and scale the Micro LAP business while enhancing return ratios through strong asset quality, better operating leverage, and a more granular portfolio. Efficiency will be driven by lowering the cost-to-income ratio via digital tools, shared infrastructure, and synergies.

These objectives align with the IndoStar 2.0 strategy, built on four priorities: cost optimisation, liability diversification, asset quality, and focus on high-yielding secured retail products. Project LEAP, launched in March 2025, is the transformation engine promoting lean, efficient, agile, and profitable operations through governance, data use, technology support, cost control, and execution alignment.

With our flywheel gaining momentum, we expect compounding benefits in productivity, customer value, and scalability, shifting from one-time transformation to ongoing improvement.

In Closing

In closing, I would like to thank all our stakeholders – our customers, partners, shareholders, employees, and regulators – for your trust and support.

Thank you for being part of this journey thus far.

Warm regards,

Naina Krishna Murthy

Chairperson

Managing Director and Executive Vice Chairman's Message

MESSAGE FROM THE MANAGING DIRECTOR AND EXECUTIVE VICE CHAIRMAN

Dear Stakeholders,

2024-25 marked a pivotal chapter in the Company's transformation journey. The momentum we've been building over the past few years translated into tangible acceleration this year. Our flywheel, driven by deliberate strategy, disciplined execution, and deep customer focus, began to turn faster, reinforcing the principle that progress compounds when every action builds on the last. This wasn't just about growing, it was about doing so with purpose, resilience, and scalability.

Strengthening Purpose with Strategic Clarity

Our enhanced momentum is rooted in IndoStar 2.0, a multi-year transformation aimed at evolving from a hybrid lending model into a high-quality, retail-focussed NBFC built on risk-calibrated lending, operational efficiency, and stronger customer engagement. This was a structural overhaul of our portfolio, processes, and culture, not just a shift in priorities. To embed this strategy into daily execution, we launched Project LEAP in March 2025, a Company-wide initiative to make IndoStar Lean, Efficient, Agile, and Profitable. Now integral to our operations, LEAP drives structural efficiencies, boosts productivity, and aligns every function with our long-term strategic intent.

Delivering Strong Financial Outcomes

This clarity of purpose translated into robust financial performance during 2024-25. On a standalone basis, we closed the year with an AUM of ₹ 7,963 crore, a 23% increase year-on-year. Disbursements stood at ₹ 5,250 crore, and operating profit (PPOP) grew by 23%. Notably, retail loans now account for ~98% of our total loan book, underlining our successful shift towards a diversified retail portfolio.

Our asset quality remains robust, with Gross Stage 3 assets improving to 4.52% in 2024-25 from 4.97% in 2023-24.

On the funding side, we successfully raised over ₹ 5,357 crore across the year at notably lower rates, with incremental Q4 borrowing at 9.6% p.a. During the year, we repaid ₹ 4,530 crore while raising ₹ 5,357 crore, resulting in an overall cost of funds of ~10.8%. Debt-to-equity remains around 2x, providing ample room for future expansion. These measures, combined with stable operating expenses and growing AUM and interest income, set the stage for stronger profitability in the upcoming quarters.

With a capital adequacy ratio of 28.5% and a strong liquidity position, we are well-placed to invest in growth, technology, and customer service without compromising our financial discipline. These strengths give us the confidence to scale IndoStar into a stronger, more agile, and future-ready NBFC, capable of delivering value to all stakeholders year after year.

Building Operational Strength and Customer Centricity

Over the past year, we have worked diligently to strengthen operational efficiency and productivity. By investing in technology, streamlining processes, and building leaner operations, we have enabled faster decision-making, empowered our employees to perform at their best, and managed costs effectively. Our fully digital Loan Origination System, mobile-enabled field operations, and automated compliance and credit controls are now integral to the way we operate – making us more responsive, disciplined, and agile.

At the same time, our focus on the customer has guided every step of our growth. By reaching out to Tier 3–5 markets and catering to smaller-ticket, secured lending, we have scaled offerings across used CV financing, Micro Loan Against Property (Micro LAP), and diversified vehicle segments. Micro LAP, with its fully digital onboarding, has grown rapidly and delivered strong yields, while complementary solutions such as tyre financing strengthen the ecosystem for our transport customers.

These efforts reflect our vision of IndoStar as a multiproduct, retail-focussed NBFC, one that can deliver growth that is both profitable and sustainable. With a capital adequacy ratio of 28.5% and strong liquidity, we are confident in our ability to continue investing in growth, technology, and customer service, while remaining disciplined in every decision we make.

Sharpening Our Focus

As part of our ongoing transformation, we have taken decisive steps to exit non-core and legacy businesses that no longer align with our strategic priorities. A significant milestone was the approved sale of our subsidiary, IndoStar Home Finance (now Niwas Housing Finance), for ₹ 1,750 crore to Witkopeend BV, affiliated with BPEA EQT. This strategic divestment unlocked substantial capital and operational bandwidth, allowing us to redeploy resources into high-priority areas.

Further, we are progressively exiting our existing Corporate and SME loan, freeing up capital and management focus to accelerate growth in retail segments that offer superior risk-adjusted returns and deeper customer engagement. This disciplined approach reduces complexity, streamlines operations, and positions IndoStar for sustainable, scalable, high-quality growth.

Transitioning to Comprehensive Vehicle Finance and Scaling Micro LAP

Commercial Vehicle (CV) finance remains the backbone of our portfolio, accounting for AUM worth ₹ 7,401 crore out of ₹ 7,963 crore as of March 31, 2025. Retail disbursements were dominated by used CV loans, reflecting strong demand from rural and semi-urban markets for smaller-ticket, high-yield financing.

We are strategically evolving from a pure CV lending provider to a comprehensive Vehicle Financer. This includes expanding into new vehicle segments including cars, pickups, tractors, farm equipment, small commercial vehicle along with construction equipment, bus, thereby creating a holistic ecosystem for our transport customers. Our deep presence in 23 states, strong customer relationships, and granular, secured lending approach form the bedrock of this model, with supportive market tailwinds such as vehicle scrappage policies, rising new vehicle prices, and certified pre-owned programmes.

Alongside Vehicle Finance, our new business Micro Loan Against Property (Micro LAP) is progressing well. Launched across 62 existing branches, mainly in Tamil Nadu, Micro LAP uses 100% digital, paperless onboarding, enabling low marginal costs and rapid scale-up. By March 31, 2025, its AUM exceeded ₹ 50 crore, with an ambitious goal to touch ₹ 300 crore by March 2026.

Operating Landscape: Strength in Macro, Nuance in Sectoral Dynamics

This momentum was achieved in a dynamic macroeconomic environment. India's economy grew by 6.5%, underpinned by robust domestic consumption, infrastructure investment, and rising formalisation. NBFCs outpaced banks in credit growth by focussing on secured, retail-centric lending while enhancing asset quality, digital adoption, and product diversity.

Sector-specific trends propelled our strategy. The Indian vehicle industry is witnessing a dynamic transformation driven by multiple growth levers. Infrastructure-led initiatives such as Bharatmala, PM Gati Shakti, and Sagarmala are enhancing road and port connectivity, fuelling both freight and passenger transport demand. Policy measures, including green mobility incentives, rural subsidies, and vehicle scrappage schemes, are accelerating fleet renewal across segments. Rising urbanisation and higher disposable incomes are sustaining mobility demand, while the shift towards alternative fuels and cleaner technologies, such as EVs, CNG, LNG, and hybrid vehicles, is opening new product and financing opportunities. Simultaneously, the formalisation of the used vehicle market and the growth of a digitised financing ecosystem, leveraging e-KYC and automated credit scoring, are expanding credit access and improving efficiency, particularly for small-ticket and used vehicle loans.

Complementing this is the growing Micro Loan Against Property (Micro LAP) segment, where NBFCs hold over 45% market share and industry CAGR has been nearly 39% in recent years. Strong in underserved Tier 3 and Tier 4 markets, Micro LAP offers scalable, secured growth with manageable credit costs. Industry AUM is expected to rise ~25% annually over the next two years, even with some margin moderation.

While challenges such as higher interest rates and freight volatility persist, the medium- to long-term outlook is positive for lenders with diversified portfolios, strong underwriting, and a focus on used CVs, small-ticket vehicle loans, and farm mechanisation finance.

A Clear Path Ahead: 2025-26 and Beyond

With these evolving dynamics shaping the broader lending landscape, we enter 2025–26 with clarity and confidence, anchored in core segments like vehicle finance and Micro LAP, supported by a strong capital base and operating leverage. We will prioritise profitability through disciplined execution, sharper cost control, and prudent credit practices.

Closing Thoughts: Building a Momentum that Sustains

This year has been about embedding systems, developing talent, and aligning purpose. As our flywheel turns faster, every rotation adds strength, and every success feeds into the next. We now move forward with a sharper focus, a leaner model, and the energy of a team that is aligned to a common goal: delivering consistent, profitable, and responsible growth.

Thank you once again for your continued belief in our vision. The journey ahead is exciting, and I look forward to sharing many more milestones with you.

With sincere appreciation,

Randhir Singh

Managing Director and Executive Vice Chairman

HR Initiatives

ENABLING GROWTH THROUGH WORKFORCE EXCELLENCE

IndoStar Capital Finance Limited continues to strengthen its human capital in line with its retail-led expansion. The Company's people strategy focusses on efficient workforce deployment, tech-driven productivity, and long-term talent retention ensuring operational readiness across a growing physical footprint.

Culture and Employee Experience

A culture of collaboration, inclusivity, and high performance is deeply embedded in the Company's policies, people practices, and daily interactions.

1 Building Capabilities
Learning and people development programmes

2 Engagement
Regular employee connect programmes and celebrating wins together

3 Employee wellness
Ensuring holistic wellness, provision of health and accident insurance, parental leave and benefits, health checkups and mental health programmes

4 Performance-linked Rewards and Recognitions
Total rewards strategy, promoting meritocracy, career development and supporting business strategies

Workforce Expansion and Resource Alignment

With increasing presence in Tier 3 to Tier 5 locations, IndoStar has scaled up its workforce to support deeper market access. Branches are staffed based on potential and business mix, ensuring optimal resourcing across micro-branches and emerging verticals.

- **Total Workforce:** Increased to 4,437 employees as of March 31, 2025, up from 3,213 in March 31, 2024
- **Resource Allocation:** Manpower deployment guided by branch-level business potential and strategic priorities

Alongside these, foundational training programmes were delivered through the Company's Learning Management System (LMS), including compliance, cybersecurity, KYC, POSH, and Excel training to ensure policy adherence and digital literacy.

Ensuring Talent Development

The Company implemented several specialised learning and development initiatives to enhance the skills and leadership potential of teams across various levels:

- **Lead Next Programme:** A flagship leadership development initiative aimed at accelerating leadership capabilities at regional and zonal levels. The programme focussed on execution excellence, growth mindset, impactful leadership, and corporate governance. During 2024-25, approximately 75-76 senior employees participated across three batches, engaging in case studies and research-backed content.
- **Sales Yodha Programme:** Targeted at branch heads and sales teams, this programme equipped around 342 employees with essential skills to excel in today's competitive landscape. The curriculum covered communication with dignity, accountability, emotional connection, conflict management, and performance reviews.
- **Area Yodha and Credit Yodha:** Targeted interventions for area-level and credit teams to boost operational effectiveness and domain expertise.

Talent Management and Retention Focus

Investments continue in high-impact roles across new products like Micro LAP. Attrition remains manageable, with focus on retention in competitive functions and continuity in core credit and risk teams. A seasoned leadership team anchors the transformation.

- **Attrition Management:** Annualised attrition rate for 2024-25 was 36%, primarily driven by front-line workforce attrition influenced by regional competitive intensity and performance alignment measures
- **Performance management:** Tighter processes such as Performance Improvement Plans (PIPs) are implemented to enhance accountability
- **Stability in Risk Functions:** Low attrition in credit and collections roles ensures process integrity
- **Leadership Strength:** Senior management team comprises seasoned professionals with deep BFSI experience, guiding transformation efforts and operational scale

Corporate Governance & Risk Management

INTEGRATED GOVERNANCE AND RISK FRAMEWORK

A disciplined governance framework with Board oversight, defined committees, and data-led controls enables IndoStar to manage risks, maintain asset quality, and ensure consistent execution across its lending operations.

Governance Framework

The Company has established a governance framework that balances regulatory obligations with board diversity and strategic oversight. It consists of executive, non-executive, and independent directors with sectoral expertise, complying with the limits laid out by the Companies Act, SEBI, and RBI. Directors undergo regular familiarisation programmes covering the business and regulatory landscape.

Committees

To ensure focussed oversight and streamlined decision-making, the Board has constituted dedicated committees with defined responsibilities aligned to regulatory and operational priorities.

Audit Committee

Oversees financial reporting, auditor recommendations, internal controls, and the whistle-blower mechanism

Nomination & Remuneration Committee

Handles director appointments, board evaluations, succession planning, and compensation structure

Risk Management Committee

Monitors credit, market, and operational risks and meets regularly with the Chief Risk Officer

Stakeholders' Relationship Committee

Addresses investor and shareholder grievances and monitors share transfers

Other Key Committees

ALCO, Credit Committee, IT Strategy Committee, Customer Services Committee, and Internal Complaints Committee, all ensuring operational discipline and regulatory compliance

Compliance Framework

ICFL has built a structured compliance framework that ensures alignment with regulatory norms and internal policies. It integrates ethical standards, monitoring systems, and data-led controls to promote transparency, manage risks proactively, and strengthen operational resilience. This framework enables timely decision-making, reduces exposure to financial and regulatory risks, and supports long-term governance objectives.

Key Policies and Practices

The Company follows a comprehensive compliance architecture to ensure legal and regulatory alignment.

- **Fit & Proper Criteria** for appointment of directors and senior leadership
- **Insider Trading Code** for pre-clearance and monitoring of trades
- **Related Party Transactions Policy** to ensure arm's length fairness
- **Whistle-Blower Policy** providing safe reporting channels
- **Dividend, Remuneration, and Board Evaluation Policies** aligned with regulatory and performance-based standards

Risk Assessment & Management

Risk oversight is embedded into the Company's operations through a structured framework that identifies, evaluates, and mitigates key financial, operational, and compliance risks.

Operational Risk

Addressed through defined processes, audits, and staff training

Liquidity Risk

Controlled by active ALM practices and maintaining liquidity contingency buffers

Regulatory & Compliance Risk

Mitigated via internal audits, IT-led controls, and a proactive policy environment

Credit Risk

Managed through rigorous underwriting, portfolio monitoring, and ECL provisioning

Fraud & Cybersecurity Risk

Tackled through a Risk Control Unit, DLP tools, SOC monitoring, and recovery planning

The Board and Management remain jointly accountable for ensuring effective controls and timely financial reporting.

Board of Directors and KMPs

ESTEEMED BOARD OF DIRECTORS

Ms. Naina Krishna Murthy

Ms. Naina Krishna Murthy is the Chairperson and Non-Executive Independent Director of IndoStar. She is a seasoned corporate lawyer and the Founding Partner of K Law, a leading full-service law firm in India. She began her career with Arthur Anderson and later served as in-house counsel at Biocon.

With over 29 years of experience, Ms. Murthy specialises in corporate commercial law, focussing on mergers and acquisitions, joint ventures, collaborations, and private equity & venture capital investments.

Ms. Murthy is a trusted legal advisor who represents eminent clients, both Indian and international, in their operations within India and globally.

She serves on the board of Sustainable Energy Infra Investment Managers Pvt. Ltd., Investment Manager to Sustainable Energy Infra Trust ('SEIT IM').

Ms. Murthy also holds board directorships as an Independent Director in various companies, including Sterling and Wilson Renewable Energy Ltd., Den Networks Limited, IndoStar Capital Finance Limited, Indostar Home Finance Private Limited and Bandhan Mutual Fund Trustee Limited.

She serves as Vice Chair (Membership) for the South Asia/Oceania & India Committee at the American Bar Association (ABA).

Mr. Hemant Kaul

Mr. Hemant Kaul is a Non-Executive Independent Director of IndoStar. He has vast experience as an independent management consultant, having worked with private equity firms to evaluate investments in the financial sector. Earlier, Mr. Kaul has also been the MD & CEO of Bajaj Allianz General Insurance Co Ltd. and the Executive Director of Axis Bank. Mr. Kaul holds a Bachelor's degree in Science and a Master's degree in Business Administration from Rajasthan University.

Ms. Sujatha Mohan

Ms. Sujatha Mohan is a Non-Executive Independent Director of IndoStar Capital Finance Limited. Ms. Sujatha Mohan has over 30 years of experience across the Banking and IT industries. Ms. Mohan, a Wharton Alumnus, is the founder of Pharus Consulting LLP, a firm that supports organisations in the BFSI sector by offering a practitioner's view of digital, business and execution strategies. She has been recognised for leading strategic and transformative initiatives across different organisations. Prior to this, Ms. Mohan was associated with HDFC Bank Limited, FIS Global, RBL Bank Limited, Oracle Financial Software Services Ltd, ANZ Grindlays Bank and Stock Holding Corporation of India Limited where she held various leadership roles. Her areas of specialisation include Core Banking, Core Modernisation, API Strategy, Digital Transformation & Payments. Over her 30-year career, she has received numerous awards and recognitions including the Asian Banker Award (twice) for 2 projects executed under her leadership. She was also the recipient of the Payments Award by the Indian Banking Association for projects executed under her mentorship and the Women in Fintech Award in 2019 by Fintegrate Zone.

Mr. Aditya Joshi

Mr. Aditya Joshi is a Non-Executive Non-Independent Director of IndoStar. Mr. Joshi is the Head of India for Brookfield Asset Management, overseeing business activities in the region. He also serves as a Managing Partner in Brookfield's Private Equity Group. In this role, he leads the private equity strategy in India and the Middle East and is responsible for deal sourcing and execution, as well as portfolio monitoring. Prior to joining Brookfield in 2019, Mr. Joshi was a Principal at Apax Partners where he was involved in deals in the healthcare, technology services and financial services sectors. Before this, he worked at Blackstone covering technology and business services, and at JM Morgan Stanley, working on fundraising and mergers and acquisitions across various industries. Mr. Joshi holds a Master of Business Administration degree from The Wharton School of the University of Pennsylvania, and a Bachelor's degree from the University of Pune. He is a Chartered Accountant, a member of The Institute of Chartered Accountants of India, and a member of FICCI's National Committee on Private Equity for India.

Mr. Devdutt Marathe

Mr. Devdutt Marathe is a Non-Executive Non-Independent Director of IndoStar. He is an investment professional with over 15 years of experience in the Private Equity space. He is currently a Senior VP at Brookfield Asset Management focussed on the Private Equity business in the India and Middle East region. Previously, he was a Principal at Apax Partners, where he led or participated in several transactions across financial services, healthcare and technology sectors. Devdutt Marathe holds B.Tech. and MS degrees in Electrical Engineering from IIT Madras and Caltech (USA) respectively, and a PGDM from IIM Ahmedabad.

Mr. Bobby Parikh

Mr. Bobby Parikh is the Non-Executive Non-Independent Director of IndoStar Capital Finance Limited. He has nearly three decades of experience in financial services industry/ reorganisations. Mr. Parikh's area of focus is providing tax and regulatory advice in relation to transactions and other forms of business re-organisations. He has founded Bobby Parikh Associates, a boutique firm focussed on providing strategic tax and regulatory advisory services. Mr. Parikh is a qualified Chartered Accountant from the Institute of Chartered Accountants of India and holds a Bachelor of Commerce degree from the University of Mumbai.

Mr. Vishal Goenka

Mr. Vishal Goenka is a Non–Executive Non-Independent Director of IndoStar Capital Finance Limited. He is a Managing Director at Everstone Capital, focussing on investments in industrials and financial services businesses. Based in Mumbai and has over 15 years of investing and banking experience across sectors. Previously, he has worked with Warburg Pincus in their India business and J.P. Morgan in their IB business. He holds a post-graduate degree in management from IIM Indore (Institute Gold Medalist) and an engineering degree from University of Mumbai. He holds MBA from Symbiosis Institute of Business Management and Bachelor of Management Studies degree from the University of Mumbai.

Mr. Randhir Singh

Mr. Randhir Singh is the Managing Director designated as Vice Executive Chairman. He is a seasoned financial leader with 30+ years of experience in MSME/Corporate/ FIG Lending, Structured Finance, Debt Capital Markets, Treasury, Sales and Trading, FX and Interest Rate derivatives, Risk Management and Banking Operations. Randhir started his career with Citibank India in 1995 and worked there till 2007 in various roles. He then worked at Deutsche Bank as Managing Director and India Head of Financing between 2007 and 2016. He subsequently worked in Edelweiss as CEO of Commercial Lending & Structured Finance from 2016 to 2018. Prior to joining IndoStar Capital Finance Limited, Randhir was Jt. CEO and Co-Founder of APAC Financial Services from 2018 to 2024.

Awards & Accolades

HONOURS THAT REFLECT ICFL'S JOURNEY

ET Progressive Places to Work 2023

Recognised by ET Now for fostering an innovative and empowering workplace culture that inspires growth and collaboration

India's Best Companies for Employee Well-being 2023

Honoured by World HRD Congress for our commitment to holistic employee wellness and creating a supportive work environment

Happiness and Wellness Award 2024 – 'Happy Place to Work'

Celebrated by Happy Plus for cultivating a workplace where happiness, well-being, and engagement thrive

Best Leadership Development Initiative

Acknowledged by Banking Frontiers for our robust programmes that nurture and empower the next generation of leaders

Best Collections Initiative

Recognised by Banking Frontiers for our innovative and effective strategies in collections excellence

MANAGEMENT DISCUSSION AND ANALYSIS

Global Economy

Global economic growth has been showing a steady decline since 2022 and this continued through 2024-25, driven by a mix of geopolitical uncertainty around evolving trade policies and continued supply chain disruptions due to conflicts that have affected the global energy markets since the start of the Russia–Ukraine war in 2022. Despite these headwinds, global GDP grew 2.8% in 2024, similar to 2023, and is expected to moderate further to 2.3% in 2025, owing to trade disruptions due to the impositions of high tariffs on trade partners by the United States (US) government. The Russia-Ukraine war, now in its third year, continues to disrupt energy flows and commodity markets in Europe. The Israel-Hamas conflict has escalated tensions in the Middle East, raising concerns over supply chains, oil prices, and regional stability. Renewed tariff measures, particularly from the US, have escalated trade tensions. Retaliatory actions have deepened the divide, further weakening global trade.

In the US, growth for 2025 is projected at 1.4%, as higher tariff-related input costs take a toll on consumption and manufacturing activity. The Federal Reserve reduced the interest rates in three rate cuts aggregating 100 bps from 5.25%-5.50% level in September 2024 to 4.25%-4.50% level in December 2024, as inflation broadly remained below the 3% mark. The Fed has indicated it may pursue further rate cuts through 2025, if the labour market softens. In the Euro Area, economic performance remains fragile with growth revised downward to 0.7% for 2025, due to weak demand and continued uncertainty around energy supply and pricing.

Growth in emerging markets and developing economies (EMDEs) is also showing signs of slowing momentum. In countries like China, the growth is expected to moderate at 4.5% in 2025, reflecting internal structural adjustments, weak global demand, and risks of deflation. For India, the growth outlook is relatively more stable at 6.3% in 2025, buoyed by a strong monsoon, spurring private consumption, particularly in rural areas.

(Sources: World Economic Outlook Update by IMF, July 2025; Global Economic Prospects, World Bank, June 2025)

Real GDP Growth Projections (%)

Region/Country

World Output

2026 (P)	2.4
2025 (P)	2.3
2024	2.8
2023	2.8
2022	3.3

EMDEs

2026 (P)	3.8
2025 (P)	3.8
2024	4.2
2023	4.4
2022	3.8

Advanced Economies

2026 (P)	1.4
2025 (P)	1.2
2024	1.7
2023	1.7
2022	2.9

China

2026 (P)	4.0
2025 (P)	4.5
2024	5.0
2023	5.4
2022	3.1

United States

2026 (P)	1.6
2025 (P)	1.4
2024	2.8
2023	2.9
2022	2.5

India

2026 (P)	6.5
2025 (P)	6.3
2024	6.5
2023	9.2
2022	7.6

Euro Area

2026 (P)	0.8
2025 (P)	0.7
2024	0.9
2023	0.4
2022	3.5

P: Projected

(Source: World Economic Outlook by IMF, July 2025)

Currency volatility, particularly movements in the USD, continues to disrupt global capital flows. Meanwhile, global headline inflation is projected to ease gradually from 4.2% in 2025 to 3.5% in 2026 supported by advanced economies approaching inflation targets and easing price pressures in emerging markets. Central banks across key regions are pivoting towards accommodative policies, in helping improve credit availability and support investment sentiment over the medium term.

(Source: IMF Report on World Economic Outlook, April 2025)

Indian Economy

India continues to demonstrate robust economic performance amidst global uncertainty, reaffirming its position as one of the fastest-growing major economies. According to the International Monetary Fund (IMF), India's provisional GDP growth stood at 6.5% in 2024-25 supported by strong domestic consumption especially in rural areas, sustained government capital expenditure, and steady private investment across core sectors. In a milestone achievement, India emerged as the world's fourth-largest economy in nominal GDP terms, crossing the USD 4 trillion threshold and overtaking Japan.

The Reserve Bank of India has projected real GDP growth at 6.5% for 2025-26 as well, driven by buoyant rural demand, revival in urban consumption, an uptick in investment activity supported by above-average capacity utilisation, and the government's continued thrust on capital expenditure. The resilience of the economy is further underscored by high-frequency indicators pointing to steady services sector momentum, robust agricultural output aided by forecasts of an above-normal southwest monsoon, healthy GST collections, and congenial financial conditions. However, the recent US imposition of significant tariffs on several countries has impacted critical Indian industries such as steel, aluminium, and automobiles, adding pressure to the growth outlook.

(Sources: IMF Report on World Economic Outlook, April 2025; Article from The Hindu dated April 08, 2025)

Indian Economy GDP Growth Rate (in %)

2025-26	6.5[1]
2024-25	6.5*
2023-24	8.2

*Estimated | [1]Projected

(Source: Ministry of Statistics and Programme Implementation, PIB)

India's economic momentum continues to be supported by robust household spending, with private consumption rising to 61.4% of nominal GDP in 2024–25, up from 60.2% in 2023–24, representing the second-highest share in the past two decades. This increase was primarily driven by a 7.2% growth in private final consumption expenditure, a notable acceleration from 5.6% in the previous fiscal year, supported by a rebound in rural demand and improving consumer sentiment.

(Source: Article by The Economic Times dated June 28, 2025)

From a monetary policy standpoint, the Reserve Bank of India (RBI) adopted an accommodative stance as inflationary pressures eased. Food price pressures declined due to a strong rabi harvest and effective buffer stock management. Headline inflation moderated to 3.16% in April 2025 and further fell to a six-year low of 2.8% in May 2025, remaining well within the RBI's comfort zone. This downward trajectory paved the way for rate cuts that brought the repo rate down to 5.5% by June 2025, creating a supportive environment that aided credit growth and improved business sentiment across industries.

(Sources: Financial Stability Report - June 2025, RBI; Mospi, May 2025; Article from The Hindu dated August 06, 2025)

Further, the Government's thrust on capital expenditure, allocating ₹ 11.11 lakh crore, or 3.4% of GDP, to infrastructure spending remained a strong pillar of growth, with continued investments in transport, digital infrastructure, and energy transition. The Production Linked Incentive (PLI) schemes across key sectors further bolstered the manufacturing ecosystem, while initiatives like PM Gati Shakti, ONDC, and the National Logistics Policy are reshaping India's competitiveness. A critical component of this transformational agenda is India's strong intent to reduce logistics costs, which have historically been a significant barrier to export competitiveness and domestic manufacturing efficiency.

The micro, small, and medium enterprises (MSMEs) also remain key players in supply chains, showing healthy expansion across various industries. Exports from MSMEs have seen substantial growth, rising from ₹ 3.95 lakh crore in 2020-21 to ₹ 12.39 lakh crore in 2024-25. MSMEs continue to drive innovation and contribute to the diversification of India's manufacturing base, making them an essential part of the economy's broader growth narrative. In line with this, the Union Budget 2025-26 had also introduced a series of measures aimed at strengthening the MSME sector by raising investment and turnover limits, enhancing credit access, supporting first-time entrepreneurs, and rolling out sector-specific productivity initiatives.

With over 130 crore Aadhaar-linked mobile connections, UPI processing over ₹ 1,400 crore transactions per month, India's digital transformation continued to accelerate. The Jan Dhan Yojana added 5 crore new bank accounts in 2025, taking the total to 51 crore accounts, and reinforcing financial inclusion efforts. Digital transformation remains a key growth enabler for NBFCs as well, with the adoption of AI-driven credit assessments, digital lending platforms, and data-driven risk management significantly enhancing efficiency and customer accessibility.

(Sources: Public Sector Banks: A Resurgent Force, Ministry of Finance, PIB; Digital Infrastructure in India, Ministry of Communications, PIB)

Non-Banking Financial Companies (NBFCs) Industry

The Indian financial sector demonstrated strength and resilience despite global headwinds. Both banks and non-banking financial companies (NBFCs) enhanced their capital and liquidity positions while steadily improving asset quality. NBFCs, in particular, deepened their role in driving financial inclusion, recording nearly 20% credit growth, outpacing commercial banks, with net advances touching ₹ 24.50 lakh crore. This expansion was supported by strong capital buffers and healthier credit quality. A supportive interest rate environment, aided by monetary policy easing, is expected to further stimulate credit demand in the period ahead.

Within the sector, credit growth of NBFCs in the Upper and Middle Layers accelerated to 20.7% (YoY) in March 2025, compared to 16.00% in September 2024, though still below the level seen in September 2023. However, credit expansion is expected to moderate to 13–15% in 2025–26. This shift reflects a maturing market cycle influenced by structural adjustments and refined lending strategies.

(Sources: Financial Stability Report - June 2025, RBI; Article from The Economic Times dated April 24, 2025)

This recalibration has renewed the focus on asset quality, with rising stress observed in segments such as microfinance, credit cards, personal loans, and unsecured business loans, reflected in higher delinquencies and write-offs. Notably, unsecured business loans made up nearly 28% of retail NBFC exposure as of December 2024, highlighting the need for sharper portfolio risk assessment. In contrast, stress in secured segments remains limited, with asset classes like small-ticket vehicle finance and affordable housing loans continuing to exhibit relative stability.

Amid this shift, NBFCs are strengthening their risk frameworks to sustain credit health. A key consideration is the ability of borrowers, particularly in lower-income brackets, to refinance or service multiple obligations. This makes the performance of secured retail products a significant monitorable in the current environment.

From a policy standpoint, regulatory actions underway are expected to temporarily influence growth trajectories but are ultimately designed to fortify long-term sectoral stability. Most NBFCs are well-positioned to absorb transitional impacts, backed by prudent capital buffers, RBI mandated liquidity risk management and resilient earnings. The enhanced regulatory framework is also promoting better governance and risk alignment, laying a stronger foundation for sustainable expansion.

On the funding side, the outlook remains constructive. Moderate credit growth projections, combined with reduced reliance on short-term borrowings, have ensured adequate sector liquidity. Debt issuances have improved in 2024-25 and are projected to remain active, supported by expectations of interest rate easing. However, maintaining access to timely and appropriately priced funding will be important, particularly as competitive intensity rises and exerts pressure on net interest margins.

Profitability metrics are adjusting to reflect the current environment. Credit costs are likely to rise, in line with elevated stress especially in unsecured lending. Consequently, return on average managed assets for non-housing NBFCs is expected to compress by 30-50 basis points over 2024-25 to 2025-26 compared to 2023-24 levels. Meanwhile, housing finance entities continue to report steady performance, though the full implications of portfolio seasoning are yet to play out.

(Source: Article from The Economic Times dated April 24, 2025)

Growth Drivers for NBFC Industry

1 Expanding Financial Inclusion

NBFCs have been playing a pivotal role in deepening financial inclusion by reaching segments traditionally underserved by the formal banking sector. Their agile operating models, localised reach, and flexible underwriting practices have enabled them to serve small businesses, first-time borrowers, rural populations, and informal income groups - effectively bridging the credit divide.

(Source: Article from SMFG India Credit dated January 30, 2025)

2 Credit Demand from the MSME Sector

The Micro, Small and Medium Enterprises (MSME) sector, which contributes nearly 30% to India's GDP and employs over 25 crore people, continues to face a significant credit gap. With a credit addressable market estimated at ₹ 92 lakh crore, NBFCs have a vital role to play in meeting this growing and underpenetrated demand. Their ability to offer tailored financing solutions positions them as preferred partners for MSME growth.

(Source: Understanding the Indian MSME Sector, SIDBI, May 2025)

3 Policy Push for Entrepreneurship and Manufacturing

Government schemes like Startup India, MUDRA loans, and PLI are boosting credit demand from MSMEs, entrepreneurs, and the manufacturing sector. Initiatives such as the FAME-II policy and SWAMIH Fund are also creating new lending avenues. These policy measures are reinforcing the role of NBFCs in driving inclusive, sector-led growth.

(Sources: A Decade of Growth with PM Mudra Yojana, PIB; DPIIT, Ministry of Commerce And Industry, GoI)

4 Technology and Digital Transformation

NBFCs have been early adopters of digital technology, which has enhanced both reach and efficiency. Digital loan origination platforms, eKYC, automated credit scoring, and real-time disbursals have significantly improved customer experience and reduced operational costs. Technology has also enabled NBFCs to serve remote geographies with minimal physical infrastructure.

Digital channels like online lending platforms, mobile apps, and digital wallets have become popular among customers, especially the younger generation. NBFCs have been quick to adopt these digital channels, enabling them to offer a more personalised and convenient service to their customers. Further, NBFCs have also started using data analytics to gain insights into customer behaviour and preferences. This has enabled them to offer more personalised products and services to their customers.

(Source: Article from SMFG India Credit dated January 30, 2025; Article by Faster Capital dated April 02, 2025)

5 Flexibility and Customisation

Unlike traditional banks, NBFCs have the flexibility to design niche products catering to specific borrower needs. Whether it is unsecured business loans for micro-entrepreneurs, gold loans for rural households, or consumer finance for semi-urban buyers, NBFCs have built domain expertise in various lending verticals that banks often find less viable.

(Source: Article from SMFG India Credit dated January 30, 2025)

VEHICLE FINANCE INDUSTRY

Vehicle Financing Industry

The Indian Vehicle Financing Industry benefited from resilient demand across urban and rural markets in 2024-25, supported by the healthy performance of the Indian automobile and allied equipment sectors. Domestic automobile sales grew 7.3%, reflecting strong consumer sentiment and rising global interest in India as a manufacturing hub.

Passenger Vehicles (PV) touched a record 4.3 million units, with Utility Vehicles contributing 65% of the segment. Two-Wheelers rose 9.1% to 19.6 million units, aided by rural recovery, while Three-Wheelers achieved their best-ever sales at 0.74 million units on the back of last-mile mobility demand. Commercial Vehicles, despite a 1.2% overall decline, recovered towards year-end and posted 23% export growth.

EV adoption accelerated, with total registrations rising 16.9% to 2.0 million units, supported by government schemes such as EMPS, PM E-Drive, and new model launches.

Domestic Sales Trends (in million units)

Passenger Vehicles

Year	Units
2024-25	4.30
2023-24	4.22
2022-23	3.89
2021-22	3.07

Commercial Vehicles

Year	Units
2024-25	0.96
2023-24	0.97
2022-23	0.96
2021-22	0.72

Two-Wheelers

Year	Units
2024-25	19.61
2023-24	17.97
2022-23	15.86
2021-22	13.57

Three-Wheelers

Year	Units
2024-25	0.74
2023-24	0.69
2022-23	0.49
2021-22	0.26

Total

Year	Units
2024-25	25.61
2023-24	23.85
2022-23	21.20
2021-22	17.62

(Source: Society of Indian Automobile Manufacturers (SIAM))

The Indian tractor market, valued at USD 7.42 billion in 2023, is projected to grow at a CAGR of 6.7% to USD 11.68 billion by 2032, driven by technology adoption, subsidy schemes, and increasing focus on sustainable, lower-emission models.

The construction equipment market expanded strongly, driven by infrastructure programmes and technology integration. Valued at USD 10–14.3 billion in 2024, it recorded a 32% sales jump between H1 2022 and H1 2024, with exports nearly doubling. The market is projected to reach USD 29.5 billion by 2031-32 at a CAGR of 11.9%. Short-term growth was tempered by monsoons and election-related slowdowns, but demand for earthmoving equipment and sustainable electric/hybrid models continues to build momentum.

Looking ahead, the automotive, farm, and construction equipment industries are expected to sustain growth in 2025-26, supported by stable macroeconomic conditions, government initiatives, and infrastructure investments. A normal monsoon, tax reforms, and lower interest rates should boost rural and semi-urban demand, while new model launches, EV adoption, and mechanisation will expand financing opportunities.

Vehicle and Equipment Finance AUM is projected to reach ~₹ 9.4 lakh crore by March 2026, reflecting 15–16% CAGR. While challenges such as tighter financing norms and global uncertainties remain, innovation and efficient capital deployment will be key to capturing growth.

(Sources: Society of Indian Automobile Manufacturers (SIAM); Article by Indian Infrastructure dated February 05, 2025; Article by Times of India dated December 03, 2024)

COMMERCIAL VEHICLES INDUSTRY

India's automobile sector recorded a 7.3% growth in domestic sales in 2024–25, reflecting improved consumer sentiment, a resilient rural economy, and post-pandemic normalisation in mobility demand. Within this, the Commercial Vehicle (CV) segment maintained a steady performance, with wholesale volumes at 9.57 lakh units, marginally lower than the 9.69 lakh units in 2023–24. While this reflected a flat trajectory in headline terms, the underlying trends were marked by segmental shifts and strategic demand resilience, particularly in the second half of the year.

The Medium and Heavy Commercial Vehicle (M&HCV) segment held firm, driven by sustained replacement demand, improving freight movement, and an uptick in infrastructure activities post the general elections. The LCV (Light Commercial Vehicle) segment saw a slight moderation, with demand realignment across 0–7.5T sub-categories, influenced by evolving last-mile logistics and consumption patterns. Despite this recalibration, LCV buses grew 5.9%, reflecting rising rural and semi-urban connectivity needs.

A bright spot for the industry was CV exports, which grew 23.0% year-on-year, led by strong growth in MHCV Trucks (46.3%) and LCV Trucks (20.2%), as global markets witnessed economic recovery, easing inflationary pressures, and supportive monetary policies. This robust export performance underscored the competitiveness of India's CV manufacturing base and its growing role in global logistics and infrastructure supply chains.

While 2024–25 reflected a period of transition, the Indian Commercial Vehicle sector remains structurally sound and well-aligned with the country's broader growth narrative. With enablers such as electric and alternate-fuel adoption, regulatory support for scrappage and vehicle modernisation, and expanding road connectivity, the sector is gearing up to play a pivotal role in powering India's economic momentum and evolving logistics ecosystem.

(Sources: ICRA Indian Commercial Vehicle Industry February 2025; Society of Indian Automobile Manufacturers)

Financing plays a critical enabling role in the CV ecosystem, particularly for small fleet owners, driver-entrepreneurs, and buyers in semi-urban and rural regions. NBFCs remain dominant players in this space, with a sizable share in new vehicle lending. The Vehicle Financing AUM have expanded strongly, rising from ₹ 5.9 lakh crore as on March 31, 2023, to an estimated ₹ 8.1 lakh crore by March 31, 2025, recording a robust CAGR of ~17%.

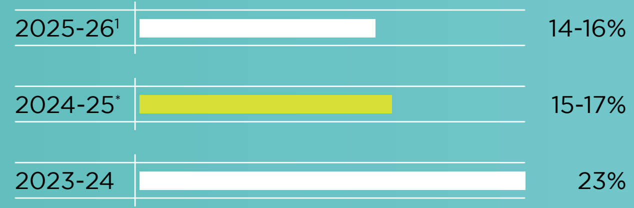
According to CRISIL Ratings, vehicle finance AUM growth for NBFCs is expected to moderate to 15–16% in 2025-26, down from over 20% in 2024-25, reflecting a calibrated shift in underwriting and market consolidation.

As a result of the above, many NBFCs are increasingly deploying data-driven models for credit appraisal and adopting digital origination tools to enhance cost efficiency and improve customer onboarding, especially in underpenetrated regions. Meanwhile, asset quality remains a key focus area, with NBFCs enhancing collection infrastructure, tightening recovery mechanisms, and adjusting loan tenures to better align with operating cash flows of transport operators.

With a recovery in infrastructure spending and potential improvement in freight activity post-election, financing demand is expected to revive in the second half of 2025-26. Policy initiatives around vehicle scrappage, rural road development, and fleet modernisation could further stimulate the CV lending market in the medium term.

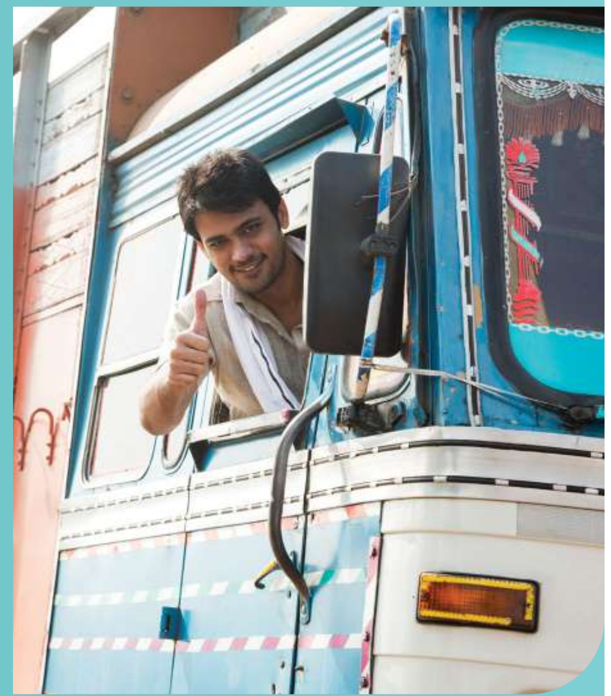
(Sources: Article by Business Standard dated December 28, 2023; Article by Financial Express dated April 11, 2025)

Vehicle Financing AUM Growth



*Estimated | [1]Projected

(Source: Article by Financial Express dated April 11, 2025)



Trends in the CV Industry

1 Shift towards Used CV and Fleet Replacement Financing

There is a growing trend of financing used commercial vehicles, driven by increased adoption of scrappage policies, fleet replacement cycles, and demand from cost-sensitive buyer segments. With the rising cost of new CVs (due to BS-VI norms and feature additions), financing entities, especially NBFCs, are focussing more on refinancing and second-sale vehicles, offering structured loans with flexible tenures. This is also supported by OEM-led buyback programmes and organised used vehicle marketplaces.

2 Formalisation and Digitisation of Small Fleet Financing

The CV lending ecosystem is undergoing structural formalisation, as small fleet operators, driver-entrepreneurs, and rural transporters become part of organised logistics chains. This is accelerating the adoption of digital origination, e-KYC, and data-led underwriting models. Lenders are increasingly using telematics data, cash-flow-based appraisal, and embedded finance partnerships with logistics aggregators and vehicle OEMs to deepen credit penetration in Tier 2 and 3 towns.

3 Sustainable Vehicles and Green Financing Gain Ground

Electrification remains a gradual but important trend in the commercial vehicle sector. EV penetration in the CV market grew from 0.8% in 2023-24 to 0.9% in 2024-25, with urban areas contributing over 50% of EV retail sales. This trend is reinforced by the increasing availability of green financing options - loans designed specifically for eco-friendly vehicles.

Banks and NBFCs are offering lower interest rates, flexible repayment schedules, and tax incentives on electric CVs. Combined with government subsidies, these financing models are removing barriers for companies aiming to shift to sustainable fleets, especially in urban logistics and last-mile delivery. As a result, businesses are reducing their carbon footprint while lowering operational expenses.

(Source: Article by The Banking Finance dated April 25, 2024)

Used Vehicle Financing

Used vehicle finance is a growing sector that provides financial solutions to help consumers and businesses purchase pre-owned vehicles affordably. Driven by rising vehicle prices and demand for cost-effective mobility, especially in India, financing options from banks, NBFCs, and digital platforms are expanding rapidly. Innovations in digital lending and risk assessment are increasing access to used vehicle loans, supporting both individuals and fleet operators. This sector also promotes sustainability by extending vehicle lifespans and boosting economic activity through improved transport and logistics.

In India, the used car market is witnessing a significant upswing, with sales projected to grow by 8–10% in 2025-26, outpacing new car sales by more than double. The volume of used car sales is expected to surpass 6 million units, reflecting growing consumer preference for affordability and faster access to vehicles. The ratio of used-to-new car sales has risen to 1.4 from less than 1 just five years ago, signalling a shift driven by enhanced digital platforms, increasing financing options, and evolving buyer behaviour. The market value of used cars has reached approximately ₹ 4 trillion, almost matching new car sales.

India's used vehicle industry is undergoing a significant transformation, driven by the dual forces of cost-efficiency and rising logistics demand. This steady growth trajectory reflects a wider shift in India's transport ecosystem, where fleet operators, logistics providers, and small enterprises are increasingly favouring pre-owned vehicles to manage operational costs while meeting delivery requirements. Additionally, the extension of Bharat Stage VI (BS-VI) emission norms has raised acquisition and compliance costs for new vehicles, indirectly creating stronger demand for used CVs as a more economical alternative.

The used CV segment continues to outperform, driven by affordability and strong resale demand. Many NBFCs have sharpened their focus on this segment, leveraging local sourcing networks and field-level reach to cater to rural and semi-urban buyers. North India leads with over 35% of market share, supported by dense freight corridors and high agricultural and industrial output. Light trucks dominate segmental demand, accounting for 45.7% of sales in 2024, primarily due to their suitability for last-mile delivery and intra-city logistics.

The transition towards digital platforms is further supporting this shift, streamlining inspections, documentation, and loan processing while promoting pricing transparency and broader inventory access. Emerging trends such as trials of cleaner fuel CVs are gradually influencing buyer decisions, as operators weigh regulatory risks and depreciation linked to older diesel trucks. Additionally, organised spare part supply chains are improving uptime and operational reliability, especially critical in semi-urban and remote markets, enabling faster, more efficient fleet maintenance. Together, these developments are not only formalising the used CV ecosystem but also positioning it as a reliable, value-driven solution for India's evolving mobility and logistics needs.

(Source: Article by The Business Standard dated July 11, 2025; India Used Truck Market, Imarc)

SME Financing and Micro Loan Against Property (LAP)

India's SME lending ecosystem is undergoing a structural transformation, driven by increasing formalisation, digitalisation, and demand from underserved small businesses. NBFCs are playing a pivotal role, with their MSME loan books projected to grow from ₹ 4.2 lakh crore in 2024-25 to over ₹ 5.3 lakh crore by 2025-26. Their agility in underwriting, localised presence, and focus on underserved borrowers have helped bridge the sector's vast credit gap. Enhanced asset quality, supported by better risk assessment and recovery mechanisms, and evolving co-lending partnerships with banks are further strengthening the ecosystem, even as NBFCs navigate margin compression and rising credit costs.

Within this broader landscape, Micro LAP has emerged as a fast-growing segment, offering secured credit to small borrowers, typically between ₹ 1 lakh and ₹ 10 lakhs, against self-owned property. With high adoption in Tier 2 and Tier 3 towns, Micro LAP is leveraging real estate ownership to extend formal credit to informal-sector borrowers. NBFCs lead this space with over 45% market share, and have registered a 38.6% CAGR in Micro LAP between 2019-20 and 2023-24. While asset quality has seen improvement, with PAR 90+ (portfolio at risk over 90 days) declining gradually from 2022-23 to 2024-25, this remains a key area of monitoring, especially as the segment caters to relatively informal borrowers.

Looking ahead, NBFCs are expected to continue growing their Micro LAP portfolios by 25% annually in 2024-25 and 2025-26, though some moderation in profitability is anticipated. Net Interest Margins (NIMs) are projected to reduce slightly from 12.8% in 2024-25 to 12.6% in 2025-26, while credit costs may rise from 0.8% in 2023-24 to 1.0–1.1% over the next two years. Despite these pressures, the segment remains attractive due to its scalable business model, lower delinquency compared to unsecured lending, and high demand from underserved markets.

(Source: CareEdge Ratings Report dated May 14, 2025; Article by The Business Standard dated May 26, 2025)

Insurance Industry

With rising financial literacy and awareness around risk protection, India's insurance sector is emerging as a vital part of the financial ecosystem. Participation is deepening across urban and rural markets, driven by digital access, simplified offerings, and proactive regulation. Even with exposure to climate-related risks, insurers are strengthening their capabilities and focussing on resilient, customer-centric solutions.

Life insurance dominates with 74% of total premium volumes, led largely by investment-linked products. Real premium growth for life is projected at 5% in 2025. Non-life insurance is expected to grow at 7.3%, supported by strong momentum in health and motor segments. Agricultural insurance is also gaining ground following recent policy reforms.

Improved household incomes, expanding formal employment, and greater risk awareness are key growth drivers. Insurers are broadening reach through digital platforms, regional agents, and targeted products, especially in semi-urban and rural areas. Health and protection-based offerings are seeing increased traction, supported by evolving customer preferences and enhanced distribution.

With strong fundamentals in place, the industry is poised for sustainable expansion backed by demographic shifts, urban development, and continued policy support. By maintaining a balanced approach to innovation and risk, insurers are well-positioned to deepen financial inclusion while building long-term resilience.

Insurance Premiums Growth (in %)

Total Life Insurance Premium

Total Non-Life Insurance Premium

(F: Forecasted)

(Source: Report by Swiss Re Institute dated January 14, 2025)

COMPANY OVERVIEW

IndoStar Capital Finance Limited (also referred to as 'IndoStar' or 'the Company') is a middle-layer NBFC. The Company operates across 23 states through 446 branches. The Company's product portfolio spans Vehicle Finance including Commercial Vehicle Finance, Car and MUV financing, Farm and Construction Equipment Loans, SME loans and Micro LAP. The Company is also engaged in composite insurance distribution services.

The Company's strong institutional foundation is anchored by Brookfield, holding 56.20%, and Everstone Group with 17.09% as of March 31, 2025. IndoStar serves a diverse customer base across underserved markets, including small transport operators, self-employed professionals, traders, and first-time credit users. With a focus on disciplined lending, product diversification, and expanding distribution, IndoStar continues to build scale while ensuring financial prudence and inclusive access to credit.

Expansion of Services

To become a truly diversified retail NBFC, IndoStar successfully launched a Micro LAP business in April 2025. This segment targets micro enterprises with average ticket sizes below ₹ 6 lakh, yields around 22%, and predominantly uses self-occupied residential property as collateral. The Micro LAP business operates on a 100% direct origination model with a local team and full digital integration. While currently a small percentage of total AUM, it is a key area for future growth.

IndoStar has also registered itself as a composite corporate agent, having tie-ups with both General and Life Insurance Companies. IndoStar provides its customers with Motor, Life and Accidental Insurance as an additional service to enrich its primary lending offering.

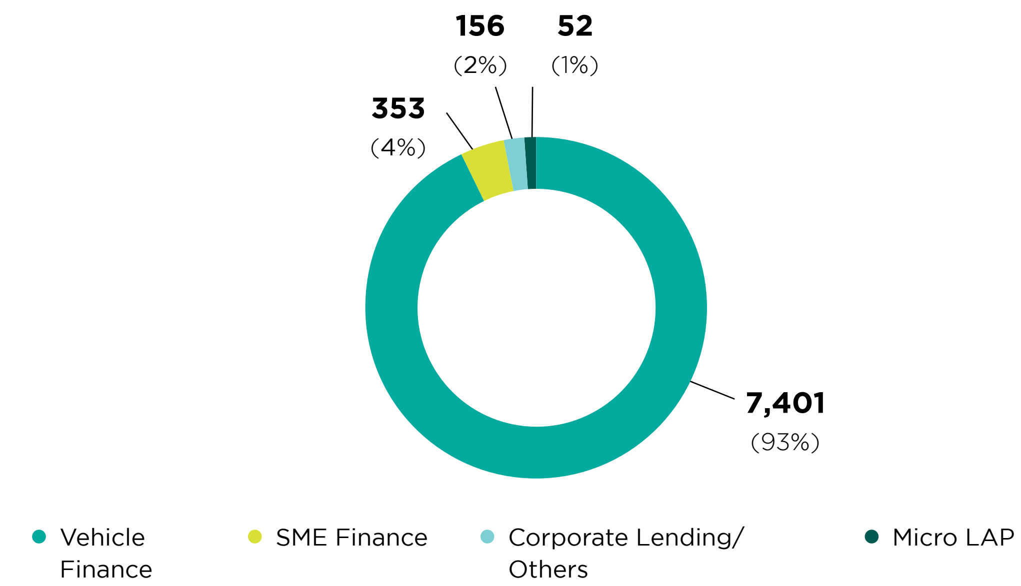
Reach across

23 States

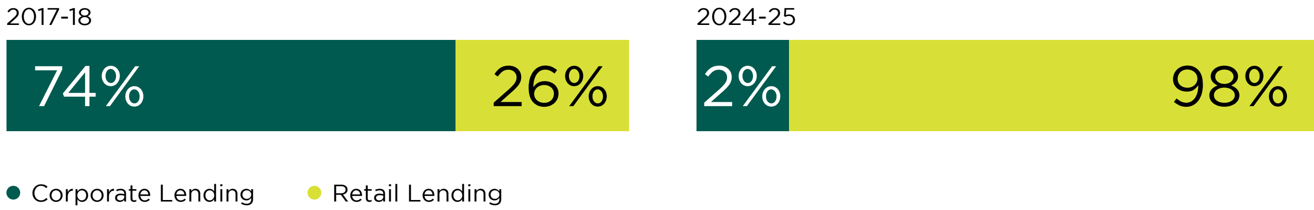
446 Branches

Business Segment-Wise AUM – as on March 31, 2025

Business Segment (AUM in ₹ crore)



Share in AUM – By Accounts Type (in %)



Vehicle Finance

₹ 7,401 CRORE
AUM

23 STATES
Presence

₹ 6.7 LAKHS
Average Ticket Size

Vehicle Finance Segment Performance

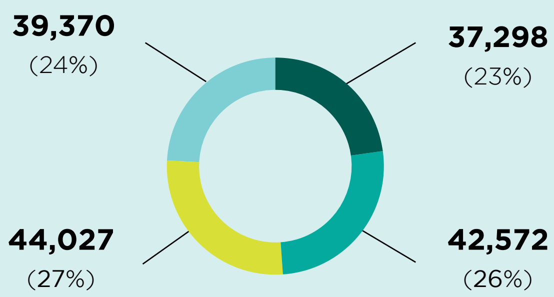
AUM (in ₹ crore)

In 2024-25, IndoStar continued to expand its operations in the Vehicle Financing segment, which remains a major component of its retail lending portfolio. The vehicle industry contributes significantly to India's logistics and employment landscape, and IndoStar's financing activity in this space aligns with the demand from self-employed and small fleet operators. While domestic CV sales witnessed moderation due to market uncertainties and delays in financing cycles, the Company sustained growth in its loan book during the year. A focussed shift towards financing used vehicles and small commercial vehicles and pickups helped address consumption-led demand and improve collection efficiencies, particularly in rural markets.

Loan Amount-Wise Distribution

For 2024-25

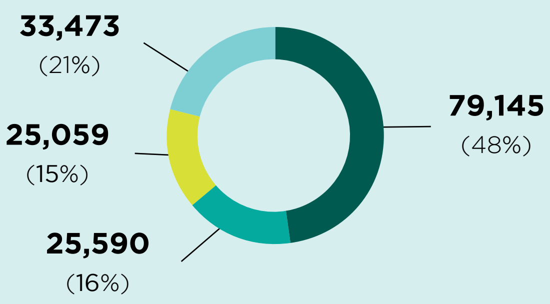
Cumulative as on March 31, 2025



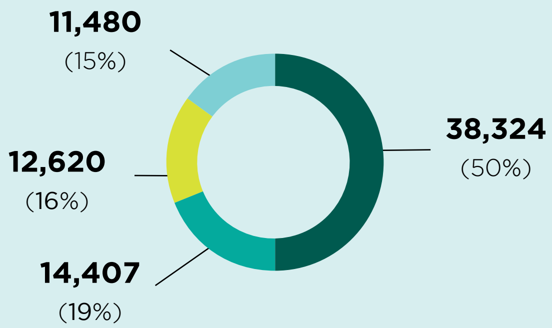
● Up to 3 lakhs ● >3 lacs to 5 lakhs ● >5 lacs to 10 lakhs ● >10 lakhs

Loan-to-Value (LTV) Ratio-Wise Distribution

For 2024-25



Cumulative as on March 31, 2025



● Up to 75 ● 76 to 80 ● 81 to 85 ● >85

Used Vehicle Segment Overview

The used vehicle segment accounted for the majority of the Company's disbursements throughout 2024-25. IndoStar has built its position in this market through its knowledge of vehicle resale dynamics and borrower profiles. Consistent focus on this category helped the Company meet the credit requirements of a broad customer base, particularly in semi-urban and rural regions. The demand for pre-owned vehicles remained steady due to pricing gaps between BS-IV and BS-VI models, availability of longer-tenure financing, and overall affordability. The Company's credit evaluation framework and revised underwriting standards contributed to maintaining asset quality while scaling volumes.

Key Initiatives

- **Digital Origination Platforms:** The Company implemented automated loan onboarding tools, enabling wider outreach and timely approvals in remote areas.
- **Geographic Expansion:** IndoStar continued to add new locations in Tier 3 and Tier 4 towns, supporting growth in underserved markets.
- **Product Development:** Efforts were made to introduce additional offerings such as tyre financing and small ticket LAP to address working capital needs and improve customer engagement.
- **Portfolio Monitoring:** Analytical tools were deployed for early-stage risk identification and tracking repayment behaviour.
- **Distribution Network:** The Company expanded its branch network by adding 54 locations during 2024-25, supporting business volumes and customer servicing.

Outlook

The vehicle financing business is expected to remain a key focus area in the coming years. IndoStar aims to further expand its reach, improve process efficiencies, and introduce supplementary products to increase loan volumes. Continued attention to borrower selection, ticket size calibration, and technology integration is expected to support steady portfolio growth. With a larger share of the business now coming from used vehicles and deeper presence in smaller towns, the Company is positioned to capture emerging opportunities in this segment.

SME Finance

IndoStar's SME Finance segment historically offered secured small business loans to micro and small enterprises, primarily for working capital needs. These loans were typically backed by property collateral and catered to borrowers in semi-urban and peri-urban geographies with limited access to formal credit. However, since 2023-24, the Company significantly scaled down this legacy business as part of its broader retailisation strategy, focussing instead on high-yield retail secured products.

The Company has discontinued new originations in this segment, while focussing efforts on resolving its existing SME book much of which is already provisioned. This realignment is a key part of IndoStar's transition towards becoming a focussed retail NBFC.

SME Finance Segment Performance

AUM (in ₹ crore)

Key Initiatives

- **Reduction of Non-Core SME Exposure:** The SME Finance portfolio was consciously reduced, with AUM dropping to ₹ 353 crore by 2024-25, now forming only 3% of total AUM
- **Provisioning and Resolution Strategy:** The old SME book, amounting to ₹ 211 crore, has been substantially provided for ~60%. Recovery and settlement processes are underway, with expectations of gradual resolution over the next two years
- **Curtailment of Fresh Disbursements:** No new disbursements were made, indicating the near-complete winding down of legacy SME lending activity

Outlook

The SME Finance segment played a minimal role in IndoStar's growth during 2024-25, as the Company continued executing its exit strategy from legacy exposures. No incremental originations, a declining AUM share, and focussed provisioning reflect IndoStar's clear intent to prioritise scalable and high yield secured retail products. This transition enables more efficient capital allocation and supports the Company's positioning as a retail-focussed NBFC.

Micro LAP

5-7 YEARS
Loan Tenure

IndoStar Capital Finance Limited introduced its Micro LAP product in 2024-25 as part of its broader shift toward retail-focussed, secured lending solutions. This offering is specifically crafted for self-employed individuals operating small-scale businesses in rural and semi-urban areas, addressing the unmet credit needs of segments typically excluded from formal financing. With a focus on offering small-ticket, fully secured loans against residential property, the product aims to support working capital and business expansion for micro-enterprises while maintaining prudent risk metrics.

Micro LAP Segment Performance (2024-25)

₹ 52 CRORE
AUM

₹ 54 CRORE
Disbursement

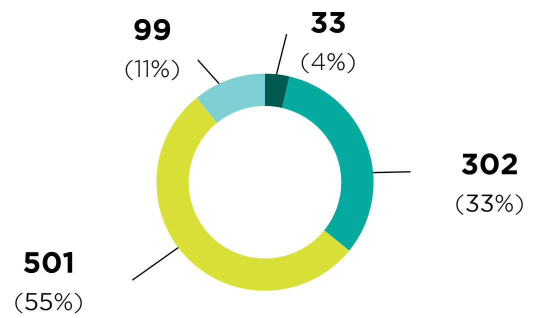
BELOW ₹ 6 LAKHS
Average Ticket Size

BELOW 50%
LTV Ratio

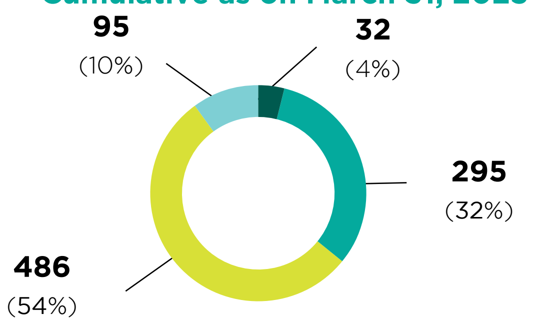
NEARLY 1,000
Borrowers

Loan Amount-Wise Distribution

For 2024-25



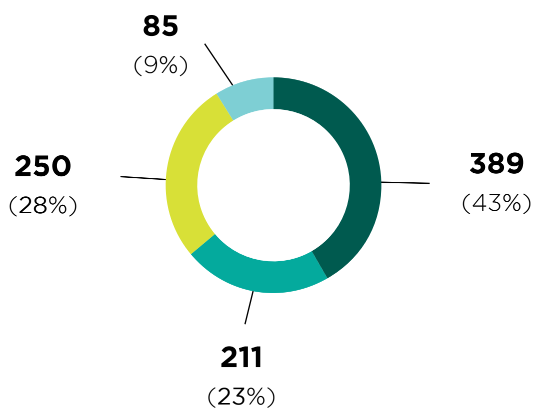
Cumulative as on March 31, 2025



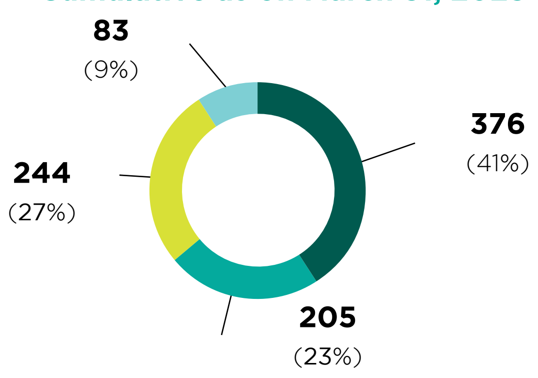
● Up to 3 lakhs ● >3 lacs to 5 lakhs ● >5 lacs to 10 lakhs ● >10 lakhs

Loan-to-Value (LTV) Ratio-Wise Distribution

For 2024-25



Cumulative as on March 31, 2025



● Up to 30 ● 31-40 ● 41-50 ● >50

Key Initiatives

The Micro LAP business was launched through IndoStar's existing vehicle finance branch network, initially piloted in Tamil Nadu. This branch-sharing strategy optimises operational costs while expanding market reach. The Company enabled a fully digital loan journey from origination to servicing, with API integrations and no major incremental tech investment. A dedicated on-ground team of over 300 people has been deployed by March 2025, for origination and customer servicing, ensuring direct engagement and credit quality control.

Outlook

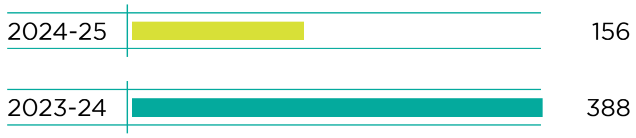
The early traction of the Micro LAP product signals strong market acceptance and operational viability. With plans to expand the business to additional states in a calibrated manner, IndoStar aims to scale the portfolio gradually while maintaining credit discipline. Though the segment currently contributes a modest share to AUM, it is expected to play an increasingly important role in diversifying the Company's retail book and supporting sustainable, secured asset growth in the coming years.

Corporate Lending

The corporate lending segment at IndoStar Capital Finance Limited has been significantly scaled down in alignment with the Company's retail-focussed strategy. As of 2024-25, it contributes just 2% to the total AUM, compared to 6% in 2023-24. This sharp decline reflects the Company's deliberate exit from large-ticket corporate exposures, which previously formed a major part of its loan book.

Corporate Lending Segment Performance

AUM (in ₹ crore)



Looking ahead, IndoStar does not intend to originate any new corporate loans. With recovery processes progressing as planned, the segment is positioned to be phased out completely, further solidifying IndoStar's transformation into a retail-focussed NBFC.

Niwas Housing Finance

Niwas Housing Finance Private Limited ('NHFPL'), formerly, IndoStar Home Finance Private Limited, was a wholly owned subsidiary of IndoStar Capital Finance Limited, offering home loans to self-employed and salaried individuals and also provides LAPs. With the sale of 100% shareholding of the Company in NHFPL, NHFPL ceased to be the subsidiary of the Company with effect from July 17, 2025.

Insurance Products

ICFL has partnered with 3 new Insurance Companies under the corporate agency license obtained in February 2024 – Magma General Insurance, Tata AIA General Insurance, Bajaj Allianz General Insurance. Insurance Income was ₹ 4.76 crore in the previous year.

Loans

During the year, total outstanding loans increased to ₹ 7,464 crore from ₹ 6,298 crore and registered a growth of 19%.

The total outstanding loans at fixed rates stood at ₹ 7,076 crore (previous year ₹ 5,549 crore), which was 95% (previous year 88%) of the total outstanding loans.
Loans to total assets stood at 67.05% as of March 31, 2025.

ICFL's outstanding retail loans of ₹ 7,308 crore constitute 98% of the total outstanding loans. MSME Loans including Loan Against Properties of ₹ 232 crore and Micro LAP Loans of ₹ 52 crore constituted 3% and 0.70% respectively of the total outstanding loans.

The average yield realised on the loan assets during the year was 16.5% (previous year 16.0%).

Classification of Loan Assets as per Ind AS

Under Ind AS, asset classification and provisioning moves from the 'rule based', incurred losses model to the Expected Credit Loss (ECL) model of providing for expected future credit losses. Thus, loan loss provisions are made on the basis of the Company's historical loss experience and future expected credit loss, after factoring in various macro-economic parameters. Under Ind AS, asset classification comprises three categories based on ageing of Exposure at Default (EAD) which is principal and accrued interest. Outstanding between 0 to 30 days are Stage 1 assets, outstanding between 31 days to 89 days are Stage 2 assets, and Stage 3 assets are those where outstanding EAD is for 90 days and above.

ICFL's Stage 1 loan assets have been steady, comprising of 89% of the total exposure as of March 31, 2024, and March 31, 2025. Stage 2 loans have increased from 5.15% as of March 31, 2024, to 6.09% as of March 31, 2025. Loans under Stage 3 have improved from 4.97% as of March 31, 2024 to 4.52% as of March 31, 2025.

As per Ind AS 109 on Financial Instruments, ICFL is carrying total provisions of ₹ 247.45 crore towards expected future credit losses which is 3.32% on Loan Assets of ₹ 7,464 crore. Of this, provision of ₹ 157.28 crore is required towards Stage 3 loans of ₹ 337.14 crore. Provisions amounting to ₹ 90.17 crore are required on Stage 1 and Stage 2 loan assets of ₹ 7,126.83 crore.

During the year, the Company has written off ₹ 61.75 crore in respect of CV loans and ₹ 0.99 crore in respect of MSME loans where the recovery was difficult in the near future. However, the Company continued the recovery efforts in respect of written off loans of earlier years and could effect recoveries of ₹ 10.71 crore during the year in respect of such written off loans.

RBI Guidelines and Prudential Norms

ICFL has complied with the guidelines issued by RBI regarding accounting guidelines, prudential norms for asset classification, income recognition, provisioning, capital adequacy, concentration of credit, credit rating, Know Your Customer (KYC) guidelines and Anti Money Laundering (AML) Standards, Fair Practices Code, grievance redressal mechanism, valuation of properties, recovery of dues, channel partners and real estate and capital market exposures.
ICFL had no investment in excess of the limits prescribed by RBI with any one company or any single group of companies. ICFL has not made investment in any of the promoter group companies or in the stock markets.

ICFL's CRAR as of March 31, 2025 was 28.46% as against RBI's prescribed limit of 15%.

IndoStar's Key Business Strengths

Experienced Leadership

The Company's strong and experienced leadership brings deep expertise in banking, finance, risk management and digital transformation – ensuring that the Company remains agile and forward-looking in a competitive industry.

Deep Market Penetration

With a strong presence in rural, semi-urban and underserved areas, the Company plays a vital role in driving financial inclusion and building long-term customer relationships.

Flexible Payout Options

We offer a diverse range of payment methods for customers, resulting in cash payments accounting for only 3-4% of total transactions.

Operational Efficiency

Focussed on opening micro branches that operate with less manpower, leveraging the Customer App for service fulfilment and technology across loan lifecycle contribute to reducing cost and improves quality of customer services.

Strong Liquidity Position

The Company strategically manages the liquidity through a balanced mix of short-term instruments, credit lines and diversified funding sources. This strength supports timely loan disbursement, smooth servicing of debt and liabilities and operational stability.

Centralised Underwriting Framework

- Emphasising Income Assessment from Informal Sources
- Targeting New-to-Credit Customers and Loans under ₹ 20 lakhs, while deprioritising Higher Delinquency Categories

Expanding the LAP Portfolio

Tapping into significant Micro LAP opportunities in Tier 3 and 4 cities.

Key Achievements of IndoStar Capital Finance Limited (2024-25)

1

Retail Diversification and Micro LAP Rollout

IndoStar launched its Micro LAP offering in May 2024 to support underbanked micro enterprises in rural and semi-urban markets. Piloted through existing branches in the State of Tamil Nadu, this secured, low-ticket, high-yield product follows a fully digital process. The early success has set the stage for phased national expansion through its established vehicle finance network.

2

Branch Network

The Company expanded its reach to 446 branches, adding 54 locations in underserved towns, aiding deeper customer access.

3

Operational Efficiency and Digitisation

Focussed digitisation across loan processes improved turnaround times, lowered service costs, and increased productivity. IndoStar implemented paperless workflows.

4

Granular Retail Lending Focus

Retail loans formed nearly 95% of the total portfolio, supported by a significant drop in average ticket size. Non-CV segments contributed 35% to disbursements, indicating effective diversification into farm, construction, and passenger vehicle loans.

5

Multi-Product Delivery Model

The shift to a multi-product branch model allowed IndoStar to offer multiple financial solutions through a single outlet, driving operational leverage and cost efficiency without expanding physical infrastructure.

6

Asset Quality and Collection Gains

Refined underwriting and tech-enabled collections improved portfolio quality and reduced delinquencies. Collection efficiency improved steadily, reflecting disciplined borrower behaviour and focussed risk management.

7

Funding Profile Strengthening

New lender additions, successful public NCD issuance, revision in rating outlook to 'stable' by CRISIL and over ₹ 5,000 crore in funding raised at better rates led to a stronger balance sheet. The refinancing of high-cost debt is expected to reduce borrowing costs further in 2025-26.

8

Strategic Divestment of Housing Subsidiary

The sale of the housing subsidiary for ₹ 1,750 crore will boost liquidity, enhance key financial ratios, and simplify group operations.

Operational Performance in 2024-25

AUM (in ₹ crore)

Segment	2024-25	2023-24	2022-23	2021-22	2020-21
Vehicle Finance	7,401	5,594	3,672	4,908	4,194
Home Finance	3,091	2,270	1,623	1,406	996
SME Finance	353	485	1,293	1,776	1,849
Corporate Lending	156	388	1,200	1,543	1,932
Micro LAP	52	-	-	-	-
Total	**11,053**	**8,763**	**7,813**	**9,658**	**8,998**

Disbursements (in ₹ crore)

Segment	2024-25	2023-24	2022-23	2021-22	2020-21
Retail Lending	6,428	5,190	1,937	4,885	1,609
Corporate Lending	29	307	162	61	218
Total	**6,457**	**5,497**	**2,099**	**4,947**	**1,827**

Financial Performance in 2024-25

In 2024-25, IndoStar continued its strategic pivot towards a retail-centric model with a focus on operational discipline, asset quality, and portfolio diversification. The year was marked by a sharp execution of priorities, including deepening presence in underpenetrated markets, expanding product offerings, and further consolidation of its core businesses.

The Company's AUM reached ₹ 7,963 crore in 2024-25, compared to ₹ 6,493 crore in 2023-24 with the Profit After Tax (PAT) for the year standing at ₹ 52.6 crore in 2024-25.

On a consolidated basis, which includes the performance of its former wholly owned subsidiary Niwas Housing Finance Private Limited (formerly IndoStar Home Finance Private Limited), AUM grew by 26% YoY, reaching ₹ 11,053 crore in 2024-25, compared to ₹ 8,763 crore in 2023-24. Consolidated PAT for the year stood at ₹ 120.5 crore in 2024-25, up from ₹ 115.8 crore in 2023-24.

Statement of Profit and Loss

Key elements of the statement of profit and loss for the year ended March 31, 2025 are:

- Profit After Tax (PAT) reduced by 26.56% as against 61.76% in the previous year
- Post-tax return on average assets was 0.51% as against 0.9% in the previous year
- Ratio of net interest margin to average assets was 5.6% for the current year as against 5.5% in the previous year
- Cost to income ratio was 71.7% for the year as against 71.6% in the previous year
- The Earnings per Share (Basic) was ₹ 3.86 for the current year as against ₹ 5.26 for the previous year
- Debt-to-equity ratio was 2.03 times in the current year as against 1.96 times in the previous year

Investments

In order to maintain adequate liquidity and to reduce negative carry between the time lag of raising resources and its further deployment for lending purposes, the surplus funds are invested by the Company in various debt schemes of mutual funds, Treasury Bills (T-Bills), Government Securities (G Secs) and other debt products or securities like Commercial Papers (CPs) & Non-Convertible Debentures (NCDs) of other entities and fixed deposits with scheduled banks.

All the investment transactions are strictly in accordance with the Board approved Investment Policy of the Company and no deviation from the permitted products, their respective credit rating requirements and stipulated limits as well as the authorisation matrix as mandated in the Investment Policy are allowed by the Company.

Further, the investment assets particularly the T-Bills and G Secs also form a part of the High-Quality Liquid Assets (HQLA) for the mandatory Liquidity Coverage Ratio (LCR) requirement by RBI.

During the year, the Company earned ₹ 32.43 crore from mutual funds, ₹ 10.81 crore from T-Bills & G Secs, ₹ 4.03 crore from CPs and NCDs of other entities and ₹ 0.79 crore from fixed deposit investments.

Apart from unencumbered cash and bank balances and unutilised credit lines, the Company at the end of the year, maintained liquidity of ₹ 875.58 crore in the form of mutual funds, fixed deposits, T-Bills, G Secs and NCDs as against ₹ 585.91 crore during the previous year.

Borrowings

The Company has been raising funds to support its lending activities through both short term (original maturity less than 12 months) and long-term borrowings. The short-term borrowings constitute Commercial Papers (CP) from market investors and Working Capital Demand Loans (WCDL) from banks. The long-term borrowings mainly represent both public and private placement of Non-Convertible Debentures (NCD)s and term loans from banking as well as other financial institutions.

In order to sustain a healthy Net Interest Margin (NIM) with reduced risk of ALM mismatch, the Company has Board approved internal norms and limits for each of the funding sources to maintain a prudent mix of all the borrowing instruments.

During the year due to greater interest/participation from the market lenders, the Company raised ₹ 1,320 crore CPs as against ₹ 553.80 crore CPs in the previous year. Consequently, quantum of short term WCDLs raised during the year were marginally lesser i.e. ₹ 495 crore as against ₹ 517.50 crore in the previous year. Similarly, the Company concluded its maiden public issue of NCDs in this year and raised ₹ 265.59 crore for tenors from 2 to 5 years. NCDs raised through private placement were ₹ 890 crore as against ₹ 2,455 crore in the previous year. Further, long term loans raised in the year were ₹ 1,370 crore as against ₹ 245 crore in the last year due to increased exposure by existing and new banks. The Company also did securitisation of assets through Pass though Certificates (PTCs) amounting to ₹ 1,016.93 crore during the year as against ₹ 1,103.27 crore in the previous year. The outstanding PTC at the end of the year stood at ₹ 1,182 crore as against ₹ 1,474 crore. The proportion of outstanding PTC to total borrowings reduced to 17% at the end of the year compared to 24% in the last year. The outstanding borrowings at the end of year stood at ₹ 5,752 crore as against ₹ 4,632 crore in last year.

All the borrowings were a mix of fixed and floating rate interests and the short term borrowings constitute 14.17% of the total outstanding borrowings at the end of the year.

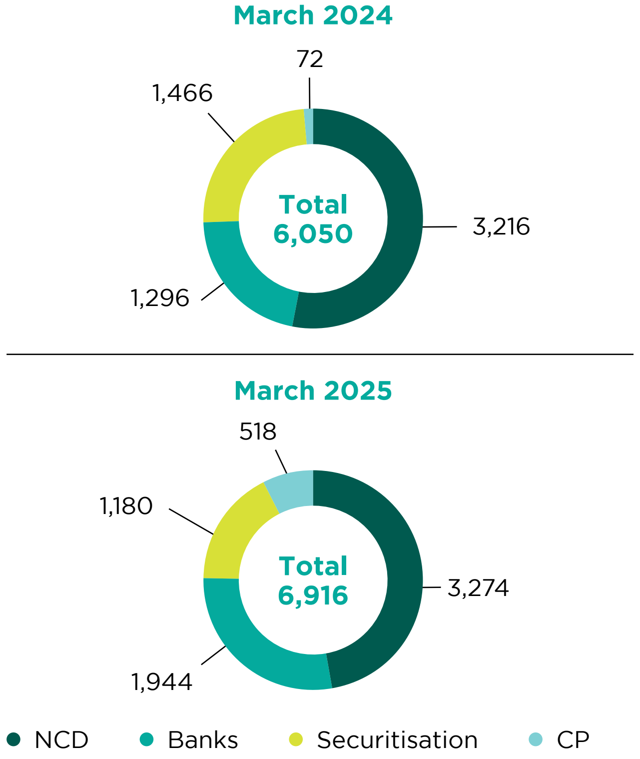
Other than CPs all the borrowings are secured on a pari-passu basis by way of floating charge against the standard loan receivables and unencumbered treasury assets of the Company in favour of IDBI Trusteeship Services Limited.

