

# ROOTED TO RISE



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**ROOTED IN EXPERIENCE AND DRIVEN BY OUR STRENGTHS, CREDILA FINANCIAL SERVICES LIMITED (CREDILA / THE COMPANY / WE) HAS ESTABLISHED ITSELF AS A LEADING PLAYER IN THE EDUCATION FINANCE LANDSCAPE, ENABLING INDIAN STUDENTS TO PURSUE HIGHER EDUCATION BOTH WITHIN THE COUNTRY AND OVERSEAS.**

### Disclaimer

“Credila Financial Services Limited is proposing, subject to receipt of requisite approvals, market conditions and other considerations, an initial public offering of its equity shares and has filed an Updated Draft Red Herring Prospectus - I dated June 26, 2025 (“UDRHP-I”) with the Securities and Exchange Board of India (“SEBI”). The UDRHP-I is available on our website at <https://www.credila.com/investor-relations> and on the websites of SEBI at [www.sebi.gov.in](http://www.sebi.gov.in), Axis Capital Limited at <https://www.axiscapital.co.in>, Citigroup Global Markets India Private Limited at [www.citigroup.com](http://www.citigroup.com), Goldman Sachs (India) Securities Private Limited at [www.goldmansachs.com](http://www.goldmansachs.com), IIFL Capital Services Limited (formerly known as IIFL Securities Limited) at [www.iiflcap.com](http://www.iiflcap.com), Jefferies India Private Limited at [www.jefferies.com](http://www.jefferies.com), respectively, as well as on the websites of the stock exchanges at [www.nseindia.com](http://www.nseindia.com) and [www.bseindia.com](http://www.bseindia.com), respectively. Any potential investors should note that investment in equity shares involves a high degree of risk. For further details, please refer to the Red Herring Prospectus, including the section titled “Risk Factors” of the Red Herring Prospectus, when made available. Potential investors should not rely on the UDRHP-I for any investment decision.”

Unless otherwise indicated, industry and market data used in this annual report has been derived from the report titled “Report on Education Financing Industry in India” dated June 26, 2025 (“Industry Report”), prepared and released by Redseer Strategy Consultants Private Limited (“Redseer”), which has been commissioned and paid for by our Company.

Ranking high across multiple industry parameters, we are guided by the mission to empower aspiring students to realise their dreams of higher education, with a vision to transform lives. According to the "Industry Report", higher education in India offers a large and growing opportunity, with education being a key priority for Indian households and a driver of social and economic mobility.

Our portfolio of higher education loans and a range of value-added services are designed to support our borrowers with their broader overseas education needs, beyond financing.

This milestone, pre initial public offering (IPO) annual report of Credila, is designed to give a deep insight into our business, our capabilities, our ambitions and our goals, as we rise to achieve new milestones of success in our journey of growth and value delivery.

# MESSAGE FROM THE CHAIRMAN'S DESK

Dear Shareholders,

We are pleased to present to you our annual report for this milestone year; one that marks a significant turning point in Credila's journey. As we prepare to take the Company public through an IPO, we do so with deep gratitude for the trust and support that has brought us here, and with a renewed sense of purpose for the road ahead.

Going public is not just a financial step forward, it is a strategic advancement and a symbolic affirmation of our growth story. At a balance sheet size of nearly ₹ 48,000 crore, Credila is poised to leverage the public markets to further strengthen its capital base and enhance transparency. We believe the IPO will mark not the culmination of a journey but the beginning of an exciting new one. It will reinforce our commitment to delivering holistic and inclusive, sustainable growth. It will pave the way for the start of a new chapter – one defined by enhanced transparency and wider ownership.

I am happy to share that, in addition to our already-listed debt instruments on the Bombay Stock Exchange (BSE), the Company's IPO-bound status marks another step forward.

**THE COUNTRY'S HEALTHY GROWTH WILL BE DRIVEN BY ITS LARGE YOUNG POPULATION (AGED 15-29 YEARS), RAPID URBANISATION, EXPANDING MIDDLE CLASS, AND ECONOMIC FORMALISATION.**

## STEERING THROUGH GLOBAL AND LOCAL COMPLEXITIES

The macro environment remains challenging, with moderate growth and persistent geopolitical tensions. These factors have contributed to a cautious economic outlook, with pressure on international mobility. Despite this backdrop, the Indian education loan sector retains structural demand drivers, such as an aspirant student base and continued interest in global education. On its part, India is poised to become the world's third-largest economy by calendar year (CY) 2028, with nominal gross domestic product (GDP) projected to reach ₹ 4,64,00,000 crore as inflation and repo rates stabilise.

The country's healthy growth will be driven by its large young population (aged 15-29 years), rapid urbanisation, expanding middle class, and economic formalisation.

The sustained growth in the education loans market is driven by an increase in outbound student mobility. In 2024, approximately 76% of Indian students pursuing overseas education opted for the United States (US), Canada, the United Kingdom (UK), or Australia as their top destinations. Meanwhile, countries such as Germany, the United Arab Emirates (UAE), Ireland and Singapore, are seeing significant growth in student numbers, driven by favourable policies, financial incentives, and career opportunities.

In a positive new trend, students in India are increasingly viewing education loans as an enabler of global career aspirations rather than just a financial necessity. This shift is propelling growth for the education loan market, which is increasingly focused on innovation, flexibility, and ecosystem partnerships to support students through their education journey.

## POISED FOR CONTINUED GROWTH

India's overall education market, sized at approximately ₹ 19,18,600 crore in CY24, is projected to grow at a Compound Annual Growth Rate (CAGR) of 11-13% between CY24 and CY29, driven primarily by increasing demand for higher education. The overseas education segment accounts for ~18% of India's education market, valued at ₹ 3,42,200 crore in CY24. It is expected to reach ₹ 7,50,000 - 8,00,000 crore by 2029 (17-19% CAGR from CY24 to CY29).

The growing demand is driven by aspirations for better-quality education, supportive immigration policies, and the pursuit of an improved standard of living. In doing so, students also equip themselves with globally relevant skill sets that enhance their career prospects and enable long-term socio-economic mobility. Factors such as global talent shortages, increased international student intake, a maturing education ecosystem, and the wider availability of overseas financing are further fuelling this trend. However, for many Indian students, access to funding remains a significant barrier, thereby underscoring the critical need for dedicated and reliable education financing solutions. Despite this need, loan penetration for overseas education remained low at 10.5% in CY24, indicating significant room for growth.

These expansive opportunities are paving the way for NBFC lenders, which are outpacing banks in the education loans sector, to grow their presence, particularly among the

largely underserved low- and middle-income population. Given the evolving market structure, education-focused specialist non-banking financial company (NBFCs) have a competitive edge due to their sharper focus, deeper market insights, and stronger presence within the education ecosystem. NBFCs in India are projected to account for 53-55% of the market share of the outstanding overseas education loans\* market - up from 44% in CY24, and estimated to reach approximately ₹ 3,00,000 - 3,50,000 crore by CY29.

This augurs well for Credila, which has built on its first mover advantage to create an innovation-led, customer-centric business model, designed to keep pace with the evolving trends and the growing market demand.

## PRIMED FOR STRATEGIC EXPANSION

Credila remains at the forefront of growth for the Indian overseas education loan market. The Company has successfully maintained a strong growth momentum on the back of its agile business model and diversification amid the evolving global political environment, including policy changes in large markets such as the US and Canada. Credila, as the fastest-growing education-focused NBFC in India, is primed to maximise its inherent potential to capitalise on the emerging opportunities.

As we stand at the cusp of an exciting new chapter, we are ready to evolve into a wider, more inclusive company, with broader ownership and deeper accountability. We shall continue to be guided by our values and committed to creating impact, both financial and social, through every loan we disburse and every student we support.

On behalf of the entire team at Credila, I thank you for your continued trust and belief in our mission. We look forward to welcoming you into the next phase of our story – one driven by purpose, integrity, and ambition.

Best regards,

**Damodarannair Sundaram**  
Chairman

*\*Outstanding overseas education loans - NBFCs, banks and the rest of industry*

# MESSAGE FROM THE MD's DESK

Dear Shareholders,

Financial Year (FY) 2025 marked our Company's first full year of operations as an independent entity outside the HDFC Group. It was a year of macroeconomic uncertainty, evolving visa norms, and shifting global dynamics. Yet, we stayed true to who we are – adapting, accelerating, and advancing our mission of empowering aspiring students to realise their dreams of higher education. As we ready ourselves for an IPO, we do so not as a company chasing scale, but as a purpose-driven institution built on years of experience, insight, and integrity. The IPO is not just a financial milestone – it is a reaffirmation of our roots and a leap towards what lies ahead.

This year's annual report theme - Rooted to Rise - is more than a reflection of where we stand. It encapsulates who we are and how we aspire to grow. We are rooted in the belief that every aspiring student deserves access to quality education. This conviction has shaped our purpose since inception, guiding our decisions, grounding our culture, and leading to the disbursement of over 2,26,000 education loans. We strive to rise to meet the evolving education financing needs of students, to embrace innovation, to grow responsibly, and to scale our impact. This duality of being

firmly grounded in purpose while pursuing progress is what enables Credila to remain competitive in an increasingly dynamic market.

## INVESTING IN ADVANCED TECHNOLOGIES

Our investments in technology emerged as a key enabler of our performance excellence during the past financial year. We strengthened our in-house technology function by building core capabilities, gaining expertise across product design, system architecture delivery management, and engineering talent. To address the concern of technology obsolescence while continuing to ensure system scalability, we built and rolled out robust loan origination and loan management systems pan-India. As part of our commitment to delivering a better customer experience and achieving our First Time Right (FTR) and Turn Around Time (TAT) objectives, we have initiated the development of GenAI-powered workflows.

These strategic investments are thoughtfully aligned with the evolving dynamics of India's student loan ecosystem, which is shaped by rising aspirations for global education, regulatory reforms, and enhanced collaboration between stakeholders.

Our technology investments are geared toward faster turnaround and better customer experience, while also fortifying our security framework.

## EXPANDING OUR MARKET FOOTPRINT

At the heart of our sustained growth lies our nimble and geographically adaptable operating model, which has helped us mitigate risks while enabling sustained support to students with the study destinations of their choice. Driven by the aim to be the financing partner for students across diverse programmes and geographies, we have strategically focused on expanding our presence across both international education destinations and domestic regions within India that represent untapped potential.

Over the past few years, we have observed a growing interest among Indian students in studying in countries such as Germany, Ireland, the UAE and Singapore, driven by factors such as high-quality education providers, immigration-friendly policies, and improved employment opportunities. Consequently, Credila has sharpened its focus on these emerging destinations, while continuing to serve established markets like the US, Canada, the UK and Australia.

Our long-term strategy is to explore the entire education ecosystem for various opportunities. We are also actively looking at inorganic opportunities within the education ecosystem.

## STRENGTHENING SUSTAINABILITY INITIATIVES

As a responsible organisation, Credila has adopted a community-centric strategic approach aimed at the socio-economic empowerment of people from the economically weaker sections (EWS) of society. From FY23 to FY25, Credila disbursed education loans to over 69,000 EWS students (including over 23,000 female students), thus enabling wider access to quality education. During the same period, we also funded over 60,000 students from non-urban backgrounds. These numbers underscore our strong commitment to inclusive societal development.

FY25 marked a significant scale-up of this commitment with the launch of the social financing framework, further augmenting our social outreach.

## CHARTING THE PATH FORWARD

The outlook for the education loan industry remains promising, both in the immediate term and over the longer horizon. We expect promising momentum in demand, driven by a convergence of several key macro and demographic factors:

- A continually rising number of Indian students pursuing overseas education
- Favourable global visa and work policies
- Increasing awareness and acceptability of formal education financing

As one of India's largest education loan-focused NBFCs and an industry leader, Credila is well placed to capitalise on this demand momentum. Over the next few years, we aim to drive growth in our education loan book, expand our footprint in Tier 2 and Tier 3 cities, and reduce turnaround time through digital-led efficiencies. Financially, we are targeting strong Assets Under Management (AUM) growth and stable Net Interest Margin (NIM), while sustaining our industry leading Gross Non-performing Assets (GNPA) levels, and maintaining a robust capital adequacy ratio. We also aim to strengthen our environmental, social and governance (ESG) focus by promoting financial inclusion through increased disbursements to marginalised and/or female students, while achieving near-complete digital onboarding.

Setting these targets demonstrates our commitment to profitable growth, inclusive impact, and transparent governance – all critical for stakeholder confidence, particularly as the Company transitions into a listed entity. We are confident that this transition will power Credila's rise to greater success and transform the lives of countless students. The deep-rooted values around which we have built Credila's robust foundations will enable the Company to flourish and drive long-term sustainable growth and sustained stakeholder value creation.

Best regards,

**Arijit Sanyal**  
Managing Director & CEO

**THIS YEAR'S ANNUAL REPORT THEME - ROOTED TO RISE - IS MORE THAN A REFLECTION OF WHERE WE STAND. IT ENCAPSULATES WHO WE ARE AND HOW WE ASPIRE TO GROW. WE ARE ROOTED IN THE BELIEF THAT EVERY ASPIRING STUDENT DESERVES ACCESS TO QUALITY EDUCATION.**



# ROOTED IN PURPOSE, RISING WITH RESOLVE

As the first NBFC in India to specialise in education loans, we hold a first-mover advantage and domain expertise. We have been making education loans accessible to Indian students pursuing higher education in India and overseas since 2006.

## OUR RISING TRAJECTORY

### FIRST AND LARGEST

education-focused NBFC in India, with net loans of ₹ 41,469.31 crore as of March 31, 2025

### LARGEST

distribution network (comprising Direct Selling Agent (DSAs), aggregators, counsellors and financial institutions) among education-focused NBFCs in India, with 1,095 distribution channels as of March 31, 2024. This number has further increased to 1,672 as of March 31, 2025

### LOWEST

gross stage 3 assets of 0.19% among education-focused NBFCs in India, as of March 31, 2025

### FASTEST

growing education-focused NBFC in India with a CAGR of 64.96% in net loans between FY23 and FY25

### HIGHEST

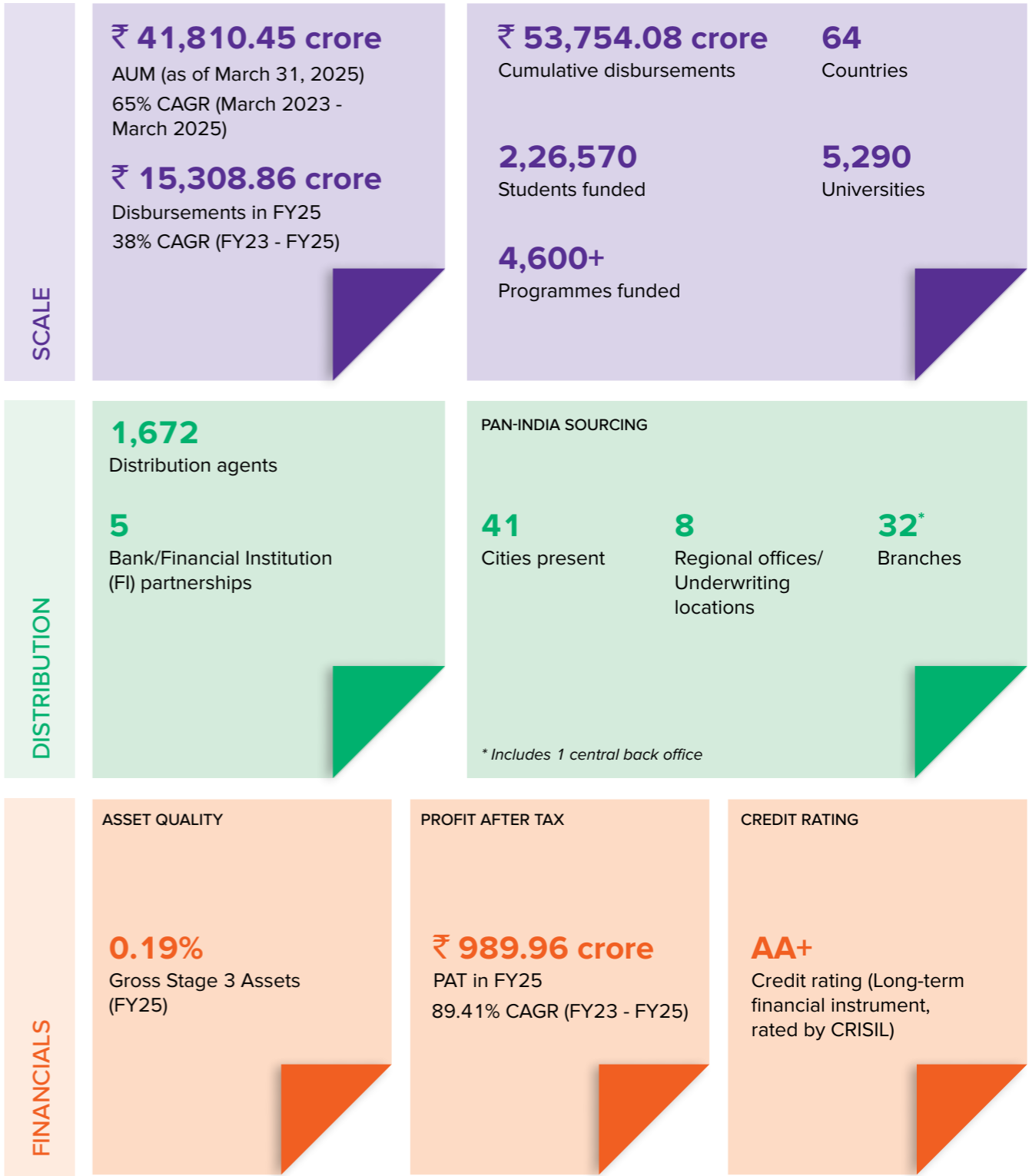
profit after tax (PAT) of ₹ 989.96 crore for FY25 among education-focused NBFCs in India; and the **HIGHEST** disbursements of ₹ 15,308.86 crore for FY25 among education-focused NBFCs in India

### LOWEST

cost-to-income ratio of 19.65% for FY25, among education-focused NBFCs in India

### EDUCATION

focused NBFCs in India currently comprise of three companies, including Credila



\*All numbers are as of March 31, 2025, unless otherwise stated.

Credila has robust underwriting expertise and a diverse database of student borrowers. Over the years, we have enhanced customer experiences and aim to further widen our reach and derive greater operational efficiencies by making investments to automate our student loan ecosystem.

## WHAT WE DO

### PRIMARY OFFERINGS

Education loans to students pursuing master's programmes in the science, technology, engineering and mathematics (STEM) domain, master's in business administration (MBA), undergraduate (UG) programmes, and students enrolled in diploma programmes, professional degrees, certificate courses, and executive and technical programmes

### VALUE-ADDED SERVICES

Include life, travel and general insurance products, foreign exchange services, domestic savings account services, international checking account facilitation services, assistance with student accommodation, and guaranteed investment certifications, provided through engagements with external service providers and designed to support our borrowers with their broader overseas education needs beyond financing



As of March 31, 2025, our entire loan portfolio comprises retail education loans, with 94.65% of our AUM linked to students pursuing overseas education and the remaining 5.35% to those studying within India



Registered as a non-deposit taking middle layer NBFC with the Reserve Bank of India (RBI) focusing on offering education loans to Indian students, our mission is to empower aspiring students to realise their dreams of higher education, with a vision to transform lives.

64

Countries in which our borrowers are studying (as of March 31, 2025)

₹ 35.86 lakh

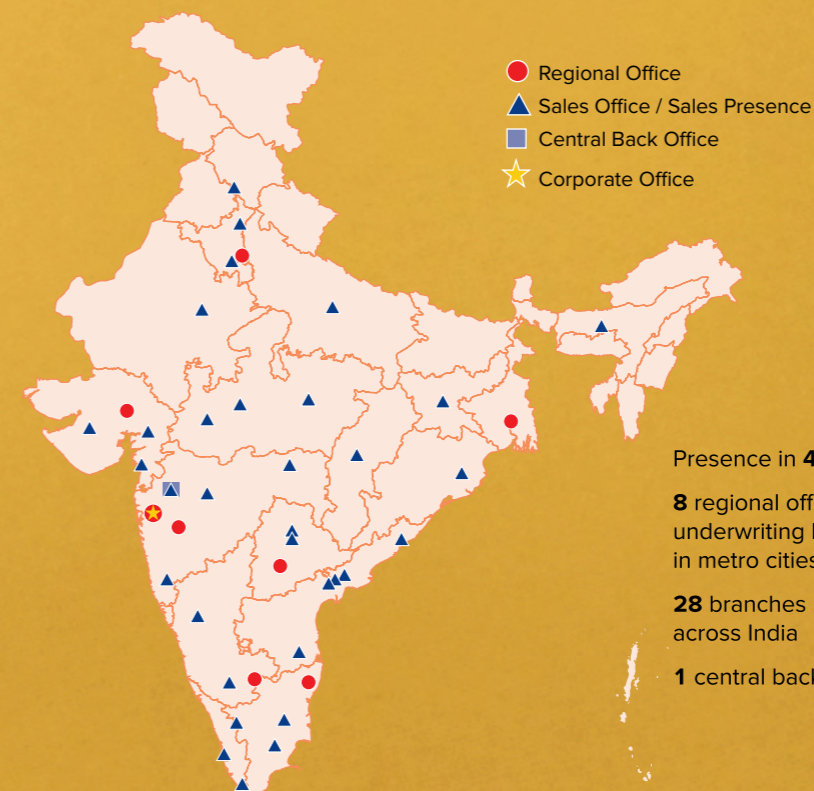
Average sanctioned ticket size of our secured and unsecured loans (During FY25)

10-15 years

Tenure of our loans

### PAN-INDIA PRESENCE

We have a pan-India presence with a large and omni-channel distribution network. Our growing presence equips us to serve an expansive and diverse pool of borrowers.



Presence in 41 cities

8 regional office/underwriting locations in metro cities

28 branches across India

1 central back office

### ROBUST CREDIT RATINGS

We currently have a credit rating of AA+ from CRISIL, and AA from CARE and ICRA for our long-term financial instruments. This is the highest among our peers (which are education-focused NBFCs), and reflective of our strong business model, robust asset quality, and sound capitalisation.

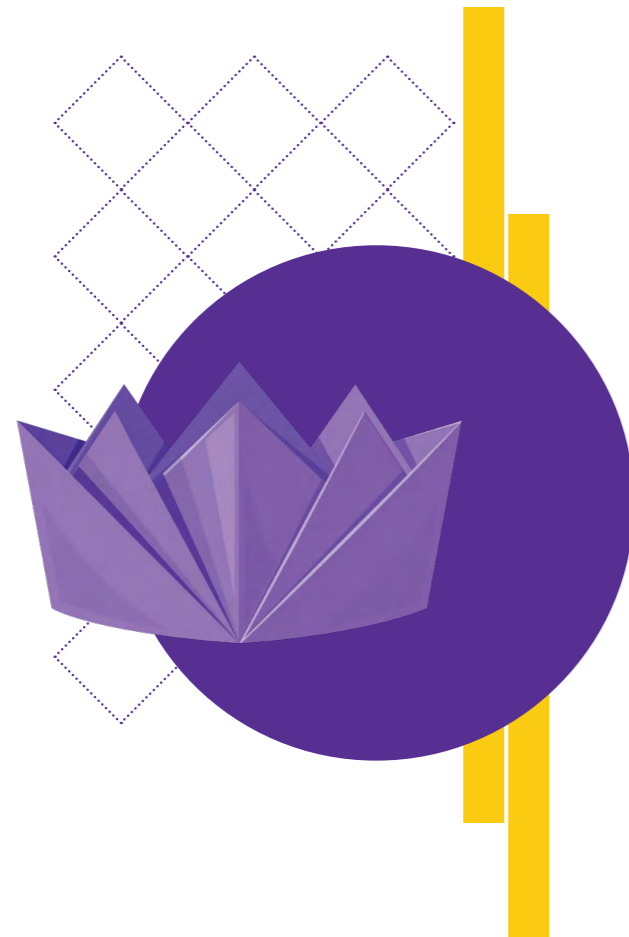
# MILESTONES THAT SHAPE OUR LEGACY



**Note:**

HDFC Limited\* amalgamated into HDFC Bank Limited in June 2023

# KEY AWARDS AND RECOGNITIONS



## 2022

- Conferred with the 'Gold' award at the CSR Times Awards organised by the CSR Times
- Conferred with the 'Silver' award at the CSR Awards organised by the CSR Times
- Awarded 'Runner-up 2' for excellence in supporting education and skill at the CSR & Sustainability Summit & Awards for 2022, organised by ASSOCHAM

## 2023

- Awarded as the winner of the 'India CSR Leadership Award (large impact)' at the 2<sup>nd</sup> India ESG Summit & India CSR Awards in recognition of our notable accomplishments in the field of education
- Awarded 'Best Newcomer to CSR' at the best CSR practices awards organised by CMO Asia Pacific



## 2024

- Won the "Innovation in Digital Lending" award at NBFC100 Leader of Excellence Awards organised by Elets Technomedia & Elets
- Awarded the "Best Mid-sized NBFC" at Mint BFSI Summit & Awards organised by Mint

## 2025

- Our \$512 million social loan facility won the "Best Social Loan – Education" in India award at the Asset Triple A Awards for Sustainable Finance 2025 – South Asia
- Won the "Rising Star in CSR" award at the 13<sup>th</sup> edition of the Corporate Social Responsibility Summit and Awards 2025 organised by UBS Forums (Above is a glimpse from the felicitation ceremony)

## ROOTED IN POSSIBILITIES, RISING WITH INTENT

To harness possibilities is to believe in the potential of the future. As aspirations rise across India, so does the demand for higher education, as a gateway to opportunity, mobility, and self-determination. The education finance industry is expanding in response, offering new opportunities for students to realise their potential. At Credila, we see these possibilities not just as trends, but as a call to action, to stand firmly by students and enable their journeys with unwavering resolve and a shared sense of purpose.

With a 71% CAGR growth between FY21 and FY24, the education loan market has emerged as the fastest-growing market within NBFC retail credit in India, outpacing other major loan products during this period.

The overseas education market has been experiencing significant growth and is estimated to have reached ₹ 3,42,200 crore. By CY29, it is expected to reach ₹ 7,50,000-8,00,000 crore, reflecting a CAGR of 17-19% between the CY24 and CY29 period.



**The education market in India (including both overseas and domestic) was estimated to be ₹ 19,18,600 crore in CY24, and is projected to grow at a CAGR of 10-12% between CY24 and CY29.**



The immense potential of the Indian education loan segment is evident in its remarkable growth trajectory, underpinned by rising demand for higher education and improved penetration of education financing solutions.

### THE GROWTH DRIVERS

Aspirations for quality higher education

Access to globally recognised academic programmes

Increasing dependence by universities and colleges worldwide on international students to address declining domestic enrolments and supplement their revenue streams

Wider range of career prospects as an outcome of the above

Ageing populations in developed countries, leading to growing reliance on international students to support labour markets

Historically, the US, Canada, the UK and Australia have been the preferred destinations for Indian students. However, recent years have seen a growing interest among Indian students to study in other developed countries, such as Germany and Ireland, driven by their high-quality educational institutions, immigration-friendly policies, and improved employment opportunities.



# ROOTED IN FOUNDATION, RISING WITH STRENGTH

Organisational strength is a critical enabler of a company's ability to capitalise on emerging opportunities. Sustained investment in building a strong foundation equips an organisation to fuel growth, even amid market disruptions. At Credila, we have cultivated a resilient core of diversified capabilities that position us to make the most of the accelerating momentum in the education loan sector. Our growth strategy is anchored in a well-diversified education financing model and a purposefully distributed loan portfolio.

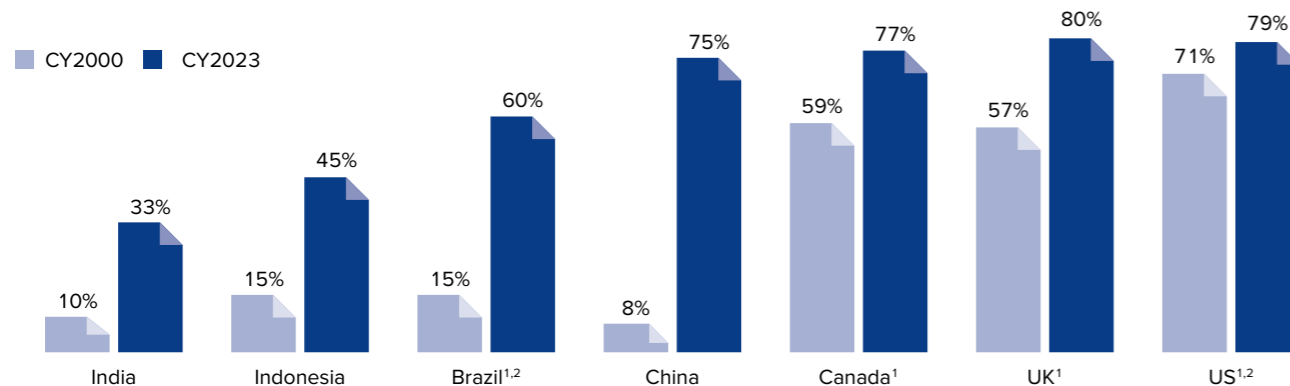
## ENABLERS OF OUR PERFORMANCE

### Established presence in a large and expanding education loan market in India

The Indian education market (overseas and domestic) was valued at ~ ₹ 19,18,600 crore in 2024 and is expected to grow at a CAGR of 10-12%, driven primarily by the higher education segment. India's Gross Enrolment Ratio (GER\*) in higher education remains comparatively low when measured against other major economies,

indicating significant untapped potential within the sector. India also had the highest number of higher education graduates, approximately 1.07 crore in FY22 as compared to other countries such as China (56 lakh), the US (41 lakh), the UK (9 lakh), Canada (6 lakh), and Australia (3 lakh) as of CY22. The country's sizeable English-speaking population further amplifies this growth opportunity. With a strong presence and proven track record in India's expanding education loan market, Credila is well-positioned to capitalise on this emerging demand.

### Gross Enrolment Ratio<sup>3,4</sup> – Higher Education<sup>5</sup> (%, CY2000 and CY2023) (unless specified in the notes)



Note(s):

1. Data for Canada, the UK, Brazil and the US as of CY22 instead of CY23
2. Data for the US and Brazil as of CY1999 instead of CY2000
3. GER is defined as the % of students enrolled in tertiary education divided by the total population aged 18-23 who are eligible for tertiary education enrolment after completion of school
4. GER does not include students studying overseas
5. Indicates tertiary school enrolments

\*GER is a statistical measure that indicates the total number of students enrolled in a specific level of education, regardless of age, expressed as a percentage of the official school-age population for that level

## Domain expertise in the higher education segment

As India's first, largest, and fastest-growing NBFC dedicated to education loans, Credila holds the distinction of being the longest-serving player in the sector. Our focused and sustained presence reflects our deep commitment to higher education and equips us to effectively address the evolving aspirations of students across the country.

## Expansive, omni-channel, asset-light distribution network

Our pan-India omni-channel and asset-light distribution network comprises distribution agents, banks and financial institutions as well as direct channels (including digital leads and referrals). Within our distribution network, we work with overseas education consultants, test preparation centres, examination tutoring service providers, direct selling agents, and education fair organisers, who have access to a large pool of potential borrowers.

As of March 31, 2025, our reach extends to 41 cities, supported by 1,672 distribution agents who enhance our branch network and provide end-to-end support to students.

## High asset quality loan portfolio built through specialised underwriting

Our differentiated approach to underwriting is underpinned by proprietary data and risk-based pricing. It has resulted in a high asset quality loan portfolio across multiple credit cycles. Our extensive experience in both the overseas and Indian education markets support this approach. Our credit team has significant expertise in education loans, with a strong understanding of market dynamics, regulatory requirements, borrower preferences, and evolving industry trends.

## Robust risk management framework supported by technology & data analytics

Our comprehensive risk management framework equips us to effectively identify, assess, mitigate, and monitor the various risks arising from our business activities. The framework covers key enterprise risks, including:

- Credit risks
- Financial risks
- Operational (including information security) risks

We are regularly investing in promoting specialisation and accountability within our risk management team. We leverage technology and data analytics across our operations through a series of focused initiatives as part of our risk mitigation process.

## Well-funded and diversified liability profile with conservative and prudent approach to asset-liability management

Our liability profile is designed to give access to a broad spectrum of funding at competitive costs and helps us maintain a high level of liquidity. We follow a conservative approach to asset-liability management, aiming to closely align the tenor of our assets and liabilities.

Our current credit ratings, higher than those of a number of peers, have been achieved as a standalone entity, subsequent to the change of control of our Company from HDFC Bank Limited to a member of the EQT Group in March 2024. This underscores the inherent robustness of our business model.

## Leadership backed by expertise, governance, and capital strength

The multifaceted skill set of our Board of Directors ensures diversity of perspective, leadership and oversight



**As of March 31, 2025, over 91.98% of our AUM was attributable to loans with earning co-borrowers. This has helped us maintain superior asset quality and ensure stability despite fluctuations in job markets.**

throughout the breadth of our business. A structured retention and reward framework helps foster employee commitment and drives alignment with the Company's long-term vision.