The average cost of total borrowings incurred during the year was 10.9% per annum compared to 11.6% per annum for last year and the average cost of incremental borrowings incurred during the year has reduced to 10.0% per annum from 11.2% per annum in the last year. The short term rating of the Company is A1+ from both CRISIL and CARE indicating a very strong degree of safety for timely payment of financial obligations with the lowest credit risk whereas the long term rating is AA- with Stable Outlook signifying high degree of safety regarding timely servicing of financial obligations with very low credit risk. During the year CRISIL revised the long-term rating outlook to 'Stable' from earlier 'Negative' citing improving diversification in the borrowing profile owing to traction in fund raising from new and existing banks and also improvement in commercial vehicle asset quality of the Company.

Debt Instruments and Associated Costs

During 2024-25, IndoStar successfully completed its maiden public issue of secured, redeemable Non-Convertible Debentures (NCDs), raising ₹ 266 crore at coupon rates ranging from 10.3% to 10.7% per annum. This issuance, filed with stock exchanges on July 29, 2024, was well received by debt market investors and marked the Company's entry into the NCD market as a new source of funding. In addition, the Company repaid high-cost NCDs aggregating over ₹ 2,500 crore during the year, significantly reducing its borrowing costs. As a result, the incremental cost of borrowing declined to nearly 10% by the close of 2024-25.

Resource Profile (%)



Human Resources

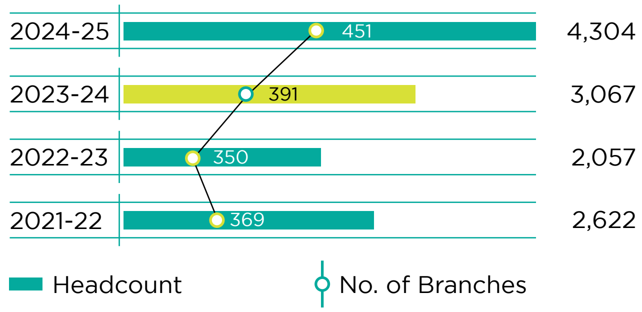
IndoStar considers its workforce as a key enabler of growth and operational excellence. In 2024–25, the Company strengthened its human capital strategy in alignment with its retail-led expansion, focussing on efficient workforce deployment, technology-driven productivity, and long-term talent retention.

The total workforce increased to 4,437 employees as of March 31, 2025, from 3,213 a year earlier, reflecting the scale-up of operations in Tier 3 to Tier 5 markets. Manpower deployment was strategically aligned with branch-level potential and emerging business priorities to ensure optimal resourcing.

The Company continued to foster a culture of collaboration, inclusivity, and performance excellence, supported by four pillars: capability building, employee engagement, wellness, and performance-linked rewards. A structured learning agenda was implemented through initiatives such as the Lead Next leadership programme, Sales Yodha for sales excellence, and targeted Area Yodha and Credit Yodha programmes. Foundational training on compliance, cybersecurity, KYC, POSH, and digital tools was delivered through the Learning Management System (LMS).

Talent retention remained a focus area. While annualised attrition stood at 36%, primarily in front-line roles, stability was maintained in credit and collections teams, ensuring strong risk oversight. Robust performance management processes, including Performance Improvement Plans (PIPs), were implemented to strengthen accountability. The seasoned leadership team with deep BFSI experience continues to anchor the Company's transformation and growth journey.

No. of Staff Members and No. of Branches



Information Technology

IndoStar has made significant progress in enhancing its digital infrastructure, transitioning to a fully digital lending framework with the adoption of a next-generation Loan Origination System (LOS). This system upgrade has greatly improved transparency and control across the entire lending lifecycle.

Key technological advancements include the automation of KYC processes, data-driven underwriting models, and robust API integrations, all of which have contributed to increased operational efficiency. The Company's partnerships with fintech developers have also delivered tangible results, such as the launch of a customer mobile application that reduces the need for in-person branch visits. Similarly, a newly deployed sales app has enhanced the productivity of the sales team by streamlining lead management and field operations.

To further improve accuracy and reduce manual workload, IndoStar has implemented Robotic Process Automation (RPA) in various functions such as incentive processing, data entry, KYC documentation, and daily reporting. Additional technology-led improvements include automated bank ledger reconciliation and real-time PAN and Aadhaar verification, ensuring better compliance with regulatory requirements.

On the infrastructure side, IndoStar has undertaken a phased shift to cloud-based systems from legacy on-premise solutions. This transition has helped optimise costs while improving agility and scalability for core business applications.

Cybersecurity remains a top priority for the Company. Measures such as firewall deployment at all branches, enforced use of complex passwords, dark web surveillance, and mobile device management have significantly strengthened IndoStar's defence against data breaches. Secure email gateways and other data protection tools have been integrated to bolster data security and minimise the risk of leaks.

A testament to these efforts, in May 2025 IndoStar achieved a perfect score of 100 in the 'Cyber Reconnaissance Exercise' conducted by the Reserve Bank of India with external experts – a rare distinction that underscores the robustness of its cybersecurity framework.

Together, these initiatives have positioned IndoStar as a technology-forward NBFC, ready to scale securely and efficiently in a digital-first lending environment.

Risk Management

The Company understands the critical role of a robust risk management framework in realising its business objectives. This enterprise-wide framework, aligned with industry best practices, employs a proactive approach to identify potential threats. This framework employs a proactive approach to identify potential threats. Once identified, each risk is meticulously assessed based on its likelihood of occurrence (probability) and potential impact (level of impact and criticality) on financial performance, operations, reputation, and regulatory compliance.

The risk governance structure is as below:

Board of Directors
(Oversee the entire risk management process)

Risk Management Committee
(Meets four times a year, periodic review of risk framework and process, key risk movements and other initiatives)

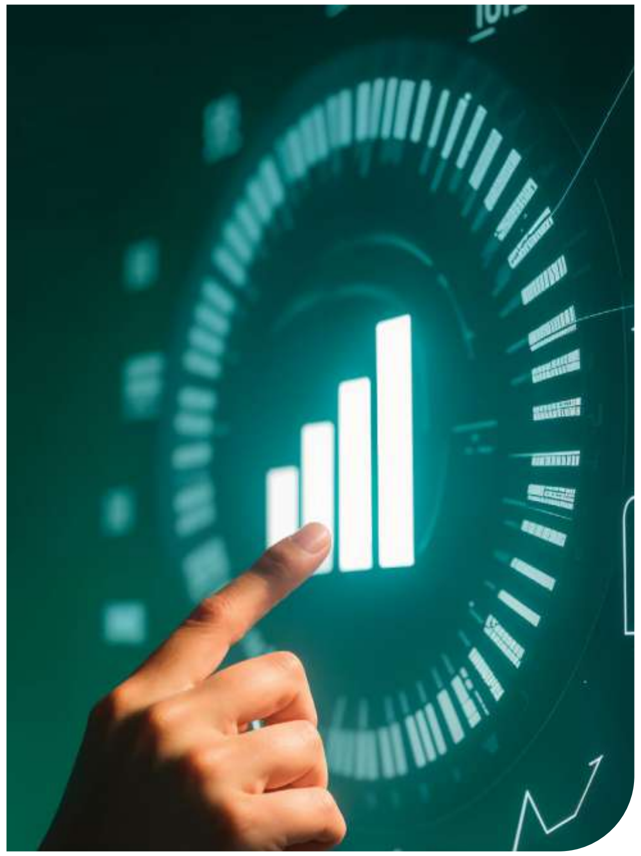
Chief Risk Officer
(Establish framework, tools and techniques, create risk awareness, work with functional heads to identify, assess, mitigate, monitor and report key risks)

The Company's Enterprise Risk Management framework comprehensively covers the following aspects of risk:

- Credit Risk
- ALM and Liquidity Risk
- Operational Risks
- Fraud Risks
- Reputational and Compliance Risks
- Cybersecurity Risks
- Strategic and Business Risks

The Company's risk governance framework operates on a set of fundamental principles to ensure effective management of risks across the organisation. The Board of Directors holds overall responsibility for governance and oversight of core risk management activities which delegates the execution strategy to the RMC. Segregation of duties follows the 'three lines of defence' model, ensuring independence between front-office functions, risk management and oversight, and internal audit roles. Risk strategy, aligned with the Company's risk appetite, is approved by the Board annually to align risk, capital, and performance targets. Major risk classes, including credit risk, market risk, operational risk, and liquidity risk, are managed through focussed and specific risk management processes.

Functional managers support the entity's risk management philosophy, promote compliance with its risk appetite, and manage risks within their spheres of responsibility consistent with risk appetite.



Risk	Description	Mitigation Measures
Credit-Related	Credit risk arises from borrower default, stemming from liquidity crises, economic downturns, bankruptcy, or other factors.	Comprehensive and well-defined credit policy, strengthened underwriting, tech-led collections, early warning systems, regular review of loan portfolio performance and higher provisioning ensure better asset quality.
ALM and Liquidity-Related	The ALM risk arises from a discrepancy in the maturity profiles of assets and liabilities, caused by varying loan tenures for customers compared to debt obligations raised by the Company.	A detailed ALM and Contingency Funding Plan Policy, regular monitoring of key ratios and structural liquidity statements, and ensuring sufficient liquidity assets and reserves to support growth and meet obligations, along with continual access to funds, help maintain liquidity in unforeseen circumstances.
Operational	Operational Risk pertains to operational failures, including breakdowns in processes and controls, which can adversely affect business continuity, reputation, and profitability of the Company.	Robust control and audit mechanisms, adherence to standard operating procedures, and a comprehensive reporting framework ensure that operational risks are minimised and always managed efficiently.
Frauds	The Company may encounter various fraud risks, including loan fraud, identity theft, internal fraud, and cyber fraud. These risks can lead to financial losses and damage to ICFL's reputation due to deliberate deception or misrepresentation by individuals or entities, both internally and externally.	Control framework covering segregation of duties at various levels, maker-checker concept, strengthening of internal controls across the organisation, effective internal audit mechanism, strict adherence to the delegation of authority and dedicated Risk Control Unit has been implemented to mitigate fraud risk.
Reputational and Compliance-Related	In the financial sector, there are intricate regulatory requirements. Failure to comply with these regulations can lead to financial penalties and harm the Company's reputation.	Dedicated compliance teams ensure adherence to applicable laws and regulations, regular audits and reviews, and robust internal control framework.
Cyber security-Related	We may encounter risks such as data breaches, cyberattacks, and unauthorised access, potentially compromising sensitive information and harming the Company's reputation.	Implementation of rigorous information classification and controls, including Data Leak Prevention (DLP) measures, to prevent unauthorised data disclosures, Security Operations Centre (SOC) monitors and responds to security incidents, conducting vulnerability assessment on a regular basis, maintaining robust email and network security measures, development of Business Continuity and Disaster Recovery plans to ensure resilience and preparedness in the face of any disruptions.
Strategic and Business-Related	Such risks arise from poor business decisions, incorrect strategic planning or failure to adapt to changing market conditions, regulations or competition.	Detailed annual business plans, regular competitive analysis, regulatory updates, regular feedback collection and product customisation to improve retention, co-lending and variable cost models are some of the practices adopted by the Company to mitigate such risk.

Internal Financial Controls

In 2024-25, IndoStar maintained a structured framework of internal financial controls aimed at ensuring operational discipline, asset protection, regulatory compliance, and reliable financial reporting. The Company continued to enhance its control environment by identifying and addressing gaps through regular policy reviews and system upgrades. Internal audits, conducted both by the in-house team and with external assistance on an ongoing basis, provided independent assurance. Risk-based internal audit plans focused on high-priority areas, with critical observations first reviewed by the internal audit team and then evaluated by the Audit Committee. Based on the findings, corrective actions were initiated by respective functional heads to strengthen the overall control framework and improve process efficiency. These steps reflect the Company's focus on maintaining strong corporate governance and effective risk oversight.

Cautionary Statement

This document contains 'forward-looking' statements that reflect IndoStar's current expectations regarding future events and performance. These statements involve assumptions and are subject to known and unknown risks and uncertainties. Actual outcomes may differ materially from those projected. Readers should not place undue reliance on these statements, which are qualified in their entirety by the risk disclosures and assumptions detailed in the Management Discussion and Analysis section of the 2024-25 Annual Report.

BOARD'S REPORT

Dear Members,

Your Directors are pleased to present the 16th Annual Report on the affairs of your Company together with the audited financial statements for the financial year ended March 31, 2025.

FINANCIAL HIGHLIGHTS

The key highlights of the audited standalone financial statements of your Company for the financial year ended March 31, 2025 and comparison with the previous financial year ended March 31, 2024 are summarized below:

(₹ In crore)

Particulars	Standalone	
	March 31, 2025	March 31, 2024
Total income	1,412.42	1,125.23
Total expenditure	1,359.82	1,053.62
Profit/(loss) before taxation	52.59	71.61
Less: Provision for taxation		
- Current tax	-	-
- Deferred tax asset	-	-
- Tax of earlier years	-	-
Net profit/(loss) after taxes	52.59	71.61
Other comprehensive income, net of tax	0.69	(0.24)
Total comprehensive income	51.90	71.38
Transfer to statutory reserve fund pursuant to Section 45-IC of the Reserve Bank of India Act, 1934	(10.52)	(14.32)
Appropriation towards dividend and dividend distribution tax	-	-
Surplus in the statement of profit and loss	41.38	57.06
Balance brought forward from previous period	(322.64)	(379.70)
Balance carried to balance sheet	(281.26)	(322.64)
Earnings per share (Face Value ₹ 10/- each)		
Basic (₹)	3.86	5.26
Diluted (₹)	3.74	5.26

FINANCIAL PERFORMANCE AND COMPANY'S STATE OF AFFAIRS

The financial highlights tabulated above are based on the requirement of the Reserve Bank of India ("RBI") Master Direction – Reserve Bank of India (Non-Banking Financial Company –Scale Based Regulation) Directions, 2023, the circulars, directions, notifications issued by the RBI from time to time ("**RBI Directions**") and provisions of the Companies Act, 2013 (**the "Act**") read with Rules made thereunder. For details of Reserves and Surplus of the Company, please refer Note 22 of the audited standalone financial statements of the Company for the financial year ended March 31, 2025.

Details on performance of your Company has also been covered in the Management Discussion and Analysis Report which forms part of the Annual Report.

DIVIDEND AND DIVIDEND DISTRIBUTION POLICY

In terms of the Dividend Distribution Policy of the Company, dividend shall be declared / recommended on the equity shares of the Company, keeping in view the Company's objective of meeting the long-term capital requirement for the business from internal cash accruals and appropriately rewarding shareholders. Details of the Dividend Distribution Policy have been provided in the Corporate Governance Report which is annexed to and forms an integral part of this Board's Report and is also available on the website of the Company at https://www.indostarcapital.com/investors-corner#investor-services.

Due to carry forward losses of previous years and unavailability of sufficient profits of the current year, directors do not recommend any dividend for the financial year under review.

ACCOUNTING METHODS

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards ("**Ind AS**") notified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.

In terms of Section 129 of the Act read with Rules framed thereunder, audited consolidated financial statements of the Company and its subsidiaries shall be laid before the ensuing Annual General Meeting of the Company along with the audited standalone financial statements of the Company for the financial year ended March 31, 2025.

The audited standalone and consolidated financial statements together with Auditor's Report(s) thereon along with the salient features of the financial statements of the subsidiaries of the Company in the prescribed Form AOC – 1 forms part of the Annual Report and are also available on the website of the Company at https://www.indostarcapital.com/investors-corner#investor-relations.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

In terms of Section 186(11) of the Act read with Companies (Meetings of Board and its Powers) Rules, 2014, the provisions of Section 186 in respect of loans made, guarantees given or securities provided by the Company are not applicable to the Company.

Further, pursuant to the provisions of Section 186(4) of the Act, the details of investments made by the Company are given in the Note 06 of the audited standalone financial statements.

SUBSIDIARY COMPANIES & THEIR FINANCIAL PERFORMANCE

As on March 31, 2025, the Company had 2 (two) wholly-owned subsidiaries namely, Niwas Housing Finance Private Limited (erstwhile IndoStar Home Finance Private Limited) ("**NHFPL**") and IndoStar Asset Advisory Private Limited ("**IAAPL**"). The Company does not have any joint venture(s) / associate company(ies) within the meaning of Section 2(6) of the Act.

During the year under review, there has been no change in the nature of business of the subsidiary companies and there were no additions / deletions in the number of subsidiaries of your Company. However, the Board of Directors at its meeting held on September 19, 2024 had approved the sale of shares held by the Company in NHFPL to WITKOPEEND B.V. an affiliate of BPEA EQT Mid-Market Growth Partnership ("EQT") and the same was approved by the shareholders of the Company via. postal ballot on October 26, 2024.

Pursuant to the necessary approvals being received, the Company sold 45,00,00,000 equity shares of ₹ 10/- each held by it in NHFPL (i.e., 100% of shareholding") to WITKOPEEND B.V. at a consideration of ₹ 37.91 per share and accordingly, NHFPL ceased to be the subsidiary of the Company w.e.f. July 17, 2025.

The audited standalone financial statements of each of the subsidiaries are available on the website of the Company at https://www.indostarcapital.com/investors-corner. Members interested in obtaining a copy of the audited standalone financial statements of the subsidiaries may write to the Company Secretary at the Registered & Corporate Office of the Company or at investor.relations@indostarcapital.com. The Company's policy for determination of material subsidiary, as adopted by the Board of Directors, in conformity with regulation 16 of the Listing Regulations, can be accessed on the Company's website at https://www.indostarcapital.com/investors-corner#investor-relations. In terms of the said policy NHFPL continue to be a material subsidiary of the Company during the financial year 2024-25.

Further, pursuant to the requirement of appointing an Independent Director of the Company on the board of directors of NHFPL in terms of explanation to Regulation 24(1) of the Listing Regulations, Ms. Naina Krishna Murthy, Independent Director of the Company, was appointed as the Independent Director on the Board of NHFPL w.e.f. April 22, 2024.

The Audit Committee reviews the financial statements of subsidiaries of the Company, the investments made by its subsidiaries and the statement of all significant transactions and arrangements entered into by the subsidiaries, if any, in terms of the Listing Regulations. The minutes of board meetings of the unlisted subsidiary companies and presentations on business performance of material subsidiary, are placed before the Board.

Niwas Housing Finance Private Limited (erstwhile IndoStar Home Finance Private Limited) ("NHFPL")

NHFPL is registered with the National Housing Bank as a housing finance company without accepting public deposits and primarily focuses on providing affordable home finance. NHFPL commenced business operations in mid of 2017 and has built a quality and profitable portfolio of over ₹ 3,091 crore as on March 31, 2025. NHFPL operates in 9 states and 1 Union Territory across India through various branches and has an employee base of over 1,454 employees as on March 31, 2025.

During the year under review, the total income of NHFPL was ₹ 409.08 crore (previous year: ₹ 290.43 crore). The operations of NHFPL during the year under review has resulted in profit after tax of ₹ 67.76 crore (previous year: ₹ 44.10 crore). The other key performance indicators of NHFPL are: (a) Return on Assets: 3.30% (b) Capital to Risk Weighted Assets Ratio: 49.80% (c) Debt-Equity Ratio: 3.43:1; (d) Assets Under Management: ₹ 3,091 crore which is 36% YoY growth (previous year: 2,270 crore which is 40% YoY growth); (e) Disbursements: ₹ 1,208 crore (previous year: ₹ 937 crore); (f) Gross Stage 3 assets: 1.35%; and (g) Cash & cash equivalent including undrawn lines: ₹ 401.13 crore (previous year: ₹ 397 crore).

During the year, Insurance Regulatory and Development Authority of India ("**IRDAI**") had granted a license dated August 19, 2024 to NHFPL to act as composite corporate agent for solicitation and procurement of insurance business for life insurers, general insurers and health insurers as specified under IRDAI Regulations.

Further, w.e.f. November 22, 2024, name was changed from "IndoStar Home Finance Private Limited" to "Niwas Housing Finance Private Limited".

IndoStar Asset Advisory Private Limited ("IAAPL")

IAAPL is enabled under its objects to carry on the business of *inter-alia* advising, managing, providing investment advisory services, financial advisory services, management and facilitation services. IAAPL acted as an investment manager to IndoStar Credit Fund and IndoStar Recurring Return Credit Fund, both, Category II Alternative Investment Funds registered with the Securities and Exchange Board of India ("**SEBI**"). Presently, IAAPL is in process of surrendering the registration of IndoStar Credit Fund and IndoStar Recurring Return Credit Fund.

During the year under review, the total income of IAAPL was ₹ 0.24 crore (previous year: ₹ 0.19 crore) and the Profit after tax was ₹ 0.17 crore (previous year: loss after tax was ₹ 0.12 crore).

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

In terms of the Listing Regulations and the RBI Directions, the Management Discussion and Analysis Report for the year under review is presented in a separate section forming part of the Annual Report.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT ("BRSR")

Pursuant to Regulation 34 of the Listing Regulations, detailed BRSR report, in the format as prescribed by Securities and Exchange Board of India ("**SEBI**"), describing various initiatives taken by the Company towards the environmental, social and governance aspects is annexed as a part of this Report as **Annexure V** and is also available on the website of the Company at https://www.indostarcapital.com/investors-corner#investor-relations.

REPORT ON CORPORATE GOVERNANCE

The Corporate Governance Report for the year under review, including disclosures as stipulated under Regulation 34 read with Schedule V of the Listing Regulations and the RBI Directions is annexed to and forms an integral part of this Board's Report.

The Managing Director and the Chief Financial Officer have certified to the Board in relation to the financial statements and other matters as specified in the Listing Regulations.

A certificate from M/s. Mehta and Mehta, Practicing Company Secretaries, with respect to compliance with the conditions of Corporate Governance as prescribed under the Listing Regulations is annexed to the Corporate Governance Report.

SHARE CAPITAL

Authorized Share Capital

The Authorized Share Capital of the Company stood at ₹ 200,00,00,000 (Indian Rupees Two Hundred crore Only) divided into (a) 18,75,00,000 (eighteen crore seventy five lakhs) equity shares of ₹ 10 (Indian Rupees Ten only) each, amounting to ₹ 1,87,50,00,000 (Indian Rupees One Hundred Eighty Seven Crores Fifty Lakhs only); and (b) 1,25,00,000 (One Crore Twenty Five Lakh) preference shares of ₹ 10 (Indian Rupees Ten only) each, amounting to 12,50,00,000 (Indian Rupees Twelve Crore Fifty Lakh Only).

Issued, Subscribed and Paid-up Share Capital

As on March 31, 2025, the issued, subscribed and paid-up share capital of the Company stood at ₹ 1,36,09,74,470 divided into 13,60,97,447 equity shares of ₹ 10 each.

During the year under review, the Company issued and allotted 18,152 equity shares to its eligible employees under the Company's Employees' Stock Option Plan 2016 and 2018. As a result, the issued, subscribed and paid-up equity share capital of the Company increased from 1,36,07,92,950 (comprising 1,36,07,92,95 equity shares of the face value of 10/- each) to 1,36,09,74,470 (comprising 13,60,97,447 equity shares of the face value of 10/- each). The equity shares issued under the Employees' Stock Option Scheme ranks pari-passu with the existing equity shares of the Company.

Issue and allotment of convertible warrants

On March 22, 2024, your company via special resolutions passed at the Extra Ordinary General Meeting of the Company approved the issuance of convertible warrants on a preferential basis and accordingly the following allotments were made during the year under review:

Sr. No	Name of allottee	Date of allotment	Category of Allottee	No. of warrants	Price per warrant	Total consideration received
1	Florintree Tecserv LLP	May 26, 2024	Non-Promoter Entity	1,08,69,565	₹ 184	₹ 49,99,99,990*
2.	BCP Multiple Holdings Pte. Ltd.	November 26, 2024	Promoter Entity	1,39,49,323	₹ 184	₹ 2,05,33,40,346#

**25% of the total consideration. Balance 75% to be received upon conversion of warrants into Equity shares.*

#80% of the total consideration. Balance 20% to be received upon conversion of warrants into Equity shares.

Utilisation of funds raised through issue of convertible warrants:

The total fund raised through issue of convertible warrants as stated above were utilized and deployed towards growth objectives of the Company, including to augment the Company's capital base, for onward lending by way of disbursement of loans to borrowers in the ordinary course of the Company's businesses, in accordance with objects stated in the Letter of Offer issued by the Company.

As on March 31, 2025, there were no unutilized funds lying in the account of the Company.

DEPOSITS

The Company has not accepted any public deposits during the year under review and shall not accept any deposits from the public without obtaining prior approval of the RBI. Further, the Company being an NBFC, the disclosure requirements under Chapter V of the Act read with Rule 8(5)(v) and 8(5)(vi) of the Companies (Accounts) Rules, 2014 are not applicable to the Company.

RESOURCES AND LIQUIDITY

The Company has diversified funding sources including public sector banks, private sector banks, mutual funds, insurance companies and financial institutions. Funds were raised through various modes including bank borrowings, issuance of non-convertible debentures on private placement basis as well as public issue of non-convertible debentures, issue of commercial papers, issue of convertible warrants and sale / assignment / securitization of loan assets of the Company etc.

During the year under review, your Company continued with its diverse methods of sourcing funds including borrowing through Secured and Unsecured Debentures, Term Loans, Pass Through Certificate (PTC) Borrowings, Commercial Papers, etc. and maintained a prudent Asset Liability match throughout the year. Leveraging its long-standing relationships with lenders, investors and intermediaries, the Company effectively managed its cost of funds despite the challenging liquidity and interest rate environment. The Company sourced long-term debentures and loans from banks and other institutions at competitive interest rates without compromising the right mix of long and short-term borrowings, thereby maintaining a healthy asset liability position. The Company continues to expand its borrowing profile by tapping into new lenders and geographies.

The Company continued to receive support for its money market issuances from banks through subscription of Commercial Papers (**CPs**) and Nonconvertible Debentures (**NCDs**), and for securitisation through investment in PTCs. The Company maintained strong relationship with all lending banks, which supported the borrowing plan for the financial year 2024-25.

The Company successfully launched its maiden public issue of Secured Redeemable NCDs in September 2024. The issue aimed to raise ₹300 crore, with a base issue size of ₹ 150 crore and an option to retain oversubscription up to another ₹ 150 crore. The issue was subscribed to the extent of ₹ 265.59 crore.

Securitisation

During the year under review, the Company successfully completed eight securitisation transactions through investment in PTCs aggregating to ₹ 1,016.94 crore (Previous year ₹ 1,113.29 crore).

Non-Convertible Debentures ("NCDs")

During the year under review, your Company raised an aggregate of ₹ 1,155.59 crore through issuance of NCDs as detailed hereunder:

1. Private Placement: ₹ 890.00 crore was raised though issuance of secured, redeemable NCDs on private placement basis (previous year: ₹ 2,455 crore).
2. Public Issue: ₹ 265.59 crore was raised through the maiden public issuance of Secured Redeemable NCDs.

As specified in the respective offer documents, the funds raised from issuance of NCDs were utilised for various financing activities including onward lending, repayment of existing indebtedness, working capital requirements and other general corporate purposes of the Company. Till the pending utilization of funds for stated purpose, the funds were temporarily invested in mutual funds/Banks FDs/ maintained a balance in current accounts. Details of the end-use of funds were furnished to the Audit Committee on a quarterly basis. The NCDs are listed on the debt market segment of BSE Limited.

Commercial Paper

As at March 31, 2025, the Company had Commercial Paper ("**CPs**") with an outstanding amount (face value) of ₹ 535 crore (previous year: ₹ 660 crore). CPs constituted approximately 8.41 % of the outstanding borrowings as at March 31, 2025. The CPs of the Company are listed on the debt market segment of the BSE Limited.

Bank Borrowings (Term Loans)

During the year, your Company has borrowed an aggregate of ₹ 1,865 crore (previous year: ₹ 762.50 crore) through bank borrowings with an outstanding of ₹ 1,956 crore as on March 31, 2025.

Your Company continues to be adequately capitalized and is in compliance with capital adequacy norms prescribed by the RBI. Your Company has sufficient liquidity to satisfy its short-term and long-term liabilities.

CREDIT RATING(S)

Credit Ratings assigned to the Company as on March 31, 2025 is summarized below:

Particulars / Rating Agencies	Rating	Remarks
Long Term:		
• Debt Programme		
CARE Ratings Limited	CARE AA(-)	Securities with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such securities carry very low credit risk.
CRISIL Ratings Limited	CRISIL AA(-)	
• Market Linked Debentures		
CARE Ratings Limited	CARE PP-MLD AA(-)	Securities with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such securities carry very low credit risk.
• Short Term Debt Programme / Commercial Paper:		
CRISIL Ratings Limited	CRISIL A1(+)	Securities with this rating are considered to have very strong degree of safety regarding timely servicing of financial obligations. Such securities carry very lowest credit risk.
CARE Ratings Limited	CARE A1(+)	

During the year under review, CARE Ratings Limited did not revise the ratings and retained the same ratings as earlier assigned to the long-term or short-term debts.

During the year under review, while CRISIL did not revise the long-term or short-term rating and retained them at CRISIL AA- and CRISIL A1+ respectively; while it removed "Negative" outlook and assigned "Stable" outlook.

DEBT EQUITY RATIO

Your Company's Debt Equity ratio as on March 31, 2025 stood at 2.03 times.

CAPITAL ADEQUACY RATIO

Your Company is well capitalized to provide adequate capital for its continued growth. As on March 31, 2025, the Capital to Risk Assets Ratio ("CRAR") of your Company stood at 28.46% well above the regulatory limit of 15% as prescribed by the RBI for NBFCs.

NET OWNED FUNDS

The Net Owned Funds of your Company as on March 31, 2025 stood at ₹ 2,299.65 crore (previous year: ₹ 1,741.26 crore).

DIRECTORS AND KEY MANAGERIAL PERSONNEL

At present, the Board of Directors of your Company comprises 8 (eight) Directors of which 3 (three) are Non-Executive Independent Directors, of whom 2 (two) are Woman Director, 4 (four) are Non-Executive Non-Independent Directors and 1 (one) is Executive Director. The Chairperson of the Board of Directors is a Non-Executive Independent Director. The Board composition is in compliance with the requirements of the Act, the Listing Regulations and the RBI Directions. Detailed composition of the Board of Directors of the Company has been provided in the Corporate Governance Report which is annexed to and forms an integral part of this Board's Report.

Appointment and Cessation:

All appointments of Directors are made in accordance with the relevant provisions of the Act, the Listing Regulations, the RBI Directions and other laws, rules, guidelines as may be applicable to the Company. The Nomination & Remuneration Committee ("**NRC**") exercises due diligence *inter-alia* to ascertain the 'fit and proper' status of person who is proposed to be appointed on the Board of Directors of the Company, and if deemed fit, recommends their candidature to the Board of Directors for consideration.

During the year under review, the Board of Directors, upon recommendation of the NRC , at their meeting held on May 13, 2024, approved and recommended appointment of Mr. Randhir Singh as the Whole Time Director and Executive Vice Chairman of the Company to the shareholders of the Company. The shareholders approved the appointment of Mr. Randhir Singh as the Whole Time Director and Executive Vice Chairman by passing a special resolution through postal ballot on June 28, 2024 effective from the date as may be decided by the Board of Directors/its committee. Mr. Randhir Singh assumed office as the Whole Time Director and Executive Vice Chairman of the Company with effect from July 22, 2024.

Mr. Bobby Parikh, Non-Executive Independent Director and Chairman completed his second term of 5 years as an Independent Director in the Company on March 04, 2025. Considering the valuable contribution made by Mr. Parikh towards the growth and success of the Company and his profound understanding of the Company's operations, the regulatory framework governing its activities, and extensive experience in the financial services sector, Mr. Parikh was thereafter appointed as the Non-Executive Director of the Company with effect from March 05, 2025. Following the completion of Mr. Parikh's tenure as an Independent Director and Chairman of the Company, the Board of the Company consisted of only 2 Independent Directors, as against the requirement of a minimum of one-third of the Board of Directors being independent. After identifying and shortlisting suitable candidates and conducting proper due diligence process, the Company appointed Ms. Sujatha Mohan (DIN: 10743626) as an Independent Director w.e.f. April 21, 2025 and the Company has since been in compliance with Regulation 17(1) (b) of the Listing Regulations.

Consequent to expiry of term of Mr. Parikh as Independent Director and Chairman of the Company, Ms. Naina Krishna Murthy (DIN: 01216114) was appointed as Chairperson of the Board of Directors effective from March 05, 2025.

During the year under review Mr. Vibhor Kumar Talreja (DIN: 08768297), Non-Executive Director of the Company resigned from the position of Director w.e.f. March 03, 2025.

Mr. Vinodkumar Panicker ceased to be the Chief Financial Officer pursuant to his retirement effective March 03, 2025. Subsequently, Mr. Jayesh Jain was appointed as Chief Financial Officer of the Company effective the same date.

Mr. Karthikeyan Srinivasan, (DIN: 10056556) resigned from his role as Whole-Time Director & Chief Executive Officer with effect from May 11, 2025 and Mr. Randhir Singh was re-designated and appointed as Managing Director designated as Executive Vice Chairman of the Company, not liable to retire by rotation, with effect from May 11, 2025. He will continue in this role untill the end of his current term till July 21, 2029.

Director(s) Retiring by Rotation

In terms of Section 152(6) of the Act read with the Articles of Association of the Company, Mr. Devdutt Marathe (DIN: 10294876), shall retire by rotation and being eligible, have offered himself for re-appointment at the ensuing Annual General Meeting of the Company. Brief profile of Mr. Devdutt Marathe have been included in the notice convening the ensuing Annual General Meeting.

Re-appointment of Independent Directors

None of the Independent Director(s) on the Board of Directors of the Company is due for re-appointment.

Resignation of Independent Director(s)

During the year under review, none of the Independent Director(s) on the Board of Directors of the Company had resigned before the expiry of their respective tenure(s).

Appointment of Independent Director(s)

The Nomination and Remuneration Committee ("**NRC**") after considering, (i) the relevant skills, background and experience, (ii) declaration/ disclosure/consents received and (iii) after ensuring "fit and proper" status, recommended to the Board appointment Ms. Sujata Mohan (DIN: 10743626) as an Independent Director of the Company for a term of five years in terms of Section 149(10) of the Act. The Board unanimously endorsed the view of the NRC and recommended to the Shareholders of the Company, the appointment of Mr. Sujata Mohan as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of five years, effective from April 21, 2025. On May 24, 2025, the Shareholders of the Company, by way of a special resolution passed through Postal Ballot conducted through remote e-voting mode, approved the appointment of Ms. Sujata Mohan as an Independent Director of the Company for the above-mentioned tenure.

The Board is of the opinion that Ms. Sujata Mohan possess requisite qualifications, experience and expertise and hold the highest standards of integrity and her association would be of immense benefit and value to the Company.

Director(s) Declaration and Disclosures

Based on the declarations and confirmations received in terms of the provisions of the Act, the Listing Regulations and the RBI Directions, none of the Directors on the Board of your Company are disqualified from being appointed or continuing as Directors.

A certificate from H Choudhary & Associates, Practicing Company Secretary, confirming that none of the Directors on the Board of the Company as on March 31, 2025 have been debarred or disqualified from being appointed or continuing as Director on the Board of the Company by SEBI, the Ministry of Corporate Affairs or any such statutory authority, forms part of the Governance Report which is annexed to and forms an integral part of this Board's Report. Further, all the Directors meet the fit and proper criteria stipulated under the RBI Master Directions, as amended.

The Company has received the necessary declaration from each Independent Director in accordance with Section 149(7) of the Act and Regulations 16(1)(b) and 25(8) of the Listing Regulations, that he/she meets the criteria of independence as laid out in Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations. In the opinion of the Board, there has been no change in the circumstances which may affect their status as Independent Directors of the Company and the Board is satisfied of the integrity, expertise, and experience (including proficiency in terms of Section 150(1) of the Act and applicable rules thereunder) of all Independent Directors on the Board. Further, in terms of Section 150 read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended, Independent Directors of the Company have included their names in the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs.

Key Managerial Personnel ("KMP")

During the year under review, Mr. Randhir Singh was appointed as Whole-Time Director designated as an Executive Vice Chairman of the Company w.e.f. July 22, 2024 and was designated as a KMP on October 18, 2024. Mr. Jayesh Jain was appointed as the Chief Financial Officer w.e.f. March 03, 2025 on retirement of Mr. Vinodkumar Panicker from the office of Chief Financial Officer.

On May 11, 2025, Mr. Karthikeyan Srinivasan resigned from the designation of Chief Executive Officer and Whole-Time Director and Mr. Randhir Singh was re-designated and appointed as Managing Director designated as Executive Vice Chairman of the Company.

Following are the KMPs of the Company as on date of this Board's Report:

Mr. Randhir Singh	Managing Director & Executive Vice Chairman
Mr. Jayesh Jain	Chief Financial Officer
Ms. Shikha Jain	Company Secretary & Compliance Officer

MEETINGS

The Board and Committees meet at regular intervals *inter-alia* to discuss, review and consider various matters including business performance, strategies, policies and regulatory updates and impact. During the year under review, the Board met 15 (fifteen) times and several meetings of Committees including the Audit Committee were held. Details with respect to the meetings of the Board of Directors and Committees held during the year under review, including attendance by Directors / Members at such meetings have been provided in the Corporate Governance Report which is annexed to and forms an integral part of this Board's Report.

COMPLIANCE WITH SECRETARIAL STANDARDS

In terms of provisions of Section 118 of the Act, your Company is in compliance with Secretarial Standards on Meetings of the Board of Directors (SS-1) and Secretarial Standards on General Meeting (SS-2) issued by the Institute of Company Secretaries of India. Resolutions passed by circulation are duly placed before the Board in the subsequent Meeting and the text thereof is recorded in the minutes in compliance with SS-1. However, in some cases, details of dissent or abstention, if any, were not specifically noted. The Company is committed to strengthening its processes to ensure complete and continued compliance.

BOARD COMMITTEES

The Board of Directors, in compliance with the requirements of various laws applicable to the Company, as part of good corporate governance practices and for operational convenience, has constituted several committees to deal with specific matters and has delegated powers for different functional areas to different committees.

The Board of Directors has amongst others, constituted the following:

- Audit Committee
- Risk Management Committee
- Nomination & Remuneration Committee
- Asset Liability Management Committee
- Corporate Social Responsibility Committee
- Stakeholders Relationship Committee
- Customer Service Committee
- IT Strategy Committee
- IT Steering Committee
- Borrowing Committee (erstwhile Debenture Committee)
- Management Committee
- Internal Complaints Committee(s)
- Banking Committee
- ESG Working Committee
- Disciplinary Committee
- Debt- Public Issue Committee
- New Product Committee
- Information Security Committee
- KYC AML Committee
- Review Committee
- Identification Committee
- Committee of Executives

Detailed note on the composition of the Board and its committees, including its terms of reference and meetings held are provided in the Corporate Governance Report. The composition and terms of reference of the Committees of the Board of the Company is in line with the provisions of the Act, the Listing Regulations and RBI Directions.

PERFORMANCE EVALUATION

In terms of the provisions of the Act and the Listing Regulations, the Board of Directors adopted a Board Performance Evaluation Policy to set out a formal mechanism for evaluating performance of the Board, that of its committee(s) and individual Directors including the Chairperson. Additionally, in order to outline detailed process and criteria to be considered for performance evaluation, the Nomination & Remuneration Committee ("**NRC**") has put in place the 'Performance Evaluation Process – Board, Committees and Directors', which forms an integral part of the Board Performance Evaluation Policy. The questionnaires for performance evaluation are comprehensive and in alignment with the guidance note on Board evaluation issued by the SEBI, vide its circular no. SEBI/HO/CFD/CMD/CIR/P/2017/004 dated January 05, 2017 and are in line with the criteria and methodology of performance evaluation approved by the NRC.

In terms of the requirement of Schedule IV of the Act and Regulation 25 of the Listing Regulations, a separate meeting of the Independent Directors was held on February 21, 2025 to review the performance of the Board, Non-Independent Directors, Board Committees, individual Directors and the Chairperson.

A statement indicating the manner in which formal evaluation of the performance of the Board, Committee(s) of the Board, individual Directors including the Chairman during the year under review was carried out, is provided in the Corporate Governance Report which is annexed to and forms an integral part of this Board's Report.

The Board of the Company was satisfied with the functioning of the Board and its Committees. The Committees are functioning well and besides covering the Committees' terms of reference, as mandated by applicable laws, important issues were brought up and discussed in the Committee Meetings. The Board was also satisfied with the contribution of Directors in their individual capacities. The Board has full faith in the Chairperson leading the Board effectively and ensuring participation and contribution from all the Board Members.

An annual performance evaluation exercise was carried out in compliance with the applicable provisions of the Act, Listing Regulations, the Company's Code of Independent Directors and the criteria and methodology of performance evaluation approved by the NRC as under:

Evaluating body	Evaluatee	Broad criteria and parameters of evaluation	Process of evaluation
The Board, the NRC and the Independent Directors	The Board as a whole	Review of fulfilment of Board's responsibilities including strategic direction, financial reporting, risk management framework, ESG, grievance redressal, succession planning, knowledge of industry trends, diversity of Board etc. and feedback to improve Board's effectiveness	Internal assessment through a structured and separate rating-based questionnaire for each of the evaluations. The evaluation is carried out on a secured online portal whereby the evaluators are able to submit their ratings and qualitative feedback, details of which are accessible only to the NRC Chairperson. The NRC also reviews the implementation and compliance of the evaluation exercise done annually. The results and outcome are evaluated, deliberated upon and noted by the Independent Directors, the NRC and the Board at their respective meetings.
The Board	The Committees of the Board (separately for each Committee)	Structure, composition, attendance and participation, meetings of Committees, effectiveness of the functions handled, independence of the Committee from the Board, contribution to decisions of the Board etc.	
The Board, the NRC, and the Independent Directors	Independent Directors including those seeking re-appointment, Non-Independent Directors, and the Executive Directors (excluding the Director being evaluated)	Qualifications, experience, skills, independence criteria, integrity of the Directors, contribution and attendance at meetings, ability to function as a team and devote time, fulfilment of functions, ability to challenge views of others in a constructive manner, knowledge acquired with regard to the Company's business, understanding of industry, fairness and transparency demonstrated, adequacy of resource staffing	
The Board, the NRC and the Independent Directors	Chairman	Skills, expertise, effectiveness of leadership, effective engagement with other Board members during and outside meetings, allocation of time to other Board members at the meetings and ability to steer the meetings, commitment, impartiality, ability to keep shareholders' interests in mind, effective engagement with shareholders during general meetings etc.	

Outcome and results of the performance evaluation

As on March 31, 2025, all the Directors of your Company had participated in the evaluation process. The Directors expressed their satisfaction with the Annual performance evaluation process of Board & Committees. The results of the Evaluation for the year under review were shared with the Board, Chairperson of respective Committees and individual Directors.

It was noted that the meetings of the Board and Committees are well managed in terms of comprehensive updates sent well in advance, constructive participation and deliberations at the meeting led by the Chair, enabling Board and Committees to fulfil their statutory / review role and focus on Governance and Internal Controls. It was also noted that the Company during the year under review facilitated familiarisation on Prohibition of Insider Trading Regulations and the other regular updates were provided to the Board on all key matters.

The results of Evaluation showed high level of commitment and engagement of Board, its various Committees and senior leadership. Based on the outcome of the evaluation for the year under review, the Board shall enhance its focus on providing strategic direction, digital initiatives, oversee regulatory matters and maintaining high standards of governance, to enhance value for all stakeholders while deepening its focus on ESG and risk management. Based on the results of the evaluation, the Board has agreed on an action plan to further improve the effectiveness and functioning of the Board. The suggestions from previous evaluations were implemented by the Company during Financial year 2024-25.

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

In compliance with the requirements of the Listing Regulations, the Company has adopted and put in place a Familiarisation Programme for Independent Directors to familiarize Independent Directors *inter-alia* with the industry in which your Company and its subsidiaries operate, the Company's business model and its operations in order to give them an insight into the Company's business and its functioning. A formal letter of appointment is given to Independent Directors at the time of their appointment which lays down the fiduciary duties, roles and responsibilities of an Independent Director. The terms and conditions of appointment of Independent Directors is available on the website of the Company at https://www.indostarcapital.com/investors-corner#investor-services.

In terms of Regulation 46 of the Listing Regulations, the details of familiarisation programmes imparted to the Independent Directors during the year under review including details of number of programmes and number of hours spent by each Independent Director are available on the website of the Company at https://www.indostarcapital.com/investors-corner#investor-services.

POLICY ON APPOINTMENT OF DIRECTORS AND SENIOR MANAGEMENT PERSONNEL

In terms of Section 178 (2) of the Act, the Listing Regulations and the RBI Directions, the Board of Directors adopted a 'Policy on Selection Criteria / "Fit & Proper" Person Criteria' *inter-alia* setting out parameters to be considered for appointment of Directors and Senior Management Personnel of the Company.

During the year under review, the Board of Directors approved amendment to the above Policy in order to align the same with the Act, Listing Regulations and RBI Directions. Details of the Policy on Selection Criteria / "Fit & Proper" Person Criteria have been provided in the Corporate Governance Report which is annexed to and forms an integral part of this Board's Report and is also available on the website of the Company at https://www.indostarcapital.com/investors-corner#investor-services.

REMUNERATION POLICY, DISCLOSURE OF REMUNERATION & PARTICULARS OF EMPLOYEES

Remuneration Policy

Your Company has also adopted the Policy on Remuneration of Directors, Key Managerial Personnel, Senior Management and other Employees of the Company in accordance with the provisions of Sub-section (4) of Section 178 of the Act, RBI Directions notified by the RBI and Listing Regulations.

During the year under review, the Policy on Remuneration of Directors of the Company was amended to, inter-alia, align with existing legal provisions and introduce certain standard clauses. Details of the Remuneration Policy have been provided in the Corporate Governance Report which is annexed to and forms an integral part of this Board's Report. The Remuneration Policy is also available on the website of the Company at https://www.indostarcapital.com/investors-corner#investor-services.

Employee Remuneration

In terms of Section 197 of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the disclosures with respect to the remuneration of Directors, Key Managerial Personnel and employees of the Company have been provided at **Annexure III** to this Board's Report.

Statement containing details of employees as required in terms of Section 197 of the Act read with Rule 5(2) and Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is available for inspection at the Registered & Corporate Office of the Company during working hours for a period of 21 days before the date of the ensuing 16th Annual General Meeting. A copy of the statement may be obtained by shareholders by writing to the Company Secretary at the Registered & Corporate Office of the Company or at investor.relations@indostarcapital.com.

The Board of Directors confirm that remuneration paid to the Directors was as per the Remuneration Policy of the Company.

Details of remuneration paid to the directors of the Company as required to be disclosed under clause IV of Section II of Schedule V of the Act has been provided in the Corporate Governance Report which is annexed to and forms an integral part of this Board's Report.

EMPLOYEE STOCK OPTION PLANS ("ESOP PLANS")

Your Company believes that its success and ability to achieve its objectives is largely determined by the quality of its workforce and recognises that not only good employment opportunities but also additional motivating mechanisms are needed to incentivize employees and aligning their interest with the interest of the Company. In recognition of the said objective, the Company adopted and implemented IndoStar ESOP Plan 2012 ("ESOP 2012"), IndoStar ESOP Plan 2016 ("ESOP 2016"), IndoStar ESOP Plan 2016-II ("ESOP 2016-II"), IndoStar ESOP Plan 2017 ("ESOP 2017") and IndoStar ESOP Plan 2018 ("ESOP 2018") (collectively referred to as "ESOP Plans") to attract, retain, motivate and incentivise employees of the Company and its holding / subsidiary companies. Pursuant to the special resolution passed through Postal Ballot on June 28, 2024, the shareholders of the Company approved the amendment to the IndoStar ESOP Plan 2018 ("ESOP 2018"), to ensure that the ESOP 2018 provides the NRC the flexibility to customise the grant, vesting and exercise conditions for the various levels of employees and those which meet industry remuneration standards.

During the year under review, the Nomination and Remuneration Committee (the "**NRC**") has granted 7,47,424 stock options to the eligible employees of the Company under the Company's Employees' Stock Option Plan (the "**ESOP**") under the different plans of the Company. Further, the Board of Directors at its meeting dated May 13, 2024 on the recommendation of the NRC had approved grant of stock options equal to or exceeding 1% (one percent) of issued capital of the Company i.e., 17,00,000 options under IndoStar ESOP Plan 2018 to Mr. Randhir Singh, Managing Director and Executive Vice Chairman, the same was also approved by the shareholders via postal ballot on June 28, 2024.

The ESOP Plans of the Company are implemented and administered by the NRC.

The Board of Directors confirms that the ESOP Plans are in compliance with the provisions of the Act and Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended ("**SBEB & SE Regulations**") A certificate from the Secretarial Auditors of the Company confirming that the Scheme has been implemented in accordance with SEBI SBEB Regulations, is placed at the website of the Company at https://www.indostarcapital.com/investors-corner#investor-services.

The applicable disclosures as stipulated under SBEB & SE Regulations for the year ended March 31, 2025, with regards to the ESOP Plans, is uploaded on the Company's website and can be accessed at the https://www.indostarcapital.com/investors-corner#investor-services.

AUDITORS

Statutory Auditors & their Report

In terms of the provisions of the Act and the guidelines issued by RBI on April 27, 2021 for appointment of statutory auditors for NBFCs, M S K A & Associates, Chartered Accountants, (Firm registration no. 105047W), Mumbai were appointed as the Statutory Auditors of the Company, for a period of three (3) consecutive years from the conclusion of the 14th Annual General Meeting until the conclusion of the 17th Annual General Meeting.

The Statutory Auditors have issued their unmodified opinion, both on standalone and consolidated financial statements, for the financial year ended March 31, 2025. They have not highlighted any qualifications, reservations, adverse remarks or disclaimers. The Statutory Auditors have not reported any incidents of material fraud to the Audit Committee of the Board during the financial year 2024-25. The notes to the accounts referred to in the auditor's report are self-explanatory and therefore do not call for any further explanation and comments.

Secretarial Auditors & their Report

Pursuant to the requirements of Section 204(1) of the Act read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed M/s. Mehta & Mehta, Practicing Company Secretaries, to conduct the Secretarial Audit for the financial year under review.

The Secretarial Audit Report in Form MR-3 for the financial year under review, as received from M/s. Mehta & Mehta, Company Secretaries, is attached as **Annexure I** to the Board's Report.

M/s. Mehta & Mehta, Company Secretaries, in their report on the secretarial audit of your Company for the financial year ended March 31, 2025 have submitted following remarks/qualifications:

1. As per Secretarial Standard -1, resolutions passed by circulation shall be noted at a subsequent Meeting of the Board and the text thereof with dissent or abstention, if any, shall be recorded in the Minutes of such Meeting. However, abstention is not noted in board meeting.
2. Regulation 17(1) (b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 prescribes the requirement of having at least one-third of the Board of Directors as Independent Directors. However, the composition of the Board is not duly constituted in the absence of requisite number of Independent Directors.
3. The Company has failed to adhere to Regulation 19(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 by appointing Ms. Naina Krishna Murthy as the Chairperson of the Nomination & Remuneration Committee, effective March 05, 2025. Who is also the Chairperson the Board.

Director's Response to the remarks/qualification in Secretarial Audit Report:

1. The Company has noted the remark made and has strengthen its processes and maker-checker system in order to ensure compliance with the applicable to laws/regulations/rules.
2. The Company was in compliance with the provisions of Regulation 17(1) (b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 ("Listing Regulations") until March 4, 2025. Consequent to the expiry of the term of Mr. Bobby Parikh, as Independent Director and Chairman of the Company on March 4, 2025, the Board of the Company consisted of only 2 Independent Directors, as against the requirement of a minimum of 1/3rd of the Board of Directors being independent.

   It is submitted that in order to ensure continued compliance with Regulation 17(1) (b) and considering the importance and criticality of the position of Independent Director on the Board, the Company had initiated the process of identifying a suitable candidate well in advance to the impending expiry of term of Mr. Parikh on March 4, 2025. However, identifying a qualified individual whose expertise and experience aligned with the Company's values and principles and which could contribute positively to the business of the Company and its stakeholders took longer than as anticipated. It may be noted that after identifying and shortlisting suitable candidates and conducting proper due diligence process, the Company appointed Ms. Sujatha Mohan (DIN: 10743626) as an Independent Director w.e.f. April 21, 2025 and the Company has since been in compliance with Regulation 17(1) (b) of the Listing Regulations.
3. Pursuant to expiry of term of Mr. Bobby Parikh as Independent Director on March 4, 2025, Ms. Naina Krishna Murthy, Independent Director and having a relevant legal background, was appointed as Chairperson of the Committee for the time being, subsequently, the Board, at its meeting held on April 29, 2025, again re-constituted the Committee by appointing Mr. Hemant Kaul as a Member and Chairperson of the Committee who is not the Chairperson of the Board or the Company.In terms of Regulation 24A(2) of the Listing Regulations, Annual Secretarial Compliance Report with respect to all applicable compliances under regulations and circulars / guidelines issued by the Securities and Exchange Board of India from M/s. Mehta & Mehta, Practicing Company Secretaries in prescribed format for the financial year ended March 31, 2025 has been submitted to the stock exchanges.

A copy of the secretarial audit report for the financial year 2024-25 issued to Niwas Housing Finance Private Limited (Erstwhile IndoStar Home Finance Private Limited), a material unlisted subsidiary of the Company is attached as **Annexure II** to the Board's Report.

Pursuant to Regulation 24A of Listing Regulations, the Board of Directors have recommended to the shareholders for approval, the appointment of M/s. Mehta & Mehta, Practicing Company Secretaries as Secretarial Auditors of the Company for a term of five (5) consecutive years, from 2025-26 to 2029-30.

Cost record and cost audit

Maintenance of cost records and requirements of cost audit as prescribed under the provisions of section 148(1) of the Act is not applicable for the business activities carried out by the Company.

WHISTLE BLOWER POLICY / VIGIL MECHANISM

In terms of Section 177(9) and Section 177(10) of the Act and the Listing Regulations, the Board of Directors adopted a Whistle Blower Policy and Vigil Mechanism, *inter-alia* to provide a mechanism for internal stakeholders of the Company and external stakeholders including vendors, suppliers, consultants, agents including the Directors, employees of the Company to approach the Audit Committee of the Company and to report genuine concerns related to unethical behavior, actual or suspected fraud, violation of any applicable laws, codes of conduct or policies of the Company, any suspected misconduct/ illegal/ improper conduct and leak or suspected leak of unpublished price sensitive information. The Whistle Blower Policy and Vigil Mechanism provides for adequate safeguards against victimization of stakeholder who report genuine concerns under the mechanism.

During the year under review, the Board of Directors approved amendment to Whistle Blower Policy / Vigil Mechanism broadening the scope of the policy. The Whistle Blower Policy and Vigil Mechanism is uploaded on the website of the Company and can be accessed at Investors corner - IndoStar Capital Finance Limited . More details have been provided in the Corporate Governance Report which is annexed to and forms an integral part of this Board's Report.

During the year, the Company has received 3 (three) whistle blower complaints. All the three cases were investigated and appropriate actions were taken.

The Audit Committee is apprised of the vigil mechanism on a periodic basis. During the year, no person was denied access to the Chairperson of the Audit Committee. A quarterly report on the whistle blower complaints is placed before the Audit Committee for its review.

CORPORATE SOCIAL RESPONSIBILITY

In terms of Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 ("CSR Rules"), the Board of Directors have constituted a Corporate Social Responsibility (CSR) Committee and in light of your Company's philosophy of being a responsible corporate citizen, the Board of Directors adopted a CSR Policy which lays down the principles and mechanism for undertaking various projects / programs as part of Company's CSR activities. During the year under review, the Company was not required to spend any amount towards CSR activities as prescribed under Section 135 of the Act and hence, disclosure pursuant to Section 134(3)(o) of the Act is not applicable to the Company.

During the year under review, the Board of Directors approved amendment to Corporate Social Responsibility Policy to include "promotion of sports" as one of the CSR project/activity and other regulatory amendments in line with the Act. Details of the composition of the CSR Committee and the CSR Policy have been provided in the Corporate Governance Report which is annexed to and forms an integral part of this Board's Report.

RISK MANAGEMENT FRAMEWORK

Your Company has in place a mechanism to identify, assess, monitor and mitigate various risks associated with the business of the Company. Major risks identified by the business and functions, if any, are systematically addressed through mitigating actions on a continuing basis. The Board of Directors have adopted a Risk Management Framework and Policy which *inter-alia* integrates various elements of risk management into a unified enterprise-wide policy.

The Risk Management Committee of the Company has not identified any elements of risk which in their opinion may threaten the existence of your Company. Details of the risks and concerns relevant to the Company are discussed in detail in the Management Discussion and Analysis Report which forms part of the Annual Report.

The Board of Directors approved amendment to Risk Management Framework of the Company with the intention to make it more robust and to meet the requirement of the today's business environment. In compliance with the RBI Directions, the Board of Directors, on the basis recommendation of Risk Management Committee, amended the ICAAP Policy and Framework with the objective of ensuring availability of adequate capital to support all risks in business as also to enable effective risk management system in the Company.

The Chief Risk Officer ("**CRO**") oversees and strengthens the risk management function of the Company. The CRO is invited to participate in meetings of the Board, Audit Committee, Asset Liability Committee and Risk Management Committee. The CRO along with members of the Senior Management apprises the Risk Management Committee and the Board on various aspects of risk assessment, including the process of identifying and evaluating risks, key risks, changes in risk ratings, the root cause of risks and their impact, key risk indicators, mitigation strategies, and action taken to manage and reduce these risks.

Details of the Risk Management Framework and Policy have been provided in the Corporate Governance Report which is annexed to and forms an integral part of this Board's Report.

INTERNAL CONTROL / INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company's well-defined organizational structure supported by documented policies, defined authority matrix and robust internal controls ensuring efficiency of operations, compliance with internal system / policies and applicable laws. The internal control system / policies of your Company are further strengthened with internal audits, regular management reviews and external audits. It provides reasonable assurance in respect of financial and operational information, compliance with applicable statutes, safeguarding of assets of the Company, prevention and detection of frauds, accuracy and completeness of accounting records and also ensuring compliance with the Company's policies.

The Audit Committee continuously monitors the effectiveness of the internal controls system and policies of your Company. The Risk Management Committee and the Audit Committee periodically review various risks associated with the business of the Company along with risk mitigants and ensure that they have an integrated view of risks faced by the Company. The Board of Directors believes that internal control systems are commensurate with the nature, size and complexity of Company's operations.

The Statutory Auditors and the Internal Auditors of the Company have also confirmed that the internal financial control framework is operating effectively.

During the year under review, the Statutory Auditors have not reported any instances of fraud in the Company committed by officers or employees of the Company to the Audit Committee under Section 143(12) of the Act.

INTERNAL AUDIT

The Company has in place an robust Internal Audit Framework to monitor the efficacy of internal controls with the objective of providing to the Audit Committee and the Board of Directors, an independent and reasonable assurance on the adequacy and effectiveness of the Company's risk management, internal control and governance processes. The framework is commensurate with the nature of the business, size, scale and complexity of its operations with a Risk Based Internal Audit (**RBIA**) approach.

The Company has implemented a RBIA Programme in accordance with the requirements of RBI circular dated February 03, 2021. The Internal audit plan is approved by the Audit Committee and internal audits are undertaken on a periodic basis to independently validate the existing controls. Internal Audit Reports are regularly reviewed by the management and corrective action is initiated to strengthen controls and enhance the effectiveness of existing systems. Significant audit observations, if any, are presented to the Audit Committee along with the status of management's action plans and the implementation status of audit recommendations.

Separate meetings between the Head Internal Auditor and the Audit Committee

Separate meetings between the Heads Internal Auditor and the Audit Committee, without the presence of Management, were enabled to facilitate independent and transparent discussion amongst them. The meetings were held on April 24, 2024, September 18, 2024, December 18, 2024, March 12, 2025 and June 17, 2025.

CEO & CFO CERTIFICATE

Compliance Certificate in terms of Regulation 17(8) of the Listing Regulations on the audited financial statements and other matters prescribed therein, submitted to the Board of Directors by the CEO and CFO of the Company, for financial year ended March 31, 2025, is enclosed herewith at **Annexure IV** to this Board's Report.

CONTRACTS / ARRANGEMENTS WITH RELATED PARTIES AND RELATED PARTY TRANSACTION POLICY

During the financial year under review, all transactions entered into by the Company with related parties were in ordinary course of business and on arm's length basis and were not considered material as per the provisions of Section 188 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014. Hence, disclosure in Form AOC-2 under Section 134(3) (h) of the Act, read with the Rule 8 of the Companies (Accounts of Companies) Rules, 2014, is not applicable.

Further during the year under review, your company has amended the Related Party Transaction Policy as per the requirements of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2024.

Prior approval of the Audit Committee is obtained for all Related Party Transactions ("**RPTs**") including omnibus approval for transactions which are of a repetitive nature and entered into in the ordinary course of business and at arm's length in accordance with the Policy on Related Party Transactions of the Company. A statement on RPTs specifying the details of the transactions pursuant to each omnibus approval granted, is placed on a quarterly basis for review by the Audit Committee.

Pursuant to Regulation 23(9) of Listing Regulations, disclosures of RPTs are submitted to the Stock Exchanges on a half-yearly basis and published on the Company's website at https://www.indostarcapital.com/investors-corner#investor-relations.

Disclosure of the related party transactions as required under Ind AS - 24 are reported in Note 33 of the audited standalone financial statements of the Company for the financial year ended March 31, 2025.

Details of the Related Party Transaction Policy have been provided in the Corporate Governance Report which is annexed to and forms an integral part of this Board's Report.

ANNUAL RETURN

In terms of Section 134(3)(a) and Section 92(3) of the Act read with the Companies (Management and Administration) Rules, 2014, the Annual Return as at financial year ended March 31, 2025 in prescribed form No. MGT-7 is available on the website of the Company at https://www.indostarcapital.com/investors-corner#investor-services.

DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013

Your Company is committed to create an environment in which all individuals are treated with respect and dignity and promote a gender sensitive and safe work environment. Accordingly, the Board of Directors adopted a Care & Dignity Policy and also constituted an Internal Complaints Committee, in compliance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013.

Considering geographic diversification across the country and increase in number of employees, the Board of Directors have constituted Regional Internal Complaints Committees for North, West, East and South regions.

To ensure that all the employees are sensitized regarding issues of sexual harassment, the Company conducts online POSH trainings through the internal e-learning platform and knowledge community sessions.

Disclosures as required under Rule 8(5) of the Companies (Accounts) Rules, 2014, as stated below:

(a) number of complaints of sexual harassment received in the year: Nil

(b) number of complaints disposed off during the year: Nil

(c) number of cases pending for more than ninety days: Nil

INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

Details of unclaimed dividends and equity shares which are transferred to the Investor Education and Protection Fund and Investor Education and Protection Fund authority are mentioned in the General Shareholders' Information which forms a part of the Corporate Governance Report.

OTHER DISCLOSURES

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

No material changes and commitments affecting the financial position of your Company have occurred between the end of year under review and date of this Board's Report except sale of material subsidiary of the Company viz. Niwas Housing Finance Private Limited as stated above under para "subsidiary companies and financial performance" in the Board's Report.

During the year under review, no orders have been passed against your Company by any regulator(s) or court(s) or tribunal(s) which would impact the going concern status and / or the future operations of your Company.

During the year under review, your Company, in the capacity of a financial creditor, has not filed petitions before the National Company Law Tribunal under the Insolvency and Bankruptcy Code, 2016 for recovery of outstanding loans against its customers, being corporate debtors.

During the year under review, there has been no instance of one-time settlement with any Bank(s) or Financial Institution(s).

The Company has complied with the applicable provisions relating to Maternity Benefits Act, 1961.

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

The operations of the Company are not energy intensive nor does they require adoption of specific technology and hence information in terms of Section 134(3)(m) of the Act read with the Companies (Accounts) Rules, 2014 is not applicable to the Company. The Company has, however, implemented various energy conservation measures across all its functions which are highlighted in the BRSR forming part of this Report.

During the year under review, your Company did not have any foreign exchange earnings and did not incur any foreign currency expenditure *(Previous year foreign exchange expenditure was ₹ 12.28 crore).*

DIRECTORS RESPONSIBILITY STATEMENT

To the best of the knowledge and belief and according to the information and explanations obtained by them, pursuant to the provisions of Section 134(3)(c) read with Section 134(5) of the Act, the Directors hereby confirm that:

a) in the preparation of the annual accounts for the year ended March 31, 2025, the applicable accounting standards have been followed and no material departures have been made from the same;

b) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profits of the Company for that year;

c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) they have prepared the annual accounts on a going concern basis;

e) they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively during the year ended March 31, 2025.

APPRECIATION AND ACKNOWLEDGEMENT

The Directors take this opportunity to express their appreciation to all stakeholders of the Company including the Reserve Bank of India, the Insurance Regulatory and Development Authority of India, the National Housing Bank, the Ministry of Corporate Affairs, the Securities and Exchange Board of India, the Government of India and other Regulatory Authorities, the BSE Limited, the National Stock Exchange of India Limited, the Depositories, Bankers, Financial Institutions, Debenture Trustees, Credit Rating Agencies, Members, Employees and Customers of the Company for their continued support and trust.

By the Order of the Board of Directors
For **IndoStar Capital Finance Limited**

Naina Krishna Murthy
Chairperson
DIN: 01216114

Place: Mumbai
Date: August 13, 2025

ANNEXURE I

FORM MR-3
SECRETARIAL AUDIT REPORT
FOR THE YEAR ENDED MARCH 31, 2025
{Pursuant to Section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014}

The Members,
INDOSTAR CAPITAL FINANCE LIMITED
Office No- 301, Wing A, CTS No 477
Silver Utopia, Chakala Road,
Opposite Proctor and Gamble, Andheri (E),
Sahargaon, Mumbai- India 400099

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

Based on our verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2025, complied with the statutory provisions listed here under 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 there under;

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

(iv) The Foreign Exchange Management Act, 1999 and the rules and regulations made there under 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 (Listing Obligations and Disclosure Requirements) Regulations, 2015;

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

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

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

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

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

(g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client **(during the period under review not applicable to the Company)**;

(h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 **(during the period under review not applicable to the Company)**;

(i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **(during the period under review not applicable to the Company);**

(j) The Securities and Exchange Board of India (Debenture Trustee) Regulations, 2021;

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

(vi) Master Direction - Know Your Customer (KYC) Direction, 2016

(vii) Reserve Bank of India (Information Technology Governance, Risk, Controls and Assurance Practices) Directions, 2023

(viii) Master Circular – Non-Banking Financial Companies – Corporate Governance (Reserve Bank) Directions, 2015

(ix) Insurance Regulatory and Development Authority of India ("IRDAI") (Registration of Corporate Agents) Regulations, 2015

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

(xi) Master Direction – Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021

(xii) Master Direction – Reserve Bank of India (Regulatory Framework for Microfinance Loans) Directions, 2022

(xiii) Master Direction on Treatment of Wilful Defaulters and Large Defaulters

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

(xv) Master Direction - Reserve Bank of India (Outsourcing of Information Technology Services) Directions

(xvi) Master Direction - Reserve Bank of India (Filing of Supervisory Returns) Directions, 2024;

(xvii) Reserve Bank of India's Circular on Compliance Function and Role of Chief Compliance Officer (CCO) dated April 11, 2022

(xviii) Master Direction – Reserve Bank of India (Fraud Risk Management in NBFCs) Directions, 2024

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

(i) Secretarial Standards issued by the Institute of Company Secretaries of India;

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

During the period under review the Company has complied with the provisions of Act, Rules, Regulations, Guidelines etc **except:**

1. As per Secretarial Standard -1, resolutions passed by circulation shall be noted at a subsequent Meeting of the Board and the text thereof with dissent or abstention, if any, shall be recorded in the Minutes of such Meeting. However, abstention is not noted in board meeting.

2. Regulation 17(1) (b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 prescribes the requirement of having at least one-third of the Board of Directors as Independent Directors. However, the composition of the Board is not duly constituted in the absence of requisite number of Independent Directors during the period March 05, 2025 to March 31, 2025.

3. The Company has failed to adhere to Regulation 19(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 by appointing Ms. Naina Krishna Murthy as the Chairperson of the Nomination & Remuneration Committee, effective March 05, 2025 who is also the Chairperson the Board.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of the Executive Directors, Non-Executive Directors and Independent Directors except for the period starting from March 05, 2025 upto March 31, 2025 as stated above. 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 notices are given to all Directors to schedule the Board / Committee Meetings, agenda and detailed notes on agenda were sent at least seven days in advance to all the Directors. Meetings held at shorter notice are in compliance with the provisions of the Act and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views 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 passed the following special / ordinary resolutions which are having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

a. Issuance of Non-Convertible Debentures on Private Placement basis.

b. Alteration of the Articles of Association of the Company.

c. Appointment of Mr. Randhir Singh (DIN: 05353131) as the Whole-Time Director on the Board of Directors of the Company designated as the Executive Vice Chairman.

d. Amendment of Indostar ESOP plan 2018.

e. Approval of proposed grant of Stock Options equal to or exceeding 1% (one percent) of issued capital of the company under Indostar ESOP plan 2018 at the time of grant to identified employee(s).

f. Approve the sale of Indostar Home Finance Private Limited, material subsidiary of the Company.

We further report that during the audit period the Company has transacted the following activities through the approval of the Board / Committee resolutions which are having major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

a. The Board of Directors at its meeting held on April 29, 2024 approved the issue of Non-Convertible Debentures under private placement, in one or more series or tranches, for an amount not exceeding ₹ 6,000 crore (rupees Six Thousand Crore).

b. The Board of Directors via circular resolution dated May 24, 2024 has allotted 10,869,565 (Ten Million Eight Hundred and Sixty-Nine Thousand Five Hundred and Sixty-Five) convertible warrants at a price of ₹ 184 (Indian Rupees One Hundred and Eighty-Four) per Warrant, each convertible into or exchangeable for 1 (one) Equity Share of the Company to Florintree, a limited liability partnership.

c. The Debt – Public Issue Committee of board of directors on September 25, 2024 has allotted 26,55,854 (Twenty-Six Lakhs Fifty-Five Thousand Eight Hundred and Fifty-Four) non- convertible debentures of the face value of ₹ 1,000 each.

d. The Board of Directors via circular resolution dated November 25, 2024 has allotted 13,949,323 (Thirteen Million Nine Hundred and Forty-Nine Thousand Three Hundred and Twenty-Three) convertible warrants at a price of ₹ 184 (Indian Rupees One Hundred and Eighty-Four) per Warrant, each convertible into or exchangeable for 1 (one) Equity Share of the Company to BCP V Multiple Holdings Pte Ltd, a Promoter of the company.

e. The borrowing committee has allotted following non-convertible debentures during the period under review-

Sr. No.	Date of Allotment	Number of non-convertible debentures allotted of face value ₹ 1,00,000/- (Rupee One Lakh only)
1	November 27, 2024	14,000
2	December 26, 2024	20,000
3	January 16, 2025	20,000
4	February 27, 2025	35,000

f. The Company allotted following ESOP under Indostar ESOP Plan 2016 and ESOP Plan 2018-

Sr. No.	Date of Allotment	Number of Equity Shares allotted of face value ₹ 10/- (Rupee Ten only)
1	November 26, 2024	3,064
2	December 18, 2024	4,775
3	December 23, 2024	1,163
4	February 10, 2025	2,000
5	March 05, 2025	1,250
6	March 25, 2025	5,900

For **Mehta & Mehta**
Company Secretaries
(ICSI Unique Code P1996MH007500)

Alifya Sapatwala
ACS No.: 24091
CP No.: 24895
PR No.: 3686/2023
Place: Mumbai
Date: August 13, 2025
UDIN: A024091G001000880

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,
INDOSTAR CAPITAL FINANCE LIMITED
Office No- 301, Wing A, CTS No 477
Silver Utopia, Chakala Road,
Opposite Proctor and Gamble, Andheri (E),
Sahargaon, Mumbai- India 400099

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) Wherever 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 laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

6) As regard the books, papers, forms, reports and returns filed by the Company under the provisions referred to in points (vi) to (x) of our Secretarial Audit Report in Form MR-3 the adherence and compliance to the requirements of the said regulations is the responsibility of management. Our examination was limited to checking the execution and timeliness of the filing of various forms, reports, returns and documents that need to be filed by the Company with various authorities under the said regulations. We have not verified the correctness and coverage of the contents of such forms, reports, returns and documents.

7) The secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **Mehta & Mehta**
Company Secretaries
(ICSI Unique Code P1996MH007500)

Alifya Sapatwala
ACS No.: 24091
CP No.: 24895
PR No.: 3686/2023
Place: Mumbai
Date: August 13, 2025
UDIN: A024091G001000880

ANNEXURE II

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 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
NIWAS HOUSING FINANCE PRIVATE LIMITED
(Previously Known as: IndoStar Home Finance Private Limited)
CIN: U65990MH2016PTC271587
Regd Off: Unit No.305,3rd Floor, Wing 2/E,
Corporate Avenue Andheri- Ghatkopar Link Road,
Chakala, Mumbai, Maharashtra, India, 400093

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **NIWAS HOUSING FINANCE PRIVATE LIMITED** (herein after called the "Company") **for the audit period covering the financial year ended on March 31, 2025**. 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, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2025, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and, subject to our comments herein after, 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 relevant & applicable provisions of:

1. The Companies Act, 2013**("the Act")** and the rules made there under;
2. The Securities Contracts (Regulation) Act, 1956 **("SCRA")** and the rules made there under (**Not Applicable during the Audit Period)**
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
4. The Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Indirect Foreign Investment.
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 **("SEBI Act")** to the extent applicable: -
   a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (Not applicable during the Audit Period)
   b) The Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015; **(To the extent applicable)**
   c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
   d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018**; (Not applicable during the Audit Period)**
   e) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 as amended; **(Not applicable during the Audit Period)**
   f) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 as amended;
   g) Securities and Exchange Board of India (Debenture Trustee) Regulation, 1993
   h) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993; **(Not applicable during the Audit Period)**
   i) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **(Not applicable during the Audit Period)**
   j) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018; **(Not applicable during the Audit Period)**
6. Based on the representations made by the Company and its officers and our verification of the relevant records on test check basis, the Company has adequate systems and process in place for compliance with the following laws applicable specifically to the Company:
   a) The National Housing Bank Act, 1987 as applicable to Housing Finance Companies;
   b) Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021
   c) Master Direction on Information Technology Governance, Risk, Controls and Assurance Practices;
   d) Master Direction - Know Your Customer (KYC) Direction, 2016;
   e) The Prevention of Money Laundering Act, 2002 and the Rules made thereunder;
   f) Various Circulars, Notifications, Directions, Guidelines, Master Circulars issued by the Reserve Bank of India/National Housing Bank from time to time in respect of Non - Deposit taking Housing Finance Company to the extent applicable.

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

i. Secretarial Standards with regard to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India.

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

Other Statutes, Acts, Laws, Rules, Regulations, Guidelines and Standards as applicable to the Company are given below:

(i) Labour Laws and other incidental laws related to employees appointed by the Company either on its payroll or on contract basis, as related to wages, gratuity, provident fund, ESIC, compensation etc.;

(ii) Stamp Acts and Registration Acts of respective states;

(iii) Acts as prescribed under Direct Tax and Indirect Tax;

(iv) Labour Welfare Acts of respective states;

(v) Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013; and

(vi) Such other Local laws as applicable to the Company and its offices/ branches.

We further report that:

1. During the period under review the Board of Directors of the Company is duly constituted with proper balance of Executive Director and Non-Executive Directors on the Board of Directors of the Company, except regarding absence of a women director who was appointed during the period under review. 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.
2. Adequate notice were given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in compliance with the provisions of the Act and Rules made there under and Secretarial Standards on Board Meetings, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
3. Majority decisions were carried out through unanimous approval and no dissenting views were observed while reviewing the minutes.

We further report that, subject to our observations herein before, 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, circulars, notifications, directions and guidelines.