Our institutional shareholders include HDFC Bank Limited and HDFC Life Insurance Company Limited, along with a member of the EQT Group, affiliates of ChrysCapital and Shinhan Bank, a South Korean financial institution. We benefit from their capital sponsorship and professional experience. Their support has been key to our growth and their expertise and guidance have contributed to the formation of a robust capital base, positioning us for continued growth and success in our operations.

Our association with the HDFC Group for 14 years has shaped our business ethos and governance standards, which continue to define our business principles.

# ROOTED IN INNOVATION, RISING WITH EFFICIENCY

Innovation is a powerful engine that drives organisational growth in the contemporary business environment. Automation and digitalisation have emerged as essential tools to help companies remain competitive and become future-ready amid business complexities. Adoption of cutting-edge solutions not only enhances resource and process efficiency but also helps in reducing the turnaround time. This aids in tailoring education loan solutions suited to the needs of students, aligned to their socio-economic profiles.



At Credila, we have integrated our technology strategy into our business model. This approach has empowered us to stay competitive, improve our distribution capabilities, optimise costs, and enhance customer experience. We leverage technology and data analytics across our operations through a range of completed and ongoing initiatives. Over the years, we have launched several digital initiatives to enhance efficiency and customer experience. Our in-house Loan Origination System (LOS) has streamlined the loan process, while features like digital document validation, DigiLocker-based onboarding, and a self-service portal have enabled smoother, more intuitive user journeys.

### TECHNOLOGY TARGET OPERATING MODEL

Our operating model is designed to drive tighter alignment with business objectives and accelerate execution. Our in-house capability brings together core engineering, product development and tech-infra expertise, while our strategic partners provide us with sustained scalable support.



**As of March 31, 2025, our in-house teams across engineering, product and infrastructure functions grew to 45 members, marking a nearly 50% increase as compared to March 31, 2024. This growth underscores our strengthened capacity for innovation and execution.**

### LOAN ORIGATION SYSTEM

Our transition to a new, custom-built LOS, using advanced analytics, is aimed at equipping us to efficaciously meet the specific requirements of the education loan market.

#### LOS Benefits

**30%**

Reduction in prospect-to-sanction turnaround times

**50%**

Reduction in disbursement turnaround times

#### LOS Impact (As of April 30, 2025)

**91,000**

Logins

**31,370**

Sanctions

**15,000**

Disbursements aggregating to more than ₹ 3,500 crore in loan value

### DATA LAKE

Our data lake serves as a centralised repository of all structured and unstructured data. It helps provide insights into the entire loan lifecycle – from lead generation to disbursement to servicing. It also helps us better comprehend ancillary data such as vendor reports, timestamps and associated costs. It fuels our advanced analytics and artificial intelligence capabilities.

### DATA VISUALISATION & INSIGHTS

A business intelligence tool, built using Power BI, helps us transform data into interactive visualisations and reports, connecting to multiple data sources for real-time insights. This equips us effectively to make data-driven decisions, optimise operations, and take proactive actions to drive growth and efficiency.

### LOAN MANAGEMENT SYSTEM & CORE FINANCIAL SERVICES SOLUTION

To enhance loan servicing and to comply with regulatory requirements, we have implemented a new Loan Management

System (LMS). Our LMS is tailored for efficient loan accounting and servicing, enabling us to scale our operations as our loan portfolio grows.

### GENERATIVE AI FOR SMARTER OPERATIONS

We have made significant strides in leveraging Generative AI to enhance efficiency and strengthen risk controls. Proofs of concept were successfully completed for two key use cases, viz. Smart Application Filing and Fraud Detection. The former automates data extraction and validation from customer documents, while the latter flags anomalies in applicant data to pre-empt potential risks. Both solutions have shown promising results and are now nearing launch. We have identified further opportunities to leverage Generative AI across multiple workflows. These include lead sourcing, lead management, and in the domain of support functions. These use cases are currently at various stages of exploration and integration within our loan processing journey.

### OTHER INITIATIVES

#### Use of digital channels

We use our website (which we refreshed and relaunched under the 'Credila' brand in FY25) and social media platforms to improve customer engagement and outreach.

#### Robust information technology (IT) governance framework

Our IT governance framework ensures compliance with regulatory requirements and helps us manage risks effectively. Our cyber crisis management plan outlines the roles and responsibilities, communication channels, and action plans for responding to cyber incidents. We have also constituted an IT Strategy Committee of the Board and two Internal Committees (IT Steering Committee and Information Security Committee), for governance and oversight of the various projects, processes, policies and initiatives related to information technology and information security domains.

## ROOTED IN CUSTOMER-CENTRICITY, RISING WITH TRUST

Given the nature of our business, customer-centricity lies at the core of everything we do. Our success depends on our ability to offer loan products tailored to meet the distinct needs of the customer. It necessitates a dedicated and seamless approach towards customer engagement. We strive to uphold excellence in service delivery for all our borrowers.

Our wide, diversified and elaborate distribution network across India comprises:

Own branches

Direct sales agents

Online channels

Third-party referrals from distribution agents, counsellors, financial institutions and test preparation centres



We maintain regular communication and engagement with our customers throughout the loan life cycle via various modes, such as e-mail, SMS, calls, webinars, newsletters and social media. We conduct financial literacy and career guidance sessions for both prospective students and customers.

Our suite of products and repayment options are designed to cater to the specific needs of customers, while our online loan application and management tools ensure speed, transparency, convenience and accessibility.

### DELIVERING SERVICE EXCELLENCE

A dedicated and trained customer service team is equipped to handle customer queries, complaints, and feedback. The team provides post-disbursement support to our borrowers through multiple channels, including a toll-free number and e-mail. In addition to the various digital channels, our customer service executives also meet our walk-in customers at our hub locations.

### MEASURING CUSTOMER SATISFACTION

We measure and track customer satisfaction and loyalty post disbursement, through various

parameters, such as our net promoter score and customer satisfaction score. We also conduct periodic customer surveys and feedback sessions to understand customer needs, preferences and expectations, and to identify areas of improvement and innovation.

### ADDRESSING CUSTOMER GRIEVANCES

In compliance with regulatory guidelines, we follow a three-tier grievance redressal mechanism that includes e-mail support, a designated Grievance Redressal Officer, and a dedicated phone line, details of which are made available on our website. In line with RBI's Internal Ombudsman (IO)

framework, we have appointed an IO to ensure that borrower grievances are addressed fairly. In case of unresolved grievances or continuing disputes, the complainants are redirected to the RBI Ombudsman, in accordance with the applicable RBI Master Directions.

The Board of Directors periodically reviews compliance of the Company's grievance redressal procedures, as per applicable RBI guidelines. A consolidated report of such reviews is submitted to the Board at quarterly intervals, together with the IO's report.

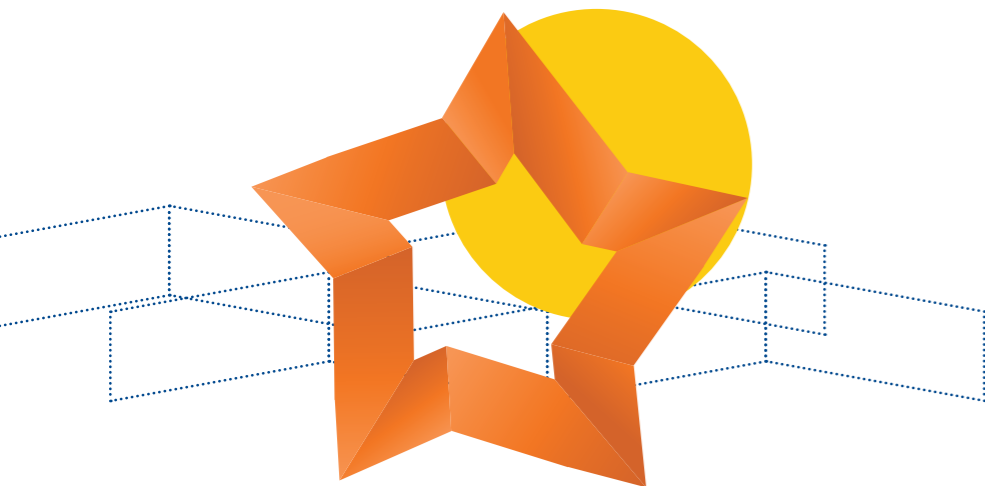


# ROOTED IN OUTREACH, RISING THROUGH SCALE

The scale of a brand is an indicator of its strength and the trust it commands over a period of time. At Credila, we view scale to be an all-encompassing proposition, covering a range of key brand metrics – across marketing, distribution and sourcing. The ‘Credila’ brand epitomises trust, reliability, transparency, and customer-centricity. We have operated under this brand name singularly since our incorporation in 2006, except from February 19, 2017, to October 21, 2024 when it was used in tandem with the “HDFC” name.



**Targeted investments and focused strategic initiatives have consistently strengthened the Credila brand, positioning us as the preferred partner for aspirational students pursuing brighter futures.**



## EFFECTIVE MARKETING OUTREACH

We work closely with our distribution agents on joint marketing efforts to attract prospective students. We undertake tailored marketing campaigns and events to boost student awareness and enrolment.

These initiatives include co-branded promotional materials, webinars, and participation in international student fairs, which are often hosted by universities, distribution agents, and marketing agencies. These events provide direct access to prospective students, helping us foster brand recognition at key decision-making stages in their overseas education journey. In addition, these initiatives allow our distribution agents to leverage our service offerings to grow their client base.

## OMNI-CHANNEL DISTRIBUTION NETWORK

Our omni-channel distribution network is crafted to effectively and seamlessly present our education loan offerings. We also leverage the widespread network of bank branches with whom we have active sourcing arrangements, to generate leads for us.

We utilise digital channels to enhance our visibility and collaborate with aggregators to expand our digital reach. A dedicated team of sales professionals provides end-to-end support to our borrowers – from documentation,

verification, sanction and disbursement to post-disbursement services.

Our network of offices and branches complements and supports our online direct distribution channels. These channels enable us to target prospective borrowers through our marketing initiatives, following which applicants can seamlessly complete their loan applications online. Our direct sales teams also conduct regular visits to educational institutions, distribution agents, counsellors and test preparation

centres to generate leads and awareness about our offerings.

We receive referrals from our existing and past customers, who recommend our products and services to their friends and family. We also receive referrals from our employees, who share leads from their personal and professional networks. We have a customer satisfaction and referral incentive programme in place to encourage and reward referrals.

As of March 31, 2025

**861**

Full-time sales employees (on-roll and off-roll)

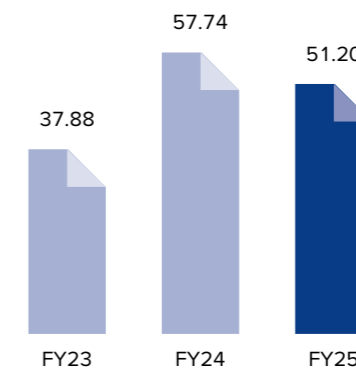
**1,672**

Distribution agents

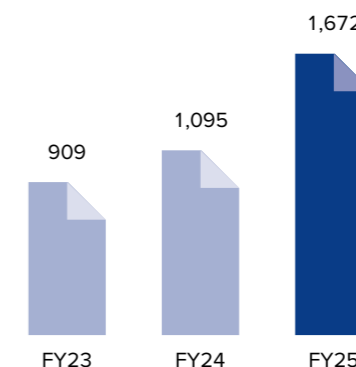
**5+ years**

Association of 33% of the 100+ largest distribution agents in terms of disbursements

## Disbursements per sales employee (₹ in crore)



## Active distribution agents (count)



## COLLABORATIVE NETWORK EXPANSION

We support the network expansion efforts of our distribution agents through comprehensive training programmes, guidance on industry best practices, and collaboration on creating marketing content to maximise reach. We organise regular webinars to connect students and distribution agents, aiming to raise awareness on international higher education opportunities and relevant financing options. To reinforce trust and ensure long-term collaboration while supporting healthy cash flows, we prioritise the timely payment of commissions to our distribution agents.

# ROOTED IN PERFORMANCE, RISING WITH IMPACT

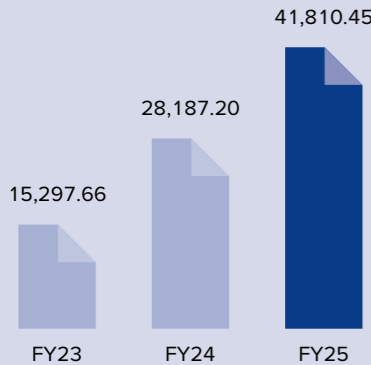
Our sustained business performance reflects the resilience of our model, the growing relevance of our offerings, and our disciplined execution. In FY25, our financial results underscored the impact we continue to create at scale. As we grow, these performance milestones will further fuel our broader impact on individuals, families, and the education ecosystem.



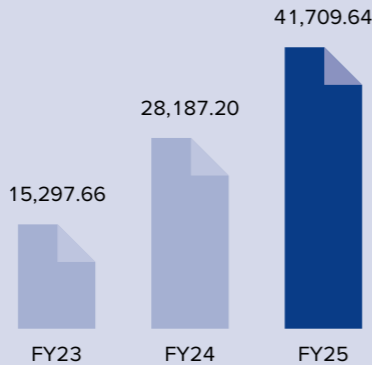
## FY25 PERFORMANCE

Led by robust financial discipline and strategic execution, we delivered a positive performance during FY25 across all the key performance metrics.

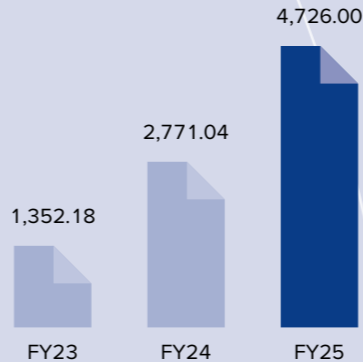
**AUM\*** (₹ in crore)



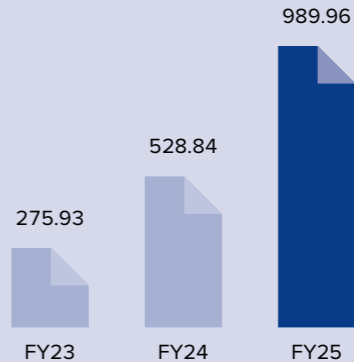
**Total Gross Loans\*\*** (₹ in crore)



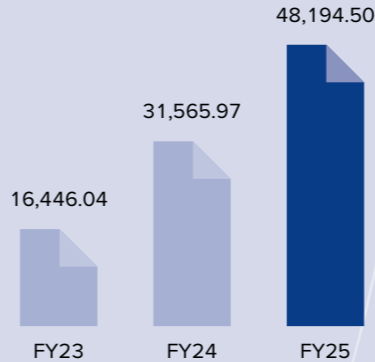
**Total Income** (₹ in crore)



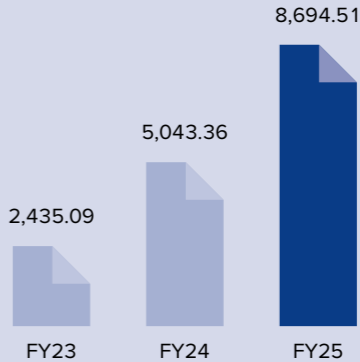
**Net Profit After Tax** (₹ in crore)



**Total Assets** (₹ in crore)



**Net Worth\*\*\*** (₹ in crore)



\* AUM is the aggregate amount of Gross Loans and assigned loan assets, which represents the aggregate amount of off-book loan assets that have been transferred by way of assignment as of the last day of the specified year.

\*\* Total Gross Loans represent aggregate of loan receivables (including overdue) from the borrowers before considering impairment allowances as on the last day of the relevant year.

\*\*\* Net worth means aggregate of equity share capital and other equity as at the end of the year.

# ROOTED IN AGILITY, RISING TOWARD THE FUTURE

Our core capabilities have consistently driven our business growth and value creation. This has enabled us to embrace future possibilities with agility and confidence. Guided by these capabilities, we have developed a clear and strategic roadmap, focused on all the key drivers of our growth and expansion journey – including both organic and inorganic opportunities.

## CONTINUE TO GROW EXISTING BUSINESS

As we continue to scale our operations, our focus will be on leveraging our growing student borrower base and its evolving needs. Our efforts will be aimed at strengthening and expanding our coverage of universities and courses globally.

## EXPAND AND DIVERSIFY DISTRIBUTION NETWORK

Our efforts to expand and diversify our distribution network are focused around:

Widening our third-party distribution network

Strengthening existing school and college tie-ups

Launching scholarship programmes

Expanding presence beyond tier 1 cities

Accelerating digital acquisition

## LEVERAGE TECHNOLOGY TO OPTIMISE, AUTOMATE & DIGITISE PROCESSES

We have made several strategic investments to further automate and digitise our student loan ecosystem, derive greater operational efficiencies, and enhance customer experience.

**Sourcing:** We aim to develop an optimised algorithm that ensures more effective lead allocation. Our focus is to build an algorithm that assigns leads based on sales managers' proven strengths, informed by closure history, applicant behaviour and education loan market dynamics.

**Credit Risk Scorecard:** We are in the process of recalibrating and enhancing our credit risk scorecard model to utilise data and analytics to score and rank all logged-in applications based on their risk profile. Through this model, we expect reduced dependency on manual input during the appraisal journey and provide faster and more consistent risk-based decision-making.

**Data-Driven Collection Management Solution:** We have implemented a data-driven collections analytics platform to improve the efficiency and effectiveness of our collections process. This platform integrates cloud-based telephony, standardised call outcomes, automated payment reminders by SMS or e-mail, and analytics-driven strategies based on customer behaviour, risk profiles, and recovery potential.

**Generative Artificial Intelligence-Powered Automation:** We are focused on implementing 'smart' application form filling and automated document verification, to reduce the time and effort required for loan application submission and processing. We have also identified other opportunities to apply generative artificial intelligence (AI) across our workflows, such as lead sourcing and management, fraud detection, and use cases for support functions.

**Automated Decisioning:** We aim to implement an automated approval process to facilitate faster approvals for highly creditworthy applications while also declining applications in a streamlined manner. In this regard, we have also implemented a straight-through-processing rejection (STP-R) system during FY25.

for our counsellors and aggregators, a customer relationship management system to enhance our borrower journeys, and a mobile application for our borrowers. We are continuously refining our expected credit loss (ECL) model and augmenting our ECL provisions to reflect the shifting risk profile of our portfolio.

## MAINTAIN AND FURTHER ENHANCE OUR LIABILITY PROFILE

We aim to strengthen our credit rating and reputation by maintaining adequate capital and liquidity buffers. We also aim to explore new and innovative financing instruments and platforms, such as green bonds, social bonds and digital platforms, to tap into new sources of funding and align with our sustainability goals. We are focused on continuing to optimise our financing mix and cost by balancing our reliance on bank borrowings, non-convertible debentures, along with other sources of funds, and by taking advantage of market opportunities and interest rate movements. We continue to enhance our treasury and cash management capabilities by improving our forecasting, monitoring, and reporting systems by leveraging best-in-class technology platforms.

To better augment our underwriting assessment as well as better understand and support the career progression and financial stability of our borrowers, we are developing a machine learning model that will leverage data and analytics to estimate the starting salary of our borrowers on completion of their course of study. Moreover, we are actively exploring opportunities to diversify our funding sources, expand our product portfolio, and leverage technological advancements in lending. We are additionally focusing on developing a range of technology solutions, including a web-based portal

# ROOTED IN PEOPLE, RISING WITH COLLABORATION

Our people are one of our greatest assets, driving sustainable and long-term growth. We are committed to fostering their development and career progression by cultivating a culture of inclusivity and learning, while prioritising wellness, fairness, and a supportive work environment.

Our employee initiatives are centred around career development, and include regulatory training, professional growth and wellness programmes. The 'Credila Excellence Awards' celebrate exceptional employee contributions, and our employee wellness programmes promote mental and physical health through yoga, guided meditation and financial literacy sessions. Additionally, our campus engagement efforts target talent from premier institutions across India, supporting recruitment and fostering leadership development through tailored programmes for first-time managers.

## PROMOTING EMPLOYEE ENGAGEMENT

We engage with our employees through regional sports events, fostering camaraderie and team spirit. We also undertake initiatives that encourage employees to participate actively in environmental, educational, and healthcare programmes. Leadership engagement is promoted through fireside discussions, facilitating transparent and

meaningful communication across the organisation. At Credila, we see our people as key drivers of social impact. In FY25, employees took part in 32 volunteering initiatives across education, sustainability, financial

literacy, and community welfare. We also launched 14 induction volunteering sessions to embed our Corporate Social Responsibility (CSR) values early, fostering a strong culture of purpose and participation.



International Women's Day



Long Service Awards

## MANAGING WORKFORCE TALENT

Our commitment to developing and managing our talented workforce is strongly focused on providing them a favourable workplace environment for fostering their personal and collective growth. We have implemented an employee medical coverage policy, an equal opportunities policy covering persons with disabilities and diversity, and an equity and inclusion (DEI) policy covering our commitment to inclusivity.

As of March 31, 2025

**1,478**

Employees (on-roll and off-roll)

**29%**

Women among our managerial employees (i.e., employees with designation of Vice President or above)

## TRAINING & DEVELOPMENT

In FY25, we organised ~2,179 training hours for compliance areas of focus, such as anti-money laundering and know-your-customer (KYC) norms. We also organised training that covered areas such as customer engagement, communication, and functional aspects of our business.

## WELFARE INITIATIVES

We provide employee stock options to select eligible employees under our employee stock option plans, alongside other performance-based incentives. Frontline sales employees, including sales executives, sales managers and cluster managers, are eligible for monthly or quarterly incentives based on our sales incentive scheme and assigned targets. Similarly, frontline collections team members are eligible for quarterly incentives under our collections incentive scheme, aligned with other performance metrics.



**We provide comprehensive insurance coverage to our employees, in line with the risks faced by our business.**



Sports Day

## ROOTED IN RESPONSIBILITY, RISING TO SERVE

Inclusive growth is central to our sustainable growth strategy. We remain committed to creating long-term value for all our stakeholders through a holistic and responsible approach. Driven by this, we remain deeply mindful of our social impact – both through our core business and through our CSR initiatives.

We are committed to serving a diverse borrower base across socio-economic segments, including women, non-urban, and EWS. Beyond providing loans, we have implemented a well-defined sustainability policy, which is reviewed and monitored by our CSR and Sustainability Committee.



### ADVANCING INCLUSIVE EDUCATION

We are committed to offering products to students from every stratum of society to enhance their access to capital for pursuing higher education. Our borrower base reflects this commitment, with a diversified mix that includes female students, individuals from non-urban areas, and those from EWS i.e. from households earning less than ₹ 8 lakh annually.

In FY25, ~49% of our borrowers were from Tier 3 towns, cities and beyond, while ~57% of co-borrowers came from the EWS. Women comprised ~35% of our total borrowers, while ~19% of our female customers had co-borrowers from the EWS. These figures underscore our focus on financial inclusion and our ongoing efforts to make higher education accessible and affordable for all.

### SOCIAL FINANCING FRAMEWORK

In August 2024, we implemented a Social Financing Framework to issue social loans and bonds to finance activities and projects that generate positive social outcomes.

- The framework has been developed in line with the Social Bond Principles published by the International Capital Markets Association, as well as the Social Loan Principles published by the Loan Market Association, Asia Pacific Loan Market Association, and Loan Syndications and Trading Association
- It has been assessed by a global ratings agency, which has issued a second party opinion on our framework

- This framework governs use of proceeds, process for project evaluation and selection, management of proceeds, reporting and external review

In August 2024, our Company successfully raised its first social loan. Initially set at \$300 million, strong demand from global investors led us to exercise a greenshoe option, increasing the total issue size to \$512 million in March 2025, with participation from 15 international banks.

### BIODIVERSITY PROTECTION & WASTE REDUCTION

We have implemented various initiatives to reduce waste and support local communities and biodiversity through eco-friendly gifting, decarbonising, and transitioning our operations to paperless and online application processes. Our efforts also include conducting plantation drives and managing electronic waste through e-waste recycling initiatives.

In FY25, we made further strides in our digital penetration initiatives.

- We process loan applications predominantly through our loan systems. Many of our loan processing vendors have also been onboarded on our LOS, and requests to them are initiated digitally
- Majority of our customer documents are now executed through e-agreements, further reducing the use of paper in our business. For secured loan cases, physical property documents are used for security, while technical and legal processing is done on scanned PDFs
- We have deployed e-agreement and e-NACH (National Automated Clearing House) facilities for all customers, with physical agreements and NACH provided to customers only on exceptional basis



## CORPORATE SOCIAL RESPONSIBILITY

At Credila, we believe inclusive growth is not just a responsibility, but a necessity. Our CSR efforts are rooted in this vision – to uplift communities, especially children and youth, through meaningful interventions in supporting holistic initiatives in education, healthcare, girl child empowerment, and support for people with disabilities.

Our CSR policy, aligned with the requirements of the Companies Act, 2013, guides our CSR initiatives towards creating meaningful impact in the communities we engage with. We

actively foster a culture of philanthropy by providing diverse opportunities for our employees to engage, volunteer, and make meaningful contributions towards a brighter future.

In FY25, we collaborated with 14 credible implementing partners across rural and urban India. Our programmes spanned aspirational districts, government schools, healthcare institutions, and community settings, ensuring meaningful reach with measurable outcomes.

**₹ 9.11 crore**

CSR expenditure  
in FY25

## CSR FOCUS AREAS

### Healthcare

Enabling access to quality healthcare

### Girl Child Empowerment

Bridging gender inequities

### Education

Providing access to quality and holistic education and redressing learning gaps

### Support for People with Disabilities (PwD)

Advancing and enabling every child

## KEY HEALTHCARE INITIATIVES

### Project: Save Little Hearts

**Implementation Partner: Aishwarya Trust (Tamil Nadu)**

Enabled 61 life-saving congenital heart defects (CHD) surgeries for children from low-income families under the Rashtriya Bal Swasthya Karyakram (RBSK). Additionally, we have contributed to advancing healthcare research by funding the purchase of an echocardiography machine, further strengthening diagnostic capabilities and ensuring more accurate and timely CHD detection.

### Project: Cancer Care for Children

**Implementation Partner: Access Life Assistance Foundation (Maharashtra, Chandigarh)**

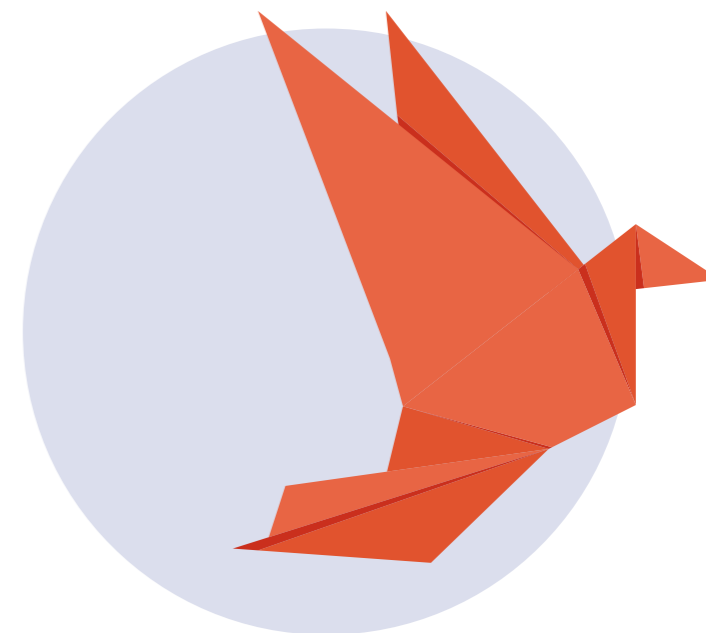
We provide children from vulnerable backgrounds undergoing cancer treatment with comprehensive care – covering shelter, nutrition, informal education, and counselling support.

In FY25, we supported two centres – the Chandigarh centre supported 17 children and 34 caregivers, conducting 127 education and 133 counselling sessions. The Chembur centre supported 45 children, 90 caregivers, delivering 298 education and 180 counselling sessions.

### Project: Craniofacial, Maxillofacial, and Cleft Surgery Support to Children from Marginalised Backgrounds

**Implementation Partner: INGA Health Foundation (Karnataka)**

In FY25, our partnership enabled 98 transformative surgeries for children with cleft, craniofacial, and maxillofacial deformities. These surgical interventions go beyond medical care – restoring function, confidence, and dignity while helping children overcome deep-rooted social stigma.



## KEY EDUCATION INITIATIVES

**Project:** Providing Quality Education to Children from Tribal & Marginalised Communities

**Implementation Partner:** Aseema Charitable Trust (Maharashtra)

We support quality education for children from tribal and marginalised communities at the Aseema Bal Shaikshanik Kendra (ABSK) in Igatpuri. Focused on holistic development, ABSK blends academics with computer literacy, arts, music, and sports, while adopting a child-centric learning approach rooted in progressive educational theories.

**Project:** Anando School Empowerment Programme

**Implementation Partner:** Light of Life Trust (Maharashtra)

The Anando School Empowerment Programme in Karjat, Maharashtra is focused on strengthening government secondary/high schools, the initiative enhances teaching quality, fosters parental engagement, and creates inclusive, student-led learning environments. In FY25, the programme reached 348 students across three schools, with attendance ranging from 69% to 81%, laying the groundwork for deeper engagement, better parental involvement, retention, and holistic development.

**Project:** Providing Quality Education in Global Mill Passage Municipal Secondary School, Mumbai

**Implementation Partner:** Muktang Education Trust (MET) (Maharashtra)

We support the MET's Global Mill Passage Municipal Secondary School in Mumbai to deliver inclusive, community-led education for underserved children. Built on a child-centric, constructivist pedagogy, the initiative focuses on improving learning outcomes, reducing dropouts, and strengthening teacher capacity. In FY25, the initiative benefited 810 students and 120 educators.

**Project:** Manushi

**Implementation Partner:** Centre for Catalysing Change (C3) (West Bengal)

The Manushi project is empowering adolescent girls in Bagnan Block, Howrah, through targeted interventions in health, education, and life skills. In FY25, the programme engaged 2,398 girls in health and wellness sessions, provided academic enrichment to 324 students and equipped 678 girls with essential digital and financial literacy. This initiative was honoured with the 7<sup>th</sup> ICC Social Impact Award in March 2025.

**Project:** Strengthening Schools and Transforming Education

**Implementation Partner:** Hand in Hand India (Tamil Nadu, Karnataka)

In FY25, we expanded the STEPS (Strengthening Schools and

Transforming Education) project to government schools in Nelamangala (Karnataka) and Poonjeri (Tamil Nadu), reaching 3,960 students. The programme focused on fostering an engaging, inclusive, and future-ready learning environment for children from underserved communities.

**Project:** 21st Century Readiness Programme

**Implementation Partner:** Learning Links Foundation (Telangana)

In FY25, we expanded our 21<sup>st</sup>-Century Readiness Programme across 5 schools in Hyderabad, Telangana, reaching 1,700+ students from underserved communities in Grades 6 to 9. Building on our earlier Makerspace Innovation Labs, the programme equips students with future-ready skills through hands-on learning in coding, electronics, robotics, IoT, and communication.



**Project:** Vidya

**Implementation Partner:** Foundation to Educate Girls Globally (Uttar Pradesh)

In FY25, we partnered with the Foundation to Educate Girls Globally to implement Project Vidya in Jarwal Block, Bahraich (UP), aiming to improve enrolment, retention, and learning outcomes for girls. The programme successfully enrolled 666 out-of-school girls, supported 327 with documentation, and engaged school communities to strengthen retention.

**Project:** Family Strengthening Programme

**Implementation Partner:** SOS Children's Villages (Odisha, Andhra Pradesh)

The Family Strengthening Programme was implemented in Bhubaneswar and Visakhapatnam, benefiting 178 children and their families. This initiative ensures access to education, nutrition, and tuition support, while empowering women caregivers through digital literacy, entrepreneurship training, and livelihood linkages.

**Project:** School and Anganwadi Transformation Programme

**Implementation Partner:** Swades Foundation (Maharashtra)

Through our partnership with Swades Foundation, we supported rural school infrastructure to enhance the learning environment and promote student well-being in Nashik and Raigad. In FY25, we supported 3 schools with WASH facilities, and provided solar electrification to 7 schools and 15 anganwadis. By addressing gaps in hygiene, water access, and reliable electricity, the initiative promotes healthier, safer, and more sustainable learning spaces in underserved rural communities.



## KEY INITIATIVES FOR SUPPORTING GIRL CHILDREN AND PWD

**Project:** Kishori Vikas Prakalp - Urjita Programme (Adolescent Girls Development Program).

**Implementation Partner:** Seva Sahyog Foundation (SSF) (Maharashtra)

Our partnership with Seva Sahyog Foundation empowered 1,058 adolescent girls across 30 communities in Pune through the Kishori Vikas Prakalp – Urjita Programme. This initiative focuses on nutrition, health, gender awareness, and life skills – equipping girls from marginalised backgrounds with the confidence, knowledge, and support systems needed to make informed decisions and build a safer, more empowered future.

**Project:** Enabling Children with Multiple Disabilities to Learn and Thrive

**Implementation Partner:** Muskan Foundation for People with Multiple Disability (Maharashtra)

In collaboration with Muskan Foundation, in FY25, we supported children with multiple disabilities and vision impairment (MDVI) through individualised education and therapy. Across their Bandra and Panvel centres, they conducted sessions and offered psychosocial support to parents, enabling better home environments for their inclusive development.



## ROOTED IN GOVERNANCE, RISING WITH INTEGRITY

We have established a corporate governance framework supported by an effective and independent Board of Directors (Board). This includes a separation between the Board's oversight functions and the executive management team, along with the formation of Board Committees as mandated by law.



### BOARD COMPOSITION & DIVERSITY

As on date, our Board has 12 directors, comprising one managing director and 11 non-executive directors, of whom 4 are independent directors, including a woman independent director.

Our Board brings together a diverse skill set, including financial, regulatory, operational and strategic expertise, ensuring leadership and oversight across all facets of our business.



**Our association with the HDFC Group for 14 years has shaped our business ethos and governance standards, which are our core principles. Furthermore, our team currently includes 18 former employees of erstwhile HDFC Limited, with 8 holding senior positions. 5 of our 19 vice presidents were also formerly employed at erstwhile HDFC Limited, reinforcing our commitment to maintaining recognised standards in business conduct and operations.**

## BOARD OF DIRECTORS



### DAMODARANNAIR SUNDARAM

Chairman and Non-executive Independent Director

Damodarannair Sundaram is the Chairman and Non-executive Independent Director of our Company. He holds a bachelor's degree in commerce and a master's degree in management sciences from the University of Madras. He is a fellow member of the Institute of Cost Accountants of India (ICI). He has also completed the Advanced Management Program from the Harvard Business School.

Previously, he was associated with Hindustan Unilever Limited since June 1975, serving in various roles within and outside India and retired as the vice chairman and chief financial officer in Fiscal 2010. He was also associated with TVS Capital Funds Private Limited in the capacity of the managing director and vice chairman for over 11 years, and separately in the capacity of the non-executive vice chairman for 3 years.

He has won the prestigious 'CFO of the Year for FMCG Sector' awarded by CNBC TV18 in the past. He currently serves as a director on the boards of TVS Capital Funds Private Limited, Infosys Limited, Crompton Greaves Consumer Electricals Limited, Zurich Kotak General Insurance Company (India) Limited, and Schneider Electric India Private Limited. He is also a member of the governing council of KREA University.

Additionally, he has been a member of the board of governors of Institute of Financial Management and Research, since 2005. He has over four decades of experience in corporate finance, strategy, operations and general management.



### ARIJIT SANYAL

Managing Director and Chief Executive Officer

Arijit Sanyal is the Managing Director and Chief Executive Officer of our Company. He holds a master's degree of science in finance from the London Business School.

Earlier, he was associated with the erstwhile Housing Development Finance Corporation Limited from 2001 till 2011 and from 2017 till 2019 serving under various roles including as the head of strategic planning and new initiatives department, and branch manager at the organisation's London office. He has also served as the chief of staff and the head of product at OakNorth Bank

Limited. Additionally, he was associated with Nomura International PLC and HSBC Bank PLC.

He has over 21 years of experience in the financial services and banking sector with experience across retail, investment and corporate banking.



### ABHIJIT SEN

Independent Director

Abhijit Sen is an Independent Director of our Company. He holds a bachelor's degree in technology (electronics and electrical communication - honours) from the Indian Institute of Technology, Kharagpur and a post-graduate diploma in management from the Indian Institute of Management, Calcutta. He also serves as an independent expert professional on the internal investment approval committee of the NSE.

He was associated with Citibank N.A. for a period of 18 years and served as its managing director and chief financial officer and India Subcontinent Cluster Finance Officer. In Citibank, he played a pivotal role in the establishment and growth of Centers of Excellence that supported the businesses and functions

around the world. He was also associated with Ernst and Young as an advisor. Additionally, he served on the board of National Securities Depository Limited, IDFC First Bank Limited, Indiafirst Life Insurance Company Limited, Trent Limited, Ugro Capital Limited, Ujjivan Financial Services Limited, Veritas Finance Limited, Netafim Agricultural Financing Agency Private Limited, Booker India Limited, Tata Investment Corporation Limited, Cashpor Micro Credit, and has been an advisor to General Atlantic.

He has over 25 years of experience in banking and financial services, NBFC policy, governance, regulatory compliance and operations with a special focus on balance sheet optimization and capital planning.



## BHARAT DHIRAJLAL SHAH

Independent Director

Bharat Dhirajlal Shah is an Independent Director of our Company. He holds a certificate in financial management from the University of Bombay and a national Diploma in applied chemistry from the Borough Polytechnic, London. He joined HDFC Bank Limited as an executive director at the time of its incorporation in December 1994.

He was one of the founders of HDFC Bank Limited and managed the following functions as a member of the organisation's top management: (a) merchant services; (b) human resources; (c) retail banking, (d) infrastructure and custody and depository, until his retirement in March 2007. Thereafter, he was associated with HDFC

Bank Limited from March 2007 to August 2020 as an advisor.

He also served as the chairman of HDFC Securities Limited and as a director on the board of Spandana Sphoorthy Financial Limited, Tata Play Limited, Hexaware Technologies Limited, HDFC Securities Limited, Digikredit Finance Private Limited and Strides Pharma Science Limited. He is presently the Chairman of 3M India Limited and Exide Industries Limited and has served, in the past, as the chairman on the boards of Hathway Cables, Exide Industries Limited and Datacom Limited.

He has over 26 years of experience in financial services, strategy, banking, finance, real estate and securities market.



## ANURANJITA KUMAR

Independent Director

Anuranjita Kumar is an Independent Director of our Company. She holds a bachelor's degree in arts (honours) from the University of Delhi, and a bachelor's degree in management from XLRI Jamshedpur, specialising in human resources. Previously, she has held leadership roles at NatWest Group, and Citibank N.A.

She was recognised by World HRD Congress, Economic Times and House of Rose Professionals for her contributions to the human resources management

function. She currently serves as a director on the boards of Hero FinCorp Limited, Acme Solar Holdings Limited, TBO TEK Limited, Northcap Services Private Limited, ICRA Limited, and Northcap Services FZCO (Dubai, UAE).

She has over 17 years of experience in human resource management and organisational development.



## V S RANGAN

Non-executive Nominee Director

V S Rangan is a Non-executive Director of our Company. He holds a bachelor's degree in commerce (honours) from the University of Delhi and is an associate member of the Institute of Chartered Accountants of India. He has also completed the final examinations held by the Institute of Cost and Works Accountants of India.

He is currently an Executive Director of HDFC Bank Limited and was the whole-time director of the erstwhile Housing Development Finance Corporation Limited since January 2010 until it got amalgamated with HDFC Bank Limited in 2023. He was associated with the erstwhile HDFC Limited since 1986, until it got amalgamated with HDFC Bank Limited in 2023, in various roles including chief financial officer, and executive director.

He was conferred with the 'Best CFO in the Financial Sector for 2010' award by the ICAI. He was also honoured with 'Lifetime Achievement Award' at the Financial Express CFO Awards 2023. He previously served as a director on the boards of HDFC Trustee Company Limited, Atul Limited, TVS Credit Services Limited, Computer Age Management Services Limited and HT Parekh Foundation. He is currently serving as director on the board of HDFC Bank Limited, and HDFC Asset Management Company Limited.

He has over 38 years of experience in finance, accounting, audit and assurance, strategy, economic analysis, corporate governance and risk management.



## ASHISH AGRAWAL

Non-executive Nominee Director

Ashish Agrawal is a Non-executive Director of our Company. He holds a bachelor's degree in engineering with specialisation in electronics from the Shree Govindram Seksaria Institute of Technology and Science, Indore and a post graduate diploma in management from the Indian Institute of Management, Ahmedabad. He is also a charter holder of the Chartered Financial Analyst Institute.

Previously, he was employed by EQT Partners Asia Pte. Limited (formerly Baring Private Equity Asia Pte Limited) from October 1, 2008 to June 30, 2009 to evaluate investment opportunities in India. He was subsequently transferred to EQT Partners India Private Limited (formerly BPEA Advisors Private Limited) since July 1, 2009 and is one of the members of the

founding team of the organisation's team in India.

He is currently designated as a partner at EQT Partners India Private Limited and is responsible for managing investments in the industrial technology, healthcare and services sectors. He is also a director on the boards of Asian Institute of Gastroenterology Private Limited and Indira IVF Private Limited. Prior to his experience at EQT Partners Asia Pte. Limited, he was associated with Lehman Brothers, CMC Limited, JM Morgan Stanley, ICICI Securities and Finance Company Limited, and Bank of America, N.A.

He has over 28 years of experience in corporate finance and strategy.



## JIMMY MAHTANI

Non-executive Nominee Director

Jimmy Mahtani is a Non-executive Director of our Company. He holds a bachelor's degree in science (business administration - honours) from the Georgetown University with a triple major in finance, international business and marketing.

In the past he was associated with General Atlantic from March 2000 till December 2005, and EQT Partners Hong Kong Limited (formerly Baring Private Equity Asia Limited) from February 1, 2006 to July 31, 2009 and was involved in evaluating investment opportunities in India. He was subsequently transferred to EQT Partners Asia Pte. Limited since August 1, 2009. He is the founding member of the organisation's team in India.

He is currently designated as a partner and the chairman of South & Southeast Asia,

EQT Private Capital Asia and is responsible for managing investments in the technology, healthcare and financial services sectors. Additionally, he has been a member of the portfolio performance review committee since January 1, 2020 and the investment committee since January 1, 2022, at EQT Partners Asia Pte. Limited.

Further, he currently serves on the boards of Sagility India Limited, Citius Tech Healthcare Technology Private Limited, Virtusa SuperHoldCo, Inc, Sagility Operations Inc, IGT Solutions Private Limited, Asian Institute of Gastroenterology Private Limited and Indira IVF Hospital Private Limited.

He has over 24 years of experience in private equity investing.



## RAJNISH KUMAR

Non-executive Nominee Director

Rajnish Kumar is a Non-executive Director of our Company. He holds a master's degree of science in physics from Meerut Vishwavidyalaya and is a certified associate member of the Indian Institute of Bankers.

Rajnish Kumar has worked for over four decades in State Bank of India and has also served in multiple roles including as its chairman, deputy managing director, managing director, vice president of credit department in Canada, regional head of operations in United Kingdom and chief general manager of north-east India.

In the past, he has also served as a director on the board of directors of SBI Life Insurance Company Limited, SBI Foundation, SBI Capital Markets Limited, SBI Cards and Payments Services Limited.

He currently serves as a director on the boards of HSBC Asia Pacific (Hong Kong), Hero MotoCorp Limited, Ambuja Cements Limited, Brookprop Management Services Private Limited, Lighthouse Communities Foundation, Multiples Equity Fund Trustee Private Limited, and Larsen and Toubro Limited.

He is also a director and the chairman of Resilient Innovations Private Limited and Mastercard India Services Private Limited and a representative of the Industrial Finance Corporation of India on the board of governors of Management Development Institute Society.

He has over four decades of experience in the banking sector with expertise in corporate credit and project finance.

## KEY MANAGEMENT PERSONNEL

### KEY MANAGERIAL PERSONNEL



**ANKIT SINGHAL**

Non-executive Nominee Director

Ankit Singhal is a Non-executive Director of our Company. He holds a bachelor's degree in technology (electronics and electrical communications engineering – honours) from the Indian Institute of Technology, Kharagpur and a post graduate diploma in management from the Indian Institute of Management, Bangalore.

He has also cleared all levels of the chartered financial analyst and chartered alternative investment analyst examinations.

Previously, he was associated with GIC Private Equity, AJ Capital, KPMG India Private Limited, Shell Technologies India Private Limited, Whitetail Asia Pte. Limited and Blackstone Group International Limited. Later, he joined ChrysCapital as vice president and is currently serving as its managing director. He also currently serves on the board of Varthana Finance Private Limited and Bandhan AMC Limited.

He has over 14 years of experience largely across private equity and in oil and gas and M&A consultancy.



**SATISH PILLAI**

Non-executive Director

Satish Pillai is a Non-executive Director of our Company. He holds a master's degree in arts from the University of Florida.

Previously, he was associated as the managing director of NielsenIQ's India Private Limited, and the managing director and chief executive officer at TransUnion CIBIL Limited.

He has over 16 years of experience in financial services and retail information management services business.



**SEUNG HYO HAN**

Non-executive Director

Seung Hyo Han is a Non-executive Director of our Company. He holds a bachelor's degree in business administration from the Kyungpook National University.

He is currently the general manager of Shinhan Bank. In the past, he has been associated with the affiliates and branches of Shinhan Bank in various roles including as the senior manager of its small medium enterprises business department and as the new business department head of Shinhan Vietnam Finance Company.

Further, he served as the general manager of Shinhan Bank's (a) head office located in Vietnam, (b) Thai Nguyen branch, (c) digital banking division, and (d) India head office.

He was also associated with Shinhan Bank as the deputy manager of the (a) Thai Nguyen branch, (b) Hanoi branch, and (c) Shinhan promotion department.

He has over 22 years of experience in corporate and personal finance, sales management and digital innovation in banking industry.



**ARIJIT SANYAL**

Managing Director and Chief Executive Officer

Arijit Sanyal is the Managing Director and Chief Executive Officer of our Company. He holds a master's degree of science in finance from the London Business School.

Earlier, he was associated with the erstwhile Housing Development Finance Corporation Limited from 2001 till 2011 and from 2017 till 2019 serving under various roles including as the Head of Strategic Planning and New Initiatives department, and branch manager at the organisation's London office. He has also served as the chief of staff and the head of product at OakNorth Bank

Limited. Additionally, he was associated with Nomura International PLC and HSBC Bank PLC.

He has over 21 years of experience in the financial services and banking sector with experience across retail, investment and corporate banking.



**MANJEET P BIJLANI**

Chief Financial Officer

Manjeet Bijlani is the Chief Financial Officer of our Company. He holds a bachelor's degree in commerce from the University of Mumbai and is an associate member of the Institute of Chartered Accountants of India. He has also completed the final exams held by the Institute of Cost and Work Accountants of India and Certified Information Systems Auditor (CISA) exam held by ISACA.

He is responsible for developing and executing our Company's financial strategy in alignment with overall business objectives. Prior to joining our Company,

he was associated with Edelweiss Housing Finance Limited as an executive vice president, with ECL Finance Limited as an assistant vice president, and with Edelweiss Finance and Investments Limited, Tata Chemicals Limited, Tata Capital Limited, ICICI Bank, and N.M. Rajji & Co. under various roles.

He has over 24 years of experience in the field of corporate finance, audit, and assurance.



**KARISHMA JHAVERI**

Company Secretary and Compliance Officer

Karishma Jhaveri is the Company Secretary and Compliance Officer of our Company. She holds a bachelor's degree in commerce and law from the Mumbai University, a master's degree in business laws from the National Law School of India University, Bangalore and is an associate member of the Institute of Company Secretaries of India.

She is responsible for overseeing the regulatory and secretarial functions for our Company. Before joining our Company, she was associated with Aseem Infrastructure Finance Limited, Earnest Towers Private

Limited, Altico Capital India Limited, and OAIS Auto Financial Services Limited.

She has close to 9 years of experience in performing company secretarial functions.

## SENIOR MANAGERIAL PERSONNEL



### HITESH PARASHAR

Chief Business Officer

Hitesh Parashar is the Chief Business Officer of our Company. He holds a bachelor's degree in engineering from Bhavnagar University, Gujarat and passed the examinations in relation to the post-graduate diploma in business management conducted by Institute of Management Technology, Ghaziabad.

Hitesh is involved in the strategic and business planning and overseeing the day-to-day sales and distribution for our Company. Prior to joining our Company, he was associated with Fullerton India Credit Company Limited, ICICI Bank

Limited, General Electric Countrywide Consumer Financial Services Limited, and Hindustan Petroleum Corporation Limited.

He has nearly 20 years of experience in the field of sales, marketing, distribution, and product management.



### ANAND R NEVGI

Chief Operating Officer

Anand R Nevgi is the Chief Operating Officer of our Company. He holds a bachelor's degree in mechanical engineering from Goa University, a master's degree in industrial engineering from the University of Arizona and a master's degree in business administration from INSEAD.

Anand is responsible for overseeing the Company's operations, and ensuring efficiency, control, and alignment with strategic goals. Prior to joining our Company, he was associated

with HSBC Asia Holdings BV as an international manager.

He has over 15 years of experience in the field of international banking and finance.



### RAMGANESH IYER

Head - Corporate Development

Ramganesht Iyer is the Head of Corporate development of our Company. He holds a bachelor of technology degree in electrical engineering from the Indian Institute of Technology, Bombay and a post-graduate programme in management from the Indian Institute of Management, Ahmedabad.

He is responsible for driving our Company's corporate development strategy and focusing on new business opportunities. Prior to joining our Company, he was associated with Bain and Company India Private Limited, Boston Consulting

Group (India) Private Limited, Finwizard Technology Private Limited and Peepul Capital Advisors Private Limited.

He has over 16 years of experience in the financial services industry.



### NILOTPAL BORPUJARI

Chief Credit Officer

Nilotpal Borpujari is the Chief Credit Officer of our Company. He holds a bachelor's degree in commerce from the University of Delhi and a post graduate diploma in management from Indian Institute of Management, Lucknow.

Nilotpal is involved in the credit risk underwriting for our Company. Prior to joining our Company, he was associated with Tonik Financial Pvt. Limited, Seynse Technologies Private Limited, Dunia Finance (UAE), and ICICI Bank Limited.

He has over 17 years of experience in the field of credit and risk management.



### AASTHA SACHDEVA

Chief Risk Officer

Aastha Sachdeva is the Chief Risk Officer of our Company. She holds a bachelor's degree in science (mathematics) (honours course) from St. Stephens College, University of Delhi and post graduate diploma in management from Indian Institute of Management, Bangalore.

She is responsible for the risk management and mitigation of our Company. Prior to joining our Company, she was associated with ECL Finance Limited (Edelweiss Group) and Tata Group companies including Tata Capital Limited, Titan

Company Limited, Tata Motors Limited, Indian Hotels Company Limited, Tata AutoComp Systems Limited and Sir Dorabji Tata Trust and Allied Trusts.

She has over 16 years of experience in the field of finance, risk, and strategy.



### ZARIR F KHAMBATTA

Chief of Staff

Zarir F Khambatta is the Chief of Staff of our Company. He holds a bachelor of science degree in mathematics with economics from University College London, a master's of science degree in financial mathematics from the London School of Economics and Political Science and a master's degree in business administration from INSEAD, Singapore.

He is involved in the management of the managing director's office of our Company.

Prior to joining our Company, he was associated with erstwhile HDFC Limited, Standard Chartered Bank, and Elara Capital.

He has over 11 years of experience in the field of finance and strategy.



### SAYANTAN ROY

Head - Internal Audit

Sayantan Roy is the Head of Internal Audit of our Company. He is an associate member of the Institute of Chartered Accountants of India. Sayantan is involved in driving risk-based audits for our Company.

Prior to joining our Company, he was associated with Bharat S Raut & Co., PricewaterhouseCoopers Private Limited, Tata Motors Limited, ABP Entertainment Private Limited, Bajaj Allianz General

Insurance Company Limited and Poonawala Fincorp Limited.

He has over 22 years of experience in the field of internal audit.

## CORPORATE INFORMATION



### SAMEER VYAS

Chief Compliance Officer

Sameer Vyas is the Chief Compliance Officer of our Company. He holds a bachelor's degree in commerce and a bachelor's degree in law from Jai Narain Vyas University, Jodhpur, and a post-graduate diploma in securities laws and management from the National Law University, Jodhpur. He is a fellow member of the Institute of Companies Secretaries of India.

Sameer is responsible for regulatory and compliance functions of our Company. Prior to joining our Company, he was associated with BOB Financial Solutions

Limited, PayU Payments Private Limited, SBI Cards & Payments Services Private Limited, Lexplosion Solutions Private Limited, Religare Securities Limited, Almondz Global Securities Limited and IndusLaw, Advocates.

He has over 16 years of experience including in the field of legal compliance.



### NISHITA MAZUMDAR

Head – Operations

Nishita Mazumdar is Head of Operations of our Company. She holds a bachelor's degree in engineering and a master's degree in management studies from the University of Mumbai. Nishita is responsible for operations and customer service in our Company.

Prior to joining our Company, she was associated with erstwhile HDFC Limited, until it was amalgamated with HDFC Bank Limited in 2023.

She has close to 15 years of experience in the field of retail operations.



### NATASHA RAJ

Head – Human Resources

Natasha Raj is Head of Human Resources of our Company. She holds a bachelor's degree in arts (honours) from the Lady Shriram College, University of Delhi, and a post graduate diploma in management from the Xavier Institute of Management, Bhubaneswar.

Natasha is responsible for human resources management and leading the people strategy in our Company. Prior to joining our Company, she was associated with Clix Capital Services Private Limited, Deutsche Bank Group, and Dell International Services Private Limited.

She has over 17 years of experience in the field of human resource management.

### BOARD OF DIRECTORS

(As on March 31, 2025)

#### MR. D. SUNDARAM

Chairman of the Board,  
Independent Director  
(DIN: 00016304)

#### MR. ARIJIT SANYAL

Managing Director & CEO  
(DIN: 08386684)

#### MR. ABHIJIT SEN

Independent Director  
(DIN: 00002593)

#### MR. BHARAT SHAH

Independent Director  
(DIN: 00136969)

#### MS. ANURANJITA KUMAR

Independent Director  
(DIN: 05283847)

#### MR. V. S. RANGAN

Non-executive Nominee Director  
(DIN: 00030248)

#### MR. RAJNISH KUMAR

Non-executive Nominee Director  
(DIN: 05328267)

#### MR. SATISH PILLAI

Non-Executive Director  
(DIN: 03511106)

#### MR. JIMMY MAHTANI

Non-executive Nominee Director  
(DIN: 00996110)

#### MR. ASHISH AGRAWAL

Non-executive Nominee Director  
(DIN: 00163344)

#### MR. SEUNG HYU HAN

Non-Executive Director  
(DIN: 10686686)

#### MR. ANKIT SINGHAL

Non-executive Nominee Director  
(DIN: 09776472)

### KEY MANAGERIAL PERSONNEL

(As on March 31, 2025)

#### MR. ARIJIT SANYAL

Managing Director & CEO

#### MR. MANJEET BIJLANI

Chief Financial Officer

#### MS. KARISHMA JHAVERI

Company Secretary

### STATUTORY AUDITORS

#### Price Waterhouse LLP

Chartered Accountants

#### Gokhale & Sathe

Chartered Accountants

### SECRETARIAL AUDITORS

#### Vinod Kothari & Company

Company Secretaries

### DEBENTURE TRUSTEE

#### IDBI Trusteeship Services Limited

Universal Insurance Building, Ground Floor, Sir P.M. Road, Fort, Mumbai – 400 001 Tel.: +91 22 40807000 Fax: +91 22 66311776 website: www.idbitrustee.com

### REGISTERED OFFICE

B-301, Citi Point,  
Andheri Kurla Road, Andheri (E),  
Mumbai – 400 059, Maharashtra  
Tel. No.: +91 22 - 2825 6636  
CIN: U67190MH2006PLC159411  
website: www.credila.com

### REGISTRAR & TRANSFER AGENTS

#### Adroit Corporate Services Pvt. Ltd.

18-20, Jafferbhoy Industrial Estate,  
Makwana Road, Marol Naka, Andheri (E), Mumbai – 400 059, Maharashtra  
Tel. No.: +91 22 - 4227 0400  
Fax No.: +91 22 - 2850 3748  
website: www.adroitcorporate.com

#### KFin Technologies Limited

Selenium Tower B, Plot No. 31 & 32,  
Financial District, Nanakramguda,  
Serilingampally,  
Hyderabad – 500 032,  
Telangana, India  
Tel. No.: +91 40  
67162222/18003094001  
website: www.kfintech.com

# Management Discussion & Analysis

## MACROECONOMIC SCENARIO

The global economy is witnessing the unwinding of tight monetary conditions

As per the International Monetary Fund (IMF), the global real Gross Domestic Product (GDP) growth is projected at 2.8% and 3.0% in CY25 and CY26, respectively. Additionally, according to the IMF's World Economic Outlook report (April 2025), global headline inflation is expected to fall to 4.3% in CY25 and 3.6% in CY26.

### Stabilisation of repo rates and inflation in India

The Reserve Bank of India's (RBI) Monetary Policy Committee (MPC) reduced the policy repo rate to 5.50% during its meeting held in June 2025. The RBI has cumulatively cut the repo rate by 100 basis points since its policy review in February 2025. Consequently, the Standing Deposit Facility (SDF) rate under the Liquidity Adjustment Facility (LAF) now stands at 5.25%, while the Marginal Standing Facility (MSF) rate and the Bank Rate have been revised to 5.75% during the 55<sup>th</sup> meeting of its Monetary Policy Committee, held in June 2025. With this move, the RBI aims to maintain Consumer Price Index (CPI) inflation within the 4% ±2% target band while supporting growth momentum.

According to the Ministry of Statistics and Programme Implementation (MoSPI), the year-on-year inflation rate, based on the All-India CPI, declined to ~3.16% in April 2025, down from 5.22% in December 2024, reflecting improved price stability.

In April 2025, rural inflation reached 2.92%, while urban inflation stood at 3.36%. This overall decline was primarily driven by a sharp drop in food inflation, which fell to 1.78% in April 2025, compared to 8.39% in December 2024, largely due to a decline in the prices of vegetables, pulses and products, fruits, and other essential commodities.

According to the IMF, with a nominal GDP of ₹ 3,24,00,000 crore in CY24, India was the fifth-largest economy in the world and is poised to become the world's third-largest economy by 2028, with nominal GDP projected to reach ₹ 4,64,00,000 crore, as inflation and repo rates stabilise

This growth is underpinned by structural resilience demonstrated through:

- India having the world's largest population, with ~64% of people belonging to the favourable working-age (aged 15 to 59 years) demographic
- India currently undergoing rapid urbanisation, with an estimated 40% urban population by CY29

- The swift expansion of India's middle-class, driven by growing income levels, is projected to reach 21 crore households by CY29
- Structural reforms that are driving formalisation and propelling India's economic growth

Between CY24 and CY28, India is projected to be the fastest growing major economy, with an average annual real GDP growth rate of ~6.4%

This surpasses the projected real GDP growth rates of other developed and developing economies, such as the United States (~2.1%), China (~4.3%), Indonesia (~4.9%) and Brazil (~2.4%) during the same period.

India's growing economic strength is expected to enhance financial inclusion

The growth factors cited above are driving better financial inclusion in the country across various financial products such as bank accounts, credit facilities, insurance, pension schemes, investment products, and digital payment services. This is evident from the Financial Inclusion Index tracked by the RBI which measures the ease of access, affordability, and availability of these products. The Index has improved significantly over the last few years, rising from 53.9 in FY21 to 64.2 in FY24. This is also evident from the growth in the number of outstanding debit cards, which has risen significantly from ~50 crore in December 2014 to ~99.1 crore in December 2024, according to RBI data. The increase in debit card issuance indicates broader access to financial services, empowering individuals to engage in the formal economy.

While financial inclusion is improving across different financial products, formal credit remains an underpenetrated category in India, offering significant room for growth.

### Regulatory Update

Pursuant to the announcement of the Scale-Based Regulations in October 2023, whereby Credila was classified as a middle-layer NBFC, the year saw the introduction of several new master circulars which were assimilated into the operating framework of the Company across various functional areas. Several measures were announced impacting the flow of credit to the NBFC sector. Particularly, in November 2023, the RBI raised risk weights for bank loans to NBFCs from 100% to 125%. However, on February 25, 2025, the RBI reversed this decision, restoring risk weights to 100%, effective April 1, 2025. This rollback was driven by a slowdown in bank credit to NBFCs in FY25, tighter market liquidity, and the need to ensure credit flow to underserved segments for economic growth. The RBI restored normal (lower) risk weights on certain categories of bank loans to well-rated NBFCs, effectively reversing earlier tightening.

## INDUSTRY STRUCTURE AND DEVELOPMENTS

### CREDIT SCENARIO AND THE NBFC SECTOR IN INDIA

India has a large headroom for higher credit adoption

India's credit adoption (excludes all forms of informal credit) is notably lower than other economies such as Canada, China, the US and the UK. For instance, India's credit-to-GDP ratio is ~94% in Q3 CY24, compared to China, which has a credit-to-GDP ratio of ~200% (Q3 CY24). This gap underscores a significant opportunity to expand India's formal credit reach, particularly among the underserved section of the population.

However, India's formal credit landscape is expanding rapidly, with retail credit showing significant momentum. Factors such as government reforms, a stable interest rate environment, expanding financial inclusion, rising financial awareness, and improving digital infrastructure are enabling this growth.

### Factors driving rapid credit adoption in India

- Reforms that enable credit growth:** Government initiatives such as the introduction of the Goods and Services Tax (GST) in 2017 have promoted formalisation and transparency, boosting lender confidence. Additionally, programmes such as the Pradhan Mantri Mudra Yojana have improved credit accessibility for micro and small enterprises.
- Stable interest rate environment:** The RBI's proactive repo rate management promotes lending stability. A predictable rate environment encourages borrowing by both individuals and businesses and supports credit demand while maintaining systemic liquidity and economic resilience.
- Expanding financial access:** Schemes like the Pradhan Mantri Jan Dhan Yojana (PMJDY) enabled 54.7 crore bank accounts with deposits of ₹ 2,45,300 crore as of January 2025. Additionally, digital payment systems under the DigiDhan Mission have improved access and usability. Moreover, other programmes like the National Pension System support long-term financial planning and inclusion.
- Rising financial awareness:** RBI's Financial Literacy Week and SEBI's investor education efforts are improving public understanding of credit, saving, and investing. Digital literacy campaigns like the Pradhan Mantri Gramin Digital Saksharta Abhiyan (PMGDISHA) have also expanded digital knowledge in rural areas.
- Enhanced digital infrastructure:** Tools like Aadhaar, e-KYC, UPI, and eNACH have simplified customer onboarding, transactions, and loan processing. Digital loan agreements and adherence to digital lending norms further ensure efficiency and transparency. Additionally, improved data availability enables lenders to make informed, faster credit decisions. In FY24, digital transaction volumes surged to 18,700 crore, up from 3,100 crore in FY19, marking a strong CAGR of 43%.

Driven by the above factors, systemic credit (often including institutions with assets ≥ ₹ 500 crore) grew at a 9% CAGR from FY19 to FY24. This growth was fuelled by public investment, private sector credit demand, and post-pandemic recovery. It is projected to expand at a 12-14% CAGR from FY24 to FY29, reflecting rising credit penetration.

NBFCs are driving retail credit adoption in India, projected to enable 23-24% of total retail credit by FY29

Retail credit (includes housing finance, automotive loans, gold loans, education loans, consumer durable loans, personal loans, credit cards, microfinance, and other retail loans) has emerged as a key driver of overall systemic credit growth, led by the factors detailed above. The share of retail credit has grown from 21% in FY19 to ~33% in FY24. As lenders focus on expanding their retail portfolios, retail credit is poised to sustain robust growth and continue accelerating systemic credit expansion over the next few years. As of FY24, NBFCs hold a share of ~19-20% of the overall systemic credit, which is expected to reach ~20-22% by FY29.

NBFCs have played a crucial role in expanding retail credit adoption in India, particularly in the underserved sections and regions. They have been instrumental in reaching customers who might not have access to conventional banking channels, such as those with limited credit history or lacking the required collateral for loans. The RBI introduced the co-lending model to increase the affordability and outreach of capital to underserved sections of the economy. By entering co-lending arrangements, banks and NBFCs can combine the relative advantages of the two to provide financial services.

Fintech lenders are increasingly leveraging data analytics and alternative credit scoring models to offer more flexible credit options and shorter turnaround times, which may appeal to digitally-savvy borrowers. Fintech collaborations will enable NBFCs to leverage innovative solutions such as alternative credit scoring models, fraud detection, and process automation, enhancing operational agility and reducing risk.

### THE EDUCATION MARKET OPPORTUNITY

The education market in India (both overseas and domestic) is valued at ~₹19,18,600 crore in CY24, projected to grow at a 10-12% CAGR

This growth is primarily driven by the higher education segment. Within this, the overseas education market accounts for ~18% of the total, valued at ₹ 3,42,200 crore in CY24, and is expected to reach ₹ 7,50,000 – ₹ 8,00,000 crore by CY29 (17–19% CAGR). Growth drivers include rising aspirations, favourable immigration policies, global talent shortages, and a growing ecosystem of counsellors and financiers.

In CY24, ~75% of the Total Addressable Market (TAM) was concentrated in the US, Canada, the UK, and Australia. At

the same time, countries like Germany, Ireland, the UAE, and Singapore are becoming increasingly popular. Indian students constituted 26% of all international students in CY24.

Studying overseas offers substantial academic and career opportunities, but financing remains a key barrier. High tuition fees and tough competition for admission add to the challenge. ~10.5% of students availed formal education loans in CY24. The numbers are expected to increase further, with loan disbursements projected to grow 20-22% annually over the next five years, supported by NBFCs.