We further report that during the audit period:

a) Ms. Naina Krishna Murthy (DIN 01216114) was appointed as Non-Executive Independent Director of the Company, for a term of 5 (five) consecutive years, commencing from April 22, 2024 to April 21, 2029. The said appointment was also approved by the members of the Company at their Meeting held on August 20, 2024.

b) Mr. Munish Dayal has resigned from the position of Non-Executive Non-Independent Director of the Company with effect from July 01, 2024.

c) Member of the Company at its Extraordinary General Meeting **("EGM")** held on August 20, 2024 considered and approved change of name of the Company from “IndoStar Home Finance Private Limited” to “Niwas Housing Finance Private Limited”

d) Members of the Company at its 9th Annual General Meeting **(“AGM”)** held on September 13, 2024 *inter-alia*, approved appointment of Kirtane and Pandit LLP, Chartered Accountants, (Firm Reg No.: 105215W/W100057) as the Statutory Auditors of the Company for a period of three years commencing from the conclusion of the ensuing 9th AGM till the conclusion of 12th AGM of the Company.

e) Board of Directors of the Company at its meeting held on September 19, 2024 accorded its consent for the execution, delivery and performance by the Company of the Share Purchase Agreement **(“SPA”)** amongst the Company, Indostar Capital Finance Limited (‘ICFL”), holding company of the Company and Wiktopeend B.V. (the “Purchaser”), wherein the Purchaser has agreed to purchase 45,00,00,000 (Forty Five Crores) equity shares of the Company as held by ICFL along with shares held by its nominee shareholders. Accordingly, the Company had filed an application with Reserve Bank of India for change in management and control.

f) The Company has approved appointment of Mr. Devdutt Marathe (DIN: 10294876) as an additional Non-Executive Non-Independent Director of the Company for a term of 3 years w.e.f October 30, 2024 to October 29, 2027.

g) Board of Directors of the Company at its Meeting held on January 17, 2025, noted resignation of Ms. Nidhi Sadani from the position of Company Secretary and Compliance Officer of the Company w.e.f. close of business hours of January 31, 2025 and approved appointment of Mr. Panth Joshi as Company Secretary and Compliance Officer of the Company to be effective from February 01, 2025

H Choudhary & Associates
(Practicing Company Secretaries)

CS Harnatharam Choudhary
Proprietor
MembershipNo:F8274
CPNo.:9369
UDIN: F008274G000801385

Place: Mumbai
Date: July 17, 2025

ANNEXURE III

DISCLOSURES IN TERMS OF SUB-SECTION 12 OF SECTION 197 OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 FOR THE FINANCIAL YEAR ENDED MARCH 31, 2025

Sr. No.	Requirement	Disclosure	
1.	The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year	**Name of Director**	**Ratio**
		Mr. Bobby Parikh	-
		Mr. Hemant Kaul	-
		Ms. Naina Krishna Murthy	-
		Mr. Dhanpal Jhaveri	-
		Mr. Vibhor Kumar Talreja*	-
		Mr. Aditya Joshi	-
		Mr. Devdutt Marathe	-
		Mr. Randhir Singh#	56.96
		Mr. Karthikeyan Srinivasan^	48.46
2.	The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer and Company Secretary in the financial year	**Name of Director / CEO / CFO/ CS**	**Percentage Increase in their remuneration during the financial year under review**
		Mr. Bobby Parikh	-
		Mr. Hemant Kaul	-
		Ms. Naina Krishna Murthy	-
		Mr. Dhanpal Jhaveri	-
		Mr. Vibhor Kumar Talreja*	-
		Mr. Aditya Joshi	-
		Mr. Devdutt Marathe	-
		Mr. Randhir Singh#	-
		Mr. Jayesh Jain$	-
		Ms. Shikha Jain (CS)	11%
		Mr. Karthikeyan Srinivasan (CEO)^	28%
		Mr. Vinodkumar Panicker (CFO)&	12%
3.	The percentage increase in the median remuneration of employees in the financial year	4%	
4.	Number of permanent employees on the rolls of Company at the end of financial year	4,304	
5.	Average percentile increases already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	The average salaries of employees other than managerial personnel, has increased by 3.61% as compared to average salaries paid in the financial year 2023-24. There has been an average increase in the Managerial Remuneration by 41.61% for the financial year 2024-25 on account of increase in number of managerial personnel.	
6.	Affirmation that the remuneration is as per Remuneration Policy of the Company	It is affirmed that remuneration paid is as per the Remuneration Policy of the Company.	

Note:
**Ceased to be a Director of the Company with effect from March 03, 2025*

#Appointed as Whole-time Director designated as Executive Vice Chairman of the Company with effect from July 22, 2024 and re-designated and appointed as Managing Director designated as Executive Vice Chairman w.e.f. May 11, 2025.

^Ceased to be Whole-time Director and Chief Executive Officer of the Company with effect from May 11, 2025.

$Appointed as Chief Financial Officer of the Company with effect from March 03, 2025.

&Ceased to be Chief Financial Officer of the Company with effect from March 03, 2025.

Further, sitting fees paid to Non-Executive Independent Directors has not been included for calculation of remuneration paid to them

ANNEXURE IV

CEO AND CFO COMPLIANCE CERTIFICATE

To
The Board of Directors
IndoStar Capital Finance Limited

We, Karthikeyan Srinivasan, Chief Executive Officer and Jayesh Jain, Chief Financial Officer hereby certify that:

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

   (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   (2) these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. There are, to the best of their knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violative of the listed entity'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 listed entity 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 indicated to the auditors and the Audit committee

   (1) significant changes in internal control over financial reporting during the year;

   (2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

   (3) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

Karthikeyan Srinivasan
Chief Executive Officer

Jayesh Jain
Chief Financial Officer

Date: April 29, 2025

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1.	Corporate Identity Number (CIN) of the listed entity	L65100MH2009PLC268160
2.	Name of the listed entity	IndoStar Capital Finance Limited (referred to as 'IndoStar', 'ICFL', or 'the Company')
3.	Year of incorporation	July 21, 2009
4.	Registered office address	Silver Utopia, Third Floor, Unit No 301-A, Opposite P & G Plaza, Cardinal Gracious Road, Chakala, Andheri (E), Mumbai – 400 099
5.	Corporate address	Silver Utopia, Third Floor, Unit No 301-A, Opposite P & G Plaza, Cardinal Gracious Road, Chakala, Andheri (E), Mumbai – 400 099
6.	E-mail	icf.secretarial@indostarcapital.com
7.	Telephone	022-4315 7000
8.	Website	www.indostarcapital.com
9.	Financial year for which reporting is being done	2024-25
10.	Name of the Stock Exchange(s) where shares are listed	BSE Limited National Stock Exchange of India Ltd.
11.	Paid-up capital	₹ 1,36,09,74,470/-
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Ms. Shikha Jain Company Secretary & Compliance Officer Phone: 022 – 4315 7039 Email id: sjain4@indostarcapital.com
13.	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together)	The disclosures presented in this report pertain solely to the Company and have been provided on a standalone basis
14.	Name of assurance provider	Not applicable for 2024-25
15.	Type of assurance obtained	Not applicable for 2024-25

II. Products/services

16. Details of business activities (accounting for 90% of the turnover)

S. No.	Description of main activity	Description of business activity	% of turnover of the entity
1	Financial and Insurance Service	Other financial activities	100%

17. Products/Services sold by the entity (accounting for 90% of the entity's turnover)

S. No.	Product/Service	NIC Code	% of total turnover contributed
1	Non-banking financial company involved in financing and related services	649	100%

III. Operations

18. Number of locations where plants and/or operations/offices of the entity are situated

Location	Number of plants	Number of offices	Total
National	NA	446	446
International	NA	NA	NA

19. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of states)	23
International (No. of countries)	NA

b. What is the contribution of exports as a percentage of the total turnover of the entity?

Nil. The Company is not engaged in any export-related activities.

c. A brief on types of customers

The Company, as a non-banking financial institution, primarily focusses on retail lending with key areas, including vehicle finance, housing finance, corporate lending, and SME finance. The customer segments vary across product categories, as outlined below:

Vehicle Finance:

The Company primarily caters to transport operators, particularly Small Road Transport Operators (SRTOs), and provides financing solutions for farm equipment, two-wheelers, four-wheelers, and construction vehicles. It aims to become the preferred lender for this customer base by offering competitive credit facilities that meet their needs while managing associated risks and tapping into the ongoing demand in this space.

Housing Finance:

Through its former wholly-owned subsidiary, Niwas Housing Finance Private Limited (NHFPL) (erstwhile IndoStar Home Finance Private Limited), a non-deposit taking housing finance company registered with the National Housing Bank (NHB), the Company served customers in Tier 2 and Tier 3 towns as well as peripheral urban regions. The focus was on individuals looking to purchase or construct residential properties for self-use.

SME Finance:

The SME lending business supports small and medium-sized enterprises in meeting their business funding requirements, which may include working capital, business expansion or other commercial needs. These loans are typically secured against self-occupied residential or commercial property. The key clientele includes traders, manufacturers, professionals, and service-based businesses. A considerable share of disbursements under this segment qualifies as Priority Sector Lending (PSL).

Corporate Lending:

IndoStar Capital Finance Limited extends tailored structured finance solutions to mid-sized and large corporates. Lending activities span multiple sectors such as real estate, steel, cement, pharmaceuticals, FMCG, financial services, media and entertainment, and dairy, among others, addressing project funding and other business requirements.

Micro LAP:

The Micro LAP product primarily serves small-scale traders, manufacturers, and service providers in Tier 2 and Tier 3 towns, offering fully secured, small-ticket loans to meet working capital, business expansion, and other productive needs. Its customers typically seek collateral-backed credit with manageable tenures and ticket sizes, ensuring strong repayment discipline and risk coverage.

IV. Employees

20. Details as at the end of financial year

a. Employees and workers (including differently abled)

Sr. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
	EMPLOYEES					
1.	Permanent (D)	4,304	4,155	96.54	149	3.46
2.	Other than permanent (E)	132	130	98.48	2	1.52
3.	**Total employees (D + E)**	4,436	4,285	96.60	151	3.40
	WORKERS					
4.	Permanent (F)	NA	NA	NA	NA	NA
5.	Other than permanent (G)	NA	NA	NA	NA	NA
6.	**Total workers (F + G)**	NA	NA	NA	NA	NA

As a Company operating in the financial services sector, there is no requirement to employ workers for its business operations.

b. Differently abled Employees and workers

Sr. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
	DIFFERENTLY ABLED EMPLOYEES					
1.	Permanent (D)	Nil	Nil	Nil	Nil	Nil
2.	Other than permanent (E)	Nil	Nil	Nil	Nil	Nil
3.	**Total differently abled workers (D + E)**	Nil	Nil	Nil	Nil	Nil
	DIFFERENTLY ABLED WORKERS					
4.	Permanent (F)	Nil	Nil	Nil	Nil	Nil
5.	Other than permanent (G)	Nil	Nil	Nil	Nil	Nil
6.	**Total differently abled workers (F + G)**	Nil	Nil	Nil	Nil	Nil

21. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of females	
		No. (B)	% (B / A)
Board of Directors	8	1	12.50%
Key Management Personnel	4	1	25.00%

22. Turnover rate for permanent employees and workers

	2024-25 (Turnover rate in current FY)			2023-24 (Turnover rate in previous FY)			2022-23 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent employees	35.65%	18.91%	35.04%	29.25%	20.37%	28.87%	40.74%	44.75%	40.90%
Permanent workers	NA	NA	NA	NA	NA	NA	NA	NA	NA

V. Holding, Subsidiary and Associate Companies (including joint ventures)

23. (a) Names of holding / subsidiary / associate companies / joint ventures

Sr. No.	Name of the holding/ subsidiary/associate companies/joint ventures (A)	Indicate whether holding/subsidiary/ associate/joint venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	BCP V Multiple Holdings Pte. Ltd.	Holding company	56.20%	No
2	Niwas Housing Finance Private Limited (Formerly 'IndoStar Home Finance Private Limited')^	Wholly-owned subsidiary	100%	Yes
3	IndoStar Asset Advisory Private Limited	Wholly-owned subsidiary	100%	No*

**Presently, IndoStar Asset Advisory Private Limited does not have any business and is in process of closing of Alternate Investment Funds being managed by it.*

^ Ceased to be the subsidiary of the Company w.e.f. July 17, 2025

CSR Details

24. i. Whether CSR is applicable as per section 135 of Companies Act, 2013: No*

ii. Turnover (₹ in lakhs): ₹ 1,41,241.55

iii. Net worth (₹ in lakhs): ₹ 3,41,101.18

*The Company was not required to spend any amount on CSR activities during the financial year 2024-25 as the Company had average net losses during the preceding three financial years.

VI. Transparency and disclosures compliances

25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct

Stakeholder group from whom complaint was received	Grievance Redressal Mechanism in Place (Yes/No) (If yes, then provide a weblink to the grievance redress policy)	2024-25 (Current financial year)			2023-24 (Previous financial year)		
		Number of complaints filed during the year	Number of complaints with pending resolution at the close of the year	Remarks	Number of complaints filed during the year	Number of complaints with pending resolution at the close of the year	Remarks
Communities	https://www.indostarcapital.com/investor-contact/	Nil	NA	NA	Nil	NA	NA
Investors (other than shareholders)	-	Nil	NA	NA	Nil	NA	NA
Shareholders	-	1	Nil	NA	Nil	NA	NA
Employees and workers	-	Nil	NA	NA	Nil	NA	NA
Customers	https://www.indostarcapital.com/contact-us	1,654	8	The complaints reflect pendency as these were under the process of resolution at the time of the quarter end and were resolved in the subsequent month.	640	19	The complaints reflect pendency as these were under the process of resolution at the time of the quarter end and were resolved in the subsequent month.
Value chain partners	-	Nil	NA	NA	Nil	NA	NA
Other (please specify)	-	Nil	NA	NA	Nil	NA	NA

26. Overview of the entity's material responsible business conduct issues.

Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (indicate positive or negative implications)
1.	Corporate Governance and Ethics	Opportunity	Strong governance, ethical conduct, and transparency help sustain stakeholder trust and reduce business risks.	-	Positive
2.	Data Privacy and Cybersecurity	Risk	Increasing digitisation raises exposure to cyber threats, including ransomware, phishing, and data breaches.	Investment in cybersecurity infrastructure, periodic penetration testing, staff training, access controls, and threat monitoring.	Negative
3.	Employee Well-being and Workplace Culture	Opportunity	A positive work environment drives productivity, reduces attrition, and supports long-term talent retention.	-	Positive
4.	Corporate Social Responsibility	Opportunity	CSR enhances societal impact and contributes to reputation-building, especially in core sectors like healthcare and education.	-	Positive
5.	Branding and Reputation	Opportunity	A strong reputation enhances investor confidence and customer loyalty.	-	Positive
6.	Diversity, Equity and Inclusion (DEI)	Opportunity	DEI drives innovation, broadens perspectives, and supports social equity within the workplace.	-	Positive
7.	Regulatory Compliance	Risk	Frequent regulatory updates from RBI, SEBI, and MCA require strong compliance systems to avoid penalties and reputational damage.	Real-time compliance tracking, periodic audits, internal training, and strengthened internal controls.	Negative
8.	Financial Inclusion and Access to Credit	Opportunity	Reaching underserved segments aligns with national goals and opens new growth opportunities.	-	Positive
9.	Responsible Lending Practices	Risk	Poor risk assessment and aggressive lending may lead to high NPAs and reputational fallout.	Strengthening credit policies, borrower education, grievance redressal systems, and early warning mechanisms.	Negative
10.	Sustainable and Responsible Finance	Opportunity	Increasing preference for ESG-compliant financial products demands a responsible approach to capital allocation.	-	Positive
11.	Digital Transformation and FinTech Integration	Opportunity	Rapid digitisation is reshaping NBFCs. Seamless digital services improve customer experience and operational efficiency.	-	Positive

Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (indicate positive or negative implications)
12.	Customer Experience and Satisfaction	Opportunity	Enhancing customer satisfaction builds trust, promotes retention, and supports long-term profitability.	-	Positive
13.	Risk and Crisis Management	Risk	Proactive risk and crisis management is crucial to maintain business continuity amid economic, operational, or environmental shocks.	Enterprise Risk Management (ERM) frameworks, scenario planning, stress testing, and crisis response protocols.	Negative

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

Sr. No.	Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
	Policy and management processes									
1	a. Whether your entity's policy/ policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	NA	Yes	Yes	Yes	Yes	NA	Yes	Yes
	b. Has the policy been approved by the Board? (Yes/No)	Yes	NA	Yes	Yes	Yes	Yes	NA	Yes	Yes
	c. Weblink of the policies, if available	**Policy Web-page:** https://www.indostarcapital.com/investors-corner/ **Principle 1:** https://www.indostarcapital.com/wp-content/uploads/2025/04/ICFL_Code-of-Conduct-Policy_Final.pdf https://www.indostarcapital.com/wp-content/uploads/2025/03/Policy-on-Related-Party-Transactions.pdf https://www.indostarcapital.com/wp-content/uploads/2025/03/Policy-on-determination-of-materiality-of-events-and-information.pdf **Principle 2:** NA **Principle 3:** https://www.indostarcapital.com/wp-content/uploads/2025/02/ICF_Whistleblower-Policy_Final.pdf https://www.indostarcapital.com/wp-content/uploads/2025/05/Remuneration-Policy.pdf **Principle 4:** https://www.indostarcapital.com/wp-content/uploads/2025/03/Dividend-Distribution-Policy.pdf **Principle 5:** https://www.indostarcapital.com/wp-content/uploads/2025/02/ICF_Whistleblower-Policy_Final.pdf **Principle 6:** https://www.indostarcapital.com/wp-content/uploads/2025/04/ICFL_Code-of-Conduct-Policy_Final.pdf **Principle 7:** NA **Principle 8:** https://www.indostarcapital.com/wp-content/uploads/2025/04/ICFL_Code-of-Conduct-Policy_Final.pdf **Principle 9:** https://www.indostarcapital.com/wp-content/uploads/2025/04/ICFL_Code-of-Conduct-Policy_Final.pdf https://www.indostarcapital.com/privacy-policy/								
2	Whether the entity has translated the policy into procedures. (Ye/No)	Yes	NA	Yes	Yes	Yes	Yes	NA	Yes	Yes
3	Do the enlisted policies extend to your value chain partners? (Yes/No)	No. However, the Company promotes involvement of its business associates and representatives in its Business Responsibility initiatives.								
4	Name of the national and international codes/certifications/ labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustees) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	NA								
5	Specific commitments, goals and targets set by the entity with defined timelines, if any.	The Company considers well-defined commitments crucial for monitoring its alignment with the principles outlined in the National Guidelines on Responsible Business Conduct (NGRBC). Sustainability remains a key area of focus, supported by various short- and medium-term measures already underway. Recognising the value of setting structured goals, the Company plans to define measurable targets in upcoming reporting periods. Efforts are also being made to evaluate the environmental and social impacts of its operations, with a continued emphasis on embedding ESG considerations into organisational decision-making.								
6	Performance of the entity against the specific commitments, goals and targets along with reasons in case the same are not met.	As the Company continues to integrate ESG principles into its operations during these initial phases, it anticipates providing a more detailed and comprehensive update in future reporting cycles. The objective remains to support business growth while aligning with long-term sustainability goals. In line with this commitment, the Company has undertaken the digitisation of various loan approval processes to minimise paper usage and has replaced CFLs with energy-efficient LED sensor lighting at its corporate office.								

Sr. No.	Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9

Governance, leadership and oversight

7 Statement by the director responsible for the business responsibility report, highlighting ESG-related challenges, targets and achievements

We take pride in presenting the BRSR Report of ICFL for FY 2024–25. Backed by a strong liquidity and capital position, and a retail-focussed business model, we continue to serve customers through vehicle finance, SME finance, corporate lending, and micro LAP.

At IndoStar, we believe that integrating Environmental, Social, and Governance (ESG) factors into everyday decision-making is critical for long-term sustainability. During the year, we focussed on aligning internal policies with evolving ESG regulations, enhancing data systems, and deepening awareness across the organisation.

Key ESG achievements include:

- Strengthening governance with Board and ESG Working Committee oversight.
- Adopting an Anti-Corruption Policy, reinforcing our zero-tolerance stance.
- Supporting community initiatives in education, healthcare, sanitation, and women's empowerment, including programmes to train women as commercial drivers and build awareness in legal rights, hygiene, and financial literacy.
- Extending support to NGOs focussed on dropout reduction, inequity, and psychological well-being.
- Prioritising employee welfare through medical and term insurance, wellness seminars, and engagement initiatives.

Looking ahead, we aim to further embed ESG principles across business functions, enhance transparency, and drive meaningful community impact while remaining committed to responsible growth and sound governance.

8	Details of the highest authority responsible for implementing and overseeing the Business Responsibility policy(ies).	**Name**: Mr. Randhir Singh **Designation**: Managing Director designated as Executive Vice Chairman **DIN**: 05353131 **Name**: Mr. Jayesh Jain **Designation**: Chief Financial Officer **Chief Financial Officer of the Company is the BR Head as per the Company's Internal Policy.*
9	Does the entity have a specified Committee of the Board/ Director responsible for decision-making on sustainability related issues? (Yes / No). If yes, provide details.	Yes, the Board of Directors have constituted an ESG Working Committee with an object to implement and oversee the Business Responsibility Policies. The Committee comprises Ms. Shikha Jain, Company Secretary and Compliance Officer, Mr. Mihir Bhavsar, Chief Information Security Officer and Mr. K V Bharadwaj, Chief Credit Officer.

10 **Details of Review of NGRBCs by the Company:**

Subject for Review	Review undertaken by Director / Committee of the Board / Any other Committee									Frequency (Annually/ Half yearly/ Quarterly)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against the above policies and follow-up action	All stated policies have been approved by the Board, its Committees, or the Senior Management of the Company. These policies are reviewed on an annual basis, considering applicable regulatory requirements and the review timelines specified within each policy document.																	
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	The Company ensures compliance with all statutory requirements, as and when applicable.																	

		P1	P2	P3	P4	P5	P6	P7	P8	P9
11	Has the entity carried out an independent assessment / evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide the name of the agency.	All policies and processes undergo periodic internal audits and reviews conducted within the Company.								

12 If the answer to question (1) above is 'No' i.e. not all Principles are covered by a policy, reasons to be stated

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)	-	Y	-	-	-	-	-	-	-
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	-	-	-	-	-	-	-	-	-
The entity does not have the financial or/human and technical resources available for the task (Yes/No)	-	-	-	-	-	-	-	-	-
It is planned to be done in the next financial year (Yes/No)	-	-	-	-	-	-	Y	-	-
Any other reason (please specify)	-	-	-	-	-	-	-	-	-

SECTION C: PRINCIPLE-WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1: Businesses should conduct and govern themselves with integrity and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year

Segment	Total no of training and awareness programmes held	Topics / principles covered under the training and impact	% age of persons in respective category covered by the awareness programme
Board of Directors	15	Business strategy, Risk Management System, Regulatory changes, recent developments in operations and IT of the Company, new initiatives taken by the Company, corporate governance and succession planning	100%
Key Managerial Personnel	9	Management Training at IIM Mumbai, POSH training, training on Anti-Bribery and Corruption and Anti Money Laundering Law, Health and safety training, training on insider trading regulations	100%
Employees other than BOD & KMPs	15	POSH training, training on Anti-Bribery and Corruption and Anti Money Laundering Law, Health and safety training, training on Insider Trading Regulations, skill up-gradation training	66%
Workers	NA	NA	NA

2. Details of fines / penalties / punishment / award / compounding fees / settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format

   Kindly refer to the section on non-compliance details under the General Disclosures of the Report on Corporate Governance, which forms part of this Annual Report.

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

   None.

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

   The Company is committed to conducting its business with honesty, integrity, and ethical standards. With a zero-tolerance stance on corruption, it strives to maintain professionalism in all operations and relationships across locations. To support this approach, the Company has implemented effective systems to deter and address corrupt practices. In line with its core values and in adherence to relevant anti-corruption and sanctions laws, the Company has adopted an Anti-Corruption Policy, which is available on its official website at: https://www.indostarcapital.com/wp-content/uploads/2024/12/ICF_Anti-Bribery-and-Anti-Corruption-Policy_Final.pdf

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	2024-25 (Current financial year)	2023-24 (Previous financial year)
Directors	Nil	Nil
KMPs	Nil	Nil
Employees	Nil	Nil
Workers	Nil	Nil

6. Details of complaints with regard to conflict of interest:

	2024-25 (Current financial year)	2023-24 (Previous financial year)
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	Nil
Number of complaints received in relation to issues of Conflict of Interest of the KMPS	Nil	Nil

7. Details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

   NA

8. Number of days of accounts payables ((Accounts payable *365) / Cost of goods/services procured) in the following format:

	2024-25 (Current financial year)	2023-24 (Previous financial year)
Number of days of accounts payables	NA*	NA*

   * Considering the nature of business, cost of goods sold/services procured cannot be ascertained and hence, the said ratio cannot be computed.

9. **Open-ness of business**

   Details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	2024-25 (Current financial year)	2023-24 (Previous financial year)
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	-	-
	b. Number of trading houses where purchases are made from	-	-
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	-	-
Concentration of Sales	a. Sales to dealers / distributors as % of total sales	-	-
	b. Number of dealers / distributors to whom sales are made	-	-
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	-	-
Shares of RPT in	a. Purchases (Purchases with related parties / Total Purchases)	-	-
	b. Sales (Sales to related parties / Total Sales)	-	-
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	0%	0%
	d. Investments (Investments in related parties / Total Investments made)	25%	29%

PRINCIPLE 2: Businesses should provide goods and services in a manner that is sustainable and safe.

Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	2024-25 (Current financial year)	2023-24 (Previous financial year)	Details of improvements in environmental and social impacts
R&D	Nil		
Capex			

2. a. Does the entity have procedures in place for sustainable sourcing (Yes/No)

      No.

   b. If yes, what percentage of inputs were sourced sustainably

      NA

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

   As the Company operates within the financial services sector and is not engaged in any form of manufacturing, this indicator is not applicable.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

   Extended Producer Responsibility (EPR) is not applicable to ICFL's business activities.

PRINCIPLE 3 Businesses should respect and promote the well-being of all employees, including those in their value chains.

Essential Indicators

1. a. Details of measures for the well-being of employees

Category	Total (A)	Health insurance Number (B)	Health insurance % (B / A)	Accident insurance Number (C)	Accident insurance % (C / A)	Maternity benefits Number (D)	Maternity benefits % (D / A)	Paternity benefits Number (E)	Paternity benefits % (E / A)	Day care facilities Number (F)	Day care facilities % (F / A)
Permanent employees											
Male	4,155	4,155	100%	4,155	100%	0	0.00%	4,155	100%	4,155	100%
Female	149	149	100%	149	100%	149	100%	0	0.00%	149	100%
Total	4,304	4,304	100%	4,304	100%	149	3.46%	4,155	96.54%	4,304	100%
Other than permanent employees											
Male	130	130	100%	0	0.00%	0	0.00%	130	100%	130	100%
Female	2	2	100%	0	0.00%	2	100%	0	0.00%	2	100%
Total	132	132	100%	0	0.00%	2	1.52%	130	98.48%	132	100%

b. Details of measures for the well-being of workers

Category	Total (A)	Health insurance Number (B)	Health insurance % (B / A)	Accident insurance Number (C)	Accident insurance % (C / A)	Maternity benefits Number (D)	Maternity benefits % (D / A)	Paternity benefits Number (E)	Paternity benefits % (E / A)	Day care facilities Number (F)	Day care facilities % (F / A)
Permanent workers											
Male	4,285	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	151	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total	4,436	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Other than permanent workers											
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format –

	2024-25 (Current financial year)	2023-24 (Previous financial year)
Cost incurred on well-being measures as a % of total revenue of the company	1%	0.57%

2. Details of retirement benefits, for current financial year and previous financial year

Benefits	2024-25 (Current financial year) No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with authority (Y/N/N.A.)	2023-24 (Previous financial year) No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with authority (Y/N/N.A.)
PF	100%	NA	Y	100%	NA	Y
Gratuity	100%	NA	Y	100%	NA	Y
ESI	6%	NA	Y	21%	NA	Y
Others - please specify	NA	NA	NA	NA	NA	NA

3. **Accessibility of workplaces**

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

The shared office spaces where ICFL's corporate functions are housed are designed to be accessible for persons with disabilities. The Company remains fully committed to fostering an inclusive and supportive work environment and will proactively implement necessary accessibility measures should such requirements emerge in the future.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes. The Company is committed to upholding the principles of equality, dignity, and non-discrimination in line with the Rights of Persons with Disabilities Act, 2016. The Company has adopted an Equal Opportunity approach as mentioned in its Code of Conduct, which ensures fair and equitable treatment for all stakeholders, including persons with disabilities. Employment decisions are based solely on merit, performance, and potential, irrespective of any personal characteristics such as physical or mental disability, gender, caste, or background. The policy also promotes a respectful, inclusive, and safe work environment that supports freedom of speech and humane working conditions.

The Code of Conduct can be accessed through the weblink - https://www.indostarcapital.com/wp-content/uploads/2025/04/ICFL_Code-of-Conduct-Policy_Final.pdf

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees Return to work rate	Permanent employees Retention rate	Permanent workers Return to work rate	Permanent workers Retention rate
Male	100%	100%	NA	NA
Female	100%	100%	NA	NA
Total	100%	100%	NA	NA

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	The employees can write to hr@indostarcapital.com to share their grievances.
Other than Permanent Workers	
Permanent Employees	
Other than Permanent Employees	

7. Membership of employees and workers in association(s) or Unions recognised by the listed entity:

While there are no restrictions in place, employees are presently not affiliated with any employee associations.

8. Details of training given to employees and workers:

Category	2024-25* (Current financial year)					2023-24 (Previous financial year)				
	Total (A)	On health and safety measures		On skill upgradation		Total (D)	On health and safety measures		On skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Male	4,155	NR	NR	2,170	52%	2,947	-	-	1,335	45%
Female	149	NR	NR	82	55%	120	-	-	65	54%
Total	4,304	NR	NR	2,252	52%	3,067	-	-	1,400	46%
Workers										
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

9. Details of performance and career development reviews of employees and workers:

Category	2024-25 (Current financial year)			2023-24 (Previous financial year)		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	4,155	3,301	79.45%	2,947	2,031	69%
Female	149	132	88.59%	120	102	85%
Total	4,304	3,433	79.76%	3,067	2,133	70%
Workers						
Male	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA
Total	NA	NA	NA	NA	NA	NA

10. Health and safety management system:

a) Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?

As the Company operates within the financial services sector, this indicator does not apply.

b) What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

As a financial services organisation, this indicator is not applicable to the Company's operations. However, the Human Resources team remains committed to cultivating a positive and supportive workplace environment that prioritises employee well-being.

c) Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)

As the Company operates within the financial services sector, this indicator does not apply.

d) Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes, the Company provides both medical and term insurance coverage to all employees as part of its overall benefits programme.

11. Details of safety related incidents, in the following format:

As the Company operates within the financial services sector, this indicator does not apply.

12. Describe the measures taken by the entity to ensure a safe and healthy work place.

IndoStar is committed to maintaining a safe and healthy workplace through a combination of wellness initiatives, awareness programs, and preventive health measures. During 2024-25, the Company conducted multiple employee-centric sessions, including Stress Management, Personal Growth, and Women's Health awareness, alongside observances such as World No Tobacco Day and International Yoga Day. Additionally, health check-up camps including covering eye and dental care, were organised across offices, and a Mock Fire Drill was conducted to reinforce safety preparedness, collectively engaging over 1,000 employees throughout the year.

13. Number of complaints on the following made by employees and workers:

	2024-25 (Current financial year)			2023-24 (Previous financial year)		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Working Conditions	Nil	Nil	NA	Nil	Nil	NA
Health & Safety	Nil	Nil	NA	Nil	Nil	NA

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	NA
Working conditions	NA

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

As the Company operates within the financial services sector, this indicator does not apply.

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all their stakeholders.

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

The Company identifies key stakeholders as individuals, groups, institutions or agencies that are either affected by or have an influence on ICFL's business activities, whether currently or in the future. These stakeholders include customers, investors, lenders, government bodies, shareholders, regulatory authorities, value chain partners, the Board of Directors, employees, and the wider community.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalised Group (Yes/ No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly/ others – please specify)	Purpose and scope of engagement, including key topics and concerns raised during such engagement
Customer	No	Digital platforms and application, in-person engagement at branches	Periodic	To achieve customer satisfaction, grievances resolution, feedback for product customisation and customer relationship management
Shareholders/ Investors	No	Press releases and publications, Investor meets, Annual General Meeting, SMS and Email Communication, Stock exchange communication, Website disclosures, Through RTA (Registrar and Transfer Agent)	Quarterly	To inform about the Company's performance, business developments, address investor queries and general updates

Stakeholder Group	Whether identified as Vulnerable & Marginalised Group (Yes/ No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly/ others – please specify)	Purpose and scope of engagement, including key topics and concerns raised during such engagement
Lenders	No	Press releases and publications, Investor meets, Stock exchange communication, Website disclosures	Periodic	To inform about the Company's performance, business developments and to address queries
Regulators	No	Statutory filings, meetings	Periodic	To achieve compliance with statutory requirements and industry updates
Value chain Partners	No	E-mails, Meetings, Training Programmes	Periodic	To achieve an understanding of the portfolio of services offered by the business
Employees	No	Emails and meetings, Internal portals, Employee satisfaction survey, Training programmes, Performance appraisal, Grievance redressal mechanisms	Periodic	To provide a safe and secure work environment and merit-based opportunities towards fulfilment of the Company's vision, mission and achieving sustainability objectives and for professional capacity building

PRINCIPLE 5: Businesses should respect and promote human rights.

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity in the following format

Category	2024-25 (Current financial year)			2023-24 (Previous financial year)		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
Employees						
Permanent	4,304	3,824	88.85%	3,067	NR	NA
Other than permanent	132	73	55.30%	126	NR	NA
Total employees	4,436	3,897	87.85%	3,193	NR	NA
Workers						
Permanent	NA	NA	NA	NA	NA	NA
Other than permanent	NA	NA	NA	NA	NA	NA
Total workers	NA	NA	NA	NA	NA	NA

Note: Through its Code of Conduct, the Company expects all employees to uphold the highest standards of honesty, ethical behaviour and integrity. The Code outlines clear expectations around maintaining mutual respect, safeguarding privacy, promoting equal opportunity and non-discrimination, ensuring a healthy and safe workplace, and preventing sexual harassment.

2. Details of minimum wages paid to employees and workers in the following format:

Category	2024-25 (Current financial year)					2023-24 (Previous financial year)				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Permanent	4,304	0	0.00%	4,304	100.00%	3,067	0	0.00%	3,067	100.00%
Male	4,155	0	0.00%	4,155	100.00%	2,947	0	0.00%	2,947	100.00%
Female	149	0	0.00%	149	100.00%	120	0	0.00%	120	100.00%
Other than permanent	132	0	0.00%	132	100.00%	126	0	0.00%	126	100.00%
Male	130	0	0.00%	130	100.00%	119	0	0.00%	119	100.00%
Female	2	0	0.00%	2	100.00%	7	0	0.00%	7	100.00%
Workers										
Permanent	NA									
Male										
Female										
Other than permanent										
Male										
Female										

3. Details of remuneration/salary/wages

   a. Median remuneration/wages:

	Male		Female	
	Number	Median remuneration/ salary/ wages of the respective category (Amount in ₹)	Number	Median remuneration/ salary/ wages of the respective category (Amount in ₹)
Board of Directors (BoD)*	2	2,88,17,773	0	NA
Key Managerial Personnel**	1	1,59,62,104	1	17,54,964
Employees other than BoD and KMP	4,152	4,79,396	148	6,01,200
Workers (including contractual workers)	Not Applicable			

* Consist of two whole-time Directors

**Excluding 2 KMPs already covered under BoD

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	2024-25 (Current financial year)	2023-24 (Previous financial year)
Gross wages paid to females as % of total wages	5%	4%

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

   Yes.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

   Employees may raise human rights-related concerns with their respective department heads or the Disciplinary Action Committee (DAC). Additionally, such grievances can be escalated to the Chairperson of the Audit Committee under the Whistle Blower Policy or to the Chairperson of the POSH Committee, depending on the nature of the issue. All complaints are handled in accordance with the prescribed procedures of the relevant policy, and suitable corrective measures are implemented where necessary.

6. Number of complaints on the following made by employees and workers:

	2024-25 (Current financial year)			2023-24 (Previous financial year)		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Sexual Harassment	0	0	NA	1	0	NA
Discrimination at Workplace	0	0	NA	0	0	NA
Child Labour	0	0	NA	0	0	NA
Forced Labour/Involuntary Labour	0	0	NA	0	0	NA
Wages	0	0	NA	0	0	NA
Other Human Rights-Related Issues	0	0	NA	0	0	NA

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	2024-25 (Current financial year)	2023-24 (Previous financial year)
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	0	1
Complaints on POSH as a % of female employees / workers	NA	0.83
Complaints on POSH upheld	NA	1

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

The Whistle Blower Policy and the Code of Conduct contain specific provisions to ensure that individuals raising concerns related to discrimination or harassment are protected from any adverse consequences. These frameworks include safeguards to prevent victimisation of complainants and assure them that no harm or retaliation will result from reporting such matters in good faith.

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

No.

10. Assessments for the year:

	% of your plants and offices that were assessed (by the entity or statutory authorities or third parties)
Child labour	Nil
Forced/involuntary labour	Nil
Sexual harassment	Nil
Discrimination at workplace	Nil
Wages	Nil
Others – please specify	Nil

11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

Nil

Principle 6: Businesses should respect and make efforts to protect and restore the environment.

Essential Indicators

1. Details of total energy consumption (in joules or multiples) and energy intensity in the following format:

Parameter	2024-25 (Current financial year)	2023-24 (Previous financial year)
From renewable sources (in GJ)		
Total electricity consumption (A)	-	-
Total fuel consumption (B)	-	-
Energy consumption through other sources (C)	-	-
Total energy consumed from renewable sources (A+B+C)	-	-
From non-renewable sources (in GJ)		
Total electricity consumption (D)	14,235.08	8,383.36
Total fuel consumption (E)	-	-
Energy consumption through other sources (F)	-	-
Total energy consumed from non-renewable sources (D+E+F)	14,235.08	8,383.36
Total energy consumed (A+B+C+D+E+F) (in GJ)	14,235.08	8,383.36
Energy intensity per rupee of turnover (Total energy consumption in GJ/Revenue from operations in ₹)	0.000001	0.000001
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed in GJ/ Revenue from operations in ₹ adjusted for PPP)	0.000021	0.000016
Energy intensity in terms of physical output (Total energy consumed in GJ/employee)	3.21	2.63
Energy intensity (optional) – the relevant metric may be selected by the entity	-	-

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, the name of the external agency.:

No independent assessment/ evaluation/assurance have been conducted.

2. Does the entity have any sites/facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

As the Company operates within the financial services sector, the PAT Scheme of the Government of India does not apply.

3. Provide details of the following disclosures related to water in the following format:

Parameter	2024-25 (Current financial year)	2023-24 (Previous financial year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	-	-
(ii) Groundwater	-	-
(iii) Third-party water	59,886.00	43,105.50
(iv) Seawater/Desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	59,886.00	43,105.50

Parameter	2024-25 (Current financial year)	2023-24 (Previous financial year)
Total volume of water consumption (in kilolitres)	59,886.00	43,105.50
Water intensity per rupee of turnover (Water consumed in KL/Revenue from operations in ₹)	0.000004	0.000004
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption in KL/Revenue from operations in ₹ adjusted for PPP)	0.000088	0.000080
Water intensity in terms of physical output (Total water consumption in KL/ employee)	13.50	13.50
Water intensity (optional) – the entity may select the relevant metric	-	-

4. Provide the following details related to water discharged:

   As the Company operates within the financial services sector, this indicator does not apply.

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

   No

6. Please provide details of air emissions (other than GHG emissions) by the entity in the following format:

   Not recorded

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & their intensity in the following format:

Parameter	Unit	2024-25 (Current financial year)	2023-24 (Previous financial year)
Total Scope 1 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tonnes of CO_2 equivalent	-	-
Total Scope 2 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tonnes of CO_2 equivalent	2,874.70	1,692.97
Total Scope 1 and Scope 2 emissions per rupee of turnover	Metric tonnes of CO_2 equivalent/ Revenue from operations in ₹	0.0000002	0.0000002
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)	Metric tonnes of CO_2 equivalent / Revenue from operations in ₹ adjusted for PPP	0.0000042	0.0000031
Total Scope 1 and Scope 2 emission intensity in terms of physical output	Metric tonnes of CO_2 equivalent / employee	0.65	0.53
Total Scope 1 and Scope 2 emission intensity (optional) – the entity may select the relevant metric	-	-	-

8. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details.

   The Company has not carried out any projects related to reducing Green House Gas emissions during the year.

9. Provide details related to waste management by the entity, in the following format:

   IndoStar follows a structured approach to waste management, focusing on reducing, reusing, and responsibly disposing of waste generated across its operations. The Company implements segregation of waste at source, ensures safe disposal of waste, and promotes paperless and digital processes to minimise environmental impact.

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your Company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

    Given the nature of its business in the financial services sector, the Company's operations do not involve the use or generation of hazardous or toxic chemicals. However, it remains conscious of the environmental impact of its activities and has implemented various measures to minimise waste and encourage responsible consumption:

    - **Paper**: The Company has made considerable progress in digitalising its operations to reduce reliance on paper. Any paper used is shredded and recycled. An electronic platform has also been introduced for Board and Committee meetings, where agendas and related documents are circulated digitally to avoid printing
    - **E-waste**: Traditional lighting has been replaced with energy-efficient LED lights, helping to reduce the environmental risks linked to mercury exposure
    - **Plastic**: The use of single-use plastic has been minimised wherever feasible, with a preference for more sustainable alternatives such as glass
    - **Water**: Employees are regularly encouraged to use water responsibly, and awareness around mindful water consumption is promoted across office locations

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

    Not Applicable.

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws in the current financial year

    Not Applicable

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India, such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

    The Company complies with all environmental regulations applicable to the financial services sector and remains committed to conducting its operations in a responsible and sustainable manner.

PRINCIPLE 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.

Essential Indicators

1. a. Number of affiliations with trade and industry chambers/associations.

   Nil

   b. List the top 10 trade and industry chambers/associations (determined based on the total members of such body) the entity is a member of/affiliated to.

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
	Not Applicable	

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities

   Nil

PRINCIPLE 8: Businesses should promote inclusive growth and equitable development.

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

   As the Company operates within the financial services sector, this indicator does not apply.

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format

   As the Company operates within the financial services sector, this indicator does not apply.

3. Describe the mechanisms to receive and redress grievances of the community

   The Company has not received any grievances from the communities in which it operates. Nonetheless, it remains committed to establishing a structured and responsive grievance redressal mechanism to address any concerns that may arise in the future. Details about the grievance redressal system can be found here: https://www.indostarcapital.com/investor-contact/

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

   As a financial services company, the Company's operations do not depend on substantial input materials.

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost

Location	2024-25 (Current financial year)	2023-24 (Previous financial year)
Metropolitan	60%	65%
Urban	30%	28%
Semi-urban	6%	6%
Rural	4%	1%

PRINCIPLE 9: Businesses should engage with and provide value to their consumers in a responsible manner.

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

   IndoStar offers multiple platforms for customers to raise queries, requests, and complaints, including:

   - **Email**: (contact@indostarcapital.com / pno@indostarcapital.com)
   - **Call Centre:** (022-50799503 / 080-44070071)
   - **PNO Contact**: (044-4004 5818)
   - **IndoMitra App** (Android only)
   - **Website:** www.indostarcapital.com
   - **Facebook**: IndoStar Capital Finance Ltd
   - **WhatsApp Bot:** AskIndo
   - **Branch Walk-ins** (logged via Zoho)

   All customer interactions are routed through the Company's centralised Customer Management System (CMS/SCRM). Responses are also issued from this system to ensure consistency and traceability. If customers do not have an email ID, responses are communicated through the Call Centre and call recordings are retained for records.

   Complaints can also be received through regulatory platforms such as RBI CMS and CPGRAMS. These are escalated to the relevant departments (Operations, Legal, Collections, Branch) and senior management, as needed. Each case is reviewed with reference to details like loan status and complaint history before responding to the customer or regulator with appropriate documentation.

2. Turnover of products and/services as a percentage of turnover from all products/services that carry information about:

   The Company follows a transparent and fair approach in all customer dealings. It ensures that product-related information is communicated clearly and comprehensively, enabling customers to make informed decisions.

	As a percentage of total turnover
Environmental and social parameters relevant to the product	Not Applicable
Safe and responsible usage	Not Applicable
Recycling and/or safe disposal	Not Applicable

3. Number of consumer complaints in respect of the following

	2024-25 (Current financial year)		Remarks	2023-24 (Previous financial year)		Remarks
	Received during the year	Pending resolution at the end of the year		Received during the year	Pending resolution at the end of the year	
Data privacy	Nil	Nil	NA	Nil	Nil	NA
Advertising	Nil	Nil	NA	Nil	Nil	NA
Cybersecurity	1	Nil	NA	Nil	Nil	NA
Delivery of essential services	Nil	Nil	NA	Nil	Nil	NA
Restrictive trade practices	Nil	Nil	NA	Nil	Nil	NA
Unfair trade practices	Nil	Nil	NA	Nil	Nil	NA
Other	Nil	Nil	NA	Nil	Nil	NA

4. Details of instances of product recalls on account of safety issues

   The Company consistently upholds transparency and fairness in all customer interactions. Every product provides customers with all necessary information to enable informed decision-making.

5. Does the entity have a framework/policy on cyber security and risks related to data privacy?

   (Yes/No) If available, provide a weblink to the policy.

   Yes, the Company has policies in placeto address cybersecurity and data privacy risks. These are covered under its IT Policy and Data Privacy Policy, as referenced in the Code of Conduct. The Code outlines responsibilities regarding the secure use of company assets, protection of confidential information, and adherence to data protection standards, ensuring appropriate safeguards for both customer and employee data. Details about the Code of Conduct can be found here: https://www.indostarcapital.com/wp-content/uploads/2025/04/ICFL_Code-of-Conduct-Policy_Final.pdf

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/action taken by regulatory authorities on the safety of products/services.

   No corrective measures were required during the reporting period, as there were no reported concerns or violations related to advertising practices, delivery of essential services, customer data privacy or cybersecurity, product safety, or service recalls. Additionally, no penalties or regulatory actions were imposed regarding the safety of our products or services.

7. Provide the following information relating to data breaches:

   a. Number of instances of data breaches: Nil

   b. Percentage of data breaches involving personally identifiable information of customers: NA

   c. Impact, if any, of the data breaches: NA

REPORT ON CORPORATE GOVERNANCE

Corporate governance is about commitment to values and ethical business conduct. It is also about how an organization is managed viz., its corporate and business structure, culture, policies, and the manner in which it deals with various stakeholders. Timely and accurate disclosure of information regarding the financial position of the Company, performance and ownership forms part of the corporate governance.

I. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

At IndoStar we believe that sound corporate governance practices are the bedrock for the functioning of the Company and creation of value for its stakeholders on a sustainable and long-term basis. This philosophy guides us in defining and maintaining an ethical framework within which we operate. At a macro level, your Company's governance philosophy rests on five basic tenets, viz., (i) Board accountability to the Company and Members; (ii) strategic guidance and effective monitoring by the Board; (iii) protection of minority interests and rights; (iv) equitable treatment of all Members; and (v) transparency and timely disclosures.

The Corporate Governance framework of your Company is based on an effective and independent Board, separation of the Board's supervisory role from the Senior Management, and constitution and functioning of Board Committees, as required under applicable laws.

To enforce our ethical culture, the Company has adopted a Code of Conduct for its directors and employees including the Managing Director, Whole-time Directors and Non- Executive Directors. In addition, the Company has adopted a Code of Conduct for Independent Directors that suitably incorporates the duties of Independent Directors as laid down in the Companies Act, 2013 ("**the Act**").

The Company believes in conducting its business in an honest and ethical manner. The Company has a zero-tolerance approach to corruption and is committed to act professionally with integrity in all its business dealings and relationships wherever it operates and to that effect is inclined towards implementing and enforcing effective systems to prevent / counter corruption. Consistent with its core values, the Company is committed to complying with applicable anti-corruption and sanction laws and has adopted an Anti-Corruption Policy.

The Company has in place various Information Security related policies that ensure proper utilization of IT resources and protection of sensitive data of the Company.

The details of compliance with the requirements stipulated under Chapter IV read with Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("**Listing Regulations**") and Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 ("**RBI Directions**") with respect to corporate governance are as follows:

II. BOARD OF DIRECTORS

Your Company's Board of Directors has a pivotal role to protect and enhance stakeholders' value through strategic supervision. The Board of Directors is a pinnacle body, which *inter alia*, provides strategic directions and exercises appropriate controls over the business and operations of the Company to achieve its objectives. The Board is a blend of members having diverse skills, experience, knowledge, capabilities, expertise, attributes and educational qualifications, amongst others. The composition of the Board comprises highly experienced and knowledgeable persons with good repute and eminence. It has a diverse mix of executive, non-executive and independent directors representing an optimal mix of professionalism, knowledge and experience required for the financial services industry. The corporate governance principles of your Company have been formulated to ensure that the Board of Directors remain informed, independent and participate actively in the affairs of your Company.

In addition to the basic governance practices, the Board of Directors of your Company lays a strong emphasis on transparency, accountability and integrity. Your Company also strives to enhance stakeholders' value by taking measures to continuously improve its corporate governance standards.

A. Composition of the Board

Your Company recognises and embraces the importance of diverse culture of the Board. The Company believes that the Board enhances the quality of the decisions made by it, which is necessary for achieving desired objectives and sustainable results.

As on March 31, 2025, the Board of Directors of your Company is comprised of 8 Directors, of which 2 were Non-Executive Independent Directors of whom one was a Woman Director, 4 were Non-Executive Non-Independent Directors and 2 were Executive Directors.

The composition of the Board of your Company is governed by the requirements of the Companies Act, 2013 read with Rules framed there under ("**Act**"), Regulation 17 of the Listing Regulations, RBI Directions and the Articles of Association of the Company. In terms of the provisions of the Act and Listing Regulations, the Company was in compliance with the requirements of composition of the Board till March 04, 2025. Upon expiry of the term of Mr. Bobby Parikh, as an Independent Director and Chairman of the Company on March 04, 2025, the Board of the Company consisted of only 2 (two) Independent Directors, as against the requirement of having a minimum of one-third of the Board of Directors as independent.

To ensure continued compliance with Regulation 17(1)(b) and considering the importance and criticality of the position of Independent Director on the Board, the Company had proactively initiated the process of identifying a suitable candidate well in advance of the expiry of term of Mr. Parikh on March 04, 2025. However, identifying a qualified individual whose expertise and experience aligned with the Company's values and principles and which could contribute positively to the business of the Company and its stakeholders took longer than initially anticipated. It may be noted that after identifying and shortlisting suitable candidates and conducting proper due diligence process, the Company appointed Ms. Sujatha Mohan (DIN: 10743626) as an Independent Director w.e.f. April 21, 2025. The Company has since been in compliance with the applicable provisions of the Act, Listing Regulations and RBI Directions with respect to the composition of the Board of Directors.

The Directors have submitted necessary disclosures regarding the positions held by them on the Board and/ or Committees of other companies, from time to time.

On the basis of such disclosures, it is confirmed that as on the date of this report, none of the Directors: -

a) hold Directorships in more than 10 (Ten) public Companies;

b) hold Directorships in more than 7 (Seven) listed entities;

c) serve as an Independent Director in more than 7 (Seven) listed entities;

d) is a Member of more than 10 (Ten) Committees or Chairperson of more than 5 (Five) Committees (i.e. Audit and Stakeholders Relationship Committee) across all the public Companies in which he/ she is a Director; and

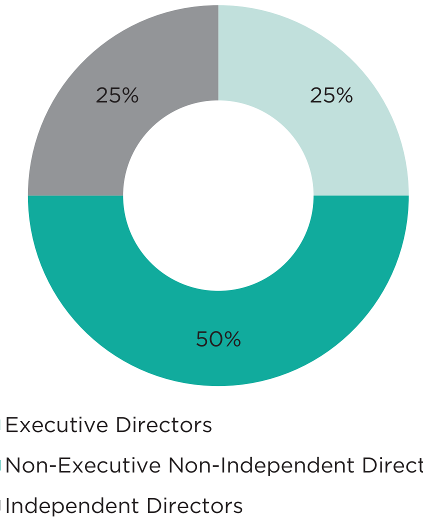
e) are related to each other.

Based on the disclosures received from the Directors, following are the details of the shares/ non-convertible debentures held by the Non-executive Directors of the Company as on March 31, 2025:

Sr. No.	Name of the Director	Type of securities	Quantity
1	Ms. Neeru Jhaveri jointly with Mr. Dhanpal Jhaveri	Equity	1,000
2	Mr. Bobby Parikh	Non-convertible Debentures	25,000
3	Mr. Karthikeyan Srinivasan	Equity	100

The brief profile of the present Directors on the Board is available on the Company's website at https://www.indostarcapital.com/about-us/. The composition of the Board is depicted in the chart below:

Composition of the Board as on March 31, 2025



The details of the Directors of the Company with regard to their Directorships, Committee positions, including that in listed entities, as on March 31, 2025 are as follows:

Name of Director	Category in the Company	No. of Directorship(s) Held* (including this Company)	Committee positions held@		Names of other listed entities where Director holds Directorship (excluding the Company) and the category of directorship held in such other listed entity#
			Member	Chairperson	
Ms. Naina Krishna Murthy	Chairperson & Non-Executive Independent Director	7	6	-	Sterling and Wilson Renewable Energy Limited (Independent Director) Den Networks Limited (Independent Director) Hathway cable and Datacom Limited (Independent Director) Page Industries Limited (Independent Director)
Mr. Hemant Kaul	Non-Executive Independent Director	7	1	-	1
Mr. Bobby Parikh$	Non-Executive Director	6	6	3	Infosys Limited (Independent Director) Biocon Limited (Independent Director)
Mr. Dhanpal Jhaveri	Non-Executive Director	9	2	1	Onward Technologies Limited (Non-Executive Director)
Mr. Aditya Joshi	Non-Executive Director	-	-	-	-
Mr. Devdutt Marathe	Non-Executive Director	2	3	-	-
Mr. Karthikeyan Srinivasan^	Whole-Time Director (Chief Executive Officer)	2	-	-	-
Mr. Randhir Singh**	Whole- Time Director (Executive Vice Chairman)	2	1	-	-

** Includes directorship(s) in public companies, private companies and companies incorporated under Section 8 of the Act, but does not include foreign companies.*
@Includes membership(s) and chairmanship(s) in Audit Committee and Stakeholders' Relationship Committee in all public limited companies. If a Director is a Chairman of a Committee, the same is being included in Membership count also
$ Term of Mr. Bobby Parikh as an Independent Director of the Company expired on March 04, 2025 and Mr. Parikh was re-appointed as an Non-executive Non-Independent Director w.e.f. March 5, 2025
^ Mr. Karthikeyan Srinivasan resigned as Chief Executive Officer and Whole-time Director of the Company w.e.f. May 11, 2025.
*** Mr. Randhir Singh appointed as the Whole-time Director designated as Executive Vice Chairman of the Company effective from July 22, 2024. Re-designated as Managing Director and Executive Vice Chairman effective from May 11, 2025.*

Skills / Expertise / Competencies of the Board of Directors

The diverse skills, expertise and competencies of Board of Directors ensures that the Company retains its competitive advantage. The Board composition represents an optimal mix of professionalism, knowledge, expertise and experience which enables the Board to discharge its responsibilities and provide effective leadership to the business. The Board members have rich and varied experience in critical areas like governance, finance, entrepreneurship, economics, commercial, general management, technology, sustainability, marketing, etc., that allows them to make effective contribution to the Board and its Committees. The following is the list of core skills / expertise / competencies identified by the Board of Directors as required in the context of the Company's business(es) for it to function effectively:

- Leadership
- Experience in the Financial Services Industry
- Strategic Planning
- Knowledge of Regulatory Environment
- Financial and Accounting Expertise
- Board Service, Corporate Governance and Risk Management
- Knowledge in the field of Information Technology

The names of directors who have the above skills / expertise / competencies are as follows:

Name of Director	Leadership	Experience in the Financial Services Industry	Strategic Planning	Knowledge of Regulatory Environment	Financial and Accounting Expertise	Board Service, Corporate Governance and Risk Management	Knowledge in the field of Information Technology
Ms. Naina Krishna Murthy	✓	✓	✓	✓	-	✓	✓
Mr. Bobby Parikh	✓	✓	✓	✓	✓	✓	-
Mr. Hemant Kaul	✓	✓	✓	✓	✓	✓	✓
Mr. Dhanpal Jhaveri	✓	✓	✓	-	✓	✓	-
Mr. Aditya Joshi	✓	✓	✓	-	✓	✓	✓
Mr. Devdutt Marathe	✓	✓	✓	-	✓	✓	✓
Mr. Randhir Singh**	✓	✓	✓	✓	✓	✓	✓
Mr. Karthikeyan Srinivasan*	✓	✓	✓	✓	✓	✓	✓

*** Appointed as the Whole-time Director designated as Executive Vice Chairman of the Company w.e.f. July 22, 2024. Re-designated as Managing Director and Executive Vice Chairman w.e.f. May 11, 2025.*
**Resigned as Whole-time Director and Chief Executive Officer w.e.f. May 11, 2025*

Formal induction and familiarisation programme for directors

The Company's independent directors are eminent professionals with several decades of experience in banking and financial services industry, technology, finance, governance, risk management, analytics, data science and management areas and are fully conversant and familiar with the business of the Company. The Company has an ongoing familiarisation programme for all directors with regard to their roles, duties, rights, responsibilities in the Company, nature of the industry in which the Company operates, the business model of the Company, etc. The programme is embedded in the regular meeting agenda where alongside the review of operations, information on the industry, competition and company strategy are presented on a quarterly basis. The details of the familiarisation programme attended by directors are available on the website of the Company.

As part of the initial familiarisation programme, a formal letter of appointment is being issued by the Company to the independent directors outlining the role, functions, duties and responsibilities of the independent directors being appointed. The terms & conditions of appointment of the independent directors is available on the website of the Company at https://www.indostarcapital.com/investors-corner/.

Further, there is a detailed quarterly discussion and presentation on review of operations of the Company and the regulatory updates impacting the business which helps the director familiarize himself / herself with the Company, its business, and the regulatory framework in which the Company operates.

The number of Directorship(s), Committee Membership(s) & Chairmanship(s) of all Directors on the Board of your Company are within respective limits prescribed under the Act and the Listing Regulations.

Confirmation on Independence of Directors

All the Independent Directors have affirmed compliance with the criteria of independence as stipulated in the Act and the Listing Regulations and have also confirmed their enrollment in the databank of Independent Directors maintained by the Indian Institute of Corporate Affairs.

Further, based on the confirmation received from all the Directors and in the opinion of the Board of Directors, all the Independent Directors of the Company satisfy the criteria of independence specified in the Act and the Listing Regulations and are independent of the Company's Management.

Certificate from Company Secretary in Practice

A certificate from H Choudhary & Associates, Practicing Company Secretary, confirming that none of the Directors on the Board of the Company as on March 31, 2025 have been debarred or disqualified from being appointed or continuing as director on the Board of the Company by the Securities and Exchange Board of India ("SEBI"), the Ministry of Corporate Affairs or any such statutory authority, is annexed to this Corporate Governance Report.

Changes in the directorships during the financial year 2024-25

Sr. No	Name of the Director	Nature of change	Date of change
1.	Mr. Randhir Singh	Appointed as Whole-time Director designated as Executive Vice Chairman	With effect from July 22, 2024
2.	Mr. Bobby Parikh	Expiry of term as an Independent Director	On March 04, 2025
3.	Mr. Bobby Parikh	Appointed as Non-Executive Non-Independent Director	With effect from March 5, 2025
4.	Mr. Vibhor Kumar Talreja	Resigned as Non-Executive Director	With effect from close of business hours on March 3, 2025

B. Board meetings and Board procedure

The Board meets at least once in every quarter to review the quarterly results and other items on the agenda and additional meetings are held to address specific needs and business requirements of your Company. The information as required under Schedule V (c) of the Listing Regulations is made available to the Board.

The schedule of the Board / Committee meetings to be held in a financial year is circulated in advance to enable the Directors / Committee Members to plan their schedule and ensure highest participation at Board / Committee Meetings. Directors are given an option of attending Board / Committee meetings through video conference or other audio-visual means in order to ensure effective decision making through increased participation. The agenda along with detailed notes are circulated to the Directors / Members well in advance and all material information is incorporated in the agenda for facilitating meaningful and focused discussions at meetings of the Board and Committees. With a view to leverage technology and to contribute to environment conservation, your Company has adopted an electronic Board / Committee meetings application where the agenda and all supporting documents are hosted online.

The Board meets at least once in a quarter to review financial results and operations of the Company. In addition, the Board also meets at regular interval in a year to consider, discuss and decide the business strategy including policy matters and gaining the understanding of various businesses carried on by the subsidiaries of the Company.

During the year under review, meetings of the Board of Directors were convened and held 15 times on April 29, 2024, May 13, 2024, July 31, 2024, August 21, 2024, August 29, 2024, September 19, 2024, October 18, 2024, November 29, 2024, December 04, 2024, December 10, 2024, December 26, 2025, January 20, 2025, March 3, 2025, March 27, 2025 and March 28, 2025. These meetings were held in a manner that not more than 120 days intervene between two consecutive meetings. The required quorum was present at all the above mentioned meetings. Due to business exigencies, certain decisions were taken by the Board by way of resolutions passed through circulation, from time to time.

Meetings and attendance during the financial year under review:

Date of Board Meeting	Board Strength	No. of Directors Present
April 29, 2024	8	8
May 13, 2024	8	7
July 31, 2024	9	7
August 21, 2024	9	6
August 29, 2024	9	7
September 19, 2024	9	9
October 18, 2024	9	9
November 29, 2024	9	6
December 04, 2024	9	6
December 10, 2024	9	6
December 26, 2024	9	4
January 20, 2025	9	8
March 3, 2025	9	7
March 27, 2025	8	6
March 28, 2025	8	7

The details of attendance of each Director at the Board Meetings held during the financial year under review and at the previous Annual General Meeting ("**AGM**") of the Company held on September 30, 2024 through virtual mode are as under:

Name of the Directors	No. of Meetings held during tenure of directorship	No. of Meetings attended	Attendance at the previous AGM
Ms. Naina Krishna Murthy	15	11	No
Mr. Hemant Kaul	15	14	Yes
Mr. Bobby Parikh	15	14	Yes
Mr. Dhanpal Jhaveri	15	4	Yes
Mr. Vibhor Kumar Talreja*	13	6	No
Mr. Aditya Joshi	15	13	No
Mr. Devdutt Marathe	15	15	No
Mr. Randhir Singh**	13	12	Yes
Mr. Karthikeyan Srinivasan#	15	15	Yes

** Resigned as Director effective from close of business hours on March 3, 2025*
***Appointed as Whole-time Director and Executive Vice Chairman effective from July 22, 2024*
 # Resigned as Whole-time Director and Chief Executive Officer w.e.f. May 11, 2025

11 (Eleven) Resolutions by circulation were passed by the Board during the year 2024-25.

The Board has unrestricted access to all Company related information including to the members of the management. The Company Secretary ensures that the Board and the committees of the Board are provided with the relevant information, details and documents required for decision making. All material information including the relevant information as stipulated in Part A of Schedule II of the Listing Regulations is circulated to the Board as part of the agenda. The information, in the nature of Unpublished Price Sensitive Information, is circulated to the Board/committee members at a shorter notice on secured platform, with the unanimous consent of the Board obtained at its first meeting held during each financial year.

In order to facilitate effective discussions, the agenda is bifurcated into items requiring consideration and approval and items which are to be noted by the Board.

Detailed presentations and notes are laid before each meeting, by the management and senior executives of the Company to apprise the Board on overall performance on quarterly basis. The senior executives/ management of the Company are also invited to attend the meetings to make presentations on business plans, business performance, operations, financial performance, risk management, update on regulatory changes applicable to the Company and its subsidiaries and to provide update on other significant issues and matters to the Board on a periodical basis. Additionally, the Board members interact with the CEOs/business heads of respective subsidiary companies for clarification/information, as and when required. These processes provide opportunity to the Board/committee members to interact with the members of the management.

The Board is provided with all the information in a timely manner in order to discharge its duties and to take well informed decisions.

The Company Secretary attends all the meetings of the Board and its committees and is, *inter alia*, responsible for recording the minutes of such meetings. The draft minutes of the meetings of the Board and its committees are sent to the Board/committee members for their comments in accordance with the Secretarial Standard on meetings of the Board of Directors **(the "SS-1"),** issued by the Institute of Company Secretaries of India. Suggestions, if any, received from the Board/committee members are suitably incorporated in the draft minutes, in consultation with the Chairman of the Board/committee.

Thereafter, the minutes are entered in the minutes book within the prescribed time limit.

Succession Planning

Succession planning is an essential component for the survival and growth of any business as it ensures continuity of business process. It provides a way to identify key roles, people with the right skills/talent and filling up the vacancy, as and when required.

The Company's succession planning framework deliberates on various factors including current tenure of Directors, anticipated vacancies in key Board and Senior Management positions, assessment of skills including skill-gaps, diversity, etc., to ensure orderly succession planning.

The Nomination and Remuneration Committee regularly reviews the succession planning policy of the Company and recommend changes, if any, to the Board for its approval. Pursuant to Regulation 17(4) of the Listing Regulations, the Board satisfies itself that plans are in place for orderly succession for appointment to the Board and senior management.

C. Separate meeting of Independent Directors

In terms of the Act and the Listing Regulations, a meeting of the Independent Directors was held on February 21, 2025 without the attendance of the Non-Independent Directors and members of the management of the Company. All the Independent Directors attended the meeting through video conference.

At their meeting, the Independent Directors reviewed the performance of the non-independent directors and the Board as a collective entity. The Independent Directors also reviewed the performance of the Chairperson of the Company, taking into account the views of executive directors and non-executive directors of the Company. The Independent directors also assessed the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

As required under the Listing Regulations, the Company has Directors and Officers Liability Insurance (D&O Policy) which is renewed every year. It covers directors including independent directors of the Company and of its subsidiaries.

D. Performance evaluation of the Board

A formal mechanism has been adopted for evaluating the performance of the Board, the Committees thereof, individual Directors and the Chairman of the Board. The evaluation is based on criteria which include, amongst others, providing strategic perspective, time devoted and preparedness for meetings, quality, quantity and timeliness of the flow of information between the Board Members and the Management, contribution at the meetings, effective decision making ability, role and effectiveness of Committees, etc. The Directors duly completed and submitted the questionnaires providing feedback on functioning of the Board as a whole, Committees and Chairman of the Board.

Further details are mentioned in the Board's Report.

E. Code of Conduct for Board Members and Senior Management

In compliance with Regulations 17(5) and 26(3) of the Listing Regulations, the Company has adopted a Code of Conduct for all the stakeholders of the Company including the Board Members and Senior Management of the Company ("the Code"). The Code is available on the Company's website at ICF - Code of Conduct.

All the Board Members and Senior Management Personnel have confirmed compliance with the Code during the financial year under review and a declaration to that effect signed by the Executive Vice Chairman of the Company forms a part of this Annual Report.

III. COMMITTEES OF THE BOARD

In terms of the RBI Directions, the Listing Regulations, the applicable circular(s), regulation(s) and notification(s) issued by the SEBI, the applicable provisions of the Act and the Company's internal corporate governance standards, the Board of Directors have constituted various committees mentioned herein below and the role of each committee has been defined by the Board of Directors for effective functioning and governance within the Company. The Board of Directors have accepted and implemented the mandatory recommendations made by the Committee(s) during the year under review.

Minutes of the meetings of all the Committees constituted by the Board of Directors are placed before the Board of Directors for discussion and noting.

Audit Committee

Composition, Meetings and Attendance

The Audit committee consists of three (3) members, 2 (two) of whom are non-executive independent directors and Chairman of the Audit Committee is an Independent Director thereby meeting the requirements of Section 177 of the Act read with rules thereto and Regulation 18 of the Listing Regulations. All the members of the Audit committee are financially literate and possess relevant knowledge of the financial services industry.

As on March 31, 2025, The Audit Committee comprised of following members:

- Mr. Hemant Kaul - Chairman
- Ms. Naina Krishna Murthy
- Mr. Devdutt Marathe

The Statutory Auditors and the Internal Auditors of the Company submit their report(s) directly to the Audit Committee.

During the year under review, the Audit Committee met seven (7) times on April 29, 2024, July 31, 2024, August 29, 2024, September 11, 2024, October 18, 2024, January 20, 2025 and March 3, 2025. The required quorum was present at all the above meetings. The Chairman of the Audit Committee was present at the last Annual General Meeting of the Company held on September 30, 2024. Due to business exigencies, certain decisions are taken by the Committee by way of resolutions passed through circulation, from time to time. During the year under review one (1) resolution was passed through circular resolution.

The details of attendance by the Members at the meeting(s) held during the year under review are as under:

Name of the Members	Status	(No. of Meetings held during tenure of member-ship)	No. of Meetings attended
^Mr. Bobby Parikh	Chairman	7	7
$Mr. Hemant Kaul	Chairman	7	7
Ms. Naina Krishna Murthy	Member	7	6
*Mr. Aditya Joshi	Member	4	4
#Mr. Devdutt Marathe	Member	3	3

^ Ceased to be member and Chairman of the committee w.e.f. March 5, 2025

$ Designated as the Chairman of the committee w.e.f. March 05, 2025

** Ceased to be member of the committee w.e.f. September 26, 2024*

#Appointed as a member of the committee w.e.f. September 26, 2024

Ms. Shikha Jain acts as the secretary of the Audit Committee.

Terms of reference

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

1. Oversight of the Company's financial reporting process;
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and internal auditor, and related matters;
3. Reviewing and examination, with the management, of the quarterly/half yearly/ annual financial statements and the Limited Review Report/auditors' report thereon before submission to the board for approval;
4. Scrutiny of inter-corporate loans and investments;
5. Valuation of undertakings or assets of the Company, wherever it is necessary;
6. Evaluation of internal financial controls and risk management systems;
7. To review the utilisation of loans/advances/ investments to subsidiary company(s) exceeding 100 crore or 10% asset size of subsidiary, whichever is lower, including existing loans/advances/investments;
8. Review the financial statements of the unlisted subsidiary in particular the investments made by the unlisted subsidiary;
9. 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;
10. Review and oversee the functioning of the whistle blower / vigil mechanism of the Company;
11. Approval, ratify or any subsequent modification of transactions of the Company with related parties.

Nomination & Remuneration Committee ("NRC")

Composition, Meetings and Attendance

The Nomination and Remuneration committee (the "**NRC**") consists of Three (3) members, two (2) of whom are independent directors thereby meeting the requirements of Section 178 of the Act read with rules thereto and Regulation 19 read with Part D of Schedule II of the Listing Regulations and RBI Directions.

As on March 31, 2025, the NRC comprised of following members:

- Ms. Naina Krishna Murthy – Chairperson
- Mr. Hemant Kaul (Chairman upto March 04, 2025)
- Mr. Aditya Joshi

Due to change in directors of the Company on March 3, 2025, various committees of the Board were re-constituted. In order to ensure diversity and proper representation on every committee, Ms. Naina Krishna Murthy who was appointed as the chairperson of the Board was also appointed as chairperson of the NRC w.e.f. March 5, 2025. However, in order to comply with the provision of Regulation 19 of the Listing Regulations, Mr. Hemant Kaul was again appointed as Chairman of the Committee w.e.f. April 29, 2025.

During the year under review, the NRC met eight (8) times on April 29, 2024, May 13, 2024, July 31, 2024, September 19, 2024, October 18, 2024, January 20, 2025, February 26, 2025 and March 03, 2025. The required quorum was present at all the above Meetings. The Chairman of the NRC was present at the last Annual General Meeting of the Company held on September 30, 2024. Due to business exigencies, certain decisions are taken by the Committee by way of resolutions passed through circulation, from time to time. During the year under review five (5) resolutions were passed through circular resolution.

The details of attendance by the Members at the meeting(s) held during the year under review are as under:

Name of the Members	Status	(No. of Meetings held during tenure of member-ship)	No. of Meetings attended (No. of Meetings held during tenure of member-ship)
^Ms. Naina Krishna Murthy	Chairperson	NA	NA
$Mr. Hemant Kaul	Chairman	8	8
*Mr. Bobby Parikh	Member	8	8
Mr. Aditya Joshi	Member	8	8

^ Designated as the Chairperson of the committee w.e.f. March 05, 2025 and ceased to be the Chairperson of the Committee with w.e.f. April 29, 2025

$ Was Chairman upto March 04, 2025 and again designated as the Chairman of the committee w.e.f. April 29, 2025

** Ceased to be member of the committee w.e.f. March 05, 2025*

Ms. Shikha Jain acts as the Secretary to the Nomination and Remuneration Committee.

Terms of reference

The terms of reference of the NRC *inter-alia* includes:

1. To identify persons who are qualified to become directors and who may be appointed in senior management;
2. To formulate and implement the criteria for determining qualification, positive attributes and independence of director(s) and criteria for the persons that can be appointment in senior management;
3. To formulate criteria for evaluation of Directors, the Board and its Committee(s);
4. To determine specific remuneration packages and recommending policy on remuneration of the Executive Directors, the Non-Executive Directors (including the Independent Directors) and senior level employees and to decide payment of bonus including variable pay and promotion of employees;
5. Formulation of Succession policy and Succession plan for Senior Management Personnel;
6. To formulate and administer employee stock options plans;
7. To do all such acts, deeds and things as may be required to be undertaken in accordance with the applicable law, rules and regulations applicable to the Company and as may be delegated by the Board from time to time;
8. To delegate to the officials / any Committee such powers of the Committee as may be deemed fit by the Committee.

Risk Management Committee ("RMC")

Composition, Meetings and Attendance

The Risk Management Committee ("**RMC**") has been constituted pursuant to the provisions of Regulation 21 of the Listing Regulations and RBI Master Directions, to frame, implement and monitor the risk management plan of the Company.

As on March 31, 2025, the RMC comprised of following members:

- Mr. Hemant Kaul – Chairman
- Mr. Devdutt Marathe
- Mr. Randhir Singh
- Mr. Jayesh Jain
- Mr. Nitin Gyanchandani
- Mr. Karthikeyan Srinivasan

During the year under review, the RMC met six (6) times on April 12, 2024, April 25, 2024, July 25, 2024, October 16, 2024, December 04, 2024 and January 16, 2025. The required quorum was present at all the above meetings. Due to business exigencies, certain decisions are taken by the Committee by way of resolutions passed through circulation, from time to time. During the year under review four (4) resolutions were passed through circular resolution.

Meetings with Chief Risk Officer - During the year under review, in line with the requirements of RBI Directions, the Committee had separate meetings every quarter with Chief Risk Officer of the Company without the presence of the Chief Executive Officer & Whole-Time Director.

The details of attendance by the Members at the meeting(s) held during the year under review are as under:

Name of the Members	Status	(No. of Meetings held during tenure of member-ship)	No. of Meetings attended (No. of Meetings held during tenure of member-ship)
Mr. Hemant Kaul	Chairman	6	4
Mr. Devdutt Marathe	Member	6	6
*Mr. Vibhor Kumar Talreja	Member	3	1
^Mr. Randhir Singh	Member	3	3
$Mr. Vinod Kumar Panicker	Member	6	6
~Mr. Jayesh Jain	Member	NA	NA
Mr. Nitin Gyanchandani	Member	6	6
#Mr. Karthikeyan Srinivasan	Member	6	6

** ceased to a Member from September 26, 2024*
^appointed as a member from September 26, 2024
#ceased to be a member from May 11, 2025
$ ceased to be a member from March 03, 2025
~appointed as a member from March 12, 2025

Ms. Shikha Jain acts as the Secretary to the Risk Management Committee.

Terms of reference

The terms of reference of the RMC *inter-alia* includes:

1. Identifying, monitoring and managing risks that affect / may affect the Company;
2. To decide on the appropriateness of the size and nature of transactions undertaken by the Company;
3. To set up and review risk management policies of the Company, from time to time;
4. To oversee execution / implementation of risk management practices;
5. To decide on transactions that are proposed to be entered into by the Company that have a potential for a conflict of interest;
6. To review of appointment, removal and terms of remuneration of the Chief Risk Officer;
7. Yearly reviewing the material outsourcing arrangements and vendor/ service provider performance.

Corporate Social Responsibility ("CSR") Committee

Composition, Meetings and Attendance

The Corporate Social Responsibility Committee ("**CSR**") has been constituted pursuant to the provisions of Section 135 of the Act read with Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended.

As on March 31, 2025. the CSR Committee comprised of following members:

- Ms. Naina Krishna Murthy - Chairperson
- Mr. Bobby Parikh
- Mr. Dhanpal Jhaveri
- Mr. Devdutt Marathe
- Mr. Randhir Singh
- Mr. Karthikeyan Srinivasan

During the year under review, the CSR Committee met once on July 31, 2024. The required quorum was present at the above meeting.

Ms. Shikha Jain acts as a Secretary of the Committee and is also the Compliance Officer of the Company.

The details of attendance by the Members at the meeting(s) held during the year under review are as under:

Name of the Members	Status	(No. of Meetings held during tenure of member-ship)	No. of Meetings attended (No. of Meetings held during tenure of member-ship)
Ms. Naina Krishna Murthy	Chairperson	1	1
Mr. Bobby Parikh	Member	1	1
Mr. Dhanpal Jhaveri	Member	1	-
Mr. Devdutt Marathe	Member	1	1
*Mr. Randhir Singh	Member	-	NA
^Mr. Karthikeyan Srinivasan	Member	1	1

^Mr. Karthikeyan Srinivasan ceased to a member from May 11, 2025
**Mr. Randhir Singh appointed as a Member from September 26, 2024*

Terms of reference

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

1. Formulate and recommend to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activity or activities to be undertaken by the Company as specified in Schedule VII of the Companies Act 2013;
2. Recommend the amount to be spent on CSR activities;
3. Review and monitor the Company's CSR Policy periodically;
4. To ensure that the activities as are included in CSR Policy are undertaken by the Company;
5. Institution of transparent monitoring mechanism for the implementation of CSR Projects (Rule 5 (2) of the Companies (Corporate Social Responsibility Policy) Rules 2014);
6. To do all such acts, deeds and things as may be required to be undertaken in accordance with the applicable law, rules and regulations applicable to the Company.

Stakeholders' Relationship Committee ("SRC")

Composition, Meetings and Attendance

The Stakeholders Relationship Committee ("**SRC**") has been constituted pursuant to the provisions of Section 178 of the Act and Regulation 20 read with Part D of Schedule II of the Listing Regulations.

As on March 31, 2025, the SRC comprised of following members:

Mr. Dhanpal Jhaveri - Chairman

Ms. Naina Krishna Murthy

Mr. Bobby Parikh

Mr. Devdutt Marathe

Mr. Randhir Singh

Ms. Shikha Jain acts as a Secretary of the Committee and is also the Compliance Officer of the Company.

During the year under review, the SRC met once on October 18, 2025. The requisite quorum was present at the said meeting.

The details of attendance by the Members at the meeting held during the year under review are as under:

Name of the Members	Status	(No. of Meetings held during tenure of member-ship)	No. of Meetings attended
Mr. Dhanpal Jhaveri	Chairman	1	1
Ms. Naina Krishna Murthy	Member	1	1
Mr. Bobby Parikh	Member	1	1
Mr. Devdutt Marathe	Member	1	1
^Mr. Randhir Singh	Member	1	1
*Mr. Karthikeyan Srinivasan	Member	NA	NA

^Mr. Randhir Singh appointed as a Member from September 26, 2024
** Mr. Karthikeyan Srinivasan ceased to be a Member from September 26, 2024*

Terms of Reference

The terms of reference of the SRC *inter-alia* includes:

1. To oversee, review and monitor redressal of the grievances of shareholders, debenture holders, investors and other security holders;
2. To approve / review / refuse transfer / transmission / dematerialisation / rematerialisation of shares, debentures and other securities, if any, in timely manner;
3. To issue share certificates, duplicate / split / consolidation share certificates and share certificates in replacement of those which are defaced, mutilated, torn or old, decrepit, worn out or where the pages on reverse for recording transfers have been utilized;
4. To oversee the performance of the registrar and transfer agents and to recommend measures for overall improvement in the quality of investor services;
5. To monitor transfer of the amounts transferable to and from Investor Education and Protection Fund;
6. To review measures taken for effective exercise of voting rights by shareholders;

7. To review adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;
8. To review 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.

During the year under review, 1(one) complaint was received from investors / shareholders which was resolved within the prescribed timelines. There were no pending complaints as on March 31, 2025

Asset-Liability Management Committee ("ALCO")

Composition, Meetings and Attendance

The Asset-Liability Management Committee has been constituted under RBI's Guidelines on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies read with RBI Directions, as amended (collectively referred to as "RBI Framework")

As on March 31, 2025, the ALCO comprised of following members:

Mr. Karthikeyan Srinivasan – Chairman

Mr. Randhir Singh

Mr. Jayesh Jain

Mr. Kaushal Mithani,

Mr. Nitin Gyanchandani,

Mr. K V Bharadwaj

During the year under review, the ALCO met four (4) times on May 31, 2024, August 28, 2024, December 16, 2024 and February 20, 2025 . The required quorum was present at all the above meetings. Due to business exigencies, certain decisions are taken by the ALCO by way of resolutions passed through circulation, from time to time. During the year under review two (2) resolutions were passed through circular resolution.

The details of attendance by the Members at the meeting(s) held during the year under review are as under:

Name of the Members	Status	(No. of Meetings held during tenure of member-ship	No. of Meetings attended
Mr. Karthikeyan Srinivasan	Chairman	4	3
**Mr. Randhir Singh	Member	2	2
# Mr. Jayesh Jain	Member	NA	NA
*Mr. Nitin Gyanchandani	Member	4	4
*Mr. K V Bharadwaj	Member	4	4
*Mr. Kaushal Mithani	Member	4	4
^Ms. Rashmita Prajapati	Member	1	1
***Mr. Vinodkumar Panicker	Member	4	4

**appointed as members of the Committee from April 29, 2024*
*** Mr. Randhir Singh appointed as a Member on September 26, 2024*
**** Mr. Vinodkumar Panicker ceased to a Member from March 03, 2025*
#Mr. Jayesh Jain appointed as a Member from March 12, 2025
^Ms. Rashmita Prajapati appointed as a Member on September 26, 2024 and ceased to be a member from January 20, 2025.

Ms. Shikha Jain acts as the Secretary to the ALCO.

Terms of reference

The terms of reference of the ALCO *inter-alia* includes:

1. To monitor the asset liability composition of the Company's business, determining actions to mitigate risks associated with the asset liability mismatches;
2. To determine and review the current interest rate model of the Company;
3. To approve proposals and detailed terms and conditions of borrowings from banks,
4. To reviewing the borrowing programme of the Company,
5. To review product pricing and desired maturity profile of assets and liabilities and also the mix of incremental assets & liabilities.

Customer Service Committee:

Composition and Meetings

As on March 31, 2025, the Customer Service Committee ("**CSC**") comprised of following members:

- Mr. Karthikeyan Srinivasan – Chairman
- Mr. Randhir Singh
- Mr. Krishnamoorthy Swaminathan - Invitee
- Ms. Rashmita Prajapati - Invitee
- Ms. Fini M Joseph - Invitee

In terms of RBI Directions, Mrs. Pooja Anil Thakur, Internal Ombudsman Officer, act as a Permanent Invitee to the CSC.

During the year under review, the Committee met 4 times on April 25, 2024, July 26, 2024, October 17, 2024 and January 17, 2025.

The details of attendance by the Members at the meeting(s) held during the year under review are as under:

Name of the Members	Status	(No. of Meetings held during tenure of member-ship	No. of Meetings attended
Mr. Karthikeyan Srinivasan	Chairman	4	4
*Mr. Randhir Singh	Member	2	2
***Mr. Krishnamoorthy Swaminathan	Invitee	4	4
***Ms. Rashmita Prajapati	Invitee	4	4
***Ms. Fini M Joseph	Invitee	4	4
Ms. Pooja Anil Thakur	Permanent Invitee	4	3

** Appointed as a Member on July 31, 2024*
**** ceased to be a members of the Committee and designated as invitees of the Committees w.e.f July 31, 2024.*

Ms. Shikha Jain acts as the Secretary to the Customer Service Committee.

Terms of Reference

The terms of reference of the Customer Service Committee *inter-alia* includes:

1. To carry out such functions for the redressal of the borrowers and clients' complaints including but not limited to applications for loans and their processing, loan appraisal and terms / conditions, disbursement of loans, change in terms and conditions, and any other grievance that a borrower or client of the Company may have against the Company;
2. To periodically review the Customer Grievance Redressal Mechanism to ensure that process deficiencies, if any, are addressed;
3. To review the Statement of Complaints received, resolved and pending, along with reasons for the same;
4. To determine the structure of emoluments, facilities and benefits accorded to the Internal Ombudsman / Deputy Internal Ombudsman at the time of their appointment;
5. To review the periodic reports along with analysis of complaints on the activities of the Internal Ombudsman;

IT Strategy Committee

Composition, Meetings and Attendance

The IT Strategy Committee has been constituted pursuant to Reserve Bank of India Master Direction on Information Technology Framework for the NBFC Sector read with RBI Directions, as amended.

As on March 31, 2025, the IT Strategy Committee comprised of:

- Mr. Hemant Kaul - Chairman
- Mr. Devdutt Marathe
- Mr. Jayesh Jain
- Mr. Amit Ashwin Kothari
- Mr. Mihir Bhavsar
- Mr. Karthikeyan Srinivasan

During the year under review, the Committee met three (3) times on September 10, 2024, November 12, 2024 and February 24, 2025.

The Shikha Jain acts as the Secretary of the IT Strategy committee.

The details of attendance by the Members at the meeting(s) held during the year under review are as under:

Name of the Members	Status	(No. of Meet-ings held during tenure of member-ship	No. of Meetings attended
*Mr. Bobby Parikh	Chairperson	3	3
^Mr. Hemant Kaul	Member	NA	NA
Mr. Devdutt Marathe	Member	3	3
@Mr. Jayesh Jain	Member	NA	NA
Mr. Amit Ashwin Kothari	Member	3	3
#Mr. Mihir Bhavsar	Member	2	2

Name of the Members	Status	(No. of Meetings held during tenure of membership	No. of Meetings attended
[&]Mr. Karthikeyan Srinivasan	Member	3	3
*Mr. Vinodkumar Panicker	Member	3	3

^ appointed as member from March 12, 2025 and ceased to be member from April 21, 2025
[@]appointed as member from March 12, 2025
[#] appointed as member from September 26, 2025
[&] ceased to be a member from May 11, 2025
** Ceased to be a member from March 03, 2025*

Terms of Reference

The terms of reference of the IT Strategy Committee are guided by the prescriptions of the Master Direction - Information Technology Framework for the NBFC Sector issued by the Reserve Bank of India which *inter-alia* includes:

1. to approve and monitor information technology ("IT") strategy and policy documents;
2. monitor processes and practices to ensure IT delivers value to business;
3. ensure that IT investments represent a balance of risks and benefits;
4. determine the IT resources required to achieve strategic goals;
5. providing high-level direction for sourcing and use of IT resources;
6. managing IT related risks.

Internal Complaints Committee

Composition and Meetings

In terms of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013, the Board of Directors constituted an Internal Complaints Committee. Further, considering geographic diversification throughout the Country and increase in number of employees, the Board of Directors also constituted Regional Internal Complaints Committees for the East, West, North and South regions.

As on March 31, 2025, the Internal Complaints Committee comprised of following members:

- Ms. Priya Prasad (Presiding Officer),
- Mr. Kekin Savla,
- Ms. Rashmita Prajapati,
- Mr. Dipesh Mehta,
- Ms. Srividya Sriram (External Member from an association committed to the cause of women).

No complaints related to sexual harassment were received during the year under review. There were no complaints pending as on March 31, 2025.

Terms of Reference

The terms of reference of the Internal Complaints Committee *inter-alia* includes: conducting an inquiry into complaints made by any aggrieved woman at the workplace and arrive at a conclusion as to whether the allegation for which the complaint has been filed is proved or not and take necessary action to resolve the complaints, preparing annual report for each calendar year and submitting the same to the Board of Directors, the District Officer and such other officer as may be prescribed, and monitoring and implementing the Company's Care and Dignity Policy.

Other Committees

Apart from above statutory committees, the Board of Directors of the Company has constituted various other committee comprising of directors and senior management personnel of the Company to look into various day to day matters and also to strengthen corporate governance.

These committees handles the matters delegated to it as per the term of reference approved by the Board of Directors and meet as and when necessary.

IV. CODES AND POLICIES

Policy on Selection Criteria / "Fit & Proper" Person Criteria

In terms of provisions of the Act, Guidelines on Corporate Governance prescribed vide RBI Directions and the Listing Regulations, the Board of Directors adopted a 'Policy on Selection Criteria / "Fit and Proper" Person Criteria' which lays down a framework relating to appointment of Director(s) and senior management personnel including key managerial personnel of the Company.

The Policy on Selection Criteria / "Fit and Proper" Person Criteria *inter-alia* includes:

- Manner / process for selection of Directors and senior management personnel including key managerial personnel;
- Criteria to be considered for appointment of Directors including qualifications, positive attributes, fit and proper person status and independence criteria for Independent Directors;
- Criteria to be considered for appointment in senior management of the Company.

  In terms of the Policy on Selection Criteria / "Fit and Proper" Person Criteria, the Nomination & Remuneration Committee is primarily responsible for:

- Guiding and recommending to the Board of Directors the appointment and removal of Director(s), senior management personnel and key managerial personnel of the Company.
- Ensuring "Fit and Proper" Person status of proposed / existing Director(s).

The Policy on Selection Criteria / "Fit & Proper" Person Criteria is available on the website of the Company at https://www.indostarcapital.com/investors-corner#investor-services.

Whistle Blower Policy / Vigil Mechanism

In compliance with the provisions of Section 177(9) of the Act read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 22 of the Listing Regulations, the Company has formulated a Whistle blower policy and vigil mechanism for internal stakeholders of the Company including the Directors, Employees and external stakeholders including vendors, suppliers, consultants, agents to report genuine concerns related to unethical behavior, actual or suspected fraud, violation of any applicable laws, codes of conduct or policies of the Company, any suspected misconduct/ illegal/ improper conduct and leak or suspected leak of unpublished price sensitive information and to provide for adequate safeguards against victimization of stakeholder of the Company who report genuine concerns under the mechanism.

The Vigil Mechanism provides a channel including an online platform and telephonic hotline number for raising concerns directly with the management. It also provides adequate safeguards against victimization of persons who use such mechanism. The mechanism provides for direct access to the Chairman of the Audit Committee in appropriate or exceptional cases. During the year, no person has been denied access to the Audit Committee. The Whistle Blower Policy / Vigil Mechanism is available on the website of the Company at https://www.indostarcapital.com/investors-corner#investor-services.

Further, in order to ensure that complaints with respect to any wrong-doing / policy-breach by an employee or any third party were investigated appropriately and in order to ensure that actions to be taken against convicts were approved by an appropriate authority, the Company implemented a formal investigation protocol document.

Related Party Transaction Policy

In term of the provisions of the Listing Regulations, the Act and RBI Directions, the Board of Directors adopted a 'Related Party Transaction Policy' to ensure proper approval and reporting of transactions between the Company and its related parties.

The Related Party Transaction Policy *inter-alia* sets out criteria for identifying material related party transactions and includes the process and manner of approval of transactions with related parties, identification of related parties and identification of potential related party transactions. In terms of the Related Party Transaction Policy of the Company, any transaction with any related parties shall be considered to be appropriate only if it is in the best interests of the Company and its shareholders.

The Related Party Transaction Policy is available on the website of the Company at https://www.indostarcapital.com/investors-corner#investor-services.

Policy for Determining Material Subsidiary

In terms of the provisions of the Listing Regulations, the Board of Directors adopted a 'Policy for Determining Material Subsidiary' which *inter-alia* sets out parameters for identifying a subsidiary as a "Material Subsidiary". The Policy for Determining Material Subsidiary is available on the website of the Company at https://www.indostarcapital.com/investors-corner#investor-services.

Remuneration Policy

The success of any organization in achieving good performance and governance depends on its ability to attract quality individuals on the board. The Company has in place a remuneration policy which is guided by the principles and objectives as enumerated in section 178 of the Act, regulation 19 read with Part D of Schedule II of the Listing Regulations and the RBI Directions.

The Policy covers aspects relating to remuneration to be paid to Directors including criteria for making payment to Executive and Non-Executive Directors, senior management including key managerial personnel and other employees of the Company, details on guaranteed bonus & recovery of annual bonus and modification of salary structure.

The Remuneration Policy is adopted to *inter-alia* ensure that remuneration paid by the Company is in compliance with the requirements of the applicable law(s) and relationship of remuneration to performance is clear and meets appropriate performance benchmarks. The Remuneration Policy is available on the website of the Company at https://www.indostarcapital.com/investors-corner#investor-services.

Remuneration to Executive Director

As on March 31, 2025, the Company had two Executive Directors ("**EDs**") on the Board viz. Mr. Karthikeyan Srinivasan, Whole-time Director designated as Chief Executive Officer and Mr. Randhir Singh, Whole-time Director designated as Executive Vice Chairman. The compensation paid to them is within the scale approved by the board and shareholders. The elements of compensation comprise a fixed component, performance incentive and employee stock options. The compensation is determined based on the level of responsibility and scales prevailing in the industry. EDs are not paid sitting fees for any board / committee meetings attended by them. The board upon recommendation of the NRC, may decide the quantum/portion of variable pay (cash and non-cash components) that will be subject to deferral based on the time horizon of the risks. Claw back provisions for deferred variable pay including cancellation of vested & unexercised ESOPs may be invoked by the board based on the recommendation of NRC as per policy.

Details of the remuneration and other terms and conditions of appointment of the executive directors for the year ended March 31, 2025 are as follows:

(₹ In crores)

Name of the Director	Mr. Karthikeyan Srinivasan*	Mr. Randhir Singh#
Terms of contract	5 years with effect from March 30, 2023	5 years with effect from July 22, 2024
Notice period	6 months	3 months
Gross Salary	2.27	2.25
Fixed Bonus	1.00	-
Allowances	0.09	0.02
Incentives	-	-
Perquisites & Contributions	0.01	-
Reimbursement (Non Taxable)	0.10	0.02
Total	**3.47**	**2.29**

*Ceased to be whole-time Director and Chief Executive Officer of the Company w.e.f. May 11, 2025

#Redesignated and appointed as Managing Director designed as Executive Vice Chairman w.e.f. May 11, 2025 for remaining period of his term of appointment i.e. upto July 21, 2029

Notes:
Criteria for payment of performance linked incentive: The Performance Pay/Incentive is linked to assessment of performance. Performance assessment is based on achievement of individual targets linked to KRAs for the year, defined Level of performance for the role / individual, and Company's / Business's / Functions' budgets /targets/ objectives and achievements.

Stock Options: During the year, the details of stock options granted are as below:

Name of Director	Date of grant	No. of ESOPs granted	Exercise Price	Vesting period
Mr. Karthikeyan Sriniavsan	April 29, 2024	1,00,000	INR 253.35	25% each year over 4 years
Mr. Randhir Singh	July 22, 2024	17,00,000	INR 250	8,00,000 - 25% each year over 4 years 9,00,000 – Vesting in 5 years after date of joining subject to conditions as stated in the Management Agreement

Remuneration of Non-Executive Directors

Non-Executive Directors other than Independent Directors were not paid any remuneration during the year under review. Independent Directors of the Company were paid sitting fees of ₹ 75,000/- for every meeting of board and ₹ 40,000/- for every audit committee meeting and ₹ 25,000/- for every meeting of Stakeholders' Relationship Committee, Nomination And Remuneration Committee, Risk Management Committee, Corporate Social Responsibility Committee, IT strategy committee, Independent Director's Meeting and others during the financial year 2024-25.

Mentioned below are details of sitting fees paid/ payable to Non-Executive Independent Directors for attending Board and Committee Meetings held during the year under review:

(₹ In lakhs)

Name of the Director	Sitting Fees
Mr. Bobby Parikh	15.30
Mr. Hemant Kaul	16.55
Ms. Naina Krishna Murthy	11.40

During the year under review, there were no pecuniary relationships or transactions between the Company and any of its Non-Executive Directors apart from payment of sitting fees.

Dividend Distribution Policy

In terms of the Listing Regulations and as an initiative towards setting out a good corporate governance structure within the organisation, the Board of Directors adopted a 'Dividend Distribution Policy' in line with Company's idea of meeting the long term capital requirement from internal cash accruals and appropriately rewarding shareholders. The Dividend Distribution Policy prescribes parameters to be considered for declaring / recommending dividend and sets out indicative range and frequency of dividend pay-out.

The Dividend Distribution Policy of the Company is available on the website of the Company at https://www.indostarcapital.com/investors-corner#investor-services.

The Board of Directors of the Company at its meeting held on April 29, 2024 considered and approved the amendments in Dividend Distribution Policy to align the same with the provisions of Master Direction - *Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023. The brief of the amendments are as follow:*

- Insertion of provisions relating to minimum prudential norms to be met for declaration of dividend;
- Insertion of following clauses under "Parameters to be considered for declaring/ recommending dividend:
  - o Supervisory findings of the Reserve Bank of India on divergence in classification and provisioning for NPAs;
  - o Qualifications, if any, in the auditors' report to the financial statements.
- Insertion of clause with respect to dividend pay-out ratio and frequency.

Corporate Social Responsibility ("CSR") Policy

In accordance with Section 135 of the Act, the Company has constituted a Corporate Social Responsibility ("**CSR**") Committee In terms of the provisions of the Act. The CSR Committee has formulated and recommended to the Board, a Corporate Social Responsibility Policy ("**CSR Policy**") indicating the activities to be undertaken by the Company, which has been approved by the Board. The Board of Directors has adopted a 'CSR Policy' which helps towards contribution and furtherance of the Company's objective to create value in the society and community in which it operates, through its services, conduct and initiatives, so as to promote sustained growth for the society and community, in fulfillment of its role as a socially responsible corporate citizen.

The CSR Policy of the Company *inter-alia* indicates the CSR activities that can be undertaken by the Company and defines the roles and responsibilities of the Board of Directors and CSR Committee in implementing and monitoring CSR projects identified and supported by the Company.

The CSR Policy is available on the website of the Company at https://www.indostarcapital.com/investors-corner#investor-services.

Board Performance Evaluation Policy

In terms of the provisions of the Listing Regulations and the Act, the Board of Directors adopted a Board Performance Evaluation Policy to set out a formal mechanism for evaluating performance of the Board, that of its Committee(s) and individual Directors including the Chairman. Additionally, in order to outline detailed process and criteria for performance evaluation, the Nomination and Remuneration Committee has put in place the 'Performance Evaluation Process – Board, Committees and Directors', which forms an integral part of the Board Performance Evaluation Policy.

The manner in which formal annual evaluation of the performance of the Board, its Committees and individual Directors including Chairman was conducted is given below:

- A structured questionnaire prepared in accordance with the Board Performance Evaluation Policy and Performance Evaluation Process, *inter-alia* setting out criteria for evaluation of performance of the Board collectively, individual non-independent directors and the Chairperson, was circulated to the Independent Directors and uploaded on the online portal. Performance ratings were given by the Independent Directors on the questionnaire circulated for each category to be evaluated by them at their separate meeting held.
- Based on Independent Directors feedback on the questionnaires, the Independent Directors, at their separate meeting, evaluated the performance of Non-Independent Directors, the Board as a whole and the Chairman;
- Further, based on evaluation by Independent Directors and in light of the criteria prescribed in the Performance Evaluation Process, the Board analysed and evaluated its own performance, that of its Committees and each Director including the Chairman.

Performance Evaluation Criteria for Independent Directors

The Performance Evaluation Process adopted by the Nomination & Remuneration Committee *inter-alia* prescribes criteria for performance evaluation of Independent Directors.

In terms of the performance evaluation process, performance of Independent Directors is to be evaluated broadly on parameters such as contribution towards strengthening corporate governance, financial reporting, development of strategy and risk management; relationship with other Board members; attendance and participation at the meetings of the Board, Committees and shareholders; understanding of the sector in which the Company operates, keeping up-to-date information about the Company and external environment in which it operates, latest developments in areas such as corporate governance, financial reporting and applicable regulatory aspects; level of integrity and confidentiality maintained by them, compliance with the Code of Conduct for Independent Directors, fulfillment of the prescribed Independence criteria and independence from the Management.

Code for Prevention of Insider Trading

The board has adopted a code to regulate, monitor and report trading by insiders in securities of the Company. The code inter-alia requires pre-clearance for dealing in the securities of the Company and prohibits the purchase or sale of securities of the Company while in possession of unpublished price sensitive information in relation to the Company and during the period when the trading window is closed. The board has further approved the code for practices and procedures for fair disclosure of unpublished price sensitive information and policy governing the procedure of inquiry in case of actual or suspected leak of unpublished price sensitive information. The code has also been hosted on the website of the Company at https://www.indostarcapital.com/investors-corner#investor-services. The Company has also put in place a structured digital database as required under Regulation 3(5) of SEBI (Prohibition of Insider Trading) Regulations, 2015.

V. SENIOR MANAGEMENT PERSONNEL AS ON MARCH 31, 2025

Sr. No.	Name of SMPs	Designation
1.	Mr. Karthikeyan Srinivasan^	Chief Executive Officer
2.	Mr. Randhir Singh*	Executive Vice Chairman
3.	Mr. Jayesh Jain**	Chief Financial Officer
4.	Ms. Shikha Jain	Company Secretary and Compliance Officer
5.	Mrs. Rashmita Prajapati #	Chief Compliance Officer
6.	Mr. Kashinath Palekar	Head – Internal Audit
7.	Mr. Nitin Gyanchandani	Chief Risk Officer
8.	Mr. Dipesh Mehta	Chief Product Officer
9.	Ms. Priya Prasad@	Chief Human Resource Officer
10.	Mr. Amit Kothari	Chief Technology Officer
11.	Mr. K V Bharadwaj	Chief Credit Officer
12.	Mr. Arvind Uppal	Head – Collections
13.	Mr. Devaraj C	Chief Business Officer
14.	Mr. Krishnamurthy Swaminathan	Head – Operations
15.	Mr. P Krishnan	Principal Officer
16.	Mr. Kekin Savla	Head - Finance
17.	Mr. Kaushal Mithani	Head – Treasury
18.	Mr. Mihir Bhavsar	Chief Information Security Officer

^Resigned w.e.f. May 11, 2025
** Appointed w.e.f. July 22 2024*
*** Appointed w.e.f March 03, 2025*
 # Resigned on May 26, 2025
@ Resigned w.e.f. August 08, 2025

No Senior Management Personnel resigned during the year under review. Mr. VinodKumar Panicker retired as Chief Financial Officer of the Company w.e.f. March 03, 2025.

VI. DETAILS OF MATERIAL SUBSIDIARIES OF THE LISTED ENTITY AS ON MARCH 31, 2025

Name of material subsidiary	Date and Place of incorporation	Name of statutory Auditors	Date of appointment of statutory auditors
Niwas Housing Finance Private Limited (Erstwhile IndoStar Home Finance Private Limited)*	January 01, 2016 Mumbai, Maharashtra	Kirtane & Pandit LLP; Chartered Accountants	September 13, 2024

**ceased to be the subsidiary of the Company w.e.f. July 17, 2025.*

VII. GENERAL BODY MEETINGS

For Financial Year	Date	Time	Special Resolutions passed	Venue
2021-22	September 29, 2022	11:00 a.m.	• Issue of Non-Convertible Debentures under Private Placement for aggregate principal amount not exceeding ₹ 3,000 crore, during a year. • Material Related Party Transaction for the amount not exceeding ₹ 1,000 crore with BCP V Multiple Holdings Pte Ltd., the holding company of the Company at arm's length and in the ordinary course of business of the Company	Held through Video Conferencing / Other Audio Visual Means

For Financial Year	Date	Time	Special Resolutions passed	Venue
2022-23	September 18, 2023	10.30 a.m.	• Issue of Non-Convertible Debentures under Private Placement for aggregate principal amount not exceeding ₹ 7,500 crore, during a year. • Material Related Party Transaction for the amount not exceeding ₹ 1,000 crore with BCP V Multiple Holdings Pte Ltd., the holding company of the Company at arm's length and in the ordinary course of business of the Company	Held through Video Conferencing / Other Audio Visual Means
2023-24	September 30, 2024	03:00 p.m.	• Issue of Non-Convertible Debentures under Private Placement for aggregate principal amount not exceeding ₹ 6,000 crore, during a year. • Alteration of Articles of Association of the Company	Held through Video Conferencing / Other Audio Visual Means

Postal Ballot

The Company sought the approval of the Members on the Special Resolutions by way of Postal Ballot notice dated May 28, 2024, September 26, 2024, April 21, 2025 and July 03, 2025 which was passed with requisite majority on June 28, 2024,October 26, 2024, May 24, 2025 and August 03, 2025 respectively, details of same are mentioned below:

Sr. No	Ordinary/Special Resolutions passed through Postal Ballot	Voting percentage of shareholders participated
	Postal Ballot Notice dated May 28, 2024	
1.	Alteration of the Articles of Association of the Company.	% of vote in Favour: 99.79 % of vote in Against: 0.21
2.	Appointment of Mr. Randhir Singh (DIN: 05353131) as the whole-time director on the Board of Directors of the Company designated as the Executive Vice Chairman.	% of vote in Favour: 99.79 % of vote in Against: 0.21
3.	Amendment of IndoStar ESOP Plan 2018	% of vote in Favour: 99.79 % of vote in Against: 0.21
4.	Approval for proposed grant of stock options equal to or exceeding 1% (one percent) of issued capital of the Company under IndoStar ESOP Plan 2018 at the time of grant to identified employee(s)	% of vote in Favour: 99.79 % of vote in Against: 0.21
	Postal Ballot Notice dated September 26, 2024	
1.	Approve the sale of Indostar Home Finance Private Limited, a material subsidiary of the Company	% of vote in Favour: 99.98 % of vote in Against: 0.02
	Postal Ballot Notice dated May 26, 2025	
1.	Appointment of Ms. Sujatha Mohan (DIN: 10743626) as a Non-Executive Independent Director for a term of five consecutive years with effect from April 21, 2025	% of vote in Favour: 100.00 % of vote in Against: 0.00
2.	Appointment of Mr. Bobby Parikh (DIN: 00019437) as a Non-Executive Non-Independent Director with effect from March 5, 2025	% of vote in Favour: 99.98 % of vote in Against: 0.02
3.	Amendment of IndoStar ESOP Plan 2012	% of vote in Favour: 99.76 % of vote in Against: 0.24
4.	Amendment of IndoStar ESOP Plan 2016	% of vote in Favour: 99.76 % of vote in Against: 0.24
5.	Amendment of IndoStar ESOP Plan 2016 - II	% of vote in Favour: 99.76 % of vote in Against: 0.24
6.	Amendment of IndoStar ESOP Plan 2017	% of vote in Favour: 99.76 % of vote in Against: 0.24
7.	Amendment of IndoStar ESOP Plan 2018	% of vote in Favour: 99.98 % of vote in Against: 0.02
	Postal Ballot Notice dated July 03, 2025	
1.	Re-designation and appointment of Mr. Randhir Singh as Managing Director designated as Executive Vice Chairman	% of vote in Favour: 99.76 % of vote in Against: 0.24

Ms. Aditi Patnaik (ICSI Membership No. – A45308), Partner, M/s Mehta & Mehta , Practicing Company Secretaries, acted as the Scrutinizer, for conducting the Postal Ballot process dated June 28, 2024, in a fair and transparent manner.

Ms. Alifya Sapatwala (ICSI Membership No. - A24091), Partner, M/s Mehta & Mehta , Practicing Company Secretaries, acted as the Scrutinizer, for conducting the Postal Ballot process dated October 28, 2024 and May 26, 2025 in a fair and transparent manner.

Ms. Ashwini Inamdar (ICSI Membership No. – F9409), Partner, M/s Mehta & Mehta , Practicing Company Secretaries, acted as the Scrutinizer, for conducting the Postal Ballot process dated July 03, 2025 in a fair and transparent manner.

Procedure for postal ballot

Pursuant to the provisions of the Act, the Listing Regulations, the Company provides facility to the members to exercise votes through electronic voting system ('**e-voting**'). Postal ballot notices are sent to members/beneficial owners through email at their registered email IDs. The Company also publishes notice in the newspapers for the information of the members. Voting rights are reckoned on the equity shares held by the members as on the cut-off date.

Pursuant to the provisions of the Act, the Company appoints a scrutiniser for conducting the postal ballot process in a fair and transparent manner. The scrutiniser submits his/her consolidated report to the Chairman or any person authorized by him/her and the voting results are announced by the Chairman or any person authorized by him/her by placing the same along with the scrutiniser's report on the Company's website, besides being communicated to the stock exchanges. The resolution, if passed by requisite majority, is deemed to have been passed on the last date specified by the Company for closure of remote e-voting.

In view of the dispensation granted by MCA, postal ballot notice was sent through e-mail only, to all those members who had registered their e-mail ids with the Company/depositories and only e-voting facility was provided to the members to cast their votes. Arrangements were also made for other members to register their e-mail id to cast their vote online.

None of the businesses to be transacted at the ensuing Annual General Meeting are proposed to be conducted through postal ballot.

VIII. MEANS OF COMMUNICATION

- Quarterly and annual financial results of the Company are disseminated to stock exchanges and hosted on Company's website;
- Quarterly and annual financial results are published in Business Standard and Praahar, as required under applicable law;
- Presentations and media releases on financial position and important events/ material developments of the Company are issued by the Company for information of investors;
- The Company arranges for investors calls / conferences for discussing financial position of the Company from time to time;
- The shareholders can also access the details of corporate governance policies, Board committees, financial information, shareholding information, details of unclaimed dividends, etc. on the Company's website;
- Institutional investors / analysts' presentations and media releases are submitted to the stock exchanges and are also hosted on the Company's website.

IX. GENERAL SHAREHOLDER INFORMATION

Annual General Meeting - Date, Time and Venue	16th Annual General Meeting Date: September 25, 2025 Time: 2.00 p.m. (IST) Mode of conducting the meeting: Video conferencing / other audio-visual means
Financial Year	April 01, 2024 to March 31, 2025
Dividend Payment Date	Not Applicable
Date of Book Closure	Friday, September 19, 2025 to Thursday, September 25, 2025 (both days inclusive)
Listing on Stock Exchanges	The BSE Limited ('BSE") (Equity Shares and Non-Convertible Debentures) Phiroze Jeejeeboy Towers, Dalal Street, Fort, Mumbai - 400 001 The National Stock Exchange of India Limited ("NSE") (Equity Shares) Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051
Payment of Annual Listing Fees	Requisite Annual Listing Fees has been paid to both the Stock Exchanges.
Stock Code	BSE: 541336 NSE: INDOSTAR
In case the Securities are Suspended from Trading, the Directors Report shall explain the Reason thereof	Not applicable
Registrar and Transfer Agents	MUFG Intime India Private Limited *(Erstwhile Link Intime India Private Limited)* Address: C 101, 247 Park, L.B.S Marg, Vikhroli (West), Mumbai - 400083 Telephone: +91 22 49186270 Fax: +91 22 49186060 Email id: rnt.helpdesk@linkintime.co.in
Share Transfer System	In terms of the Listing Regulations w.e.f. April 1, 2019, the Equity Shares of the Company can be transferred only in dematerialised form, except in case of request received for transmission or transposition of securities, which shall be approved by the Stakeholders Relationship Committee.
Dematerialisation of Shares and Liquidity	Equity shares of the Company are available for trading only in dematerialised form under both the Depositories i.e. National Securities Depository Limited and Central Depository Services (India) Limited. The International Securities Identification Number (ISIN) allotted to the Company's Equity Shares is INE896L01010. As on March 31, 2025, 100% of Equity shares are held in dematrialised form.
Commodity Price Risk or Foreign Exchange Risk and Hedging Activities	Not applicable
Utilisation of Funds raised through Preferential Allotment/Qualified Institutions Placement	During the year under review, the Company has raised ₹ 255.32 crore by way of Preferential allotment of warrants and the same was fully utilized towards objective stated in the respective offer document.
Plant Locations	Since the Company is engaged in the business of providing financial services, the Company does not have any manufacturing plant. It operates from its Registered & Corporate Office and branches located at different places throughout India.
Address for Correspondence	Ms. Shikha Jain Company Secretary & Compliance Officer Unit No. 301-A, 3rd Floor, Silver Utopia, Opposite P&G Plaza, Cardinal Gracious Road, Chakala, Andheri (East), Mumbai – 400099 Telephone: +91 22 43157000; Email id: investor.relations@indostarcapital.com
List of Credit Ratings along with any revisions during the financial year	**LONG TERM**

List of Credit Ratings along with any revisions during the financial year	**LONG TERM**	
	Debt Programme	
	CARE Ratings Limited	CARE AA- /Stable
	CRISIL Limited	CRISIL AA- /Stable
	Market Linked Debentures	
	CARE Ratings Limited	CARE PP-MLD AA- /Stable
	SHORT TERM DEBT PROGRAMME/COMMERCIAL PAPER:	
	CARE Ratings Limited	CARE A1+
	CRISIL Limited	CRISIL A1+

Secretarial Audit

The Company annually conducts a secretarial audit by an independent practicing company secretary. For the year ended March 31, 2025, M/s. Mehta & Mehta, Company Secretaries, had conducted the secretarial audit and the certificate was placed before the board and attached to this report.

Reconciliation of Share Capital Audit

As required by the Securities and Exchange Board of India (SEBI), quarterly audit of the Company's share capital is being carried out by an independent auditor with a view to reconcile the total share capital admitted with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and held in physical form, with the issued and listed capital. The certificate issued by an independent practicing company secretary is submitted to the stock exchanges and is also placed before the board of directors.

Compliance Certificate on Corporate Governance

The certificate on compliance of corporate governance norms from an independent practicing company secretary is annexed to the report.

Green initiative in corporate governance

The Companies Act, 2013 and the underlying rules permit companies to send various documents including the financial statements through electronic mode to the shareholders. In compliance with the circulars issued by MCA and SEBI, electronic copies of the notice of the AGM and annual report for year under review will be sent to all the shareholders whose email addresses are registered with the Company / depository participants. Shareholders are requested to register their e-mail ID with their depository participant, if the holding is in electronic mode. If shares are held in physical mode, the shareholders are requested to furnish their email addresses to RTA for receiving the above documents by electronic mode.

Transfer of Equity Shares to IEPF

In accordance with the provisions of section 124 and 125 of the Act, read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (**IEPF**), the underlying shares of all dividends which remain unpaid/unclaimed for a period of seven consecutive years be transferred to Investor Education and Protection Fund (**IEPF**). As required under the said rules, the Company had sent out individual communication to the concerned shareholders whose dividend are unclaimed, informing them about the amount of unpaid dividend lying with the Company and requesting them to update their bank details by confirming the details to the attention of MUFG Intime India Pvt. Ltd. *(Erstwhile Link Intime India Pvt. Ltd.),* so as to claim the unpaid dividend amount and to ensure uninterrupted and timely payment of dividend in the future.

During the year under review, no dividend or shares were liable to be transferred to IEPF account.

Dispute Resolution Mechanism

SEBI has vide its Circular No. SEBI/HO/MIRSD/MIRSD_ RTAMB/P/CIR/2022/76 dated 30th May, 2022, issued a Standard Operating Procedure (SOP) for dispute resolution under Stock Exchanges Arbitration Mechanism, for dispute redressal between the Listed Company / Registrar and Share Transfer Agents (RTA) and its shareholder(s) / investor(s).

The Arbitration Mechanism shall be initiated post exhausting all actions for resolution of complaints including those received through SEBI SCORES Portal.

SEBI Complaints Redress System (SCORES):

Investor complaints are processed at SEBI in a centralised web-based complaints redress system. The salient features of this system are centralised database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaints and their current status.

Distribution of Shareholding as on March 31, 2025:

Sr. No.	No. of Equity Shares – Range	Shareholders		Shareholding	
		No. of equity shareholders	% of total equity shareholders	No. of equity shares held	% of total equity shares
1	1 - 500	61,309	96.04	27,03,468	1.98
2	501 - 1000	957	1.50	7,55,265	0.55
3	1001 - 2000	577	0.90	8,79,771	0.64
4	2001 - 3000	246	0.39	6,42,351	0.47
5	3001 - 4000	125	0.20	4,49,227	0.33
6	4001 - 5000	106	0.17	4,99,983	0.36
7	5001 - 10000	228	0.36	17,17,134	1.26
8	10001 & above	263	0.37	12,84,50,248	94.41
Total		**63,839**	**100.00**	**13,60,97,447**	**100.00**

Shareholding Pattern as on March 31, 2025:

Sr. No.	Category of Shareholder	No. of equity shares	% of total equity shares
A	**Promoter & Promoter Group**		
1	Promoter	9,97,45,221	73.29
2	Promoter Group	-	-
	Total (A)	**9,97,45,221**	**73.29**
B			
1	Mutual Funds	15,037	0.01
2	Alternative Investment Fund	12,84,584	0.94
3	Foreign Portfolio Investors	36,46,335	2.68
4	Financial Institutions / Banks	-	-
4	Insurance Companies	18,18,778	1.34
5	Directors and their relatives	1,100	0.00
6	Individuals	1,81,84,363	13.36
7	Non-Resident Indians	10,06,007	0.74
8	Foreign Nationals	-	-
9	Bodies Corporate	79,01,679	5.81
10	Others	24,94,342	1.82
	Total (B)	**363,52,226**	**26.71**
Total (A+B)		**13,60,97,447**	**100.00**

X. OTHER DISCLOSURES

Related party transactions: All transactions with related parties that were entered into during the financial year were in the ordinary course of business and were on an arm's length basis. There were no material transactions with related parties i.e., transactions of the Company of material nature, with its promoters, the directors or the management, their subsidiaries, or relatives, etc., that may have potential conflict with the interest of company at large. Suitable disclosures as required in compliance with accounting standards with related parties are disclosed in Note No. 33 of the financial statements in the annual report.

The board has put in place a policy on related party transactions and the same has been uploaded on the Company's website at https://www.indostarcapital.com/investors-corner/

Disclosure by listed entity and its subsidiaries of 'Loans and advances' in the nature of loans to firms/ companies in which directors are interested by name and amount: Suitable disclosures as required in compliance with accounting standards in which directors are interested are disclosed in Note No. 33 of the financial statements in the annual report.

Materially significant related party transactions: During the year under review, the Company had not entered into any materially significant related party transaction that may have potential conflict with the interests of the Company at large.

Details of non-compliance: Except as mentioned below, there were no instances of non-compliance, penalties, strictures imposed on the Company by stock exchange(s) or the SEBI or any statutory authority, on any matter related to capital markets, during the last three years:

For Financial Year	Action taken by	Details of violation	Details of action taken e.g. fines, warning letter, debarment, etc. for the last three years
2024-25	BSE Limited ("BSE") & National Stock Exchange of India Limited ("NSE")	Non-compliance with the requirements pertaining to the composition of the Board of Directors as per Regulation 17(1) of Listing Regulations	BSE and NSE levied a fine of ₹ 1,35,000 each including applicable GST vide email dated May 29, 2025
2024-25	BSE Limited ("BSE") & National Stock Exchange of India Limited ("NSE")	Non-compliance with the requirements pertaining to the composition of the Nomination and Remuneration Committee as per Regulation 19(2) of Listing Regulations	BSE and NSE levied a fine of ₹ 54,000 each including applicable GST vide email dated May 29, 2025
2023-24	BSE Limited ("BSE")	Delay in intimation of payment of Interest on non-convertible debentures under Regulation 57(1) of Listing Regulations.	BSE levied a fine of ₹ 12,000 excluding applicable GST vide email dated April 30, 2024.
2023-24	BSE Limited ("BSE")	Delay in intimation of record date for the purpose of payment of interest on non-convertible debentures under Regulation 60 of Listing Regulations.	BSE levied a fine of ₹ 10,000 each excluding applicable GST vide email dated April 01, 2024.
2023-24	Reserve Bank of India ("RBI")	Non-compliances observed by the RBI in its statutory inspection of the Company with reference to the Company's financial position as on March 31, 2022	RBI vide its order and press release received by the Company on March 13, 2024, has imposed a monetary penalty on the Company aggregating to ₹ 13.60 lakhs.

For Financial Year	Action taken by	Details of violation	Details of action taken e.g. fines, warning letter, debarment, etc. for the last three years
2023-24	BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE")	Delay in submission of Secretarial Compliance Report under Regulation 24A of the Listing Regulations	BSE & NSE levied a fine of ₹ 4,000 each excluding applicable GST vide email dated June 26, 2023.
2023-24	BSE Limited ("BSE")	Delay in intimation of record date for the purpose of buy back of non-convertible debentures under Regulation 60 of Listing Regulations.	BSE levied a fine of ₹ 10,000 each excluding applicable GST vide email dated October 18, 2023.
2023-24	BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE")	Non-submission of prior intimation about the meeting of the board of directors under Regulation 29 of the Listing Regulations	BSE & NSE levied a fine of ₹ 10,000 each excluding applicable GST vide email dated February 14, 2024
2022- 23	BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE")	*Non-maintenance of minimum public shareholding of at least 25% as required under Rule 19(2) and 19A of the Securities Contract (Regulations) Rules, 1957 read with Regulation 38 of the Listing Regulations	Total penalty of ₹ 35,00,000 excluding applicable GST had been levied by NSE and BSE as detailed below: 1. BSE and NSE levied a penalty of ₹ 4,55,000 each excluding applicable GST during the quarter ended June 30, 2022 2. BSE and NSE levied a penalty of ₹ 8,85,000 each excluding applicable GST for the quarter ended September 30, 2022. 3. BSE and NSE levied a penalty of ₹ 9,20,000 each excluding applicable GST for the quarter ended December 30, 2022. 4. BSE and NSE levied a penalty of ₹ 12,40,000 each excluding applicable GST for the period January 01, 2023 to 4 May 2023. i.e. till the date of non-compliance. Mail dated 14 March 2023 from BSE and NSE intimating action of freezing against the Promoter and Promoter Group of the Company as per SEBI Circular No. SEBI Circular No. CFD/CMD/CIR/P/2017/115 dated October 10, 2017
2022-23	BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE")	Delay in submission of audited financial results (standalone and consolidated) of the Company for the quarter and financial year ended March 31, 2022 and other Company updates	1. BSE & NSE levied a fine of ₹ 1,50,000 each excluding applicable GST vide email dated June 29, 2022 for the quarter ended March 31, 2022. 2. BSE & NSE levied a fine of ₹ 1,90,000 and ₹ 2,30,000 respectively excluding applicable GST vide email dated July 15, 2022 for the quarter ended March 31, 2022.
2022-23	BSE Limited	Delay in disclosure of line items prescribed under Regulation 52(4) of Listing Regulations along with the half yearly / annual financial results	1. BSE levied a fine of ₹ 30,000excluding applicable GST vide email dated June 29, 2022 for the quarter ended March 31, 2022. 2. BSE levied a fine of ₹ 46,000excluding applicable GST vide email dated July 15, 2022 for the quarter ended March 31, 2022.
2022-23	BSE Limited	Delay in disclosure of extent and nature of security created and maintained with respect to secured listed NCDs in the financial statements as per Regulation 54(2) of the Listing Regulations	1. BSE levied a fine of ₹ 30,000excluding applicable GST vide email dated June 29, 2022 for the quarter ended March 31, 2022. 2. BSE levied a fine of ₹ 46,000 excluding applicable GST vide email dated July 15, 2022 for the quarter ended March 31, 2022.
2022-23	BSE Limited	Delay in submission of statement indicating the utilization of issue proceeds/ material deviation in the use of proceeds of nonconvertible debentures as per Regulation 52(7) of the Listing Regulations	BSE levied a fine of ₹ 10,000excluding applicable GST vide email dated December 26, 2022 for the quarter ended March 31, 2022.

Compliance with Mandatory Requirements and adoption of the Non-Mandatory Requirements of Corporate Governance:

The Company has complied with the mandatory requirements including requirements of corporate governance norms as specified in Regulation 17 to Regulation 27 and clauses (b) to clause (i) of sub-regulation (2) of Regulation 46 and paragraph C, D and E of schedule V of the Listing Regulations, as applicable to the Company for financial year ended March 31, 2025 except as stated below:

- Non-compliance with Regulation 17(1)(b) of Listing Regulation with respect to having atleast 1/3rd of the Board of Directors as Independent Directors with effect from March 5, 2025:

Consequent to the expiry of the term of Mr. Bobby Parikh, as an Independent Director and Chairman of the Company on March 04, 2025, the Board of the Company consisted of only 2 Independent Directors, as against the requirement of having a minimum of 1/3rd of the Board of Directors as independent. The

Company appointed Ms. Sujatha Mohan (DIN: 10743626) as an Independent Director w.e.f. April 21, 2025 and the Company has since been in compliance with the Regulation 17((1)(b) of the Listing Regulations.

- Non-compliance with Regulation 19(2) of Listing Regulation with respect to the Chairman of the Nomination and Remuneration Committee with effect from March 5, 2025:

Ms. Naina Krishna Murthy who was appointed as the chairperson of the Board was also appointed as chairperson of the NRC w.e.f. March 5, 2025 which was not in line with the requirements of Regulation 19 of the Listing Regulations. On April 29, 2025, Mr. Hemant Kaul was again appointed as Chairman of the Committee and the Company has since been in compliance with the Regulation 19(2) of the Listing Regulations.

A certificate from Mehta & Mehta, Practicing Company Secretary, to that effect is annexed to this Corporate Governance Report. The Company has also adopted the following discretionary requirements specified in Part E of Schedule II in terms of regulation 27(1) of the Listing Regulations:

- Modified opinion(s) in audit report: Company's financial statements have unmodified audit opinions.
- The Board of Directors of the Company has resolved not to pay any remuneration to the Chairman to act in the capacity of the Chairman.
- The positions of Chairperson and that of Chief Executive Officer, respectively, are held by two different persons.
- The internal auditors of the Company report directly to the Audit Committee of the Board.

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

The Company is in compliance with the applicable provisions of the Companies Act, 2013, including with respect to compliance with accounting and secretarial standards except as stated below:

- The Company was in non-compliance with the provisions of Section 149(4) of the Companies Act, 2013 with respect to having atleast 1/3rd of the Board of Directors as Independent Directors with effect from March 5, 2025 to April 20, 2025.

Payment made to Statutory Auditor of the Company

Details relating to the fees paid to the statutory auditors of the Company and its subsidiaries, during the financial year 2024-25, is stated in Note 29 of the notes to consolidated financial statements, which forms part of this Annual Report.

Disclosure with respect to demat suspense account/unclaimed suspense account:

No equity shares of the Company were lying in demat suspense account/unclaimed suspense account as on March 31, 2025.

Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion and likely impact on equity capital

The Company does not have any GDRs/ADRs or other convertible instruments as March 31, 2025.

The number of outstanding warrants as on March 31, 2025 are 2,48,18,888 (Two Crores Forty Eights Lakhs Eighteen Thousand Eight Hundred Eighty Eight). Each warrant is convertible into, or exchangeable for, 1 (one) fully paid-up equity share of the Company of face value ₹ 10 (Indian Rupees Ten) each.

Assuming the full conversion of warrants, the shareholding pattern of the Company would be as follow:

Category	Pre-shareholding pattern (As on March 31, 2025)		Post shareholding pattern	
	No. of shares	Percentage	No. of shares	Percentage
Promoters	9,97,45,221	73.29	113,694,544	70.65
Public	3,63,52,226	26.71	4,72,21,971	29.35
Total	**13,60,97,447**	**100.00**	**16,09,16,335**	**100.00**

Commodity price risk and hedging activities

The Company does not deal with any commodity and hence not exposed to any commodity price risk and commodity hedging activities as on March 31, 2025.

XI. DECLARATION BY THE MANAGING DIRECTOR OF THE COMPANY UNDER REGULATION 34(3) READ WITH PARAGRAPH D OF SCHEDULE V OF THE LISTING REGULATIONS

I, Randhir Singh, Managing Director and Executive Vice Chairman of IndoStar Capital Finance Limited hereby declare that all the Members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Company's Code of Conduct for Directors and Senior Management for the financial year ended March 31, 2025.

Randhir Singh
Managing Director & Executive Vice Chairman
DIN: 05353131

Place: Mumbai
Date: August 13, 2025

CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members,
INDOSTAR CAPITAL FINANCE LIMITED
Office No- 301, Wing A, CTS No 477
Silver Utopia, Chakala Road,
Opposite Proctor and Gamble, Andheri (E),
Sahargaon, Mumbai- India 400099

We have examined the compliance of conditions of Corporate Governance by **IndoStar Capital Finance Limited** (hereinafter referred as "Company") for the Financial year ended March 31, 2025 as prescribed under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of regulation 46 and paras C, D and E of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as "Listing Regulations").

We state that compliance of conditions of Corporate Governance is the responsibility of the management, and our examination was limited to procedures and implementation thereof adopted by the Company for ensuring compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion, and to the best of our information and according to our examination of the relevant records and the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as prescribed under Listing Regulations ***except the following observations:***

1. ***Regulation 17(1) (b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 prescribes the requirement of having at least one-third of the Board of Directors as Independent Directors. However, the composition of the Board was not duly constituted in the absence of requisite number of Independent Directors from the period starting from March 5, 2025.***

2. ***The Company has failed to adhere to Regulation 19(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 by appointing Chairperson of the Board, Ms. Naina Krishna Murthy, as the Chairperson of the Nomination & Remuneration Committee, effective March 05, 2025.***

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.

This certificate is issued solely for the purposes of complying with Listing Regulations and may not be suitable for any other purpose.

For **Mehta & Mehta**
Company Secretaries
(ICSI Unique Code P1996MH007500)

Alifya Sapatwala
Partner
ACS No: 24091
CP No.: 24895
PR no.: 3686/2023
UDIN: A024091G000758693

Place: Mumbai
Date: July 11, 2025

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS PURSUANT TO POINT 10(I) OF PARAGRAPH C OF SCHEDULE V OFSECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS,2015

To,
The Members,
INDOSTAR CAPITAL FINANCE LIMITED

We have examined all the relevant records maintained by **IndoStar Capital Finance Limited** ("the Company") and disclosures, notices and confirmations submitted by Directors of the Company, for the purpose of issuing a certificate under Regulation 34 (3) read with point 10(i) of paragraph C of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") **for financial year ended March 31, 2025.**

In our opinion and to the best of our knowledge, based on the information furnished to us by the Company and the Directors of the Company and based on necessary verification by us, we certify that none of the following Directors, who were on the Board of Directors of the Company as on **March 31, 2025**, have been debarred or disqualified from being appointed or continuing as Director on the Board of the Company by the Securities and Exchange Board of India / Ministry of Corporate Affairs or anysuch statutory authority:

Sr. No.	Name of Director	Director Identification Number
1.	Ms. Naina Krishna Murthy	01216114
2.	Mr. Dhanpal Jhaveri	02018124
3.	Mr. Aditya Joshi	08684627
4.	Mr. Devdutt Vinayak Marathe	10294876
5.	Mr. Hemant Kaul	00551588
6.	Mr. Bobby Parikh	00019437
7.	Mr. Karthikeyan Srinivasan	10056556
8.	Mr. Randhir Singh	05353131

For **H Choudhary& Associates**
Company Secretaries

CS Harnatharam Choudhary
Proprietor
Membership No.: F8274
C.P. No.: 9369
UDIN number: F008274G000873644

Place: Mumbai
Date: July 28, 2025

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF **INDOSTAR CAPITAL FINANCE LIMITED**

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

OPINION

We have audited the accompanying standalone financial statements of IndoStar Capital 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, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including material accounting policy information and other explanatory information (hereinafter referred to as the "standalone financial statements").

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

BASIS FOR OPINION

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the year ended March 31, 2025. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No	Key Audit Matters	How the Key Audit Matters was addressed in our audit
1	**Impairment of loans including Expected Credit Losses ("ECL"):** Total Loans as at March 31, 2025: Rs. 7,21,651.85 lakhs (net of ECL) Impairment Provision as at March 31, 2025: Rs. 24,744.84 lakhs (Refer Note 5 of the Standalone Financial Statements) As per Ind AS 109 - Financial Instruments ("Ind AS 109") requires the Company to provide for impairment of its financial assets using ECL approach involving an estimation of probability of loss on such financial assets, considering reasonable and supportable information about past events, current conditions and forecasts of future economic conditions which could impact the credit quality of the Company's financial assets. The estimation of impairment loss allowance on loan assets involves significant judgement and estimates, which are subject to uncertainty, and involves applying appropriate measurement principles in case of loss events. ECL is calculated using the percentage of probability of default ("PD"), loss given default ("LGD") and exposure at default ("EAD") for each of the stages of loan portfolio. Significant management judgment and assumptions involved in measuring ECL is required with respect to: • Segmentation of loan book in buckets based on common risk characteristics; • Staging of loans and in particular determining the criteria, which includes qualitative factors for identifying a significant increase in credit risk (i.e. Stage 2) and credit-impaired (i.e. Stage 3); • Factoring in future macro-economic and industry specific estimates and forecasts; • past experience and forecast data on customer behaviour on repayments and; • varied statistical modelling techniques to determine probability of default, loss given default and exposure at default basis, the default history of loans, subsequent recoveries made and other relevant factors using probability weighted scenarios. Considering the significance of the above matter to the Financial Statements and since the matter required significant attention to test the calculation of ECL, we identified this as a key audit matter for current year audit.	**Our audit procedures in respect of this area included, but not limited to:** **Process understanding and control testing:** • Read the Company's Board approved ECL policy and material accounting policy information for estimation of ECL on financial assets and evaluated the appropriateness of the same with the principles of Ind AS 109; • Performed end-to-end process walkthroughs to identify the controls used in the impairment loss allowance processes; • Tested the design and the operating effectiveness of relevant internal controls, including the IT controls relevant to the impairment loss allowance process; • Verified the completeness and accuracy of the EAD and the classification thereof into stages consistent with the definitions applied in accordance with the policy approved by the Board of Directors; and • Checked the appropriateness of information used in the estimation of the PD and LGD for the different stages depending on the nature of the portfolio; **Performed the following substantive procedures on sample of loan assets:** • Tested appropriateness of staging of borrowers based on days past due ("DPD") and other loss indicators; Tested the factual accuracy of information such as period of default, ratings (wherever applicable) and other related information used in estimating the PD; • Evaluated the reasonableness of LGD estimates by comparing actual recoveries post the loan asset becoming credit impaired and other applicable assumptions included in LGD computation; • Evaluated the methodology used to determine macroeconomic overlays and adjustments to the output of the ECL model; • Tested the completeness of loans included in the ECL calculations as of March 31, 2025 by reconciling such data with the balances as per loan book register; • Assessed the adequacy and appropriateness of disclosures in compliance with the Ind AS 107 in relation to ECL especially in relation to judgements used in estimation of ECL provision; • Along with the assistance of the auditor's expert, verified the appropriateness of methodology and models used by the Company and reasonableness of the assumptions used within the computation process to estimate the impairment provision; • Evaluated the reasonableness of the judgement involved in management overlays that form part of the impairment provision, and the related approvals; and • Evaluated the adequacy of presentation and disclosures in relation to impairment loss allowance in the standalone financial statements.

Sr. No	Key Audit Matters	How the Key Audit Matters was addressed in our audit
2	**Information Technology ("IT") systems and controls impacting financial controls** The Company key financial accounting and reporting processes are highly dependent on information systems including automated controls in systems, such that there exists a risk that gaps in the IT control environment could result in the financial accounting and reporting records being misstated. Amongst its multiple IT systems, we scoped in systems that are key for overall financial reporting. Appropriate IT general controls and application controls are required to ensure that such IT systems are able to process the data, as required, completely, accurately and consistently for reliable financial reporting. We have identified 'IT systems and controls' as a key audit matter considering the high level of automation, significant number of systems being used by Management and the complexity of the IT architecture and its impact on overall financial reporting process and regulatory expectation on automation.	**Key IT audit procedures performed included the following, but not limited to:** • For testing the IT general controls, application controls and IT dependent manual controls, we involved IT specialists as part of the audit. The team also assisted in testing the accuracy of the information produced by the Company IT systems. • Obtained a comprehensive understanding of IT applications landscape implemented at the Company. It was followed by process understanding, mapping of applications to the same and understanding financial risks posed by people-process and technology. • Key IT audit procedures includes testing design and operating effectiveness of key controls operating over user access management (which includes user access provisioning, de-provisioning, access review, password configuration review, segregation of duties and privilege access), change management (which include change release in production environment are compliant to the defined procedures and segregation of environment is ensured), program development (which include review of data migration activity), computer operations (which includes testing of key controls pertaining to backup, Batch processing (including interface testing), incident management and data centre security), System interface controls. This included testing that requests for access to systems were appropriately logged, reviewed, and authorized. • In addition to the above, the design and operating effectiveness of certain automated controls, that were considered as key internal system controls over financial reporting were tested. Using various techniques such as inquiry, review of documentation / record / reports, observation, and re-performance. We also tested few controls using negative testing technique. • Tested compensating controls and performed alternate procedures, where necessary. In addition, understood where relevant changes made to the IT landscape during the audit period.

INFORMATION OTHER THAN THE STANDALONE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Company's Board of Directors is responsible for the other information. The other information comprises the Annual Report but does not include the standalone financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance under SA 720 'The Auditor's responsibilities Relating to Other Information'.

RESPONSIBILITIES OF MANAGEMENT AND BOARD OF DIRECTORS FOR THE STANDALONE 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 standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act and RBI Guidelines. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the 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 intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of material accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management and Board of Directors.
- Conclude on the appropriateness of management and Board of Director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, 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, except for the matters stated in the paragraph 2(h)(vi) below on reporting under Rule 11(g).

    (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.

    (d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

    (e) On the basis of the written representations received from the directors as on March 31, 2025 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164 (2) of the Act.

    (f) The reservation relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph 2(b) above on reporting under Section 143(3)(b) and paragraph 2(h)(vi) below on reporting under Rule 11(g).

    (g) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

    (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

        i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 35 to the standalone financial statements;

        ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

        iii. There were no amounts which were 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 Note 42.2 to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

        b. The Management has represented, that, to the best of its knowledge and belief, as disclosed in Note 42.2 to the standalone financial statements no funds have been received by the Company from any person(s) or entity(ies), including foreign entities (Funding Parties), with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the Company shall, directly or indirectly, lend or invest in other person(s) or entity(ies) 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, and according to the information and explanations provided to us by the Management in this regard nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (a) and (b) above, contain any material mis-statement.

        v. The Company has neither declared nor paid any dividend during the year.

        vi. Based on our examination which included test checks, the Company has used certain accounting software for maintaining its books of account (including two accounting software managed and maintained by a third-party software service provider) which has a feature of recording audit trail (edit log) facility, except that as explained in Note 42.2 to the standalone financial statements, no audit trail feature was enabled at the database level in respect of certain accounting software to log any direct data changes and in case of one software, the audit trail feature at the database level was not enabled from April 01, 2024 to June 30, 2024.

        Further, where enabled, the audit trail feature has been operated for all relevant transactions recorded in the accounting software. Also, during the course of our audit and considering SOC report, we did not come across any instance of audit trail feature being tampered with in respect of such accounting software. Additionally, the audit trail of prior year has been preserved by the Company as per the statutory requirements for record retention to the extent it was enabled and recorded in previous year.

3. In our opinion, according to information, explanations given to us, the remuneration paid by the Company to its directors is within the limits laid prescribed under Section 197 read with Schedule V of the Act and the rules thereunder.

For **M S K A & Associates**
Chartered Accountants
ICAI Firm Registration Number: 105047W

Tushar Kurani
Partner
Membership Number: 118580
UDIN: 25118580BMOHVY1090

Mumbai
April 29, 2025

ANNEXURE "A"

TO INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF INDOSTAR CAPITAL FINANCE LIMITED FOR THE YEAR ENDED MARCH 31,2025

Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report

i. (a) A The Company has maintained proper records showing full particulars including quantitative details and situation of property, plant and equipment and relevant details of right-of-use assets.

B The Company has maintained proper records showing full particulars of intangible assets.

(b) Property, Plant and Equipment were physically verified by the management according to a phased programme designed to cover all items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of Property, plant and equipment have been physically verified by Management during the year. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) as disclosed in the standalone financial statements, are held in the name of the Company.

(d) According to the information and explanations given to us, the Company has not revalued its property, plant and Equipment (including Right of Use assets) and intangible assets during the year. Accordingly, the provisions stated under clause 3(i)(d) of the Order are not applicable to the Company.

(e) According to the information and explanations given to us, no proceeding has been initiated or pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988, as amended and rules made thereunder. Accordingly, the provisions stated under clause 3(i)(e) of the Order are not applicable to the Company.

ii. (a) The Company is involved in the business of rendering services and does not hold any inventory. Accordingly, the provisions stated under clause 3(ii)(a) of the Order are not applicable to the Company.

(b) During the year the Company has been sanctioned working capital limits in excess of Rs. 5 crores in aggregate from Banks and financial institutions on the basis of security of Loan assets and other assets. Based on the records examined by us in the normal course of audit of the standalone financial statements, quarterly returns / statements filed with such Banks/ financial institutions are in agreement with the books of accounts of the Company.

iii. (a) As explained in Note 1 to the Financial Statements, the Company is a non-deposit taking non-banking financial company ("NBFC") registered with the RBI and as part of its business activities, is engaged in the business of lending across various types of loans. The Company's principal business is to give loans and is a registered NBFC. Accordingly, provisions stated under clause 3(iii)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us and based on the audit procedures performed by us, we are of the opinion that the investments made, guarantees provided, securities given and terms and conditions in relation to grant of all loans and advances in the nature of loans, investments made, guarantees provided and securities given are not prejudicial to the interest of the Company.

(c) In respect of the aforesaid loans and advances in nature of loans, the schedule of repayment of principal and payment of interest have been stipulated by the Company. Considering that the Company is a Non-Banking Financial Company engaged in the business of granting loans, the entity-wise details of the amount, due date for payment and extent of delay (that has been suggested in the Guidance Note on CARO

2020 issued by the Institute of Chartered Accountants of India for reporting under this clause) have not been detailed hereunder because it is not practicable to furnish such details owing to the voluminous nature of data generated in the normal course of the Company's business.

Further, except for the instances where there are delays or defaults in repayment of principal and/or interest and in respect of which the Company has recognized necessary provisions in accordance with the principles of Indian Accounting Standards (Ind AS) and the guidelines issued by the Reserve Bank of India ("RBI") for Income Recognition and Asset Classification (which has been disclosed by the Company in Note 46 to the Standalone Financial Statements), the parties are repaying the principal amounts, as stipulated, and are also regular in payment of interest, as applicable.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the details of amount overdue for more than ninety days, on the loans and advances in the nature of loans, are as follows:

No.of Cases	Principal amount overdue (in lakhs)	Interest overdue (in lakhs)	Total overdue (in lakhs)	Remarks (if any)
2,847	4,088.94	2,719.69	6,808.63	According to the information and explanation given to us, reasonable steps have been taken by the Company for recovery of principal amount and interest.

(e) The company's principal business is to give loans and is a registered NBFC, accordingly, provisions stated under clause 3(iii)(e) of the Order is not applicable.

(f) According to the information explanation provided to us, the Company has not any granted loans and / or advances in the nature of loans, including to promoters or related parties as defined in clause (76) of section 2 of the Companies Act, 2013 either repayable on demand or without specifying any terms or period of repayment during the year. Accordingly, the provisions stated under clause 3(iii)(f) of the Order are not applicable to the Company.

iv. According to the information and explanations given to us, there are no loans, guarantees and security in respect of which provisions of Section 185 of the Companies Act, 2013, are applicable to the Company. The Company has also not made investments through more than two layer of investment companies in accordance with the provisions of section 186 of the Companies Act, 2013. Hence, the requirement to report under clause 3(iv) of the Order is not applicable to the Company.

v. According to the information and explanations given to us, the Company being Non-Banking Financial 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 to the Company. According to the information and explanations given to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal in this respect.

vi. The provisions of sub-Section (1) of Section 148 of the Companies Act, 2013 are not applicable to the Company as the Central Government of India has not specified the maintenance of cost records for any of the products/ services of the Company. Accordingly, the provisions stated under clause 3(vi) of the Order are not applicable to the Company.

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, cess, and other statutory dues have been regularly deposited by the Company with appropriate authorities in all cases during the year.

There are no undisputed amounts payable in respect of Goods and Services tax, provident fund, employees' state insurance, income-tax, cess, and other statutory dues in arrears as at March 31, 2025, outstanding for a period of more than six months from the date they became payable.

(b) According to the information and explanation given to us and the records of the Company examined by us, there are no dues relating to goods and services tax, provident fund, employees' state insurance, income-tax, cess, and other statutory dues which have not been deposited on account of any dispute.

viii. According to the information and explanations given to us, there are no transactions which are not accounted in the books of account which have been surrendered or disclosed as income during the year in Income-tax Assessment of the Company. Accordingly, the provision stated under clause 3(viii) of the Order is not applicable to the Company.

ix. (a) In our opinion and according to the information and explanations given to us and the records of the Company examined by us, the Company has not defaulted in repayment of loans or borrowings or in payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion and according to the information and explanations provided to us, money raised by way of term loans during the year have been applied for the purpose for which they were raised.

(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the standalone financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information explanation given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from an any entity or person on account of or to meet the obligations of its subsidiaries.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries. Further, the Company does not have any associate or joint ventures. Accordingly, reporting under clause 3(ix)(f) of the order is not applicable to the Company.

x. (a) In our opinion and according to the information explanation given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the provisions stated under clause 3(x)(a) of the Order are not applicable to the Company.

(b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully, partly, or optionally convertible debentures during the year. Accordingly, the provisions stated under clause 3(x)(b) of the Order are not applicable to the Company.

xi (a) Based on our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we report that no material fraud by the Company or on the Company has been noticed or reported during the year in the course of our audit.

(b) Based on our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the provisions stated under clause 3(xi)(b) of the Order is not applicable to the Company.

(c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing, and extent of audit procedures.

xii. The Company is not a Nidhi Company. Accordingly, the provisions stated under clause 3(xii)(a) to (c) of the Order are not applicable to the Company.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable and details of such transactions have been disclosed in Note No. 33 of the standalone financial statements as required by the applicable accounting standards.

xiv. (a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till the date of our audit report, for the period under audit in accordance with the guidance provided in SA 610 – 'Using the work of Internal Auditors'.

xv. According to the information and explanations given to us, in our opinion, during the year, the Company has not entered into any non-cash transactions with directors or persons connected with its directors and accordingly, the reporting on compliance with the provisions of Section 192 of the Companies Act, 2013 in clause 3(xv) of the Order is not applicable to the Company.

xvi. (a) The Company is required to and has been registered under Section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) as Non-Deposit taking Systematically Important (NBFC-ND-SI) Company.

(b) The Company has conducted non-banking financial activities during the year and the Company holds a valid Certificate of Registration from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.

(c) The Company is not a Core investment Company (CIC) as defined in the regulations made by Reserve Bank of India. Accordingly, the provisions stated under clause 3 (xvi) (c) of the Order are not applicable to the Company.

(d) According to the information and explanations provided to us, the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) does not have any Core Investment Company as part of its group. Accordingly, the provisions stated under clause 3(xvi)(d) of the order are not applicable to the Company.

xvii. Based on the overall review of standalone financial statements, the Company has not incurred cash losses in the current financial year and in the immediately preceding financial year. Accordingly, the provisions stated under clause 3(xvii) of the Order are not applicable to the Company.

xviii. There has been no resignation of the statutory auditors during the year. Accordingly, the provisions stated under clause 3(xviii) of the Order are not applicable to the Company.

xix. According to the information and explanations given to us and on the basis of the financial ratios (as disclosed in Note 32 to the standalone financial statements), ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. According to the information and explanations given to us, the Company has met the criteria as specified under sub-section (1) of Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, however, in the absence of average net profits in the immediately three preceding years, there is no requirement for the Company to spend any amount under sub-section (5) of Section 135 of the Act. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.

xxi. There are no qualifications or adverse remarks by the respective auditors in the Companies (Auditors Report) Order, 2020 reports of the companies included in the consolidated financial statements. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment in respect of the said Clause has been included in the report.

For **M S K A & Associates**
Chartered Accountants
ICAI Firm Registration Number: 105047W

Tushar Kurani
Partner
Membership Number: 118580
UDIN: 25118580BMOHVY1090

Mumbai
April 29, 2025

ANNEXURE "B"

TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF INDOSTAR CAPITAL FINANCE LIMITED

[Referred to in paragraph 2(g) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the IndoStar Capital Finance Limited on the Standalone Financial Statements for the year ended March 31, 2025]

REPORT ON THE INTERNAL FINANCIAL CONTROLS 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 standalone financial statements of IndoStar Capital Finance Limited ("the Company") as of March 31, 2025 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

OPINION

In our opinion, the Company has in all material respects, an adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2025, based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ('ICAI').

MANAGEMENT AND BOARD OF DIRECTOR'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

AUDITORS' RESPONSIBILITY

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

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

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO STANDALONE FINANCIAL STATEMENTS

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

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO STANDALONE FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **M S K A & Associates**
Chartered Accountants
ICAI Firm Registration Number: 105047W

Tushar Kurani
Partner
Membership Number: 118580
UDIN: 25118580BMOHVY1090

Mumbai
April 29, 2025

BALANCE SHEET

AS AT MARCH 31, 2025

(Currency : Indian Rupees in lakhs)

Particulars	Notes	As at March 31, 2025	As at March 31, 2024
I. ASSETS			
Financial assets			
Cash and cash equivalents	3	9,192.46	38,773.39
Bank balances other than cash and cash equivalents	4	32,560.54	29,175.78
Loans	5	7,21,651.85	5,98,730.29
Investments	6	1,81,819.45	1,57,092.38
Other financial assets	7	12,448.46	33,758.70
		9,57,672.76	**8,57,530.54**
Non-financial assets			
Current tax assets (net)	8	1,137.81	7,539.22
Deferred tax assets (net)	9	31,674.65	31,651.53
Property, plant and equipment	10	5,955.24	5,567.39
Assets acquired in satisfaction of claim	11	1,300.00	1,300.00
Goodwill	12	30,018.69	30,018.69
Other intangible assets	12	539.00	1,070.68
Other non-financial assets	13	2,922.89	4,335.48
Non - current asset held for sale	14	45,000.00	-
		1,18,548.28	**81,482.99**
TOTAL ASSETS		**10,76,221.04**	**9,39,013.53**
II. LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
Trade payables	15		
(i) total outstanding to micro enterprises and small enterprises		6.23	114.85
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		1.82	15.47
Debt securities	16	3,79,218.64	3,28,775.09
Borrowings (other than debt securities)	17	3,12,429.59	2,76,167.94
Other financial liabilities	18	40,296.33	22,481.59
		7,31,952.61	**6,27,554.94**
Non-financial liabilities			
Provisions	19	901.31	529.50
Other non-financial liabilities	20	744.87	724.63
		1,646.18	**1,254.13**
TOTAL LIABILITIES		**7,33,598.79**	**6,28,809.07**
EQUITY			
Equity share capital	21	13,609.74	13,607.93
Other equity	22	3,29,012.51	2,96,596.53
TOTAL EQUITY		**3,42,622.25**	**3,10,204.46**
TOTAL LIABILITIES AND EQUITY		**10,76,221.04**	**9,39,013.53**

See accompanying notes forming part of the financial statements 1 to 48

In terms of our report attached
For M S K A & Associates
Chartered Accountants
ICAI Firm Registration Number:105047W

For and on behalf of the Board of Directors of
IndoStar Capital Finance Limited

Tushar Kurani
Partner
Membership No. 118580

Naina Krishnamoorthy
Non-Executive Independent Chairperson
DIN: 01216114

Randhir Singh
Executive Vice Chairman & Whole Time Director
DIN: 05353131

Karthikeyan Srinivasan
Chief Executive Officer & Whole Time Director
DIN: 10056556

Jayesh Jain
Chief Financial Officer

Shikha Jain
Company Secretary

Place: Mumbai
Date: April 29, 2025

Place: Mumbai
Date: April 29, 2025

STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2025

(Currency : Indian Rupees in lakhs)

Particulars	Notes	For the year ended March 31, 2025	For the year ended March 31, 2024
REVENUE FROM OPERATIONS	23		
Interest income		1,19,654.44	91,478.94
Fees and commission income		11,963.66	5,123.21
Net gain on fair value changes		3,244.16	2,147.32
Net gain on derecognition of financial instruments measured at amortised cost category		5,529.92	11,668.14
Total revenue from operations		**1,40,392.18**	**1,10,417.61**
Other income	24	849.37	2,105.06
Total income		**1,41,241.55**	**1,12,522.67**
EXPENSES			
Finance costs	25	74,083.99	58,114.60
Impairment on financial instruments	26	13,752.34	8,306.69
Employee benefit expenses	27	29,771.41	21,180.93
Depreciation and amortisation expenses	28	3,061.80	2,766.37
Other expenses	29	15,312.92	14,992.71
Total expenses		**1,35,982.46**	**1,05,361.30**
Profit before tax		**5,259.09**	**7,161.37**
Tax expense:	30		
1. Current tax		-	-
2. Tax of earlier years		-	-
3. Deferred tax expenses		-	-
Total tax expenses		-	-
Profit/(loss) after tax		**5,259.09**	**7,161.37**
Other comprehensive income			
Items that will not be reclassified to profit and loss			
- Remeasurements of the defined benefit plans		(111.91)	(42.90)
- Income tax relating to items that will not be reclassified to profit or loss		28.17	10.80
		(83.74)	(32.10)
Items that will be reclassified to profit and loss			
- Debt instruments through other comprehensive income		20.00	11.47
- Income tax relating to items that will be reclassified to profit or loss		(5.05)	(2.89)
		14.95	8.58
Other comprehensive income for the year, net of tax		**(68.79)**	**(23.52)**
Total comprehensive income for the year		**5,190.30**	**7,137.85**
Earnings per equity share	31		
Basic earnings per share (₹)		3.86	5.26
Diluted earnings per share (₹)		3.74	5.26
(Equity Share of face value of ₹ 10 each)			

See accompanying notes forming part of the financial statements 1 to 48

In terms of our report attached
For M S K A & Associates
Chartered Accountants
ICAI Firm Registration Number:105047W

For and on behalf of the Board of Directors of
IndoStar Capital Finance Limited

Tushar Kurani
Partner
Membership No. 118580

Naina Krishnamoorthy
Non-Executive Independent Chairperson
DIN: 01216114

Randhir Singh
Executive Vice Chairman & Whole Time Director
DIN: 05353131

Karthikeyan Srinivasan
Chief Executive Officer & Whole Time Director
DIN: 10056556

Jayesh Jain
Chief Financial Officer

Shikha Jain
Company Secretary

Place: Mumbai
Date: April 29, 2025

Place: Mumbai
Date: April 29, 2025

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2025

(Currency : Indian Rupees in lakhs)

	Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
A	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit / (loss) before tax	5,259.09	7,161.37
	Adjustments for :		
	Interest income on financial assets	(1,19,654.44)	(91,478.94)
	Finance costs	74,083.99	58,114.60
	Depreciation and amortisation expense	3,061.80	2,766.37
	(Profit) / Loss on sale of property plant and equipment	(4.40)	22.55
	Impairment on financial instruments	13,752.34	8,306.69
	Provision for employee benefits	351.55	157.31
	Employee share based payment expense	2,203.70	812.34
	Net gain on fair value changes	(3,244.16)	(2,147.32)
	Net gain on derecognition of financial instruments measured at amortised cost category	(5,529.92)	(11,668.14)
		(29,720.45)	**(27,953.17)**
	Interest income realised on financial assets	1,15,375.32	90,889.36
	Finance costs paid	(69,788.94)	(61,536.79)
	Cash generated from operating activities before working capital changes	**15,865.93**	**1,399.40**
	Adjustments:		
	(Increase)/Decrease in loans and advances	(1,75,031.30)	(1,62,945.19)
	(Increase)/Decrease in other financial assets	26,804.65	(309.87)
	(Increase)/Decrease in other non-financial assets	1,412.59	(1,100.99)
	Increase/(Decrease) in trade payable	(122.27)	(604.93)
	Increase/(Decrease) in other financial liabilities	18,519.11	(5,953.11)
	Increase/(Decrease) in other non-financial liabilities	20.24	(226.97)
	Cash generated from/(used in) operating activities	**(1,12,531.05)**	**(1,69,741.66)**
	Taxes (paid) / refund	6,401.41	(2,163.22)
	Net cash generated from/(used in) operating activities (A)	**(1,06,129.64)**	**(1,71,904.88)**
B	**CASH FLOWS FROM INVESTING ACTIVITIES**		
	Purchase of property, plant and equipment	(2,155.81)	(840.00)
	Sale of property, plant and equipment	6.79	7.77
	Purchase of intangible assets	(245.14)	(27.20)
	Proceeds/(Investment) in bank deposits of maturity greater than 3 months (net)	(3,384.76)	(8,832.28)
	(Acquisition)/redemption of investments measured at FVTPL (net)	(29,545.44)	58,086.00
	(Acquisition)/redemption of investments measured at FVOCI (net)	(14,471.43)	(4,020.66)
	(Acquisition)/redemption of investments measured at amortised cost (net)	19,369.23	23,065.49
	Net cash generated from/(used in) investing activities (B)	**(30,426.56)**	**67,439.12**

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2025

(Currency : Indian Rupees in lakhs)

	Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
C	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceeds from issue of shares (including securities premium and net off share issue expenses)	25,282.42	-
	Proceeds from bank borrowings	2,83,399.66	1,90,316.60
	Repayments towards bank borrowings	(2,47,604.83)	(2,86,266.42)
	Proceeds from issuance of Non-Convertible Debentures	1,15,558.54	2,45,500.00
	Repayments towards Non-Convertible Debentures	(1,14,300.00)	(29,790.00)
	Proceeds from Commercial Papers	1,32,000.00	55,300.00
	Repayments towards Commercial Papers	(86,300.00)	(47,500.00)
	Payment of lease liabilities	(1,060.52)	(821.73)
	Net cash generated from/(used in) financing activities (C)	**1,06,975.27**	**1,26,738.45**
	Net Increase in cash and cash equivalents (A) + (B) + (C)	**(29,580.93)**	**22,272.69**
	Cash and Cash Equivalents at the beginning of the year	38,773.39	16,500.70
	Cash and Cash Equivalents at the end of the year	**9,192.46**	**38,773.39**
	Reconciliation of cash and cash equivalents with the balance sheet		
	Cash on hand	533.99	400.27
	Balances with banks		
	- in current accounts	1,656.32	12,368.85
	Deposits with original maturity of less than three months	7,002.15	26,004.27
	Total	**9,192.46**	**38,773.39**

See accompanying notes forming part of the financial statements 1 to 48

In terms of our report attached
For M S K A & Associates
Chartered Accountants
ICAI Firm Registration Number:105047W

Tushar Kurani
Partner
Membership No. 118580

Place: Mumbai
Date: April 29, 2025

For and on behalf of the Board of Directors of
IndoStar Capital Finance Limited

Naina Krishnamoorthy
Non-Executive Independent Chairperson
DIN: 01216114

Randhir Singh
Executive Vice Chairman & Whole Time Director
DIN: 05353131

Karthikeyan Srinivasan
Chief Executive Officer & Whole Time Director
DIN: 10056556

Jayesh Jain
Chief Financial Officer

Shikha Jain
Company Secretary

Place: Mumbai
Date: April 29, 2025

STATEMENT OF CHANGES IN EQUITY (SOCIE)

FOR THE YEAR ENDED MARCH 31, 2025

(Currency : Indian Rupees in lakhs)

(a) Equity share capital of face value of ₹ 10/- each

Particulars	Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in Equity Share Capital during the current year	Balance at the end of the current reporting period
As at March 31, 2025	13,607.93	-	13,607.93	1.81	13,609.74
As at March 31, 2024	13,607.93	-	13,607.93	-	13,607.93

(b) Other equity

Particulars	Share application money pending allotment	Reserves and surplus						Debt instruments through other comprehensive income	Money received against share warrants	Total
		Securities Premium Account	Statutory Reserves U/s 45(IC)	Capital Reserve	Share options outstanding account	General reserves	Retained earnings			
(i) Balance at April 01, 2024	**-**	**2,92,207.63**	**31,083.07**	**0.43**	**2,122.74**	**3,447.24**	**(32,260.64)**	**(3.94)**	**-**	**2,96,596.53**
Profit after tax for the year	-	-	-	-	-	-	5,259.09	-	-	5,259.09
Debt instruments through other comprehensive income	-	-	-	-	-	-	-	14.95	-	14.95
Gain/loss on re-measurement of defined benefit plans	-	-	-	-	-	-	(83.74)	-	-	(83.74)
	-	**-**	**-**	**-**	**-**	**-**	**5,175.35**	**14.95**	**-**	**5,190.30**
Proceeds from issue of shares (net)	-	30.43	-	-	-	-	-	-	-	30.43
Transferred from Retained earnings	-	-	1,051.82	-	-	-	(1,051.82)	-	-	-
Share application money received	10.95	-	-	-	-	-	-	-	-	10.95
Share based payment expense	-	-	-	-	1,934.12	-	-	-	-	1,934.12
Transfer from ESOP reserves	-	12.81	-	-	(122.30)	109.49	-	-	-	-
Money received against share warrant	-	-	-	-	-	-	-	-	25,533.40	25,533.40
Share issue expenses	-	(283.22)	-	-	-	-	-	-	-	(283.22)
Balance at March 31, 2025	**10.95**	**2,91,967.65**	**32,134.89**	**0.43**	**3,934.56**	**3,556.73**	**(28,137.11)**	**11.01**	**25,533.40**	**3,29,012.51**

STATEMENT OF CHANGES IN EQUITY (SOCIE)

FOR THE YEAR ENDED MARCH 31, 2025

(Currency : Indian Rupees in lakhs)

(b) Other equity

Particulars	Share application money pending allotment	Reserves and surplus						Debt instruments through other comprehensive income	Money received against share warrants	Total
		Securities Premium Account	Statutory Reserves U/s 45(IC)	Capital Reserve	Share options outstanding account	General reserves	Retained earnings			
(ii) Balance at April 01, 2023	**-**	**2,92,207.63**	**29,650.80**	**0.43**	**2,074.82**	**2,683.84**	**(37,957.64)**	**(12.52)**	**-**	**2,88,647.36**
Profit after tax for the year	-	-	-	-	-	-	7,161.37	-	-	7,161.37
Debt instruments through other comprehensive income	-	-	-	-	-	-	-	8.58	-	8.58
Gain/loss on re-measurement of defined benefit plans	-	-	-	-	-	-	(32.10)	-	-	(32.10)
	-	**-**	**-**	**-**	**-**	**-**	**7,129.27**	**8.58**	**-**	**7,137.85**
Proceeds from issue of shares (net)	-	-	-	-	-	-	-	-	-	-
Transferred from Retained earnings	-	-	1,432.27	-	-	-	(1,432.27)	-	-	-
Share application money received	-	-	-	-	-	-	-	-	-	-
Share based payment expense	-	-	-	-	811.32	-	-	-	-	811.32
Transfer from ESOP reserves	-	-	-	-	(763.40)	763.40	-	-	-	-
Money received against share warrant	-	-	-	-	-	-	-	-	-	-
Share issue expenses	-	-	-	-	-	-	-	-	-	-
Balance at March 31, 2024	**-**	**2,92,207.63**	**31,083.07**	**0.43**	**2,122.74**	**3,447.24**	**(32,260.64)**	**(3.94)**	**-**	**2,96,596.53**

See accompanying notes forming part of the financial statements 1 to 48

In terms of our report attached
For M S K A & Associates
Chartered Accountants
ICAI Firm Registration Number:105047W

Tushar Kurani
Partner
Membership No. 118580

Place: Mumbai
Date: April 29, 2025

For and on behalf of the Board of Directors of
IndoStar Capital Finance Limited

Naina Krishnamoorthy
Non-Executive Independent Chairperson
DIN: 01216114

Randhir Singh
Executive Vice Chairman & Whole Time Director
DIN: 05353131

Karthikeyan Srinivasan
Chief Executive Officer & Whole Time Director
DIN: 10056556

Jayesh Jain
Chief Financial Officer

Shikha Jain
Company Secretary

Place: Mumbai
Date: April 29, 2025

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2025

(Currency : Indian Rupees in lakhs)

1 CORPORATE INFORMATION

IndoStar Capital Finance Limited ('the Company' or 'ICFL') was incorporated on July 21, 2009 and is domiciled in India. The Company is registered with the Reserve Bank of India (RBI) as a Systemically Important Non-Deposit taking Non-Banking Financial Company (NBFC-ND-SI) vide certificate No. N-13.02109. The Company is primarily engaged in lending business. The Company has been classified as Middle Layer as per Master Direction- Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 dated October 19, 2023, as amended. The Company is also registered as Corporate Agent with the Insurance Regulatory and Development Authority (IRDAI) wide Certificate of Registration dated February 21, 2024.