NBFCs' share in India's outstanding education loan market has risen sharply, from ~11% in CY21 to ~30% in CY24, and is projected to reach 43 – 45% by CY29. Key factors contributing to this significant increase in NBFCs' penetration include the offering of flexible loan products, faster disbursals enabled by technology, specialised underwriting models, and wider access to underserved segments.

### Overseas Education Market

**The overseas education market (Total Addressable Market (TAM)), valued at ₹ 3,42,200 crore in 2024, is poised to grow at 17-19% CAGR between CY24 and CY29**

India has emerged as a major source of international students for universities worldwide. In recent years, the number of Indians studying overseas has significantly increased, and this trend is expected to sustain its momentum going forward.

Indian students constitute ~26% of international students in leading education hubs (including the US, the UK, Australia, and Canada) as of CY24. An estimated 6,11,000 student visas were issued to Indians studying overseas in CY24, according to the Home Affairs Offices/Education Ministries of key education hubs including the US, the UK, Canada, Australia, Germany, the UAE, Ireland, and Singapore. This represents a notable rise from ~4,84,000 student visas issued in CY19, reflecting a CAGR of 5% over the period.

• Aspiration for better quality of education	• Talent shortage overseas
• High demand for international students overseas	• Evolving and expanding ecosystem
• Favourable immigration policies	• Availability of overseas financing

It has been reported that the current US administration has imposed curbs on study visas for foreign students by taking several measures, such as halting the scheduling of appointments for new student visas, increasing scrutiny of visa applicants and revoking a number of existing student visas. Government funding for certain universities has also been frozen. The continuation of the current policy environment

or the escalation of anti-immigration actions in the US could potentially discourage students from studying there, prompting them to consider other countries.

### New geographies are rapidly emerging as alternate overseas education destinations for Indian students

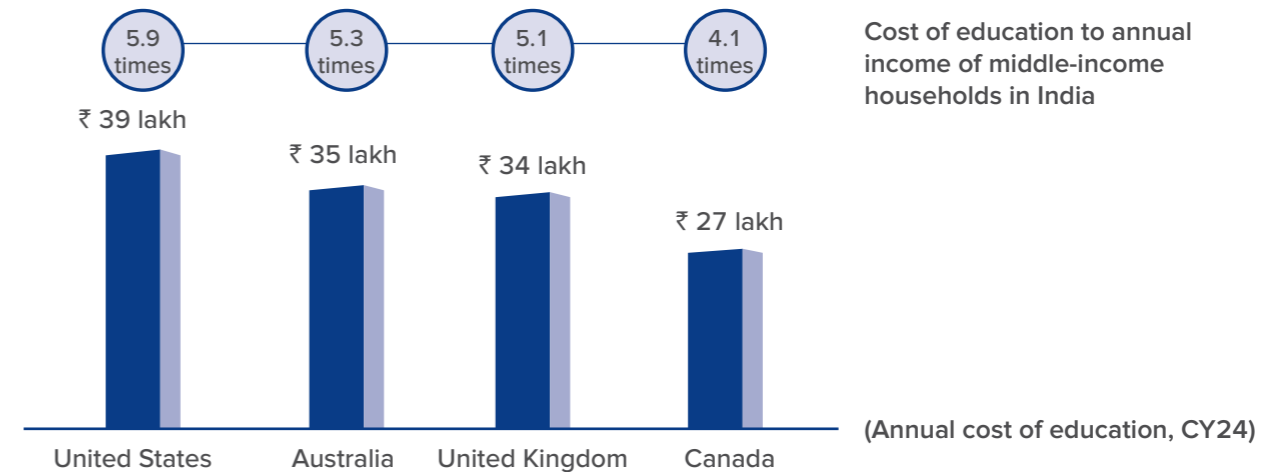
Historically, the US, Canada, the UK and Australia, have been the preferred destinations for Indian students. The combined market share of these countries, in terms of visas issued to Indian students, has risen from 58% in CY19 to 65% in CY24, as they reopened their borders post COVID-19 and relaxed key regulations.

In the past, a substantial majority of Indian students chose the US as their education destination. This was driven by the country's access to high quality education and robust post-graduation employment opportunities. However, current trends indicate that other developed nations also provide high quality, skill-based education and attractive employment opportunities to Indian students. This has led to a growth in the total addressable market, while adding diversity and enhancing resilience in the overseas education sector. Consequently, several overseas destinations, such as Germany, the UAE, Ireland, and Singapore are emerging as attractive education hubs for Indian students. Supported by favourable policies, financial incentives, and career opportunities, these new geographies are witnessing a significant growth in the number of students.

- **Germany's** free public university education and work opportunities for students are expected to increase the number of visas issued to Indian students, from 19,000 in CY24 to around 37,000 – 38,000 by CY29
- **The UAE's** expanding job market is contributing to an increase in Indian students, with visas issued to Indian students projected to rise from 10,000 in CY24 to around 19,000 - 21,000 by CY29
- **Ireland's** student-friendly policies and post-study work visa are projected to double the number of visas issued to Indian students, from 6,000 in CY24 to around 15,000 - 17,000 by CY29
- **Singapore's** growing number of post-graduate courses and proximity to India are expected to boost visas issued to Indian students from 8,000 in CY24 to around 15,000 - 17,000 in CY29

In addition, countries such as Kyrgyzstan, Bangladesh, and the Philippines are considered as hubs for Indian students pursuing medical education. This demand is driven by a high competition for seats in Indian medical colleges and a comparatively lower cost of medical education overseas than in private universities in India.

### Rising cost of education and income disparity make accessible financing options increasingly important in the overseas education market.



Rising education costs and income disparity are making accessible financing options increasingly critical for students pursuing overseas education. Annual education costs in major markets (the US, the UK, Canada, Australia) range between ₹ 27 lakh and ₹ 39 lakh per student, with education inflation outpacing general inflation - 3.63% (US), 3.15% (UK), 3.5% (Australia), and 3.71% (Canada). The challenge is further compounded by rupee depreciation against major global currencies. The growing gap between education expenses and Indian household incomes highlights the critical role of financing solutions such as loans, scholarships, and other forms of support.

In CY24, the total addressable market (overseas education) stood at ₹ 3,42,200 crore, with only ₹ 35,800 crore (~10.5%) formally financed. By CY29, the market is projected to approximately double and reach ₹ 7,50,000 – ₹ 8,00,000 crore, with penetration rising to 11–13%, led largely by NBFCs. This implies a projected disbursement CAGR of 20–22% from CY24 to CY29.

### Domestic Education Market

**India's domestic education market is estimated at ₹ 15,76,400 crore in CY24 and projected to grow at a 9-11% CAGR by CY29**

India's Gross Enrolment Ratio (GER) for higher education stood at 33% in CY23, significantly lower than developed markets such as Canada (77%), China (75%), the US (79%) and the UK (80%). This disparity reflects substantial untapped potential in India's higher education landscape.

Several barriers contribute to the low GER, including limited access to quality institutions, financial constraints, and socio-economic factors such as low awareness of opportunities and insufficient support systems for students from underprivileged backgrounds. However, India's large, English-speaking youth population positions the country favourably in the global education ecosystem, particularly for international higher

education. As a result, the overseas education segment, currently comprising approximately 18% of India's overall education market (CY24), is expanding at a faster pace, driven by aspirational demand and global mobility.

The growth in India's education sector is led by government initiatives, demographic trends, and supply-side expansion. Government spending on education in India rose from 3.8% of the GDP in 2013 to 4.1% in 2022, compared to 5.4% in the US (2021) and 5% in the UK (2022). Key enablers include the National Education Policy 2020, tax benefits on education loans, and digital platforms like SWAYAM (Study Webs of Active learning for Young Aspiring Minds) and NPTEL (National Programme on Technology Enhanced Learning).

A large, young population and rising enrolment have pushed private education expenditure to ₹ 7,39,000 crore in FY23, growing at a CAGR of 11% since FY18. On the supply side, higher education institutions increased from 44,690 in FY11 to over 58,643 in FY22 (All India Survey on Higher Education) with greater focus on vocational and tech education, laying the foundation for a more accessible and inclusive system. As of CY24, higher education (including undergraduate (UG), postgraduate (PG) and vocational programmes) accounts for ~36% of the domestic education market in India.

As the domestic education market in India continues to grow, there is an increasing need for education financing, primarily within higher education. Rising tuition fees, particularly for UG and PG programmes offered by private institutions, are placing a significant financial burden for many families. While government initiatives and an increase in the number of institutions contribute to greater access, the cost of high-quality education remains a barrier for many students. Financing solutions such as education loans, scholarships, and other financial products are therefore crucial to bridging this gap and ensuring that students from diverse socio-economic backgrounds have access to higher education.

## COMPETITIVE ENVIRONMENT

The Indian education financing market is highly competitive, with NBFCs, public and private sector banks, international education loan companies, and emerging fintech lenders, being its key players. Fintech lenders, by leveraging their agile, tech-driven models and dynamic pricing strategies, are navigating this competitive landscape and increasing their presence by appealing to a new generation of digitally savvy borrowers.

Within this evolving ecosystem, India currently has three education-focused NBFCs, including Credila. As of November 30, 2024, our Company held a market share of ~19.7% in India's education loan market (in terms of loans outstanding), up from ~7% in March 2019, reflecting our continued leadership and growth in this segment.

**Challenges:** While the market presents immense growth opportunities, it also poses several challenges that could impact growth. These include, but are not limited to, factors such as impact on student mobility due to visa or geopolitical issues, regulatory changes, currency fluctuations, economic downturns in destination countries etc.

To stay competitive, it is critical for Credila to continue to enhance its product offerings, adopt advanced analytics and digital tools, secure low-cost capital, and maintain healthy margins.

## NBFCs AT THE FOREFRONT

Fuelled by the growing demand for financing in India's education sector, education loans have emerged as a vital component of the country's financial ecosystem, addressing the growing aspirations of Indian students in both domestic and international markets.

In CY21, banks dominated the Indian education loan market with ~86% of the outstanding loans. However, this has dropped to 67% in CY24. On the other hand, the share of NBFCs in the overall education loan market has significantly increased from 10% in CY19 to 30% in CY24. This is projected to rise further to 43 - 45% by CY29, primarily driven by the below-mentioned factors:

- **Specialised underwriting model:** NBFCs use detailed data, including academic and employment records and co-borrower profiles, allowing flexible credit assessments beyond traditional metrics. This enables them to serve students lacking established credit histories and offer financing for a broader range of courses and institutions. Their data-driven approach supports superior underwriting and tailored loan products
- **Efficient and scalable operations:** NBFCs leverage digitisation and automation to expedite processing. Unsecured loans are typically disbursed within 6-7 days and secured loan disbursals take about 20-25 days, significantly

faster than banks. Their online, paperless process appeals to digitally savvy borrowers. With a scalable model and access to capital within a robust regulatory framework, NBFCs maintain operational efficiency while ensuring disciplined risk management and wider market reach

- **Robust distribution network:** NBFCs partner with both organised (banks, educational consultancies) and unorganised (local agents, regional facilitators) distributors, enabling deeper access to underserved regions. Their flexible distribution model supports responsiveness to local trends and enhances reach through targeted digital campaigns, in contrast to banks' limited, branch-dependent networks

## CREDILA – INDIA'S LARGEST EDUCATION-FOCUSED NBFC

### ABOUT THE COMPANY

Credila is an Indian education finance company focused on providing education loans to Indian students pursuing higher education in India and overseas. We primarily provide loans to students pursuing master's programmes in the STEM domain, MBA, UG programmes, diploma programmes, professional degrees, certificate courses and executive and technical programmes.

In addition to our core business of providing higher education loans, we offer a range of value-added services designed to support our borrowers with their broader overseas education needs. These services, provided through engagements with third parties, include life, travel and general insurance products, foreign exchange services, domestic savings account services, international checking account facilitation services, US credit card service, assistance with student accommodation, and guaranteed investment certifications. We currently have a credit rating of AA+ from CRISIL and AA from CARE and ICRA for our long-term financial instruments, which is reflective of our strong business model, robust asset quality and sound capitalisation.

### COMPANY HISTORY

Credila was incorporated in 2006. In 2009, HDFC Limited made an initial investment in the Company, and the Company subsequently became a subsidiary of HDFC Limited in 2010. In 2019, Credila became a wholly-owned subsidiary of HDFC Limited and converted to a public limited company in the following year. HDFC Limited was amalgamated into HDFC Bank Limited in June 2023. Subsequently, in March 2024, the EQT and ChrysCapital groups collectively acquired a ~90% stake in the Company. This stake was later diluted to 81.42%, with Shinhan Bank also acquiring a stake in the Company. As of March 31, 2025, Credila crossed ₹ 50,000 crore in cumulative disbursements and its loan book crossed ₹ 41,000 crore.

We have operated under the 'Credila' brand singularly since our incorporation in 2006 and with the use of the 'HDFC' name from February 19, 2017 to October 21, 2024.

## SEGMENT OF FOCUS AND PERFORMANCE

Credila is India's largest and longest serving (based on year of establishment) education-focused NBFC, with an AUM of ₹ 41,810.45 crore as of March 31, 2025, comprising ~19% secured loans and ~81% unsecured loans.

With disbursements to the extent of ₹ 15,308.86 crore and the highest profit after tax of ₹ 989.96 crore in FY25 among education-focused NBFCs in India, we are at the forefront of India's education financing industry. The Company registered a robust AUM growth of 48.33% between March 31, 2024 and March 31, 2025, establishing itself as the fastest-growing among education-focused NBFCs in India. Credila's market share in the education loan segment rose to ~19.7% as of November 30, 2024, up from ~7% in March 2019, reflecting consistent growth alongside strong asset quality.

## REGULATORY AND BUSINESS ENVIRONMENT

### Regulatory Environment

In FY25, the following key activities were undertaken in line with RBI's Risk Based Internal Audit (RBIA) guidelines and the approved RBIA Policy & Framework:

- The Annual RBIA Plan was prepared based on annual risk assessment of the audit universe along with inputs from management. This was duly approved by the Audit Committee post review. The Annual Plan is reviewed on an ongoing basis and modifications are made based on changes in process and priority
- Cumulative coverage of ~97% of the audit universe was completed through process reviews, concurrent file reviews, and branch reviews, including all processes prescribed to be reviewed annually (as per the prevalent RBI guidelines) such as IT Security Control and Regulatory Policies
- Observations highlighted in the past are tracked to ensure timely implementation – 89% implemented
- To ensure ongoing assessment of key controls and facilitate faster mitigation by functions, Internal Audit (IA) has initiated Continuous Control Monitoring (CCM) at pre-defined frequencies (monthly/quarterly) for key controls identified based on previous reviews
- An Internal Audit Quality Assurance and Improvement Programme (IA QA) has been designed to enable qualitative assessment of IA's conformance with the RBIA Policy, RBI guidelines on RBIA, and Standards issued by IIA & ICAI. The IA QA Programme shall include ongoing and periodic internal assessment as well as external assessment by a qualified independent assessor
- The IA team is adequately staffed, consisting of 11 members with relevant experience, and additional resources are brought in as needed

The Company is subject to periodic regulatory inspections and supervisory evaluations. The last inspection and supervisory evaluation was conducted for the financial position as on March 31, 2023. The RBI highlighted some observations as well as recommended areas of improvement in the last inspection by way of the Inspection and Risk Assessment Report (IRAR) and Risk Mitigation Plan (RMP). The Company has been providing periodic updates to the RBI by way of progress reports on the status of IRAR and RMP.

No penalties or enforcement actions have been recorded in past RBI inspection reports.

## Business Strategy and Update

### Business Strategy

While global uncertainty has recently been witnessed around immigration policies in countries such as Australia, Canada, the UK, and the USA, we believe that the long-term structural factors that drive the demand for (overseas) education continue to remain in place.

Long-term drivers constitute both demand and supply side factors:

- **Demand side factors** – This includes India's demographic dividend (median age of 28.4 years), aspiration for quality education with global exposure, and robust employment opportunities.
- **Supply side factors** – This comprises an expanding ecosystem of overseas education counsellors and partners, increased dependence of foreign universities on international students for fees and funding, rising demand for skilled professionals, particularly in STEM-related areas, ageing population in many western economies etc.

Despite a challenging and uncertain macroenvironment, the Company managed to sustain its business momentum and growth in FY25. Student loan applications grew by 1% (in value terms) while disbursements rose by 9% over FY24. This growth was driven by key initiatives including targeted sourcing strategies, technological advancements, and process enhancements that improved operational efficiency.

CY24 witnessed significant policy shifts across major global study destinations, leading to a notable decline in student visa issuances compared to CY23. The US saw a 39% drop, while the UK recorded an estimated 25% decrease. Canada experienced a 31% decline, and Australia also registered a sharp 39% reduction.

While these key geographies faced sharp declines, the impact was partially offset by increased student interest in emerging destinations such as Germany, Ireland, France, etc., which are gaining traction as viable alternatives for international education.

The Company remains focused on expanding its distribution footprint. In addition to strengthening third-party referral channels including consultants, counsellors, financial institutions etc., the Company is also actively investing in its direct-to-customer digital capabilities. This is aimed at effectively engaging the tech-savvy and digitally-agile student segment. Recognising the concentration of our business in Tier 1 cities, we are increasing efforts to improve awareness and presence in Tier 2 and 3 cities. By connecting with local channels and engaging with local colleges, we aim to expand our market reach and presence in these regions.

Business Update

FY25 has been a year of steady and strategic growth for Credila, reflecting the Company's resilience and adaptability amidst a dynamic and evolving global education landscape.

While overall student loan applications (~1,40,000 files) and sanctions (~73,000 files) remained flat compared to FY24, disbursements (~ ₹15,300 crore) recorded a Y-o-Y growth of 9%.

The Y-o-Y disbursement growth across key study destinations continues to reflect evolving student preferences and shifting global trends:

- UK - 89%
- India - 14%
- Australia - 72%
- Germany, France, and the Rest of the World (ROW) by 108%, 206%, and 90%, respectively
- This contrasts with Canada and USA, which saw a decline of 33% and 21%, respectively.

As part of our diversification strategy, we have further reduced our dependency on USA. This shift is also supported by an increased traction in alternative geographies, including Germany, Ireland, France, and ROW, which have collectively gained prominence among outbound Indian students.

Australia's upward trend continues, with disbursements reaching ₹ 944 crore in FY25 (up from ₹ 548 crore in FY24).

Canada's regulatory tightening, led by a 35% cap on international student intake and stricter Post-Graduation Work Permit (PGWP) rules, has impacted the number of student visas issued. FY25 saw disbursements to Canada drop to ₹ 1,012 crore, 33% down from FY24.

Despite regulatory headwinds in certain markets, the Company has proactively expanded its geographic footprint, reinforced its strategic positioning and reduced market concentration risk. This deliberate diversification, supported

by consistent and disciplined execution, underscores our confidence in the resilient and inelastic nature of education demand. As demand for overseas education continues to grow, we remain well-positioned to leverage the evolving market opportunity.

In FY25, counsellors and aggregators accounted for 49.41% of total disbursements. Banks and financial Institutions contributed 23.12%, followed by direct sales agents (DSAs) at 13.94%, and direct in-house/referral channels at 13.53%. Between FY23 and FY25, there has been a marked shift towards third party-led channels, with counsellors, aggregators, and DSAs together contributing ~63% of total disbursements in FY25, up from ~43% in FY23. This indicates the success of a multi-channel approach in deepening market penetration.

DIVERSIFICATION OF BORROWINGS

As at March 31, 2025, the Company's borrowings stood at ₹ 38,869.01 crore as against ₹ 26,032.83 crore in the previous year. Borrowings constituted 81% of the total funds employed as at March 31, 2025, of which 62.35% was in the form of term loans and working capital demand loans, 18.40% in the form of external commercial borrowing (ECB) and the balance 19.25% in the form of debentures and commercial papers.

During the year, the Company continued to focus on raising term loans from both existing and new lenders. In line with its strategy to diversify funding sources across instruments and counterparties, the Company successfully raised its first social loan (via ECB) under the Social Financing Framework developed during FY25. Initially set at \$300 million, strong demand from global investors led us to exercise a greenshoe option, increasing the total issue size to \$512 million in March 2025, with participation from 15 international banks. The Company also raised commercial papers to manage short-term cash flows. The overall strategy helped the Company to maintain the cost of borrowing at competitive levels.

FINANCIAL PERFORMANCE

As of March 31, 2025, all our education loans are retail education loans with 94.65% and 5.35% of our AUM being attributable to students pursuing higher education overseas and in India, respectively.

The following table provides a summary of the financial information of the Company derived from the audited financial statements for the year ended March 31, 2025.

Particulars	As at March 31, 2025*	As at March 31, 2024*
Total Assets	48,194.50	31,565.97
Total Liabilities	39,500.00	26,522.60
Total Income	4,726.00	2,771.04
Total Expenses	3,400.03	2,062.67
Profit before Tax	1,325.97	708.37
Net Profit after Tax	989.96	528.84

\*All figures in ₹ Crore

The financial statements have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 as per Section 133 of the Companies Act, 2013 and relevant amendment rules issued thereafter.

Our financial performance is influenced by a range of external and internal factors as stated below:

- **Global Macroeconomic Trends:** Our business is closely tied to global economic conditions, immigration policies, post-study work visa rules, and employment opportunities in key geographies such as the US, the UK, and Canada. While adverse macro trends may affect student mobility and loan demand, our diversified portfolio, with exposure to students in 64 countries, serves as a strategic safeguard, insulating our operations from country-specific geopolitical tensions or macroeconomic disruptions. Consequently, we are well-positioned to continue enabling students' global academic aspirations, even amidst localised instability in any single destination.
- **Execution of Growth Strategies:** Our ability to expand hinges on strengthening university partnerships, deepening distribution across India, growing our domestic education loan portfolio, and offering value-added services such as insurance, forex, and accommodation. Staying ahead of evolving trends, such as increased demand for STEM and dual-country programmes, remains key to sustaining our competitive edge.
- **Diversified and Cost-Effective Funding Profile:** The Company maintains a prudent asset-liability management strategy and a diversified lender base, with borrowings from 29 institutions as of March 31, 2025. Our average cost of borrowings stood at 8.85%, supported by strong credit ratings (AA+/AA) and international funding initiatives such as a \$512 million social loan raised in FY25. Additionally, floating rate borrowings (80.74%) help us to manage interest rate volatility. Further, as of March 31, 2025, we were well-diversified in terms of our debt security holders with 33.22% held by pension funds; 21.98% held by insurance companies; 4.73% held by banks; 29.76% held by mutual funds; and the remaining 10.31% held by other investors. We have also completed our first direct assignment transaction of ₹103.47 crore in FY25 to further diversify funding.

- **Robust Asset Quality and Risk Management:** Despite a predominantly unsecured loan book (81.12% AUM), we maintain strong asset quality by leveraging machine learning-based early warning systems, specialised underwriting, and rigorous monitoring. As of March 31, 2025, our Gross Stage 3 Loans stood at 0.19% (0.15% excluding fraud cases). Our Provision Coverage Ratio was 65.01% and 91.98% of AUM had earning co-borrowers. We also continue to monitor our Gross Non-Performing Assets - EMI Portfolio, which stands at 0.59% as of March 31, 2025.
- **Government Support:** We operate within a dynamic regulatory landscape and benefit from government initiatives promoting higher education and financial inclusion. We are the only NBFC notified under Section 80E of the Income Tax Act, enabling borrowers to claim interest deductions. We comply with applicable capital adequacy norms, with a Capital to Risk Weighted Assets Ratio of 21.81% as of March 31, 2025, well above the required 15%.

OPERATIONAL HIGHLIGHTS

As of March 31, 2025, our operations reflect strong execution across distribution, underwriting, and portfolio management. With a presence in 41 cities and a growing agent network, we continue to scale efficiently through an asset-light, omni-channel model. Our data-driven underwriting and disciplined risk management have resulted in industry-leading asset quality and low delinquency rates. We have made meaningful progress in advancing financial inclusion through gender-balanced, regionally diverse lending. Supported by a skilled and engaged workforce, our digital and sustainability initiatives further strengthen our operational foundation.



Distribution Network

As of March 31, 2025, we have a pan-India presence across 41 cities, supported by an asset-light, omni-channel distribution network comprising 8 regional offices, 32 branch locations, and 861 full-time sales employees (on-roll and off-roll). Our network includes 1,672 distribution agents, with over one-third of our top 100 agents (by disbursement) associated with us for more than five years. We maintain active sourcing arrangements with banks, leverage digital channels and aggregators, and collaborate with overseas education consultants, test preparation centres, and education fair organisers to generate leads. Through joint marketing initiatives, comprehensive training, and timely commission payouts, we foster long-term relationships with our partners. Our hub-and-spoke model ensures an efficient nationwide coverage and provides end-to-end borrower support. As a result, our disbursement per sales employee was ₹ 51.2 crore in FY25.



## Underwriting

As of March 31, 2025, we maintain a high asset quality loan portfolio underpinned by our specialised underwriting approach, leveraging proprietary data, risk-based pricing, and deep expertise in the education finance sector. Our underwriting process evaluates student credentials, future employability, co-borrower profiles, and country-specific factors such as immigration laws and employment trends. With a credit team of 103 professionals, including eight regional credit managers with an average tenure of 10 years at Credila, we apply differentiated loan terms based on borrower risk and collateral quality. Over 91.98% of our AUM is attributable to loans with earning co-borrowers, enhancing our portfolio quality. Additionally, our AUM is geographically diversified, with 51.54% exposure to the US, 18.84% to the UK, and 11.99% to Canada as of March 31, 2025.



## Asset Quality

Our specialised approach to underwriting, underpinned by proprietary data and risk-based pricing, has resulted in a high asset quality loan portfolio across multiple credit cycles. This is supported by our extensive experience in both overseas and Indian education markets, equipping us with deep expertise across countries, universities, and courses. As of March 31, 2025, we have written off loans worth ₹ 9.70 crore against cumulative disbursements of ₹ 53,754.08 crore since inception.

During the year, the Company encountered an incident of suspected fraud and misrepresentation by borrowers. Upon investigation, an aggregate exposure of ₹16.90 crore was confirmed as fraud, and certain loans with an aggregate exposure of ₹11.76 crore were identified as potentially stressed. While the Company undertakes sustained efforts to maximise recovery, a 100% provision has been made for such loans.

We assess impairment using the Ind AS 109-compliant Expected Credit Loss (ECL) model, which incorporates probability of default, loss given default, exposure at default, and macroeconomic scenarios. The model is regularly updated and supplemented with management overlays to reflect emerging risks. We have also developed a machine-learning-based predictive model, referred to as the Early Warning Signals (EWS) model, to identify potential high-risk or watchlist accounts within our loan portfolio. Based on these predictions, borrower accounts are classified into specific risk categories, with suitable collection strategies and actions assigned to each category to mitigate potential risks effectively. As of March 31, 2025, the Company's Gross Stage 3 ratio was 0.19% (0.15% excluding ₹16.90 crore worth loans classified as fraud), with a healthy Provision Coverage Ratio of 65%. We further continue to monitor our Gross Non-Performing Assets – EMI Portfolio, which stands at 0.59% as of March 31, 2025.



## Technology

We leverage technology and data analytics across our operations to enhance efficiency, decision-making, and borrower experience. Our in-house Loan Origination System (LOS), tailored specifically for the education loan product, features a modular, scalable design with advanced analytics, automation, and seamless third-party integrations to enable real-time data exchange and faster processing. Complemented by a new Loan Management System (LMS), we ensure robust loan servicing, regulatory compliance, and customer support. A centralised data lake allows real-time data flow across the loan lifecycle and supports advanced analytics and AI-driven insights for risk prediction, fraud detection, and operational optimisation. The EWS model further helps us to detect portfolio stress and enable timely interventions, integrated with our ECL framework for financial reporting.

We are in the process of recalibrating and enhancing our credit risk scorecard model to leverage data and analytics for scoring and ranking all logged-in applications based on their risk profiles. This model is expected to reduce reliance on manual inputs during the appraisal journey, enabling faster, more consistent, and risk-based decision-making. It will also help us prioritise loan applications based on their risk-return potential, thereby optimising resource allocation and credit policies. In parallel, we are refining the model to incorporate behavioural nuances specific to each study destination we fund. A credit risk scorecard has been implemented for US-bound students. We also plan to expand its use to other countries and utilise it for making underwriting and pricing decisions, improving consistency, reducing manual inputs, and optimising risk-return outcomes.

In alignment with the RBI's 2023 Master Directions on Information Technology Governance, Risk, Controls, and Assurance Practices (applicable to NBFCs from April 1, 2024), we are actively enhancing our technology environment to meet regulatory expectations. Key initiatives include development and execution of a comprehensive cybersecurity strategy and roadmap, and rigorous compliance through gap assessments and targeted remediation plans.

Additionally, we have reinforced our Security Incident Management and Response capabilities to ensure timely detection, containment, and recovery from cyber threats. These efforts collectively enhance our resilience, governance, and agility in a rapidly evolving regulatory and threat landscape.



## Collections

A structured, data-driven collections process facilitates strong asset quality and high collection efficiency at Credila. By leveraging predictive analytics, customer behaviour insights, and risk profiles, we are able to proactively identify potentially

stressed accounts and take timely action. This approach, combined with cloud-based telephony, automated payment reminders, and a mix of in-house and third-party collection efforts, has helped us achieve a collection efficiency of 99.07% in FY25, with Gross Stage 3 Loans at 0.19% as on March 31, 2025.



## Customer Service

We are committed to delivering a superior customer experience through a wide and diversified distribution network, including branches, direct sales agents, online platforms, and third-party referrals. Throughout the loan lifecycle, viz., application, approval, and disbursement, we engage with customers via email, SMS, calls, webinars, newsletters, and social media. We also conduct financial literacy and career guidance sessions for students and their families. Our dedicated customer service team provides multi-channel support, including a toll-free number, email, and in-person assistance at hub locations. We continuously monitor customer satisfaction post disbursement through metrics such as Net Promoter Score and Customer Satisfaction Score. Insights are also gathered through surveys and feedback sessions to improve service delivery and product offerings.



## Grievance Redressal

In compliance with the RBI's guidelines on Fair Practices Code for Non-Banking Financial Companies (the "Fair Practices Code"), we have adopted a three-tier approach for redressal of customer grievances.

In addition to the above, the RBI has recommended establishing an Internal Ombudsman ("IO") mechanism to improve the internal grievance redressal system of NBFCs. Accordingly, we have appointed an IO to ensure that borrower grievances are addressed fairly. The IO may analyse complaints to identify underlying root causes, and based on these insights, suggest policy-level changes, where required. In this capacity, the IO may also furnish periodic reports to the Company on the same. If grievances are not resolved and borrowers continue to have disputes regarding our business, such disputes are addressed by redirecting the complainants to the RBI Ombudsman, in accordance with the applicable RBI Master Directions.

Our Board of Directors also periodically reviews compliance of the Company's grievance redressal procedures, in line with applicable RBI guidelines. A consolidated report of such reviews is submitted to the Board at quarterly intervals, together with the IO's report.



## Marketing

Our marketing strategy focuses on targeted initiatives that foster long-term relationships and expand our distribution reach. We collaborate with distribution agents on joint marketing efforts, including co-branded materials, webinars, and participation in student fairs, to enhance student awareness and enrolment. To support our partners, we provide training, guidance on industry's best practices, and access to digital platforms that simplify loan application processes. We also leverage online channels, partner with aggregators and social media influencers, and participate in international education fairs to strengthen our visibility and connect directly with prospective students at critical decision-making stages in their overseas education journey.



## Corporate Social Responsibility

We are committed to driving positive societal change through our Corporate Social Responsibility (CSR) initiatives, with a focus on inclusive education, healthcare, girl child empowerment, and support for persons with disabilities. In line with our CSR policy under the Companies Act, we partnered with 14 non-government organisations (NGOs) across nine Indian states in FY25. We actively engage our employees through CSR employee volunteering opportunities, building a culture of compassion and purpose-led growth. Our total CSR spend for the year stood at ₹ 9.11 crore.

### Education

We have partnered with various NGOs in urban and rural areas, to promote inclusive and holistic education by enhancing school infrastructure, supporting academic development, and integrating STEM and digital literacy. With our partners, we have trained 120 teachers to improve classroom outcomes and education delivery. This has benefited more than 10,000 students across 30 schools. We have also supported 15 anganwadis and 7 schools in the implementation of solar electrification during FY25.

### Healthcare

Our healthcare programmes addressed critical needs, including cancer care, congenital heart defects, cleft, maxillofacial and craniofacial deformities. Collaborating with our partners, we provided essential medical support, lodging, nutrition, surgical intervention and other medical interventions to underserved communities in Mumbai, Chennai, Chandigarh and Bengaluru. We have supported over 150 critical surgeries in FY25.

### Girl Child Empowerment

We supported girls' education, health, and personal development through targeted programmes. Our focus was on providing safe spaces, life skills, menstrual hygiene awareness, and career counselling, and personality development training in Pune, empowering girls to reach their potential. During FY25, we have also supported 1,058 adolescent girls through various programmes.

### People with Disabilities

We promoted inclusive education and rehabilitation for children with Multiple Disabilities and Visual Impairment (MDVI). Initiatives included offering therapy, skill development opportunities, and learning interventions that foster independence and long-term growth.