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES

2.1 Statement of compliance with Indian Accounting Standards ('Ind AS')

The financial statements have been prepared in accordance with Indian Accounting Standards ('Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time. The financial statements have been prepared under the historical cost convention, as modified by the application of fair value measurements required or allowed by relevant accounting standards. Accounting policies have been consistently applied to all periods presented, unless otherwise stated.

The financial statements are prepared on a going concern basis, as the management is satisfied that the Company shall be able to continue its business for the foreseeable future. In making this assessment, the management has considered a wide range of information relating to present and future conditions, including future projections of profitability, cash flows and capital resources.

2.2 Presentation of financial statements

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Division III to Schedule III to the Act applicable for Non Banking Financial Companies ("NBFC"). The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows". The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Division III to Schedule III to the Act, are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified accounting Standards and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Financial assets and financial liabilities are generally reported gross in the balance sheet. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event, the parties also intend to settle on a net basis in all of the following circumstances:

- the normal course of business
- the event of default
- the event of insolvency of bankruptcy of the Company/ or its counterparties.

2.3 Material Accounting Policies

a) Financial Instruments

Financial assets and financial liabilities can be termed as financial instruments.

Financial instruments are recognised when the Company becomes a party to the contractual terms of the instruments.

(i) Classification of Financial Instruments

The Company classifies its financial assets into the following measurement categories:

1. Financial assets to be measured at amortised cost.
2. Financial assets to be measured at fair value through other comprehensive income.
3. Financial assets to be measured at fair value through profit or loss account.

The classification depends on the contractual terms of the financial assets' cash flows and the Company's business model for managing financial assets.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2025

(Currency : Indian Rupees in lakhs)

The Company classifies its financial liabilities at amortised cost unless it has designated liabilities at fair value through the profit and loss account or is required to measure liabilities at fair value through profit or loss (FVTPL) such as derivative liabilities. Financial liabilities, other than loan commitments and financial guarantees, are measured at FVTPL when they are derivative instruments or the fair value designation is applied.

Transaction costs directly pertaining to the acquisition or issue of financial instruments are added to or deducted from the initial measurement amount of the instrument except where the instrument is initially measured as fair value through profit or loss.

(ii) Assessment of business model and contractual cash flow characteristics for financial assets

Business model assessment

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective. The Company's business model determines whether the cash flows will be generated by collecting contractual cash flows, selling financial assets or by both.

The Company's business model is assessed at portfolio level and not at instrument level, and is based on observable factors such as:

(i) How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel;

(ii) The risks that affect the performance of the business model and, in particular, the way those risks are managed;

(iii) The expected frequency, value and timing of sales are also important aspects of the Company's assessment. The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account.

Solely payment of principal and interest (SPPI) test

Subsequent to the assessment to the relevant business model of the financial assets, the Company assesses the contractual terms of financial assets to identify whether the cash flow realised are towards solely payment of principal and interest.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset. The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk.

(iii) Initial measurement of financial instruments

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments. Financial instruments are initially measured at their fair value.

(iv) Classification of Financial Instruments as per business model and SPPI test

(a) Loans and Debt instruments at amortised cost

A 'loan or debt instrument' is measured at the amortised cost if both the following conditions are met:

i) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

ii) The contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2025

(Currency : Indian Rupees in lakhs)

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit or loss.

(b) Financial assets at fair value through other comprehensive income (FVTOCI)

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows that give rise on specified dates to sole payments of principal and interest on the principal amount outstanding and by selling financial assets.

(c) Financial assets at fair value through profit or loss (FVTPL)

Financial assets at fair value through profit or loss are those that are either held for trading and have been either designated by management upon initial recognition or are mandatorily required to be measured at fair value under Ind AS 109. Management only designates an instrument at FVTPL upon initial recognition when one of the following criteria are met (such designation is determined on an instrument-by-instrument basis):

The designation eliminates, or significantly reduces, the inconsistent treatment that would otherwise arise from measuring the assets or recognising gains or losses on them on a different basis.

Financial assets at FVTPL are recorded in the balance sheet at fair value. Changes in fair value are recorded in profit and loss.

(d) Debt securities and other borrowed funds

After initial measurement, debt issued and other borrowed funds are subsequently measured at amortised cost. Amortised cost is calculated by taking into account any discount or premium on issue funds, and costs that are an integral part of the EIR. A compound financial instrument which contains both a liability and an equity component is separated at the issue date.

(e) Financial guarantees

Financial guarantees are initially recognised in the financial statements (within 'Provisions') at fair value, being the premium/deemed premium received. Subsequent to initial recognition, the Company's liability under each guarantee is measured at the higher of (i) the amount initially recognised less cumulative amortisation recognised in the Statement of Profit and Loss and (ii) the amount of loss allowance. The premium/deemed premium is recognised in the Statement of Profit and Loss on a straight line basis over the life of the guarantee.

(f) Undrawn loan commitments

Undrawn loan commitments are commitments under which, over the duration of the commitment, the Company is required to provide a loan with pre-specified terms to the customer. Undrawn loan commitments are in the scope of the ECL requirements.

(v) Reclassification of financial assets and liabilities

The Company does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Company acquires, disposes of, or terminates a business line.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2025
(Currency : Indian Rupees in lakhs)

(vi) Derecognition of financial assets in the following circumstances

(a) Derecognition of financial assets due to substantial modification of terms and conditions

The Company derecognises a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially it becomes a new loan with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognised loans are classified as Stage 1 for ECL measurement purposes, unless the new loan is deemed to be credit-impaired at the origination date.

If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Company records a modification gain or loss, to the extent that an impairment loss has not already been recorded.

(b) Derecognition of financial assets other than due to substantial modification

Financial assets

A financial asset or a part of financial asset is derecognised when the rights to receive cash flows from the financial asset have expired. The Company also derecognises the financial asset if it has transferred the financial asset and the transfer qualifies for derecognition.

The Company has transferred the financial asset if, and only if, either:

- The Company has transferred its contractual rights to receive cash flows from the financial asset; or
- It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows.

A transfer only qualifies for derecognition if either:

- The Company has transferred substantially all the risks and rewards of the asset; or
- 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 considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

When the Company has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Company's continuing involvement, in which case, the Company also recognises 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.

Write off

The Company writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery. Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in Statement of profit and loss.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2025

(Currency : Indian Rupees in lakhs)

(vii) Derecognition of Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in profit or loss.

b) Fair Value Measurement

On initial recognition, all the financial instruments are measured at fair value. For subsequent measurement, the Company measures certain categories of financial instruments at fair value on each balance sheet date. 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.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

i. In the principal market for the asset or liability, or

ii. In the absence of a principal market, in the most advantageous market for the asset or liability.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices 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 or indirectly;

Level 3: inputs for the asset or liability that are not based on observable market data.

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, if any.

c) Property plant and equipment

Recognition and measurement

Property, plant and equipment (PPE) is recognised when it is probable that the future economic benefits associated with it will flow to the Company and the cost can be measured reliably.

Property, plant and equipment (PPE) are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of assets which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the year till such assets are ready to be put to use. Any trade discounts and rebates are deducted in arriving at the purchase price.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2025

(Currency : Indian Rupees in lakhs)

Gains or losses arising from derecognition of such assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

Subsequent expenditure

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate only if it is probable that the future economic benefits associated with the item will flow to the Company and that the cost of the item can be reliably measured. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repair and maintenance expenses are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

Depreciation

Depreciation is provided on Straight Line Method ('SLM'), which reflects the management's estimate of the useful life of the respective assets. The estimated useful life used to provide depreciation are as follows:

Particulars	Estimated useful life by the Company	Useful life as prescribed by Schedule II of the Companies Act 2013
Computers	3 years	3 years
Office Equipment	5 years	5 years
Office Equipment - mobiles	2 years	5 years
Furniture and fixtures	5 years	10 years
Servers and networks	5 years	6 years

Property, plant and equipment items individually costing less than ₹ 5,000 are depreciated fully in the year of purchase.

Leasehold improvement is amortised on Straight Line Method over the lease term, subject to a maximum of 60 months.

The right-of-use assets are depreciated from the date of commencement of the lease on a straight-line basis over the lease term.

Useful life of assets different from prescribed in Schedule II of the Act has been estimated by management and supported by technical assessment. Depreciation on assets acquired/sold during the year is recognised on a pro-rata basis to the Statement of Profit and Loss till the date of sale.

The useful lives and the method of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate. Changes in the expected useful life are accounted for by changing the amortisation period or methodology, as appropriate, and treated as changes in accounting estimates.

d) Intangible assets

Recognition and measurement

An intangible asset is recognised only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Company. Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition.

Amortisation

Intangible assets are amortised using the straight line method over a period of 3 years, which is the management's estimate of its useful life. The amortisation period and the amortisation method are reviewed at least as at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly.

Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2025

(Currency : Indian Rupees in lakhs)

e) Business Combination and goodwill thereon

Business combinations other than under common control are accounted for using the acquisition method. The cost of an acquisition is measured at the value which is aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. The identifiable assets acquired and the liabilities assumed are recognised at their fair values, as on date of acquisition.

Measurement

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. In case the excess is on account of bargain purchase, the gain is recognised directly in equity as capital reserve. When the transaction is of nature other than bargain purchase, then the gain is recognised in OCI and accumulated in equity as capital reserve.

f) Impairment

(i) Financial Assets

(a) Expected Credit Loss (ECL) principles

The Company records allowance for expected credit losses for all loans, debt financial assets not held at FVTPL, undrawn loan commitments (referred to as 'financial instruments').

For the computation of ECL on the financial instruments, the Company categories its financial instruments as mentioned below:

Stage 1: All exposures where there has not been a significant increase in credit risk since initial recognition or that has low credit risk at the reporting date and that are not credit impaired upon origination are classified under this stage. The Company classifies all advances upto 30 days overdue under this category.

Stage 2: Exposures are classified as Stage 2 when the amount is due for more than 30 days but less than 90 days. All exposures where there has been a significant increase in credit risk since initial recognition but are not credit impaired are classified under this stage.

Stage 3: All exposures are assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred. Exposures where the amount remains due for 90 days or more are considered as to be stage 3 assets.

The Company has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. The Company undertakes the classification of exposures within the aforesaid stages at borrower level.

(b) Definition of default

A default on a financial asset is when the counterparty fails to make the contractual payments within 90 days of when they fall due. Accordingly, the financial assets shall be classified as Stage 3, if on the reporting date, it has been 90 days and above past due. Non-payment on another obligation of the same customer is also considered as a Stage 3. In addition, Company shall also classify those accounts as default which meets the criteria as per the RBI circular RBI/2021-2022/125 DOR.STR.REC.68/21.04.048/2021-22 dated November 12, 2021.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2025

(Currency : Indian Rupees in lakhs)

(c) Calculation of ECL:

ECL is a probability weighted credit losses (i.e. present value of all cash shortfalls) over the expected life of the financial instruments.

Cash shortfalls are the difference between the cash flows that the entity is entitled to receive on account of contract and the cash flows that the entity expects to receive.

The mechanics of the ECL calculations are outlined below and the key elements are as follows:

Exposure-At-Default (EAD) : The Exposure at Default is the amount the Company is entitled to receive as on reporting date including repayments due for principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities.

Probability of Default (PD) : The Probability of Default is an estimate of the likelihood of default of the exposure over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.

Loss Given Default (LGD) : The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral.

The ECL allowance is applied on the financial instruments depending upon the classification of the financial instruments as per the credit risk involved. ECL allowance is computed on the below mentioned basis:

12-month ECL: 12-month ECL is the portion of Lifetime ECL that represents the ECL that results from default events on a financial instrument that are possible within the 12 months after the reporting date. 12-month ECL is applied on stage 1 assets.

Lifetime ECL: Lifetime ECL for credit losses expected to arise over the life of the asset in cases of credit impaired loans and in case of financial instruments where there has been significant increase in credit risk since origination. Lifetime ECL is the expected credit loss resulting from all possible default events over the expected life of a financial instrument. Lifetime ECL is applied on stage 2 and stage 3 assets.

The Company computes the ECL allowance either on individual basis or on collective basis, depending on the nature of the underlying portfolio of financial instruments. The Company has grouped its loan portfolio into Corporate loans, SME loans, Commercial vehicle loans and Micro lap loans .

ECL on Trade Receivables:

The Company applies the simplified approach for computation of ECL on trade receivables as allowed as per Ind AS 109. Thus, the Company is recognising lifetime ECL for trade receivables.

Significant increase in Credit Risk

The Company monitors all financial assets and financial guarantee contracts that are subject to the impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk, the Company will measure the loss allowance based on lifetime rather than 12-month ECL.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2025

(Currency : Indian Rupees in lakhs)

compares the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity of the instrument with the risk of a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognised. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort, based on the Company's historical experience and expert credit assessment.

Given that a significant increase in credit risk since initial recognition is a relative measure, a given change in absolute terms in the PD will be more significant for a financial instrument with a lower initial PD than compared to a financial instrument with a higher PD.

As a back-stop when loan asset not being a loan becomes 30 days past due, the Company considers that a significant increase in credit risk has occurred and the asset is in stage 2 of the impairment model, i.e. the loss allowance is measured as the lifetime ECL in respect of all retail assets.

For the purpose of counting of days past due for the assessment of significant increase in credit risk, the special dispensations to any class of assets in accordance with COVID-19 Regulatory Package notified by the Reserve Bank of India (RBI) has been applied by the Company.

Modification and derecognition of financial assets

A modification of a financial asset occurs when the contractual terms governing the cash flows of a financial asset are renegotiated or otherwise modified between initial recognition and maturity of the financial asset. A modification affects the amount and/or timing of the contractual cash flows either immediately or at a future date. In addition, the introduction of new covenants or adjustment of existing covenants of an existing loan may constitute a modification even if these new or adjusted covenants do not yet affect the cash flows immediately but may affect the cash flows depending on whether the covenant is or is not met (e.g. a change to the increase in the interest rate that arises when covenants are breached).

The Company renegotiates loans to customers in financial difficulty to maximise collection and minimise the risk of default. A loan forbearance is granted in cases where although the borrower made all reasonable efforts to pay under the original contractual terms, there is a high risk of default or default has already happened and the borrower is expected to be able to meet the revised terms. The revised terms in most of the cases include an extension of the maturity of the loan, changes to the timing of the cash flows of the loan (principal and interest repayment), reduction in the amount of cash flows due (principal and interest forgiveness) and amendments to covenants.

When a financial asset is modified the Company assesses whether this modification results in derecognition. In accordance with the Company's policy a modification results in derecognition when it gives rise to substantially different terms. To determine if the modified terms are substantially different from the original contractual terms the Company considers the following:

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2025

(Currency : Indian Rupees in lakhs)

- Qualitative factors, such as contractual cash flows after modification are no longer SPPI,
- Change in currency or change of counterparty,
- The extent of change in interest rates, maturity, covenants.

If this does not clearly indicate a substantial modification, then:

(a) In the case where the financial asset is derecognised the loss allowance for ECL is remeasured at the date of derecognition to determine the net carrying amount of the asset at that date. The difference between this revised carrying amount and the fair value of the new financial asset with the new terms will lead to a gain or loss on derecognition. The new financial asset will have a loss allowance measured based on 12-month ECL except in the rare occasions where the new loan is considered to be originated-credit impaired. This applies only in the case where the fair value of the new loan is recognised at a significant discount to its revised par amount because there remains a high risk of default which has not been reduced by the modification. The Company monitors credit risk of modified financial assets by evaluating qualitative and quantitative information, such as if the borrower is in past due status under the new terms.

(b) When the contractual terms of a financial asset are modified and the modification does not result in derecognition, the Company determines if the financial asset's credit risk has increased significantly since initial recognition by comparing:

- the remaining lifetime PD estimated based on data at initial recognition and the original contractual terms; with
- the remaining lifetime PD at the reporting date based on the modified terms.

For financial assets modified, where modification did not result in derecognition, the estimate of PD reflects the Company's ability to collect the modified cash flows taking into account the Company's previous experience of similar forbearance action, as well as various behavioural indicators, including the borrower's payment performance against the modified contractual terms. If the credit risk remains significantly higher than what was expected at initial recognition the loss allowance will continue to be measured at an amount equal to lifetime ECL. The loss allowance on forborne loans will generally only be measured based on 12-month ECL when there is evidence of the borrower's improved repayment behaviour following modification leading to a reversal of the previous significant increase in credit risk.

Where a modification does not lead to derecognition, the Company calculates the modification gain/loss comparing the gross carrying amount before and after the modification (excluding the ECL allowance). Then the Company measures ECL for the modified asset, where the expected cash flows arising from the modified financial asset are included in calculating the expected cash shortfalls from the original asset.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2025

(Currency : Indian Rupees in lakhs)

Presentation of ECL allowance in the Balance Sheet

Loss allowances for ECL are presented in the statement of financial position as follows:

- for financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets;
- for debt instruments measured at FVTOCI: no loss allowance is recognised in Balance Sheet as the carrying amount is at fair value.

(ii) Financial Liabilities

(a) Loan commitments

Undrawn loan commitments are commitments under which, over the duration of the commitment, the Group is required to provide a loan with pre-specified terms to the customer. Undrawn loan commitments are in the scope of the ECL requirements.

(b) Financial guarantee contracts

The Group's liability under financial guarantee is measured at the higher of the amount initially recognised less cumulative amortisation recognised in the statement of profit and loss, and the ECL provision. For this purpose, the Group estimates ECLs by applying a credit conversion factor. The ECLs related to financial guarantee contracts are recognised within Provisions. Currently, the Group has not recognised any ECL in respect of financial guarantee based on estimate of expected cash flows.

(iii) Non-financial assets

(a) Intangible assets

The carrying amount of assets is reviewed at each balance sheet date if there is any indication of impairment based on internal/ external factors. An impairment loss is recognised when the carrying amount of an individual asset exceeds its recoverable amount. The recoverable amount is the higher of fair value of the asset less cost of its disposal and value in use.

(b) Goodwill

Goodwill is recorded at the cost less any accumulated impairment losses in the previous years. Goodwill on acquisition is tested for impairment where the same allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit (CGU) to which goodwill has been allocated is tested for impairment on annual basis or whenever required in case where the Company is of the opinion that goodwill may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. Such impairment loss already recognised for goodwill is not reversed in subsequent periods.

g) Recognition of income

Revenue generated from the business transactions (other than for those items to which Ind AS 109 Financial Instruments are applicable) is measured at fair value of the consideration to be received or receivable by the Company. Ind AS 115 Revenue from contracts with customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2025

(Currency : Indian Rupees in lakhs)

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;

Step 2: Identify performance obligations in the contract(s);

Step 3: Determine the transaction price;

Step 4: Allocate the transaction price to the performance obligations in the contract(s);

Step 5: Recognise revenue when (or as) the Company satisfies a performance obligation.

(a) Recognition of interest income

Interest income is recorded using the effective interest rate (EIR) method for all financial instruments measured at amortised cost. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset.

The EIR for the amortised cost asset is calculated by taking into account any discount or premium on acquisition, origination fees and transaction costs that are an integral part of the EIR.

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is booked 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.

The Company calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets. When a financial asset becomes credit-impaired and is, therefore, regarded as 'Stage 3', the Company recognised the interest income by applying the effective interest rate to the net amortised cost of the financial asset. If the financial status of the financial asset improves and it no longer remains to be a credit-impaired, the Company revises the application of interest income on such financial asset to calculating interest income on a gross basis.

Interest income on all trading assets and financial assets mandatorily required to be measured at FVTPL is recognised as interest income in the statement of profit or loss.

(b) Dividend income

Dividend income is recognised when the Company's right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

(c) Fees and commission income

Fees and commission income are recognised as income when the performance obligation as per the contract with customer is fulfilled and when the right to receive the payment against the services has been established.

(d) Origination fees

Origination fees, which the Company has received/recovered at time of granting of a loan, is considered as a component for computation of the effective rate of interest (EIR) for the purpose of computing interest income.

(e) Management Fees:

Management fees and other fees are recognised as income when the performance obligation as per the contract with customer is fulfilled and when the right to receive the payment against the services has been established.

(f) Assignment income

In accordance with Ind AS 109, in case of assignment transactions with complete transfer of risks and rewards, gain arising on such assignment transactions is recorded upfront in the Statement of Profit and Loss and the corresponding asset is derecognised from the Balance Sheet immediately upon execution of such transactions. Further the transfer of financial assets qualifies for

NOTES TO THE FINANCIAL STATEMENTS

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derecognition in its entirety, the whole of the interest spread at its present value (discounted over the expected life of the asset) is recognised on the date of derecognition itself as excess interest spread and correspondingly recognised as profit on derecognition of financial asset.

The residual expected life of the pool of asset is assessed annually.

(g) Securitisation transactions :

In accordance with Ind AS 109, in case of securitisation transactions, the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

(h) Net gain/(loss) on Fair value changes

Any differences between the fair values of financial assets classified as fair value through the profit or loss, held by the Company on the balance sheet date is recognised as an unrealised gain or loss as a gain or expense respectively.

Similarly, any realised gain or loss on sale of financial instruments measured at FVTPL and debt instruments measured at FVOCI is recognised in net gain / loss on fair value changes.

(i) Sourcing and servicing fee

The revenue from the contract as a service provider (sourcing and collection agent) on behalf of customer, is recognised upfront for services rendered as sourcing agent and on straight line basis over the loan tenure for services in the nature of collection and performance agent. The financial guarantee provided under the service contract is recognised at fair value on sourcing and is amortised over the period of contract with subsequent measurement at higher of the unamortised value as per Ind AS 115 or expected credit losses as per Ind AS 109.

h) Finance Costs

The Company recognises interest expense on the borrowings as per EIR methodology which is calculated by considering any ancillary costs incurred and any premium payable on its maturity.

i) Retirement and other employee benefits

(i) Defined Contribution Plan

Provident Fund

All the employees of the Company are entitled to receive benefits under the Provident Fund, a defined contribution plan in which both the employee and the Company contribute monthly at a stipulated rate. The Company has no liability for future Provident Fund benefits other than its annual contribution and recognises such contributions as an expense, when an employee renders the related service.

(ii) Defined Benefit schemes

(a) Gratuity

The Company provides for the gratuity, a defined benefit retirement plan covering all employees. The plan provides for lump sum payments to employees upon death while in employment or on separation from employment after serving for the stipulated year mentioned under 'The Payment of Gratuity Act, 1972'. The Company accounts for liability of future gratuity benefits based on an external actuarial valuation on projected unit credit method carried out for assessing liability as at the reporting date.

Net interest recognised in profit or loss is calculated by applying the discount rate used to measure the defined benefit obligation to the net defined benefit liability or asset. The actual return on the plan assets above or below the discount rate is recognised as part of re-measurement of net defined liability or asset through other comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2025

(Currency : Indian Rupees in lakhs)

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through Other comprehensive income ('OCI') in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

(b) Compensated absences

Compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related services are provided for based on estimates. Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are provided for based on actuarial valuation. The actuarial valuation is done as per projected unit credit method as at the reporting date. Actuarial gains/losses are immediately taken to Statement of profit and loss account and are not deferred.

j) Share based employee payments

Equity settled share based payments

The stock options granted to employees are measured at the fair value of the options at the grant date. The fair value of the options is treated as discount and accounted as employee compensation cost over the vesting period on a straight line basis. The amount recognised as expense in each year is arrived at based on the number of grants expected to vest. If a grant lapses after the vesting period, the cumulative discount recognised as expense in respect of such grant is transferred to the general reserve within equity.

k) Ind AS 116 Leases

The determination of whether an arrangement is a lease, or contains a lease, is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets or whether the arrangement conveys a right to use the asset.

Company as a lessee

Leases that do not transfer to the Company substantially all of the risks and benefits incidental to ownership of the leased items are treated as operating leases. Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term, unless the increase is in line with expected general inflation, in which case lease payments are recognised based on contractual terms. Contingent rental payable is recognised as an expense in the period in which they it is incurred.

Critical accounting estimate and judgement

1. 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2025

(Currency : Indian Rupees in lakhs)

2. Discount Rate

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.

l) Foreign currency translation

Functional and presentational currency

The financial statements are presented in Indian Rupees which is also functional currency of the Company and the currency of the primary economic environment in which the Company operates.

m) Provisions

A provision is recognised when the Company has a present obligation as a result of past event; it is probable that outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

n) Taxes

(i) Current tax

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from, or paid to, the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, by the reporting date in the countries where the Company operates and generates taxable income.

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.

(ii) Deferred tax

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

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

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. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is 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 outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(iii) Indirect tax

Expenses and assets are recognised net of the Goods and Services Tax paid, except when the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the tax paid is recognised as part of the cost of acquisition of the asset or as part of the respective expense item, as applicable.

o) Earnings Per Share

The Company reports basic and diluted earnings per share in accordance with Ind AS 33 on Earnings per share. Basic EPS 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 year.

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 are adjusted for the effects of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. In computing the dilutive earnings per share, only potential equity shares that are dilutive and that either reduces the earnings per share or increases loss per share are included.

p) Contingent Liabilities

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 recognised 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 recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

q) Segment reporting

Operating segments are those components of the business whose operating results are regularly reviewed by the chief operating decision making body in the Company to make decisions for performance assessment and resource allocation.

The reporting of segment information is the same as provided to the management for the purpose of the performance assessment and resource allocation to the segments.

Segment accounting policies are in line with the accounting policies of the Company. In addition, the following specific accounting policies have been followed for segment reporting:

i) Segment revenue includes operational revenue directly identifiable with/ allocable to the segment.

ii) Expenses that are directly identifiable with/allocable to segments are considered for determining the segment result.

iii) Income which relates to the Company as a whole and not allocable to segments is included in "unallocable corporate income / (expenditure) (net)".

iv) Segment result includes the finance costs incurred on interest bearing advances with corresponding credit included in "unallocable corporate income/(expenditure)(net)".

v) Segment assets and liabilities include those directly identifiable with the respective segments. Unallocable corporate assets and liabilities represent the assets and liabilities that relate to the Company as a whole.

r) Cash and cash equivalents

Cash and cash equivalent in the balance sheet and for the purpose of statement of cash flows comprise cash at bank and cheques in hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. They are held for the purposes of meeting short-term cash commitments (rather than for investment or other purposes).

NOTES TO THE FINANCIAL STATEMENTS
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(Currency : Indian Rupees in lakhs)

s) Non-current assets held for sale:

Non-current assets and disposable groups are classified as held for sale if their carrying amount is intended to be recovered principally through a sale (rather than through continuing use) when the asset (or disposal Company) is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset (or disposal Company) and the sale is highly probable and is expected to qualify for recognition as a completed sale within one year from the date of classification except in some circumstances this period can be extended if it is beyond the control of management and there are sufficient evidence that the entity remains committed to its plan to sell the asset.

Non-current assets and disposal groups classified as held for sale are measured at lower of their carrying amount and fair value less costs to sell.

2.4 Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with Ind AS requires that the management of the Company makes estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates include useful lives of property, plant and equipment & intangible assets, allowance for expected credit losses, fair value measurement, business projections for impairment assessment of goodwill etc. Difference, if any, between the actual results and estimates is recognised in the period in which the results are known.

2.5 Securities premium account

a) Securities premium includes:

- The difference between the face value of the equity shares and the consideration received in respect of shares issued;
- The fair value of the stock options which are treated as expense, if any, in respect of shares allotted pursuant to Stock Options Scheme.

b) The issue expenses of securities which qualify as equity instruments are written off against securities premium account/ retained earning in accordance with Ind AS.

2.6 Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2025, MCA has notified Ind AS – 117 Insurance Contracts and amendments to Ind AS 116 – Leases, relating to sale and leaseback transactions, applicable to the Company w.e.f. April 01, 2024. The Company has reviewed the new pronouncements and based on its evaluation has determined that it does not have any significant impact in its financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2025

(Currency : Indian Rupees in lakhs)

NOTE 3 CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2025	As at March 31, 2024
Cash on hand	533.99	400.27
Balances with banks		
- in current accounts	1,656.32	12,368.85
Deposits with original maturity of less than three months	7,002.15	26,004.27
	9,192.46	**38,773.39**

NOTE 4 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2025	As at March 31, 2024
Deposits with original maturity of more than three months	997.00	1,652.74
Earmarked deposits with banks	31,563.54	27,523.04
	32,560.54	**29,175.78**

NOTE 5 LOANS

Particulars	As at March 31, 2025	As at March 31, 2024
At amortised cost		
Business Loans		
Corporate lending	15,637.42	40,851.33
Small and medium enterprises lending (SME)	23,208.08	31,679.68
Commercial vehicle lending	7,02,362.88	5,54,865.24
Micro LAP	5,188.31	-
Other loans	-	2,405.14
Total - Gross	**7,46,396.69**	**6,29,801.39**
Less: Impairment allowance	(24,744.84)	(31,071.10)
Total - Net	**7,21,651.85**	**5,98,730.29**
(a) Secured by tangible assets	7,37,161.77	6,20,366.15
(b) Unsecured	9,234.92	9,435.24
Total - Gross	**7,46,396.69**	**6,29,801.39**
Less: Impairment allowance	(24,744.84)	(31,071.10)
Total - Net	**7,21,651.85**	**5,98,730.29**
Loans in India		
(a) Public sector	-	-
(b) Others	7,46,396.69	6,29,801.39
Total - Gross	**7,46,396.69**	**6,29,801.39**
Less: Impairment allowance	(24,744.84)	(31,071.10)
Total - Net (a)	**7,21,651.85**	**5,98,730.29**
Loans outside India (b)	-	-
Total - Net (a)+(b)	**7,21,651.85**	**5,98,730.29**

Footnotes:

i) Security receipts are presented as part of "Note 6 - Investments"

ii) Stage classification of loans, investments and its impairment allowance is disclosed in Note 32(D) and Note 32(E)

iii) Secured indicates loans secured, wholly or partly, by way of hypothecation of vehicle and / or equitable mortgage of property and or equipment.

iv) Also refer Note 33.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2025

(Currency : Indian Rupees in lakhs)

NOTE 6 INVESTMENTS

Investments as at March 31, 2025

Investment in	Amortised cost	At Fair Value		Others	Total
		Through other comprehensive income	Through profit and loss	At cost	
Mutual funds	-	-	49,511.64	-	49,511.64
Security Receipts	1,38,715.21	-	-	-	1,38,715.21
Treasury Bills	-	9,653.55	-	-	9,653.55
Bonds	-	10,160.59	-	-	10,160.59
Government securities	-	10,232.72	-	-	10,232.72
Subsidiaries	-	-	-	1.00	1.00
Total - Gross	**1,38,715.21**	**30,046.86**	**49,511.64**	**1.00**	**2,18,274.71**
Investments in India	1,38,715.21	30,046.86	49,511.64	1.00	2,18,274.71
Investments outside India	-	-	-	-	-
Total - Gross	**1,38,715.21**	**30,046.86**	**49,511.64**	**1.00**	**2,18,274.71**
Less: Impairment loss allowance	(36,455.26)	-	-	-	(36,455.26)
Total - Net	**1,02,259.95**	**30,046.86**	**49,511.64**	**1.00**	**1,81,819.45**

1. Detailed analysis on year end stage classification of investments and impairment allowance is disclosed in Note 32 (D)

Investment in Subsidiaries comprises of:

Name of Subsidiary	Carrying Amount	% Holding
IndoStar Asset Advisory Private Limited	1.00	100%
Niwas Housing Finance Private Limited (Formerly known as IndoStar Home Finance Private Limited)*	-	-
Total	**1.00**	

* shown under non - current asset held for sale (refer note 14)

Investments as at March 31, 2024

Investment in	Amortised cost	At Fair Value		Others	Total
		Through other comprehensive income	Through profit and loss	At cost	
Mutual funds	-	-	16,723.44	-	16,723.44
Security Receipts	1,17,530.96	-	-	-	1,17,530.96
Treasury Bills	-	14,210.78	-	-	14,210.78
Bonds	-	-	-	-	-
Government securities	-	-	-	-	-
Subsidiaries	-	-	-	45,270.58	45,270.58
Total - Gross	**1,17,530.96**	**14,210.78**	**16,723.44**	**45,270.58**	**1,93,735.76**
Investments in India	1,17,530.96	14,210.78	16,723.44	45,270.58	1,93,735.76
Investments outside India	-	-	-	-	-
Total - Gross	**1,17,530.96**	**14,210.78**	**16,723.44**	**45,270.58**	**1,93,735.76**
Less: Impairment loss allowance	(36,643.38)	-	-	-	(36,643.38)
Total - Net	**80,887.58**	**14,210.78**	**16,723.44**	**45,270.58**	**1,57,092.38**

1. Detailed analysis on year end stage classification of investments and impairment allowance is disclosed in Note 32 (D)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2025

(Currency : Indian Rupees in lakhs)

Investment in Subsidiaries comprises of:

Name of Subsidiary	Carrying Amount	% Holding
IndoStar Asset Advisory Private Limited	1.00	100%
Niwas Housing Finance Private Limited (Formerly known as IndoStar Home Finance Private Limited)*	45,269.58	100%
Total	**45,270.58**	

* includes cross charge of ₹ 269.58 lakhs in form of deemed investment in subsidiary on account of ESOPs given to employees of subsidiary.

NOTE 7 OTHER FINANCIAL ASSETS

Particulars	As at March 31, 2025	As at March 31, 2024
Security deposit	810.99	624.71
Assignment receivables	5,235.45	1,309.43
Deposits with Trustee for securitisation*	4,484.14	26,337.33
Other receivables	2,214.46	5,755.78
	12,745.04	34,027.25
Less: Impairment loss allowance	(296.58)	(268.55)
	12,448.46	**33,758.70**

* It represents fixed deposit held as collateral with trustee for pass through certificate transactions.

Footnote: Other receivable includes receivable from subsidiaries (refer note 33)

NOTE 8 CURRENT TAX ASSETS (NET)

Particulars	As at March 31, 2025	As at March 31, 2024
Advance tax (net of provision)	1,137.81	7,539.22
	1,137.81	**7,539.22**

NOTE 9 DEFERRED TAX ASSETS (NET)

Particulars	As at March 31, 2025	As at March 31, 2024
Deferred Tax Assets		
Provision for expected credit loss	15,653.97	17,390.69
Provision for gratuity	150.74	96.95
Provision for compensated absences	76.11	36.31
Debt instruments through OCI	(5.04)	(2.89)
Lease liabilities	118.00	91.12
Income amortisation	(1,121.20)	(500.68)
Depreciation on PPE and intangible assets	974.57	909.28
Carried forward book losses	26,078.66	24,012.02
Total (A)	41,925.81	42,032.80
Deferred tax liability		
Goodwill	(7,555.10)	(7,555.10)
Assignment income amortisation	(1,317.66)	(329.56)
Borrowing cost amortisation	(1,378.40)	(2,496.61)
Total (B)	(10,251.16)	(10,381.27)
Net deferred tax asset (A-B) (also refer Note 30)	**31,674.65**	**31,651.53**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2025

(Currency : Indian Rupees in lakhs)

NOTE 10 PROPERTY, PLANT AND EQUIPMENT

DESCRIPTION	Land - Freehold*	Furniture and fixtures	Leasehold Improvement	Office equipment	Computers	Right of Use - Premises	Total
Cost as at April 01, 2023	**15.05**	**759.25**	**4,438.58**	**756.01**	**3,547.02**	**3,569.94**	**13,085.85**
Additions	-	12.03	23.72	32.27	771.98	2,381.33	3,221.33
Disposals	-	(17.84)	(112.29)	(10.42)	(45.19)	(1,047.91)	(1,233.65)
Cost as at March 31, 2024 (A)	**15.05**	**753.44**	**4,350.01**	**777.86**	**4,273.81**	**4,903.36**	**15,073.53**
Additions	-	5.32	692.29	87.73	1,370.47	679.14	2,834.95
Disposals	-	(0.29)	(4.30)	(6.61)	(171.17)	(566.46)	(748.83)
Cost as at March 31, 2025 (A)	**15.05**	**758.47**	**5,038.00**	**858.98**	**5,473.11**	**5,016.04**	**17,159.65**
Accumulated depreciation as at April 01, 2023	**-**	**582.91**	**3,461.57**	**549.09**	**2,711.73**	**991.84**	**8,297.14**
Depreciation for the year	-	14.38	414.68	51.41	573.63	720.98	1,775.08
Disposals	-	(17.84)	(82.35)	(10.42)	(44.81)	(410.66)	(566.08)
Accumulated depreciation as at March 31, 2024 (B)	**-**	**579.45**	**3,793.90**	**590.08**	**3,240.55**	**1,302.16**	**9,506.14**
Depreciation for the year	-	11.74	492.28	62.92	873.41	844.63	2,284.98
Disposals	-	(0.29)	(4.30)	(6.57)	(168.82)	(406.73)	(586.71)
Accumulated depreciation as at March 31, 2025 (B)	**-**	**590.90**	**4,281.88**	**646.43**	**3,945.14**	**1,740.06**	**11,204.41**
Net carrying amount as at March 31, 2025 (A) - (B)	**15.05**	**167.57**	**756.12**	**212.55**	**1,527.97**	**3,275.98**	**5,955.24**
Net carrying amount as at March 31, 2024 (A) - (B)	**15.05**	**173.99**	**556.11**	**187.78**	**1,033.26**	**3,601.20**	**5,567.39**

* Mortgaged as security against Secured Non-convertible Debentures.

NOTE 11 ASSETS ACQUIRED IN SATISFACTION OF CLAIM

Particulars	As at March 31, 2025	As at March 31, 2024
Assets acquired in satisfaction of claim	1,708.88	1,708.88
Less: Provision	(408.88)	(408.88)
	1,300.00	**1,300.00**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2025

(Currency : Indian Rupees in lakhs)

NOTE 12 ASSETS ACQUIRED IN SATISFACTION OF CLAIM

a) Goodwill

Particulars	Total
Cost as at April 01, 2023	30,018.69
Acquisition of business	-
Cost as at March 31, 2024 (A)	**30,018.69**
Acquisition of business	-
Cost as at March 31, 2025 (A)	**30,018.69**
Accumulated impairment as at April 01, 2023	**-**
Addition	-
Accumulated impairment as at March 31, 2024 (B)	**-**
Addition	-
Accumulated impairment as at March 31, 2025 (B)	**-**
Net carrying amount as at March 31, 2025 (A)- (B)	**30,018.69**
Net carrying amount as at March 31, 2024 (A) -(B)	**30,018.69**

The Company has assessed that there is no impairment of Goodwill as at and for the year ended March 2025. The recoverable amount has been determined based on a value in use calculation. The calculation uses cash flow projections of commercial vehicle business based on financial budgets covering a five-year period and a discount rate of 19%. The Company has determined that the recoverable amount calculations are most sensitive to changes in the assumptions of yield/spread during the budget period and the discounting rate. The management believes that any reasonably possible change in the key assumptions, on which recoverable amount is based would not cause carrying amount to exceed its recoverable amount.

b) Other intangible assets

Particulars	Computer Software	Total
Cost as at April 01, 2023	**3,777.68**	**3,777.68**
Additions	27.20	27.20
Disposals	-	-
Cost as at March 31, 2024 (A)	**3,804.88**	**3,804.88**
Additions	245.14	245.14
Disposals	-	-
Cost as at March 31, 2025 (A)	**4,050.02**	**4,050.02**
Accumulated amortisation as at April 01, 2023	**1,742.91**	**1,742.91**
Amortisation recognised for the year	991.29	991.29
Disposals	-	-
Accumulated amortisation as at March 31, 2024 (B)	**2,734.20**	**2,734.20**
Amortisation recognised for the year	776.82	776.82
Disposals	-	-
Accumulated amortisation as at March 31, 2025 (B)	**3,511.02**	**3,511.02**
Net carrying amount as at March 31, 2025 (A) - (B)	**539.00**	**539.00**
Net carrying amount as at March 31, 2024 (A) - (B)	**1,070.68**	**1,070.68**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2025

(Currency : Indian Rupees in lakhs)

NOTE 13 OTHER NON-FINANCIAL ASSETS

Particulars	As at March 31, 2025	As at March 31, 2024
Prepaid expenses	1,520.64	1,233.02
Advances recoverable in cash or in kind or for value to be received	1,402.25	3,102.46
	2,922.89	**4,335.48**

NOTE 14 NON - CURRENT ASSET HELD FOR SALE

Particulars	As at March 31, 2025	As at March 31, 2024
Investment in subsidiary	45,000.00	-
	45,000.00	**-**

The Board of Directors of the Company in its meeting held on September 19, 2024 had considered and approved, inter-alia, subject to shareholders, regulatory and other approvals, sale of the Company's shareholding in Niwas Housing Finance Private Limited ("NHFPL")(Formerly known as IndoStar Home Finance Private Limited), a debt-listed material subsidiary of the Company, to WITKOPEEND B.V. (the "Purchaser") for an aggregate consideration of ₹ 170,595 lakhs in accordance with the terms of the share purchase agreement dated September 19, 2024 among the Company, NHFPL and the Purchaser. Subsequently, the Shareholders' approval was obtained on October 26, 2024. The Reserve Bank of India (RBI) accorded its approval on March 21, 2025. However, as on March 31, 2025, the transaction is not considered as concluded.

Accordingly, the investment in NHFPL has been classified as "Non-current asset held for sale" in the Standalone Financial Statements in accordance with Ind-AS 105 - Non-current Assets Held for Sale and Discontinued Operations.

NOTE 15 TRADE PAYABLES

Particulars	As at March 31, 2025	As at March 31, 2024
Dues to Micro, small and medium enterprises	6.23	114.85
Dues to Others	1.82	15.47
	8.05	**130.32**

Footnote : Also refer Note 37

NOTE 16 DEBT SECURITIES

Particulars	As at March 31, 2025	As at March 31, 2024
At amortised cost		
Redeemable non convertible debentures (Refer note (a) below)	3,27,429.73	3,21,565.56
Commercial papers (net of unamortised discount) (Refer note (b) below)	51,788.91	7,209.53
	3,79,218.64	**3,28,775.09**
Debt securities in India	3,79,218.64	3,28,775.09
Debt securities outside India	-	-
Total	**3,79,218.64**	**3,28,775.09**
Secured	3,17,349.70	2,92,067.78
Unsecured	61,868.94	36,707.31
Total	**3,79,218.64**	**3,28,775.09**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2025

(Currency : Indian Rupees in lakhs)

(a) Non Convertible Debenture

Redeemable Non Convertible Debentures

Terms of repayment (based on contractual maturity)

Redeemable within	As at March 31, 2025	As at March 31, 2024
	Rate of interest >= 9.85% <= 10.70%	Rate of interest >= 9.75% <= 10.25%
	Amount	Amount
0-12 Months	1,65,375.51	1,16,253.22
12-24 Months	1,23,768.32	1,56,544.57
24-36 Months	37,779.45	48,767.77
36-48 Months	-	-
48-60 Months	506.45	-
Total	**3,27,429.73**	**3,21,565.56**

Nature of Security:

1. Security is created in favour of the Debenture Trustee, as follows:
   (i) First pari-passu charge (along with banks, financial institutions and other lenders which provide credit facilities to the Issuer) by way of hypothecation of standard asset portfolio of receivables (Net of NPA) of the Issuer and / or cash and cash equivalent and / or such other asset, as may be identified by the Company of ₹ 668,139 lakhs (March 2024: ₹ 515,805 lakhs); and
   (ii) First pari-passu charge on immovable property situated at village Maharajpura of Kadi taluka, Mehsana district, Gujarat.
2. Debentures may be bought back subject to applicable statutory and/or regulatory requirements, upon the terms and conditions as may be decided by the Company.

(b) Commercial papers

Terms of repayment (based on contractual maturity)

Redeemable within	As at March 31, 2025	As at March 31, 2024
	Rate of interest >= 9.00% <= 10.72%	Rate of interest >= 8.90% <= 10.15%
	Amount	Amount
0-12 Months	51,788.91	7,209.53
Total	**51,788.91**	**7,209.53**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2025

(Currency : Indian Rupees in lakhs)

NOTE 17 BORROWINGS

At amortised cost

Particulars	As at March 31, 2025	As at March 31, 2024
Term loans		
Term loans from Banks (Refer note (a) below)*	1,12,293.42	72,707.81
Term loans from Financial Institutions (Refer note (a) below)*	54,265.25	23,962.25
Loans repayable on demand		
Working capital demand loans from banks **	27,849.73	32,885.13
Other borrowings	1,18,021.19	1,46,612.75
Total	**3,12,429.59**	**2,76,167.94**
Borrowings in India	3,12,429.59	2,76,167.94
Borrowings outside India	-	-
Total	**3,12,429.59**	**2,76,167.94**
Secured borrowings	3,12,429.59	2,76,167.94
Unsecured borrowings	-	-
Total	**3,12,429.59**	**2,76,167.94**

(a) Term loan from banks/FI :

Terms of repayment (based on contractual maturity):

Repayable within	As at March 31, 2025	As at March 31, 2024
	Rate of interest >=7.89% <= 11.00%	Rate of interest >=8.10% <= 12.00%
	Amount	Amount
0-12 Months	69,561.67	50,677.09
12-24 Months	54,085.12	30,478.25
24-36 Months	24,289.84	13,761.46
36-48 Months	12,842.78	1,753.26
48-60 Months	5,779.26	-
Total	**1,66,558.67**	**96,670.06**

* first pari-passu charge by way of hypothecation of standard asset portfolio of receivables (net of provisions) of the Company and / or cash and cash equivalent and / or such other asset

** secured by First pari-passu charge by way of hypothecation on the standard asset portfolio

(b) Working capital demand loans:

Terms of repayment (based on contractual maturity)

Repayable within	As at March 31, 2025	As at March 31, 2024
	Rate of interest >= 7.25% <= 8.60%	Rate of interest >= 7.28% <= 9.52%
	Amount	Amount
0-12 Months	27,849.73	32,885.13
Total	**27,849.73**	**32,885.13**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2025

(Currency : Indian Rupees in lakhs)

(c) Other borrowings (including Inter corporate deposits)

Terms of repayment (based on contractual maturity)

Repayable within	As at March 31, 2025	As at March 31, 2024
	Rate of interest >= 7.78% <= 10.75%	Rate of interest >= 7.70% <= 10.50%
	Amount	Amount
0-12 Months	58,836.64	61,568.24
12-24 Months	38,686.28	48,718.13
24-36 Months	10,015.19	20,161.45
36-48 Months	1,624.64	1,554.48
48-60 Months	1,601.21	1,712.28
Above 60 Months	7,257.23	12,898.17
Total	**1,18,021.19**	**1,46,612.75**

Footnote: Quarterly returns/statements filed by the Company with Banks or Financial Institutions are in agreement with the unaudited books of accounts as on the respective submission dates and certified by Independent Chartered Accountants / Management, as relevant and relied upon by the Auditors.

NOTE 18 OTHER FINANCIAL LIABILITIES

Particulars	As at March 31, 2025	As at March 31, 2024
Book overdraft	13,830.49	255.31
Employee benefits payable	2,123.51	3,027.57
Unamortised lease liabilities	3,725.65	3,923.54
Others	20,616.68	15,275.17
	40,296.33	**22,481.59**

NOTE 19 PROVISIONS

Particulars	As at March 31, 2025	As at March 31, 2024
Provision for employee benefits:		
- Gratuity	598.93	385.22
- Compensated absences	302.38	144.28
	901.31	**529.50**

NOTE 20 NON-FINANCIAL LIABILITIES

Particulars	As at March 31, 2025	As at March 31, 2024
Statutory dues payable	744.87	724.63
	744.87	**724.63**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2025

(Currency : Indian Rupees in lakhs)

NOTE 21 EQUITY SHARE CAPITAL

(a) Details of authorised, issued and subscribed share capital

Particulars	As at March 31, 2025		As at March 31, 2024	
	Number	Amount	Number	Amount
Authorised capital				
Equity shares of ₹ 10/- each	18,75,00,000	18,750.00	18,75,00,000	18,750.00
Compulsorily Convertible Preference Shares of Face Value of ₹ 10/- each	1,25,00,000	1,250.00	1,25,00,000	1,250.00
Issued, subscribed and fully paid up				
Equity shares of ₹ 10/- each fully paid	13,60,97,447	13,609.74	13,60,79,295	13,607.93
Total	**13,60,97,447**	**13,609.74**	**13,60,79,295**	**13,607.93**

(b) Reconciliation of number of equity shares and amount outstanding at the beginning and at the end of the year

Particulars	As at March 31, 2025		As at March 31, 2024	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	13,60,79,295	13,607.93	13,60,79,295	13,607.93
Add: Shares issued during the year	18,152	1.81	-	-
Shares outstanding at the end of the year	**13,60,97,447**	**13,609.74**	**13,60,79,295**	**13,607.93**

(c) Particulars of equity shares held by Holding Company

Name of shareholder	Relationship	As at March 31, 2025		As at March 31, 2024	
		No of equity shares held	Percentage	No of equity shares held	Percentage
BCP V Multiple Holdings Pte. Ltd.	Holding Company	7,64,82,638	56.20%	7,64,82,638	56.20%

As per records of the Company, including its register of shareholders/members, the above shareholding represents legal ownerships of shares.

(d) Particulars of shareholders holding more than 5% of the equity share capital

Name of shareholder	Relationship	As at March 31, 2025		As at March 31, 2024	
		No of equity shares held	Percentage	No of equity shares held	Percentage
BCP V Multiple Holdings Pte. Ltd.	Holding Company	7,64,82,638	56.20%	7,64,82,638	56.20%
Indostar Capital (Mauritius)	Promoter	2,32,62,583	17.09%	2,32,62,583	17.09%

As per records of the Company, including its register of shareholders/members, the above shareholding represents legal ownerships of shares.

(e) Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to proportionate vote on basis of his contribution to fully paid up share capital.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the proportionate amount of contribution made by the equity shareholder to the total equity share capital.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2025

(Currency : Indian Rupees in lakhs)

(f) Objective of Capital Management

The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

The Company maintains its capital structure in line with economic conditions and the risk characteristics of its activities. The Company has adopted a dividend distribution policy and the Board reviews the capital position on a regular basis.

(g) Equity Shares held by promoters/holding company at the end of the year

Promoter Name	No. of Shares	% of Total Shares	% change during the year
As at March 31, 2025			
BCP V Multiple Holdings Pte. Ltd.	7,64,82,638	56.20%	-
Indostar Capital (Mauritius)	2,32,62,583	17.09%	-
As at March 31, 2024			
BCP V Multiple Holdings Pte. Ltd.	7,64,82,638	56.20%	-
Indostar Capital (Mauritius)	2,32,62,583	17.09%	(13.38%)

NOTE 22 OTHER EQUITY

Particulars	As at March 31, 2025	As at March 31, 2024
Capital Reserve	0.43	0.43
Statutory reserves u/s 45-IC of The RBI Act, 1934	32,134.89	31,083.07
Securities premium	2,91,967.65	2,92,207.63
Share options outstanding account	3,934.56	2,122.74
General reserve	3,556.73	3,447.24
Retained earnings	(28,137.11)	(32,260.64)
Debt instruments through other comprehensive income	11.01	(3.94)
Share application money pending allotment	10.95	-
Money received against share warrants	25,533.40	-
	3,29,012.51	**2,96,596.53**

Note 22.1 Other equity movement

Particulars	As at March 31, 2025	As at March 31, 2024
Capital Reserve		
Opening Balance	0.43	0.43
Add : Transferred from surplus	-	-
Closing Balance	**0.43**	**0.43**
Statutory reserves u/s 45-IC of The RBI Act, 1934		
Opening Balance	31,083.07	29,650.80
Add : Transferred from surplus	1,051.82	1,432.27
Closing Balance	**32,134.89**	**31,083.07**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2025

(Currency : Indian Rupees in lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Securities premium		
Opening Balance	2,92,207.63	2,92,207.63
Less : Share issue expenses	(283.22)	-
Add: Transfer from ESOP reserves	12.81	-
Add : Premium collected on allotment of shares	30.43	-
Closing Balance	**2,91,967.65**	**2,92,207.63**
Share options outstanding account		
Opening Balance	2,122.74	2,074.82
Movement during the year	1,811.82	47.92
Closing Balance	**3,934.56**	**2,122.74**
General reserve		
Opening Balance	3,447.24	2,683.84
Movement during the year	109.49	763.40
Closing Balance	**3,556.73**	**3,447.24**
Retained earnings		
Opening Balance	(32,260.64)	(37,957.64)
Add: Remeasurement of defined benefit obligations	(83.74)	(32.10)
Add: Transferred from the statement of profit and loss	5,259.09	7,161.37
Less: Transfer to statutory reserve as per Section 45-IC of The RBI Act, 1934	(1,051.82)	(1,432.27)
Closing Balance	**(28,137.11)**	**(32,260.64)**
Other Comprehensive Income		
Opening balance	(3.94)	(12.52)
Add: Debt instruments through other comprehensive income	14.95	8.58
Closing balance	**11.01**	**(3.94)**
Share application money pending allotment		
Opening balance	-	-
Add: amount received towards share application	10.95	-
Closing balance	**10.95**	**-**
Money received against share warrant		
Opening balance	-	-
Add: received against share warrant	25,533.40	-
Closing balance	**25,533.40**	**-**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2025

(Currency : Indian Rupees in lakhs)

22.2 Nature and purpose of reserves

Capital Reserve

Capital reserve comprises of the amount received on shares forfeited by the Company on non-payment of call money.

Statutory reserves u/s 45-IC of The RBI Act, 1934

Statutory reserves fund is required to be created by a Non-Banking Financial Company as per Section 45-IC of the Reserve Bank of India Act, 1934. The Company is not allowed to use the reserve fund except with authorisation of Reserve Bank of India.

Securities premium

Securities premium is used to record the premium on issue of shares. It can be utilised in accordance with the provision of the Companies Act, 2013.

Share options outstanding account

The shares options outstanding account is used to recognise the grant date fair value of equity settled options issued to employees under stock option schemes of the Company.

Retained earnings

Retained earnings represents surplus of accumulated earnings of the Company and which are available for distribution to shareholders.

General reserve

General reserve represents transfer of fair value of options granted to employees from ESOP Reserve to General Reserve on lapse/forfeiture of vested options by employees.

Debt instruments through other comprehensive income

It includes gain/(loss) on fair valuation of investment in treasuy bills

Share application money pending allotment

It represents money received on exercise of vested options by the employees pending allotment of shares. The shares have been alloted subsequent to March 31, 2025

Money received against share warrant

The Board of Directors at its meeting held on February 27, 2024 approved issuance of 2,48,18,888 warrants of the Company to BCP V Multiple Holdings PTE Limited (the "Holding Company") and Florintree Tecserv LLP, each convertible into, or exchangeable for, 1 fully paid-up equity share of the Company of face value of ₹ 10 by way of a preferential issue on a private placement basis at a issue price of ₹ 184 per equity share, in accordance with Chapter V of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("SEBI ICDR Regulations"), the Companies Act, 2013 ("Act"), as amended and other applicable laws, and subject to the approval of regulatory/ statutory authorities and the shareholders of the Company (the "Preferential Issue").

The Preferential Issue has subsequently been approved by the Shareholders at the Extra-Ordinary General Meeting of the Members held on March 22, 2024.

During the year, the Board of Directors of the Company vide its Circular Resolution passed on May 26, 2024, approved the allotment of 1,08,69,565 warrants of the Company on a preferential basis by way of a private placement, to Florintree Tecserv LLP. The Company received consideration of ₹ 5,000 lakhs on the date of allotment.

The Board of Directors at its meeting held on October 18, 2024 approved change in subscription amount to be received from BCP V Multiple Holdings PTE Limited (the "Holding Company") at the time of the subscription of the warrants from 25% to 80%.

The Company received requisite approvals for issue of warrants to the Holding Company. Accordingly, the Board of Directors of the Company vide its Circular Resolution passed on November 26, 2024, approved the allotment of 1,39,49,323 warrants of the Company on a preferential basis by way of a private placement, to the Holding Company. The Company received consideration of ₹ 20,533.40 lakhs on the date of allotment.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2025

(Currency : Indian Rupees in lakhs)

NOTE 23 REVENUE FROM OPERATIONS

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Interest income		
Interest income on financial assets measured at amortised cost:		
Interest on loans		
- Loan portfolio	1,15,275.95	87,578.87
Interest on investments		
- Debt instruments	120.24	118.95
Interest on deposits		
- Deposits with banks	2,163.08	1,644.78
- Deposits with Trustees	751.92	1,435.03
Interest income on financial assets measured at FVOCI:		
- Investments in debt instruments	1,343.25	701.31
	1,19,654.44	**91,478.94**
Fees and commission income		
- Fees Income	6,102.02	4,647.13
- Insurance Income	5,861.64	476.08
	11,963.66	**5,123.21**
Net gain on fair value changes		
Net gain/(loss) on financial instruments at fair value through profit or loss		
On trading portfolio		
- Investments	3,242.76	2,147.32
Others		
Net gain/(loss) on sale of financial instruments at FVOCI	1.40	-
	3,244.16	**2,147.32**
Fair value changes:		
- Realised	3,083.76	2,124.65
- Unrealised	160.40	22.67
	3,244.16	**2,147.32**
Net gain on derecognition of financial instruments under amortised cost category		
- Investments	7.47	11,668.14
- Assignment Income	5,522.45	-
	5,529.92	**11,668.14**
Total	**1,40,392.18**	**1,10,417.61**

NOTE 24 OTHER INCOME

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Miscellaneous income	124.10	120.20
Shared service cost recovery	300.00	1,686.53
Interest on income tax refund	420.87	298.33
Profit on sale of property plant and equipment	4.40	-
	849.37	**2,105.06**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2025

(Currency : Indian Rupees in lakhs)

NOTE 25 FINANCE COST

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Interest expense on financial liabilities measured at amortised cost:		
Interest expense on borrowings		
Loans from Banks/FI	17,088.60	18,844.89
Other borrowings (including Inter Corporate Deposits)	13,549.64	11,442.68
Interest expense on debt securities		
Debentures	38,025.08	25,919.78
Commercial paper	4,837.48	1,203.87
Other interest expense		
Bank charges & other related costs	583.19	703.38
	74,083.99	**58,114.60**

NOTE 26 IMPAIRMENT ON FINANCIAL INSTRUMENTS AT AMORTISED COST

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Impairment on loans		
Provision for expected credit loss	(6,514.38)	(11,030.05)
Financial assets written off (net of recovery)	20,825.87	20,453.30
Impairment on others		
Undrawn loan commitments	-	(0.80)
Provision on co-lending arrangements	(587.18)	(1,086.49)
Others	28.03	(29.27)
	13,752.34	**8,306.69**

NOTE 27 EMPLOYEE BENEFITS EXPENSES

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Salaries, other allowances and bonus	25,111.99	18,874.51
Gratuity expenses	162.52	107.37
Compensated absences	189.03	49.94
Contribution to provident and other funds	1,096.63	750.41
Staff welfare expenses	1,007.54	586.36
Share based payment expense	2,203.70	812.34
	29,771.41	**21,180.93**

NOTE 28 DEPRECIATION

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Depreciation of property, plant and equipment (PPE)	2,284.98	1,775.08
Amortisation of intangible assets	776.82	991.29
	3,061.80	**2,766.37**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2025

(Currency : Indian Rupees in lakhs)

NOTE 29 OTHER EXPENSES

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Rent	1,015.74	979.49
Rates & taxes	644.28	127.69
Printing and stationery	291.90	261.41
Travelling & conveyance	1,656.09	1,184.35
Advertisement	18.91	41.11
Business Promotion	13.10	29.28
Commission & brokerage	9.73	64.29
Office expenses	2,499.83	1,933.85
Directors' fees & commission	48.06	34.95
Insurance	828.04	618.90
Communication expenses	901.47	615.01
Payment to auditors (note below)	176.93	193.46
IT Support charges	2,824.41	2,571.76
Legal & professional charges	4,279.92	6,196.75
Loss on sale of property plant and equipment	-	22.55
Membership & subscriptions	78.15	76.78
Other fees and commission	26.36	41.08
	15,312.92	**14,992.71**
Payment to auditor includes:		
a) Statutory Audit	160.00	158.00
b) Certifications	9.00	17.25
c) Others	7.93	18.21
Total	**176.93**	**193.46**

Footnote : Excludes fees amounting to ₹ 72.80 lakhs paid to auditor during the year in connection with initial public offer of debentures of the Company which forms part of effective interest rate method in accordance with IND AS 109 "Financial Instruments"

Details for expenditure on Corporate Social Responsibility:	Not applicable	Not applicable

NOTE 30 INCOME TAXES

Tax expense

(a) Amounts recognised in statement of profit and loss

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Current tax expense		
Current year	-	-
Tax expenses of earlier years	-	-
	-	**-**
Deferred tax expense		
Origination and reversal of temporary differences	-	-
	-	**-**
Tax expense for the year	**-**	**-**

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(b) Amounts recognised 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	(111.91)	28.17	(83.74)	(42.90)	10.80	(32.10)
- Debt instruments through other comprehensive income	20.00	(5.05)	14.95	11.47	(2.89)	8.58
	(91.91)	**23.12**	**(68.79)**	**(31.43)**	**7.91**	**(23.52)**

(c) Reconciliation of effective tax rate

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Profit/(loss) before tax	**5,259.09**	**7,161.37**
Statutory income tax rate	25.168%	25.168%
Expected income tax expense	1,323.61	1,802.37
Difference in tax rate due to:		
- Effect of non-deductible expenses	36.25	63.83
- DTA recognised on previously unrecognised brought forward losses	(1,359.86)	(1,866.20)
Total tax expense	**-**	**-**
Effective tax rate	**-**	**-**
Current tax	-	-
Tax of earlier years	-	-
Deferred tax	-	-
	-	**-**

(d) Movement in deferred tax balances

Particulars	As at March 31, 2025			
	Net balance April 01, 2024	Recognised in profit or loss	Recognised in OCI	Net deferred tax asset/ (liability)
Deferred Tax Assets				
Provision for expected credit loss	17,390.69	(1,736.72)	-	15,653.97
Provision for gratuity	96.95	25.62	28.17	150.74
Provision for leave encashment	36.31	39.80	-	76.11
Debt instruments through OCI	(2.89)	2.90	(5.05)	(5.04)
Income amortisation	(500.68)	(620.52)	-	(1,121.20)
Depreciation on PPE and intangible assets	909.28	65.29	-	974.57
Lease liabilities	91.12	26.88	-	118.00
Carried forward losses	24,012.02	2,066.64	-	26,078.66
Other items of disallowance	-	-	-	-

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Particulars	As at March 31, 2025			
	Net balance April 01, 2024	Recognised in profit or loss	Recognised in OCI	Net deferred tax asset/ (liability)
Deferred tax liability				
Goodwill amortisation	(7,555.10)	-	-	(7,555.10)
Assignment income amortisation	(329.56)	(988.10)	-	(1,317.66)
Borrowing cost amortisation	(2,496.61)	1,118.21	-	(1,378.40)
Deferred tax assets / (Liabilities)	**31,651.53**	**-**	**23.12**	**31,674.65**

(e) Movement in deferred tax balances

Particulars	As at March 31, 2024			
	Net balance April 01, 2023	Recognised in profit or loss	Recognised in OCI	Net deferred tax asset/ (liability)
Deferred Tax Assets				
Provision for expected credit loss	20,366.64	(2,975.95)	-	17,390.69
Provision for gratuity	90.00	(3.85)	10.80	96.95
Provision for leave encashment	26.99	9.32	-	36.31
Debt instruments through OCI	4.20	(4.20)	(2.89)	(2.89)
Income amortisation	(124.62)	(376.06)	-	(500.68)
Depreciation on PPE and intangible assets	825.88	83.40	-	909.28
Lease liabilities	57.95	33.17	-	91.12
Carried forward losses	19,575.18	4,436.84	-	24,012.02
Other items of disallowance	121.29	(121.29)	-	-
Deferred tax liability				
Goodwill amortisation	(7,555.10)	-	-	(7,555.10)
Assignment income amortisation	(605.13)	275.57	-	(329.56)
Borrowing cost amortisation	(1,139.66)	(1,356.95)	-	(2,496.61)
Deferred tax assets / (Liabilities)	**31,643.62**	**-**	**7.91**	**31,651.53**

The Management considers the deferred tax assets recognised on carried forward losses to be fully set-off against future available profits considering the expected net interest income (NIM) from the existing loan book over the tenure of the loan. Deferred tax asset of ₹ 876.83 lakhs (Previous year: ₹ 2,515.88 lakhs) on Unused Carried forward losses is yet to be recognised.

NOTES TO THE FINANCIAL STATEMENTS

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NOTE 31 EARNINGS PER SHARE (EPS)

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

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders (after adjusting profit impact of dilutive potential equity shares, if any) by the aggregate of weighted average number of equity shares outstanding during the year and 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 attributable to equity holders (A)**		
	Profit/(loss) for the year	5,259.09	7,161.37
ii.	**Weighted average number of equity shares for calculating Basic EPS (B)**	13,60,82,508	13,60,79,295
iii.	**Weighted average number of equity shares for calculating Diluted EPS (C)**	14,06,88,562	13,61,35,973
iv.	**Basic earnings per share (₹) (A/B)**	3.86	5.26
v.	**Diluted earnings per share (₹) (A/C)**	3.74	5.26

NOTE 32 FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT

A. Accounting classification and fair values

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions, regardless of whether that price is directly observable or estimated using a valuation technique.

The management has assessed that the carrying amounts of cash and cash equivalents, loans carried at amortised cost, other financial assets, trade payables, borrowings, bank/book overdrafts and other financial liabilities are a reasonable approximation to their fair value.

B. Risk Management Framework:

The Company's risk management framework is based on

(a) Clear understanding and identification of various risks

(b) Disciplined risk assessment by evaluating the probability and impact of each risk

(c) Measurement and monitoring of risks by establishing key risk indicators with thresholds for all critical risks and

(d) Adequate review mechanism to monitor and control risks.

The Company's risk management division works as a value centre by constantly engaging with the business providing reports based on key analysis and insights. The key risks faced by the Company are credit risk, liquidity risk, interest rate risk, operational risk, reputational and regulatory risk, which are broadly classified as credit risk, market risk and operational risk. The Company has a an established risk reporting and monitoring framework. The Company identifies and monitors risks periodically. This Process enables the Company to reassess all the critical risks in a changing environment that need to be focused on.

C. Risk governance structure:

The Company's risk governance structure operates with a well-defined Board and Risk Management Committee ('RMC') with a clearly laid down charter and roles and responsibilities. The Board oversees the risk management process and monitors the risk profile of the Company directly as well as through a Board constituted Risk Management Committee. The Committee reviews the risk management policy, implementation of risk management framework, monitoring of critical risks, review and approval of exposures with conflict of interest and review of various other initiatives. The risk management policies are

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established to identify and analyse the risks faced by the Company, to set appropriate limits and controls and to monitor risks and adherence to limits. The RMC reviews the risk management policies regularly to reflect the changes in market conditions and Company's activities.

The Audit Committee oversees how management monitors compliance with risk management policies and procedures and reviews the adequacy of risk management framework in relation to the risk faced by the Company.

The risk management committee has established a comprehensive risk management framework across the business and provides appropriate reports on risk exposures and analysis in its pursuit of creating awareness across the Company about risk management.

D. Fair value hierarchy

Ind AS 107, 'Financial Instrument - Disclosure' requires classification of the valuation method of financial instruments measured at fair value in the Balance Sheet, using a three level fair-value-hierarchy (which reflects the significance of inputs used in the measurements). The hierarchy gives the highest priority to un-adjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to un-observable inputs (Level 3 measurements). The three levels of the fair-value-hierarchy under Ind AS 107 are described below:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and place limited reliance on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level.

The following table shows the carrying amounts and fair values of financial assets including their levels in the fair value hierarchy:

Particulars	As at March 31, 2025							
	Carrying amount				Fair value			
	Fair value through profit and loss	Fair value through other comprehensive income	Amortised Cost	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs*	Total
Investments covered under Ind AS 109								
(a) Investments in Mutual funds	49,511.64	-	-	49,511.64	49,511.64	-	-	49,511.64
(b) Investments in Security Receipts	-	-	1,02,259.95	1,02,259.95	-	-	1,02,259.95	1,02,259.95
(c) Treasury Bills	-	9,653.55	-	9,653.55	9,653.55	-	-	9,653.55
(d) Bonds and Government securities	-	20,393.31	-	20,393.31	20,393.31	-	-	20,393.31
Total	**49,511.64**	**30,046.86**	**1,02,259.95**	**1,81,818.45**	**79,558.50**	**-**	**1,02,259.95**	**1,81,818.45**

* based on NAV statements and other information received from ARC and adjusted for Expected credit losses.

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Particulars	As at March 31, 2024							
	Carrying amount				Fair value			
	Fair value through profit and loss	Fair value through other comprehensive income	Amortised Cost	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs*	Total
Investments covered under Ind AS 109								
(a) Investments in Mutual funds	16,723.44	-	-	16,723.44	16,723.44	-	-	16,723.44
(b) Investments in Security Receipts	-	-	80,887.58	80,887.58	-	-	80,887.58	80,887.58
(c) Treasury Bills	-	14,210.78	-	14,210.78	14,210.78	-	-	14,210.78
(d) Bonds and Government securities	-	-	-	-	-	-	-	-
Total	**16,723.44**	**14,210.78**	**80,887.58**	**1,11,821.80**	**30,934.22**	**-**	**80,887.58**	**1,11,821.80**

* based on NAV statements and other information received from ARC and adjusted for Expected credit losses.

An analysis of changes in the gross carrying amount and the corresponding impairment loss allowances in relation to investments measured at amortised cost is as follows:

Particulars	2024-25				2023-24			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**-**	**-**	**1,17,530.96**	**1,17,530.96**	**-**	**-**	**42,871.31**	**42,871.31**
New assets originated or purchased	-	-	40,545.67	40,545.67	-	-	90,051.90	90,051.90
Assets derecognised or repaid (excluding write offs)	-	-	(19,361.42)	(19,361.42)	-	-	(15,392.25)	(15,392.25)
Gross carrying amount closing balance	**-**	**-**	**1,38,715.21**	**1,38,715.21**	**-**	**-**	**1,17,530.96**	**1,17,530.96**

Particulars	2024-25				2023-24			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Impairment loss allowance - opening balance	**-**	**-**	**36,643.38**	**36,643.38**	**-**	**-**	**24,576.64**	**24,576.64**
Incremental provisions (net)	-	-	(188.12)	(188.12)	-	-	12,066.74	12,066.74
Impairment loss allowance - closing balance	**-**	**-**	**36,455.26**	**36,455.26**	**-**	**-**	**36,643.38**	**36,643.38**

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The following table shows the carrying amounts and fair values of financial assets including their levels in the fair value hierarchy:

Particulars	As at March 31, 2025							
	Carrying amount				Fair value			
	Fair value through profit and loss	Fair value through other comprehensive income	Amortised Cost	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs*	Total
Loans covered under Ind AS 109	-	-	7,21,651.85	**7,21,651.85**	-	-	7,21,651.85	**7,21,651.85**
Total	**-**	**-**	**7,21,651.85**	**7,21,651.85**	**-**	**-**	**7,21,651.85**	**7,21,651.85**

Particulars	As at March 31, 2024							
	Carrying amount				Fair value			
	Fair value through profit and loss	Fair value through other comprehensive income	Amortised Cost	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs*	Total
Loans covered under Ind AS 109	-	-	5,98,730.29	**5,98,730.29**	-	-	5,98,730.29	**5,98,730.29**
Total	**-**	**-**	**5,98,730.29**	**5,98,730.29**	**-**	**-**	**5,98,730.29**	**5,98,730.29**

* Discounted cash flow approach adopted for fair valuation of loans.

E. Credit risk

Credit risk arises when a borrower is unable to meet his contractual obligations to the lender. The effective management of credit risk requires the establishment of appropriate credit risk policies and processes. The Company has comprehensive and well defined credit policies across various businesses, products and segments, which encompass credit approval process for all businesses along with guidelines for mitigating the risks associated with them. The appraisal process includes detailed risk assessment of the borrowers, physical verifications and field visits. The Company has a well-defined post sanction monitoring process to identify portfolio-wise credit risk trends and early warning signals. This enables it to implement necessary changes to the credit policy, whenever the need arises to prevent any further slippage in the credit quality.

Grouping financial assets measured on a collective basis

The Company splits its exposure into smaller homogeneous portfolios, based on shared credit risk characteristics, as described below in the following order:

- Customer i.e. corporate and retail

- Nature of product i.e. commercial vehicle, corporate lending, SME and Micro lap

Significant increase in credit risk

The credit risk on a financial asset of the Company are assumed to have increased significantly since initial recognition when contractual payments are more than 30 days past due. The retail loans where the renegotiated terms are not substantially different and involve repayment terms to be extended including interest or the EMI amount readjusted over the tenure are classified as Stage 2. In case of corporate loan the assessment of significant increase in credit risk is performed on a case to case basis. Additionally, accounts identified and reviewed by the credit committee for labelling as breaching pre-defined critical credit risk parameters will also be classified as Stage 2. Accordingly, the financial assets shall be classified as Stage 2, based on the quantitative as well as qualitative factors.

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Write off

The Company writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery. Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in Statement of profit and loss.

Restructured financial assets

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

Overview of the Expected Credit Loss principles

The Company records allowance for expected credit losses for all loans, debt financial assets not held at FVTPL, undrawn loan commitments (referred to as 'financial instruments').

For the computation of ECL on the financial instruments, the Company categories its financial instruments as mentioned below:

Stage 1: All exposures where there has not been a significant increase in credit risk since initial recognition or that has low credit risk at the reporting date and that are not credit impaired upon origination are classified under this stage. The Company classifies all advances upto 30 days overdue under this category.

Stage 2: Exposures are classified as Stage 2 when the amount is due for more than 30 days but less than 90 days. All exposures where there has been a significant increase in credit risk since initial recognition but are not credit impaired are classified under this stage.

Stage 3: All exposures are assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred. Exposures where the amount remains due for 90 days or more are considered as to be stage 3 assets.

The Company has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. The Company undertakes the classification of exposures within the aforesaid stages at borrower level.

Definition of default

A default on a financial asset is when the counterparty fails to make the contractual payments within 90 days of when they fall due. Accordingly, the financial assets shall be classified as Stage 3, if on the reporting date, it has been 90 days and above past due. Non-payment on another obligation of the same customer is also considered as a Stage 3. In addition, Company shall also classify those accounts as default which meets the criteria as per the RBI circular RBI/2021-2022/125 DOR.STR.REC.68/21.04.048/2021-22 dated November 12, 2021.

The calculation of ECL

ECL is a probability weighted credit losses (i.e. present value of all cash shortfalls) over the expected life of the financial instruments. Cash shortfalls are the difference between the cash flows that the entity is entitled to receive on account of contract and the cash flows that the entity expects to receive.

The mechanics of the ECL calculations are outlined below and the key elements are as follows:

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Portfolio Segmentation:

For ECL purpose, the loan portfolio is broadly segmented as below :

1) Corporate lending

2) Small and medium enterprises lending ('SME')

3) Commercial vehicle lending

4) Micro lap

Exposure-At-Default (EAD) : The Exposure at Default is the amount the Company is entitled to receive as on reporting date including repayments due for principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities.

Probability of Default (PD) : The Probability of Default is an estimate of the likelihood of default of the exposure over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.

Loss Given Default (LGD) : The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral.

The ECL allowance is applied on the financial instruments depending upon the classification of the financial instruments as per the credit risk involved. ECL allowance is computed on the below mentioned basis:

12-month ECL: 12-month ECL is the portion of Lifetime ECL that represents the ECL that results from default events on a financial instrument that are possible within the 12 months after the reporting date. 12-month ECL is applied on stage 1 assets.

Lifetime ECL: Lifetime ECL for credit losses expected to arise over the life of the asset in cases of credit impaired loans and in case of financial instruments where there has been significant increase in credit risk since origination. Lifetime ECL is the expected credit loss resulting from all possible default events over the expected life of a financial instrument. Lifetime ECL is applied on stage 2 and stage 3 assets. The Company computes the ECL allowance either on individual basis or on collective basis, depending on the nature of the underlying portfolio of financial instruments. The Company has grouped its loan portfolio into Corporate loans, SME loans, Commercial vehicle loans and Micro lap.

Forward looking information

The Company employs statistical models to analyse the data collected and generate estimates of the remaining lifetime PD of exposures and how these are expected to change as a result of the passage of time. Such statistical models are selected considering the availability of information related to the probability of default for each product. This analysis includes the identification and calibration of relationships between changes in GNPA as proxy for default rates and changes in key macro-economic factors. Key economic indicators considered for forward looking includes:

• Gross national income growth

• Inflation % change over previous year

For the purpose of determination of impact of forward looking information, the Company applies macro economic (ME) variables as stated above to each product and assess the trend of the historical probability of defaults as compared to the forecasted probability of default. Based on the directional trend of output, management applies an overlay if required. Overtime, new ME variable may emerge to have a better correlation and may replace ME being used now.

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An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to loans and advances is as follows:

Particulars	2024-25				2023-24			
	Stage 1	Stage 2	Stage 3$	Total	Stage 1	Stage 2	Stage 3$	Total
Gross carrying amount opening balance	**5,66,073.97**	**32,457.45**	**31,269.97**	**6,29,801.39**	**4,10,306.00**	**1,17,199.41**	**46,224.01**	**5,73,729.42**
New assets originated or purchased	5,22,718.73	2,099.87	3,777.37	5,28,595.97	4,56,640.80	8,644.98	3,332.69	4,68,618.47
Assets derecognised or repaid (excluding write offs)	(3,13,159.27)	(24,480.74)	(15,597.78)	(3,53,237.79)	(2,35,629.02)	(50,865.68)	(19,541.60)	(3,06,036.30)
Transfers to stage 1	32,328.87	(27,375.89)	(4,952.98)	-	27,933.58	(22,804.02)	(5,129.56)	-
Transfers to stage 2	(1,23,256.01)	1,24,075.50	(819.49)	-	(79,594.64)	86,040.77	(6,446.13)	-
Transfers to stage 3	(16,235.25)	(36,311.60)	52,546.85	-	(8,705.75)	(21,696.25)	30,402.00	-
Amounts written off (net of recovery)	(982.03)	(5,609.02)	(14,234.82)	(20,825.87)	-	(9,693.89)	(10,759.41)	(20,453.30)
Presented under Investment as Security Receipts*	(276.36)	(19,385.17)	(18,275.48)	(37,937.01)	(4,877.00)	(74,367.87)	(6,812.03)	(86,056.90)
Gross carrying amount closing balance	**6,67,212.65**	**45,470.40**	**33,713.64**	**7,46,396.69**	**5,66,073.97**	**32,457.45**	**31,269.97**	**6,29,801.39**

* Presented under Investment as Security Receipts (Refer to note 32(D))

$Reasonable steps are being taken by the Management for recovery of the principal and interest.

Reconciliation of Impairment loss allowance is given below:

Particulars	2024-25				2023-24			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Impairment loss allowance - opening balance	**10,297.60**	**2,296.11**	**18,477.39**	**31,071.10**	**10,920.45**	**17,734.39**	**25,513.05**	**54,167.89**
New assets originated or purchased	6,912.94	598.46	1,156.39	8,667.79	11,722.40	548.95	1,528.56	**13,799.91**
Assets derecognised or repaid (excluding write offs)	(5,088.18)	(1,336.97)	(17,377.03)	(23,802.18)	(6,348.95)	(5,335.89)	(9,883.09)	**(21,567.93)**
Transfers to stage 1	3,429.99	(1,050.68)	(2,379.31)	-	4,814.69	(1,962.09)	(2,852.60)	**-**
Transfers to stage 2	(3,622.64)	4,002.77	(380.13)	-	(4,104.03)	7,118.52	(3,014.49)	**-**
Transfers to stage 3	(1,395.26)	(1,578.46)	2,973.72	-	(2,113.25)	(2,081.65)	4,194.90	**-**
Impact on year end ECL of exposures transferred between stages during the year	(2,810.05)	1,372.77	21,265.20	19,827.92	(4,463.26)	(203.61)	12,368.43	**7,701.56**
Amounts written off (net of recovery)	(136.07)	(2,875.40)	(8,008.32)	(11,019.79)	(130.45)	(13,522.51)	(9,377.37)	**(23,030.33)**
Impairment loss allowance - closing balance	**7,588.33**	**1,428.60**	**15,727.91**	**24,744.84**	**10,297.60**	**2,296.11**	**18,477.39**	**31,071.10**

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F. Liquidity risk

Liquidity is the Company's capacity to fund increase in assets and meet both the expected and unexpected obligations without incurring unacceptable losses. Liquidity risk is the inability to meet such obligations as they become due without adversely affecting the Company's financial conditions. The Asset Liability Management Policy of the Company stipulates a broad framework for Liquidity risk management to ensure that the Company can meet its liquidity obligations. The Asset Liability Management Committee ('ALCO') monitors composition, characteristics and diversification of funding sources to ensure there is no over reliance on single source of funding. The Company tracks the cash flow mismatches for measuring and managing net funding requirement and reviews short-term liquidity profiles based on business projections and other commitments for planning purposes through Liquidity analysis. The ALCO also reviews the individual mismatch in each time bucket and cumulative mismatch and ensures the bucket wise limits are not breached.

The Company maintains a portfolio of highly marketable and diverse assets that are assumed to be easily liquidated in the event of an unforeseen interruption in cash flow. The liquidity position of the Company is assessed under a variety of scenarios giving due consideration to stress factors relating to both the market in general and risk specifics to the Company. Basis the liquidity position assessed under various stress scenarios; the Company reviews the following to effectively handle any liquidity crisis:

- Adequacy of contingency funding plan in terms of depth of various funding sources, time to activate, cost of borrowing, etc
- Availability of unencumbered eligible assets

Maturity profile of cash flows for financial liabilities as on balance sheet date have been provided below:

As on March 31, 2025

Particulars	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
Financial Liabilities					
Trade payables	8.05	-	-	-	8.05
Debt securities	95,547.28	1,21,617.14	1,62,054.22	-	3,79,218.64
Borrowings (other than debt securities)	46,981.86	1,09,266.18	1,48,924.32	7,257.23	3,12,429.59
Other financial liabilities	36,759.10	592.34	2,763.78	181.11	40,296.33
Total	**1,79,296.29**	**2,31,475.66**	**3,13,742.32**	**7,438.34**	**7,31,952.61**

Notes: - The above inflows and outflows is based on scheduled maturity of the financial instruments.

- ₹ 16,900.00 lakhs classified as per contractual maturity above pertains to borrowing which exceeds the limits specified in the covenants.

- Also refer note Note 41

As on March 31, 2024

Particulars	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
Financial Liabilities					
Trade payables	130.32	-	-	-	130.32
Debt securities	8,586.26	1,14,876.48	2,05,312.35	-	3,28,775.09
Borrowings (other than debt securities)	35,821.76	1,09,308.70	1,18,139.31	12,898.17	2,76,167.94
Other financial liabilities	18,728.20	528.86	2,856.22	368.31	22,481.59
Total	**63,266.54**	**2,24,714.04**	**3,26,307.88**	**13,266.48**	**6,27,554.94**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2025

(Currency : Indian Rupees in lakhs)

The following table shows the carrying amounts and fair values of financial liabilities including their levels in the fair value hierarchy:

As on March 31, 2025

Particulars	Carrying amount	Fair value			Total
		Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs*	
At amortised cost					
Debt securities	3,79,218.64	-	-	3,79,218.64	3,79,218.64
Borrowings (other than debt securities)	3,12,429.59	-	-	3,12,429.59	3,12,429.59
Total	**6,91,648.23**	**-**	**-**	**6,91,648.23**	**6,91,648.23**

* Discounted cash flow approach adopted for fair valuation of borrowings

As on March 31, 2024

Particulars	Carrying amount	Fair value			Total
		Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs*	
At amortised cost					
Debt securities	3,28,775.09	-	-	3,28,775.09	3,28,775.09
Borrowings (other than debt securities)	2,76,167.94	-	-	2,76,167.94	2,76,167.94
Total	**6,04,943.03**	**-**	**-**	**6,04,943.03**	**6,04,943.03**

* Discounted cash flow approach adopted for fair valuation of borrowings

G. Market risk

Market Risk is the possibility of loss arising from changes in the value of a financial instrument as a result of changes in market variables such as interest rates, exchange rates and other asset prices. The Company's exposure to market risk is a function of asset liability management and interest rate sensitivity assessment. The Company is exposed to interest rate risk and liquidity risk, if the same is not managed properly. The Company continuously monitors these risks and manages them through appropriate risk limits. The Asset Liability Management Committee ('ALCO') reviews market related trends and risks and adopts various strategies related to assets and liabilities, in line with the Company's risk management framework.

H. Operational risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people or systems, or from external events. The operational risks of the Company are managed through comprehensive internal control systems and procedures. Failure of managing operational risk might lead to legal / regulatory implications due to non-compliance and lead to financial loss due to control failures. While it is not practical to eliminate all the operational risk, the Company has put in place adequate control framework by way of segregation of duties, well defined process, staff training, maker and checker process, authorisation and clear reporting structure. The effectiveness of control framework is assessed by internal audit on a periodic basis.

To manage fraud risk effectively, the Company has Independent Risk Containment Unit ('RCU') which is responsible for implementing fraud risk management framework and ensure compliance. The RCU undertakes various activities such as pre-sanction loan applicant verification, pre-sanction and post disbursement documents verification, vendor verification, etc to prevent and manage frauds.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2025

(Currency : Indian Rupees in lakhs)

I. Capital Disclosure

The Company maintains adequate capital to cover risks inherent in the business and is meeting the capital adequacy requirements of our regulator, Reserve Bank of India ('RBI'). The adequacy of the Company's capital is monitored using, among other measures, the regulations issued by RBI.

The Company has complied in full with all its externally imposed capital requirements over the reported period.

The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

The Company maintains its capital structure in line with economic conditions and the risk characteristics of its activities. The Company has adopted a dividend distribution policy and the Board reviews the capital position on a regular basis.

Particulars	As at March 31, 2025	As at March 31, 2024
CRAR – Tier I capital (%)	28.46%	28.87%
CRAR – Tier II capital (%)	0.00%	0.00%
CRAR (%)	**28.46%**	**28.87%**

NOTE 33 RELATED PARTY DISCLOSURES, AS REQUIRED BY INDIAN ACCOUNTING STANDARD 24 (IND AS 24) ARE GIVEN BELOW:

a) Relationships

I. Ultimate Controlling Party

Brookfield Asset Management Inc.

II. Holding Company

BCP V Multiple Holdings Pte. Ltd.

III. Subsidiary Company

IndoStar Asset Advisory Private Limited

Niwas Housing Finance Private Limited (Formerly known as IndoStar Home Finance Private Limited)

IV. Names of other related parties with whom the Company had transactions during the year:

Key Managerial Personnel (KMP)

Randhir Singh - Executive Vice Chairman & Whole Time Director (w.e.f July 22, 2024)

Karthikeyan Srinivasan - Chief Executive Officer & Whole Time Director

Bobby Parikh - Non-Executive Independent Director (upto March 04, 2025) and Non-Executive Director (w.e.f. March 05, 2025)

Hemant Kaul - Non-Executive Independent Director

Naina Krishna Murthy - Non-Executive Independent Director

b) Transactions with Holding Company

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Money Received against Share Warrants	20,533.40	-
Upfront Fees Paid	-	1,228.41

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2025

(Currency : Indian Rupees in lakhs)

c) Transactions with Key Management Personnel (KMP):

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Short-term employee benefits	563.36	196.44
Sitting fees to Non-Executive Independent Directors	48.06	34.95
Reimbursement of expenses	0.82	1.62

The above compensation excludes contributions to post-employment defined benefit plan and share based payment expense.

d) Transactions other than those with key management personnel :

Particulars		Subsidiary Companies
Shared service cost recovery	2025	300.00
	2024	1,686.53
Loan given to subsidiary	2025	-
	2024	6,500.00
Loan (repaid) by subsidiary	2025	-
	2024	(6,500.00)
Interest income on loan to subsidiary	2025	-
	2024	143.85

e) The related party balances outstanding at year end are as follows:

Particulars		Holding Company	Subsidiary Companies
Investment in subsidiary	2025	-	45,001.00
	2024	-	45,270.58
Reimbursement of expenses	2025	-	348.00
	2024	1,351.37	1,979.26

NOTE 34 SET OUT BELOW IS THE DISAGGREGATION OF THE REVENUE FROM CONTRACTS WITH CUSTOMERS

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Type of Services or service		
Fees and commission income	6,102.02	4,647.13
Total revenue from contracts with customers	**6,102.02**	**4,647.13**
Geographical markets		
India	6,102.02	4,647.13
Outside India	-	-
Total revenue from contracts with customers	**6,102.02**	**4,647.13**
Timing of revenue recognition		
Services transferred at a point in time	6,102.02	4,647.13
Services transferred over time	-	-
Total revenue from contracts with customers	**6,102.02**	**4,647.13**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2025

(Currency : Indian Rupees in lakhs)

NOTE 35 CONTINGENT LIABILITIES AND COMMITMENTS

Particulars	As at March 31, 2025	As at March 31, 2024
Contingent liabilities:		
Corporate guarantee given by Company to banks	-	2,375.00
Litigation cases filed against the Company	43.00	71.04
Capital commitments:		
Estimated amount of contracts remaining to be executed on capital account	86.95	86.95
Loans sanctioned not yet disbursed	9,809.52	13,380.32

NOTE 36 DISCLOSURES AS REQUIRED BY IND AS 116 'LEASES'

(A) Lease liability movement

Particulars	As at March 31, 2025	As at March 31, 2024
Opening balance	3,923.54	2,749.03
Add : Adjustments/additions during the year	679.14	2,381.33
Add : Interest on lease liability	374.52	320.46
Less : Deletions	(191.02)	(705.55)
Less : Lease rental payments	(1,060.53)	(821.73)
	3,725.65	**3,923.54**

(B) Future lease cashflow for all leased assets

Particulars	As at March 31, 2025	As at March 31, 2024
Not later than one year	1,120.02	1,058.10
Later than one year but not later than five years	3,317.11	3,551.36
Later than five years	202.07	410.83
	4,639.20	**5,020.29**

(C) Maturity analysis of lease liability

Particulars	As at March 31, 2025	As at March 31, 2024
Lease liability		
Less than 12 months	780.76	699.01
More than 12 months	2,944.89	3,224.53
	3,725.65	**3,923.54**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2025

(Currency : Indian Rupees in lakhs)

NOTE 37 DUES TO MICRO, SMALL AND MEDIUM ENTERPRISES AS PER MSMED ACT, 2006

The following disclosure is made as per the requirement under The Micro Small and Medium Enterprise Development Act, 2006 (the 'MSMED Act') on the basis of confirmations sought from suppliers on registration with the specified authorities under MSMED :

	Particulars	As at March 31, 2025	As at March 31, 2024
a.	Principal amount remaining unpaid	6.23	114.85
b.	Interest due thereon remaining unpaid	-	-
c.	Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day	-	-
d.	Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act,2006)	-	-
e.	Interest accrued and remaining unpaid	-	-
f.	Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	-	-

The aforementioned is based on the responses received by the Company to its inquiries with suppliers with regard to applicability under the said Act. This has been relied upon by the auditors.

No interest has been paid/is payable by the Company during the year to the suppliers registered under this Act.

Ageing analysis of Trade Payable

As at March 31, 2025

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
(i) MSME	6.23	-	-	-	6.23
(ii) Others	1.82	-	-	-	1.82
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

As at March 31, 2024

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
(i) MSME	114.85	-	-	-	114.85
(ii) Others	15.47	-	-	-	15.47
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2025

(Currency : Indian Rupees in lakhs)

NOTE 38 GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS

The Company has a funded defined benefit gratuity plan. Every employee who has completed five years or more of service is eligible for gratuity on separation at 15 days basic salary (last drawn salary) for each completed year of service.

Based on Ind AS 19 'Employee Benefits' notified under Section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016, the following disclosures have been made as required by the standard:

A. Amount recognised in the balance sheet

Particulars	As at March 31, 2025	As at March 31, 2024
Present value of the obligation as at the end of the year	603.94	389.90
Fair value of plan assets as at the end of the year	5.01	4.68
Net (asset) / liability to be recognised in the balance sheet	**598.93**	**385.22**

B. Change in projected benefit obligation

Particulars	As at March 31, 2025	As at March 31, 2024
Projected benefit of obligation at the beginning of the year	389.90	361.96
Current service cost	138.81	88.61
Past service cost	-	-
Interest cost	24.47	22.31
Benefits paid	(60.72)	(122.65)
Actuarial (gain) / loss on obligation	111.48	39.67
Projected benefit obligation at the end of the year	**603.94**	**389.90**

C. Change in plan assets

Particulars	As at March 31, 2025	As at March 31, 2024
Fair value of plan assets at the beginning of the year	4.68	4.36
Return on plan assets	0.76	3.55
Actuarial gain/(loss)	(0.43)	(3.23)
Benefits paid	-	-
Fair value of plan assets at the end of the year	**5.01**	**4.68**

D. Amount recognised in the statement of profit and loss

Particulars	As at March 31, 2025	As at March 31, 2024
Current service cost	138.81	88.61
Past service cost and loss/(gain) on curtailments and settlement	-	-
Net interest cost	23.71	18.76
Expenses recognised in the statement of profit and loss	**162.52**	**107.37**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2025

(Currency : Indian Rupees in lakhs)

E. Amount recognised in other comprehensive income

Particulars	As at March 31, 2025	As at March 31, 2024
Actuarial (gains) / loss		
- change in financial assumption	77.38	1.85
- change in demographic assumption	-	-
- experience variation	34.10	37.82
Return on plan assets, excluding amount recognised in net interest expense	0.43	3.23
	111.91	**42.90**

F. Assumptions used

Particulars	As at March 31, 2025	As at March 31, 2024
Discount rate	6.55%	7.15%
Salary growth rate	9.50%	6.00%
Withdrawal rate	50% at younger ages reducing to 10% at older ages	50% at younger ages reducing to 10% at older ages

G. 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 (0.5% movement)	593.14	615.14	383.81	396.18
Salary growth rate (0.5% movement)	614.27	593.84	396.09	383.76
Withdrawal rate (10% movement)	577.10	634.12	379.50	401.04

H. Other information :

1. Plans assets comprises 100% of Insurance funds.
2. The expected contribution for the next year is ₹ 175.59 lakhs.
3. The average outstanding term of the obligations as at valuation date is 3.27 years.
4. The above disclosure is based on report and assumptions provided by the actuary and has been relied upon by the Auditors.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2025

(Currency : Indian Rupees in lakhs)

NOTE 39 EMPLOYEE STOCK OPTION PLANS

The Company provides share-based employee benefits to the employees of the Company, Subsidiary Company, the Directors, whether a whole time Director or otherwise but excluding Non-Executive Independent Directors, including the Directors of the Company, or a Subsidiary Company, such other entities or individuals as may be permitted by Applicable Laws and any of the aforesaid employees who are on deputation at the request of the Company and during the year ended March 31, 2025, employee stock option plans (ESOPs) were in existence. The relevant details of the schemes and the grant are as below.

A. Description of share-based payment arrangements

As at March 31, 2025, the Company has the following share-based payment arrangements:

Share option plans (equity settled)

According to the Schemes, the employees selected by the Nomination and Remuneration Committee (NRC) from time to time will be entitled to options, subject to satisfaction of the prescribed vesting conditions. The contractual life (comprising the vesting period and the exercise period) of options granted is 5 to 6.5 years.

I. Details of the ESOP

Particulars	ESOP Plan 2012	ESOP Plan 2016	ESOP Plan 2016 - II	ESOP Plan 2017	ESOP Plan 2018
Date of Shareholder's Approval	July 30, 2012	May 09, 2016	October 17, 2016	April 28, 2017	December 15, 2017
Total Number of Options approved	15,00,000	27,00,000	30,00,000	20,00,000	60,00,000

Vesting Requirements	Vesting Criteria will specified for each Option Holder by the Nomination and Remuneration Committee at the time of grant of Options. For valid vesting of Options, the concerned Option Holder is required to be an Eligible Employee on the respective Vesting Date and not be subject to any disciplinary proceedings pending against him/her. Unless the NRC provides otherwise, the Vesting of Options granted hereunder shall be stalled / blocked during any unauthorised and unpaid leave of absence for such period as may prescribed by NRC or for any Cause as deemed fit by the NRC. For performance based options granted under the ESOP Plans, options shall vest based on achievement of defined annual performance parameters as determined by the NRC. The performance parameters will be based on a combination of relative Total Shareholder Return (TSR) and operating performance metrics of the Company as decided by the NRC. Each of the above performance parameters will be distinct for the purposes of the calculation of quantity of shares to be vested based on performance. These instruments will generally vest between a minimum of one to maximum of six and half years from the grant date.
The Pricing Formula	Options can be Exercised at any of the following Exercise Price, as may be determined by the NRC at its sole discretion at the time of grant of Options: (i) Fair Market Value rounded to the nearest rupee; or(ii) Market Price rounded to the nearest rupee; or(iii) such price as may be determined by the NRC. However, the Exercise Price shall not be less than the Fair Market Value of the Shares.
Maximum term of Options granted (years)	Options granted under the ESOP Plans would vest not less than 1 (one) year from the date of grant of Options. Options shall be capable of being exercised within a period of 4 years from the Date of Vesting. Performance based optins will generally vest between a minimum of one to maximum of six and half years from the grant date.
Method of Settlement	Equity
Source of shares	Primary
Variation in terms of ESOP	None
Method used for accounting of options	Fair Value Method

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2025

(Currency : Indian Rupees in lakhs)

II. Option Movement during the year ended March 2025

Particulars	ESOP Plan 2012	ESOP Plan 2016	ESOP Plan 2016 - II	ESOP Plan 2017	ESOP Plan 2018
No. of Options Outstanding at the beginning of the year	31,750	13,39,500	10,000	11,80,250	36,77,136
Options Granted during the year	-	-	-	5,00,000	19,47,424
Options Forfeited / Lapsed during the year	6,750	2,58,500	-	-	4,34,756
Options Exercised during the year	-	4,500	-	-	13,652
Total number of shares arising as a result of exercise of options	-	4,500	-	-	13,652
Money realised by exercise of options (₹ lakhs)	-	6.26	-	-	25.99
Number of Options Outstanding at the end of the year	25,000	10,76,500	10,000	16,80,250	51,76,152
Number of Options exercisable at the end of the year	15,000	4,90,850	10,000	4,11,500	7,71,168
Weighted average market price of options exercised for the year ended March 31, 2025 (₹)	-	263.20	-	-	269.64

III. Option Movement during the year ended March 2024

Particulars	ESOP Plan 2012	ESOP Plan 2016	ESOP Plan 2016 - II	ESOP Plan 2017	ESOP Plan 2018
No. of Options Outstanding at the beginning of the year	35,700	19,13,000	1,46,500	2,30,000	3,98,500
Options Granted during the year	-	-	-	10,25,000	35,75,492
Options Forfeited / Lapsed during the year	3,950	5,73,500	1,36,500	74,750	2,96,856
Options Exercised during the year	-	-	-	-	-
Total number of shares arising as a result of exercise of options	-	-	-	-	-
Money realised by exercise of options (₹ lakhs)	-	-	-	-	-
Number of options Outstanding at the end of the year	31,750	13,39,500	10,000	11,80,250	36,77,136

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2025

(Currency : Indian Rupees in lakhs)

Particulars	ESOP Plan 2012	ESOP Plan 2016	ESOP Plan 2016 - II	ESOP Plan 2017	ESOP Plan 2018
Number of Options exercisable at the end of the year	14,250	3,59,950	10,000	1,55,250	1,14,450
Weighted average market price of options exercised for the year ended March 31, 2024 (₹)	-	-	-	-	-

IV. Weighted Average remaining contractual life

Particulars	ESOP Plan 2012	ESOP Plan 2016	ESOP Plan 2016 - II	ESOP Plan 2017	ESOP Plan 2018
Range of Exercise Price (₹ per share)	218.00	139.00 - 437.00	255.00	219.05 - 437.00	131.45 - 437.00
No. of Options Outstanding as on March 31, 2025	25,000	10,76,500	10,000	16,80,250	51,76,152
Remaining Contractual Life (in years)	0.94	0.84	-	2.15	1.98

V. Method and Assumptions used to estimate the fair value of options granted:

The fair value of the awards are estimated using the Black-Scholes Model for time and non-market performance-based options and Monte Carlo simulation model is used for Total Shareholder Return (TSR) based options.

The assumptions used in the model are as follows:

Variables	ESOP Plan 2012	ESOP Plan 2016	ESOP Plan 2016 - II	ESOP Plan 2017	ESOP Plan 2018
1. Risk Free Interest Rate	-	-	-	6.53%	6.86%
2. Expected Life(in years)	-	-	-	3.88	5.00
3. Expected Volatility	-	-	-	45.64%	44.33%
4. Dividend Yield	-	-	-	0.0%	0.0%
5. Exercise Price	-	-	-	235.50	250.43
6. Price of the underlying share in market at the time of the option grant.(₹)	-	-	-	235.50	250.43

VI. Effect of share-based payment transactions on the Company's Profit or Loss for the year:

Particulars	March 31, 2025	March 31, 2024
Employee share based expense	2,203.70	812.34
Total ESOP reserve outstanding	3,934.56	2,122.74

NOTE 40 DISCLOSURE PURSUANT TO IND AS 108 'OPERATING SEGMENTS'

The Company is primarily engaged in business of financing and has provided segmental information in the Consolidated Financial Statements as per Ind AS 108 - Operating Segments.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2025

(Currency : Indian Rupees in lakhs)

NOTE 41 MATURITY PATTERN OF ASSETS AND LIABILITIES

An analysis of its assets and liabilities according to their timing of recoverability and settlement has been presented below in a tabulated format.

Particulars	Note	As at March 31, 2025			As at March 31, 2024		
		Within 12 months	More than 12 months	Total	Within 12 months	More than 12 months	Total
ASSETS							
Financial assets							
Cash and cash equivalents	3	9,192.46	-	**9,192.46**	38,773.39	-	**38,773.39**
Bank balances other than cash and cash equivalents	4	997.00	31,563.54	**32,560.54**	1,652.74	27,523.04	**29,175.78**
Loans	5	2,53,628.94	4,68,022.91	**7,21,651.85**	2,03,491.18	3,95,239.11	**5,98,730.29**
Investments	6	79,558.50	1,02,260.95	**1,81,819.45**	43,684.22	1,13,408.16	**1,57,092.38**
Other financial assets	7	2,214.46	10,234.00	**12,448.46**	5,755.78	28,002.92	**33,758.70**
Non-financial assets							
Current tax assets (net)	8	-	1,137.81	**1,137.81**	-	7,539.22	**7,539.22**
Deferred tax assets (net)	9	-	31,674.65	**31,674.65**	-	31,651.53	**31,651.53**
Property, plant and equipment	10	-	5,955.24	**5,955.24**	-	5,567.39	**5,567.39**
Assets acquired in satisfaction of claim	11	-	1,300.00	**1,300.00**	-	1,300.00	**1,300.00**
Goodwill		-	30,018.69	**30,018.69**	-	30,018.69	**30,018.69**
Other intangible assets	12	-	539.00	**539.00**	-	1,070.68	**1,070.68**
Other non-financial assets	13	2,614.42	308.47	**2,922.89**	3,475.06	860.42	**4,335.48**
Non - current asset held for sale	14	45,000.00	-	**45,000.00**	-	-	**-**
TOTAL ASSETS		**3,93,205.78**	**6,83,015.26**	**10,76,221.04**	**2,96,832.37**	**6,42,181.16**	**9,39,013.53**

Particulars	Note	As at March 31, 2025			As at March 31, 2024		
		Within 12 months	More than 12 months	Total	Within 12 months	More than 12 months	Total
LIABILITIES							
Financial liabilities*							
Trade payables	15	8.05	-	**8.05**	130.32	-	**130.32**
Debt securities	16	2,17,164.42	1,62,054.22	**3,79,218.64**	1,23,462.74	2,05,312.35	**3,28,775.09**
Borrowings (other than debt securities)	17	1,56,248.04	1,56,181.55	**3,12,429.59**	1,45,130.45	1,31,037.49	**2,76,167.94**
Other financial liabilities	18	37,351.44	2,944.89	**40,296.33**	19,257.06	3,224.53	**22,481.59**
Non-financial liabilities							
Provisions	19	276.41	624.90	**901.31**	159.30	370.20	**529.50**
Other non-financial liabilities	20	744.87	-	**744.87**	724.63	-	**724.63**
TOTAL LIABILITIES		**4,11,793.23**	**3,21,805.56**	**7,33,598.79**	**2,88,864.50**	**3,39,944.57**	**6,28,809.07**

* also refer note 32(F)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2025

(Currency : Indian Rupees in lakhs)

NOTE 42 OTHER NOTES

Note 42.1

In relation to the loans portfolio, the Management has on a best effort basis and knowledge, has identified transactions with Nil financiers (previous year Nil) aggregating ₹ Nil (previous year Nil) used for refinancing loans of the customers.

Note 42.2

The disclosure on the following matters required under Schedule III as amended not being relevant or applicable in case of the Company, same are not covered:

a) The Company has not traded or invested in crypto currency or virtual currency during the financial year.

b) No proceedings have been initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (45 of 1988) and rules made thereunder.

c) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

d) The Company has not entered into any scheme of arrangement.

e) Charges or satisfaction to be registered with Registrar of Companies (ROC) have been registered within the stipulated statutory timelines.

f) There are no transactions which are not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

g) In respect of the disclosure required vide notification dated March 24, 21 issued by Ministry of Corporate Affairs, the Company has taken steps to identify transactions with the struck-off companies and considering the nature of business which is primarily lending to individuals and other small players, there are no such transactions which may be required to be reported.

h) The provision related to number of layers as prescribed under section 2(87) of the Companies Act read with Companies (Restriction on number of Layers) Rules, 2017 is not applicable to Company.

i) Other than the loans and advances given in normal course of business, 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 persons or entities, including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has also not received any fund from any parties (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

j) Title deed of immovable property has been held in the name of the Company

k) The Company has used seven accounting software, for maintaining its books of account (including two accounting software managed and maintained by a third-party software service provider) which has a feature of recording audit trail (edit log) facility, except that no audit trail feature was enabled at database level in respect of Four accounting software and in case of one accounting software, the audit trail feature at the database level was enabled with effect from July 01, 2024 to log any direct data changes.

Further, to the extent enabled, audit trail feature has operated throughout the year for all relevant transactions recorded in the accounting software. Also, we did not come across any instance of audit trail feature being tampered with. Additionally, the audit trail of previous year has been preserved by the Company as per the statutory requirements for record retention to the extent it was enabled and recorded in previous year.

The Company has established and maintained an adequate internal control framework and based on its assessment, believes that this was effective throughout the year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2025

(Currency : Indian Rupees in lakhs)

NOTE 43 ASSET LIABILITY MANAGEMENT

Particulars	1 to 7 days	8 to 14 days	15 to 30 days	Over one month to 2 months	Over 2 months upto 3 months	Over 3 months upto 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Liabilities:											
Borrowings from banks/FI	367.39	2,880.53	1,812.25	3,068.01	27,874.94	28,811.88	32,596.40	78,374.96	18,622.04	-	1,94,408.40
Market borrowings	269.18	-	15,328.33	50,762.38	40,166.13	99,158.04	70,317.00	2,10,249.24	3,732.30	7,257.23	4,97,239.83
Assets:											
Loans & advances (gross)	13,569.31	9,649.67	5,385.77	20,619.87	22,070.33	62,466.42	1,28,564.28	3,80,618.00	85,088.44	18,364.60	7,46,396.69
Investments*	79,558.50	-	-	-	-	-	-	-	1,02,259.95	1.00	1,81,819.45

Notes:

- The above inflows and outflows is based on scheduled maturity of the financial instruments.
- ₹ 16,900.00 lakhs classified as per contractual maturity above pertains to borrowing which exceeds the limits specified in the covenants.

* Excludes inflow from investment in subsidiary of ₹ 45,000 lakhs shown under non - current asset held for sale (refer note 14)

In addition to the investments shown in the table above, the Company also has cash and cash equivalents as mentioned below and undrawn funding lines amounting to ₹ 28,000.00 lakhs

- Cash & Cash Equivalents (refer note 3)	9,192.46
- Bank balances other than cash and cash equivalents (refer note 4)	32,560.54
Total	**41,753.00**

NOTE 44 EXPOSURE TO REAL ESTATE SECTOR

Category			As at March 31, 2025	As at March 31, 2024
A	**Direct exposure**			
	i.	**Residential Mortgages**		
		Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented; Individual housing loans up to 15 lakhs ₹ NIL. (Previous year ₹ NIL)	21,705.39	22,711.61
	ii.	**Commercial Real Estate**		
		Lending secured by mortgages on commercial real estate's (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits;	25,441.73	54,221.56
	iii.	**Investments in Mortgage Backed Securities (MBS) and other securitised exposures**		
		- Residential	Nil	Nil
		- Commercial Real Estate	Nil	Nil
B	**Indirect Exposure**			
	Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)		45,348.00	49,623.84

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2025

(Currency : Indian Rupees in lakhs)

NOTE 45 EXPOSURE TO CAPITAL MARKET

	Category	As at March 31, 2025	As at March 31, 2024
1	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;	-	-
2	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;	-	-
3	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;	-	-
4	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;	-	-
5	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
6	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;	-	-
7	Bridge loans to companies against expected equity flows / issues;	-	-
8	All exposures to Venture Capital Funds (both registered and unregistered)	-	-
9	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;	-	-
10	Financing to stockbrokers for margin trading;	-	-
11	All exposures to Alternative Investment Funds:		
	i Category I	-	-
	ii Category II	-	-
	iii Category III	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2025

(Currency : Indian Rupees in lakhs)

NOTE 46 OTHER DISCLOSURES PURSUANT TO THE RBI MASTER DIRECTIONS FOR NBFC

I - Break up of 'Provisions and Contingencies' shown under the head Expenditure in Statement of Profit and Loss

	Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
1	Provisions for depreciation on Investment	(188.12)	12,066.74
2	Provision towards NPA#	(2,749.48)	(7,035.66)
3	Provision made towards Income tax	-	-
4	Other Provision and Contingencies	(559.15)	(1,116.56)
5	Provision for Standard Assets and other receivable*	(3,576.78)	(16,061.13)

represents provision on Stage 3 assets

* represents provision on Stage 1, Stage 2 and other receivables (net off amount transferred for provision towards NPA)

II - Concentration of Advances

	Particulars	As at March 31, 2025	As at March 31, 2024
1	Total Advances to twenty largest borrowers	22,081.76	46,882.23
2	Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	3.0%	7.4%

III - Concentration of Exposures

	Particulars	As at March 31, 2025	As at March 31, 2024
1	Total Exposure to twenty largest borrowers /customers	31,881.76	60,225.93
2	Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the NBFC on borrowers / customers	4.2%	9.4%

IV - Concentration of NPAs

	Particulars	As at March 31, 2025	As at March 31, 2024
1	Total Exposure to top four NPA accounts	918.62	1,104.15

V - Sectorwise NPA (% of NPA to Total Advances in that sector)

	Particulars	As at March 31, 2025	As at March 31, 2024
1	Agriculture and allied activities	2.82%	4.25%
2	MSME	10.08%	0.00%
3	Corporate borrowers	-	-
4	Services	5.03%	5.01%
5	Unsecured personal loans	-	-
6	Auto loans	1.94%	2.60%
7	Other personal loans	-	-

Note: Sector wise classification of NPA is compiled by the Management from internal MIS and relied upon by the Auditors.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2025

(Currency : Indian Rupees in lakhs)

VI - Movement of NPAs

Particulars	As at March 31, 2025	As at March 31, 2024
Net NPAs to Net Advances (%)	2.46%	2.09%
Movement of NPAs (Gross)		
Opening balance	31,269.97	46,224.01
Additions during the year/period	56,324.22	33,734.69
Reductions during the year/period	(53,880.55)	(48,688.73)
Closing balance	33,713.64	31,269.97
Movement of Net NPAs		
Opening balance	12,792.58	20,710.96
Additions during the year/period	30,928.91	15,642.80
Reductions during the year/period	(25,735.76)	(23,561.18)
Closing balance	17,985.73	12,792.58
Movement of provisions for NPAs (excluding provisions on standard assets)		
Opening balance	18,477.39	25,513.05
Provisions made during the year/period	25,395.31	18,091.89
Write-off / write-back of excess provisions	(28,144.79)	(25,127.55)
Closing balance	15,727.91	18,477.39

Note: NPA represents Stage 3 loan assets and classified as Stage 3 as per Ind AS 109.

VII - Details of assignment transactions undertaken during the year:

(including in terms of Master Direction – Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021, dated September 24, 2021)

	Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
1	No. of accounts	8,391	177
2	Aggregate value (net of provisions) of accounts assigned	56,177.95	242.19
3	Aggregate consideration	56,177.95	242.19
4	Additional consideration realised in respect of accounts transferred in earlier years	-	-
5	Aggregate gain / loss over net book value	4,361.85	-

VIII (A) - Details of financial assets sold to Asset Reconstruction/Securitisation Companies during the year:

	Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
1	No. of accounts	3,850	403
2	Aggregate value (net of provisions) of accounts assigned	33,354.36	1,02,840.53
3	Aggregate consideration	44,000.00	1,10,425.00
4	Additional consideration realised in respect of accounts transferred in earlier years	-	-
5	Aggregate gain / (loss) over net book value	-	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2025

(Currency : Indian Rupees in lakhs)

VIII (B) - Details of stressed loan transferred during the year including in terms of Master Direction – Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021, dated September 24, 2021

	Particulars	To Asset Reconstruction Companies (ARC)	
		NPA	SMA
1	Number of accounts	3,362	488
2	Aggregate principal outstanding of loans transferred	22,726.19	23,687.71
3	Weighted average residual tenor of the loans transferred (in months)	16-19	22-38
4	Net book value of loans transferred (at the time of transfer)	12,927.75	20,426.60
5	Aggregate consideration	21,955.83	22,044.17
6	Additional consideration realised in respect of accounts transferred in earlier years	-	-
7	Recovery rating as at the date of transactions	Unrated	Unrated

Carrying value of the SRs held across the various categories of Recovery Ratings assigned to such SRs by the credit rating agencies

Recovery Ratings	As at March 31, 2025	As at March 31, 2024
RR1	46,774.92	68,165.01
RR2	43,490.46	-
RR3	-	12,722.57
RR4	11,994.57	-
Unrated	-	-
	1,02,259.95	**80,887.58**

VIII (C) - Details of stressed loans acquired during the year including in terms of Master Direction – Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021, dated September 24, 2021

	Particulars	From lenders listed Clause 3	
		NPA	SMA
1	Aggregate principal outstanding of loans acquired	-	2,106.65
2	Aggregate consideration paid	-	2,106.65
3	Weighted average residual tenor of loans acquired (in months)	-	19

VIII (D) - Details of loans not in default acquired during the year including in terms of Master Direction – Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021, dated September 24, 2021

- Nil

VIII (E) - Details of loans not in default transferred during the year including in terms of Master Direction – Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021, dated September 24, 2021

	Particulars	For the year ended March 31, 2025
1	No. of accounts	8,391
2	Aggregate value of accounts assigned ` in lakhs	56,177.95
3	Aggregate consideration	56,177.95
4	Additional consideration realised in respect of accounts transferred in earlier years	-
5	Aggregate gain / loss over net book value	4,361.85
6	Weighted average maturity (No. of Years)	3
7	Weighted average holding period (months)	8
8	Retention of beneficial economic interest	10%

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2025

(Currency : Indian Rupees in lakhs)

VIII (F) - Details of STC securitisation transactions

(in terms of Master Direction – Reserve Bank of India (Securitisation of Standard Assets) Directions, 2021 dated September 24, 2021)

	Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
1	No of SPVs sponsored by the NBFC for securitisation transactions	15	11
2	Total amount of securitised assets as per books of the SPVs sponsored	1,07,748.88	1,33,114.53
3	Total amount of exposures retained by the NBFC towards the MRR as on the date of balance sheet		
	(I) Off-balance sheet exposures towards Credit Enhancements	24,024.37	43,364.95
	(II) On-balance sheet exposures towards Credit Enhancements	-	-
	Amount of exposures to securitisation transactions		
4	Other than MRR		
	(I) Off-balance sheet exposures towards Credit Enhancements		
	a) Exposure to own securitisations	-	-
	b) Exposure to third party securitisations	-	-
	(II) On-balance sheet exposures towards Credit Enhancements		
	a) Exposure to own securitisations	8,041.33	3,246.67
	b) Exposure to third party securitisations	-	-
5	Sale Consideration received for the securitised assets and gain/loss on sale on account of securitisation		
	a) Sale Consideration received	2,23,618.34	2,57,338.17
	b) gain/loss on sale on account of securitisation	-	-
6	Form & quantum of Services Provided:		
	a) Collection Agent Fees	45.01	85.04
7	Performance of facility provided		
	I) Credit Enhancement		
	(a) Amount Paid	24,024.37	43,364.95
	(b) Repayment Received	-	-
	(c) Outstanding Amount	24,024.37	43,364.95
	II) Collection Agent fees		
	(a) Amount Paid	45.01	85.04
	(b) Repayment Received	(45.01)	(85.04)
	(c) Outstanding Amount	-	-
8	Amount and number of additional/top up loan given on the same underlying asset	-	-
9	Investor Complaints		
	(a) Directly/Indirectly received	-	-
	(b) Complaints Outstanding	-	-

* The Company determines average rate of default on the entire portfolio of the product. Consequently, average rate of default for a selected pool under securitisation is not available

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2025

(Currency : Indian Rupees in lakhs)

IX - Customer Complaints

1) Summary information on complaints received by the NBFCs from customers and from the Offices of Ombudsman

Sr. No	Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
	Complaints received by the NBFC from its customers		
1	Number of complaints pending at beginning of the year	19	2
2	Number of complaints received during the year	1,654	640
3	Number of complaints disposed during the year	1,665	623
	3.1 Of which, number of complaints rejected by the NBFC	155	80
4	Number of complaints pending at the end of the year	8	19
	Maintainable complaints received by the NBFC from Office of Ombudsman		
5	Number of maintainable complaints received by the NBFC from Office of Ombudsman	108	126
	5.1. Of 5, number of complaints resolved in favour of the NBFC by Office of Ombudsman	108	126
	5.2 Of 5, number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman	7	13
	5.3 Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC	-	-
6	Number of Awards unimplemented within the stipulated time	-	-

2) Top five grounds of complaints received by the NBFCs from customer

Grounds of complaints (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	**2**	**3**	**4**	**5**	**6**
For the year ended March 31, 2025					
Loans & Advances	3	505	301%	4	-
NOC	1	130	88%	-	-
Credit Score	2	267	256%	-	-
Settlement	1	82	74%	-	-
Service issue/Misbehaviour of employee	4	189	142%	1	-
Others	8	481	96%	3	1
Totals	**19**	**1,654**		**8**	**1**
For the year ended March 31, 2024					
Loans & Advances	-	126	5%	3	-
NOC	-	69	-5%	1	-
Credit Score	-	75	14%	2	-
Settlement	-	47	-8%	1	-
Service issue/Misbehaviour of employee	-	78	77%	4	1
Others	2	245	-26%	8	-
Totals	**2**	**640**		**19**	**1**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2025

(Currency : Indian Rupees in lakhs)

X - Investments

Particulars	As at March 31, 2025	As at March 31, 2024
1 Value of Investments		
(i) Gross Value of Investments		
(a) In India	2,63,274.71	1,93,735.76
(b) Outside India	-	-
(ii) Provision for Depreciation		
(a) In India	36,455.26	36,643.38
(b) Outside India	-	-
(iii) Net Value of Investments		
(a) In India	2,26,819.45	1,57,092.38
(b) Outside India	-	-
2 Movement of provisions held towards depreciation on investments		
(i) Opening balance	36,643.38	24,576.64
(ii) Add : Provisions made during the year (net)	-	12,066.74
(iii) Less : Write-off/ write-back of excess provision during the year	(188.12)	-
(iv) Closing balance	36,455.26	36,643.38

XI - Registration obtained from other financial sector regulators :

The Company is registered as Corporate Agent with the Insurance Regulatory and Development Authority (IRDAI) vide Certificate of Registration dated February 21, 2024.

XII - Details of Single Borrower Limit (SBL) / Group Borrower Limit (GBL) exceeded by NBFC

There are no loans outstanding which exceeds SBL and GBL limit.

XIII - Details of financing of parent Company products : None

XIV - Disclosure of penalties imposed by RBI and other regulators :

Current year ₹ 2.82 lakhs excluding taxes paid to Regular authorities

a) To stock exchanges relating to "Minimum Public Shareholding (MPS) Requirements" - Nil (previous year 24.80 lakhs) and others -₹ 2.33 lakhs (previous year - 11.78 lakhs) excluding taxes

b) To RBI relating to non-compliances observed by the RBI in its statutory inspection - Nil (previous year - 13.60 lakhs)

XV - Draw down from reserves : None

XVI - Rating assigned by credit rating agencies and migration of ratings during the year/period

Sr. No.	Instruments	Credit Rating Agency	As at March 31, 2025	As at March 31, 2024
1	Commercial Paper	CARE	A1+	A1+
		CRISIL	A1+	A1+
2	Long Term Facilities	CARE	AA-	AA-
		CRISIL	AA-	AA-
3	NCD	CARE	AA-	AA-
		CRISIL	AA-	AA-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2025

(Currency : Indian Rupees in lakhs)

XVII (A) - Unsecured Advances against intangible securities :

There are no unsecured advances given against intangible securities such as charge over the rights, licenses, authority, etc. during the financial year ended March 31, 2025 and March 31, 2024.

XVII (B) - Overseas Assets and off- balance sheet SPVs sponsored (which are required to be consolidated as per accounting norms) :

Overseas Assets

The Company does not have any overseas assets as at March 31, 2025 and March 31, 2024

Off- Balance sheet SPVs sponsored (which are required to be consolidated as per accounting norms)

The Company does not have any exposure to off balance sheet SPVs sponsored as at March 31, 2025 and March 31, 2024.

XVII (C) - Fraud committed against the Company:

Sr. No	Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
1	No. of cases of fraud reported during the year	6	3
2	Amount involved (₹ In lakhs)	138.83	47.50
3	Amount recovered (₹ In lakhs)	22.51	-
4	Amount written off (₹ In lakhs)*	116.32	47.50

Note: The above information is based on FMR 1 reported to RBI.

* Represents 100% provision made

XVII (D) - Remuneration of non-executive Directors:

Refer note no. 33 for detailed disclosure of related party transactions

XVII (E) - Derivatives:

I) Forward Rate Agreement / Interest Rate Swap (also includes currency interest rate swaps)

The Company has not traded in Forward Rate Agreement / Interest Rate Swap during March 31, 2025 and March 31, 2024

II) Exchange traded interest rate derivatives

The Company has not traded in exchange traded interest rate derivatives during March 31, 2025 and March 31, 2024

III) Disclosures on risk exposure in derivatives

Details for qualitative disclosure are part of material accounting policies as per financial statements. (Refer note no. 2.3(a)(i) and note no. 32)

XVII (F) - Divergence in asset classification and provisioning:

a) The additional provisioning requirements assessed by RBI exceeds 5 percent of the reported profits before tax and impairment loss on financial instruments for financial year 2024-25 : Nil

b) The additional Gross NPAs identified by RBI exceeds 5 percent of the reported Gross NPAs for financial year 2024-25 : Nil

XVII (G) - Net profit or loss for the period, prior period items and changes in accounting policies:

There are no prior period items which are impacting Company's current year profit and loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2025

(Currency : Indian Rupees in lakhs)

XVIII - Disclosures of restructured accounts

Sr. No.	Type of restructuring / Asset Classification		Under CDR Mechanism / SME Debt Restructuring Mechanism: Standard	Sub-Standard	Doubtful	Loss	Total	Others*#: Standard	Sub-Standard	Doubtful	Loss	Total	Total
1	Restructured account as on April 01, 2024 (Opening Figures)	Number of Borrowers	-	-	-	-	-	583	360	-	-	943	943
		Amount Outstanding	-	-	-	-	-	8,562.29	5,517.05	-	-	14,079.34	14,079.34
		Provision Thereon	-	-	-	-	-	430.69	1,531.33	-	-	1,962.02	1,962.02
2	Fresh Restructuring during the year -(Net of closure and repayment)	Number of Borrowers	-	-	-	-	-	-	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-
		Provision Thereon	-	-	-	-	-	-	-	-	-	-	-
3	Repaid out of opening	Number of Borrowers	-	-	-	-	-	236	36	-	-	272	272
		Amount Outstanding	-	-	-	-	-	(1,126.53)	(358.94)	-	-	(1,485.47)	(1,485.47)
		Provision Thereon **	-	-	-	-	-	(135.63)	84.86	-	-	(50.77)	(50.77)
4	Upgradations to restructured standard category during the year	Number of Borrowers	-	-	-	-	-	13	(13)	-	-	-	-
		Amount Outstanding	-	-	-	-	-	845.67	(845.67)	-	-	-	-
		Provision Thereon	-	-	-	-	-	92.02	(92.02)	-	-	-	-
5	Restructured Standard advances which cease to attract higher provisioning and/or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	Number of Borrowers	-	-	-	-	-	-	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-
		Provision Thereon	-	-	-	-	-	-	-	-	-	-	-
6	Downgradations of restructured accounts during FY 2024-25 (Slipped to NPA as on March 31, 2025) - npa	Number of Borrowers	-	-	-	-	-	(28)	28	-	-	-	-
		Amount Outstanding	-	-	-	-	-	(319.54)	319.54	-	-	-	-
		Provision Thereon	-	-	-	-	-	(10.19)	10.19	-	-	-	-
7	Write-offs of the restructured accounts during Financial Year 2024-25	Number of Borrowers	-	-	-	-	-	-	95	-	-	95	95
		Amount Outstanding	-	-	-	-	-	-	(499.35)	-	-	(499.35)	(499.35)
		Provision Thereon	-	-	-	-	-	-	(337.37)	-	-	(337.37)	(337.37)
8	Closed / Paid-up POS of the restructured accounts during Financial Year 2024-25	Number of Borrowers	-	-	-	-	-	331	235	-	-	566	566
		Amount Outstanding	-	-	-	-	-	(2,589.63)	(1,167.06)	-	-	(3,756.69)	(3,756.69)
		Provision Thereon	-	-	-	-	-	(159.83)	(647.74)	-	-	(807.57)	(807.57)
9	Restructured account as on March 31, 2025 (Closing Figures)	Number of Borrowers	-	-	-	-	-	163	47	-	-	210	210
		Amount Outstanding	-	-	-	-	-	5,372.26	2,965.57	-	-	8,337.83	8,337.83
		Provision Thereon	-	-	-	-	-	217.06	549.25	-	-	766.31	766.31

* Includes restructuring covered under RBI Restructuring Circulars.

\# The above amount represents principal outstanding of restructured loans

**Includes impact of changes to models and inputs used

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2025

(Currency : Indian Rupees in lakhs)

XIX - Comparison between Ind AS provisions and IRACP norms

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS#	Loss Allowances (Provisions) as required under Ind AS 109#	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5) = (3) - (4)	(6)	(7) = (4) - (6)
Performing Assets						
Standard	Stage 1	6,67,212.61	7,588.33	6,59,624.28	2,962.75	4,625.58
	Stage 2	45,470.44	1,428.60	44,041.84	148.03	1,280.57
Subtotal		**7,12,683.05**	**9,016.93**	**7,03,666.12**	**3,110.78**	**5,906.15**
Non-Performing Assets (NPA)						
Substandard	Stage 3	30,881.85	14,801.48	16,080.37	2,559.43	12,242.05
Subtotal for Substandard		**30,881.85**	**14,801.48**	**16,080.37**	**2,559.43**	**12,242.05**
Doubtful - up to 1 year	Stage 3	1,598.88	519.42	1,079.46	219.57	299.85
1 to 3 years	Stage 3	958.33	299.61	658.72	287.78	11.83
More than 3 years	Stage 3	274.58	107.40	167.18	137.29	(29.89)
Subtotal for doubtful		**2,831.79**	**926.43**	**1,905.36**	**644.64**	**281.79**
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		**33,713.64**	**15,727.91**	**17,985.73**	**3,204.07**	**12,523.84**
Total		**7,46,396.69**	**24,744.84**	**7,21,651.85**	**6,314.85**	**18,429.99**
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	6,67,212.61	7,588.33	6,59,624.28	2,962.75	4,625.58
	Stage 2	45,470.44	1,428.60	44,041.84	148.03	1,280.57
	Stage 3	33,713.64	15,727.91	17,985.73	3,204.07	12,523.84
	Total	**7,46,396.69**	**24,744.84**	**7,21,651.85**	**6,314.85**	**18,429.99**

\# includes securitised loans in the scope of Ind-AS 109 and impairment loss allowance thereon.

XX - Liquidity Risk Management

(i) Funding Concentration based on significant counterparty (both deposits and borrowings)

Sr. No.	Number of Significant Counterparties	Amount	% of Total Deposits	% of Total Liabilities
1	23	4,43,226.52	N/A	72.00%

(ii) Top 20 large deposits - Not applicable

The Company being a Systemically Important Non-Deposit taking Non-Banking Financial Company registered with Reserve Bank of India, does not accept public deposits

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2025

(Currency : Indian Rupees in lakhs)

(III) Top 10 borrowings

Total Amount[1]	% of Total Borrowings
3,09,235.56	53.91%

(iV) Funding concentration based on significant instrument/product

Sr. No.	Nature of instrument	Amount	% of Total Liabilities
1	Term Loan	1,66,558.67	27.06%
2	Non-Convertible Debentures	3,27,429.73	53.19%
3	Working Capital	27,849.73	4.52%
4	Commercial Papers	51,788.91	8.41%

(V) Stock ratios

Sr. No.	Particulars	Ratios
1	**Commercial papers**	
	- as a % of total public funds	9.03%
	- as a % of total liabilities	8.41%
	- as a % of total assets	5.40%
2	**Non-convertible debentures (original maturity of less than one year)**	
	- as a % of total public funds	Nil
	- as a % of total liabilities	Nil
	- as a % of total assets	Nil
3	**Other short-term liabilities**	
	- as a % of total public funds	6.69%
	- as a % of total liabilities	6.23%
	- as a % of total assets	4.01%

(vi) Institutional set-up for liquidity risk management

The Board of Directors of the Company has instituted the Asset Liability Management Committee to monitor and manage liquidity risk inter-alia by way of monitoring the asset liability composition, reviewing the liquidity and borrowing programme of the Company, setting-up and monitoring prudential limits on negative mismatches w.r.t. liquidity and interest rate and forecasting and analysing 'what if scenario' and preparation of contingency plans. Further, the Audit Committee and the Risk Management Committee as a part of evaluation of the overall risks faced by the Company evaluate the liquidity risk faced by the Company.

Footnote -

Amount of Securitisation is excluded from total borrowing, total assets, total liabilities and public funds.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2025

(Currency : Indian Rupees in lakhs)

XXI - Liquidity coverage ratio:

	Particulars	Q1 Financial Year 2024-25 Amounts (Average)		Q2 Financial Year 2024-25 Amounts (Average)		Q3 Financial Year 2024-25 Amounts (Average)		Q4 Financial Year 2024-25 Amounts (Average)	
		Unweighted (average)[1]	Weighted (average)[2]	Unweighted (average)[1]	Weighted (average)[2]	Unweighted (average)[1]	Weighted (average)[2]	Unweighted (average)[1]	Weighted (average)[2]
	High Quality Liquid Assets								
1	**Total High Quality Liquid Assets (HQLA)[3]**	22,531.01	22,531.01	42,498.00	42,498.00	28,710.38	28,710.38	31,497.61	31,497.61
	Cash Outflows								
2	Deposits (for deposit taking companies)	-	-	-	-	-	-	-	-
3	Unsecured funding	-	-	-	-	-	-	-	-
4	Secured funding	13,149.80	15,122.27	35,224.91	40,508.64	34,749.25	39,961.64	38,945.83	44,787.70
5	Additional requirements, of which	18,214.56	20,946.74	14,610.09	16,801.61	12,723.99	14,632.59	11,129.67	12,799.12
(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	18,214.56	20,946.74	14,610.09	16,801.61	12,723.99	14,632.59	11,129.67	12,799.12
6	Other contractual funding obligations	11,521.53	13,249.76	12,430.30	14,294.84	12,085.64	13,898.48	11,154.05	12,827.16
7	Other contingent funding obligations	-	-	-	-	-	-	-	-
8	**TOTAL CASH OUTFLOWS**	**42,885.89**	**49,318.77**	**62,265.30**	**71,605.09**	**59,558.88**	**68,492.71**	**61,229.55**	**70,413.98**
	Cash Inflows								
9	Secured Lending	-	-	-	-	-	-	-	-
10	Inflows from fully performing exposures	25,127.98	18,845.98	27,325.75	20,494.31	28,716.28	21,537.21	28,938.07	21,703.55
11	Other cash inflows	53,064.00	39,798.00	40,790.66	30,593.00	74,557.46	55,918.09	1,13,805.47	85,354.10
12	**Total Cash Outflows**	**78,191.98**	**58,643.98**	**68,116.41**	**51,087.31**	**1,03,273.74**	**77,455.30**	**1,42,743.54**	**1,07,057.65**
		Total Adjusted Value		**Total Adjusted Value**		**Total Adjusted Value**		**Total Adjusted Value**	
13	Total HQLA		22,531.01		42,498.00		28,710.38		31,497.61
14	Total Net Cash Outflows		12,329.69		20,517.79		17,123.18		17,603.49
15	Liquidity Coverage Ratio (%)		182.74%		207.13%		167.67%		178.93%

1 Unweighted value calculated as outstanding balances maturing or callable within 30 days (for inflows and outflows).

2 Weighted values calculated after the application of respective haircuts (for HQLA) and stress factors on inflow (75%) and outflow (115%).

3 The Company, during the year ended March 31, 2025, had maintained average HQLA. HQLA primarily includes cash on hand, bank balances in current account and Government securities.

4 Company for purpose of computing outflows, have considered: (1) all the contractual debt repayments, and (2) other expected or contracted cash outflows. Inflows comprises of: (1) expected receipt from all performing loans, and (2) liquid investment which are unencumbered and have not been considered as part of HQLA.

5 In preparation of LCR, the management has made certain estimates/assumptions and compiled the information from internal MIS and records, which has been relied upon by the auditors.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2025

(Currency : Indian Rupees in lakhs)

XXII - Sectoral exposure

SL No	Sectors	As at March 31, 2025			As at March 31, 2024		
		Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector
1	Agriculture and Allied Activities	38,442.86	1,083.44	2.82%	20,135.99	856.11	4.25%
2	Industry						
	- Micro and Small	1,451.98	146.38	10.08%	2,399.08	-	-
	- Large	-	-	-	-	-	-
	Total (2)	1,451.98	146.38	10.08%	2,399.08	-	-
3	Services						
	- Transport Operators	5,27,691.79	26,622.66	4.77%	4,72,088.64	24,904.53	4.67%
	- Computer Software	-	-	-	102.22	-	-
	- Tourism, Hotel and Restaurants	5.16	-	-	62.42	-	-
	- Professional Services	1,946.50	180.57	0.03%	2,415.17	136.08	0.03%
	- Retail Trade	1,345.82	192.87	0.03%	1,638.62	354.46	0.07%
	- Commercial Real Estate	25,437.42	-	-	54,195.03	-	-
	- NBFCs	-	-	-	-	-	-
	- Other Services	2,081.06	607.46	0.11%	2,409.35	625.46	0.12%
	Total (3)	5,58,507.75	27,603.56	4.94%	5,32,911.45	26,020.53	4.88%
4	Personal Loan	-	-	-	-	-	-
5	Retail Loans						
	- Vehicle/Auto Loans	1,36,572.06	2,647.53	1.68%	63,124.38	1,641.35	1.87%
	- Other Retail loans	21,231.56	2,232.73	1.41%	24,610.81	2,751.98	3.14%
	Total (5)	1,57,803.62	4,880.26	3.09%	87,735.19	4,393.33	5.01%
	Total (1+2+3+4+5)	**7,56,206.21**	**33,713.64**	**4.46%**	**6,43,181.71**	**31,269.97**	**4.86%**

Note: Sector wise classification of NPA is compiled by the Management from internal MIS and relied upon by the Auditors.

XXIII- Intra-group exposures

	Particulars	As at March 31, 2025	As at March 31, 2024
1	Total amount of intra-group exposures	-	-
2	Total amount of top 20 intra-group exposures	-	-
3	Percentage of intra-group exposures to total exposure of the NBFC on borrowers / customers	-	-
		-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2025

(Currency : Indian Rupees in lakhs)

XXIV- Related Party Disclosure

SL No	Particulars	Transaction	Financial year	Parent	Subsidiaries	Associates/ Joint Ventures	Key Management Personnel	Relatives of Key Management Personnel	Others	Total
1	Borrowings	Outstanding as at Year End	2024-25 (CY)	-	-	-	-	-	-	-
			2023-24 (PY)	-	-	-	-	-	-	-
		Maximum Outstanding during the year	2024-25 (CY)	-	-	-	-	-	-	-
			2023-24 (PY)	-	-	-	-	-	-	-
2	Deposits	Outstanding as at Year End	2024-25 (CY)	-	-	-	-	-	-	-
			2023-24 (PY)	-	-	-	-	-	-	-
		Maximum Outstanding during the year	2024-25 (CY)	-	-	-	-	-	-	-
			2023-24 (PY)	-	-	-	-	-	-	-
3	Placement of deposits	Outstanding as at Year End	2024-25 (CY)	-	-	-	-	-	-	-
			2023-24 (PY)	-	-	-	-	-	-	-
		Maximum Outstanding during the year	2024-25 (CY)	-	-	-	-	-	-	-
			2023-24 (PY)	-	-	-	-	-	-	-
4	Advances	Outstanding as at Year End	2024-25 (CY)	-	-	-	-	-	-	-
			2023-24 (PY)	-	-	-	-	-	-	-
		Maximum Outstanding during the year	2024-25 (CY)	-		-	-	-	-	-
			2023-24 (PY)	-	6,500.00	-	-	-	-	6,500.00
5	Investments	Outstanding as at Year End	2024-25 (CY)	-	45,001.00	-	-	-	-	45,001.00
			2023-24 (PY)	-	45,270.58	-	-	-	-	45,270.58
		Maximum Outstanding during the year	2024-25 (CY)	-	45,270.58	-	-	-	-	45,270.58
			2023-24 (PY)	-	45,271.60	-	-	-	-	45,271.60
6	Purchase of fixed/ other assets		2024-25 (CY)	-	-	-	-	-	-	-
			2023-24 (PY)	-	-	-	-	-	-	-
7	Sale of fixed/ other assets		2024-25 (CY)	-	-	-	-	-	-	-
			2023-24 (PY)	-	-	-	-	-	-	-
8	Interest paid		2024-25 (CY)	-	-	-	-	-	-	-
			2023-24 (PY)	-	-	-	-	-	-	-
9	Interest received		2024-25 (CY)	-	-	-	-	-	-	-
			2023-24 (PY)	-	143.85	-	-	-	-	143.85
10	Others	Money Received against Share warrants	2024-25 (CY)	20,533.40	-	-	-	-	-	20,533.40
			2023-24 (PY)	-	-	-	-	-	-	-
		Upfront Fees	2024-25 (CY)	-	-	-	-	-	-	-
			2023-24 (PY)	1,228.41	-	-	-	-	-	1,228.41
		Short-term employee benefits	2024-25 (CY)	-	-	-	794.74	-	-	794.74
			2023-24 (PY)	-	-	-	359.08	-	-	359.08
		Recovery of Expenses	2024-25 (CY)	-	300.00	-	-	-	-	300.00
			2023-24 (PY)	-	1,686.53	-	-	-	-	1,686.53

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2025

(Currency : Indian Rupees in lakhs)

XXV - Others

Sr. No.	Particulars	As at March 31, 2025 Amount outstanding	As at March 31, 2025 Amount overdue
Liabilities side :			
(1)	**Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid:**		
	(a) Debenture : Secured	3,17,349.70	-
	: Unsecured	10,080.03	-
	(b) Deferred Credits	-	-
	(c) Term Loans	1,66,558.67	-
	(d) Inter-corporate loans and borrowing	-	-
	(e) Commercial Paper	51,788.91	-
	(f) Public Deposits (Refer Note 2 below)	-	-
	(g) Other Loans	1,45,870.92	-
(2)	**Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued**		
	(a) In the form of Unsecured debentures	-	-
	(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	-
	(c) Other public deposits	-	-

Sr. No.	Particulars	As at March 31, 2025 Amount outstanding
Assets side :		
(3)	**Break-up of Loans and Advances including bills receivables (other than those included in (4) below):**	
	(a) Secured	7,37,161.77
	(b) Unsecured	9,234.92
(4)	**Break up of Leased Assets and stock on hire counting towards AFC 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 AFC Activities :	-
	(a) Loans where assets have been repossessed	-
	(b) Loans other than (a) above	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2025

(Currency : Indian Rupees in lakhs)

Sr. No.	Particulars	As at March 31, 2025 Amount outstanding
Assets side :		
(5)	**Break-up of Investments :**	
	Current Investments :	
	1. Quoted :	
	(i) Shares : (a) Equity	-
	(b) Preference	-
	(ii) Debenture and Bonds	10,160.59
	(iii) Units of mutual funds	-
	(iv) Government Securities	19,886.27
	(v) Others (Please specify)	-
	2. Unquoted :	
	(i) Shares: (a) Equity	-
	(b) Preference	-
	(ii) Debentures and Bonds	-
	(iii) Units of mutual funds	49,511.64
	(iv) Government Securities	-
	(v) Others (Please specify)	-
	Long Term investments :	
	1. Quoted :	
	(i) Shares : (a) Equity	-
	(b) Preference	-
	(ii) Debentures and Bonds	-
	(iii) Units of mutual funds	-
	(iv) Government Securities	-
	(v) Others (Please specify)	-
	2. Unquoted :	
	(i) Shares: (a) Equity	45,001.00
	(b) Preference	-
	(ii) Debentures and Bonds	-
	(iii) Units of mutual funds	-
	(iv) Government Securities	-
	(v) Others: Securities receipts	1,02,259.95

(6) Borrower group-wise classification of assets, financed as in (3) and (4) above :

Category		Amount (Net of provisions) Secured	Unsecured	Total
1.	Related Parties			
	(a) Subsidiaries	-	-	-
	(b) Companies in the same group	-	-	-
	(c) Other related parties	-	-	-
2.	Other than related parties	7,13,021.82	8,630.03	7,21,651.85

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2025

(Currency : Indian Rupees in lakhs)

(7) Investor group-wise classification of all investments (current and long term)

Category	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
in shares and securities (both quoted and unquoted):		
1. Related Parties		
(a) Subsidiaries	45,001.00	45,001.00
(b) Companies in the same group	-	-
(c) Other related parties	-	-
2. Other than related parties	1,81,818.45	1,81,818.45

(8) Other information

Particulars	Amount
(i) Gross Non-Performing Assets	
(a) Related parties	-
(b) Other than related parties	33,713.64
(ii) Net Non-Performing Assets	
(a) Related parties	-
(b) Other than related parties	17,985.73
(iii) Assets acquired in satisfaction of debt	1,300.00

Note: NPA represent Stage 3 loan assets and classified as Stage 3 as per Ind AS 109

NOTE 47 The Company does not have any unhedged foreign currency exposure for the year ended March 31, 2025

NOTE 48 Figures for the previous year have been regrouped, and / or reclassified wherever considered necessary to make them comparable to the current year presentation.

In terms of our report attached
For M S K A & Associates
Chartered Accountants
ICAI Firm Registration Number:105047W

For and on behalf of the Board of Directors of
IndoStar Capital Finance Limited

Tushar Kurani
Partner
Membership No. 118580

Naina Krishnamoorthy
Non-Executive Independent Chairperson
DIN: 01216114

Randhir Singh
Executive Vice Chairman & Whole Time Director
DIN: 05353131

Karthikeyan Srinivasan
Chief Executive Officer & Whole Time Director
DIN: 10056556

Jayesh Jain
Chief Financial Officer

Shikha Jain
Company Secretary

Place: Mumbai
Date: April 29, 2025

Place: Mumbai
Date: April 29, 2025

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF **INDOSTAR CAPITAL FINANCE LIMITED**

Report on the Audit of the Consolidated Financial Statements

OPINION

We have audited the accompanying Consolidated Financial Statements of IndoStar Capital Finance Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company, and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2025, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated Financial Statements, including material accounting policy information and other explanatory information (hereinafter referred to as the "Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of reports of other auditors on separate financial statements and on the other financial information of subsidiaries, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS"), the RBI Guidelines and other accounting principles generally accepted in India, of their consolidated state of affairs of the Group as at March 31, 2025, of consolidated profit (including other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year then ended.

BASIS FOR OPINION

We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements in terms of the Code of Ethics issued by Institute of Chartered Accountant of India ("ICAI"), and the relevant provisions of the Act and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained and on consideration of audit reports of other auditors referred to in the "Other Matters" section below, is sufficient and appropriate to provide a basis for our opinion on the Consolidated 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 consolidated financial statements for the year ended March 31, 2025. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No	Key Audit Matters	How the Key Audit Matter was addressed in our audit
1	**Impairment of loans including Expected Credit Losses ("ECL"):** As per Ind AS 109 – Financial Instruments ("Ind AS 109") requires the Company to provide for impairment of its financial assets using ECL approach involving an estimation of probability of loss on such financial assets, considering reasonable and supportable information about past events, current conditions and forecasts of future economic conditions which could impact the credit quality of the Company's financial assets.	**Our audit procedures in respect of this area included:** **Process understanding and control testing:** • Read the Company's Board approved ECL policy and material accounting policy information for estimation of ECL on financial assets and evaluated the appropriateness of the same with the principles of Ind AS 109; • Performed end-to-end process walkthroughs to identify the controls used in the impairment loss allowance processes;

Sr. No	Key Audit Matters	How the Key Audit Matter was addressed in our audit
	The estimation of impairment loss allowance on loan assets involves significant judgement and estimates, which are subject to uncertainty, and involves applying appropriate measurement principles in case of loss events. ECL is calculated using the percentage of probability of default ("PD"), loss given default("LGD") and exposure at default ("EAD") for each of the stages of loan portfolio. Significant management judgment and assumptions involved in measuring ECL is required with respect to: • Segmentation of loan book in buckets based on common risk characteristics; • Staging of loans and in particular determining the criteria, which includes qualitative factors for identifying a significant increase in credit risk (i.e. Stage 2) and credit-impaired (i.e. Stage 3); • Factoring in future macro-economic and industry specific estimates and forecasts; • Past experience and forecast data on customer behaviour on repayments and; • varied statistical modelling techniques to determine probability of default, loss given default and exposure at default basis, the default history of loans, subsequent recoveries made and other relevant factors using probability weighted scenarios. Considering the significance of the above matter to the Financial Statements and since the matter required significant attention to test the calculation of ECL, we identified this as a key audit matter for current year audit.	• Tested the design and the operating effectiveness of relevant internal controls, including the IT controls relevant to the impairment loss allowance process; • Verified the completeness and accuracy of the EAD and the classification thereof into stages consistent with the definitions applied in accordance with the policy approved by the Board of Directors; and • Checked the appropriateness of information used in the estimation of the PD and LGD for the different stages depending on the nature of the portfolio. **Performed the following substantive procedures on sample of loan assets:** • Tested appropriateness of staging of borrowers based on days past due ("DPD") and other loss indicators; • Tested the factual accuracy of information such as period of default, ratings (wherever applicable) and other related information used in estimating the PD; • Evaluated the reasonableness of LGD estimates by comparing actual recoveries post the loan asset becoming credit impaired and other applicable assumptions included in LGD computation; • Evaluated the methodology used to determine macroeconomic overlays and adjustments to the output of the ECL model; • Tested the completeness of loans included in the ECL calculations as of March 31, 2025 by reconciling such data with the balances as per loan book register; • Assessed the adequacy and appropriateness of disclosures in compliance with the Ind AS 107 in relation to ECL especially in relation to judgements used in estimation of ECL provision; • Along with the assistance of the auditor's expert, verified the appropriateness of methodology and models used by the Company and reasonableness of the assumptions used within the computation process to estimate the impairment provision; • Evaluated the reasonableness of the judgement involved in management overlays that form part of the impairment provision, and the related approvals; and • Evaluated the adequacy of presentation and disclosures in relation to impairment loss allowance in the standalone financial statements.

Sr. No	Key Audit Matters	How the Key Audit Matter was addressed in our audit
2	**Information Technology ("IT") systems and controls impacting financial controls** The Company key financial accounting and reporting processes are highly dependent on information systems including automated controls in systems, such that there exists a risk that gaps in the IT control environment could result in the financial accounting and reporting records being misstated. Amongst its multiple IT systems, we scoped in systems that are key for overall financial reporting. Appropriate IT general controls and application controls are required to ensure that such IT systems are able to process the data, as required, completely, accurately and consistently for reliable financial reporting. We have identified 'IT systems and controls' as a key audit matter considering the high level of automation, significant number of systems being used by Management and the complexity of the IT architecture and its impact on overall financial reporting process and regulatory expectation on automation.	**Key IT audit procedures performed included the following, but not limited to:** • For testing the IT general controls, application controls and IT dependent manual controls, we involved IT specialists as part of the audit. The team also assisted in testing the accuracy of the information produced by the Company IT systems; • Obtained a comprehensive understanding of IT applications landscape implemented at the Company. It was followed by process understanding, mapping of applications to the same and understanding financial risks posed by people-process and technology; • Key IT audit procedures includes testing design and operating effectiveness of key controls operating over user access management (which includes user access provisioning, de-provisioning, access review, password configuration review, segregation of duties and privilege access), change management (which include change release in production environment are compliant to the defined procedures and segregation of environment is ensured), program development (which include review of data migration activity), computer operations (which includes testing of key controls pertaining to backup, Batch processing (including interface testing), incident management and data centre security), System interface controls. This included testing that requests for access to systems were appropriately logged, reviewed, and authorized; • In addition to the above, the design and operating effectiveness of certain automated controls, that were considered as key internal system controls over financial reporting were tested. Using various techniques such as inquiry, review of documentation / record / reports, observation, and re-performance. We also tested few controls using negative testing technique; and • Tested compensating controls and performed alternate procedures, where necessary. In addition, understood where relevant changes made to the IT landscape during the audit period.