### Sustainability Initiatives

We are committed to sustainable and inclusive growth through a comprehensive sustainability policy overseen by our CSR and Sustainability Committee. Our focus is on enhancing access to education financing for students from diverse socio-economic backgrounds, including female borrowers, individuals from non-urban areas, and economically weaker sections. In FY25, 48.69% of our borrowers were from Tier 3 and beyond towns, 57.29% had Economically Weaker Section (EWS) co-borrowers (with income < ₹ 8.00 lakh), and 34.97% were female borrowers (including 19.47% with EWS co-borrowers).

Our social financing framework, launched in August 2024, has been developed in line with the Social Bond Principles published by the International Capital Markets Association and the Social Loan Principles published by the Loan Market Association, Asia Pacific Loan Market Association and Loan Syndications and Trading Association, and has been assessed by a global ratings agency, which has issued a second party opinion on our framework. It enables us to issue social loans and bonds to support projects with measurable positive social outcomes. In August 2024, our Company successfully raised its first social loan. Initially set at \$300 million, strong demand from global investors led us to exercise a greenshoe option, increasing the total issue size to \$512 million in March 2025, with participation from 15 international banks.

On the environmental front, we have implemented paperless systems including digital loan applications, eAgreements, and eNACH, and have onboarded vendors onto our digital platforms. We have also undertaken eco-friendly initiatives such as e-waste recycling, plantation drives, and sustainable gifting, reinforcing our commitment to environmental responsibility and digital transformation.



### Human Resources

As of March 31, 2025, we had 743 full-time employees on payroll and 735 contractual personnel. We foster a culture of inclusivity, wellness, and professional development through structured programmes such as the 'Credila Excellence Awards', wellness initiatives (including yoga, meditation, and financial literacy), and leadership engagement through fireside discussions. Our talent strategy includes campus hiring from premier institutions, tailored leadership programmes for first-time managers, and employee engagement through sports and community service. We have implemented policies on medical coverage, equal opportunity (including persons with disabilities), and diversity, equity, and inclusion. Women comprised 29% of our managerial workforce (Vice President and above) as of March 31, 2025. In FY25, we conducted 2,178.5 hours of training on compliance (including anti-money-laundering and KYC) and business-related areas such as customer engagement and communication. Employees are incentivised through stock option plans and performance-based schemes, with frontline sales and collections staff eligible for monthly or quarterly incentives tied to targets and metrics.

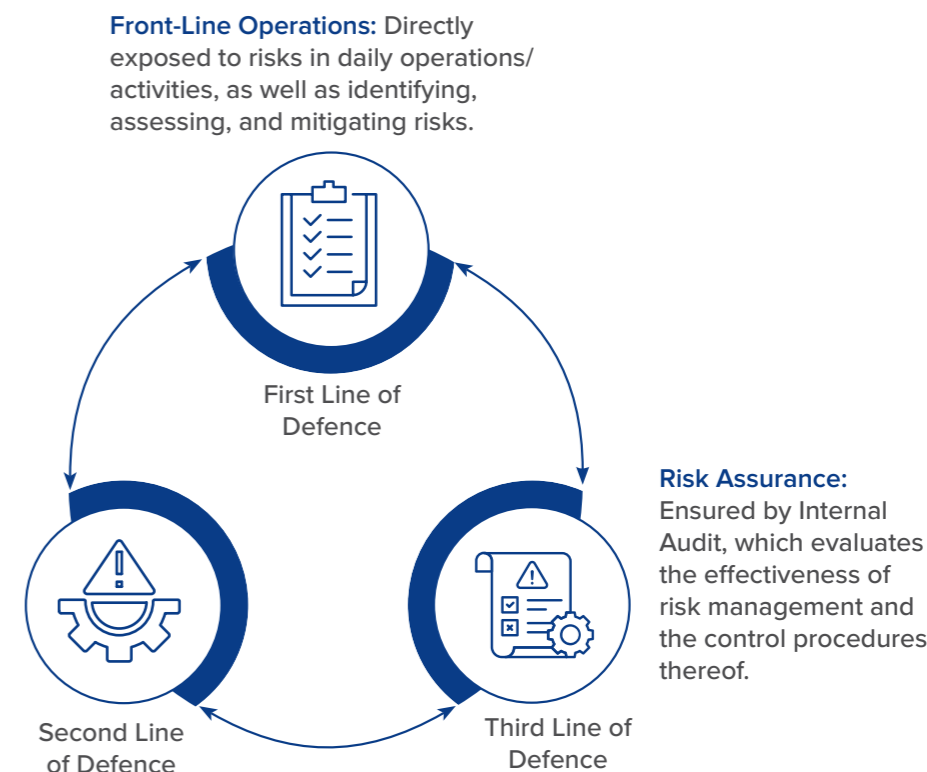


### Risk Management

We operate in a dynamic and competitive environment that exposes us and our business to various risks. We have adopted a robust and comprehensive risk management framework to identify, assess, mitigate and monitor the various risks arising from our business activities. Our framework covers key enterprise risks, including credit, financial, operational, and information security risks, within our risk management team.

Our risk management framework is based on three lines of defence. The first line of defence is our frontline business teams, who are responsible for identifying and managing the risks inherent in their activities. The second line of defence is the risk oversight provided by our risk management function, which sets out the risk policies, standards, methodologies and tools, and monitors and reports on the risk profile and performance of the business. The third line of defence is the independent assurance provided by our internal audit function, which evaluates the effectiveness of the risk management framework and the internal control environment.

**Risk Management:** Provides risk oversight through policies and procedures. Monitors risk exposure and ensures adherence to regulations and internal controls.



### Risk Governance

Our Board of Directors is responsible for the oversight of our risk management framework and the approval of our risk appetite statement, which defines the level and types of risks that we are willing to accept in pursuit of our strategic objectives. The Board has delegated this authority to the Risk Management Committee (RMC), which comprises independent and non-executive directors, to review and monitor the material and emerging risks faced by our Company and mitigation plans thereof. The RMC meets on a quarterly basis and provides guidance to the management to ensure effective risk management.

The RMC is supported by the Internal Risk Management Committee (IRMC), which is a management-level committee chaired by our Chief Risk Officer and comprises senior executives from various functions. The IRMC meets on a quarterly basis and is responsible for implementing our risk policies and strategies and ensuring compliance with our risk appetite statement.

### Risk Assessment And Monitoring

We use a variety of tools and techniques to assess and monitor the risks across our business. These include:

- **Portfolio monitoring:** Regular reviews of credit quality across diverse sub-portfolios (such as study location, underwriting location, co-borrower location, bureau scores, co-borrower leverage, co-borrower income, university rankings, course

type, product group, product type and collateral, among others) and analysis of trends and metrics such as 0+ DPDs, 30+ DPDs, NPAs, bounce rates, and ECL provisioning, as well as incremental disbursements.

- **Self-assessment and control:** We have implemented a risk and control self-assessment framework to evaluate the likelihood and impact of various risk events and to design appropriate controls and action plans. This framework covers all the key processes and functions of the Company and is conducted on a half-yearly basis by our operational risk team.
- **Macro-economic and country risk analysis:** We prepare quarterly PESTLE (Political, Economic, Social, Technological, Legal, and Environmental) reports to track the macro-economic environment and its implications on our business. Additionally, we also prepare a quarterly economic outlook report which tracks India and the major economies where we fund students, which include the USA, Canada and the United Kingdom, among others, for major macro-economic indicators such as unemployment rate, GDP growth rate and inflation, among others. These reports are prepared by our enterprise risk team and are used to assess the potential impact of external factors on our portfolio performance and business strategy. We have also implemented a country risk index to categorise the study countries of the borrowers based on four pillars of geo-political, sanction lists, economic indicators and socio-educational indicators. This index is used by the credit risk team to risk categorise the countries

and is also used as a point of input by our Sales and Credit teams for their sourcing and approval strategies. We prepare these reports and indices for the internal review of our senior management team, RMC and Board of Directors, which form part of the non-financial parameters considered for credit and risk assessment.

- **Risk appetite and compliance:** We maintain a risk appetite statement with more than 40 key risk indicators across strategic, financial, operational and reputational risks. The statement is monitored monthly to ensure alignment with overall organisational objectives and risk tolerance levels. The risk appetite statement is reviewed and approved by the RMC on an annual basis and any breaches or deviations are reported and escalated to the relevant committees and the Board.
- **Internal Capital Adequacy Assessment Process (ICAAP) and stress testing:** Our Risk Management team also carries out an annual internal capital adequacy assessment exercise and regular stress testing for financial risks, including interest rate, liquidity and other key Pillar I and Pillar II risks.
- **Cybersecurity:** Our Chief Information Security Officer (CISO) and cyber security team have formulated robust cybersecurity strategies and plans. These are implemented through a variety of projects, such as our network modernisation initiatives and regulatory compliance gap assessments. The progress on these projects is reviewed regularly through internal management committees as well as by the Information Security Committee (ISC) and RMC of our Board. A dedicated ISC meets quarterly to oversee cybersecurity measures, such as zero trust architecture and incident response strategies.

## Risk Mitigation

We have implemented various measures and controls to mitigate the risks that we face, which are set out below:

- **Credit risk:** We have implemented a credit risk management process that involves a comprehensive assessment of the borrower's academic performance, course and university selection, co-applicant's income and credit history, and the repayment capacity and intention. We have implemented a proprietary credit scoring model (i.e. credit risk scorecard) for our US portfolio. This model leverages our historical performance data and behavioural analytics on our existing borrower base along with rejected applicants to evaluate the creditworthiness of borrowers. We are in the process of developing and implementing a similar model for the UK and Canada. We also use a product and profile-based pricing mechanism that reflects the risk-adjusted return on each loan. Additionally, we monitor the portfolio performance on a regular basis and take proactive actions to prevent and recover delinquencies and defaults.
- **Operational risk:** We have implemented a comprehensive operational risk management process that involves

identifying, measuring, monitoring and controlling the risks arising from inadequate or failed internal processes, people and systems, or from external events. We have established various policies, procedures, standards and guidelines to ensure compliance with the applicable laws, regulations and best practices. Further, we have also implemented an incident reporting and management framework across our operations, including a whistleblower mechanism. In addition, we have also implemented a data loss prevention programme to prevent data leakage, data theft and its misuse along with the establishment of various information security controls. We conduct regular audits, reviews and tests to evaluate the effectiveness of the operational risk management framework and the internal control environment. We also have a business continuity management plan in place that covers the key aspects of crisis management, business recovery and disaster recovery, to ensure the continuity of our critical operations and services in the event of disruption.

- **Financial risk:** We have implemented a financial risk management process that involves managing the risks arising from fluctuations in interest rates, foreign exchange rates, liquidity and capital adequacy. Our Treasury function monitors and manages financial risks on a daily basis and uses various hedging instruments, such as swaps, forwards and options, to mitigate exposure to interest rate and currency risk. We also maintain a liquidity and capital management policy that ensures that we have sufficient cash and capital resources to meet our obligations and growth plans. We have defined internal limits and ratios for liquidity and capital adequacy that are well above the regulatory requirements. The aforementioned limits are reviewed and monitored by our Asset Liability Management Committee and Risk Management Committee to ensure that our ratios are consistently within limits. Further, our risk management function conducts regular stress testing and scenario analysis of our key financial risks. It also conducts independent assessments of key policies such as Contingency Funding Plan (CFP) and Liquidity Risk Management Framework (LRMF) and shares its findings with our treasury function.
- **Information security and cyber risk:** We have undertaken several initiatives in this domain in response to ongoing tech developments and the growing digitalisation of our operations. Our information technology systems have been upgraded by enhancing monitoring, detection and defence capabilities to avoid cyber-attacks and data theft. During FY25, we have undertaken network modernisation initiatives at nine locations to improve cybersecurity and dispense with obsolete infrastructure. We have also implemented security incident detection and response capabilities, aimed at improving our response and recovery time in the event of a cybersecurity incident. With the aim of reducing the scope for cybersecurity attacks on our systems, we have also implemented 'zero trust' solutions in our cybersecurity

framework. In addition, we maintain cybersecurity insurance to address risks associated with cybersecurity breaches. We also completed a regulatory compliance gap assessment during FY25 and are in the process of implementing an action plan to address such gaps. We believe that our risk management framework enables us to effectively manage the risks that we face and to enhance our resilience and competitiveness in the market.



## Corporate Governance

Our Board of Directors (the Board) has been constituted in compliance with the Companies Act, the SEBI Listing Regulations, NBFC Scale Based Regulation and in accordance with best practices in corporate governance. The Board functions either as a full board, or through various committees constituted to oversee specific operational areas. These include the Audit Committee, the Nomination and Remuneration Committee, the Stakeholders' Relationship Committee, the CSR & Sustainability Committee, the Risk Management Committee, the Allotment Committee, the IT Strategy Committee, the Review Committee, and the Fund-Raising Committee. The executive management of our Company periodically provides the Board detailed reports on its performance.



## Internal Control System

The Company has implemented adequate internal financial controls that are commensurate with the size, scale, and complexity of its operations. These controls are designed to ensure orderly and efficient conduct of business, adherence to policies, safeguarding of assets, prevention and detection of frauds and errors, accuracy and completeness of accounting records, and timely preparation of reliable financial information.

The internal financial control framework is supported by standard operating procedures, defined approval mechanisms, appropriate segregation of duties, and IT-enabled systems. Controls are periodically reviewed, tested for design and operating effectiveness, and documented accordingly.

Based on the assessments carried out during the year, no material weaknesses or significant deficiencies were observed. While internal controls are designed to provide reasonable assurance, it is acknowledged that such systems have inherent limitations, and their effectiveness may be subject to change due to evolving risks or process changes. Accordingly, the Company maintains a process of continuously monitoring, reviewing, and strengthening of its internal financial control environment.

## STRATEGIC OUTLOOK

As we scale, our focus is on strengthening our global presence by addressing the evolving academic and financial needs of our growing student base. We are exploring inorganic growth opportunities, expanding and diversifying our distribution network, and investing in automation to enhance efficiency and customer experience. At the same time, we remain committed to maintaining a strong liability profile to ensure long-term financial sustainability. These initiatives should help position us as a resilient leader in global education financing.

- **Continue to grow our existing business:** To drive continued growth and expand its student base, the Company aims to deepen partnerships with universities, especially for STEM and MBA programmes. We plan to expand our domestic portfolio across undergraduate and postgraduate programmes, along with professional courses offered by leading and emerging educational institutions, dual-country programmes and support institutional financing. Internationally, we plan to open offices in the US, the UK, Canada, and UAE, while exploring Southeast Asia and eastern Europe. Additional growth avenues include cross-selling (forex, insurance, accommodation), student-focused products (test prep, language training), and risk-adjusted loans for undergraduate, MBA, and executive education. We also plan to evaluate and consider financing quality educational institutions to complement our existing retail education loan business.
- **Expand and diversify our distribution network:** The Company is actively onboarding new third-party agents to increase reach and product visibility. We are strengthening tie-ups with schools and colleges, especially engineering and International Baccalaureate institutions, to engage with students early and boost brand awareness. Plans include launching scholarship programmes as both financial support and a branding tool. Recognising the current concentration in Tier 1 cities, the Company is focusing on expanding into Tier 2 and 3 cities through local channels and college partnerships. Additionally, we aim to enhance digital acquisition by investing in online lead generation and improving our - digital loan application experience to reach more students nationwide.
- **Leverage technology to optimise, automate, and digitise processes:** Operational efficiency is being driven through automation, including lead-matching algorithms, Straight through Processing (STP), i.e., automated approvals and rejections for high-quality and low-quality applications respectively, and real-time API integrations. Advanced credit scoring models are live for US applications and in development for those for the UK and Canada. Generative artificial intelligence-powered tools are being deployed for smart forms, verification, fraud detection, and borrower

engagement. Tech platforms for counsellors, CRM, mobile apps, and a refined ECL model are also underway.

- **Maintain and further enhance our liability profile:** The Company aims to strengthen its credit profile by maintaining strong capital buffers and diversifying funding via bank loans, NCDs, green/social bonds, and digital platforms. A social financing framework, introduced in August 2024, enables issuance of impact-linked bonds. Treasury operations are being optimised through automation, forecasting, and risk controls. We are actively exploring opportunities to diversify our funding sources, expand our product portfolio, and leverage technological advancements in lending. This includes potential arrangements such as direct assignments, securitisation and co-lending.

CAUTIONARY STATEMENT

This Management Discussion and Analysis includes statements that outline the Company’s objectives, projections, estimates, expectations, and predictions. These are considered forward-looking statements under applicable securities

laws and regulations. The Company has conducted various assessments and analyses to form assumptions regarding future business developments. However, actual outcomes may differ from these expectations due to a range of risks and unforeseen factors.

Key factors that could influence the Company’s operations include macroeconomic developments within the country and improvements in capital market conditions. Changes in government regulations, taxes, laws, and other statutes, as well as other incidental factors, could also affect results. The Company is not obligated to publicly update or revise any forward-looking statements to account for future or probable events or circumstances.

*Unless otherwise indicated, industry and market related data used in this section have been derived from the report titled “Report on Education Financing Industry in India” dated June 26, 2025 (the “Industry Report”), prepared and released by Redseer Strategy Consultants Private Limited, which has been paid for and commissioned by our Company.*

Directors’ Report

TO THE MEMBERS,

Your Directors are pleased to present the 20<sup>th</sup> Annual Report of the Company with the audited accounts for the financial year ended March 31, 2025.

1. FINANCIAL RESULTS

The Company’s performance for the financial year under review is summarized below:

(₹ in lakhs)		
Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Total Income	4,72,599.96	2,77,104.10
Less: Total Operating Expenses	33,600.78	27,044.95
<b>Profit before Interest, Depreciation and Expected Credit Loss</b>	<b>4,38,999.18</b>	<b>2,50,059.15</b>
Less: Interest and Finance Charges	2,89,344.26	1,73,102.29
Less: Depreciation	2,403.62	1,141.60
Less: Expected Credit Loss	14,654.18	4,978.52
<b>Profit before Tax</b>	<b>1,32,597.12</b>	<b>70,836.74</b>
Less: Provision for Taxation	33,601.28	17,952.85
<b>Profit after Tax</b>	<b>98,995.84</b>	<b>52,883.89</b>
Add: Other Comprehensive Income	(4,824.00)	912.84
<b>Total Comprehensive Income</b>	<b>94,171.84</b>	<b>53,796.73</b>
Less: Transfer to Reserve as per Section 45-IC (1) of RBI Act	19,799.17	10,577.35
<b>Balance carried to Balance Sheet</b>	<b>74,372.67</b>	<b>43,219.38</b>

2. FINANCIAL PERFORMANCE

Your Company’s total income increased by 70.55% to ₹4,726.00 crores for the financial year ended March 31, 2025, from ₹2,771.04 crores for the financial year ended March 31, 2024, which was primarily attributable to increases in our revenue from operations and other income.

Total expenses increased by 64.84% to ₹3,400.03 crores for the financial year ended March 31, 2025, from ₹2,062.67 crores for the financial year ended March 31, 2024, primarily due to an increase in finance costs, consistent with the increase in the scale of our business. As a percentage of total income, the total expenses were 71.94% in the financial year ended March 31, 2025, as compared to 74.44% in the financial year ended March 31, 2024.

3. SIGNIFICANT DEVELOPMENTS

The financial year ended March 31, 2025, have been a year of new beginning as your Company transitioned out of HDFC group and Marquee investors such as EQT (i.e., Kopvoorn B.V.) & ChrysCap group (i.e., Moss Investments Limited, Defati Investments Holding B.V. and Infinity Partners) acquired significant control in the Company.

During the year under review, the following significant developments took place in the Company:

A. Name Change

The Board and Shareholders at their Meetings held on July 24, 2024, and September 5, 2024, respectively approved change in the name of the Company from HDFC Credila Financial Services Limited to ‘Credila Financial Services Limited’. Upon receipt of regulatory approvals, the name of the Company was changed from ‘HDFC Credila Financial Services Limited’ to ‘Credila Financial Services Limited’, and a fresh certificate of incorporation dated October 21, 2024, was issued by the Registrar of Companies, Central Processing Centre, Manesar, pursuant to the change in the name of the Company.

Accordingly, the Company’s logo was changed to “Credila”.

B. Initial Public Offering of the Company’s Equity Shares

During the financial year under review, upon receipt of necessary corporate approvals, the

Company filed a confidential pre-filed draft red herring prospectus (“**PDRHP**”) on December 26, 2024 for issuance of equity shares of face value of ₹ 10 each and offer for sale of equity shares by certain existing shareholders of the Company, with Securities and Exchange Board of India (“**SEBI**”) and the Stock Exchanges, where the equity shares are proposed to be listed.

Upon receipt of the comments from SEBI and the Stock Exchanges, and after incorporating the necessary updates, modifications and such additional information as were advised, the Company on June 26, 2025, filed an updated draft red herring prospectus-I (“**UDRHP-I**”) in relation to the proposed initial public offering, with SEBI and Stock Exchanges to seek public comments.

#### C. Changes in share capital

During the financial year under review, the Company issued and allotted 396,18,490 equity shares of ₹10/- each at a premium of ₹671.50/- per equity share amounting to ₹2,700 crores, details of which are given as under:

Date of Allotment	Name of the Shareholder	Number of Equity Shares allotted	Amount of consideration (In ₹crores)	Preferential / Rights Issue
June 28, 2024	Shinhan Bank Co., Ltd	2,20,10,272	1,500.00	Preferential issue
July 24, 2024	Kopvoorn B.V.	1,09,20,265	744.22	Rights Issue
	Moss Investments Limited	24,75,877	168.73	
	Defati Investments Holding B.V.	1,41,397	9.64	
	Infinity Partners	1,12,792	7.69	
October 14, 2024	HDFC Life Insurance Company Limited	39,57,887	269.73	Preferential issue
<b>Total</b>		<b>396,18,490</b>	<b>2,700.00</b>	

#### D. Talent Acquisition

During the year under review and till the date of this report, following Key Managerial Personnel (“**KMP**”) and Senior Management Personnels (“**SMPs**”) were appointed:

- Mr. Anand Nevgi was appointed as the Chief Operating Officer with effect from July 22, 2024.
- Ms. Karishma Jhaveri was appointed as the Company Secretary and Compliance Officer with effect from September 17, 2024.
- Ms. Aastha Sachdeva was appointed as the Chief Risk Officer with effect from February 06, 2025.
- Mr. Ramganesh Iyer was appointed as the Head of Corporate Development with effect from May 05, 2025.

#### E. Change in Statutory Auditors

During the year under review, M/s. Shah Gupta & Co., Chartered Accountants, one of the Joint Statutory Auditors of the Company completed their tenure of three consecutive years in terms of Guidelines for Appointment of Statutory Central Auditors (SCAs)/ Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs), dated April 27, 2021, issued by Reserve Bank of India (“**RBI Guidelines**”) and accordingly

ceased to hold office with effect from conclusion of the 19<sup>th</sup> Annual General Meeting (“**AGM**”) held on September 5, 2024.

In terms of the RBI Guidelines and based on the recommendation of the Audit Committee and Board of Directors, the Members at the Extra-ordinary General Meeting (“**EGM**”) held on October 30, 2024, approved appointment of Price Waterhouse LLP, Chartered Accountants (“**PW**”) (Firm Registration No. – 301112E/E300264) as one of the Joint Statutory Auditors of the Company from October 30, 2024 until the conclusion of 20<sup>th</sup> AGM of the Company to be held in the financial year 2025-26.

The Board at their Meeting held on May 16, 2025, upon recommendation of the Audit Committee and subject to approval of the Members, approved re-appointment of PW for a second term of two years, in terms of the provisions of the RBI Guidelines. Accordingly, approval of the Members will be sought at the 20<sup>th</sup> AGM of the Company to be held in FY2025-26 for re-appointment of PW as one of the Joint Statutory Auditors of the Company for a period of two years i.e., from the conclusion of 20<sup>th</sup> AGM of the Company until the conclusion of 22<sup>nd</sup> AGM of the Company to be held in the FY 2027-28.

#### F. Update related to Fraud

During the year under review, the Company encountered an incident of suspected fraud and misrepresentation by borrowers. In this regard, the Company uncovered 71 transactions where there was suspected misrepresentation of documents from the borrowers, and a further review was conducted to analyze loans with similar profiles to evaluate if there were any additional suspected cases. Arising from the said review for confirmed fraud cases the Company had written off ₹ 4.48 crores and to account for any expected credit losses and write-offs arising from the incident and pending completion of its investigation of suspected cases with similar typology, the Company had recognized a provision of ₹ 80.00 crores in the statement of profit and loss during the quarter ended September 30, 2024. The Company also engaged an independent professional firm to investigate the incident to ascertain staff accountability, if any and the report did not establish any conclusive evidence indicating any collusion of staff. The Company has taken efforts to maximize recovery from such suspected fraud cases including issuance of show cause notices to these borrowers and after assessment of the responses received, the Company has filed Fraud Monitoring Report for 51 cases where fraud has been established with an aggregate exposure of ₹ 16.90 crores as prescribed in the RBI Master Directions on Fraud Risk Management in Non-Banking Financial Companies dated July 15, 2024. The Company has reviewed loans with similar profiles for potential suspected frauds and concluded that there are no incremental fraud cases except certain cases with potential stress with an aggregate exposure of ₹ 11.76 crores. These have been migrated from Stage 2 to Stage 3 under the Expected Credit Loss (“**ECL**”) Model on which 100% ECL provision has been retained. Accordingly, the management has reclassified loans with an aggregate exposure of ₹ 51.34 crores from Stage 2 to Stage 1 with a release of ECL provision of ₹ 51.34 crores thereon during the quarter ended March 31, 2025.

Pursuant to the National Financial Reporting Authority Circular on Statutory Auditors’ Responsibilities in relation to Fraud in a Company dated June 26, 2023 (“**NFRA Circular**”), which places certain reporting obligations on the auditor, in relation to frauds and requires them to report the Audit Committee/Board and Central Government, if they have reason to believe that an offence of fraud involving individually an amount of ₹ one crore or above, is being or has been committed in the company by its officers or employees. Accordingly, the Joint Statutory Auditors

on December 20, 2024, had issued a letter to the Audit Committee of the Company, seeking their reply or observations within 45 days, in terms of the provisions of Rule 13 of the Companies (Audit and Auditors) Rules, 2014. Post receipt of response from the Audit Committee, the Joint Statutory Auditors filed their report in Form ADT-4 with the Registrar of Companies, under Section 143(12) of the Companies Act, 2013 read with Rule 13 of the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, and NFRA Circular.

#### 4. REVIEW OF OPERATIONS

During the financial year under review, the education loans disbursed by the Company increased by 9% from ₹ 14,089.22 crore in FY 2023-24 to ₹ 15,308.86 crore in FY 2024-25. The assets under management (AUM) have grown by 48% from ₹ 28,187.20 crore in FY 2023-24 to ₹ 41,810.45 crore in FY 2024-25.

During the financial year ended March 31, 2025, the Company earned a profit before tax of ₹ 1,325.97 crore as compared to the profit before tax of ₹ 708.37 crore in the previous year. The Company’s loan book and total income have both experienced significant growth in this financial year. The Company has continued to maintain its portfolio quality even while achieving robust growth.

There was no change in the nature of business of the Company, nor was there any material change or commitment that would affect its financial position as on date of this report.

#### 5. DIVIDEND

The Board assessed the performance of the Company during the year under review and noted exceptional performance for the year, capital buffers and liquidity position. Considering the future growth plans and the need to conserve capital for the same, the Board does not recommend any dividend on the equity shares for the financial year 2024-25.

#### 6. PROFIT TO BE CARRIED FORWARD TO RESERVES

The Directors propose to transfer ₹ 197.99 crore as per Section 45-IC of the Reserve Bank of India Act, 1934 to the Special Reserve of the Company for the financial year ended March 31, 2025.

#### 7. CAPITAL ADEQUACY RATIO (CAR)

As at March 31, 2025, the CAR stood at 21.81%, of which Tier I capital was 19.70% and Tier II capital was 2.11%. As per regulatory norms, the minimum requirement for the CAR and Tier I capital as at March 31, 2025, is 15% and 10% respectively.

## 8. RESOURCE MOBILISATION

During the financial year under review, the Company achieved robust business growth with disbursement of ₹ 15,308.86 crores. To augment this business growth thereby providing access to capital, the Company raised ₹ 20,686 crores by way of terms loans from Banks and Financial Institutions, External Commercial Borrowings, Non-Convertible Securities, Commercial Papers and Direct Assignment. As on March 31, 2025, the total outstanding borrowings of the Company stood at ₹ 39,043 crores, summarized as under:

- 1. Term loans:** During the financial year under review, the Company raised funds by way of term loans of ₹ 8,680 crores and Working Capital Demand Loan (WC DL) of ₹ 750 crores. During the year, the Company has drawn down fresh term loans from 11 existing lenders and four new banks. As on March 31, 2025, the total term loans outstanding amounted to ₹ 23,759 crores as compared to ₹ 18,925 crores as on March 31, 2024.
- 2. External Commercial Borrowings (ECB):** During the year under review, the Company availed ECB of ₹ 6,291.97 crores for further lending of education loans as per the ECB guidelines issued by the RBI. As on March 31, 2025, the outstanding ECB stood at ₹ 7,137 crores.
- 3. Perpetual debt:** As on March 31, 2025, the Company's outstanding Perpetual Debt stood at ₹ 475 crore. Pursuant to guidelines issued by the Reserve Bank of India (RBI) for the purpose of computation of capital adequacy of the Company, the perpetual debt was bifurcated as ₹ 475 crores under Tier I capital and Nil under Tier II capital. Further, 100% of perpetual debt forms part of Tier I capital. It is subordinated to the present and future senior indebtedness of the Company and is perpetual in nature with a call option after 10 years from the date of issue. The Company's Perpetual Debt securities have been listed on the Wholesale Debt Market (WDM) Segment of BSE Limited. The Company has been regular in its payment obligation towards Perpetual Debt.
- 4. Subordinated debt:** As on March 31, 2025, the Company's outstanding Unsecured, Rated, Listed and Redeemable, Non-Convertible Subordinated Tier II Debentures stood at ₹1,090 crores. This debt is subordinated to the present and future senior indebtedness of the Company. Based on the balance term to maturity, as at March 31, 2025, ₹ 842 crores of the book value of this debt was considered as Tier II capital under the guidelines

issued by the RBI for the purpose of computation of capital adequacy of the Company. The Company's Subordinated Tier II Debentures have been listed on the WDM Segment of BSE Limited. The Company has been regular in its payment obligations towards Subordinated Debt.

- 5. Non-convertible debentures (NCDs):** During the year under review, the Company raised Secured Non-convertible Debentures amounting to ₹ 1,510 crores. The Company's NCDs have been listed on the WDM Segment of BSE Limited. As on March 31, 2025, the Company's outstanding NCDs stood at ₹ 4,010 crores. The Company has been regular in its payment obligations towards NCDs. The Company is in compliance with the provisions of the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023, ("NBFC Scale Based Regulations")
- 6. Commercial Paper (CP):** The Company's CPs have been assigned the highest possible rating of 'CRISIL A1+' and 'ICRA A1+' by CRISIL and ICRA respectively, signifying the highest safety for timely servicing of debt obligations. The face value of the CPs outstanding as on March 31, 2025, was ₹ 2,050 crores as compared to ₹ 1,200 crores as on March 31, 2024.

The Company has listed its CPs with BSE Limited. The Company has been regular in terms of payment obligations towards CPs.

- 7. Direct Assignment:** During the year ended March 31, 2025, pursuant to approval of the Audit Committee and the Board of Directors, the Company transferred loans not in default amounting to ₹103.47 crores to Shinhan Bank Co., Ltd, a related party of the Company under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), in accordance with RBI Master Direction on Transfer of Loan Exposures dated September 24, 2021. The Company has not acquired any loans not in default, has not transferred or acquired any stressed loans and has not transferred or acquired any Non-Performing Assets.

## 9. CREDIT RATINGS

CRISIL Ratings Limited ("CRISIL"), CARE Ratings Limited ("CARE") and ICRA Limited ("ICRA"), have reviewed and reaffirmed the ratings to the Company's outstanding debt instruments. During the year under review, the Company's credit rating reflected high degree of safety

regarding timely servicing of financial obligation, given as below:

Particulars	CRISIL	CARE	ICRA
Non-Convertible Debentures	AA+ (Stable)	AA (Stable)	AA (Stable)
Subordinated Debt	AA+ (Stable)	AA (Stable)	AA (Stable)
Perpetual Debt	AA (Stable)	AA- (Stable)	AA- (Stable)
Term Loans	AA+(Stable)	AA (Stable)	AA (Stable)

## 10. CHANGES IN SHARE CAPITAL

The issued, subscribed and paid-up equity share capital of the Company increased from ₹179.17 crores as on March 31, 2024, to ₹218.79 crores as on March 31, 2025, on account of issue of Equity shares by way of preferential and rights issue.

## 11. DEPOSITS

The Company is a Non-Deposit taking Non-Banking Financial Company registered with the Reserve Bank of India and classified as a "middle layer" NBFC under the NBFC Scale Based Regulations. During the year under review, the Company has not accepted deposit. Further, the Board of Directors of the Company have passed a resolution for non-acceptance of deposits from the public for FY 2025-26.