The auditors of Niwas Housing Finance Private Limited (formerly known as "IndoStar Home Finance Private Limited"), vide their audit report dated April 28, 2025, have expressed an unmodified opinion on the financial statements. Based on consideration of their report, the following Key Audit Matters were included in the audit report.

Sr. No	Key Audit Matter	Auditor's Response
1	**Impairment of financial assets as at balance sheet date (expected credit losses):** Ind AS 109 requires the Company to provide for impairment of its loan receivables (designated at amortised cost and fair value through other comprehensive income) using the expected credit loss (ECL) approach. ECL involves an estimation of probability-weighted loss on financial instruments over their life, considering reasonable and supportable information about past events, current conditions, and forecasts of future economic conditions which could impact the credit quality of the Company's loans and advances. In the process, a significant degree of judgement has been applied by the management for: 1. Staging of loans (i.e. classification in 'significant increase in credit risk' ("SICR") and 'default' categories); 2. Estimating the behavioural life of the product. 3. Data inputs in relation to ECL model. 4. Determining macro-economic factors impacting credit quality of receivables; 5. Determination of loan book segmentation, probability of defaults, loss given defaults and exposure at default.	Audit approach/procedures included the following: • Read and assessed the Company's accounting policies for impairment of financial assets and their compliance with Ind AS 109 and the governance framework approved by the Board of Directors. • Read and assessed the Company's policy with respect to one-time restructuring offered to customers pursuant to the "Resolution Framework for COVID-19-related Stress" issued by RBI on August 6, 2020, and May 05, 2021. • Performed walkthroughs to identify the key systems, applications and controls used in the ECL processes. • Evaluated the reasonableness of the management estimates by understanding the process of ECL estimation and related assumptions and tested the controls around data extraction and validation. • Performed test of details over calculations of ECL computation, in relation to the completeness and accuracy of data. Assessed the floor/minimum rates of provisioning applied by the Company for loan products with inadequate historical defaults. • Assessed the criteria for staging of loans based on their past-due status to check compliance with requirement of Ind AS 109. Tested a sample of performing (stage 1) loans to assess whether any SICR or loss indicators were present requiring them to be classified under higher stages. • Assessed the additional considerations applied by the management for staging of loans as SICR or default categories in view of Company's policy on one time restructuring. • Obtained written representations from the management on the reasonableness of the significant assumptions used in computation of ECL provision. • Assessed the disclosures included in the Ind-AS financial statements with respect to such allowance/estimate are in accordance with the requirements of Ind AS 109 and Ind AS 107 Financial Instruments: Disclosures.

Sr. No	Key Audit Matter	Auditor's Response
2	**Evaluation of Company's Information Technology (IT) systems and Controls over Financial Reporting** The information system is a critical component of Company's operations, enabling efficient processing of transactions, safeguarding of information, and supporting decision-making. The financial accounting and reporting systems of the Company are also fundamentally reliant on IT systems and IT controls. As such, it is important for us to evaluate the effectiveness of information system controls to ensure the correctness, integrity, availability, and confidentiality of data. We identified 'IT systems and controls' as key audit matter because of the pervasive nature of IT environment and the scale and complexity of the IT architecture.	Audit approach/procedures include the following: • Evaluated the extent to which the controls are designed and implemented to mitigate the risk of material misstatement in financial reporting. • Obtained an understanding of the IT control environment and IT policies during the audit period. • Testing IT general controls related to User, Change Management Controls, Information Security Controls, Log management and Data backup. • Assessment and identification of key IT applications including those identified by the management for audit trail (audit log) further verifying, testing, and reviewing the design and operating effectiveness of the IT system based on reports and other financial and non-financial information generated from the system on a test check basis.

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the Annual Report but does not include the Consolidated Financial Statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the Consolidated Financial Statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance under SA 720 'The Auditor's responsibilities Relating to Other Information'.

RESPONSIBILITIES OF MANAGEMENT AND BOARD OF DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Board of Directors is responsible for the preparation and presentation of these Consolidated Financial Statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group including in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act and RBI Guidelines. The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated

Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Management and Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of each company.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

- Identify and assess the risks of material misstatement of the Consolidated Financial Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to Consolidated Financial Statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management and Board of Directors.
- Conclude on the appropriateness of management and Board of Director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the Consolidated Financial Statements of which we are the independent auditors. For the other entities included in the Consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

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

OTHER MATTER:

We did not audit the financial statements of two subsidiaries, whose financial statements reflect total assets of Rs. 2,94,718 Lakhs (before Consolidation adjustments) as at March 31, 2025, total revenues of Rs. 40,932 Lakhs (before Consolidation adjustments) and net cash inflows amounting to Rs. 1,208 Lakhs (before Consolidation adjustments) for the year ended on that date, as considered in the Consolidated Financial Statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the Separate Financial Statements of the subsidiaries, referred to in the Other Matters section above we report, to the extent applicable, that:

    a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.

    b. In our opinion, proper books of account as required by law have been kept by the Group so far as it appears from our examination of those books, except for the matters stated in paragraph 2(h)(vi) below on reporting under Rule 11(g).

    c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including other comprehensive income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.

    d. In our opinion, the aforesaid Consolidated Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

    e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2025 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiaries, none of the directors of the Group are disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164 (2) of the Act.

    f. The reservation relating to maintenance of accounts and other matters connected therewith are as stated in paragraph 2(b) above on reporting under Section 143(3)(b) and paragraph 2(h)(vi) below on reporting under Rule 11(g).

    g. With respect to the adequacy of internal financial controls with reference to Consolidated Financial Statements of the Group, its and the operating effectiveness of such controls, refer to our separate report in "Annexure A".

    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 Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Consolidated Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 36 to the Consolidated Financial Statements.

ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiaries.

iv. a) The respective Managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief as disclosed in Note 43.2 (i) to the Consolidated Financial Statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries to or in any other person(s) or entity(ies), including foreign entities with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that such parties shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

b) The respective Managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief as disclosed in Note 43.2 (i) , no funds have been received by the Holding Company or any of such subsidiaries from any person(s) or entity(ies), including foreign entities with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the Holding Company or any of such subsidiaries shall, directly or indirectly, lend or invest in other person(s) or entity(ies) identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, and according to the information and explanations provided to us by the Management of the Holding company in this regard nothing has come to our or other auditors' notice that has caused us or the other auditors 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 mis-statement.

v. In our opinion and according to the information and explanations given to us, the Holding Company and its subsidiaries has neither declared nor paid any dividend during the year.

vi. Based on our examination which included test checks, and based on the other auditor's reports of its subsidiaries incorporated in India whose financial statements have been audited under the Act, except for the instance mentioned below, the holding Company and its subsidiaries incorporated in India have used accounting software for maintaining their respective books of account for the year ended March 31, 2025, which have 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, and further, during the course of audit of the holding company and for above referred subsidiaries we did not come across any instance of audit trail feature being tampered with. Additionally, the audit trail of prior year has been preserved by the holding Company and above referred subsidiaries as per the statutory requirements for record retention as explained in Note 43.2 (k) to the Consolidated Financial Statements.

Instances where audit trail feature has not enabled at the database level in respect of certain accounting software as explained in Note 43.2 (k) to the Consolidated Financial Statements, to log any direct data changes and in case of one software, the audit trail feature at the database level was not enabled from April 01, 2024 to June 30, 2024.	In respect of Holding Company
Instances of non-preservation of audit trail at database level in case of certain accounting software as explained in Note 43.2 (k) to the Consolidated Financial Statements and in case of one accounting software on from April 01, 2024 to June 30, 2024.	In respect of Holding Company
Instance of a software for maintaining treasury and investment function, as explained in Note 43.2 (l) to the Consolidated Financial Statements, where the feature of recording audit trail (edit log) facility was not enabled at the database level to log any direct data changes.	In respect of one subsidiary
Instances of non-preservation of audit trail at database level in case of a software for maintaining treasury and investment function, as explained in Note 43.2 (l) to the Consolidated Financial Statements.	In respect of one subsidiary

2. In our opinion, according to information, explanations given to us, the remuneration paid by the Holding Company, to its directors is within the limits laid prescribed under Section 197 of the Act and the rules thereunder except in case of two subsidiaries, as the provisions of the aforesaid section is not applicable to private companies.

3. According to the information and explanations given to us and based on the CARO reports issued by us for the Holding Company and on consideration of CARO reports issued by the statutory auditors of subsidiaries included in the Consolidated Financial Statements of the Group to which reporting under CARO is applicable, we report that there are no Qualifications or adverse remarks.

For **M S K A & Associates**
Chartered Accountants
ICAI Firm Registration Number: 105047W

Tushar Kurani
Partner
Membership Number: 118580
UDIN: 25118580BMOHVZ2313

Mumbai
April 29, 2025

ANNEXURE "A"

TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF INDOSTAR CAPITAL FINANCE LIMITED

[Referred to in paragraph 1(g) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of **IndoStar Capital Finance Limited** on the Consolidated Financial Statements for the year ended March 31, 2025]

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

Opinion

In conjunction with our audit of the Consolidated Financial Statements of the Company as of and for the year ended March 31, 2025, we have audited the internal financial controls reference to Consolidated Financial Statements of IndoStar Financial Capital Finance Limited (hereinafter referred to as "the Holding Company") which includes the internal financial controls over financial reporting of the Holding Company's and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), which are companies incorporated in India, as of that date.

In our opinion, and to the best of our information and according to the explanations given to us, the Group, have, in all material respects, an adequate internal financial controls with reference to Consolidated Financial Statements and such internal financial controls with reference to Consolidated Financial Statements were operating effectively as at March 31, 2025, based on the internal financial controls with reference to Consolidated Financial Statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI").

Management and Board of Director's Responsibility for Internal Financial Controls

The respective Management and the Board of Directors of the Group, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to Consolidated Financial Statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note issued by ICAI. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to Consolidated Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Consolidated Financial Statements included obtaining an understanding of internal financial controls with reference to Consolidated Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to Consolidated Financial Statements of the Group.

Meaning of Internal Financial Controls With Reference to Consolidated Financial Statements

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

Inherent Limitations of Internal Financial Controls With Reference to Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to Consolidated Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to Consolidated Financial Statements to future periods are subject to the risk that the internal financial control with reference to Consolidated Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Other Matter

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to Consolidated Financial Statements insofar as it relates to two subsidiaries, which are companies incorporated in India, is based on the corresponding reports of the auditors of the branches and the auditors of such companies incorporated in India. Our opinion is not modified in respect of this matter.

For **M S K A & Associates**
Chartered Accountants
ICAI Firm Registration Number: 105047W

Tushar Kurani
Partner
Membership Number: 118580
UDIN: 25118580BMOHVZ2313

Mumbai
April 29, 2025

BALANCE SHEET

AS AT MARCH 31, 2025

(Currency : Indian Rupees in lakhs)

Particulars	Notes	As at March 31, 2025	As at March 31, 2024
I. ASSETS			
Financial assets			
Cash and cash equivalents	3	9,604.87	61,390.42
Bank balances other than cash and cash equivalents	4	32,639.06	34,919.59
Loans	5	7,21,651.85	7,80,983.89
Investments	6	1,81,818.45	1,11,821.80
Other financial assets	7	12,102.59	38,306.04
		9,57,816.82	**10,27,421.74**
Non-financial assets			
Current tax assets (net)	8	1,138.23	8,336.99
Deferred tax assets (net)	9	31,674.65	31,651.53
Property, plant and equipment	10	5,955.24	6,800.67
Assets acquired in satisfaction of claim	11	1,300.00	1,300.00
Goodwill	12	30,018.69	30,018.69
Other intangible assets	12	539.00	1,289.99
Other non-financial assets	13	2,922.89	5,250.27
Non - current assets held for sale	14	2,94,224.04	-
		3,67,772.74	**84,648.14**
TOTAL ASSETS		**13,25,589.56**	**11,12,069.88**
II. LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
Trade payables	15		
(i) total outstanding to micro enterprises and small enterprises		6.23	124.16
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		1.82	19.51
Debt securities	16	3,79,218.64	3,34,103.91
Borrowings (other than debt securities)	17	3,12,429.59	4,23,061.12
Other financial liabilities	18	40,299.48	28,242.96
		7,31,955.76	**7,85,551.66**
Non-financial liabilities			
Provisions	19	901.31	670.75
Deferred tax liabilities (net)	9	-	1,360.32
Other non-financial liabilities	20	745.03	965.35
Liabilities for assets held for sale	14	2,28,445.14	-
		2,30,091.48	**2,996.42**
TOTAL LIABILITIES		**9,62,047.24**	**7,88,548.08**
EQUITY			
Equity share capital	21	13,609.74	13,607.93
Other equity	22	3,49,932.58	3,09,913.87
TOTAL EQUITY		**3,63,542.32**	**3,23,521.80**
TOTAL LIABILITIES AND EQUITY		**13,25,589.56**	**11,12,069.88**

See accompanying notes forming part of the consolidated financial statements 1 to 44

In terms of our report attached
For M S K A & Associates
Chartered Accountants
ICAI Firm Registration Number:105047W

For and on behalf of the Board of Directors of
IndoStar Capital Finance Limited

Tushar Kurani
Partner
Membership No. 118580

Naina Krishnamoorthy
Non-Executive Independent Chairperson
DIN: 01216114

Randhir Singh
Executive Vice Chairman & Whole Time Director
DIN: 05353131

Karthikeyan Srinivasan
Chief Executive Officer & Whole Time Director
DIN: 10056556

Jayesh Jain
Chief Financial Officer

Shikha Jain
Company Secretary

Place: Mumbai
Date: April 29, 2025

Place: Mumbai
Date: April 29, 2025

STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2025

(Currency : Indian Rupees in lakhs)

Particulars	Notes	For the year ended March 31, 2025	For the year ended March 31, 2024
REVENUE FROM OPERATIONS	23		
Interest income		1,19,678.75	91,354.08
Fees and commission income		11,963.66	5,123.21
Net gain on fair value changes		3,244.16	2,147.32
Net gain on derecognition of financial instruments measured at amortised cost category		5,529.92	11,668.14
Total revenue from operations		**1,40,416.49**	**1,10,292.75**
Other income	24	549.39	418.58
Total income		**1,40,965.88**	**1,10,711.33**
EXPENSES			
Finance cost	25	74,083.99	57,970.75
Impairment on financial instruments	26	13,752.34	8,306.69
Employee benefit expenses	27	29,771.41	20,921.38
Depreciation and amortisation expenses	28	3,061.80	2,766.37
Other expenses	29	15,042.19	13,721.78
Total expenses		**1,35,711.73**	**1,03,686.97**
Profit/(loss) before tax from continuing operations		**5,254.15**	**7,024.36**
Tax expense:	30		
1. Current tax		5.69	4.10
2. Tax of earlier years		0.12	0.08
3. Deferred tax expenses		-	-
Total tax expenses		**5.81**	**4.18**
Profit/(loss) after tax from continuing operations		**5,248.34**	**7,020.18**
Discontinued operations	14		
Profit before tax (a)		9,086.15	5,939.63
Tax expenses (b)		2,282.42	1,376.80
Profit after tax from discontinued operation (a-b)		**6,803.73**	**4,562.83**
Profit after tax		**12,052.07**	**11,583.01**
Other comprehensive income			
Items that will not be reclassified to profit and loss			
- Remeasurements of the defined benefit plans		(126.35)	(53.22)
- Income tax relating to items that will not be reclassified to profit or loss		31.81	13.40
		(94.54)	(39.82)
Items that will be reclassified to profit and loss			
- Debt instruments through other comprehensive income		20.00	11.47
- Income tax relating to items that will be reclassified to profit or loss		(5.05)	(2.89)
		14.95	8.58
Other comprehensive income for the year, net of tax		**(79.59)**	**(31.24)**
Total comprehensive income for the year		**11,972.48**	**11,551.77**
Earnings per equity share	31		
(Equity Share of face value of ₹ 10 each)			
Continuing operations:			
Basic earnings per share (₹)		3.86	5.16
Diluted earnings per share (₹)		3.73	5.16
Discontinued operations:			
Basic earnings per share (₹)		5.00	3.35
Diluted earnings per share (₹)		4.84	3.35
Total Earning			
Basic earnings per share (₹)		8.86	8.51
Diluted earnings per share (₹)		8.57	8.51

See accompanying notes forming part of the consolidated financial statements 1 to 44

In terms of our report attached
For M S K A & Associates
Chartered Accountants
ICAI Firm Registration Number:105047W

For and on behalf of the Board of Directors of
IndoStar Capital Finance Limited

Tushar Kurani
Partner
Membership No. 118580

Naina Krishnamoorthy
Non-Executive Independent Chairperson
DIN: 01216114

Randhir Singh
Executive Vice Chairman & Whole Time Director
DIN: 05353131

Karthikeyan Srinivasan
Chief Executive Officer & Whole Time Director
DIN: 10056556

Jayesh Jain
Chief Financial Officer

Shikha Jain
Company Secretary

Place: Mumbai
Date: April 29, 2025

Place: Mumbai
Date: April 29, 2025

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2025

(Currency : Indian Rupees in lakhs)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(loss) before tax from continuing operations	5,254.15	7,024.36
Adjustments for :		
Interest income on financial assets	(1,19,678.75)	(91,354.08)
Finance costs	74,083.99	58,114.60
Depreciation and amortisation expense	3,061.80	2,766.37
(Profit) / Loss on sale of property plant and equipment	(4.40)	22.55
Impairment on financial instruments	13,752.34	8,306.69
Provision for employee benefits	351.55	157.31
Employee share based payment expense	2,203.70	812.34
Net gain on fair value changes	(3,244.16)	(2,147.32)
Net gain on derecognition of financial instruments measured at amortised cost category	(5,529.92)	(11,668.14)
	(29,749.70)	**(27,965.32)**
Interest income realised on financial assets	1,15,399.63	90,764.50
Finance costs paid	(69,788.94)	(61,536.79)
Cash generated from operating activities before working capital changes	**15,860.99**	**1,262.39**
Adjustments:		
(Increase)/Decrease in loans and advances	(1,75,031.30)	(1,62,945.19)
(Increase)/Decrease in other financial assets	26,831.58	(156.81)
(Increase)/Decrease in other non-financial assets	1,412.60	(1,100.99)
Increase/(Decrease) in trade payable	(122.27)	(604.93)
Increase/(Decrease) in other financial liabilities	18,519.15	(5,954.05)
Increase/(Decrease) in other non-financial liabilities	20.19	(226.97)
Cash generated from / (used in) operating activities	**(1,12,509.06)**	**(1,69,726.55)**
Taxes (paid) / refund	6,395.87	(2,166.88)
Net cash generated from / (used in) operating activities (A)	**(1,06,113.19)**	**(1,71,893.43)**
B CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(2,155.81)	(840.00)
Sale of property, plant and equipment	6.79	7.77
Purchase of intangible assets	(245.14)	(27.20)
Proceeds/(Investment) in bank deposits of maturity greater than 3 months (net)	(3,463.28)	(8,832.28)
(Acquisition)/redemption of investments measured at FVTPL (net)	(29,545.44)	58,086.00
(Acquisition)/redemption of investments measured at FVOCI (net)	(14,471.43)	(4,020.66)
(Acquisition)/redemption of investments measured at amortised cost (net)	19,369.22	23,065.49
Net cash generated from/(used in) investing activities (B)	**(30,505.09)**	**67,439.12**

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2025

(Currency : Indian Rupees in lakhs)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of shares (including securities premium and net off of share issue expenses)	25,282.42	-
Proceeds from bank borrowings	2,83,399.66	1,90,316.60
Repayments towards bank borrowings	(2,47,604.83)	(2,86,266.42)
Proceeds from issuance of Non-Convertible Debentures	1,15,558.54	2,45,500.00
Repayments towards Non-Convertible Debentures	(1,14,300.00)	(29,790.00)
Proceeds from Commercial Papers	1,32,000.00	55,300.00
Repayment of Commercial Papers	(86,300.00)	(47,500.00)
Payment of lease liabilities	(1,060.52)	(821.73)
Net cash generated from/(used in) financing activities (C)	**1,06,975.27**	**1,26,738.45**
Net Increase / (decrease) in cash and cash equivalents (A) + (B) + (C)	**(29,643.01)**	**22,284.14**
Cash and Cash Equivalents at the beginning of the year	**39,247.88**	**16,963.74**
Cash and Cash Equivalents at the end of the year	**9,604.87**	**39,247.88**
Reconciliation of cash and cash equivalents with the balance sheet		
Cash on hand	533.99	400.27
Balances with banks		
- in current accounts	1,668.73	12,443.34
Deposits with original maturity of less than 3 months	7,402.15	26,404.27
Total	**9,604.87**	**39,247.88**

Net cash flow from discontinued operation (Refer note 14)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Net cash (used in)/generated from operating activities (A)	(65,037.64)	(48,922.45)
Net cash (used in)/generated from investing activities (B)	(3,822.82)	864.26
Net cash (used in)/generated from financing activities (C)	70,130.99	69,190.35
Net increase in cash and cash equivalents (A) + (B) + (C)	1,270.53	21,132.16
Cash and Cash Equivalents at the beginning of the year	22,142.54	1,010.38
Cash and Cash Equivalents at the end of the year	23,413.07	22,142.54
Cash and Cash Equivalents at the end of the year (continuing and discontinued operations)	**33,017.94**	**61,390.42**

See accompanying notes forming part of the consolidated financial statements 1 to 44

In terms of our report attached
For M S K A & Associates
Chartered Accountants
ICAI Firm Registration Number:105047W

Tushar Kurani
Partner
Membership No. 118580

Place: Mumbai
Date: April 29, 2025

For and on behalf of the Board of Directors of
IndoStar Capital Finance Limited

Naina Krishnamoorthy
Non-Executive Independent Chairperson
DIN: 01216114

Randhir Singh
Executive Vice Chairman & Whole Time Director
DIN: 05353131

Karthikeyan Srinivasan
Chief Executive Officer & Whole Time Director
DIN: 10056556

Jayesh Jain
Chief Financial Officer

Shikha Jain
Company Secretary

Place: Mumbai
Date: April 29, 2025

STATEMENT OF CHANGES IN EQUITY (SOCIE)

FOR THE YEAR ENDED MARCH 31, 2025

(Currency : Indian Rupees in lakhs)

(a) Equity share capital of face value of ₹ 10/- each

	Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in Equity Share Capital during the current year	Balance at the end of the current reporting period
As at March 31, 2025	13,607.93	-	13,607.93	1.81	13,609.74
As at March 31, 2024	13,607.93	-	13,607.93	-	13,607.93

(b) Other equity

Particulars	Share application money pending allotment	Reserves and surplus							Debt instruments through other comprehensive income	Money received against share warrant	Total
		Securities Premium Account	Statutory Reserves U/s 45-1C	Statutory Reserve U/s Section 29C	Capital Reserve	Share options outstanding account	General reserves	Retained earnings			
(i) Balance at April 01, 2024	**-**	**2,92,207.63**	**31,083.07**	**3,175.09**	**0.43**	**2,122.74**	**3,447.24**	**(22,118.39)**	**(3.94)**	**-**	**3,09,913.87**
Profit after tax for the year	-	-	-	-	-	-	-	12,052.07	-	-	12,052.07
Debt instruments through other comprehensive income	-	-	-	-	-	-	-	-	14.95	-	14.95
Gain/loss on re-measurement of defined benefit plans	-	-	-	-	-	-	-	(94.54)	-	-	(94.54)
Total comprehensive income	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**11,957.53**	**14.95**	**-**	**11,972.48**
Proceeds from issue of shares (net)	-	30.43	-	-	-	-	-	-	-	-	30.43
Transferred from Retained earnings	-	-	1,051.82	1,355.29	-	-	-	(2,407.11)	-	-	-
Share application money received	10.95	-	-	-	-	-	-	-	-	25,533.40	25,544.35
Share based payment expense	-	-	-	-	-	2,203.70	-	-	-	-	2,203.70
Share based payment expense - discontinued operations	-	-	-	-	-	550.97		-	-	-	550.97
Transfer from ESOP reserves	-	12.81	-	-	-	(391.88)	379.07	-	-	-	-
Money received against share warrant	-	-	-	-	-	-	-	-	-	-	-
Share issue expenses	-	(283.22)	-	-	-	-	-	-	-	-	(283.22)
Balance at March 31, 2025	**10.95**	**2,91,967.65**	**32,134.89**	**4,530.38**	**0.43**	**4,485.53**	**3,826.31**	**(12,567.97)**	**11.01**	**25,533.40**	**3,49,932.58**

STATEMENT OF CHANGES IN EQUITY (SOCIE)

FOR THE YEAR ENDED MARCH 31, 2025

(Currency : Indian Rupees in lakhs)

(b) Other equity

Particulars	Share application money pending allotment	Reserves and surplus								Money received against share warrant	Total
		Securities Premium Account	Statutory Reserves U/s 45-1C	Statutory Reserve U/s Section 29C	Capital Reserve	Share options outstanding account	General reserves	Retained earnings	Debt instruments through other comprehensive income		
(ii) Balance at April 01, 2023	**-**	**2,92,207.63**	**29,650.80**	**2,293.19**	**0.43**	**2,074.82**	**2,683.84**	**(31,347.41)**	**(12.52)**	**-**	**2,97,550.78**
Profit after tax for the year	-	-	-	-	-	-	-	11,583.01	-	-	11,583.01
Debt instruments through other comprehensive income	-	-	-	-	-	-	-	-	8.58	-	8.58
Gain/loss on re-measurement of defined benefit plans	-	-	-	-	-	-	-	(39.82)	-	-	(39.82)
Total comprehensive income	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**11,543.19**	**8.58**	**-**	**11,551.77**
Proceeds from issue of shares (net)	-	-	-	-	-	-	-	-	-	-	-
Transferred from Retained earnings	-	-	1,432.27	881.90	-	-	-	(2,314.17)	-	-	-
Share application money received	-	-	-	-	-	-	-	-	-	-	-
Share based payment expense	-	-	-	-	-	811.32	-	-	-	-	811.32
Share based payment expense - discontinued operations	-	-	-	-	-	-	-	-	-	-	-
Transfer from ESOP reserves	-	-	-	-	-	(763.40)	763.40	-	-	-	-
Money received against share warrant	-	-	-	-	-	-	-	-	-	-	-
Share issue expenses	-	-	-	-	-	-	-	-	-	-	-
Balance at March 31, 2024	**-**	**2,92,207.63**	**31,083.07**	**3,175.09**	**0.43**	**2,122.74**	**3,447.24**	**(22,118.39)**	**(3.94)**	**-**	**3,09,913.87**

See accompanying notes forming part of the consolidated financial statements 1 to 44

In terms of our report attached
For M S K A & Associates
Chartered Accountants
ICAI Firm Registration Number:105047W

Tushar Kurani
Partner
Membership No. 118580

Place: Mumbai
Date: April 29, 2025

For and on behalf of the Board of Directors of
IndoStar Capital Finance Limited

Naina Krishnamoorthy
Non-Executive Independent Chairperson
DIN: 01216114

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Executive Vice Chairman & Whole Time Director
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Karthikeyan Srinivasan
Chief Executive Officer & Whole Time Director
DIN: 10056556

Jayesh Jain
Chief Financial Officer

Shikha Jain
Company Secretary

Place: Mumbai
Date: April 29, 2025

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2025

(Currency : Indian Rupees in lakhs)

1 CORPORATE INFORMATION

IndoStar Capital Finance Limited ('the Company' or 'ICFL') was incorporated on July 21, 2009 and is domiciled in India. The Company is registered with the Reserve Bank of India (RBI) as a Systemically Important Non-Deposit taking Non-Banking Financial Company (NBFC-ND-SI) vide Certificate No. N-13.02109. The Company has been classified as Middle Layer as per Master Direction-Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 dated 19 October 2023, as amended. The Company is also registered as Corporate Agent with the Insurance Regulatory and Development Authority (IRDAI) wide Certificate of Registration dated February 21, 2024. The Company together with its subsidiaries (collectively, the Group), is primarily engaged in lending activities.

IndoStar Capital Finance Limited is engaged in business of lending to used and new Commercial Vehicles, Corporates, SME businesses and Micro lap. The Company has two subsidiaries, IndoStar Asset Advisory Private Limited which is primarily engaged in business of investment advisory and asset management services and Niwas Housing Finance Private Limited (Formerly known as IndoStar Home Finance Private Limited) which is engaged in housing finance business.

2 BASIS OF PREPARATION, BASIS FOR CONSOLIDATION AND MATERIAL ACCOUNTING POLICIES

2.1a Statement of compliance with Indian Accounting Standards ('Ind AS')

The consolidated financial statements have been prepared in accordance with Indian Accounting Standards ('Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time and presented in the format prescribed in the Division III to Schedule III to the Act applicable for Non Banking Financial Companies ("NBFC"). The consolidated financial statements have been prepared under the historical cost convention, as modified by the application of fair value measurements required or allowed by relevant accounting standards. Accounting policies have been consistently applied to all periods presented, unless otherwise stated.

The financial statements are prepared on a going concern basis, as the management is satisfied that the Group shall be able to continue its business for the foreseeable future. In making this assessment, the management has considered a wide range of information relating to present and future conditions, including future projections of profitability, cash flows and capital resources.

2.1b Basis for Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at March 31, 2025. The Company consolidates a subsidiary when it controls it. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Company, i.e., year ended on March 31, 2025.

Consolidation procedure:

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

(b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

(c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of OCI are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. A change in the ownership interest of a subsidiary, without loss of control, is accounted for as an equity transaction.

2.2 Presentation of financial statements

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Division III to Schedule III to the Act applicable for Non Banking Financial Companies ("NBFC"). The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows". The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Division III to Schedule III to the Act, are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified accounting Standards and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Financial assets and financial liabilities are generally reported gross in the balance sheet. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event, the parties also intend to settle on a net basis in all of the following circumstances:

- the normal course of business;
- the event of default;
- the event of insolvency of bankruptcy of the Group or its counterparties.

2.3 Material Accounting Policies

a) Financial Instruments

Financial assets and financial liabilities can be termed as financial instruments.

Financial instruments are recognised when the Company becomes a party to the contractual terms of the instruments.

(i) Classification of Financial Instruments

The Group classifies its financial assets into the following measurement categories:

1. Financial assets to be measured at amortised cost
2. Financial assets to be measured at fair value through other comprehensive income

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2025

(Currency : Indian Rupees in lakhs)

3. Financial assets to be measured at fair value through profit or loss account

The classification depends on the contractual terms of the financial assets' cash flows and the Group's business model for managing financial assets.

The Group classifies its financial liabilities at amortised cost unless it has designated liabilities at fair value through the profit and loss account or is required to measure liabilities at fair value through profit or loss (FVTPL) such as derivative liabilities. Financial liabilities, other than loan commitments and financial guarantees, are measured at FVTPL when they are derivative instruments or the fair value designation is applied.

(ii) Assessment of business model and cash flows for financial assets

Business model assessment

The Group determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective. The Group's business model determines whether the cash flows will be generated by collecting contractual cash flows, selling financial assets or by both.

The Group's business model is assessed at portfolio level and not at instrument level, and is based on observable factors such as:

(i) How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel;

(ii) The risks that affect the performance of the business model and, in particular, the way those risks are managed; and

(iii) The expected frequency, value and timing of sales are also important aspects of the Group's assessment. The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account.

Solely payment of principal and interest (SPPI) test

Subsequent to the assessment to the relevant business model of the financial assets, the Group assesses the contractual terms of financial assets to identify whether the cash flow realised are towards solely payment of principal and interest.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset. The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk.

(iii) Initial measurement of financial instruments

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments. Financial instruments are initially measured at their fair value.

(iv) Classification of Financial Instruments as per business model and SPPI test

(a) Loans and Debt instruments at amortised cost

A 'loan or debt instrument' is measured at the amortised cost if both the following conditions are met:

i) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

ii) The contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2025

(Currency : Indian Rupees in lakhs)

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit or loss.

(b) Financial assets at fair value through other comprehensive income (FVTOCI)

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows that give rise on specified dates to sole payments of principal and interest on the principal amount outstanding and by selling financial assets.

(c) Financial assets at fair value through profit or loss (FVTPL)

Financial assets at fair value through profit or loss are those that are either held for trading and have been either designated by management upon initial recognition or are mandatorily required to be measured at fair value under Ind AS 109. Management only designates an instrument at FVTPL upon initial recognition when one of the following criteria are met (such designation is determined on an instrument-by-instrument basis):

The designation eliminates, or significantly reduces, the inconsistent treatment that would otherwise arise from measuring the assets or recognising gains or losses on them on a different basis.

Financial assets at FVTPL are recorded in the balance sheet at fair value. Changes in fair value are recorded in profit and loss.

(d) Debt securities and other borrowed funds

After initial measurement, debt issued and other borrowed funds are subsequently measured at amortised cost. Amortised cost is calculated by taking into account any discount or premium on issue funds, and costs that are an integral part of the EIR. A compound financial instrument which contains both a liability and an equity component is separated at the issue date.

(e) Financial guarantees

Financial guarantees are initially recognised in the financial statements (within 'Provisions') at fair value, being the premium/ deemed premium received. Subsequent to initial recognition, the Group's liability under each guarantee is measured at the higher of the amount initially recognised less cumulative amortisation recognised in the Statement of Profit and Loss. The premium/ deemed premium is recognised in the statement of Profit and Loss on a straight line basis over the life of the guarantee.

(f) Undrawn loan commitments

Undrawn loan commitments are commitments under which, over the duration of the commitment, the Group is required to provide a loan with pre-specified terms to the customer. Undrawn loan commitments are in the scope of the ECL requirements.

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(v) Reclassification of financial assets and liabilities

The Group does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Group acquires, disposes of, or terminates a business line.

(vi) Derecognition of financial assets in following circumstances

(a) Derecognition of financial assets due to substantial modification of terms and conditions

The Group derecognises a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially it becomes a new loan with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognised loans are classified as Stage 1 for ECL measurement purposes, unless the new loan is deemed to be credit-impaired at the origination date.

If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Group records a modification gain or loss, to the extent that an impairment loss has not already been recorded.

(b) Derecognition of financial assets other than due to substantial modification

Financial assets

A financial asset or a part of financial asset is derecognised when the rights to receive cash flows from the financial asset have expired. The Group also derecognises the financial asset if it has transferred the financial asset and the transfer qualifies for derecognition.

The Group has transferred the financial asset if, and only if, either:

- The Group has transferred its contractual rights to receive cash flows from the financial asset; or
- It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows.

A transfer only qualifies for derecognition if either:

- The Group has transferred substantially all the risks and rewards of the asset; or
- The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

The Group considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

When the Group has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Group's continuing involvement, in which case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Write off

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty

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and there is no realistic prospect of recovery. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in statement of profit and loss.

(vii) Derecognition of Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in statement of profit or loss.

b) Fair Value Measurement

On initial recognition, all the financial instruments are measured at fair value. For subsequent measurement, the Group measures certain categories of financial instruments at fair value on each balance sheet date. 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.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

i. In the principal market for the asset or liability, or

ii. In the absence of a principal market, in the most advantageous market for the asset or liability

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: quoted prices 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 or indirectly;

Level 3: inputs for the asset or liability that are not based on observable market data.

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 Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred, if any.

c) Property plant and equipments

Recognition and measurement

Property, plant and equipment (PPE) is recognised when it is probable that the future economic benefits associated with it will flow to the Company and the cost can be measured reliably.

Property, plant and equipment (PPE) are stated at cost less accumulated

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depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of assets which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the year till such assets are ready to be put to use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Gains or losses arising from derecognition of such assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

Subsequent expenditure

Subsequent costs are included in the assets carrying amount or recognised as a separate asset, as appropriate only if it is probable that the future economic benefits associated with the item will flow to the Group and that the cost of the item can be reliably measured. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repair and maintenance expenses are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

Depreciation

Depreciation is provided on Straight Line Method ('SLM'), which reflects the management's estimate of the useful life of the respective assets. The estimated useful life used to provide depreciation are as follows:

Particulars	Estimated useful life by the Group	Useful life as prescribed by Schedule II of the Companies Act 2013
Computers	3 years	3 years
Office Equipment	5 years	5 years
Office Equipment - mobiles	2 years	5 years
Furniture and fixtures	5 years	10 years
Servers and networks	5 years	6 years

Property, plant and equipment items individually costing less than ₹ 5,000 are depreciated fully in the year of purchase.

Leasehold improvement is amortised on Straight Line Method over the lease term, subject to a maximum of 60 months.

Useful life of assets different from prescribed in Schedule II of the Act has been estimated by management and supported by technical assessment.

The right-of-use assets are depreciated from the date of commencement of the lease on a straight-line basis over the lease term.

Depreciation on assets acquired/sold during the year is recognised on a pro-rata basis to the statement of Profit and Loss till the date of sale.

The useful lives and the method of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate. Changes in the expected useful life are accounted for by changing the amortisation period or methodology, as appropriate, and treated as changes in accounting estimates.

d) Intangible assets

Recognition and measurement

An intangible asset is recognised only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Group. Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition

Amortisation

Intangible assets are amortised using the straight line method over a period of 3 years, which is the management's estimate of its useful life. The amortisation period and the amortisation method are reviewed at least as at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly.

Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the statement of Profit and Loss.

e) Business Combination and goodwill thereon

Business combinations other than under common control are accounted for using the acquisition method. The cost of an acquisition is measured at the value which is aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. The identifiable assets acquired and the liabilities assumed are recognised at their fair values, as on date of acquisition. Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date.

Measurement

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. In case the excess is on account of bargain purchase, the gain is recognised directly in equity as capital reserve. When the transaction is of nature other than bargain purchase, then the gain is recognised in OCI and accumulated in equity as capital reserve.

f) Impairment

(i) Financial Assets

(a) Expected Credit Loss (ECL) principles for Financial assets

The Group records allowance for expected credit losses for all loans, other debt financial assets not held at FVTPL, undrawn loan commitments (referred to as 'financial instruments').

For the computation of ECL on the financial instruments, the Group categories its financial instruments as mentioned below:

Stage 1: All exposures where there has not been a significant increase in credit risk since initial recognition or that has low credit risk at the reporting date and that are not credit impaired upon origination are classified under this stage. The Group classifies all advances upto 30 days overdue under this category. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2.

Stage 2: Exposures are classified as Stage 2 when the amount is due for more than 30 days but less than 90 days. All exposures where there has been a significant increase in credit risk since initial recognition but are not credit impaired are classified under this stage.

Stage 3: All exposures are assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred. Exposures where the amount remains due for 90 days or more are considered as to be stage 3 assets.

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The Group has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. The Group undertakes the classification of exposures within the aforesaid stages at borrower level.

(b) Definition of default

A default on a financial asset is when the counterparty fails to make the contractual payments within 90 days of when they fall due. Accordingly, the financial assets shall be classified as Stage 3, if on the reporting date, it has been 90 days and above past due. Non-payment on another obligation of the same customer is also considered as a Stage 3. In addition, Company shall also classify those accounts as default which meets the criteria as per the RBI circular RBI/2021-2022/125 DOR.STR.REC.68/21.04.048/2021-22 dated November 12, 2021.

(c) Calculation of ECL:

ECL is a probability weighted credit losses (i.e. present value of all cash shortfalls) over the expected life of the financial instruments. Cash shortfalls are the difference between the cash flows that the entity is entitled to receive on account of contract and the cash flows that the entity expects to receive.

The mechanics of the ECL calculations are outlined below and the key elements are as follows:

Exposure-At-Default (EAD) : The Exposure at Default is the amount the Group is entitled to receive as on reporting date including repayments due for principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities.

Probability of Default (PD) : The Probability of Default is an estimate of the likelihood of default of the exposure over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.

Loss Given Default (LGD) : The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral.

The ECL allowance is applied on the financial instruments depending upon the classification of the financial instruments as per the credit risk involved. ECL allowance is computed on the below mentioned basis:

12-month ECL: 12-month ECL is the portion of Lifetime ECL that represents the ECL that results from default events on a financial instrument that are possible within the 12 months after the reporting date. 12-month ECL is applied on stage 1 assets.

Lifetime ECL: Lifetime ECL for credit losses expected to arise over the life of the asset in cases of credit impaired loans and in case of financial instruments where there has been significant increase in credit risk since origination. Lifetime ECL is the expected credit loss resulting from all possible default events over the expected life of a financial instrument.

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Lifetime ECL is applied on stage 2 and stage 3 assets.

The Group computes the ECL allowance on either individual basis or collective basis, depending on the nature of the underlying portfolio of financial instruments. The Group has grouped its loan portfolio into Corporate loans, SME loans, Commercial vehicle loans, Micro lap loans and Home loans.

ECL on Trade Receivables:

The Group applies the simplified approach for computation of ECL on trade receivables as allowed as per Ind AS 109. Thus, the Group is recognising lifetime ECL for trade receivables.

Significant increase in Credit Risk

The Group monitors all financial assets and financial guarantee contracts that are subject to the impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk, the Group will measure the loss allowance based on lifetime rather than 12-month ECL.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity of the instrument with the risk of a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognised. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort, based on the Group's historical experience and expert credit assessment.

Given that a significant increase in credit risk since initial recognition is a relative measure, a given change in absolute terms in the PD will be more significant for a financial instrument with a lower initial PD than compared to a financial instrument with a higher PD.

As a back-stop when loan asset not being a loan becomes 30 days past due, the Group considers that a significant increase in credit risk has occurred and the asset is in stage 2 of the impairment model, i.e. the loss allowance is measured as the lifetime ECL in respect of all retail assets.

For the purpose of counting of days past due for the assessment of significant increase in credit risk, the special dispensations to any class of assets in accordance with COVID19 Regulatory Package notified by the Reserve Bank of India (RBI) has been applied by the Group.

Modification and derecognition of financial assets

A modification of a financial asset occurs when the contractual terms governing the cash flows of a financial asset are renegotiated or otherwise modified between initial recognition and maturity of the financial asset. A modification affects the amount and/or timing of the contractual cash flows either immediately or at a future date. In addition, the introduction of new covenants or adjustment of existing covenants of an existing loan may constitute a modification even if these new or adjusted covenants do not yet affect the cash flows immediately but may affect the cash flows depending on whether

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the covenant is or is not met (e.g. a change to the increase in the interest rate that arises when covenants are breached).

The Company renegotiates loans to customers in financial difficulty to maximise collection and minimise the risk of default. A loan forbearance is granted in cases where although the borrower made all reasonable efforts to pay under the original contractual terms, there is a high risk of default or default has already happened and the borrower is expected to be able to meet the revised terms. The revised terms in most of the cases include an extension of the maturity of the loan, changes to the timing of the cash flows of the loan (principal and interest repayment), reduction in the amount of cash flows due (principal and interest forgiveness) and amendments to covenants.

When a financial asset is modified the Company assesses whether this modification results in derecognition. In accordance with the Company's policy a modification results in derecognition when it gives rise to substantially different terms. To determine if the modified terms are substantially different from the original contractual terms the Company considers the following:

- Qualitative factors, such as contractual cash flows after modification are no longer SPPI,
- Change in currency or change of counterparty,
- The extent of change in interest rates, maturity, covenants.

If this does not clearly indicate a substantial modification, then:

(a) In the case where the financial asset is derecognised the loss allowance for ECL is remeasured at the date of derecognition to determine the net carrying amount of the asset at that date. The difference between this revised carrying amount and the fair value of the new financial asset with the new terms will lead to a gain or loss on derecognition. The new financial asset will have a loss allowance measured based on 12-month ECL except in the rare occasions where the new loan is considered to be originated-credit impaired. This applies only in the case where the fair value of the new loan is recognised at a significant discount to its revised par amount because there remains a high risk of default which has not been reduced by the modification. The Company monitors credit risk of modified financial assets by evaluating qualitative and quantitative information, such as if the borrower is in past due status under the new terms.

(b) When the contractual terms of a financial asset are modified and the modification does not result in derecognition, the Company determines if the financial asset's credit risk has increased significantly since initial recognition by comparing:

- the remaining lifetime PD estimated based on data at initial recognition and the original contractual terms; with
- the remaining lifetime PD at the reporting date based on the modified terms.

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For financial assets modified, where modification did not result in derecognition, the estimate of PD reflects the Company's ability to collect the modified cash flows taking into account the Company's previous experience of similar forbearance action, as well as various behavioural indicators, including the borrower's payment performance against the modified contractual terms. If the credit risk remains significantly higher than what was expected at initial recognition the loss allowance will continue to be measured at an amount equal to lifetime ECL. The loss allowance on forborne loans will generally only be measured based on 12-month ECL when there is evidence of the borrower's improved repayment behaviour following modification leading to a reversal of the previous significant increase in credit risk.

Where a modification does not lead to derecognition, the Company calculates the modification gain/loss comparing the gross carrying amount before and after the modification (excluding the ECL allowance). Then the Company measures ECL for the modified asset, where the expected cash flows arising from the modified financial asset are included in calculating the expected cash shortfalls from the original asset.

Presentation of ECL allowance in the Balance Sheet

Loss allowances for ECL are presented in the statement of financial position as follows:

- for financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets;
- for debt instruments measured at FVTOCI: no loss allowance is recognised in Balance Sheet as the carrying amount is at fair value.

(ii) Financial Liabilities

(a) Loan commitments

Undrawn loan commitments are commitments under which, over the duration of the commitment, the Group is required to provide a loan with pre-specified terms to the customer. Undrawn loan commitments are in the scope of the ECL requirements.

(b) Financial guarantee contracts

The Group's liability under financial guarantee is measured at the higher of the amount initially recognised less cumulative amortisation recognised in the statement of profit and loss, and the ECL provision. For this purpose, the Group estimates ECLs by applying a credit conversion factor. The ECLs related to financial guarantee contracts are recognised within Provisions. Currently, the Group has not recognised any ECL in respect of financial guarantee based on estimate of expected cash flows.

(iii) Non-financial assets

(a) Intangible assets

The carrying amount of assets is reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised when the carrying amount of an individual asset exceeds its recoverable amount. The recoverable amount is the higher of fair value of the asset less cost of its disposal and value in use.

(b) Goodwill

Goodwill is recorded at the cost less any accumulated impairment losses in the previous years. Goodwill on

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acquisition is tested for impairment where the same allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit (CGU) to which goodwill has been allocated is tested for impairment on annual basis or whenever required in case where the Group is of the opinion that goodwill may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. Such impairment loss already recognised for goodwill is not reversed in subsequent periods.

g) Recognition of income

Revenue generated form the business transactions (other than for those items to which Ind AS 109 Financial Instruments are applicable) is measured at fair value of the consideration to be received or receivable by the Group. Ind AS 115 Revenue from contracts with customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers.

The Group 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;

Step 2: Identify performance obligations in the contract;

Step 3: Determine the transaction price;

Step 4: Allocate the transaction price to the performance obligations in the contract;

Step 5: Recognise revenue when (or as) the Group satisfies a performance obligation.

(a) Recognition of interest income

Interest income is recorded using the effective interest rate (EIR) method for all financial instruments measured at amortised cost. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset.

The EIR for the amortised cost asset is calculated by taking into account any discount or premium on acquisition, origination fees and transaction costs that are an integral part of the EIR.

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is booked 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.

The Group calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets. When a financial asset becomes credit-impaired and is, therefore, regarded as 'Stage 3', the Group recognised the interest income by applying the effective interest rate to the net amortised cost of the financial asset. If the financial status of the financial asset improves and it no longer remains to be a credit-impaired, the Group revises the application of interest income on such financial asset to calculating interest income on a gross basis.

Interest income on all trading assets and financial assets mandatorily required to be measured at FVTPL is recognised using the contractual interest rate in net gain on fair value changes.

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(b) Dividend income

Dividend income is recognised when the Group's right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

(c) Fees and commission income

Fees and commission income are recognised as income when the performance obligation as per the contract with customer is fulfilled and when the right to receive the payment against the services has been established.

(d) Origination fees

Origination fees, which the Group has received/recovered at time of granting of a loan, is considered as a component for computation of the effective rate of interest (EIR) for the purpose of computing interest income.

(e) Management Fees:

Management fees and other fees are recognised as income when the performance obligation as per the contract with customer is fulfilled and when the right to receive the payment against the services has been established.

(f) Assignment income

In accordance with Ind AS 109, in case of assignment transactions with complete transfer of risks and rewards without any retention of residual interest, gain arising on such assignment transactions is recorded upfront in the Statement of Profit and Loss and the corresponding asset is derecognised from the Balance Sheet immediately upon execution of such transactions. Further the transfer of financial assets qualifies for derecognition in its entirety, the whole of the interest spread at its present value (discounted over the life of the asset) is recognised on the date of derecognition itself as excess interest spread and correspondingly recognised as profit on derecognition of financial asset.

The residual expected life of the pool of asset is assessed annually.

(g) Securitisation transactions :

In accordance with Ind AS 109, in case of securitisation transactions, the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

(h) Net gain/(loss) on fair value changes

Any differences between the fair values of financial assets classified as fair value through the profit or loss, held by the Group on the balance sheet date is recognised as an unrealised gain or loss as a gain or expense respectively.

Similarly, any realised gain or loss on sale of financial instruments measured at FVTPL and debt instruments measured at FVOCI is recognised in net gain / loss on fair value changes.

(i) Sourcing and servicing fee

The revenue from the contract as a service provider (sourcing and collection agent) on behalf of customer, is recognised upfront for services rendered as sourcing agent and on straight line basis over the loan tenure for services in the nature of collection and performance agent. The financial guarantee provided under the service contract is recognised at fair value on sourcing and is amortised over the period of contract with subsequent measurement at higher of the unamortised value as per Ind AS 115 or expected credit losses as per Ind AS 109.

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h) Finance Costs

The Group recognises interest expense on the borrowings as per EIR methodology which is calculated by considering any ancillary costs incurred and any premium payable on its maturity.

i) Retirement and other employee benefits

(i) Defined Contribution Plan

Provident Fund

All the employees of the Group are entitled to receive benefits under the Provident Fund, a defined contribution plan in which both the employee and the Group contribute monthly at a stipulated rate. The Group has no liability for future Provident Fund benefits other than its annual contribution and recognises such contributions as an expense, when an employee renders the related service.

(ii) Defined Benefit schemes

(a) Gratuity

The Group provides for the gratuity, a defined benefit retirement plan covering all employees. The plan provides for lump sum payments to employees upon death while in employment or on separation from employment after serving for the stipulated year mentioned under 'The Payment of Gratuity Act, 1972'. The Group accounts for liability of future gratuity benefits based on an external actuarial valuation on projected unit credit method carried out for assessing liability as at the reporting date.

Net interest recognised in profit or loss is calculated by applying the discount rate used to measure the defined benefit obligation to the net defined benefit liability or asset. The actual return on the plan assets above or below the discount rate is recognised as part of re-measurement of net defined liability or asset through other comprehensive income. Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through Other comprehensive income ('OCI') in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

(b) Compensated absences

Short term compensated absences are provided for based on estimates. Long term compensated absences are provided for based on actuarial valuation. The actuarial valuation is done as per projected unit credit method as at the reporting date.

Actuarial gains/losses are immediately taken to Statement of profit and loss account and are not deferred.

j) Share based employee payments

Equity settled share based payments

The stock options granted to employees are measured at the fair value of the options at the grant date. The fair value of the options is treated as discount and accounted as employee compensation cost over the vesting period on a straight line basis. The amount recognised as expense in each year is arrived at based on the number of grants expected to vest. If a grant lapses after the vesting period, the cumulative discount recognised as expense in respect of such grant is transferred to the general reserve within equity.

k) Ind AS 116 Leases

The determination of whether an arrangement is a lease, or contains a lease, is based on the substance of the arrangement and requires an assessment of whether the fulfilment of

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the arrangement is dependent on the use of a specific asset or assets or whether the arrangement conveys a right to use the asset.

Group as a lessee

Leases that do not transfer to the Group substantially all of the risks and benefits incidental to ownership of the leased items are treated as operating leases. Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term, unless the increase is in line with expected general inflation, in which case lease payments are recognised based on contractual terms. Contingent rental payable is recognised as an expense in the period in which they it is incurred.

Critical accounting estimate and judgement

1. 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 Group 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 Group 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 Group'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.

2. Discount Rate

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.

l) Foreign currency translation

Functional and presentational currency

The financial statements are presented in Indian Rupees which is also functional currency of the Group and the currency of the primary economic environment in which the Group operates.

m) Provisions

A provision is recognised when the Group has a present obligation as a result of past event; it is probable that outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

n) Taxes

(i) Current tax

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from, or paid to, the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, by the reporting date in the countries where the Group operates and generates taxable income.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2025

(Currency : Indian Rupees in lakhs)

(ii) Deferred tax

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

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

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. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is 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 outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(iii) Indirect tax

Expenses and assets are recognised net of the Goods and Services Tax paid, except when the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the tax paid is recognised as part of the cost of acquisition of the asset or as part of the respective expense item, as applicable.

o) Earnings Per Share

The Group reports basic and diluted earnings per share in accordance with Ind AS 33 on Earnings per share. Basic EPS 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 year.

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 are adjusted for the effects of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. In computing the dilutive earnings per share, only potential equity shares that are dilutive and that either reduces the earnings per share or increases loss per share are included.

p) Contingent Liabilities

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 Group or a present obligation that is not recognised 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 recognised because it cannot be measured reliably. The Group does not recognise a contingent liability but discloses its existence in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2025

(Currency : Indian Rupees in lakhs)

q) Segment reporting

Operating segments are those components of the business whose operating results are regularly reviewed by the chief operating decision making body in the Group to make decisions for performance assessment and resource allocation.

The reporting of segment information is the same as provided to the management for the purpose of the performance assessment and resource allocation to the segments.

Segment accounting policies are in line with the accounting policies of the Group. In addition, the following specific accounting policies have been followed for segment reporting:

i) Segment revenue includes operational revenue directly identifiable with/ allocable to the segment.

ii) Expenses that are directly identifiable with/allocable to segments are considered for determining the segment result.

iii) Income which relates to the Group as a whole and not allocable to segments is included in "unallocable corporate income / (expenditure)(net)".

iv) Segment result includes the finance costs incurred on interest bearing advances with corresponding credit included in "unallocable corporate income/(expenditure)(net)".

v) Segment assets and liabilities include those directly identifiable with the respective segments. Unallocable corporate assets and liabilities represent the assets and liabilities that relate to the Group as a whole.

r) Cash and cash equivalents

Cash and cash equivalent in the balance sheet and for the purpose of statement of cash flows comprise cash at bank and cheques in hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. They are held for the purposes of meeting short-term cash commitments (rather than for investment or other purposes).

s) Non-current assets held for sale:

Non-current assets and disposable groups are classified as held for sale if their carrying amount is intended to be recovered principally through a sale (rather than through continuing use) when the asset (or disposal Company) is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset (or disposal Company) and the sale is highly probable and is expected to qualify for recognition as a completed sale within one year from the date of classification except in some circumstances this period can be extended if it is beyond the control of management and there are sufficient evidence that the entity remains committed to its plan to sell the asset.

Non-current assets and disposal groups classified as held for sale are measured at lower of their carrying amount and fair value less costs to sell.

2.4 Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with Ind AS requires that the management of the Group makes estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates include useful lives of property, plant and equipment & intangible assets, allowance for expected credit losses, fair value measurement, business projections used for the purpose of goodwill impairment etc. Difference, if any, between the actual results and estimates is recognised in the period in which the results are known.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2025

(Currency : Indian Rupees in lakhs)

2.5 Securities premium account

a) Securities premium includes:

-The difference between the face value of the equity shares and the consideration received in respect of shares issued;

-The fair value of the stock options which are treated as expense, if any, in respect of shares allotted pursuant to Stock Options Scheme.

b) The issue expenses of securities which qualify as equity instruments are written off against securities premium account/ retained earning in accordance with Ind AS.

2.6 Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2025, MCA has notified Ind AS – 117 Insurance Contracts and amendments to Ind AS 116 – Leases, relating to sale and leaseback transactions, applicable to the Company w.e.f. April 01, 2024. The Company has reviewed the new pronouncements and based on its evaluation has determined that it does not have any significant impact in its financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2025

(Currency : Indian Rupees in lakhs)

NOTE 3 CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2025	As at March 31, 2024
Cash on hand	533.99	421.79
Balances with banks		
- in current accounts	1,668.73	13,564.36
Deposits with original maturity of less than three months	7,402.15	47,404.27
	9,604.87	**61,390.42**

NOTE 4 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2025	As at March 31, 2024
Deposits with original maturity of more than three months	1,075.52	1,652.74
Earmarked deposits with banks	31,563.54	33,266.85
	32,639.06	**34,919.59**

NOTE 5 LOANS

Particulars	As at March 31, 2025	As at March 31, 2024
At amortised cost		
Business Loans		
Corporate lending	15,637.42	40,851.33
Small and medium enterprises lending (SME)	23,208.08	31,679.68
Commercial vehicle lending	7,02,362.88	5,54,865.24
Micro LAP	5,188.31	-
Home Loans	-	1,83,686.76
Other loans	-	2,405.14
Total - Gross	**7,46,396.69**	**8,13,488.15**
Less: Impairment allowance	(24,744.84)	(32,504.26)
Total - Net	**7,21,651.85**	**7,80,983.89**
(a) Secured by tangible assets	7,37,161.77	8,04,052.91
(b) Unsecured	9,234.92	9,435.24
Total - Gross	**7,46,396.69**	**8,13,488.15**
Less: Impairment allowance	(24,744.84)	(32,504.26)
Total - Net	**7,21,651.85**	**7,80,983.89**
Loans in India		
(a) Public sector	**-**	-
(b) Others	7,46,396.69	8,13,488.15
Total - Gross	**7,46,396.69**	**8,13,488.15**
Less: Impairment allowance	(24,744.84)	(32,504.26)
Total - Net (a)	**7,21,651.85**	**7,80,983.89**
Loans outside India (b)	**-**	-
Total - Net (a)+(b)	**7,21,651.85**	**7,80,983.89**

Footnotes:

i) Security receipts are presented as part of "Note 6 - Investments"

ii) Stage classification of loans, investments and its impairment allowance is disclosed in Note 32(D) and Note 32(E)

iii) Secured indicates loans secured, wholly or partly, by way of hypothecation of vehicle and / or equitable mortgage of property and or equipment.

iv) Also refer Note 34.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2025

(Currency : Indian Rupees in lakhs)

NOTE 6 INVESTMENTS

Investments as at March 31, 2025

Investment in	Amortised cost	At Fair Value		Total
		Through other comprehensive income	Through profit and loss	
Mutual funds	-	-	49,511.64	49,511.64
Security Receipts	1,38,715.21	-	-	1,38,715.21
Treasury Bills	-	9,653.55	-	9,653.55
Bonds	-	10,160.59		10,160.59
Government securities		10,232.72		10,232.72
Total - Gross	**1,38,715.21**	**30,046.86**	**49,511.64**	**2,18,273.71**
Investments in India	1,38,715.21	30,046.86	49,511.64	2,18,273.71
Investments outside India	-	-	-	-
Total - Gross	**1,38,715.21**	**30,046.86**	**49,511.64**	**2,18,273.71**
Less: Impairment loss allowance	(36,455.26)	-	-	(36,455.26)
Total - Net	**1,02,259.95**	**30,046.86**	**49,511.64**	**1,81,818.45**

1. Detailed analysis on year end stage classification of investments and impairment allowance is disclosed in Note 32 (D).

Investments as at March 31, 2024

Investment in	Amortised cost	At Fair Value		Total
		Through other comprehensive income	Through profit and loss	
Mutual funds	-	-	16,723.44	16,723.44
Security Receipts	1,17,530.96	-	-	1,17,530.96
Treasury Bills	-	14,210.78	-	14,210.78
Bonds	-	-	-	-
Government securities	-	-	-	-
Total - Gross	**1,17,530.96**	**14,210.78**	**16,723.44**	**1,48,465.18**
Investments in India	1,17,530.96	14,210.78	16,723.44	1,48,465.18
Investments outside India	-	-	-	-
Total - Gross	**1,17,530.96**	**14,210.78**	**16,723.44**	**1,48,465.18**
Less: Impairment loss allowance	(36,643.38)	-	-	(36,643.38)
Total - Net	**80,887.58**	**14,210.78**	**16,723.44**	**1,11,821.80**

1. Detailed analysis on year end stage classification of investments and impairment allowance is disclosed in Note 32 (D).

NOTE 7 OTHER FINANCIAL ASSETS

Particulars	As at March 31, 2025	As at March 31, 2024
Security deposit	810.99	784.90
Assignment receivables	5,235.45	7,248.17
Deposits with Trustee for securitisation*	4,484.14	26,929.46
Other Receivables	1,868.59	3,778.30
	12,399.17	38,740.83
Less: Impairment allowance	(296.58)	(434.79)
	12,102.59	**38,306.04**

* It represents fixed deposit held as collateral with trustee for pass through certificate transactions

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2025

(Currency : Indian Rupees in lakhs)

NOTE 8 CURRENT TAX ASSETS (NET)

Particulars	As at March 31, 2025	As at March 31, 2024
Advance Tax (net of provision)	1,138.23	8,336.99
	1,138.23	**8,336.99**

NOTE 9 DEFERRED TAX ASSETS (NET)

Particulars	As at March 31, 2025	As at March 31, 2024
Deferred Tax Assets		
Provision for expected credit loss	15,653.97	17,799.78
Provision for gratuity	150.74	115.29
Provision for compensated absences	76.11	46.97
Debt instruments through OCI	(5.04)	(2.89)
Lease liabilities	118.00	107.60
Income amortisation	(1,121.20)	(531.34)
Depreciation on PPE and intangible assets	974.57	946.50
Carried forward book losses	26,078.66	24,012.02
Total (A)	**41,925.81**	**42,493.93**
Deferred tax liability		
Goodwill	(7,555.10)	(7,555.10)
Assignment income amortisation	(1,317.66)	(1,824.22)
Borrowing cost amortisation	(1,378.40)	(2,823.40)
Total (B)	**(10,251.16)**	**(12,202.72)**
Net deferred tax asset (A-B)	**31,674.65**	**30,291.21**
Deferred tax assets		
IndoStar Capital Finance Limited	31,674.65	31,651.53
Niwas Housing Finance Private Limited (Formerly known as IndoStar Home Finance Private Limited)	-	-
IndoStar Asset Advisory Private Limited	-	-
Total deferred tax assets (A)	**31,674.65**	**31,651.53**
Deferred tax liabilities		
IndoStar Capital Finance Limited	-	-
Niwas Housing Finance Private Limited (Formerly known as IndoStar Home Finance Private Limited)	-	1,360.32
IndoStar Asset Advisory Private Limited	-	-
Total deferred tax liabilities (B)	**-**	**1,360.32**
Net deferred tax asset (A-B) (also refer Note 30)	**31,674.65**	**30,291.21**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2025

(Currency : Indian Rupees in lakhs)

NOTE 10 PROPERTY, PLANT AND EQUIPMENT

Particulars	Land - Freehold*	Furniture and fixtures	Leasehold Improvement	Office equipment	Computers	Right-of-Use Assets	Total
Cost as at April 01, 2023	**15.05**	**803.89**	**4,620.44**	**808.02**	**3,928.17**	**3,988.60**	**14,164.17**
Additions	-	20.83	290.47	110.33	871.14	2,983.16	4,275.93
Disposals	-	(17.84)	(112.29)	(10.42)	(45.19)	(1,093.54)	(1,279.28)
Cost as at March 31, 2024 (A)	**15.05**	**806.88**	**4,798.62**	**907.93**	**4,754.12**	**5,878.22**	**17,160.82**
Additions	-	13.71	806.86	121.53	1,671.76	987.31	3,601.17
Disposals	-	(0.29)	(4.30)	(6.61)	(241.04)	(595.63)	(847.87)
Cost as at March 31, 2025 (B)	**15.05**	**820.30**	**5,601.18**	**1,022.85**	**6,184.84**	**6,269.90**	**19,914.12**
- Cost as at March 31, 2025 - Continuing Operations (B1)	15.05	758.47	5,038.00	858.98	5,473.11	5,016.04	17,159.65
- Cost as at March 31, 2025 - Discontinued Operations (B2)	-	61.83	563.18	163.87	711.73	1,253.86	2,754.47
Accumulated depreciation as at April 01, 2023	**-**	**605.03**	**3,559.01**	**574.76**	**2,991.87**	**1,080.06**	**8,810.73**
Depreciation charged during the year	**-**	**23.80**	**476.04**	**70.88**	**637.11**	**929.05**	**2,136.88**
- Depreciation charged - Continuing operations	-	14.38	414.68	51.41	573.63	720.98	1,775.08
- Depreciation charged - Discontinued operations	-	9.42	61.36	19.47	63.48	208.07	361.80
Disposals	**-**	**(17.84)**	**(82.35)**	**(10.42)**	**(44.81)**	**(432.04)**	**(587.46)**
Accumulated depreciation as at March 31, 2024 (C)	**-**	**610.99**	**3,952.70**	**635.22**	**3,584.17**	**1,577.07**	**10,360.15**
Depreciation charged during the year	**-**	**20.77**	**622.95**	**89.69**	**999.02**	**1,108.11**	**2,840.54**
- Depreciation charged - Continuing operations	-	11.74	492.28	62.92	873.41	844.63	2,284.98
- Depreciation charged - Discontinued operations	-	9.03	130.67	26.77	125.61	263.48	555.56
Disposals	**-**	**(0.29)**	**(4.30)**	**(6.57)**	**(238.69)**	**(429.09)**	**(678.94)**
Accumulated depreciation as at March 31, 2025 (D)	**-**	**631.47**	**4,571.35**	**718.34**	**4,344.50**	**2,256.09**	**12,521.75**
- Accumulated depreciation as at March 31, 2025 - Continuing Operations (D1)	-	590.90	4,281.88	646.43	3,945.14	1,740.06	11,204.41
- Accumulated depreciation as at March 31, 2025 - Discontinued Operations (D2)	-	40.56	289.48	71.89	399.36	516.05	1,317.34
Net carrying amount as at March 31, 2025 (B) - (D)	**15.05**	**188.83**	**1,029.83**	**304.51**	**1,840.34**	**4,013.81**	**7,392.37**
Net carrying amount as at March 31, 2025 - Continuing Operations (B1-D1)	15.05	167.57	756.12	212.55	1,527.97	3,275.98	5,955.24
Net carrying amount as at March 31, 2025 - Discontinued Operations (B2-D2)	-	21.27	273.70	91.98	312.37	737.81	1,437.13
Net carrying amount as at March 31, 2024 (A) - (C)	**15.05**	**195.89**	**845.92**	**272.71**	**1,169.95**	**4,301.15**	**6,800.67**

* Mortgaged as security against Secured Non-convertible Debentures.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2025
(Currency : Indian Rupees in lakhs)

NOTE 11 ASSETS ACQUIRED IN SATISFACTION OF CLAIM

Particulars	As at March 31, 2025	As at March 31, 2024
Assets acquired in satisfaction of claim	1,708.88	1,708.88
Provision on Assets acquired in satisfaction of claim	(408.88)	(408.88)
	1,300.00	**1,300.00**

NOTE 12

a) Goodwill

Particulars	Total
Cost as at April 01, 2023	30,018.69
Acquisition of business	-
Cost as at March 31, 2024 (A)	**30,018.69**
Acquisition of business	-
Cost as at March 31, 2025 (B)	**30,018.69**
Accumulated impairment as at April 01, 2023	-
Addition	-
Accumulated impairment as at March 31, 2024 (C)	-
Addition	-
Accumulated impairment as at March 31, 2025 (D)	-
Net carrying amount as at March 31, 2025 (B) - (D)	**30,018.69**
Net carrying amount as at March 31, 2024 (A) - (C)	**30,018.69**

The Company has assessed that there is no impairment of Goodwill as at and for the year ended March 2025. The recoverable amount has been determined based on a value in use calculation. The calculation uses cash flow projections of commercial vehicle business based on financial budgets covering a five-year period and a discount rate of 19%. The Company has determined that the recoverable amount calculations are most sensitive to changes in the assumptions of yield/spread during the budget period and the discounting rate. The management believes that any reasonably possible change in the key assumptions, on which recoverable amount is based would not cause carrying amount to exceed its recoverable amount.

b) Other intangible assets

Particulars	Computer Software	Total
Cost as at April 01, 2023	**4,520.11**	**4,520.11**
Additions	123.10	123.10
Disposals	-	-
Cost as at March 31, 2024 (A)	**4,643.21**	**4,643.21**
Additions	426.76	426.76
Disposals	-	-
Cost as at March 31, 2025 (B)	**5,069.97**	**5,069.97**
- Cost as at March 31, 2025 - Continuing Operations (B1)	4,050.02	4,050.02
- Cost as at March 31, 2025 - Discontinued Operations (B2)	1,019.95	1,019.95
Accumulated amortisation as at April 01, 2023	**2,168.55**	**2,168.55**
Amortisation recognised for the year	1,184.67	1,184.67
Disposals	-	-
Accumulated amortisation as at March 31, 2024 (C)	**3,353.22**	**3,353.22**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2025

(Currency : Indian Rupees in lakhs)

Particulars	Computer Software	Total
Amortisation recognised for the year	965.96	965.96
- Amortisation recognised for the year - Continuing Operations	776.82	776.82
- Amortisation recognised for the year - Discontinued Operations	189.14	189.14
Disposals	-	-
Accumulated amortisation as at March 31, 2025 (D)	**4,319.18**	**4,319.18**
- Accumulated amortisation as at March 31, 2025 - Continuing Operations (D1)	3,511.02	3,511.02
- Accumulated amortisation as at March 31, 2025 - Discontinued Operations (D2)	808.16	808.16
Net carrying amount as at March 31, 2025 (B) - (D)	**750.79**	**750.79**
- Net carrying amount as at March 31, 2025 - Continuing Operations (B1-D1)	539.00	539.00
- Net carrying amount as at March 31, 2025 - Discontinued Operations (B2-D2)	211.79	211.79
Net carrying amount as at March 31, 2024 (A) - (C)	**1,289.99**	**1,289.99**

NOTE 13 OTHER NON-FINANCIAL ASSETS

Particulars	As at March 31, 2025	As at March 31, 2024
Prepaid expenses	1,520.64	1,499.04
Advances recoverable in cash or in kind or for value to be received	1,402.25	3,751.23
	2,922.89	**5,250.27**

NOTE 14 NON - CURRENT ASSETS HELD FOR SALE

The Board of Directors of the Company in its meeting held on September 19, 2024 had considered and approved, inter-alia, subject to shareholders, regulatory and other approvals, sale of the Company's shareholding in Niwas Housing Finance Private Limited ("NHFPL")(Formerly known as IndoStar Home Finance Private Limited), a debt-listed material subsidiary of the Company, to WITKOPEEND B.V. (the "Purchaser") for an aggregate consideration of ₹ 170,595 lakhs in accordance with the terms of the share purchase agreement dated September 19, 2024 among the Company, NHFPL and the Purchaser. Subsequently, the Shareholders' approval was obtained on October 26, 2024. The Reserve Bank of India (RBI) accorded its approval on March 21, 2025. However, as on March 31, 2025, the transaction is not considered as concluded.

Accordingly, the assets and liabilities of NHFPL have been classified as "Non-current asset held for sale" and "Liabilities for assets held for sale" respectively in the Consolidated Financial Statements. Also, the results for the current and previous year pertaining to NHFPL have been reclassified as "discontinued operations" in the Consolidated Financial Statements in accordance with Ind-AS 105 - Non-current Assets Held for Sale and Discontinued Operations.

(a) The Group has following non-current assets/disposal group recognised as held for sale

Assets/Disposal Group	Reportable Segment	
	As at March 31, 2025	As at March 31, 2024
Non-current Assets (Niwas Housing Finance Private Limited)	Housing Finance	NA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2025

(Currency : Indian Rupees in lakhs)

(b) The details of assets/ disposal group classified as held for sale and liabilities associated thereto are as under:

Assets/Disposal Group	Reportable Segment	
	As at March 31, 2025	As at March 31, 2024
Group(s) of assets classified as held for sale:		
Cash and cash equivalents	23,413.04	-
Bank balances other than cash and cash equivalents	9,678.68	-
Loans	2,48,696.82	-
Other financial assets	8,814.08	-
Property, plant and equipment	1,437.13	-
Other intangible assets	211.79	-
Other non-financial assets	1,972.50	-
	2,94,224.04	**-**
Liabilities associated with group(s) classified as held for sale		
Trade payables	365.63	-
Debt securities	7,138.20	-
Borrowings (other than debt securities)	2,15,340.88	-
Other financial liabilities	3,210.20	-
Current tax liabilities (net)	5.57	-
Provisions	195.79	-
Deferred tax liabilities (net)	1,964.93	-
Other non-financial liabilities	223.94	-
	2,28,445.14	**-**

NOTE 15 TRADE PAYABLES

Particulars	As at March 31, 2025	As at March 31, 2024
Dues to Micro, small and medium enterprises	6.23	124.16
Dues to Others	1.82	19.51
	8.05	**143.67**

Footnote : Also refer Note 38.

NOTE 16 DEBT SECURITIES

Particulars	As at March 31, 2025	As at March 31, 2024
At amortised cost		
Redeemable non convertible debentures (Refer note (a) below)	3,27,429.73	3,26,894.38
Commercial papers (net of unamortised discount) (Refer note (b) below)	51,788.91	7,209.53
	3,79,218.64	**3,34,103.91**
Debt securities in India	3,79,218.64	3,34,103.91
Debt securities outside India	-	-
Total	**3,79,218.64**	**3,34,103.91**
Secured	3,17,349.70	2,97,396.60
Unsecured	61,868.94	36,707.31
Total	**3,79,218.64**	**3,34,103.91**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2025

(Currency : Indian Rupees in lakhs)

(a) Non Convertible Debenture

Redeemable Non Convertible Debentures

Terms of repayment (based on contractual maturity)

Redeemable within	As at March 31, 2025	As at March 31, 2024
	Rate of interest >= 9.85% <= 10.70%	Rate of interest >= 6.77% <= 11.40%
	Amount	Amount
0-12 Months	1,65,375.51	1,16,982.04
12-24 Months	1,23,768.32	1,58,644.57
24-36 Months	37,779.45	50,367.77
36-48 Months	-	600.00
48-60 Months	506.45	300.00
Total	**3,27,429.73**	**3,26,894.38**

Nature of Security:

1. Security is created in favour of the Debenture Trustee, as follows:
   (i) first pari-passu charge (along with banks and financial institutions and other lenders which provide credit facilities to the Issuer) by way of hypothecation on the standard asset portfolio of receivables (net of NPA) of the issuer and / or cash / cash equivalent and/or such other asset, as may be identified by the Company of ₹ 668,139 lakhs (March 2024: ₹ 515,805 lakhs); and
   (ii) first pari-passu charge on immovable property situated at village Maharajpura of Kadi taluka, Mehsana district, Gujarat.
2. Debentures may be bought back subject to applicable statutory and/or regulatory requirements, upon the terms and conditions as may be decided by the Company.

(b) Commercial papers

Terms of repayment (based on contractual maturity)

Redeemable within	As at March 31, 2025	As at March 31, 2024
	Rate of interest >= 9.00% <= 10.72%	Rate of interest >= 8.90% <= 10.15%
	Amount	Amount
0-12 Months	51,788.91	7,209.53
	51,788.91	**7,209.53**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2025

(Currency : Indian Rupees in lakhs)

NOTE 17 BORROWINGS

At amortised cost

Particulars	As at March 31, 2025	As at March 31, 2024
Term loans		
Term loans from Banks (Refer note (a) below)*	1,12,293.42	1,62,666.78
Term loans from Financial Institutions (Refer note (a) below)*	54,265.25	23,962.25
Term loans from NHB (Refer note (b) below)	-	18,143.92
Loans repayable on demand		
Working capital demand loans from banks **	27,849.73	38,885.13
Other borrowings	1,18,021.19	1,79,403.04
Total	**3,12,429.59**	**4,23,061.12**
Borrowings in India	3,12,429.59	4,23,061.12
Borrowings outside India	-	-
Total	**3,12,429.59**	**4,23,061.12**
Secured borrowings	3,12,429.59	4,23,061.12
Unsecured borrowings	-	-
Total	**3,12,429.59**	**4,23,061.12**

(a) Term loan from banks/FI :

Terms of repayment (based on contractual maturity)

Repayable within	As at March 31, 2025	As at March 31, 2024
	Rate of interest >=7.89% <= 11.00%	Rate of interest >=8.10% <= 12.00%
	Amount	Amount
0-12 Months	69,561.67	70,997.72
12-24 Months	54,085.12	48,839.10
24-36 Months	24,289.84	30,217.40
36-48 Months	12,842.78	14,464.87
48-60 Months	5,779.26	8,838.20
Above 60 Months	-	13,271.74
Total	**1,66,558.67**	**1,86,629.03**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2025

(Currency : Indian Rupees in lakhs)

(b) Term loans from NHB

Terms of repayment (based on contractual maturity)

Repayable within	As at March 31, 2025	As at March 31, 2024
	Rate of interest -	Rate of interest >= 8.35% <= 8.70%
	Amount	Amount
0-12 Months	-	3,339.00
12-24 Months	-	3,599.19
24-36 Months	-	3,388.68
36-48 Months	-	1,740.05
48-60 Months	-	1,925.00
Above 60 Months	-	4,152.00
Total	**-**	**18,143.92**

* first pari-passu charge by way of hypothecation of standard asset portfolio of receivables (Net of provisions) of the Company and / or cash and cash equivalent and / or such other asset.