## 12. BOARD OF DIRECTORS & KEY MANAGERIAL PERSONNEL

### I. Declarations and Disclosures from Directors

All Directors of the Company have confirmed that they satisfy the fit and proper criteria as prescribed under NBFC Scale Based Regulations and that they are not disqualified from being appointed as directors in terms of Section 164(1) and 164(2) of the Companies Act, 2013.

The Independent Directors of the Company have also confirmed that they satisfy the criteria of independence as provided under Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') and have complied with the Code of Conduct as prescribed under Schedule IV of the Companies Act, 2013.

### II. Changes in the Board of Directors

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

- Upon recommendation of the Nomination & Remuneration Committee ("NRC"), the Board of Directors of the Company at its meeting held on June

28, 2024, approved the appointment of Mr. Satish Kumar Pillai (DIN 03511106) and Mr. Seung Hyo Han (DIN 10686686) as Additional Non-Executive Directors of the Company with effect from June 28, 2024. The Members at the Extra-ordinary General Meeting (EGM) held on June 28, 2024, approved their appointments as Non-Executive Directors.

- The Board at its meeting held on June 28, 2024, took on record resignation of Mr. Kosmas Kalliarekos (DIN 03642933) who ceased to be a Non-Executive Nominee Director, with effect from close of business hours on June 28, 2024.
- Upon recommendation of the NRC, the Board of Directors of the Company at its meeting held on November 11, 2024, approved the appointment of Mr. Ankit Singhal (DIN 09776472) as Additional Non-Executive Nominee Director of the Company with effect from November 12, 2024. The Members at the EGM held on December 23, 2024, approved appointment of Mr. Singhal as Non-Executive Nominee Director.
- The Board at its meeting held on November 11, 2024, took on record resignation of Mr. Sanjay Kukreja (DIN 00175427) who ceased to be a Non-Executive Nominee Director, with effect from close of business hours on November 11, 2024.
- The Board of Directors at their meeting held on January 16, 2025, based on the recommendation of the NRC and considering the valuable contributions made by Mr. Arijit Sanyal (DIN 08386684) and the need for his strategic directions for the future growth of the Company, accorded their approval for re-appointment of Mr. Sanyal as the Managing Director & CEO of the Company for a term of 5 years commencing from January 17, 2025 to January 16, 2030 not liable to retire by rotation, subject to the approval of the Shareholders. The Members at the EGM held on March 05, 2025, approved re-appointment of Mr. Sanyal with effect from January 17, 2025.

### III. Retirement by Rotation

Pursuant to the provisions of Section 152(6) of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Jimmy Mahtani (DIN: 00996110) and Mr. Rajnish Kumar (DIN: 05328267), Non-Executive Nominee Directors of the Company are liable to retire by rotation at the upcoming Annual General Meeting (AGM) of the Company. Both being eligible, have offered themselves for re-appointment.

#### IV. Changes in Key Managerial Personnel

During the year under review, except as stated below there were no changes in the list of Key Managerial Personnels ("KMP"), designated as KMP under Section 2(51) and 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

- Ms. Akanksha Kandoi resigned as Company Secretary & Compliance Officer of the Company with effect from the close of business hours of June 24, 2024, to pursue opportunities outside the Company.
- Based on the recommendation of NRC, the Board of Directors at their meeting held on September 17, 2024, approved appointment of Ms. Karishma Jhaveri (ICSI Membership Number: A-25932) as Company Secretary (Key Managerial Personnel) and Compliance Officer of the Company, with effect from September 17, 2024.

As on March 31, 2025, and as on the date of this report, the list of KMP are as follows:

S.N.	Name of the KMP	Designation
1	Mr. Arijit Sanyal	Managing Director & CEO
2	Mr. Manjeet Bijlani	Chief Financial Officer
3	Ms. Karishma Jhaveri	Company Secretary & Compliance Officer

#### 13. BOARD MEETINGS

During the financial year ended March 31, 2025, 11 Board Meetings were held on April 02, 2024, May 01, 2024, June 28, 2024, July 24, 2024, September 17, 2024, November 11, 2024, December 19, 2024, December 24, 2024, January 16, 2025, January 22, 2025, and February 25, 2025, respectively. These meetings were held within the maximum time gap of 120 days between two consecutive Board Meetings.

The details of the Board of Directors and Board meetings along with attendance of each Director are provided in the Report of the Directors on Corporate Governance annexed as **Annexure B**, which forms part of this Report.

#### 14. COMMITTEES OF DIRECTORS

The Board has constituted the following Committees of the Directors:

- Audit Committee
- Nomination & Remuneration Committee (NRC)

- Stakeholders' Relationship Committee (SRC)
- Risk Management Committee (RMC)
- CSR & Sustainability Committee
- IT Strategy Committee
- Allotment Committee
- Review Committee
- Fund Raising Committee

The details of the composition of these Committees and the number of Meetings held during the year under review along with attendance of members of the Committees, are provided in the Report of the Directors on Corporate Governance annexed as Annexure B, which forms part of this Report.

During the financial year under review, the Independent Directors met on February 25, 2025, wherein they reviewed the performance of Non-Independent Directors and the Board as a whole, performance of the Chairperson of the Company, taking into account the views of Executive Director and Non-Executive Directors and assessed the quality, quantity and timeliness of flow of information between the Company's management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

#### 15. BOARD EVALUATION & FAMILIARIZATION OF INDEPENDENT DIRECTORS

##### A. Board Evaluation

In accordance with the provisions of Section 134(3) of the Companies Act, 2013, board evaluation of the performance of individual Directors, Board as a whole, Committees of Board and Chairman of the Board was carried out for the financial year ended March 31, 2025. A Board Evaluation Questionnaire was circulated to all Directors as on March 31, 2025, through a secured portal wherein each Director participated and submitted the questionnaire and evaluated the performance of other Directors, the Board as a whole, the Committees of the Board in which they are members and the Chairman of the Board. The questionnaire were on the parameters such as contribution and attendance of individual directors at the Board/Committee meetings, their knowledge, competency, integrity, diversity, etc.

The Board discussed the outcome of the Board Evaluation and were satisfied with the overall Board evaluation process and the performance of the Board Members.

##### B. Familiarisation programme

Pursuant to the provisions of Regulation 25(7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is required to provide suitable training to its Independent Directors to familiarise them inter alia with the Company, their roles, rights, responsibilities in the Company, nature of industry in which the Company operates and the business model of the Company.

Accordingly, the familiarisation programme conducted for the Non-Executive Directors of the Company during FY 2024-25 is available on the Company's website at <https://www.credila.com/investor-relations>

#### 16. DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 134(3)(c) of the Companies Act, 2013 and based on the information provided by the Management, the Directors state that:

- In the preparation of annual accounts, the applicable accounting standards have been followed;
- The accounting policies selected have been applied consistently. Reasonable and prudent judgments and estimates have been made to give a true and fair view of the state of affairs of the Company as on March 31, 2025, and of the profit of the Company for the year ended on that date;
- Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;
- The annual accounts of the Company have been prepared on a going concern basis;
- Internal financial controls have been laid down to be followed by the Company, and such internal financial controls are adequate and operating effectively; and
- Proper systems are in place to ensure compliance with the provisions of all applicable laws, and that such systems are adequate and operating effectively.

#### 17. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company believes in conducting its business responsibly, fairly and in a most transparent manner

and continuously seeks ways to bring about an overall positive impact on the society and environment where it operates and as a part of its social objectives. Through our CSR efforts, Company is focused on improving access to education, healthcare, the empowerment of female children and people with disabilities, and improving water, sanitation and hygiene infrastructure.

Pursuant to the provisions of Section 135 of the Companies Act, 2013, the Board of Directors had constituted Corporate Social Responsibility Committee. The Board at its meeting held on May 16, 2025, changed the name of this Committee to 'CSR & Sustainability Committee' with a commitment to offer products to students from every stratum of society to enhance their access to capital for pursuing higher education. As on March 31, 2025, the composition of 'CSR & Sustainability Committee' comprises of following members:

S.N.	Name of the Director	Designation	Category
1	Ms. Anuranjita Kumar	Chairperson	Independent Director
2	Mr. Ashish Agrawal	Member	Non-Executive Nominee Director
3	Mr. Ankit Singhal	Member	Non-Executive Nominee Director

Brief outline of the CSR Policy of the Company, the initiatives undertaken by the Company during FY 2024-25, average net profits of the Company for the immediately three preceding financial years, CSR obligations and details of amount spent on CSR activities during the financial year ended March 31, 2025, are provided in Annual CSR Report for FY 2024-25 annexed as **Annexure A**, which forms part of this Report.

#### 18. WHISTLE BLOWER POLICY/VIGIL MECHANISM

The Company has in place a Whistle Blower Policy/Vigil Mechanism ("**Whistleblower Policy**") to ensure that all employees and directors of the Company work in a conducive environment and are given a platform to freely express their concerns or grievances on various matters pertaining to any corruption & bribery, misuse or abuse of authority, misuse of Company's resources & assets, malpractice, actual/suspected fraud, misappropriation of funds, etc.

In order to ensure the highest standards of governance within the Company under the Whistleblower Policy, other stakeholders including borrowers, Co-borrowers, Partners, Direct Selling Agents, Vendors etc. can report serious concerns or grievances. The Whistleblower Policy provides that the whistleblower shall be protected against any detrimental action as a result of any allegations made by them in good faith. The Audit Committee quarterly reviews the complaints received under the Vigil Mechanism.

The Whistleblower Policy is available on the website of the Company at <https://www.credila.com/investor-relations>

## 19. LOANS, GUARANTEES OR INVESTMENTS

The Company being an Non-Banking Financial Company ("NBFC") registered with RBI provides education loans to students in the ordinary course of business and accordingly is exempt from complying with the provisions of Section 186 of the Companies Act, 2013 with respect to loans.

Details of education loans provided during the year ended March 31, 2025, are provided in the Audited Financial Statements of the Company. Further, in terms of Section 186(4) of Companies Act, 2013, details of investments made by the Company is provided in Notes to the Audited Financial Statements of the Company for the year ended March 31, 2025 (Refer Note 9).

## 20. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All the related party transactions entered into during the year under review were on arm's length and in ordinary course of business. The Audit Committee quarterly reviews the actual related party transactions vis-à-vis the omnibus approvals granted for the financial year.

The Company has not entered into any contract or arrangement with related parties referred to in Section 188(1) of the Companies Act, 2013 requiring disclosure in Form No. AOC-2, as prescribed under Rule 8(2) of the Companies (Accounts) Rules, 2014. Details of other related party transactions are provided in the Notes to the Audited Financial Statements of the Company for the year ended March 31, 2025.

The Company's Policy on dealing with Related Party Transactions is available on the website of the Company at <https://www.credila.com/investor-relations>

## 21. REMUNERATION POLICY

The Company has in place a remuneration policy for the remuneration of the Directors, Key Managerial Personnel (KMPs), Members of Senior Management and other employees of the Company.

The Remuneration Policy is available on the website of the Company at <https://www.credila.com/investor-relations>

## 22. EMPLOYEE STOCK OPTION SCHEME (ESOS)

### A. Credila Financial Services Limited Employee Stock Option Plan – 2022 ("ESOP 2022")

In relation to the proposed initial public offering of the equity shares of the Company by way of fresh

issue and offer for sale of the Equity Shares of the Company, based on the recommendation of the Nomination & Remuneration Committee ("NRC"), the Board of Directors of the Company at their meeting held on December 24, 2024 and the Shareholders at their Extra-Ordinary General meeting held on December 26, 2024, approved modification to the Credila Financial Services Limited Employee Stock Option Plan – 2022 ("ESOP 2022"), to align with the applicable provisions of SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("SEBI SBEB Regulations"), as amended from time to time.

As on March 31, 2025, 250,000 options were outstanding under the ESOP 2022, which are vested. The Board in their meeting held on December 24, 2024, noted that no further grants shall be made under ESOP 2022.

### B. Credila Financial Services Limited Employee Stock Option Plan – 2024 ("ESOP 2024")

During the year ended March 31, 2025, with an objective to attract, retain and motivate talented and critical employees, encourage employees to align individual performance with the Company's objectives, etc., and based on the recommendation of NRC and approval of the Board and Shareholders of the Company at their Meetings held on December 19, 2024 and December 23, 2024, respectively, Credila Financial Services Limited Employee Stock Option Plan – 2024 ("ESOP - 2024") was adopted for the present and future permanent employees of the Company, in accordance with Section 62 and other applicable provisions, if any, of the Companies Act, 2013 (the "Act") and the Companies (Share Capital and Debenture) Rules, 2014, SEBI SBEB Regulations and other applicable laws.

During the year under review, the Company granted 61,65,381 stock options in respect of 61,65,381 equity shares of face value of ₹10 each at an exercise price of ₹681.50 per stock option under ESOP - 2024 to eligible employees of the Company (includes 30,000 stock options granted earlier, which were re-allocated back into the ESOP - 2024 pool pursuant to the resolution passed by the Nomination & Remuneration Committee on May 30, 2025). The exercise price was determined based on the valuation report from independent chartered accountant.

Details of disclosures required under Rule 12 of the Companies (Share Capital & Debentures) Rules, 2014, are provided in **Annexure D** of this report.

## 23. PARTICULARS OF EMPLOYEES

Details of particulars of employees in terms of Section 197(12) read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, will be sent to the Members, upon receiving a request on same from their registered email address. In this regard, Members may send an email at [investor.relations@credila.com](mailto:investor.relations@credila.com)

## 24. STATUTORY AUDITORS REPORT

The Independent Auditor's Report for the financial year ended March 31, 2025, has been issued by M/s. Gokhale & Sathe, Chartered Accountants (Firm Registration No. 103264W) and Price Waterhouse LLP, Chartered Accountants (Firm Registration No. – 301112E/E300264), Joint Statutory Auditors of the Company, wherein they have not made any qualifications, reservations, adverse remarks or disclaimers. The Independent Auditors Report issued by the Joint Statutory Auditors is annexed to this Annual Report for FY 2024-25.

During the year under review, details of filing by the Joint Statutory Auditors with respect to the incident of material fraud reported under Section 143(12) of the Companies Act, 2013 is provided under point 3(F) of this report.

## 25. SECRETARIAL AUDIT REPORT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. Vinod Kothari & Company, Practicing Company Secretaries to undertake the Secretarial Audit of the Company for financial year ended March 31, 2025.

The Secretarial Audit Report for FY 2024-25 does not contain any qualifications, reservations or adverse remarks or disclaimers, and is provided as **Annexure C** to this Report.

## 26. INTERNAL AUDIT

The Head of Internal Audit is responsible for internal audit in compliance with the RBI's Risk-based Internal Audit (RBIA) Framework for NBFCs dated February 3, 2021. In accordance with the said guidelines, the Company has put in place the RBIA Policy and Framework and appointed a Head of Internal Audit, functionally reporting to the Audit Committee.

Internal Audit provides assurance on the design and operating effectiveness of all processes and sub-processes across the Company through process reviews, concurrent audit of disbursed files and branch reviews.

Areas considered for Internal Audit reviews are identified basis an annual RBIA plan. The Plan is prepared based on an annual risk assessment of the audit universe and inputs from Management. The same is duly approved by the Audit Committee post review. It is reviewed on an ongoing basis, and modifications are made basis changes in processes, regulatory requirements, and business priority.

Internal Audit observations are presented to the Audit Committee on a quarterly basis along with the implementation status of earlier observations.

## 27. COMPLIANCE MANAGEMENT

In accordance with the regulatory framework prescribed by the Reserve Bank of India (RBI) under the NBFC Scale Based Regulations, the Company is categorised as a Middle Layer NBFC. The Company has continued to maintain a strong compliance culture and has taken significant steps during the year to enhance governance, risk management, and regulatory compliance.

The Compliance Function operates independently and reports directly to the Chief Compliance Officer (CCO), and the CCO functionally reports to the Audit Committee, in line with RBI's Compliance Function Guidelines. The Compliance Policy has been duly approved by the Board and is subject to annual review. Periodic compliance testing and risk assessment was carried out across key departments to verify adherence to applicable laws and regulations. Observations and recommendations made during the course of inspection and supervisory evaluation have been addressed or are in the process of being implemented, with appropriate reporting to the Audit Committee and the Board. Regular compliance training sessions were conducted across the organization to reinforce awareness of regulatory obligations.

The Company remains committed to the highest standards of regulatory compliance, ethical conduct, and corporate governance, and continues to enhance its compliance infrastructure to meet the evolving expectations of the RBI and other stakeholders.

## 28. RISK MANAGEMENT

The Company has a robust Risk Management Framework which assesses a variety of risks (and the mitigants thereof) such as Credit Risk, Operational Risk, Financial Risk, Technology and Information Security Risk. The Risk Management Framework is designed on three lines of defence with the first line being the frontline business teams, second line of defence being the risk oversight provided by the Risk Management function while the third line of defence is the independent assurance provided by the Internal Audit function.

The Risk Management Committee (RMC) meets on a quarterly basis to discuss the material and emerging risks faced by the Company and the mitigation plans thereof. It provides guidance to the Management to manage risks effectively. In addition, the Internal Risk Management Committee (IRMC) is a Management-level committee to deliberate and strategize for effective risk mitigation for the Company.

The Risk Management function tracks and evaluates the macro-economic indicators, geo-political situation in countries where the Company's borrowers (students) are based, for possible impact on the Company's portfolio, its overall business model and the industry as a whole, from time to time.

The Risk team is headed by the Chief Risk Officer (CRO) and has multiple verticals viz., Enterprise Risk, Credit Risk, Operational Risk, Financial Risk and Information Security Risk within the team to ensure dedicated focus on each of the domains.

During the financial year under review, the Company has strengthened its Financial Risk monitoring within the Risk team. This has led to an enhancement of risk management capabilities in effectively conducting the annual ICAAP, stress testing and monitoring interest rate risk among other financial risk related activities. Enterprise Risk vertical continuously monitors and aligns the risk appetite of the Company with overall organizational objectives. The Credit Risk vertical carries out various predictive modelling activities along with in-depth portfolio monitoring, bounce rates, ECL provisioning among other activities. The Operational Risk vertical is responsible for conducting Risk and Control Self-Assessment (RCSA) on an annual basis, thus identifying new operational risks, and controls to mitigate them. An incident reporting and management framework across our operations is implemented, including by way of a whistleblower mechanism. The Company also has a business continuity management plan that covers the key aspects of crisis management, business recovery and disaster recovery, to ensure the continuity of its critical operations and services in the event of a disruption. In the current financial year, the Company has undertaken network modernization initiatives to improve cybersecurity along with improving protection, incident detection and response capabilities, and implementing a zero-trust security architecture.

## 29. TECHNOLOGY

The Company continues to make substantial progress in its customer-centric digital transformation journey. Key initiatives include the deployment of advanced loan origination and management systems, AI-powered application processing, and intuitive digital platforms

that enhance user experience and operational agility. We have continued to advance on our cloud-first strategy which is enabling the Company with a cost effective, scalable and a faster go to market framework in a secure environment.

Supporting the technology advances is a robust cyber security strategy that is based on global frameworks which have been aligned with the business objectives of the Company. The strategy primarily focuses on adopting a zero-trust architecture, building a robust data protection and threat detection framework and finally, on documenting our response and recovery procedures.

The IT Strategy i.e. technology framework and cyber security, is guided by the IT Strategy Committee.

## 30. INTERNAL FINANCIAL CONTROL

The Company has put in place adequate policies and procedures to ensure that the system of internal financial control is commensurate with the size and nature of the Company's business. These systems provide a reasonable assurance in respect of providing financial and operational information, complying with applicable statutes, safeguarding of assets of the Company, prevention and detection of frauds, accuracy and completeness of accounting records and ensuring compliance with corporate policies.

During the financial year under review, the Company engaged an external consultant to conduct a review of the internal financial controls for all the process level controls of the Company. The report of the external consultant was presented to the Audit Committee of the Company.

## 31. PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

By virtue of being a Non-Banking Financial Company, the Company's activities are not energy intensive. However, the Company has taken adequate measures to ensure conservation of energy and usage of alternative sources of energy, wherever possible. Further, since the Company does not carry out any manufacturing activity, the provisions with respect to disclosure of particulars of technology absorption is not applicable to the Company.

During the financial year ended March 31, 2025, the Company expended ₹338.10 crore - including interest expenses on ECBs in foreign currency. There were no foreign exchange earnings in terms of actual inflows during the year under review.

## 32. SUBSIDIARY/ASSOCIATE COMPANY

The Company does not have any subsidiary or associate company.

## 33. PREVENTION, PROHIBITION AND REDRESSAL OF SEXUAL HARASSMENT OF WOMEN AT THE WORKPLACE

The Company has adopted a stringent policy on prevention, prohibition and redressal of sexual harassment of women at the workplace in line with provisions of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder.

The Company has set up an Internal Complaints Committee (ICC) as required under the said Act to redress complaints pertaining to sexual harassment. All employees (viz., permanent, contractual, temporary, trainees) are covered under this policy. Any complaint received by the ICC shall be dealt with appropriately and in accordance with the policy and applicable laws and regulations as provided in the said Act.

During the year under review, no complaints were received by the Company.

## 34. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY BETWEEN THE END OF THE FINANCIAL YEAR AND THE DATE OF THIS REPORT

Except as provided under point 3(B) of this report, there are no material changes and commitments affecting the financial position of the Company between the financial year ended on March 31, 2025, and the date of this Report.

## 35. SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS OR COURTS OR TRIBUNALS

During the financial year under review, no significant and/or material orders were passed by any regulator(s) or court(s) or tribunal(s) against the Company impacting the going concern status and the Company's operations in future.

## 36. REGULATORY GUIDELINES/AMENDMENTS

The Company has complied with the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 prescribed by RBI and various other circulars issued from time to time regarding governance, accounting standards, prudential norms for asset classification, income recognition, provisioning, capital adequacy, KYC, Code of conduct, Remuneration policy, etc.

## 37. MANAGEMENT DISCUSSION AND ANALYSIS REPORT AND REPORT OF THE DIRECTORS ON CORPORATE GOVERNANCE

The Management Discussion and Analysis Report is provided as a separate section in the Annual Report for FY2024-25. The Report of the Directors on Corporate Governance is provided as **Annexure B**, which forms part of this Report.

## 38. SECRETARIAL STANDARDS

The Company has complied with the applicable provisions of Secretarial Standards for Board Meetings [SS-1], and for General Meetings [SS-2] issued by the Institute of Company Secretaries of India.

## 39. ANNUAL RETURN

The Annual Return for FY 2024-25 is uploaded on the Company's website at <https://www.credila.com/investor-relations>

## 40. OTHER DISCLOSURES

In terms of the disclosure requirements under the provisions of the Companies Act, 2013 and SEBI Listing Regulations, the Company confirms that during the year under review:

- Maintenance of cost records and requirement of cost audit is not applicable to the Company, being an NBFC.
- No corporate insolvency resolution process was initiated under the Insolvency and Bankruptcy Code, 2016, either by or against the Company, before NCLT or other court(s).
- There was no transfer of unpaid or unclaimed amount to Investor Education and Protection Fund.
- There was no instance of one-time settlement with any Bank or Financial Institution.
- The Company has complied with the provisions relating to Maternity Benefits Act, 1961.
- There was no issue of shares (including sweat equity shares) to employees of the Company under any scheme save and except under ESOP Schemes referred to in this report;
- Except for the ESOP schemes mentioned in this report, there was no scheme for provision of money for the purchase of its own shares by employees or by trustees for the benefit of employees;

- Except for preferential, private placement and rights issue, there were no public issue or bonus issue of any securities of the Company or issue of shares with differential rights;
- There has been no revision in the financials of the Company.
- There was no failure to implement any Corporate Action.

#### 41. ACKNOWLEDGEMENTS

The Company acknowledges the role of all its key stakeholders, i.e., shareholders, debenture holders,

borrowers, channel partners and lenders for their continued support to the Company.

The Board wishes to place on record its gratitude for the support of various regulatory authorities including the RBI, Securities and Exchange Board of India (SEBI), Ministry of Corporate Affairs, Registrar of Companies, Financial Intelligence Unit (India), NFRA, BSE Limited and the depositories.

While recognising the challenging work environment, your Directors place on record their appreciation for the hard work, loyalty and efforts of the employees whose professionalism has ensured excellent all-round performance of the Company.

On behalf of the Board of Directors

**D. Sundaram**

Chairman of the Board  
DIN: 00016304

Date: August 12, 2025  
Place: Mumbai

## ANNUAL REPORT ON CSR ACTIVITIES

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

### CSR Policy of the Company

The Company believes in conducting its business responsibly, fairly and in a transparent manner. It continually seeks ways to bring about an overall positive impact on the society and environment where it operates, as part of its social objectives. The main objective of the CSR Policy of the Company is to lay down guidelines to make CSR a key business process for sustainable development of the society and the environment in which it operates. The implementation and monitoring of the CSR Policy are in compliance with the CSR objectives and policy of the Company.

The Company's CSR focus areas inter alia would be in the areas of "empowerment of underprivileged children, empowerment of girl child, health, education, Water, Sanitation and Hygiene (WASH). Further the Company would undertake other activities prescribed under Schedule VII of the Companies Act 2013, as amended from time to time, as it may consider appropriate. The implementation of the CSR Policy will be aligned with the CSR objectives and focus areas.

A brief outline of the Company's CSR Policy, including an overview of projects or programmes proposed to be undertaken is as under:

Over the past few years, the Company's CSR activities have been focused on three key sectors – empowerment of underprivileged children, health, and education. As these sectors are broad-based, the Company has identified and prioritised critical sub-themes within each of these sectors. Apart from these core sectors, the Company has identified a few special projects in specific sectors, such as supporting the differently abled.

The Company's CSR activities are not restricted to a particular geographical area and the beneficiaries are from both urban and rural areas.

The Company's projects are based on areas of established need and experience of its implementing partners. The Company's CSR partners are selected based on governance, experience, and quality of implementation.

### Composition of the CSR Committee

Name	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
Ms. Anuranjita Kumar	Chairperson and Independent Director	2	2
Mr. Ashish Agrawal	Member and Non-Executive Nominee Director	2	2
Mr. Sanjay Kukreja	Member and Non-Executive Nominee Director (Ceased on November 11, 2024)	2	1
Mr. Ankit Singhal	Member and Non-Executive Nominee Director (Appointed on November 12, 2024)	2	1

- |  |   |
|--|---|
| 1) The composition of the CSR Committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company and available to view at <a href="https://www.credila.com/">https://www.credila.com/</a>  | 3) Details of the amount available for set-off in pursuance of Sub-rule (3) of Rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year: <b>Nil</b>  |
| 2) Details of the impact assessment of the CSR projects carried out in pursuance of Sub-rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014:<br><br>The Company had voluntarily partnered with an external consulting partner, Aspire Impact, to study the impact created through its partnership with 15 NGO partners in FY 2023-2024. The Impact Assessment Study helped validate the effectiveness of the projects and on ground impact. | 4) Average net profit of the company as per section 135(5) – ₹ <b>4,51,94,40,594</b><br><br>(a) * 2% of Average net profit of the company as per section 135(5)- ₹ <b>9,03,88,812</b><br><br>(b) *Surplus arising out of the CSR projects/ programs or activities of the previous financial year, if any – <b>Nil</b><br><br>(c) *Amount required to be set off for the financial year, if any – <b>Nil</b><br><br>(d) *Total CSR obligation for the financial year (4a+4b-4c) - ₹ <b>9,03,88,812</b> |

5) CSR amount spent or unspent for the financial year:

Total Amount spent for the Financial Year (in ₹)	Amount Unspent (in ₹)	
	Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)	Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)
	NA	NA
₹ 9,10,93,462		

- a) Details of CSR amount spent against ongoing projects for the financial year: **Nil**
- b) Details of CSR amount spent against other than ongoing projects for the financial year:

Sr. No.	Name of CSR Project	Sector and items from list of activities in Schedule VII of the Act	Local area (Reasons if the same is not being undertaken in the local area)	Location of project		Project Duration	Amount allocated for the project. (in case of on-going projects, provide bifurcation of the amount) (Amount in Rupees)	Mode of implementation (Directly or through Implementing agency)	Mode of implementation –if through Implementing agency	
				State	District				Name	CSR Registration number
1	Providing supportive care to families for their child's cancer treatment	Promoting Healthcare	Yes	Maharashtra, Chandigarh	Mumbai, Chandigarh	April 2024-March 2025	₹ 80,00,000	Implementing Agency	Access Life Foundation	CSR00000715
2	Supporting the underprivileged children for conducting Corrective Heart Surgeries and Transplant	Promoting Healthcare	Yes	Tamil Nadu	Chennai	April 2024-March 2025	₹ 80,00,000	Implementing Agency	Aishwarya Trust	CSR00001299
3	Promoting Education (Rural Education)-Supporting school in tribal region/ Underserved region	Promoting Education	Yes	Maharashtra	Mumbai	April 2024-March 2025	₹ 86,13,000	Implementing Agency	Aseema Charitable Trust	CSR00004000
4	Treating the less fortunate children born with facial deformities of cleft, lip and palate	Promoting Healthcare	Yes	Karnataka	Bangalore	April 2024-March 2025	₹ 60,00,000	Implementing Agency	INGA Health Foundation	CSR00001727
5	Promoting Education, WASH, and Nutrition (Rural Education) Supporting government schools	Promoting Education, WASH, and Nutrition	Yes	West Bengal	Uluberia, West Bengal	April 2024-March 2025	₹ 72,00,000	Implementing Agency	Centre for Catalyzing Change	CSR00001620
6	Promoting Education (Rural Education)-Supporting 2 rural schools	Promoting Education	Yes	Maharashtra	Khalapur Tehsil, Raigad District	April 2024-March 2025	₹ 45,00,000	Implementing Agency	Light of Life Trust	CSR00000156
7	Support holistic development and counselling of adolescent girls	Girl Child Empowerment	Yes	Maharashtra	Pune	April 2024-March 2025	₹ 35,00,000	Implementing Agency	Seva Sahyog Foundation	CSR00000756

Sr. No.	Name of CSR Project	Sector and items from list of activities in Schedule VII of the Act	Local area (Reasons if the same is not being undertaken in the local area)	Location of project		Project Duration	Amount allocated for the project. (in case of on-going projects, provide bifurcation of the amount) (Amount in Rupees)	Mode of implementation (Directly or through Implementing agency)	Mode of implementation –if through Implementing agency	
				State	District				Name	CSR Registration number
8	Promoting Education and supporting WASH infrastructure in government run schools	Promoting Education and WASH	Yes	Karnataka, Tamil Nadu	Bangalore Chennai	April 2024-March 2025	₹ 70,00,000	Implementing Agency	Hand in Hand India	CSR00001853
9	Supporting children with Multiple Disabilities with Vision Impairment	Supporting Children with Disabilities	Yes	Maharashtra	Mumbai	April 2024-March 2025	₹ 70,00,000	Implementing Agency	Muskan Foundation	CSR00002114
10	Promoting Education - (Urban Education) through supporting Girl Children with STEM skills	Promoting Education	Yes	Telangana	Hyderabad	April 2024-March 2025	₹ 65,32,000	Implementing Agency	Learning Links Foundation	CSR00000640
11	Promoting Education (Rural Education)-Supporting 1 rural school and Anganwadi centres	Promoting Education	Yes	Maharashtra	Raigad	April 2024-March 2025	₹ 36,12,000	Implementing Agency	Swades Foundation	CSR00000440
12	Empowering children and women from vulnerable families through various interventions aimed at enhancing their well-being, education, and livelihood enhancement	Promoting Education, including employment enhancing vocation skills especially among children & women as well as livelihood enhancement project	Yes	Orissa, Vishakhapatnam, Andhra Pradesh	Bhubaneswar, Vishakhapatnam, Andhra Pradesh	April 2024-March 2025	₹ 32,00,000	Implementing Agency	SOS Children's Village	CSR00000692
13	Promoting Rural Education – Enrollment of out-of-school girls and aid in academic support for children along with providing Life Skill Education to adolescent girls for empowering them	Promoting Education; Girl Child Empowerment	Yes	Uttar Pradesh	Bahraich, Lucknow	April 2024-March 2025	₹ 40,00,000	Implementing Agency	Educate Girls	CSR00001166

# Report of the Directors on Corporate Governance

[Corporate Governance Disclosures as per Section 134 of the Companies Act, 2013 and Part C of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

## A BRIEF STATEMENT ON COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company considers stakeholders as partners in its success and remains committed to maximising stakeholders' value, be it employees, customers, local communities, investors, shareholders, government and regulatory authorities. The Company is committed to achieving and maintaining the highest standards of corporate governance. Over the years, governance processes and systems have been strengthened within the Company and corporate governance has been an integral part of the way business is done. Stakeholders' interests are considered before making any business decision. The objective of the Company is not only to achieve excellence in corporate governance by conforming to prevalent mandatory guidelines on corporate governance but also to improve on these aspects on an ongoing basis in a continuous attempt to innovate in the adoption of best business practices.

The Chairman takes a lead role in managing the Board and facilitating effective communication amongst Directors. The Company Secretary assists the Chairman in management of the Board's administrative activities such as meetings, schedules, agendas, communications and documentations.