** secured by First pari-passu charge by way of hypothecation on the standard asset portfolio.

(c) Working capital demand loans:

Terms of repayment (based on contractual maturity)

Repayable within	As at March 31, 2025	As at March 31, 2024
	Rate of interest >= 7.25% <= 8.60%	Rate of interest >= 7.28% <= 9.52%
	Amount	Amount
0-12 Months	27,849.73	38,885.13
Total	27,849.73	38,885.13

(d) Other borrowings

Terms of repayment (based on contractual maturity)

Repayable within	As at March 31, 2025	As at March 31, 2024
	Rate of interest >= 7.78% <= 10.75%	Rate of interest >= 7.70% <= 10.50%
	Amount	Amount
0-12 Months	58,836.64	64,415.10
12-24 Months	38,686.28	51,830.09
24-36 Months	10,015.19	23,541.87
36-48 Months	1,624.64	5,159.65
48-60 Months	1,601.21	5,546.11
Above 60 Months	7,257.23	28,910.22
Total	**1,18,021.19**	**1,79,403.04**

Footnote: Quarterly returns/statements filed by the Company with Banks or Financial Institutions are in agreement with the unaudited books of accounts as on the respective submission dates and certified by Independent Chartered Accountants / Management, as relevant and relied upon by the Auditors.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2025

(Currency : Indian Rupees in lakhs)

NOTE 18 OTHER FINANCIAL LIABILITIES

Particulars	As at March 31, 2025	As at March 31, 2024
Book overdraft	13,830.49	4,675.18
Employee benefits payable	2,123.51	3,437.28
Unamortised lease liabilities	3,725.65	4,686.80
Others	20,619.83	15,443.70
	40,299.48	**28,242.96**

NOTE 19 PROVISIONS

Particulars	As at March 31, 2025	As at March 31, 2024
Provision for employee benefits:		
- Gratuity	598.93	458.07
- Compensated absences	302.38	186.63
Others :		
- Expected credit loss on undrawn loan commitments	-	26.05
	901.31	**670.75**

NOTE 20 NON-FINANCIAL LIABILITIES

Particulars	As at March 31, 2025	As at March 31, 2024
Statutory dues payable	745.03	965.35
	745.03	**965.35**

NOTE 21 EQUITY SHARE CAPITAL

(a) Details of authorised, issued and subscribed share capital

Particulars	As at March 31, 2025		As at March 31, 2024	
	Number	Amount	Number	Amount
Authorised capital				
Equity shares of ₹ 10/- each	18,75,00,000	18,750.00	18,75,00,000	18,750.00
Compulsorily Convertible Preference Share of Face Value of ₹ 10/- each	1,25,00,000	1,250.00	1,25,00,000	1,250.00
Issued, subscribed and fully paid up				
Equity shares of ₹ 10/- each fully paid	13,60,97,447	13,609.74	13,60,79,295	13,607.93
Total	**13,60,97,447**	**13,609.74**	**13,60,79,295**	**13,607.93**

(b) Reconciliation of number of equity shares and amount outstanding at the beginning and at the end of the year

Particulars	As at March 31, 2025		As at March 31, 2024	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	13,60,79,295	13,607.93	13,60,79,295	13,607.93
Add: Shares issued during the year	18,152	1.81	-	-
Shares outstanding at the end of the year	**13,60,97,447**	**13,609.74**	**13,60,79,295**	**13,607.93**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2025

(Currency : Indian Rupees in lakhs)

(c) Particulars of equity shares held by Holding Company

Name of shareholder	Relationship	As at March 31, 2025		As at March 31, 2024	
		No of equity shares held	Percentage	No of equity shares held	Percentage
BCP V Multiple Holdings Pte. Ltd.	Holding Company	7,64,82,638	56.20%	7,64,82,638	56.20%

As per records of the Company, including its register of shareholders/members, the above shareholding represents legal ownerships of shares.

(d) Particulars of shareholders holding more than 5% of the equity share capital

Name of shareholder	Relationship	As at March 31, 2025		As at March 31, 2024	
		No of equity shares held	Percentage	No of equity shares held	Percentage
BCP V Multiple Holdings Pte. Ltd.	Holding Company	7,64,82,638	56.20%	7,64,82,638	56.20%
Indostar Capital (Mauritius)	Promoter	2,32,62,583	17.09%	2,32,62,583	17.09%

As per records of the Company, including its register of shareholders/members, the above shareholding represents legal ownerships of shares.

(e) Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to proportionate vote on basis of his contribution to fully paid up share capital.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the proportionate amount of contribution made by the equity shareholder to the total equity share capital.

(f) Objective of Capital Management

The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

The Company maintains its capital structure in line with economic conditions and the risk characteristics of its activities. The Company has adopted a dividend distribution policy and the Board reviews the capital position on a regular basis.

(g) Equity Shares held by promoters/holding company at the end of the year

Promoter Name	No. of Shares	% of Total Shares	% change during the year
As at March 31, 2025			
BCP V Multiple Holdings Pte. Ltd.	7,64,82,638	56.20%	-
Indostar Capital (Mauritius)	2,32,62,583	17.09%	-
As at March 31, 2024			
BCP V Multiple Holdings Pte. Ltd.	7,64,82,638	56.20%	-
Indostar Capital (Mauritius)	2,32,62,583	17.09%	(13.38%)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2025

(Currency : Indian Rupees in lakhs)

NOTE 22 OTHER EQUITY

Particulars	As at March 31, 2025	As at March 31, 2024
Capital Reserve	0.43	0.43
Statutory reserves u/s 45-IC of The RBI Act, 1934	32,134.89	31,083.07
Statutory reserves u/s 29C of the National Housing Bank Act, 1987	4,530.38	3,175.09
Securities premium	2,91,967.65	2,92,207.63
Share options outstanding account	4,485.53	2,122.74
General reserve	3,826.31	3,447.24
Retained earnings	(12,567.97)	(22,118.39)
Debt instruments through other comprehensive income	11.01	(3.94)
Share application money pending allotment	10.95	-
Money received against share warrants	25,533.40	-
	3,49,932.58	**3,09,913.87**

Note 22.1 Other equity movement

Particulars	As at March 31, 2025	As at March 31, 2024
Capital Reserve		
Opening Balance	0.43	0.43
Add : Transferred from surplus	-	-
Closing Balance	**0.43**	**0.43**
Statutory reserves u/s 45-IC of The RBI Act, 1934		
Opening Balance	31,083.07	29,650.80
Add : Transferred from surplus	1,051.82	1,432.27
Closing Balance	**32,134.89**	**31,083.07**
Statutory reserves u/s 29C of the National Housing Bank Act, 1987		
Opening Balance	3,175.09	2,293.19
Add : Transferred from surplus	1,355.29	881.90
Closing Balance	**4,530.38**	**3,175.09**
Securities premium		
Opening Balance	2,92,207.63	2,92,207.63
Less : Share issue expenses	(283.22)	-
Add: Transfer from ESOP reserves	12.81	-
Add : Premium collected on allotment of shares	30.43	-
Closing Balance	**2,91,967.65**	**2,92,207.63**
Share options outstanding account		
Opening Balance	2,122.74	2,074.82
Movement during the year	2,362.79	47.92
Closing Balance	**4,485.53**	**2,122.74**
General reserve		
Opening Balance	3,447.24	2,683.84
Movement during the year	379.07	763.40
Closing Balance	**3,826.31**	**3,447.24**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2025

(Currency : Indian Rupees in lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Retained earnings		
Opening Balance	(22,118.39)	(31,347.41)
Add: Remeasurement of defined benefit plan/obligations	(94.54)	(39.82)
Add: Transferred from the statement of profit and loss	12,052.07	11,583.01
Less: Transfer to statutory reserve u/s 45-IC of The RBI Act, 1934	(1,051.82)	(1,432.27)
Less: Transfer to statutory reserves u/s 29C of the National Housing Bank Act, 1987	(1,355.29)	(881.90)
Closing Balance	**(12,567.97)**	**(22,118.39)**
Other Comprehensive Income		
Opening balance	(3.94)	(12.52)
Add: Debt instruments through other comprehensive income	14.95	8.58
Closing balance	**11.01**	**(3.94)**
Share application money pending allotment		
Opening balance	-	-
Add: amount received towards share application	10.95	-
Closing balance	**10.95**	**-**
Money received against share warrant		
Opening balance	-	-
Add: Money received against share warrant	25,533.40	-
Closing balance	**25,533.40**	**-**

22.2 Nature and purpose of reserves

Capital Reserve

Capital reserve comprises of the amount received on shares forfeited by the Company on non-payment of call money.

Statutory reserves u/s 45-IC of The RBI Act, 1934

Statutory reserves fund is required to be created by a Non-Banking Financial Company as per Section 45-IC of the Reserve Bank of India Act, 1934. The Company is not allowed to use the reserve fund except with authorisation of Reserve Bank of India.

Statutory reserves u/s 29C of the National Housing Bank Act, 1987

Statutory reserves fund is required to be created by Housing Finance Company as per Section 29C of the National Housing Bank of India Act, 1987. The Housing Finance Subsidiary is not allowed to use the reserve fund except with authorisation of National Housing Bank.

As per Section 29C of The National Housing Bank Act, 1987 (the "NHB Act"), the Housing Finance Subsidiary is required to transfer at least 20% of its net profits every year to a reserve before any dividend is declared. For this purpose any Special Reserve created by the Housing Finance Subsidiary under Section 36(1)(viii) of the Income-tax Act, 1961, is considered to be an eligible transfer. Special reserve u/s 29C of the NHB Act includes amount transferred for Special Reserve in terms of Section 36(1)(viii) of the Income-tax Act, 1961.

Securities premium

Securities premium is used to record the premium on issue of shares. It can be utilised in accordance with the provision of the Companies Act, 2013.

Share options outstanding account

The shares options outstanding account is used to recognise the grant date fair value of equity settled options issued to employees under stock option schemes of the Company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2025

(Currency : Indian Rupees in lakhs)

Retained earnings

Retained earnings represents surplus of accumulated earnings of the Company and which are available for distribution to shareholders.

General reserve

General reserve represents transfer of fair value of options granted to employees from ESOP Reserve to General Reserve on lapse/forfeiture of vested options by employees.

Debt instruments through other comprehensive income

It includes gain/(loss) on fair valuation of investment in treasuy bills.

Share application money pending allotment

It represents money received on exercise of vested options by the employees pending allotment of shares. The shares have been alloted subsequent to March 31, 2025

Money received against share warrant

The Board of Directors at its meeting held on February 27, 2024 approved issuance of 2,48,18,888 warrants of the Company to BCP V Multiple Holdings PTE Limited (the "Holding Company") and Florintree Tecserv LLP, each convertible into, or exchangeable for, 1 fully paid-up equity share of the Company of face value of ₹ 10 by way of a preferential issue on a private placement basis at a issue price of ₹ 184 per equity share, in accordance with Chapter V of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("SEBI ICDR Regulations"), the Companies Act, 2013 ("Act"), as amended and other applicable laws, and subject to the approval of regulatory/ statutory authorities and the shareholders of the Company (the "Preferential Issue").

The Preferential Issue has subsequently been approved by the Shareholders at the Extra-Ordinary General Meeting of the Members held on March 22, 2024.

During the year, the Board of Directors of the Company vide its Circular Resolution passed on May 26, 2024, approved the allotment of 1,08,69,565 warrants of the Company on a preferential basis by way of a private placement, to Florintree Tecserv LLP. The Company received consideration of ₹ 5,000 lakhs on the date of allotment.

The Board of Directors at its meeting held on October 18, 2024 approved change in subscription amount to be received from BCP V Multiple Holdings PTE Limited (the "Holding Company") at the time of the subscription of the warrants from 25% to 80%. The Company received requisite approvals for issue of warrants to the Holding Company. Accordingly, the Board of Directors of the Company vide its Circular Resolution passed on November 26, 2024, approved the allotment of 1,39,49,323 warrants of the Company on a preferential basis by way of a private placement, to the Holding Company. The Company received consideration of ₹ 20,533.40 lakhs on the date of allotment.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2025

(Currency : Indian Rupees in lakhs)

NOTE 23 REVENUE FROM OPERATIONS

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Interest income		
Interest income on financial assets measured at amortised cost:		
Interest on loans		
- Loan portfolio	1,15,275.95	87,435.02
Interest on investments		
- Debt instruments	120.24	118.95
Interest on deposits		
- Deposits with banks	2,187.39	1,663.77
- Deposits with Trustees	751.92	1,435.03
Interest Income on financial assets measured at FVOCI:		
- Investments in debt instruments	1,343.25	701.31
	1,19,678.75	**91,354.08**
Fees and commission income		
- Fees Income	6,102.02	4,647.13
- Insurance Income	5,861.64	476.08
	11,963.66	**5,123.21**
Net gain on fair value changes		
Net gain/(loss) on financial instruments at fair value through profit or loss		
On trading portfolio		
- Investments	3,242.76	2,147.32
Others		
Net gain/(loss) on sale of financial instruments at FVOCI	1.40	-
	3,244.16	**2,147.32**
Fair value changes:		
- Realised	3,083.76	2,124.65
- Unrealised	160.40	22.67
	3,244.16	**2,147.32**
Net gain on derecognition of financial instruments measured at amortised cost category		
- Investments	7.47	11,668.14
- Assignment Income	5,522.45	-
	5,529.92	**11,668.14**
Total	**1,40,416.49**	**1,10,292.75**

NOTE 24 OTHER INCOME

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Miscellaneous income	124.10	120.20
Interest on income tax refund	420.89	298.38
Profit on sale of property plant and equipment	4.40	-
	549.39	**418.58**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2025

(Currency : Indian Rupees in lakhs)

NOTE 25 FINANCE COST

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Interest expense on financial liabilities measured at amortised cost:		
Interest expense on borrowings		
Loans from banks/FI	17,088.60	18,844.89
Other borrowings (including Inter Corporate Deposits)	13,549.64	11,298.83
Interest expense on debt securities		
Debentures	38,025.08	25,919.78
Commercial paper	4,837.48	1,203.87
Other interest expense		
Bank charges & other related costs	583.19	703.38
	74,083.99	**57,970.75**

NOTE 26 IMPAIRMENT ON FINANCIAL INSTRUMENTS AT AMORTISED COST

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Impairment on loans		
Provision for expected credit loss	(6,514.38)	(11,030.05)
Financial assets written off (net of recovery)	20,825.87	20,453.30
Impairment on others		
Undrawn loan commitments	-	(0.80)
Provision on co-lending arrangements	(587.18)	(1,086.49)
Others	28.03	(29.27)
	13,752.34	**8,306.69**

NOTE 27 EMPLOYEE BENEFITS EXPENSES

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Salaries, other allowances and bonus	25,111.99	18,874.51
Gratuity expenses	162.52	107.37
Compensated absences	189.03	49.94
Contribution to provident and other funds	1,096.63	750.41
Staff welfare expenses	1,007.54	586.36
Share based payment expense	2,203.70	812.34
	29,771.41	21,180.93
Less : Expense related to discontinued operation (refer note 14)	-	(259.55)
	29,771.41	**20,921.38**

NOTE 28 DEPRECIATION

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Depreciation of property, plant and equipment (PPE)	2,284.98	1,775.08
Amortisation of intangible assets	776.82	991.29
	3,061.80	**2,766.37**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2025

(Currency : Indian Rupees in lakhs)

NOTE 29 OTHER EXPENSES

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Rent	1,015.74	979.49
Rates & taxes	644.30	127.79
Printing and stationery	291.90	261.41
Travelling & conveyance	1,656.09	1,184.35
Advertisement	18.91	41.11
Business Promotion	13.10	29.28
Commission & brokerage	9.73	64.29
Office expenses	2,499.83	1,933.85
Directors' fees & commission	48.06	34.95
Insurance	828.04	618.90
Communication expenses	901.47	615.01
Payment to auditors (note below)	178.53	195.52
IT Support charges	2,824.41	2,571.76
Legal & professional charges	4,280.01	6,196.92
Loss on sale of property plant and equipment	-	22.55
Membership & subscriptions	78.15	76.78
Other fees and commission	26.36	41.08
Provision for doubtful advances	0.29	0.40
	15,314.92	14,995.44
Less : Expense related to discontinued operation (refer note 14)	(272.73)	(1,273.66)
	15,042.19	**13,721.78**
Payment to auditor includes:		
a) Statutory Audit	161.60	160.06
b) Certifications	9.00	17.25
c) Others	7.93	18.21
Total	**178.53**	**195.52**

Footnote : Excludes fees amounting to ₹ 72.80 lakhs paid to auditor during the year in connection with initial public offer of debentures of the Company which forms part of effective interest rate method in accordance with IND AS 109 "Financial Instruments".

NOTE 30 INCOME TAXES

Tax expense

(a) Amounts recognised in statement of profit and loss

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Current tax expense		
1. Current tax	5.69	4.10
2. Tax of earlier years	0.12	0.08
	5.81	**4.18**
Deferred tax expense		
3. Deferred tax expenses	-	-
	-	**-**
Tax expense for the year	**5.81**	**4.18**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2025

(Currency : Indian Rupees in lakhs)

(b) Amounts recognised 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	(126.35)	31.81	(94.54)	(53.22)	13.40	(39.82)
- Debt instruments through other comprehensive income	20.00	(5.05)	14.95	11.47	(2.89)	8.58
Tax expense for the year	**(106.35)**	**26.76**	**(79.59)**	**(41.75)**	**10.51**	**(31.24)**

(c) Reconciliation of effective tax rate

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Profit before tax	**5,254.15**	**7,024.36**
Statutory income tax rate	25.168%	25.168%
Expected income tax expense	1,322.36	1,767.89
Difference in tax rate due to:		
- Effect of non-deductible expenses	36.32	63.83
- Tax expense of earlier years	0.12	0.08
- DTA recognised on previously unrecognised brought forward losses	(1,359.86)	(1,866.20)
- Others	6.87	38.58
Total tax expense	**5.81**	**4.18**
	0.11%	**0.06%**
Current tax	5.69	4.10
Tax expense of earlier year	0.12	0.08
Deferred tax	-	-
	5.81	**4.18**

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(d) Movement in deferred tax balances

Particulars	As at March 31, 2025						
	Net balance April 01, 2024	Less: DTA / (DTL) of Discontinued operations	Recognised in profit or loss (Discontinued operations)	Recognised in profit or loss (Continuing operations)	Recognised in OCI (Discontinued operations)	Recognised in OCI (Continuing operations)	Net deferred tax asset/ (liability) (Continuing operations)
Deferred Tax Assets							
Provision for expected credit loss	17,799.78	409.09	135.06	(1,736.72)	-	-	15,653.97
Provision for gratuity	115.29	18.34	6.53	25.62	3.64	28.17	150.74
Provision for leave encashment	46.97	10.66	4.83	39.80	-	-	76.11
Income amortisation	(531.34)	(30.66)	(97.47)	(620.52)	-	-	(1,121.20)
Depreciation on PPE and intangible assets	946.50	37.22	22.66	65.29	-	-	974.57
Carried forward losses	24,012.02	-	-	2,066.64	-	-	26,078.66
Debt instruments through OCI	(2.89)	-	-	2.90	-	(5.05)	(5.04)
Lease liabilities	107.60	16.48	7.04	26.88	-	-	118.00
Other items of disallowance	-	-	-	-	-	-	-
Deferred tax liability							
Borrowing cost amortisation	(2,823.40)	(326.79)	(97.03)	1,118.21	-	-	(1,378.40)
Goodwill amortisation	(7,555.10)	-	-	-	-	-	(7,555.10)
Assignment income amortisation	(1,824.22)	(1,494.66)	(589.88)	(988.10)	-	-	(1,317.66)
Deferred tax assets / (Liabilities)	**30,291.21**	**(1,360.32)**	**(608.26)**	**-**	**3.64**	**23.12**	**31,674.65**

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Particulars	As at March 31, 2024						
	Net balance April 01, 2023	Less: DTA / (DTL) of Discontinued operations	Recognised in profit or loss (Discontinued operations)	Recognised in profit or loss (Continuing operations)	Recognised in OCI (Discontinued operations)	Recognised in OCI (Continuing operations)	Net deferred tax asset/ (liability)
Deferred Tax Assets							
Provision for expected credit loss	20,724.50	-	51.23	(2,975.95)	-	-	17,799.78
Provision for gratuity	105.61	-	0.13	(3.85)	2.60	10.80	115.29
Provision for leave encashment	31.35	-	6.30	9.32	-	-	46.97
Income amortisation	(87.35)	-	(67.93)	(376.06)	-	-	(531.34)
Depreciation on PPE and intangible assets	845.78	-	17.32	83.40	-	-	946.50
Carry forward losses	19,575.18	-	-	4,436.84	-	-	24,012.02
Debt instruments through OCI	4.20	-	-	(4.20)	-	(2.89)	(2.89)
Lease liabilities	64.21	-	10.22	33.17	-	-	107.60
Other items of disallowance	121.29	-	-	(121.29)	-	-	-
Deferred tax liability							
Borrowing cost amortisation	(1,262.31)	-	(204.14)	(1,356.95)	-	-	(2,823.40)
Goodwill amortisation	(7,555.10)	-	-	-	-	-	(7,555.10)
Assignment income amortisation	(1,503.28)	-	(596.51)	275.57	-	-	(1,824.22)
Deferred tax assets / (Liabilities)	**31,064.08**	**-**	**(783.38)**	**-**	**2.60**	**7.91**	**30,291.21**

The Management considers the deferred tax assets recognised on carried forward losses to be fully set-off against future available profits considering the expected net interest income (NIM) from the existing loan book over the tenure of the loan.Deferred tax asset of ₹ 876.83 lakhs (Previous year: ₹ 2,515.88 lakhs) on Unused Carried forward losses is yet to be recognised.

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NOTE 31 EARNINGS PER SHARE (EPS)

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

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders (after adjusting profit impact of dilutive potential equity shares, if any) by the aggregate of weighted average number of equity shares outstanding during the year and 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
Continuing Operations:		
Profit attributable to equity holders from continuing operations (A)	5,248.34	7,020.18
Weighted average number of equity shares for calculating Basic EPS (B)	13,60,82,508	13,60,79,295
Weighted average number of equity shares for calculating Diluted EPS (C)	14,06,88,562	13,61,35,973
Basic earnings per share (₹) (A/B)	3.86	5.16
Diluted earnings per share (₹) (A/C)	3.73	5.16
Discontinuing Operations		
Profit attributable to equity holders from discontinuing operations (D)	6,803.73	4,562.83
Weighted average number of equity shares for calculating Basic EPS (E)	13,60,82,508	13,60,79,295
Weighted average number of equity shares for calculating Diluted EPS (F)	14,06,88,562	13,61,35,973
Basic earnings per share (₹) (D/E)	5.00	3.35
Diluted earnings per share (₹) (D/F)	4.84	3.35
Total Earnings		
Profit attributable to equity holders (G)	12,052.07	11,583.01
Weighted average number of equity shares for calculating Basic EPS (H)	13,60,82,508	13,60,79,295
Weighted average number of equity shares for calculating Diluted EPS (I)	14,06,88,562	13,61,35,973
Basic earnings per share (₹) (G/H)	8.86	8.51
Diluted earnings per share (₹) (G/I)	8.57	8.51

NOTE 32 FINANCIAL INSTRUMENTS – FAIR VALUES

A. Accounting classification and fair values

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions, regardless of whether that price is directly observable or estimated using a valuation technique.

The management has assessed that the carrying amounts of cash and cash equivalents, loans carried at amortised cost, other financial assets, trade payables, borrowings, bank/book overdrafts and other financial liabilities are a reasonable approximation to their fair value.

NOTES TO THE FINANCIAL STATEMENTS
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B. Risk Management Framework:

The Group's risk management framework is based on:

(a) Clear understanding and identification of various risks;

(b) Disciplined risk assessment by evaluating the probability and impact of each risk;

(c) Measurement and monitoring of risks by establishing key risk indicators with thresholds for all critical risks; and

(d) Adequate review mechanism to monitor and control risks.

The Group's risk management division works as a value centre by constantly engaging with the business providing reports based on key analysis and insights. The key risks faced by the Group are credit risk, liquidity risk, interest rate risk, operational risk, reputational and regulatory risk, which are broadly classified as credit risk, market risk and operational risk. The Group has a an established risk reporting and monitoring framework. The Group identifies and monitors risks periodically. This process enables the Group to reassess the all critical risks in a changing environment that need to be focused on.

C. Risk governance structure:

The Group's risk governance structure operates with a well-defined Board and Risk Management Committee ('RMC') with a clearly laid down charter and roles and responsibilities. The Board oversees the risk management process and monitors the risk profile of the Group directly as well as through a Board constituted Risk Management Committee. The Committee reviews the risk management policy, implementation of risk management framework, monitoring of critical risks, review and approval of exposures with conflict of interest and review of various other initiatives. The risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate limits and controls and to monitor risks and adherence to limits. The RMC reviews the risk management policies regularly to reflect the changes in market conditions and Group's activities.

The Audit Committee oversees how management monitors compliance with risk management policies and procedures and reviews the adequacy of risk management framework in relation to the risk faced by the Group.

The risk management committee has established a comprehensive risk management framework across the business and provides appropriate reports on risk exposures and analysis in its pursuit of creating awareness across the Group about risk management.

D. Fair value hierarchy

Ind AS 107, 'Financial Instrument - Disclosure' requires classification of the valuation method of financial instruments measured at fair value in the Balance Sheet, using a three level fair-value-hierarchy (which reflects the significance of inputs used in the measurements). The hierarchy gives the highest priority to un-adjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to un-observable inputs (Level 3 measurements). The three levels of the fair-value-hierarchy under Ind AS 107 are described below:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities included in level 3.

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The following table shows the carrying amounts and fair values of financial assets including their levels in the fair value hierarchy:

Particulars	As at March 31, 2025							
	Carrying amount				Fair value			
	Fair value through profit and loss	Fair value through other comprehensive income	Amortised Cost	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs*	Total
Investments covered under Ind AS 109								
(a) Investments in Mutual funds	49,511.64	-	-	49,511.64	49,511.64	-	-	49,511.64
(b) Investments in Security Receipts	-	-	1,02,259.95	1,02,259.95	-	-	1,02,259.95	1,02,259.95
(c) Treasury Bills	-	9,653.55	-	9,653.55	9,653.55	-	-	9,653.55
(d) Bonds and Government securities	-	20,393.31	-	20,393.31	20,393.31	-	-	20,393.31
Total	**49,511.64**	**30,046.86**	**1,02,259.95**	**1,81,818.45**	**79,558.50**	**-**	**1,02,259.95**	**1,81,818.45**

* based on NAV statements and other information received from assets reconstruction company and adjusted for Expected credit losses.

Particulars	As at March 31, 2024							
	Carrying amount				Fair value			
	Fair value through profit and loss	Fair value through other comprehensive income	Amortised Cost	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs*	Total
Investments covered under Ind AS 109								
(a) Investments in Mutual funds	16,723.44	-	-	16,723.44	16,723.44	-	-	16,723.44
(b) Investments in Security Receipts	-	-	80,887.58	80,887.58	-	-	80,887.58	80,887.58
(c) Treasury Bills	-	14,210.78	-	14,210.78	14,210.78	-	-	14,210.78
(d) Bonds and Government securities	-	-	-	-	-	-	-	-
Total	**16,723.44**	**14,210.78**	**80,887.58**	**1,11,821.80**	**30,934.22**	**-**	**80,887.58**	**1,11,821.80**

* based on NAV statements and other information received from assets reconstruction company and adjusted for Expected credit losses.

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An analysis of changes in the gross carrying amount and the corresponding impairment loss allowances in relation to investments measured at amortised cost is as follows:

Particulars	2024-25				2023-24			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**-**	**-**	**1,17,530.96**	**1,17,530.96**	**-**	**-**	**42,871.31**	**42,871.31**
New assets originated or purchased	-	-	40,545.67	40,545.67	-	-	90,051.90	90,051.90
Assets derecognised or repaid (excluding write offs)	-	-	(19,361.42)	(19,361.42)	-	-	(15,392.25)	(15,392.25)
Gross carrying amount closing balance	**-**	**-**	**1,38,715.21**	**1,38,715.21**	**-**	**-**	**1,17,530.96**	**1,17,530.96**

Particulars	2024-25				2023-24			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Impairment loss allowance - opening balance	**-**	**-**	**36,643.38**	**36,643.38**	**-**	**-**	**24,576.64**	**24,576.64**
Incremental provision (net)	-	-	(188.12)	(188.12)	-	-	12,066.74	12,066.74
Impairment loss allowance - closing balance	**-**	**-**	**36,455.26**	**36,455.26**	**-**	**-**	**36,643.38**	**36,643.38**

The following table shows the carrying amounts and fair values of financial assets including their levels in the fair value hierarchy:

Particulars	As at March 31, 2025							
	Carrying amount				Fair value			
	Fair value through profit and loss	Fair value through other comprehensive income	Amortised Cost	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs*	Total
Loans covered under Ind AS 109	-	-	7,21,651.85	7,21,651.85	-	-	7,21,651.85	7,21,651.85
Total	**-**	**-**	**7,21,651.85**	**7,21,651.85**	**-**	**-**	**7,21,651.85**	**7,21,651.85**

Particulars	As at March 31, 2024							
	Carrying amount				Fair value			
	Fair value through profit and loss	Fair value through other comprehensive income	Amortised Cost	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs*	Total
Loans covered under Ind AS 109	-	-	7,80,983.89	7,80,983.89	-	-	7,80,983.89	7,80,983.89
Total	**-**	**-**	**7,80,983.89**	**7,80,983.89**	**-**	**-**	**7,80,983.89**	**7,80,983.89**

* Discounted cash flow approach adopted for fair valuation of loans

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E. Credit risk

Credit risk arises when a borrower is unable to meet his contractual obligations to the lender. The effective management of credit risk requires the establishment of appropriate credit risk policies and processes. The Company has comprehensive and well defined credit policies across various businesses, products and segments, which encompass credit approval process for all businesses along with guidelines for mitigating the risks associated with them. The appraisal process includes detailed risk assessment of the borrowers, physical verifications and field visits. The Company has a well-defined post sanction monitoring process to identify portfolio-wise credit risk trends and early warning signals. This enables it to implement necessary changes to the credit policy, whenever the need arises to prevent any further slippage in the credit quality.

Grouping financial assets measured on a collective basis

The Group splits its exposure into smaller homogeneous portfolios, based on shared credit risk characteristics, as described below in the following order:

- Customer i.e. corporate and retail
- Nature of product i.e. Commercial Vehicle, Corporate lending, SME, Housing Finance and Micro lap

Significant increase in credit risk

The credit risk on a financial asset of the Group are assumed to have increased significantly since initial recognition when contractual payments are more than 30 days past due. The retail loans where the renegotiated terms are not substantially different and involve repayment terms to be extended including interest or the EMI amount readjusted over the tenure are classified as Stage 2. In case of corporate loan the assessment of significant increase in credit risk is performed on a case to case basis. Additionally, accounts identified and reviewed by the credit committee for labelling as breaching pre-defined critical credit risk parameters will also be classified as Stage 2. Accordingly, the financial assets shall be classified as Stage 2, based on the quantitative as well as qualitative factors.

Write off

The Company writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery. Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in Statement of profit and loss.

Restructured financial assets

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

Overview of the Expected Credit Loss principles

The Group records allowance for expected credit losses for all loans, debt financial assets not held at FVTPL, undrawn loan commitments (referred to as 'financial instruments').
For the computation of ECL on the financial instruments, the Group categories its financial instruments as mentioned below:

Stage 1: All exposures where there has not been a significant increase in credit risk since initial recognition or that has low credit risk at the reporting date and that are not credit impaired upon origination are classified under this stage. The Group classifies all advances upto 30 days overdue under this category. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2.

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Stage 2: Exposures are classified as Stage 2 when the amount is due for more than 30 days but less than 90 days. All exposures where there has been a significant increase in credit risk since initial recognition but are not credit impaired are classified under this stage.

Stage 3: All exposures are assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred. Exposures where the amount remains due for 90 days or more are considered as to be stage 3 assets.

The Group has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. The Group undertakes the classification of exposures within the aforesaid stages at borrower level.

Definition of default

A default on a financial asset is when the counterparty fails to make the contractual payments within 90 days of when they fall due. Accordingly, the financial assets shall be classified as Stage 3, if on the reporting date, it has been 90 days and above past due. Non-payment on another obligation of the same customer is also considered as a Stage 3. In addition, Group shall also classify those accounts as default which meets the criteria as per the RBI circular RBI/2021-2022/125 DOR.STR.REC.68/21.04.048/2021-22 dated November 12, 2021.

The calculation of ECL

ECL is a probability weighted credit losses (i.e. present value of all cash shortfalls) over the expected life of the financial instruments. Cash shortfalls are the difference between the cash flows that the entity is entitled to receive on account of contract and the cash flows that the entity expects to receive.

The mechanics of the ECL calculations are outlined below and the key elements are as follows:

Portfolio Segmentation:

For ECL purpose, the loan portfolio is broadly segmented as below :

1) Corporate lending

2) Small and medium enterprises lending ('SME')

3) Commercial vehicle lending

4) Housing finance

5) Micro lap

Exposure-At-Default (EAD) : The Exposure at Default is the amount the Group is entitled to receive as on reporting date including repayments due for principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities.

Probability of Default (PD) : The Probability of Default is an estimate of the likelihood of default of the exposure over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.

Loss Given Default (LGD) : The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral.

The ECL allowance is applied on the financial instruments depending upon the classification of the financial instruments as per the credit risk involved. ECL allowance is computed on the below mentioned basis:

12-month ECL: 12-month ECL is the portion of Lifetime ECL that represents the ECL that results from default events on a financial instrument that are possible within the 12 months after the reporting date. 12-month ECL is applied on stage 1 assets.

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Lifetime ECL: Lifetime ECL for credit losses expected to arise over the life of the asset in cases of credit impaired loans and in case of financial instruments where there has been significant increase in credit risk since origination. Lifetime ECL is the expected credit loss resulting from all possible default events over the expected life of a financial instrument. Lifetime ECL is applied on stage 2 and stage 3 assets. the Group computes the ECL allowance either on individual basis or on collective basis, depending on the nature of the underlying portfolio of financial instruments. the Group has grouped its loan portfolio into Corporate loans, SME loans and Commercial vehicle loans and Housing Finance.

Forward looking information

The Group employs statistical models to analyse the data collected and generate estimates of the remaining lifetime PD of exposures and how these are expected to change as a result of the passage of time. Such statistical models are selected considering the availability of information related to the probability of default for each product. This analysis includes the identification and calibration of relationships between changes in GNPA as proxy for default rates and changes in key macro-economic factors. Key economic indicators considered for forward looking includes:

- Gross national income growth
- Inflation % change over previous year

For the purpose of determination of impact of forward looking information, the Company applies macro economic (ME) variables as stated above to each product and assess the trend of the historical probability of defaults as compared to the forecasted probability of default. Based on the directional trend of output, management applies an overlay if required. Overtime, new ME variable may emerge to have a better correlation and may replace ME being used now.

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to loans and advances (Continuing and discontinued operation) is as follows:

Particulars	2024-25				2023-24			
	Stage 1	Stage 2	Stage 3$	Total	Stage 1	Stage 2	Stage 3$	Total
Gross carrying amount opening balance	**7,44,512.44**	**35,638.45**	**33,337.26**	**8,13,488.15**	**5,38,756.75**	**1,20,333.23**	**47,891.62**	**7,06,981.60**
New assets originated or purchased	6,34,138.11	2,296.43	3,938.80	6,40,373.34	5,50,721.54	8,739.24	3,530.23	5,62,991.01
Assets derecognised or repaid (excluding write offs)	(3,56,152.04)	(25,045.32)	(16,150.09)	(3,97,347.45)	(2,78,160.56)	(51,433.38)	(20,078.91)	(3,49,672.85)
Transfers to stage 1	33,306.40	(28,235.59)	(5,070.82)	-	31,261.74	(25,502.97)	(5,758.77)	-
Transfers to stage 2	(1,25,656.16)	1,26,530.29	(874.13)	-	(84,225.84)	90,931.23	(6,705.39)	-
Transfers to stage 3	(17,835.69)	(37,021.53)	54,857.22	-	(8,964.19)	(23,367.14)	32,331.33	-
Amounts written off (net of recovery)	(982.03)	(5,609.02)	(14,654.55)	(21,245.60)	-	(9,693.89)	(11,060.82)	(20,754.71)
Presented under Investments as Security Receipts*	(276.36)	(19,385.17)	(18,275.48)	(37,937.01)	(4,877.00)	(74,367.87)	(6,812.03)	(86,056.90)
Gross carrying amount closing balance	**9,11,054.67**	**49,168.54**	**37,108.21**	**9,97,331.42**	**7,44,512.44**	**35,638.45**	**33,337.26**	**8,13,488.15**

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An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to loans and advances (Continuing operation) is as follows:

Particulars	2024-25				2023-24			
	Stage 1	Stage 2	Stage 3$	Total	Stage 1	Stage 2	Stage 3$	Total
Gross carrying amount opening balance	**5,66,073.97**	**32,457.45**	**31,269.97**	**6,29,801.39**	**4,10,306.00**	**1,17,199.41**	**46,224.01**	**5,73,729.42**
New assets originated or purchased	5,22,718.73	2,099.87	3,777.37	5,28,595.97	4,56,640.80	8,644.98	3,332.69	4,68,618.47
Assets derecognised or repaid (excluding write offs)	(3,13,159.27)	(24,480.74)	(15,597.78)	(3,53,237.79)	(2,35,629.02)	(50,865.68)	(19,541.60)	(3,06,036.30)
Transfers to stage 1	32,328.87	(27,375.89)	(4,952.98)	-	27,933.58	(22,804.02)	(5,129.56)	-
Transfers to stage 2	(1,23,256.01)	1,24,075.50	(819.49)	-	(79,594.64)	86,040.77	(6,446.13)	-
Transfers to stage 3	(16,235.25)	(36,311.60)	52,546.85	-	(8,705.75)	(21,696.25)	30,402.00	-
Amounts written off (net of recovery)	(982.03)	(5,609.02)	(14,234.82)	(20,825.87)	-	(9,693.89)	(10,759.41)	(20,453.30)
Presented under Investments as Security Receipts*	(276.36)	(19,385.17)	(18,275.48)	(37,937.01)	(4,877.00)	(74,367.87)	(6,812.03)	(86,056.90)
Gross carrying amount closing balance	**6,67,212.65**	**45,470.40**	**33,713.64**	**7,46,396.69**	**5,66,073.97**	**32,457.45**	**31,269.97**	**6,29,801.39**

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to loans and advances (Discontinued operation) is as follows:

Particulars	2024-25				2023-24			
	Stage 1	Stage 2	Stage 3$	Total	Stage 1	Stage 2	Stage 3$	Total
Gross carrying amount opening balance	**1,78,438.48**	**3,180.99**	**2,067.29**	**1,83,686.76**	**1,28,450.76**	**3,133.81**	**1,667.61**	**1,33,252.18**
New assets originated or purchased	1,11,419.38	196.56	161.43	1,11,777.37	94,080.74	94.26	197.54	94,372.54
Assets derecognised or repaid (excluding write offs)	(42,992.77)	(564.58)	(552.31)	(44,109.66)	(42,531.54)	(567.70)	(537.31)	(43,636.55)
Transfers to stage 1	977.53	(859.70)	(117.84)	-	3,328.16	(2,698.95)	(629.21)	-
Transfers to stage 2	(2,400.15)	2,454.79	(54.64)	-	(4,631.20)	4,890.46	(259.26)	-
Transfers to stage 3	(1,600.44)	(709.93)	2,310.37	-	(258.44)	(1,670.89)	1,929.33	-
Amounts written off (net of recovery)	-	-	(419.73)	(419.73)	-	-	(301.41)	(301.41)
Presented under Investments as Security Receipts*	-	-	-	-	-	-	-	-
Gross carrying amount closing balance	**2,43,842.03**	**3,698.13**	**3,394.57**	**2,50,934.73**	**1,78,438.48**	**3,180.99**	**2,067.29**	**1,83,686.76**

* Presented under Investments in Security Receipts (Refer to Note 32(D))

$Reasonable steps are being taken by the Management for recovery of the principal and interest.

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Reconciliation of ECL balance (Continuing and discontinued operation) is given below:

Particulars	2024-25				2023-24			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	**11,014.35**	**2,435.70**	**19,054.21**	**32,504.26**	**11,554.30**	**17,885.85**	**25,974.45**	**55,414.60**
New assets originated or purchased	7,350.60	603.78	1,414.28	9,368.66	12,111.11	551.71	1,567.86	14,230.68
Assets derecognised or repaid (excluding write offs)	(5,254.25)	(1,362.32)	(17,503.97)	(24,120.54)	(6,537.73)	(5,365.80)	(10,012.97)	(21,916.50)
Changes to models and inputs used	-	-	-	-	-	-	-	-
Transfers to stage 1	3,433.75	(1,053.98)	(2,379.77)	-	5,011.53	(2,021.86)	(2,989.67)	-
Transfers to stage 2	(3,674.79)	4,056.32	(381.53)	-	(4,123.41)	7,191.50	(3,068.09)	-
Transfers to stage 3	(1,875.09)	(1,788.38)	3,663.47	-	(2,114.36)	(2,128.93)	4,243.29	-
Impact on year end ECL on exposures transferred between stages during the year	(2,309.39)	1,544.57	21,227.07	20,462.25	(4,756.63)	(154.26)	12,880.75	7,969.86
Amounts written off (net of recovery)	(136.07)	(2,875.40)	(8,220.41)	(11,231.88)	(130.46)	(13,522.51)	(9,541.41)	(23,194.38)
ECL allowance - closing balance	**8,549.11**	**1,560.29**	**16,873.35**	**26,982.75**	**11,014.35**	**2,435.70**	**19,054.21**	**32,504.26**

Reconciliation of ECL balance (Continuing operation) is given below:

Particulars	2024-25				2023-24			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	**10,297.60**	**2,296.11**	**18,477.39**	**31,071.10**	**10,920.45**	**17,734.39**	**25,513.05**	**54,167.89**
New assets originated or purchased	6,912.94	598.46	1,156.39	8,667.79	11,722.40	548.95	1,528.56	13,799.91
Assets derecognised or repaid (excluding write offs)	(5,088.18)	(1,336.97)	(17,377.03)	(23,802.18)	(6,348.95)	(5,335.89)	(9,883.09)	(21,567.93)
Changes to models and inputs used	-	-	-	-	-	-	-	-
Transfers to stage 1	3,429.99	(1,050.68)	(2,379.31)	-	4,814.69	(1,962.09)	(2,852.60)	-
Transfers to stage 2	(3,622.64)	4,002.77	(380.13)	-	(4,104.03)	7,118.52	(3,014.49)	-
Transfers to stage 3	(1,395.26)	(1,578.46)	2,973.72	-	(2,113.25)	(2,081.65)	4,194.90	-
Impact on year end ECL on exposures transferred between stages during the year	(2,810.05)	1,372.77	21,265.20	19,827.92	(4,463.26)	(203.61)	12,368.43	7,701.56
Amounts written off (net of recovery)	(136.07)	(2,875.40)	(8,008.32)	(11,019.79)	(130.45)	(13,522.51)	(9,377.37)	(23,030.33)
ECL allowance - closing balance	**7,588.33**	**1,428.60**	**15,727.91**	**24,744.84**	**10,297.60**	**2,296.11**	**18,477.39**	**31,071.10**

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Reconciliation of ECL balance (Discontinued operation) is given below:

Particulars	2024-25				2023-24			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	**716.74**	**139.59**	**576.83**	**1,433.16**	**633.83**	**151.46**	**461.41**	**1,246.70**
New assets originated or purchased	437.66	5.32	257.89	700.87	388.71	2.76	39.30	430.77
Assets derecognised or repaid (excluding write offs)	(166.07)	(25.35)	(126.94)	(318.36)	(188.78)	(29.91)	(129.88)	(348.57)
Changes to models and inputs used	-	-	-	-	-	-	-	-
Transfers to stage 1	3.76	(3.30)	(0.46)	-	196.84	(59.77)	(137.07)	-
Transfers to stage 2	(52.15)	53.55	(1.40)	-	(19.38)	72.98	(53.60)	-
Transfers to stage 3	(479.83)	(209.92)	689.75	-	(1.11)	(47.28)	48.39	-
Impact on year end ECL on exposures transferred between stages during the year	500.66	171.80	(38.13)	634.33	(293.37)	49.35	512.32	268.30
Amounts written off (net of recovery)	-	-	(212.09)	(212.09)	-	-	(164.04)	(164.04)
ECL allowance - closing balance	**960.77**	**131.69**	**1,145.45**	**2,237.91**	**716.74**	**139.59**	**576.83**	**1,433.16**

F. Liquidity risk

Liquidity is the Group's capacity to fund increase in assets and meet both the expected and unexpected obligations without incurring unacceptable losses. Liquidity risk is the inability to meet such obligations as they become due without adversely affecting the Group's financial conditions. The Asset Liability Management Policy of the Group stipulates a broad framework for Liquidity risk management to ensure that the Group can meet its liquidity obligations. The Asset Liability Management Committee ('ALCO') monitors composition, characteristics and diversification of funding sources to ensure there is no over reliance on single source of funding. The Group tracks the cash flow mismatches for measuring and managing net funding requirement through Maturity Ladder approach and reviews short-term liquidity profiles based on business projections and other commitments for planning purposes through Liquidity analysis. The ALCO also reviews the individual mismatch in each time bucket and cumulative mismatch and ensures the bucket wise limits are not breached.

The Group maintains a portfolio of highly marketable and diverse assets that are assumed to be easily liquidated in the event of an unforeseen interruption in cash flow. The liquidity position of the Group is assessed under a variety of scenarios giving due consideration to stress factors relating to both the market in general and risk specifics to the Group. Basis the liquidity position assessed under various stress scenarios; the Group reviews the following to effectively handle any liquidity crisis:

- Adequacy of contingency funding plan in terms of depth of various funding sources, time to activate, cost of borrowing, etc
- Availability of unencumbered eligible assets

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FOR THE YEAR ENDED MARCH 31, 2025

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Maturity profile of undiscounted cash flows for financial liabilities as on balance sheet date have been provided below:

As on March 31, 2025

Particulars	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
Financial Liabilities					
Trade payables	8.05	-	-	-	8.05
Debt securities	95,547.28	1,21,617.14	1,62,054.22	-	3,79,218.64
Borrowings (other than debt securities)	46,981.86	1,09,266.18	1,48,924.32	7,257.23	3,12,429.59
Other financial liabilities	36,762.25	592.34	2,763.78	181.11	40,299.48
Total	**1,79,299.44**	**2,31,475.66**	**3,13,742.32**	**7,438.34**	**7,31,955.76**

Notes: - The above inflows and outflows is based on scheduled maturity of the financial instruments.

- ₹ 16,900.00 lakhs classified as per contractual maturity above pertains to borrowing which exceeds the limits specified in the covenants.

- Also refer Note 42

As on March 31, 2024

Particulars	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
Financial Liabilities					
Trade payables	143.67	-	-	-	143.67
Debt securities	9,015.08	1,15,176.48	2,09,912.35	-	3,34,103.91
Borrowings (other than debt securities)	46,894.84	1,30,750.65	1,99,098.28	46,317.35	4,23,061.12
Other financial liabilities	23,777.97	693.30	3,342.79	428.90	28,242.96
Total	**79,831.56**	**2,46,620.43**	**4,12,353.42**	**46,746.25**	**7,85,551.66**

The following table shows the carrying amounts and fair values of financial liabilities including their levels in the fair value hierarchy:

As on March 31, 2025

Particulars	Carrying amount	Fair value			Total
		Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs*	
At amortised cost					
Debt securities	3,79,218.64	-	-	3,79,218.64	3,79,218.64
Borrowings (other than debt securities)	3,12,429.59	-	-	3,12,429.59	3,12,429.59
Total	**6,91,648.23**	**-**	**-**	**6,91,648.23**	**6,91,648.23**

* Discounted cash flow approach adopted for fair valuation of borrowings

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(Currency : Indian Rupees in lakhs)

As on March 31, 2024

Particulars	Carrying amount	Fair value			Total
		Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs*	
At amortised cost					
Debt securities	3,34,103.91	-	-	3,34,103.91	3,34,103.91
Borrowings (other than debt securities)	4,23,061.12	-	-	4,23,061.12	4,23,061.12
Total	**7,57,165.03**	**-**	**-**	**7,57,165.03**	**7,57,165.03**

* Discounted cash flow approach adopted for fair valuation of borrowings

G. Market risk

Market Risk is the possibility of loss arising from changes in the value of a financial instrument as a result of changes in market variables such as interest rates, exchange rates and other asset prices. The Group's exposure to market risk is a function of asset liability management and interest rate sensitivity assessment. The Group is exposed to interest rate risk and liquidity risk, if the same is not managed properly. The Group continuously monitors these risks and manages them through appropriate risk limits. The Asset Liability Management Committee ('ALCO') reviews market related trends and risks and adopts various strategies related to assets and liabilities, in line with the Group's risk management framework.

H. Operational risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people or systems, or from external events. The operational risks of the Group are managed through comprehensive internal control systems and procedures. Failure of managing operational risk might lead to legal / regulatory implications due to non-compliance and lead to financial loss due to control failures. While it is not practical to eliminate all the operational risk, the Group has put in place adequate control framework by way of segregation of duties, well defined process, staff training, maker and checker process, authorisation and clear reporting structure. The effectiveness of control framework is assessed by internal audit on a periodic basis.

To manage fraud risk effectively, the Group has Independent Risk Containment Unit ('RCU') which is responsible for implementing fraud risk management framework and ensure compliance. The RCU undertakes various activities such as pre-sanction loan applicant verification, pre-sanction and post disbursement documents verification, vendor verification, etc to prevent and manage frauds.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2025

(Currency : Indian Rupees in lakhs)

NOTE 33 DISCLOSURE PURSUANT TO IND AS 108 "OPERATING SEGMENT"

Business segments

The Group has identified operating segments based on performance assessment and resource allocation by the chief operating decision maker. Revenue and expenses directly attributable to segments are reported under each reportable segment. All other revenue/expenses which primarily consists of tax expenses and other income are not attributable or allocable to segments have been disclosed as unallocated. Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable, which primarily consists of current tax and deferred tax assets/liabilities and investments. As the operations of the Group are carried out within India, there are no geographical segments. The Group operates in the following segments:

Large Corporate segment provides loans to medium and large-sized corporates, institutional customers and real estate developers.

SME segment provides lending to small and medium enterprises for business financing needs including working capital, business expansion or other requirements.

Commercial vehicle segment primarily consists of financing for used and new vehicles.

Housing Finance segment consists of affordable home financing to self-employed and salaried customers.

	Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
I	**Gross segment revenue from continuing operations**		
(a)	Large corporate	2,593.05	8,492.43
(b)	SME	5,177.56	10,296.45
(c)	Commercial vehicles	1,25,655.97	86,687.99
(d)	Unallocated*	7,539.30	5,234.46
	Segment revenue from continuing operations	**1,40,965.88**	**1,10,711.33**
II	**Segment results**		
(a)	Large corporate	1,258.82	(14,966.17)
(b)	SME	1,709.22	9,457.31
(c)	Commercial vehicles	16,727.99	23,853.89
(d)	Unallocated**	(14,441.88)	(11,320.67)
	Profit/(loss) before tax	**5,254.15**	**7,024.36**
III	**Segment assets**		
(a)	Large corporate	79,289.85	92,130.57
(b)	SME	46,031.20	47,060.61
(c)	Commercial vehicles	7,41,782.38	6,01,248.81
(d)	Unallocated***	1,64,262.09	1,51,800.66
	Total assets	**10,31,365.52**	**8,92,240.65**
IV	**Segment liabilities**		
(a)	Large corporate	53,166.67	62,481.88
(b)	SME	32,672.35	35,115.03
(c)	Commercial vehicles	5,19,465.27	4,23,671.13
(d)	Unallocated****	1,28,297.81	1,05,565.08
	Total liabilities	**7,33,602.10**	**6,26,833.12**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2025

(Currency : Indian Rupees in lakhs)

	Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
V	**Discountinued operations (Refer note 14)**		
(a)	Segment Revenue	40,908.09	29,042.68
(b)	Segment Results	9,086.15	5,939.63
(c)	Segment Assets	2,94,224.04	2,19,829.23
(d)	Segment Liabilities	2,28,445.14	1,61,714.96

* Unallocated includes income from treasury assets and other income

** Unallocated includes other operating expenses

*** Unallocated includes treasury assets and advance/tax deducted (net), deferred tax asset (net)

**** Unallocated includes other liabilities, deferred tax liabilities

NOTE 34 Related Party Disclosures, as required by Indian Accounting Standard 24 (Ind AS 24) are given below:

a) Relationships

I. Ultimate Controlling Party

Brookfield Asset Management Inc.

II. Holding Company

BCP V Multiple Holdings Pte. Ltd.

III. Names of other related parties with whom the Group had transactions during the year:

Key Managerial Personnel (KMP)

Randhir Singh - Executive Vice Chairman & Whole Time Director (w.e.f July 22, 2024)

Karthikeyan Srinivasan - CEO & Whole Time Director

Bobby Parikh - Non-Executive Independent Director (upto March 04, 2025) and Non-Executive Director (w.e.f. March 05, 2025)

Hemant Kaul - Non-Executive Independent Director

Naina Krishna Murthy - Non-Executive Independent Director

b) Transactions with Holding Company

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Money Received against Share Warrants	20,533.40	-
Upfront Fees	-	1,228.41

c) Transactions with Key Management Personnel (KMP):

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Short-term employee benefits	563.36	196.44
Sitting fees to Non-Executive Independent Directors	48.06	34.95
Reimbursement of expenses	0.82	1.62

The above compensation excludes contributions to post-employment defined benefit plan and share based payment expense.

d) Transactions other than those with key management personnel : Nil

e) The related party balances outstanding at year end : Nil

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NOTE 35 SET OUT BELOW IS THE DISAGGREGATION OF THE REVENUE FROM CONTRACTS WITH CUSTOMERS

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Type of Services or service		
- Fees Income	6,102.02	4,647.13
Total revenue from contracts with customers	**6,102.02**	**4,647.13**
Geographical markets		
India	6,102.02	4,647.13
Outside India	-	-
Total revenue from contracts with customers	**6,102.02**	**4,647.13**
Timing of revenue recognition		
Services transferred at a point in time	6,102.02	4,647.13
Services transferred over time	-	-
Total revenue from contracts with customers	**6,102.02**	**4,647.13**

NOTE 36 CONTINGENT LIABILITIES AND COMMITMENTS

Particulars	As at March 31, 2025	As at March 31, 2024
Contingent liabilities		
Corporate guarantee given by Company to banks	-	2,375.00
Litigation cases filed against the Company	43.00	71.04
Income tax matters under dispute	-	602.14
Capital commitments:		
Estimated amount of contracts remaining to be executed on capital account	86.95	86.95
Loans sanctioned not yet disbursed	9,809.52	22,167.16

NOTE 37 DISCLOSURES AS REQUIRED BY IND AS 116 'LEASES'

(A) Lease liability movement

Particulars	As at March 31, 2025	As at March 31, 2024
Opening balance	4,686.80	3,103.51
Less: Liabilities associated with group(s) classified as held for sale	(763.26)	-
	3,923.54	**3,103.51**
Add : Additions during the year	679.14	2,957.43
Add : Interest on lease liability	374.52	389.35
Less : Deletions	(191.02)	(705.55)
Less : Lease rental payments	(1,060.53)	(1,057.94)
	3,725.65	**4,686.80**

NOTES TO THE FINANCIAL STATEMENTS

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(Currency : Indian Rupees in lakhs)

(B) Future lease cashflow for all leased assets

Particulars	As at March 31, 2025	As at March 31, 2024
Not later than one year	1,120.02	1,334.59
Later than one year but not later than five years	3,317.11	4,113.10
Later than five years	202.07	479.24
	4,639.20	**5,926.93**

(C) Maturity analysis of lease liability

Particulars	As at March 31, 2025	As at March 31, 2024
Lease liability		
Less than 12 months	780.76	915.11
More than 12 months	2,944.89	3,771.69
	3,725.65	**4,686.80**

NOTE 38 DUES TO MICRO, SMALL AND MEDIUM ENTERPRISES AS PER MSMED ACT, 2006

The following disclosure is made as per the requirement under The Micro Small and Medium Enterprise Development Act, 2006 (the 'MSMED Act') on the basis of confirmations sought from suppliers on registration with the specified authorities under MSMED :

Particulars	As at March 31, 2025	As at March 31, 2024
a. Principal amount remaining unpaid	6.23	124.16
b. Interest due thereon remaining unpaid	-	-
c. Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day	-	-
d. Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act,2006)	-	-
e. Interest accrued and remaining unpaid	-	-
f. Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	-	-

The aforementioned is based on the responses received by the Group to its inquiries with suppliers with regard to applicability under the said Act. This has been relied upon by the auditors. No interest has been paid/is payable by the Group during the year to the suppliers registered under this Act.

NOTES TO THE FINANCIAL STATEMENTS
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Ageing analysis of Trade Payable

As at March 31, 2025

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
(i) MSME	6.23	-	-	-	6.23
(ii) Others	1.82	-	-	-	1.82
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

As at March 31, 2024

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
(i) MSME	124.16	-	-	-	124.16
(ii) Others	19.51	-	-	-	19.51
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

NOTE 39 GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS

The Group has an funded defined benefit gratuity plan. Every employee who has completed five years or more of service is eligible for a gratuity on separation at 15 days basic salary (last drawn salary) for each completed year of service.

Based on Ind AS 19 'Employee Benefits' notified under Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016, the following disclosures have been made as required by the standard:

A. Amount recognised in the balance sheet

Particulars	As at March 31, 2025	As at March 31, 2024
Present value of the obligation as at the end of the year	603.94	462.75
Fair value of plan assets as at the end of the year	5.01	4.68
Net asset / (liability) to be recognised in the balance sheet	**598.93**	**458.07**

B. Change in projected benefit obligation

Particulars	As at March 31, 2025	As at March 31, 2024
Projected benefit of obligation at the beginning of the year	462.75	423.97
Less: Obligation associated with group(s) classified as held for sale	(72.85)	-
	389.90	423.97
Current service cost	138.81	110.73
Past service cost	-	-
Interest cost	24.47	26.22
Benefits paid	(60.72)	(148.16)
Addition on account of business combination	-	-
Actuarial (gain) / loss on obligation	111.48	49.99
Projected benefit obligation at the end of the year	**603.94**	**462.75**

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C. Change in plan assets

Particulars	As at March 31, 2025	As at March 31, 2024
Fair value of plan assets at the beginning of the year	4.68	4.36
Return on plan assets	0.76	3.55
Actuarial gain/(loss)	(0.43)	(3.23)
Benefits paid	-	-
Fair value of plan assets at the end of the year	**5.01**	**4.68**

D. Amount recognised in the statement of profit and loss for continuing operation

Particulars	As at March 31, 2025	As at March 31, 2024
Current service cost	138.81	88.61
Past service cost and loss/(gain) on curtailments and settlement	-	-
Net interest cost	23.71	18.76
Expenses recognised in the statement of profit and loss	**162.52**	**107.37**

E. Amount recognised in other comprehensive income

Particulars	As at March 31, 2025	As at March 31, 2024
Actuarial (gains) / loss		
- change in financial assumption	77.38	2.20
- change in demographic assumption	-	-
- experience variation	34.10	47.79
Return on plan assets, excluding amount recognised in net interest expense	0.43	3.23
	111.91	**53.22**
Add: Amounts recognised for Obligation associated with group(s) classified as held for sale	14.44	-
	126.35	**53.22**

F. Assumptions used

Particulars	As at March 31, 2025	As at March 31, 2024
Discount rate	6.55%	7.15%
Salary growth rate	9.50%	6.00%
Withdrawal rates	50% at younger ages reducing to 10% at older ages	50% at younger ages reducing to 10% at older ages

G. 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 (0.5% movement)	593.14	615.14	455.50	470.23
Salary growth rate (0.5% movement)	614.27	593.84	470.05	455.53
Withdrawal rate (10% movement)	577.10	634.12	449.93	476.58

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2025

(Currency : Indian Rupees in lakhs)

H. Other information :

1. Plans assets comprises 100% of Insurance funds
2. The expected contribution for the next year is ₹ 175.59 lakhs.
3. The average outstanding term of the obligations as at valuation date is 3.27 years.
4. The above disclosure is based on report and assumptions provided by the actuary and has been relied upon by the Auditors.

NOTE 40 ADDITIONAL INFORMATION AS REQUIRED BY PARAGRAPH 2 OF THE GENERAL INSTRUCTIONS FOR PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS TO SCHEDULE III TO THE COMPANIES ACT, 2013

Net assets i.e. total assets minus total liabilities

Particulars	As at March 31, 2025		As at March 31, 2024	
	As % of Consolidated Net assets	₹ lakhs	As % of Consolidated Net assets	₹ lakhs
Parent				
IndoStar Capital Finance Limited	94.25%	3,42,622.25	95.88%	3,10,204.46
Subsidiaries				
Niwas Housing Finance Private Limited (Formerly known as IndoStar Home Finance Private Limited)	18.00%	65,430.90	17.96%	58,114.27
IndoStar Asset Advisory Private Limited	0.13%	490.17	0.15%	473.65
Less: Inter-Company eliminations	(12.38%)	(45,001.00)	(13.99%)	(45,270.58)
Total	**100.00%**	**3,63,542.32**	**100.00%**	**3,23,521.80**

Share of Profit or Loss

Particulars	For the year ended March 31, 2025		For the year ended March 31, 2024	
	As % of Consolidated profit or loss	₹ lakhs	As % of Consolidated profit or loss	₹ lakhs
Parent				
IndoStar Capital Finance Limited	43.64%	5,259.09	61.83%	7,161.37
Subsidiaries				
Niwas Housing Finance Private Limited (Formerly known as IndoStar Home Finance Private Limited)	56.23%	6,776.46	38.07%	4,409.51
IndoStar Asset Advisory Private Limited	0.14%	16.52	0.10%	12.13
Less: Inter-Company eliminations	-	-	-	-
Total	**100.00%**	**12,052.07**	**100.00%**	**11,583.01**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2025

(Currency : Indian Rupees in lakhs)

Share of Other comprehensive income

Particulars	For the year ended March 31, 2025		For the year ended March 31, 2024	
	As % of Consolidated Other comprehensive income	₹ lakhs	As % of Consolidated Other comprehensive income	₹ lakhs
Parent				
IndoStar Capital Finance Limited	86.43%	(68.79)	75.29%	(23.52)
Subsidiaries				
Niwas Housing Finance Private Limited (Formerly known as IndoStar Home Finance Private Limited)	13.57%	(10.80)	24.71%	(7.72)
IndoStar Asset Advisory Private Limited	-	-	-	-
Less: Inter-Company eliminations	-	-	-	-
Total	**100.00%**	**(79.59)**	**100.00%**	**(31.24)**

Share of Total comprehensive income

Particulars	For the year ended March 31, 2025		For the year ended March 31, 2024	
	As % of Consolidated Total comprehensive income	₹ lakhs	As % of Consolidated Total comprehensive income	₹ lakhs
Parent				
IndoStar Capital Finance Limited	43.35%	5,190.30	61.79%	7,137.85
Subsidiaries				
Niwas Housing Finance Private Limited (Formerly known as IndoStar Home Finance Private Limited)	56.51%	6,765.66	38.10%	4,401.79
IndoStar Asset Advisory Private Limited	0.14%	16.52	0.11%	12.13
Less: Inter-Company eliminations	-	-	-	-
Total	**100.00%**	**11,972.48**	**100.00%**	**11,551.77**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2025

(Currency : Indian Rupees in lakhs)

NOTE 41 EMPLOYEE STOCK OPTION PLANS

The Group provides share-based employee benefits to the employees of the Company, Subsidiary Company, the Directors, whether a whole time Director or otherwise but excluding Non-Executive Independent Directors, including the Directors of the Company, or a Subsidiary Company, such other entities or individuals as may be permitted by Applicable Laws and any of the aforesaid employees who are on deputation at the request of the Company and during the year ended March 31, 2025, employee stock option plans (ESOPs) were in existence. The relevant details of the schemes and the grant are as below.

A. Description of share-based payment arrangements

As at March 31, 2025, the Company has the following share-based payment arrangements:

Share option plans (equity settled)

According to the Schemes, the employees selected by the Nomination and Remuneration Committee (NRC) from time to time will be entitled to options, subject to satisfaction of the prescribed vesting conditions. The contractual life (comprising the vesting period and the exercise period) of options granted is 5 to 6.5 years.

I. Details of the ESOP

Particulars	ESOP Plan 2012	ESOP Plan 2016	ESOP Plan 2016 - II	ESOP Plan 2017	ESOP Plan 2018
Date of Shareholder's Approval	July 30, 2012	May 09, 2016	October 17, 2016	April 28, 2017	December 15, 2017
Total Number of Options approved	15,00,000	27,00,000	30,00,000	20,00,000	60,00,000

Vesting Requirements	Vesting Criteria will specified for each Option Holder by the Nomination and Remuneration Committee at the time of grant of Options. For valid vesting of Options, the concerned Option Holder is required to be an Eligible Employee on the respective Vesting Date and not be subject to any disciplinary proceedings pending against him/her. Unless the NRC provides otherwise, the Vesting of Options granted hereunder shall be stalled / blocked during any unauthorised and unpaid leave of absence for such period as may prescribed by NRC or for any Cause as deemed fit by the NRC. For performance based options granted under the ESOP Plans, options shall vest based on achievement of defined annual performance parameters as determined by the NRC. The performance parameters will be based on a combination of relative Total Shareholder Return (TSR) and operating performance metrics of the Company as decided by the NRC. Each of the above performance parameters will be distinct for the purposes of the calculation of quantity of shares to be vested based on performance. These instruments will generally vest between a minimum of one to maximum of six and half years from the grant date.
The Pricing Formula	Options can be Exercised at any of the following Exercise Price, as may be determined by the NRC at its sole discretion at the time of grant of Options: (i) Fair Market Value rounded to the nearest rupee; or (ii) Market Price rounded to the nearest rupee; or (iii) such price as may be determined by the NRC. However, the Exercise Price shall not be less than the Fair Market Value of the Shares.
Maximum term of Options granted (years)	Options granted under the ESOP Plans would vest not less than 1 (one) year from the date of grant of Options. Options shall be capable of being exercised within a period of 4 years from the Date of Vesting. Performance based optins will generally vest between a minimum of one to maximum of six and half years from the grant date.
Method of Settlement	Equity
Source of shares	Primary
Variation in terms of ESOP	None
Method used for accounting of options	Fair Value Method

II. Option Movement during the year ended March 31, 2025

Particulars	ESOP Plan 2012	ESOP Plan 2016	ESOP Plan 2016 - II	ESOP Plan 2017	ESOP Plan 2018
No. of options outstanding at the beginning of the year	31,750	13,39,500	10,000	11,80,250	36,77,136
Options granted during the year	-	-	-	5,00,000	19,47,424
Options forfeited / lapsed during the year	6,750	2,58,500	-	-	4,34,756
Options exercised during the year	-	4,500	-	-	13,652
Total number of shares arising as a result of exercise of options	-	4,500	-	-	13,652
Money realised by exercise of options (₹ lakhs)	-	6.26	-	-	25.99
Number of options outstanding at the end of the year	25,000	10,76,500	10,000	16,80,250	51,76,152
Number of options exercisable at the end of the year	15,000	4,90,850	10,000	4,11,500	7,71,168
The weighted average market price of shares exercised during the year ended March 31, 2025 (₹)	-	263.20	-	-	269.64

III. Option Movement during the year ended March 31, 2024

Particulars	ESOP Plan 2012	ESOP Plan 2016	ESOP Plan 2016 - II	ESOP Plan 2017	ESOP Plan 2018
No. of options outstanding at the beginning of the year	35,700	19,13,000	1,46,500	2,30,000	3,98,500
Options granted during the year	-	-	-	10,25,000	35,75,492
Options forfeited / lapsed during the year	3,950	5,73,500	1,36,500	74,750	2,96,856
Options exercised during the year	-	-	-	-	-
Total number of shares arising as a result of exercise of options	-	-	-	-	-
Money realised by exercise of options (₹ lakhs)	-	-	-	-	-
Number of options outstanding at the end of the year	31,750	13,39,500	10,000	11,80,250	36,77,136

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2025

(Currency : Indian Rupees in lakhs)

Particulars	ESOP Plan 2012	ESOP Plan 2016	ESOP Plan 2016 - II	ESOP Plan 2017	ESOP Plan 2018
Number of options exercisable at the end of the year	14,250	3,59,950	10,000	1,55,250	1,14,450
The weighted average market price of shares exercised during the year ended March 31, 2024 (₹ Per share)	-	-	-	-	-

IV. Weighted Average remaining contractual life

Particulars	ESOP Plan 2012	ESOP Plan 2016	ESOP Plan 2016 - II	ESOP Plan 2017	ESOP Plan 2018
Range of Exercise Price (₹ per share)	218.00	139.00 - 437.00	255.00	219.05 - 437.00	131.45 - 437.00
No. of Options Outstanding as on March 31, 2024	25,000	10,76,500	10,000	16,80,250	51,76,152
Contractual Life (in years)	0.94	0.84	-	2.15	1.98

V. Method and Assumptions used to estimate the fair value of options granted:

The fair value of the awards are estimated using the Black-Scholes Model for time and non-market performance-based options and Monte Carlo simulation model is used for Total Shareholder Return (TSR) based options.

The Assumptions used in the model are as follows:

Variables	ESOP Plan 2012	ESOP Plan 2016	ESOP Plan 2016 - II	ESOP Plan 2017	ESOP Plan 2018
Risk free interest rate	-	-	-	6.53%	6.86%
Weighted average expected life (in years)	-	-	-	3.88	5.00
Expected volatility	-	-	-	45.64%	44.33%
Dividend yield	-	-	-	0%	0%
Exercise Price	-	-	-	235.50	250.43
Weighted average exercise price (₹ per share)	-	-	-	235.50	250.43

VI. Effect of share-based payment transactions on the entity's Profit or Loss for the period:

Particulars	March 31, 2025	March 31, 2024
Employee share based expense	2,203.70	812.34
Total ESOP reserve outstanding*	4,485.53	2,122.74

* Includes Niwas Housing Finance Private Limited (Formerly known as IndoStar Home Finance Private Limited) ESOP reserve of ₹ 550.97

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2025

(Currency : Indian Rupees in lakhs)

NOTE 42 MATURITY PATTERN OF ASSETS AND LIABILITIES

An analysis of its assets and liabilities according to their timing of recoverability and settlement has been presented below in a tabulated format.

Particulars	As at March 31, 2025			As at March 31, 2024		
	Within 12 months	More than 12 months	Total	Within 12 months	More than 12 months	Total
ASSETS						
Financial assets						
Cash and cash equivalents	9,604.87	-	**9,604.87**	61,390.42	-	**61,390.42**
Bank balances other than cash and cash equivalents	1,075.52	31,563.54	**32,639.06**	6,782.02	28,137.57	**34,919.59**
Loans	2,53,628.94	4,68,022.91	**7,21,651.85**	2,23,166.62	5,57,817.27	**7,80,983.89**
Investments	79,558.50	1,02,259.95	**1,81,818.45**	43,684.22	68,137.58	**1,11,821.80**
Other financial assets	1,868.59	10,234.00	**12,102.59**	4,370.43	33,935.61	**38,306.04**
Non-financial assets						
Current tax assets (net)	-	1,138.23	**1,138.23**	-	8,336.99	**8,336.99**
Deferred tax assets (net)	-	31,674.65	**31,674.65**	-	31,651.53	**31,651.53**
Property, plant and equipment	-	5,955.24	**5,955.24**	-	6,800.67	**6,800.67**
Assets acquired in satisfaction of claim	-	1,300.00	**1,300.00**	-	1,300.00	**1,300.00**
Goodwill	-	30,018.69	**30,018.69**	-	30,018.69	**30,018.69**
Other intangible assets	-	539.00	**539.00**	-	1,289.99	**1,289.99**
Other non-financial assets	2,614.42	308.47	**2,922.89**	4,389.85	860.42	**5,250.27**
Non - current assets held for sale	2,94,224.04	-	**2,94,224.04**	-	-	**-**
TOTAL ASSETS	**6,42,574.88**	**6,83,014.68**	**13,25,589.56**	**3,43,783.56**	**7,68,286.32**	**11,12,069.88**

Particulars	As at March 31, 2025			As at March 31, 2024		
	Within 12 months	More than 12 months	Total	Within 12 months	More than 12 months	Total
LIABILITIES						
Financial liabilities						
Trade payables	8.05	-	**8.05**	143.67	-	**143.67**
Debt securities	2,17,164.42	1,62,054.22	**3,79,218.64**	1,24,191.56	2,09,912.35	**3,34,103.91**
Borrowings (other than debt securities)*	1,56,248.04	1,56,181.55	**3,12,429.59**	1,77,645.48	2,45,415.64	**4,23,061.12**
Other financial liabilities	37,354.59	2,944.89	**40,299.48**	24,471.27	3,771.69	**28,242.96**
Non-financial liabilities						
Provisions	276.41	624.90	**901.31**	219.23	451.52	**670.75**
Deferred Tax Liability	-	-	**-**	-	1,360.32	**1,360.32**
Other non-financial liabilities	745.03	-	**745.03**	965.35	-	**965.35**
Liabilities for assets held for sale	2,28,445.14	-	**2,28,445.14**	-	-	**-**
TOTAL LIABILITIES	**6,40,241.68**	**3,21,805.56**	**9,62,047.24**	**3,27,636.56**	**4,60,911.52**	**7,88,548.08**

* also refer note 32(F)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2025

(Currency : Indian Rupees in lakhs)

NOTE 43 OTHER NOTES

Note 43.1

In relation to the loans portfolio, the Management has on a best effort basis and knowledge, has not identified transactions with Nil financiers (previous year Nil) aggregating ₹ Nil (previous year Nil) used for refinancing loans of the customers.

Note 43.2

The disclosure on the following matters required under Schedule III as amended not being relevant or applicable in case of the Group, same are not covered:

a) The Group has not traded or invested in crypto currency or virtual currency during the financial year.

b) No proceedings have been initiated or are pending against the Group for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (45 of 1988) and rules made thereunder.

c) The Group has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

d) The Group has not entered into any scheme of arrangement.

e) Charges or satisfaction to be registered with Registrar of Companies (ROC) have been registered within the stipulated statutory timelines.

f) There are no transactions which are not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

g) In respect of the disclosure required vide notification dated March 24, 21 issued by Ministry of Corporate Affairs, the Group has taken steps to identify transactions with the struck-off companies and considering the nature of business which is primarily lending to individuals and other small players, there are no such transactions which may be required to be reported.

h) The provision related to number of layers as prescribed under section 2(87) of the Companies Act read with Companies (Restriction on number of Layers) Rules, 2017 is not applicable to Company.

i) Other than the loans and advances given in normal course of business, 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 Group to or in any other persons or entities, including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Group has also not received any fund from any parties (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

j) Title deed of immovable property has been held in the name of the Company.

k) The Company has used seven accounting software, for maintaining its books of account (including two accounting software managed and maintained by a third-party software service provider) which has a feature of recording audit trail (edit log) facility, except that no audit trail feature was enabled at database level in respect of Four accounting software and in case of one accounting software, the audit trail feature at the database level was enabled with effect from July 01, 2024 to log any direct data changes.

   Further, in case of one susidiary, software for maintaining treasury and investment function, the feature of recording audit trail (edit log) facility was not enabled at the database level to log any direct data changes.

   Further, to the extent enabled, audit trail feature has operated throughout the year for all relevant transactions recorded in the accounting software. Also, we did not come across any instance of audit trail feature being tampered with. Additionally, the audit trail of previous year has been preserved by the Company as per the statutory requirements for record retention to the extent it was enabled and recorded in previous year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2025

(Currency : Indian Rupees in lakhs)

The group has established and maintained an adequate internal control framework and based on its assessment, believes that this was effective throughout the year.

NOTE 44 Figures for the previous year have been regrouped and / or reclassified wherever considered necessary to conform to current year presentation.

In terms of our report attached
For M S K A & Associates
Chartered Accountants
ICAI Firm Registration Number:105047W

Tushar Kurani
Partner
Membership No. 118580

Place: Mumbai
Date: April 29, 2025

For and on behalf of the Board of Directors of
IndoStar Capital Finance Limited

Naina Krishnamoorthy Non-Executive Independent Chairperson DIN: 01216114	**Randhir Singh** Executive Vice Chairman & Whole Time Director DIN: 05353131	**Karthikeyan Srinivasan** Chief Executive Officer & Whole Time Director DIN: 10056556
Jayesh Jain Chief Financial Officer	**Shikha Jain** Company Secretary	

Place: Mumbai
Date: April 29, 2025

FORM AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries or associate companies or joint ventures

Part A Subsidiaries

(Currency : Indian Rupees Lakhs)

Sl. No.	Particulars	1	2
1	Name of the subsidiary	IndoStar Asset Advisory Private Limited	Niwas Housing Finance Private Limited (formerly known as IndoStar Home Finance Private Limited)
2	Reporting period for the subsidiary concerned, if different from the holding Company's reporting period	1 April 2024 to 31 March 2025	1 April 2024 to 31 March 2025
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	NA	NA
4	Share capital		
	- Authorised capital	10.00	1,00,000.00
	- Paid-up capital	1.00	45,000.00
5	Reserves & surplus	489.17	20,430.90
6	Total Assets	493.48	2,94,224.04
7	Total Liabilities	493.48	2,94,224.04
8	Investments	-	-
9	Turnover	-	40,763.70
10	Profit / (loss) before taxation	22.33	9,058.88
11	Provision for taxation	5.81	2,282.42
12	Profit / (loss) after taxation	16.52	6,776.46
13	Proposed Dividend	Nil	Nil
14	Extent of shareholding (in percentage)	100%	100%

Notes:

Names of subsidiaries which are yet to commence operations: Not applicable

Names of subsidiaries which have been liquidiated or sold during the year: Not applicable (refer footnote below)

Footnote :

The Board of Directors of the Company in its meeting held on 19 September 2024 had considered and approved, inter-alia, subject to shareholders, regulatory and other approvals, sale of the Company's shareholding in Niwas Housing Finance Private Limited ("NHFPL")(Formerly known as IndoStar Home Finance Private Limited), a debt-listed material subsidiary of the Company, to WITKOPEEND B.V. (the "Purchaser") for an aggregate consideration of Rs. 170,595 lakhs in accordance with the terms of the share purchase agreement dated 19 September 2024 among the Company, NHFPL and the Purchaser. Subsequently, the Shareholders' approval was obtained on 26 October 2024. The Reserve Bank of India (RBI) accorded its approval on 21 March 2025. However, as on 31 March 2025, the transaction is not considered as concluded.

Part B Associates and Joint Ventures - Not applicable

For and on behalf of the Board of Directors of
IndoStar Capital Finance Limited

Naina Krishnamoorthy
Non-Executive Independent Chairperson
DIN: 01216114

Randhir Singh
Executive Vice Chairman &
Whole Time Director
DIN: 05353131

Karthikeyan Srinivasan
Chief Executive Officer &
Whole Time Director
DIN: 10056556

Jayesh Jain
Chief Financial Officer

Shikha Jain
Company Secretary

Place: Mumbai
Date: April 29, 2025

NOTES

NOTES

INDOSTAR

REGISTERED & CORPORATE OFFICE:

Silver Utopia, Third Floor, Unit No. 301-A,
Opposite P & G Plaza, Cardinal Gracious Road,
Chakala, Andheri (E), Mumbai – 400099.
Tel No.: +91 22 4315 7000
E-mail: investor.relations@indostarcapital.com

www.indostarcapital.com