The Company has an Internal Audit team that reviews internal controls and operating systems and procedures. With respect to Legal Compliances, the Company conducts its business with high standards of legal, statutory and regulatory compliances. The Company has implemented compliance reporting and monitoring tool to ensure timely compliances of all applicable regulations across the organisation. Quarterly compliance report signed by Managing Director & CEO and the Chief Compliance Officer, based on the reports generated from the tool, is placed before the Board. Periodical internal audits of all functions and activities are being conducted to ensure that systems and processes are followed across all areas.

The Company Secretary plays a key role in ensuring that the Board (including Committees thereof) procedures are followed and regularly reviewed. The Company Secretary ensures that all relevant information, details and documents are made available to the Directors and senior management for effective decision-making at the meetings as well as in day-to-day administration of the Company's affairs. The Company Secretary is primarily responsible for assisting and advising the Board in the conduct of affairs of the Company, to ensure compliance with applicable statutory requirements, as well as

to provide guidance to Directors and to facilitate convening of and ensuring timely governance of applicable regulations.

The Company believes that a sound succession plan for senior leadership is very important to create a robust future for the Company. The Nomination & Remuneration Committee works along with the Company's Human Resources team for a structured leadership succession plan.

The Company has been identified as a High Value Debt Listed Entity ("HVDLE") and is required to comply with relevant provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("SEBI Listing Regulations"). The Company has taken effective steps to ensure compliance with the said corporate governance norms. The Board of Directors have taken cognizance of various regulatory changes in the overall governance framework and remain committed to imbibe the spirit of governance in all spheres of the Company's business.

During the financial year under review, upon receipt of necessary corporate approvals, the Company filed a confidential pre-filed draft red herring prospectus ("PDRHP") on December 26, 2024 for issuance of equity shares of face value of ₹ 10 each and offer for sale of equity shares by certain existing shareholders of the Company, with Securities and Exchange Board of India ("SEBI") and the Stock Exchanges, where the equity shares are proposed to be listed.

Upon receipt of the comments from SEBI and the Stock Exchanges and after incorporating the necessary updates, modifications and such additional information as were advised, the Company on June 26, 2025, filed an Updated draft red herring prospectus-I ("UDRHP-I") in relation to the proposed initial public offering, with SEBI and Stock Exchanges to seek public comments.

In order to undertake the proposed public issue and in accordance with approval of the Board and Shareholders of the Company at their respective meetings held on December 24, 2024 and December 26, 2024, respectively, the Company adopted new set of Articles of Association that shall conform to the the requirements and directions provided by the stock exchanges and the Companies Act, 2013 and the rules made thereunder, as amended ("Act"), and other applicable laws.

## POLICIES AND CODES

The Company has adopted various codes and policies to carry out its business operations ethical manner and in accordance with the directions /circulars issued by RBI for NBFCs, SEBI

Sr. No.	Name of CSR Project	Sector and items from list of activities in Schedule VII of the Act	Local area (Reasons if the same is not being undertaken in the local area)	Location of project		Project Duration	Amount allocated for the project. (in case of on-going projects, provide bifurcation of the amount) (Amount in Rupees)	Mode of implementation (Directly or through Implementing agency)	Mode of implementation –if through Implementing agency	
				State	District				Name	CSR Registration number
14	Promoting education – Ensuring quality though robust pedagogy and advanced education with active community engagement. Teachers training for capacity building of the educators.	Promoting Education and community engagement	Yes	Maharashtra	Mumbai	April 2024-March 2025	₹ 90,00,000	Implementing Agency	Muktangan Educational Trust	CSR00000732
TOTAL							₹8,61,57,000			

- (c)

Amount spent in Administrative Overheads – ₹34,68,299
- (d)

Amount spent on Impact Assessment, if applicable – ₹14,68,163
- (e)

Total Amount Spent for the Financial Year - ₹ 9,10,93,462
- (f)

Amount unspent/ (excess) spent for the Financial Year [4(d)-5(e)] [unspent for Ongoing projects]- **NIL**
- (g)

Amount eligible for transfer to Unspent CSR Account for the Financial Year as per Section 135(6) (before adjustments)- **NIL**
- (h)

Amount to be transferred to Fund specified in Schedule VII for the Financial Year (if total unspent for the Financial Year is greater than unspent for Ongoing projects) -**NIL**
6.

Details of transfer of Unspent CSR amount for the financial year: **NA**
7.

Specify the reason(s) if the company has failed to spend two per cent of the average net profit as per section 135(5):**NA**

**Anuranjita Kumar**  
Chairperson of CSR & Sustainability Committee  
DIN: 05283847  
Date: August 12, 2025  
Place: Spain

**Arijit Sanyal**  
Managing Director & CEO  
DIN: 08386684  
Date: August 12, 2025  
Place: Mumbai

Listing Regulations and/or the Act. Further, the policies are reviewed by the Board and necessary amendments are made to the policies, to the extent applicable, at regular intervals.

Some of these Codes and policies adopted by the Board inter-alia includes Whistle Blower Policy, Corporate Social Responsibility Policy, Liquidity Risk Management Framework, Financial Risk Management Policy and Asset Liability Management Policy, Fair Practices Code, Resource Planning Policy, Investment Policy, Policy on Prevention And Redressal of Sexual Harassment of Women At Workplace, Policy On Related Party Transactions, Policy for Fit and Proper Criteria for Directors, Anti- Bribery & Anti-Corruption Policy, Know Your Customer (KYC) Policy & Anti-Money Laundering (AML) Measures, Risk Management Framework & Risk Management Policy, Grievance Redressal Mechanism, Code of Conduct for Directors and Senior Managerial Personnel, Remuneration Policy, Board Diversity Policy, Policy on Succession Plan, Materiality Policy, Risk-Based Internal Audit Policy, Internal Capital Adequacy Assessment (ICAAP) Policy, Compliance Policy, Business Continuity Plan, Data Privacy Policy, Information Technology Outsourcing Policy, Policy for Compromise Settlements & Technical Write-offs, Risk Appetite Statement Policy, Operational Risk Management Policy, Operational Risk Management Framework, Interest Rate Policy, IT Governance Framework, Cyber Crisis Management Plan, Information & Cyber Security Policy, Corporate Governance Code, Credit Policy, Collection & Recovery Policy, Outsourcing Policy, Penal Charges Policy,

Wilful Defaulter Policy, Sustainability Policy, Open Architecture Policy, Information System (IS) Audit Policy, Expected Credit Loss (ECL) Policy, Preservation of Document and Archival Policy, Policy on Appointment of Statutory Auditors, Property Plant & Equipment and Intangible Asset Policy (PPE), Change Management Policy, Fraud Risk Management Policy, etc. that the Company has formulated.

Additionally, the Company has formulated the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information and the Code of Conduct to regulate, monitor and report trading by Designated Persons in terms of SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time.

BOARD OF DIRECTORS

Our Board has been constituted in compliance with the Act, the SEBI Listing Regulations, NBFC Scale Based Regulation and in accordance with best practices in corporate governance. The Board of Directors function either as a full board, or through various committees constituted to oversee specific operational areas.

As on March 31, 2025, the Board of Directors comprised of 12 Directors, including four Independent Directors, seven Non-Executive Non-Independent Directors and one Managing Director & CEO. Four Independent Directors includes one woman Independent Director. The Company’s Board is diverse background has expertise from banking, finance, accountancy, economics, legal, compliance & technology etc.

I. COMPOSITION

The composition of the Board of Directors as on March 31, 2025, along with the attendance of Directors at the Board Meetings held during the FY 2024-25 and at the last Annual General Meeting held on September 05, 2024, is provided below:

Sr. No.	Name of the Director	Director since	Capacity (i.e. Executive/ Non-Executive/ Chairman/ Promoter/ nominee/ Independent)	DIN	Number of Board Meetings		Directorships			Remuneration		Number of Committee Positions Held**		Attendance at the last AGM held on September 05, 2024 (Yes / No)	No. of shares held in and convertible instruments held in the Company	
					Held	Attended	In Equity Listed Companies	In Unlisted Public Companies*	In Private Limited Companies	Salary and other compensation	Sitting Fee	Commission	Chairperson			Member
1.	Mr. D. Sundaram	20/03/2024	Chairman & Independent Director	00016304	11	9	2	2	2	-	25,00,000	30,00,000@	2	7	Yes	-
2.	Mr. Arijit Sanyal	17/01/2020	Managing Director & CEO	08386684	11	10	-	1	-	-	-	-	-	-	Yes	1\$
3.	Mr. Abhijit Sen	20/03/2024	Independent Directors	00002593	11	11	2	3	-	-	24,00,000	20,00,000@	3	5	Yes	-
4.	Mr. Bharat Shah	20/03/2024		00136969	11	9	2	1	1	-	16,00,000	20,00,000@	1	2	No	-
5.	Ms. Anuranjita Kumar	20/03/2024		05283847	11	9	3	2	1	-	18,00,000	20,00,000@	2	4	Yes	-
6.	Mr. V. S. Rangan	24/12/2009	Non-Executive Nominee Directors	00030248	11	10	2	1	-	-	-	-	-	4	Yes	-
7.	Mr. Ashish Agrawal	20/03/2024		00163344	11	11	-	2	1	-	-	-	-	1	No	-
8.	Mr. Jimmy Mehtani	20/03/2024		00996110	11	5	1	2	3	-	-	-	1	1	No	-
9.	Mr. Rajnish Kumar	20/03/2024		05328267	11	10	3	2	4	-	14,00,000	20,00,000@	2	3	No	-
10.	Mr. Ankit Singhal	12/11/2024		09776472	5	3	-	2	1	-	-	-	-	2	Not Applicable	-
11.	Mr. Satish Pillai	28/06/2024	Non-Executive Directors	03511106	8	7	-	1	1	-	10,00,000	20,00,000@	-	-	Yes	-
12.	Mr. Seung Hyo Han	28/06/2024		10686686	8	7	-	1	-	-	-	-	-	-	Yes	-

\*Including Directorship in the Company.  
\*\* Chairpersonships/memberships of only the Audit Committee and the Stakeholders' Relationship Committee in public limited companies have been considered.  
@Commission for FY 2024-25 paid in FY 2025-26  
\$ Holding one Equity Share of face value of INR 10/- each as a Nominee of Infinity Partners.  
# Includes commission paid in FY2024-25 for FY2023-24.

Notes:

- 1. None of the Directors of the Company are related to each other. The roles of the Chairperson and the Managing Director & CEO are distinct and separate.
- 2. Brief profile of all Directors is available on the website of the Company at <https://www.credila.com/leadership-team>
- 3. In the opinion of the Board, all the Independent Directors continue to fulfil the criteria prescribed for an Independent Director as stipulated in Regulation 16(1)(b)/62B(1)(b) of the SEBI Listing Regulations and Section 149(6) of the Companies Act, 2013 and are independent of the management of the Company.
- 4. All Directors have submitted the necessary disclosures regarding their directorship and committee positions held in other companies. Based on the declaration received, none of the Directors are related to each other.

II. DETAILS OF CHANGES IN THE DIRECTORS OF THE COMPANY

The details of changes in the composition of the Board during the FY 2024-25 and FY 2023-24 are provided below:

Sr. No.	Name of the Director	Capacity	Nature of change	Effective Date
1.	Mr. Ankit Singhal	Non-Executive Nominee Director	Appointment	November 12, 2024
2.	Mr. Sanjay Kukreja	Non-Executive Nominee Director	Resignation	November 11, 2024
3.	Mr. Kosmas Kalliarekos	Non-Executive Nominee Director	Resignation	June 28, 2024
4.	Mr. Satish Pillai	Non-Executive Director	Appointment	June 28, 2024
5.	Mr. Seung Hyo Han	Non-Executive Director	Appointment	June 28, 2024
6.	Mr. D. Sundaram	Independent Director	Appointment	March 20, 2024
7.	Mr. Abhijit Sen	Independent Director	Appointment	March 20, 2024
8.	Mr. Bharat Shah	Independent Director	Appointment	March 20, 2024
9.	Ms. Anuranjita Kumar	Independent Director	Appointment	March 20, 2024
10.	Mr. Ashish Agrawal	Non-Executive Nominee Director	Appointment	March 20, 2024
11.	Mr. Jimmy Mahtani	Non-Executive Nominee Director	Appointment	March 20, 2024
12.	Mr. Rajnish Kumar	Non-Executive Nominee Director	Appointment	March 20, 2024
13.	Mr. Kosmas Kalliarekos	Non-Executive Nominee Director	Appointment	March 20, 2024
14.	Mr. Sanjay Kukreja	Non-Executive Nominee Director	Appointment	March 20, 2024
15.	Mr. Biswamohan Mahapatra*	Independent Director	Resignation	March 20, 2024
16.	Mr. Sunil Shah*	Independent Director	Resignation	March 20, 2024
17.	Mr. Rajesh Gupta*	Independent Director	Resignation	March 20, 2024
18.	Ms. Madhumita Ganguli*	Non-Executive Director	Resignation	March 20, 2024

\* In terms of the investment agreement dated June 19, 2023, entered into amongst the Shareholders and the Company, the Board of the Company was re-constituted, and the directors then in office ceased to hold office with effect from March 20, 2024.

Details of Directorship held by Directors in Equity listed entities as on March 31, 2025:

Name of the Director	Name of Equity Listed Entity	Category of Directorship
Mr. D. Sundaram	Infosys Limited	Independent Director
	Crompton Greaves Consumer Electricals Limited	Independent Director
Mr. Arijit Sanyal	Nil	-
Mr. Abhijit Sen	Kalyani Forge Limited	Independent Director
	Manappuram Finance Limited	Independent Director
Mr. Bharat Shah	Onesource Specialty Pharma Limited	Independent Director
	Exide Industries Limited*	Independent Director
Ms. Anuranjita Kumar	TBO Tek Limited	Independent Director
	ICRA Limited	Independent Director
	Acme Solar Holdings Limited	Independent Director
Mr. V. S. Rangan	HDFC Bank Limited	Executive Director
	HDFC Asset Management Company Limited	Non-Executive Director
Mr. Rajnish Kumar	Hero Motocorp Limited	Independent Director
	Ambuja Cements Limited	Independent Director
	Larsen and Toubro Limited	Independent Director
Mr. Ashish Agrawal	Nil	-
Mr. Jimmy Mahtani	Sagility India Limited	Non-Executive Director
Mr. Seung Hyo Han	Nil	-
Mr. Satish Pillai	Nil	-
Mr. Ankit Singhal	Nil	-

\*ceased to be an Independent Director with effect from April 30, 2025.

In terms of Regulation 26/62(O) of the SEBI Listing Regulations, none of the Directors of the Company were members of more than 10 Committees or acted as the Chairperson of more than 5 Committees across all Public Limited Companies (whether listed or not) in India, in which they are a Director.

Basis the disclosures received from the Directors; it is confirmed that none of the Directors are on the Board of more than:

- 20 companies
- 10 public limited companies
- 7 listed entities

Responsibilities

The responsibilities of the Board of Directors include:

- Disclosure of interest (material or otherwise) in any transaction or matter directly affecting the Company.
- Maintaining high ethical standards.
- Treating all shareholders fairly.
- Conducting in a manner so as to meet the expectations of operational transparency while at the same time maintaining confidentiality of information in order to foster a culture of robust decision-making.
- Providing strategic guidance to the Company, ensuring effective monitoring of the management whilst being accountable to the Company and its shareholders.
- Acting on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the Company and its shareholders.
- Ensuring that the annual accounts are prepared on a going concern basis.
- Ensuring that applicable accounting standards have been followed in the preparation of annual accounts.

- Ensuring that the accounting policies selected have been applied consistently.
- Overseeing that proper and sufficient care has been taken for the maintenance of adequate accounting records and for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities.
- Ensuring that the internal financial controls laid down to be followed by the Company are adequate and operating effectively.
- Ensuring that the compliance management systems are adequate and operating effectively.
- Exercising objective independent judgement on corporate affairs.
- Assigning sufficient number of non-executive members of the Board of Directors capable of exercising independent judgement to tasks where there is a potential conflict of interest.
- To define and disclose the mandate, composition and working procedures of various committees of the Board of Directors as and when they are constituted.

Directors are expected to attend all Board/Committee meetings. The Company schedules the meetings well in advance and provides necessary assistance to enable the Directors to participate in the said meetings, either in person or through audio-visual means.

The Company has an appropriate Directors’ & Officers’ Liability Insurance Policy, which protects its Directors, and all employees in respect of liabilities incurred as a result of their office.

Board Expertise and Attributes

The Board comprises of Directors who bring a wide range of skills, expertise and experience which enhances Board's overall effectiveness. The Company has mapped the skills possessed by the Directors, based on the information provided by them.

A tabular representation of the same is as below:

Areas	Mr. D. Sundaram	Mr. Arijit Sanyal	Mr. Abhijit Sen	Mr. Bharat Shah	Ms. Anuranjita Kumar	Mr. V. S. Rangan	Mr. Ashish Agrawal	Mr. Jimmy Mahtani	Mr. Rajnish Kumar	Mr. Satish Pillai	Mr. Seung Hyo Han	Mr. Ankit Singhal
Industry experience		✓	✓	✓		✓	✓		✓	✓		✓
Leadership and strategic planning	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
Legal and regulatory compliance	✓		✓			✓			✓			
Financial expertise	✓	✓	✓	✓		✓	✓	✓	✓		✓	✓
Business operations		✓		✓	✓	✓			✓	✓	✓	
Consumer behavior, sales & marketing		✓			✓			✓		✓		
Corporate governance	✓		✓		✓	✓	✓	✓	✓		✓	
Risk management	✓	✓	✓	✓		✓	✓		✓	✓		✓
Information Technology & Cyber security	✓							✓		✓		✓

ROLE OF INDEPENDENT DIRECTORS

The Independent Directors of the Company help in bringing an independent judgment to bear on the Board’s deliberations, especially on strategy, performance, risk management, resources, key appointments and standards of conduct. They bring an objective view in the evaluation of the performance of the Board and management to safeguard the interests of all stakeholders.

All Independent Directors have committed and allocated sufficient time to perform their duties effectively.

APPOINTMENT OF INDEPENDENT DIRECTORS

The Nomination & Remuneration Committee of Directors recommends, and the Board approves, the appointment/ re-appointment of Independent Directors subject to the approval of the Shareholders. New directors are inducted after assessing the skill requirements of the Board and identifying areas of expertise which would be beneficial for the Company and subject to them fulfilling the fit and proper criteria as laid out by RBI.

FAMILIARISATION PROGRAMME

The Company conducts familiarisation programmes for its Directors from time to time. The familiarisation programme ensures that the Non-Executive Directors are updated on the business and regulatory environment and the overall operations of the Company. This enables the Non-Executive Directors to take better informed decisions in the interest of the Company and its stakeholders. The Company also

provides Directors with a reference manual which inter alia covers a brief about the Company, the products and services offered, the roles, functions, powers and duties of the directors, the detailed charter of various committees, the disclosures/declarations to be submitted by Directors and list of various policies/codes adopted by the Company.

Further, on an ongoing basis as a part of the agenda of meetings of the Board/Committee(s), presentations are regularly made to the Non-Executive Directors on various matters inter-alia covering the Company’s businesses and operations, strategies, risk management, industry and regulatory updates and other relevant matters. These presentations enable one-on-one interaction between the Non-Executive Directors and the senior management of the Company/ auditors of the Company.

An overview of the familiarisation programme along with details of number of programmes and number of hours spent by each of the Independent Directors during FY2024-25, in terms of the requirements of SEBI Listing Regulations are available on the website of the Company and can be accessed at [https://www.credila.com/pdfs/Familiarisation\\_Programme\\_Update\\_FY\\_2024-25.pdf](https://www.credila.com/pdfs/Familiarisation_Programme_Update_FY_2024-25.pdf)

DECLARATION OF INDEPENDENCE

The Company has received the necessary declaration and confirmation from each of the Independent Directors confirming that they meet the criteria of independence as prescribed under the Act and SEBI Listing Regulations.

Independent Directors have confirmed that they have registered their names in the Independent Directors’ Databank. In the opinion of the Board, the Independent Directors continue to fulfil the criteria prescribed for an independent director as stipulated in Regulation 16(1)(b)/62B of the SEBI Listing Regulations and Section 149(6) of the Act and are independent of the management of the Company.

MEETING OF INDEPENDENT DIRECTORS

The Independent Directors met once during the year to evaluate the performance of Directors of the Company, the Chairman, and the Board as a whole and the Committees thereof. The Independent Directors also assessed the quality, quantity and timeliness of the flow of information between the Company’s management and the Board, which enables the Board to effectively and reasonably perform their duties. The meeting was held on February 25, 2025.

BOARD MEETINGS AND PROCEDURES

All Directors participate in discussing the strategy, performance, financials and risk management of the Company. The Board follows a set of appropriate standard procedures in the conduct of Board meetings which is summarised below:

The notice of each Board and Committee meeting is given in writing through email to each Director, members of Senior Management and Statutory Auditors and Head - Internal Audit, as and when required. The Company also makes arrangements for the participation of Directors in the meeting through videoconferencing (VC), if for any reason they are unable to participate in the meeting in person. The Board meets at least once a quarter to review the financial and operational performance of the Company.

The Company Secretary in consultation with the Management, prepares a detailed agenda for the meetings. All departments communicate with the Company Secretary in advance with regard to matters requiring the approval of the Board to enable inclusion of the same in the agenda for the meetings. With the objective of a transparent flow of information from the Management, detailed agenda notes are sent to all the Directors in advance. The Members of the Board are also free to recommend inclusion of any matter in the agenda for discussion. In case of matters requiring urgent consideration by the Board and arising post the dispatch of agenda, the same is taken up for discussion by the Board as part of ‘Any other business’ with the permission of the Chairman and consent of majority of the Board/Committee members present at the meeting. The members of the Board have access to all the information of the Company. Members of the senior management team are invited to attend the Board and Committee meetings to provide additional input on the items under discussion. Urgent matters are also considered and approved by passing a Resolution by Circulation, which are noted at the next meeting. The Company Secretary records the minutes of the proceedings of each Board and Committee meeting. The draft minutes of each Board and Committee Meeting are circulated to the members of the Board/Committee within 15 days from the date of the meeting and the comments, if any, on the draft minutes are received within 7 days of its circulation.

During the year under review, the Board met 11 times. The meetings were held on April 02, 2024, May 01, 2024, June 28, 2024, July 24, 2024, September 17, 2024, November 11, 2024, December 19, 2024, December 24, 2024, January 16, 2025, January 22, 2025, and February 25, 2025.

The attendance of each Director at the above-mentioned Board Meetings along with the sitting fees paid to them are listed below:

Directors	Capacity	Board meetings				Attendance at the AGM held on September 05, 2024
		Number of meetings held during their tenure	Number of meetings attended	% of meetings attended	Sitting fees paid (₹)	
Mr. D. Sundaram	Chairman, Independent Director	11	9	81.82	9,00,000	Yes
Mr. Arijit Sanyal	Managing Director & CEO	11	10	90.91	-	Yes
Mr. Abhijit Sen	Independent Director	11	11	100.00	11,00,000	Yes
Mr. Bharat Shah	Independent Director	11	9	81.82	9,00,000	No
Ms. Anuranjita Kumar	Independent Director	11	9	81.82	9,00,000	Yes
Mr. V. S. Rangan	Non-Executive Nominee Director	11	10	90.91	-	Yes
Mr. Ashish Agrawal	Non-Executive Nominee Director	11	11	100.00	-	No
Mr. Jimmy Mahtani	Non-Executive Nominee Director	11	5	45.45	-	No
Mr. Rajnish Kumar	Non-Executive Nominee Director	11	10	90.91	10,00,000	No
Mr. Satish Pillai*	Non-Executive Director	8	7	87.50	7,00,000	Yes

Directors	Capacity	Board meetings				Attendance at the AGM held on September 05, 2024
		Number of meetings held during their tenure	Number of meetings attended	% of meetings attended	Sitting fees paid (₹)	
Mr. Seung Hyo Han*	Non-Executive Director	8	7	87.50	-	Yes
Mr. Ankit Singhal**	Non-Executive Nominee Director	5	3	60.00	-	Not Applicable
Mr. Kosmas Kalliarekos#	Non-Executive Nominee Director	3	1	33.33	-	Not Applicable
Mr. Sanjay Kukreja##	Non-Executive Nominee Director	6	5	83.33	-	No

# Ceased to be a Non-Executive Director with effect from June 28, 2024.

\*Appointed as Director with effect from June 28, 2024.

##Ceased to be a Director with effect from November 11, 2024.

\*\*Appointed as Director with effect from November 12, 2024.

The Board also met on May 16, 2025, and inter-alia considered and approved the audited financial statements for the financial year ended March 31, 2025.

### BOARD COMMITTEES

To enable better and more focused attention on the affairs of the Company and as required under regulatory provisions, the Company has constituted various Board level Committees and Management level Committees. These Committees lay down the groundwork for decision-making and report at the subsequent Board meeting.

The Terms of Reference (ToR) of the Committees are approved by the Board. Meetings of the Committees are held on a regular basis depending upon the business to be transacted by the Committees. Minutes of the Committee meetings/ report on the activities of the Committee are submitted to the Board on a periodical basis. Matters requiring the Board's attention/approval are placed in the form of notes to the Board, as per recommendations from the respective Committee, wherever applicable.

The Board has constituted the following statutory Committees with specific terms of reference:

- I. Audit Committee
- II. Nomination & Remuneration Committee
- III. Stakeholders Relationship Committee
- IV. Risk Management Committee
- V. CSR & Sustainability Committee
- VI. IT Strategy Committee
- VII. Asset Liability Management Committee
- VIII. Allotment Committee
- IX. Fund Raising Committee
- X. Review Committee

In addition to above, the Board/Committees of Board have constituted various Management level Committees under the applicable laws. The role and composition of various Committees, including the number of meetings held during the year and the related attendance of the Committee Members at the said meetings, are given below:

#### I. AUDIT COMMITTEE

The Audit Committee consists of majority of Independent Directors. The Chairman of the Committee is an Independent Director. The composition, quorum, powers, role and scope are in accordance with the provisions of Section 177 of the Companies Act, 2013, Regulation 18/62F of the SEBI Listing Regulations and NBFC Scale Based Regulations.

All the members of the Audit Committee are financially literate and majority of the members have accounting or related financial management expertise.

The members of the senior management and auditors are invited to participate in the meetings of the Audit Committee. The Audit Committee invites senior executives as it considers their presence to be appropriate at its meetings. The Chairman of the Audit Committee briefs the Board of Directors about significant discussions and decisions taken at Audit Committee meetings.

#### Composition, Meetings and Attendance:

During the year under review, the Audit Committee comprised of six Directors – four Independent Directors and two Non-Executive Directors. The Audit Committee met 5 times during the financial year ended March 31, 2025. The meetings were held on May 01, 2024, July 24, 2024, November 11, 2024, December 24, 2024, and January 22, 2025. The gap between the two meetings did not exceed one hundred and twenty days.

The details of the attendance of the members of the Committee at the meetings along with sitting fees paid are listed below:

S. N.	Name of Director	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Member of Committee Since	Number of meetings held during their tenure	Number of meetings attended	% of attendance	Sitting fees paid (₹)	No. of shares held in the Company
1	Mr. Abhijit Sen	Chairman, Independent Director	02-Apr-2024	5	5	100	5,00,000	-
2	Mr. D. Sundaram	Independent Director	02-Apr-2024	5	5	100	5,00,000	-
3	Ms. Anuranjita Kumar	Independent Director	02-Apr-2024	5	2	40	2,00,000	-
4	Mr. Bharat Shah	Independent Director	02-Apr-2024	5	3	60	3,00,000	-
5	Mr. V. S. Rangan	Non-Executive Nominee Director	02-Apr-2024	5	4	80	-	-
6	Mr. Ashish Agrawal	Non-Executive Nominee Director	02-Apr-2024	5	5	100	-	-

The Committee also met on May 16, 2025, to review the audited financial statements for the financial year ended March 31, 2025, and recommended the same for the approval of the Board.

#### Terms of Reference:

The Terms of Reference (ToR) of the Audit Committee are in line with the regulatory requirements mandated in the Companies Act, 2013 and Rules made thereunder, Listing Regulations and RBI Master Directions as amended from time to time which includes:

- (i) The following matters as specified under the Companies Act, 2013 and Rules made there under and SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015:
- a. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- b. Recommend to the Board the appointment, re-appointment, replacement, remuneration and terms of appointment of auditors of the Company;
- c. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- d. Review and monitor the auditor's independence and performance and effectiveness of the audit process;
- e. Scrutiny of inter-corporate loans and investments;
- f. Valuation of undertakings or assets of the company, wherever it is necessary;
- g. Evaluation of the internal financial controls and risk management systems;

- h. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue or preferential issue or qualified institutional placement, and making appropriate recommendations to the board to take up steps in this matter;
- i. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- j. Approval of the appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- k. Reviewing the utilisation of loans and/ or advances from/investment by the holding company in the subsidiary, if any, exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of investments;
- l. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders;
- m. Ensure establishment and proper functioning of the system for storage, retrieval, display or print out of the electronic records in respect of books of accounts of the Company, maintained in electronic mode;

- n. Oversee the vigil mechanism and review the safeguards in place against victimization of employees and directors who avail of such mechanism and ensure adequate provision is there to provide direct access to the Chairman of the Audit Committee, in appropriate or exceptional cases;
- o. Oversight of financial reporting process and disclosure of financial information to ensure that the financial statement is correct, sufficient and credible;
- p. Review with the Management, the annual financial statements and auditor's report, before submission to the Board for its approval, with particular reference to:
- Matters to be included in directors responsibility statement to be included in the Board's report in terms of sub-section 3 of Section. 134 of the Companies Act, 2013.
  - Changes if any, in accounting policies and practices
  - Major accounting entries involving estimates based on exercise of judgment by the management.
  - Significant adjustment made in financial statements arising out of audit findings.
  - Compliance with listing and other legal requirements relating to financial statements.
  - Disclosure of related party transactions.
  - Modified opinion(s) in the draft audit report.
- q. Review with management, the quarterly financial statements before submission to the Board for their approval.
- r. Review management discussion and analysis of financial condition and results of operations
- s. Review Management letters/ letters of internal control weaknesses issued by the statutory auditors, if any.
- t. Review internal audit reports relating to internal control weaknesses.
- u. Recommend to the Board the appointment, removal, remuneration and terms of appointment of Internal Auditors/ Head of Internal Auditor of the Company
- v. To formulate and maintain a quality assurance and improvement program that covers all aspects of the internal audit function. The quality assurance program may include assessment of the internal audit function at least once in a year for adherence to the internal audit policy, objectives and expected outcomes.
- w. Review the adequacy of internal audit function and review the performance of the Risk Based Internal Audit (RBIA) including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage, frequency of internal audit and to oversee the internal audit function in the Company
- x. To review and recommend/ approve the RBIA plan to determine the priorities of the internal audit function based on the level and direction of risk, as consistent with the Company's goals.
- y. Review statement of deviations:
- quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s)
  - annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice
- z. Review with management, performance of internal/external auditor and adequacy of internal control systems.
- aa. Discuss with internal auditors' significant findings and follow up thereon.
- bb. Review findings of internal investigation by the internal auditors into matters where there is suspected fraud or irregularity or failure of internal control systems of a material nature and reporting the matter to the Board.
- cc. Discuss with statutory auditor nature and scope of audit and post audit discussions relating to any area of concern.
- dd. Recommend to the Board the appointment, remuneration and terms of appointment of Secretarial Auditors of the Company
- ee. Annual review of results / outcome of updated macroeconomic model and suggesting changes in ECL computations.
- ff. To review the functioning of the whistle blower mechanism
- gg. To formulate, review and make recommendations to the Board to amend the

Audit Committee's terms of reference from time to time;

- hh. Formulating a policy on related party transactions, which shall include materiality of related party transactions;

- ii. Approval, review, or any subsequent modification of transactions of the Company with related parties and omnibus approval for related party transactions proposed to be entered into by the Company subject to such conditions as may be prescribed;

**Explanation:** The term "related party transactions" shall have the same meaning as provided in Regulation 2(1)(zc) of the SEBI Listing Regulations and/or the applicable Accounting Standards and/or the Companies Act.

- jj. To review, at least on a quarterly basis, the details of related party transactions entered into by the Company pursuant to each of the omnibus approvals given, if any;

- kk. Ensuring an independent review of Information System Audit of the internal policies and procedures in accordance with applicable provisions of Master Direction on Information Technology Governance, Risk, Controls and Assurance Practices dated November 07, 2023 (as amended from time to time) read with the approved policies and procedures of the Company;

- ll. To review the financial statements, in particular, the investments made by an unlisted subsidiary;

- mm. approving the key performance indicators ("KPIs") for disclosure in the offer documents, and approval of KPIs as may be required under applicable law; and

- nn. Performing such other activities as may be delegated by the Board and any other issue within terms of reference under the relevant provisions of the Companies Act, 2013 the SEBI Regulations, RBI Master Directions, and any other applicable rules, regulations,

guidelines, clarifications, circulars and notifications issued by the Government of India including Securities and Exchange Board of India, Reserve Bank of India and any other regulatory authority.

- (ii) Other matters:

- a. Review of adherence to compliance with the KYC & AML Policy of the Company, assess the efficacy of the measures taken by the Company to prevent instances of material non-adherence and review serious lapses or intentional circumvention of prescribed procedures and guidelines laid by the Company in respect of KYC norms, by any employee or branch or department or agent, as the case may be; and
- b. The Committee shall review compliance with the provisions of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 2015 at least once in a financial year and shall verify that the systems for internal control are adequate and are operating effectively.

## II. NOMINATION & REMUNERATION COMMITTEE

The Nomination & Remuneration Committee (NRC) is in place in compliance with the provisions of Section 178 of the Companies Act, 2013, Regulation 19/62G of SEBI Listing Regulations and NBFC Scale Based Regulations.

### Composition, Meetings and Attendance:

During the year under review, NRC comprised of six Non-Executive Directors including four Independent Directors. The NRC met 4 times during the financial year ended March 31, 2025. The meetings were held on June 20, 2024, December 18, 2024, January 16, 2025, and March 31, 2025.

The details of the attendance of the members of NRC at the meetings along with sitting fees paid are listed below:

S. N.	Name of Director	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Member of Committee Since	Number of meetings held during their tenure	Number of meetings attended	% of attendance	Sitting fees paid (₹)	No. of shares held in the NBFC
1	Mr. Bharat Shah	Chairman, Independent Director	02-Apr-2024	4	4	100	4,00,000	-
2	Mr. Abhijit Sen	Independent Director	02-Apr-2024	4	4	100	4,00,000	-
3	Mr. D. Sundaram	Independent Director	02-Apr-2024	4	2	50	2,00,000	-
4	Ms. Anuranjita Kumar	Independent Director	02-Apr-2024	4	2	50	2,00,000	-
5	Mr. V. S. Rangan	Non-Executive Nominee Director	20-Oct-2010	4	4	100	-	-
6	Mr. Jimmy Mahtani	Non-Executive Nominee Director	02-Apr-2024	4	2	50	-	-

Terms of Reference:

The terms of reference of NRC are in line with the regulatory requirements mandated in the Act and Rules made thereunder, Listing Regulations and RBI Master Directions as amended from time to time which include:

A. Nomination

- (a)

The NRC shall identify persons who are qualified to become Directors of the Company and who may be appointed in senior management in accordance with the criteria laid down and applicable law and recommend to the Board their appointment and removal;
- (b)

The NRC shall formulate and recommend to the Board the criteria for determining qualifications, positive attributes and independence of a director and for evaluating their performance and to devise a policy on Board Diversity;
- (c)

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

a.

use the services of an external agencies, if required;

b.

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

c.

consider the time commitments of the candidates.
- (d)

The NRC shall formulate and recommend to the Board a policy for ascertaining the fit and proper criteria at the time of appointment of Directors and on a continuing basis. The policy should be framed taking into account the guidelines issued by the RBI from time to time in this regard;

(e)

The NRC shall ensure that there is no conflict of interest in appointment of directors on Board of the company, KMPs and senior management;

(f)

The NRC shall carry out evaluation of every Director's performance based on the criteria formulated by it and duly approved by the Board;

(g)

The NRC shall recommend whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;

(h)

The NRC shall review and ensure that the persons who are proposed to be appointed/ re-appointed as the Managing Director(s) of the Company meets the conditions as set out in Section 196 read with Part I to Scheduled V to the Companies Act, 2013 or any re-enactment or amendment or modification thereto;
- B. Compensation:
- (a)

The NRC shall formulate and recommend to the Board a Remuneration Policy ("Policy") for all Directors, Key Managerial Personnel, Senior Managerial Personnel and other employees of the Company;

(b)

Whilst formulating the said Policy, the NRC shall ensure the following:

a.

The level and composition of remuneration is reasonable and sufficient

to attract, retain and motivate directors of the quality required to run the company successfully;

b.

Relationship of remuneration to performance is clear and meets appropriate performance benchmarks;

c.

Remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals;

(c)

Review and approve the payment of remuneration of the Managing Director(s) and other Directors and ensure that such remuneration is within the overall limits as set out in Sections 197, read with Schedule V and other applicable provisions of the Companies Act, 2013 or any re-enactment or amendment or modification thereto and subject to such terms and conditions, as may be approved by the shareholders of the Company, from time to time;

(d)

Review and recommend to the Board the sitting fees payable to the non-executive directors of the Company for attending meetings of the Board or Committee(s) thereof and any increase thereof, within the overall limits prescribed under the Companies Act, 2013, from time to time;

(e)

The NRC shall recommend to the board, all remuneration, in whatever form, payable to senior management;

(f)

The NRC shall recommend to the Board, the adoption/modification in the Employee Stock Option Schemes of the Company, in accordance with the applicable provisions of the Companies Act, 2013, SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and other applicable laws;

(g)

The NRC shall have the authority to formulate, adopt, administer and enforce the Employee Stock Option Schemes of the Company, including grant of options to eligible employees

under the schemes, in accordance with the applicable provisions of the Companies Act, 2013, SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and other applicable laws;

(h)

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

(i)

The NRC shall ensure that compensation levels are supported by the need to retain earnings of the company and the need to maintain adequate capital based on Internal Capital Adequacy Assessment Process (ICAAP); and

(j)

The NRC shall perform such other functions as may be required under the relevant provisions of the Companies Act, 2013, the Rules made there under, Master Directions, Circulars, Guidelines and Notifications issued by RBI from time to time, SEBI Regulations or any other applicable laws, as amended from time to time.

Performance Evaluation Criteria for Independent Directors:

The performance evaluation criteria for Independent Directors were determined by the NRC. The indicative list of parameters on which evaluation of performance of Independent Directors was carried out includes their involvement, contribution, knowledge, competency, teamwork, initiative, commitment, integrity, independence and offering guidance to and understanding of the areas which were relevant to them in their capacity as Members of the Board.

III. STAKEHOLDERS RELATIONSHIP COMMITTEE

In accordance with the provisions of Section 178(5) of the Act and Regulation 20/62H of SEBI Listing Regulations, the Company has in place a Stakeholders Relationship Committee (SRC).

Composition, Meetings and Attendance:

During the year under review, the SRC comprised of four members - four Non-Executive Directors including one Independent Director. During the financial year ended March 31, 2025, SRC met once on March 05, 2025.

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The details of the attendance of the members of SRC at the said meeting along with sitting fees paid are listed below:

S. N.	Name of Director	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Member of Committee Since	Number of meetings held during their tenure	Number of meetings attended	% of attendance	Sitting fees paid (₹)	No. of shares held in the NBFC
1	Mr. Jimmy Mahtani	Chairman, Non-Executive Nominee Director	02-Apr-2024	1	1	100	-	-
2	Mr. D. Sundaram	Independent Director	02-Apr-2024	1	1	100	1,00,000	-
3	Mr. V. S. Rangan	Non-Executive Nominee Director	02-Apr-2024	1	1	100	-	-
4	Mr. Ankit Singhal*	Non-Executive Nominee Director	12-Nov-2024	1	1	100	-	-

\*Appointed as a Director and Member of the Committee w.e.f. November 12, 2024.

#### Terms of Reference:

The Terms of Reference of SRC are in line with the Act and Listing Regulations. The role and responsibilities of the SRC includes:

- Review the mechanism adopted for redressing the grievance of shareholders, debenture holders, other security holders and the status of such redressal;
- Resolve the grievances of the security holders including but not limited to complaints related to transfer/ transmission of securities, non-receipt of annual report, non-receipt of interest/declared dividends, redemption, issue of new/ duplicate certificates, general meetings etc;
- Review of measures taken for effective exercise of voting rights by security holders;
- Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent and to recommend measures for overall improvement in the quality of investor services;
- Review of the various measures and initiatives taken by the Company for reducing the quantum

of unclaimed dividends and ensuring timely receipt of interest/ dividend/ redemption amount /warrants/annual reports/statutory notices by the security holders of the company as per the regulatory requirements;

- Give effect to all transfer/transmission of shares and debentures, dematerialisation of shares and re-materialisation of shares, split and issue of duplicate/consolidated share certificates, compliance with all the requirements related to shares, debentures and other securities from time to time;
- Consider and specifically looking into various aspects of interest of shareholders, debenture holders or holders of any other securities;
- To further delegate all or any of the power to any other employee(s), officer(s), representative(s), consultant(s), professional(s) or agent(s); and
- Carrying out such other functions as may be specified by the Board from time to time or specified/provided under the Companies Act or the SEBI Listing Regulations, or by any other regulatory authority.

#### Details of Investor Complaints:

During the financial year, no complaints were received from the shareholders/other investors (including Stock Exchange/ SEBI SCORES):

Complaints pending as on April 1, 2024	Complaints received during the period from April 1, 2024 to March 31, 2025	Complaints disposed of during the period from April 1, 2024 to March 31, 2025	Complaints pending as on March 31, 2025
0	0	NA	NA

#### IV. RISK MANAGEMENT COMMITTEE

The Risk Management Committee ('RMC') of Directors was formed in compliance with NBFC Scale Based Regulations which monitors the risk management strategy of the Company. The composition of the RMC is also in compliance with Regulation 21/62I of the SEBI Listing Regulations.

The RMC meets on a quarterly basis and reports to the Board of Directors.

The details of the attendance of the members of RMC at the Meetings along with sitting fees paid are listed below:

S. N.	Name of Director	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Member of Committee Since	Number of meetings held during their tenure	Number of meetings attended	% of attendance	Sitting fees paid (₹)	No. of shares held in the NBFC
1	Mr. Rajnish Kumar	Chairman, Non-Executive Nominee Director	02-Apr-2024	4	4	100	4,00,000	-
2	Mr. D Sundaram	Independent Director	02-Apr-2024	4	4	100	4,00,000	-
3	Mr. Abhijit Sen	Independent Director	02-Apr-2024	4	4	100	4,00,000	-
4	Ms. Anuranjita Kumar	Independent Director	02-Apr-2024	4	3	75	3,00,000	-
5	Mr. V. S. Rangan	Non-Executive Nominee Director	19-Jan-2016	4	2	50	-	-
6	Mr. Ankit Singhal#	Non-Executive Nominee Director	12-Nov-2024	1	1	100	-	-
7	Mr. Bharat Shah^	Independent Director	02-Apr-2024	2	-	-	-	-
8	Mr. Sanjay Kukreja*	Non-Executive Nominee Director	02-Apr-2024	3	2	66.67	-	-

^ceased to be a member of the Committee with effect from September 17, 2024.

\* ceased to be a Director and member of the Committee with effect from November 11, 2024.

#Appointed as a Director and member of the Committee with effect from November 12, 2024.

#### Terms of Reference:

The terms of reference of RMC are in line with SEBI Listing Regulations and RBI Master Direction as amended from time to time. The role and responsibilities of the RMC includes:

- Ensure formulation and implementation of the Risk Management Framework and Risk Management Policy reviewing the risk profile of the Company which shall include:
  - A framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly ESG related risks), information, cyber security risks, liquidity risk, reputational risk or any other risk as may be determined by the Committee;

#### Composition, Meetings and Attendance:

During the year under review, the RMC comprised of six members - three Independent Directors and three Non-Executive Directors. During the financial year ended March 31, 2025, the Committee met four times on May 03, 2024, August 01, 2024, October 22, 2024, and January 20, 2025.

- Measures for risk mitigation including systems and processes for internal control of identified risks; and
- Business continuity plan.
- Ensure that appropriate methodologies, processes, strategies, mechanisms and systems are in place to identify, monitor, assess / evaluate and mitigate the various risks associated with the business of the Company;
- Monitor and oversee implementation of the Risk Management Policy, including evaluating the adequacy of Risk Management Systems;
- Periodically review the Risk Management Policy, at least annually, or as and when required by considering the changing industry dynamics and

evolving complexity and recommend for any amendment or modification thereof;

- (e) Make a thorough internal assessment of the need for capital, commensurate with the risks in the business. This internal assessment shall be on similar lines as Internal Capital Adequacy Assessment Process (ICAAP) prescribed for commercial banks under Pillar 2. Internal capital assessment shall factor in credit risk, market risk, operational risk and all other residual risks as per methodology to be determined internally. The methodology for internal assessment of capital shall be proportionate to the scale and complexity of operations as per the Board approved policy;
- (f) Keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- (g) Review the appointment, removal and terms of remuneration of the Chief Risk Officer (if any);
- (h) Work in close coordination with Nomination and Remuneration Committee of the company to achieve effective alignment between compensation and risks;
- (i) Approving a framework to evaluate the risks and materiality of all existing and prospective outsourcing and recommend policies to the Board in this regard;
- (j) Coordinate its activities with other committees, in instances where there is any overlap with activities

of such committees, as per the framework laid down by the board of directors;

- (k) Laying down risk assessment and minimization procedures and the procedures to inform Board of the same;
- (l) Any other matters as may prescribed by RBI or any other regulatory body, as may be applicable from time to time; and
- (m) Any other matters as the Board may delegate to the Committee from time to time.

**V. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (NOW CSR & SUSTAINABILITY COMMITTEE)**

The Company had constituted the Corporate Social Responsibility Committee pursuant to Section 135 of the Companies Act, 2013. Further, the Board of Directors at their meeting held on May 16, 2025, had accorded their approval for change in the nomenclature of the Committee from Corporate Social Responsibility (“CSR”) Committee to CSR & Sustainability Committee.

**Composition, Meetings and Attendance:**

During the year under review, the CSR & Sustainability Committee comprised of three Non-Executive Directors including one Independent Director. The Committee met two times during the financial year ended March 31, 2025. The meetings were held on May 30, 2024, and March 05, 2025.

**Terms of Reference:**

The terms of reference of CSR & Sustainability Committee are in line with regulatory requirements. The role and responsibilities of the CSR & Sustainability Committee includes:

- (a) Formulate and recommend to the Board, a Corporate Social Responsibility Policy (CSR policy), the guiding principles for selection, implementation and monitoring the activities as well as formulation of the annual action plan, which shall inter alia indicate the activities/ projects/ programs that will be undertaken directly by the Company and/ or through the Foundation and/ or through any other entity involved in CSR activities in any of the areas as specified in Schedule VII to the Companies Act, 2013 in terms of the provisions of Section 135 of the Act and the CSR Rules;
- (b) To identify corporate social responsibility policy partners and corporate social responsibility policy programmes;
- (c) Formulate and recommend an Annual Action Plan consisting of the CSR objective for the year, the list of approved projects or programs to be undertaken within the purview of Schedule VII of the Companies Act, 2013 to the Board, manner of execution of such projects, modalities of fund utilization and implementation schedules, monitoring and reporting mechanism for the projects, and details of need and impact assessment, if any, for the projects to be undertaken;
- (d) Recommend to the Board, the amount of expenditure to be incurred on each of the CSR activities/ projects/ programs during each financial year;
- (e) Approve and decide the areas where such CSR activities/ can be adopted, by giving preference to areas where the branches/ service centres of the Company are situated, subject to the terms and conditions or limits specified by any statutory/ regulatory authority, in this regard;
- (f) To drive the Company’s sustainability agenda at the Board level;
- (g) Ensure the development and execution of a robust sustainability strategy at the Company;
- (h) Coordinate the integration of the sustainability strategy into all critical decision-making processes across functions;

- (i) Discuss, challenge, or approve the company’s overall sustainability strategy;
- (j) Monitor other sustainability-related topics relevant for the company and elevate the critical ones to the Board
- (k) Formulate and adopt a transparent monitoring mechanism for the activities/ projects/ programs undertaken/ proposed to be undertaken by the Company or indirectly through the Foundation or through any other entity, in respect of the amounts allocated/ spent by it and its end use, in pursuance of the CSR Policy;
- (l) Approve the CSR report containing the disclosures as mandated under the CSR norms, before it is presented to the Board for its approval and inclusion in the Directors’ report;
- (m) Provide for the manner in which the activities relating to CSR initiated by the Company including end use of funds by the Foundation or other NGOs can be conducted;
- (n) Review and monitor of implementation of the CSR programmes once in a year and issue necessary directions from time to time to ensure orderly and efficient execution of the CSR programmes in accordance with the CSR policy of the Company;
- (o) Annually report to the Board, the status of the CSR activities and contributions made by the Company; and
- (p) To do all such acts, deeds, matters and things to ensure compliance with CSR norms and the CSR Policy, as amended, from time to time.

**VI. IT STRATEGY COMMITTEE**

The IT Strategy Committee (‘ITSC’) was constituted by the Company as per the provisions of RBI Master Direction DoS.CO.CSITEG/SEC.7/31.01.015/2023-24 dated November 7, 2023, pertaining to “Information Technology Governance, Risk, Controls and Assurance Practices”.

**Composition, Meetings and Attendance:**

During the year under review, the IT Strategy Committee comprised of four Directors. Chairperson - Independent Director, two Non-Executive Directors and one Executive Director. During the financial year ended March 31, 2025, ITSC met four times. The meetings were held on June 18, 2024, September 24, 2024, December 11, 2024, and March 18, 2025.

The details of the attendance of the members of the Committee at the meetings along with sitting fees paid are listed below:

S. N.	Name of Director	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Member of Committee Since	Number of meetings held during their tenure	Number of meetings attended	% of attendance	Sitting fees paid (₹)	No. of shares held in the NBFC
1	Ms. Anuranjita Kumar	Chairperson, Independent Director	02-Apr-2024	2	2	100	2,00,000	-
2	Mr. Ashish Agrawal	Non-Executive Nominee Director	02-Apr-2024	2	2	100	-	-
3	Mr. Ankit Singhal**	Non-Executive Nominee Director	12-Nov-2024	1	1	100	-	-
4	Mr. Sanjay Kukreja*	Non-Executive Nominee Director	02-Apr-2024	1	1	100	-	-

\*Ceased to be a Director and member of the Committee with effect from November 11, 2024.

\*\*Appointed as a Director and member of the Committee with effect from November 12, 2024.

The details of the attendance of the Members of ITSC at the meetings along with sitting fees paid are listed below:

S. N.	Name of Director	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Member of Committee Since	Number of meetings held during their tenure	Number of meetings attended	% of attendance	Sitting fees paid (₹)	No. of shares held in the NBFC
1	Mr. D. Sundaram	Chairman, Independent Director	02-Apr-2024	4	4	100	4,00,000	-
2	Mr. Satish Kumar Pillai##	Non-Executive Director	24-Jul-2024	3	3	100	3,00,000	-
3	Mr. Ankit Singhal**	Non-Executive Nominee Director	12-Nov-2024	2	1	50	-	-
4	Mr. Arijit Sanyal	Managing Director & CEO	17-Jan-2020	4	4	100	-	1@
5	Mr. Kosmas Kalliarekos#	Non-Executive Nominee Director	02-Apr-2024	1	1	100	-	-
6	Mr. Sanjay Kukreja*	Non-Executive Nominee Director	02-Apr-2024	2	1	50	-	-

# Ceased to be a Director and member of the Committee with effect from June 28, 2024.

## Appointed as a member of the Committee with effect from July 24, 2024.

\*Ceased to be a Director and member of the Committee with effect from November 11, 2024.

\*\*Appointed as a Director and member of the Committee with effect from November 12, 2024.

@Holding one Equity Share of face value of ₹ 10/- each as a Nominee of Infinity Partners.

Terms of Reference:

The terms of reference of the ITSC are in line with the regulatory requirements. The role and responsibilities of the ITSC includes:

- i.

To ensure that the Company had put an effective IT strategic planning process in place
- ii.

Provide Guidance in preparation of IT Strategy and ensure that the IT Strategy aligns with the overall strategy of the Company towards accomplishment of its business objectives
- iii.

To ensure that the IT Governance and Information Security Governance structure fosters accountability, is effective and efficient, has adequate skilled resources, well defined objectives and unambiguous responsibilities for each level in the organisation
- iv.

To ensure that the Company has put in place processes for assessing and managing IT and cybersecurity risks
- v.

To ensure that the budgetary allocations for the IT function (including for IT security), cyber security are commensurate with the Company's IT maturity, digital depth, threat environment and industry standards and are utilised in a manner intended for meeting the stated objectives

- vi.

Review, at least on annual basis, the adequacy and effectiveness of the Business Continuity Planning (BCP) and Disaster Recovery Management (DRM) of the Company
- vii.

Any other matters as may be prescribed by RBI from time to time
- viii.

Any other matters as the Board may delegate to the Committee from time to time

VII. ASSET LIABILITY MANAGEMENT COMMITTEE (ALCO)

As per the NBFC Scale Based Regulations, the Asset Liability Management Committee (ALCO) is responsible for managing the Company's balance sheet by overseeing liquidity, interest rate risk and capital adequacy. Its primary responsibility is to ensure financial stability, regulatory compliance and sustained profitability under varying market conditions.

Composition, Meetings and Attendance:

During the year under review, the composition of the Asset Liability Management Committee (ALCO) comprises of eight members including the Executive Director, who chairs the Committee. During the financial year ended March 31, 2025, ALCO met 5 times. The meetings were held on June 27, 2024, September 06, 2024, October 23, 2024, December 28, 2024, and March 06, 2025.

The details of the attendance of the Members of ALCO at the meetings along with sitting fees paid are listed below:

S. N.	Name	Position	Member of Committee Since	Number of meetings held during their tenure	Number of meetings attended	% of attendance	Sitting fees paid (₹)	No. of shares held in the NBFC
1	Mr. Arijit Sanyal	Chairman, Managing Director & CEO	17-Jan-2020	5	5	100.00	-	1#
2	Mr. Manjeet Bijlani	Chief Financial Officer	20-Jul-2020	5	5	100.00	-	1#
3	Mr. Anand Nevgi*	Chief Operating Officer	17-Sep-2024	3	3	100.00	-	-
4	Mr. Hitesh Parashar*	Chief Business Officer	17-Sep-2024	3	1	33.33	-	-
5	Mr. Nilotpal Borpujari	Chief Credit Officer	21-Dec-2023	5	3	60.00	-	-
6	Ms. Aastha Sachdeva**	Chief Risk Officer	25-Feb-2025	1	1	100.00	-	-
7	Mr. Laxmikant Tople	VP – Finance & Accounts	25-Mar-2011	5	4	80.00	-	-
8	Mr. Tejas Mehta	VP – Treasury	21-Dec-2023	5	5	100.00	-	-
9	Mr. Sebastian Fernandez@	Chief Risk Officer	16-Apr-2015	4	3	75.00	-	-

\*Appointed as Members w.e.f. September 17, 2024.

@Ceased to be a Member w.e.f. February 05, 2025.

\*\*Appointed as a Member w.e.f. February 25, 2025.

#Holding one Equity Share each of face value of ₹ 10/- each as Nominees of Infinity Partners.

Terms of Reference:

The terms of reference for ALCO are in line with the regulatory requirements. The key responsibilities of the Committee includes:

- i)

To ensure compliance with Asset Liability Management Guidelines issued by RBI from time to time.
- ii)

To ensure that the internal processes and procedures are in place to ensure filing of ALM Returns to RBI.
- iii)

To make appropriate assumptions as may be necessary for preparing various ALM Reports under the RBI Guidelines.
- iv)

To review the Asset Liability Gap arising from the mismatch of the Maturity profile of payments and receivables and ensure that the same is adequately mitigated.
- v)

To review the borrowing position and borrowing mix of the Company and formulate future borrowing plans for reducing the cost of funds
- vi)

To review the Credila's Benchmark Lending Rate from time to time and ensure that it is in accordance with the RBI Guidelines and the Company's overall objectives.
- vii)

To monitor and discuss the status and results of implemented asset/liability management strategies and Committee decisions.
- viii)

Review Liquidity Risk MIS as required under RBI Notification on Liquidity Risk Management Framework dated November 04, 2019.

- (ix)

Review the interest rate risk in context of the overall interest rate and liquidity scenario, policy rate and deliberate on the hedging strategies.
- (x)

To review the current and prospective liquidity positions and monitor alternative funding sources.
- (xi)

To review various risks that can be measured with a reasonable degree of effort. Discuss and report on the impact of major funding shifts and changes in overall investment and lending strategies.
- (xii)

To review outlook for interest rates and economy.
- (xiii)

To review maturity/ repricing schedules with particular attention to the maturity distribution of large amounts of assets and liabilities maturing.
- (xiv)

To report the Minutes of each meeting to the Board of Directors.
- (xv)

To measure performance against established standards and, if appropriate against peer group data.
- (xvi)

To review the liquidity and contingency funding conditions of Credila
- (xvii)

To review the business plan; given the importance of the ALM in the management of Credila's balance sheet and related earnings stream.
- (xviii)

Any other matters as may prescribed by RBI from time to time
- (xix)

Any other matters as the Board may delegate to the Committee from time to time.

VIII. ALLOTMENT COMMITTEE

The Allotment Committee of the Board is inter-alia responsible for overseeing the process of application for issue of securities and approve allotment of securities upon receipt of subscription amount. The Committee consist of three members from the Board.

The details of the attendance of the Members of the Allotment Committee at the meeting along with sitting fees paid is listed below:

S. N.	Name of the Director	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Member of Committee Since	Number of meetings held during their tenure	Number of meetings attended	% of attendance	Sitting fees paid (₹)	No. of shares held in the NBFC
1	Mr. Ashish Agrawal	Chairman, Non-Executive Nominee Director	02-Apr-2024	1	1	100	-	-
2	Mr. V. S. Rangan	Non-Executive Nominee Director	16-Apr-2015	1	-	-	-	-
3	Mr. Arijit Sanyal	Managing Director & CEO	25-Jul-2022	1	1	100	-	1#

# Holding one Equity Share of face value of ₹ 10/- each as a Nominee of Infinity Partners.

Terms of Reference:

The role and responsibilities of the Allotment Committee includes:

- Ensuring compliance with the Companies Act, 2013 and rules made thereunder relating to the issue and allotment of securities as may be issued by the Company from time to time;
- Oversee the process of application for issue of securities and decide on the allotment of securities; and
- Any other matters as the Board may delegate to the Committee from time to time.

The details of the attendance of the Members of the Fund Raising Committee at the meeting along with sitting fees paid is listed below:

S. N.	Name of the Director	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Member of Committee Since	Number of meetings held during their tenure	Number of meetings attended	% of attendance	Sitting fees paid (₹)	No. of shares held in the NBFC
1	Mr. Ashish Agrawal	Chairman, Non-Executive Nominee Director	04-Oct-2024	1	1	100	-	-
2	Mr. V. S. Rangan	Non-Executive Nominee Director	04-Oct-2024	1	1	100	-	-
3	Mr. Ankit Singhal	Non-Executive Nominee Director	12-Nov-2024	1	1	100	-	-
4	Mr. Arijit Sanyal	Managing Director & CEO	04-Oct-2024	1	1	100	-	1#

# Holding one Equity Share of face value of ₹ 10/- each as a Nominee of Infinity Partners.

Composition, Meetings and Attendance:

During the year under review, the composition of the Allotment Committee comprised of three Directors - two Non-Executive Directors and one Executive Director. During the financial year ended March 31, 2025, the Allotment Committee met once. The Meeting was held on October 08, 2024.

IX. FUND RAISING COMMITTEE

The Fund Raising Committee was constituted by the Board of Directors on October 4, 2024. The Fund Raising Committee is responsible for taking decisions in relation to corporate actions, negotiating, finalizing and executing necessary documents, letters, certificates and agreements as may be required for raising funds and to do all such things, deeds and acts in this regard for and on behalf of the Company.

Composition, Meetings and Attendance:

During the year under review, the composition of the Fund Raising Committee comprised of four Directors – Three Non-Executive Directors and one Executive Director. During the financial year ended March 31, 2025, the Fund Raising Committee met once. The Meeting was held on December 26, 2024.

Terms of Reference:

The role and responsibilities of the Fund Raising Committee includes:

- To make applications to seek clarifications and obtain approvals from, where necessary, the SEBI, the Stock Exchanges, RBI, the Registrar of Companies or any other statutory or governmental authorities (“Regulatory Authorities”) as may be required, in connection with the Offer and accept on behalf of the Board such conditions and modifications as may be prescribed or imposed by any of the Regulatory Authorities while granting such approvals, permissions and sanctions as may be required and incorporate such modifications/ amendments/alterations/corrections as may be required in the document that may be filed in relation to the Offer;
- To invite the existing shareholders of the Company to participate in the Offer, if undertaken, by offering for sale the Equity Shares held by them;
- All actions as may be necessary in connection with the Offer, including extending the Bid/Offer period, revision of the Price Band, in accordance with the Applicable Laws;
- To appoint and enter into arrangements with Book Running Lead Managers (BRLMs) underwriters to the Offer, syndicate members to the Offer, brokers to the Offer, advisors to the Offer, escrow collection bank(s) to the Offer, registrars to the Offer, sponsor bank(s), refund bank(s) to the Offer, public offer account bank(s) to the Offer, advertising agencies, legal counsel, monitoring agency, grading agency, auditors, independent chartered accountants, industry data providers, and any other agencies or persons or intermediaries to the Offer and to negotiate and finalise and amend the terms of their appointment, including but not limited to execution of the BRLMs’ mandate letter, negotiation, finalisation, execution and, if required, amendment of the offer agreement with the BRLMs and the underwriting agreement with the underwriters;
- To negotiate, finalise, settle, execute and deliver or arrange the delivery of offer agreement, registrar agreement, syndicate agreement, underwriting agreement, cash escrow and sponsor bank agreement, share escrow agreement, monitoring agency agreement and all other documents, deeds, agreements, memorandum of understanding, and any notices, supplements and corrigenda thereto, as may be required or desirable and other instruments whatsoever with the registrar to the Offer, legal advisors, auditors, Stock Exchanges, BRLMs and any other agencies/intermediaries

- in connection with the Offer with the power to authorise one or more officers of the Company to negotiate, execute and deliver all or any of the aforementioned documents;
- To decide in consultation with the BRLMs on the size, timing, pricing, discount, reservation and all the terms and conditions of the Offer, including the price band, bid period, minimum bid lot, Offer Price, and to accept any amendments, modifications, variations or alterations thereto;
- to take all actions as may be necessary or authorized, in connection with the Offer for Sale, including taking on record the approval, notices and intentions received of the selling shareholders for offering their Equity Shares in the Offer for Sale allow revision of the Offer for Sale portion in case any selling shareholder decides to revise it, in accordance with the applicable laws;
- To finalise, approve, adopt, deliver and arrange for, in consultation with the BRLMs, submission of the pre-filed draft red herring prospectus (“PDRHP”), updated draft red herring prospectus-I (“UDRHP-I”), updated draft red herring prospectus-II (“UDRHP-II”), the red herring prospectus (“RHP”), the prospectus, abridged prospectus (including amending, varying or modifying the same, as may be considered desirable or expedient) and application forms, the preliminary and final international wrap and any amendments, supplements, notices or corrigenda thereto for the issue of Equity Shares including incorporating such alterations/corrections/modifications as may be required by SEBI, RoC, or any other relevant governmental and statutory authorities or in accordance with all Applicable Law;
- To approve the relevant restated financial statements to be issued in connection with the Offer;
- To seek, if required, the consent and waivers from the lenders of the Company, industry data providers, parties with whom the Company has entered into various commercial and other agreements, all concerned government and regulatory authorities in India or outside India, and any other consents that may be required in relation to the Offer or any actions connected therewith;
- To open and operate bank account(s) of the Company in terms of the cash escrow and sponsor bank agreement, as applicable and to authorise one or more officers of the Company to execute all documents/deeds as may be necessary in this regard;
- To authorise and approve incurring of expenditure and payment of fees, commissions, brokerage,

remuneration and reimbursement of expenses in connection with the Offer;

- xiii. To approve code of conduct, suitable insider trading policy, whistle blower/vigil mechanism policy, risk management policy and other corporate governance requirements, as may be considered necessary or as required under Applicable Laws for the Board, officers of the Company and other employees of the Company;
- xiv. To authorise any concerned person on behalf of the Company to give such declarations, affidavits, certificates, consents and authorities as may be required from time to time in relation to the Offer;
- xv. To approve suitable policies in relation to the Offer as may be required under Applicable Laws;
- xvi. To approve any corporate governance requirement that may be considered necessary by the Board or the Fund Raising Committee or as may be required under Applicable Laws, in connection with the Offer;
- xvii. To authorise and approve notices, advertisements in relation to the Offer in consultation with the relevant intermediaries appointed for the Offer;
- xviii. To open and operate bank accounts of the Company in terms of Section 40(3) of the Companies Act or as may be required by the regulations issued by SEBI and to authorise one or more officers of the Company to execute all documents/deeds as may be necessary in this regard;
- xix. To determine and finalise the bid opening and bid closing dates (including bid opening and closing dates for anchor investors), floor price/price band for the Offer, the Offer Price for anchor investors, approve the basis for allocation/allotment and confirm allocation/allotment of the Equity Shares to various categories of persons as disclosed in the PDRHP, UDRHP-I, UDRHP-II, the RHP and the prospectus, in consultation with the BRLMs;
- xx. To issue receipts/allotment letters/confirmation of allocation notes either in physical or electronic mode representing the underlying Equity Shares in the capital of the Company with such features and attributes as may be required and to provide for the tradability and free transferability thereof as per market practices and regulations, including listing on the Stock Exchanges, with power to authorise one or more officers of the Company to sign all or any of the aforementioned documents;
- xxi. To withdraw the PDRHP or UDRHP-I or UDRHP-II or the RHP or not to proceed with the Offer at any stage, if considered necessary and expedient, in accordance with Applicable Laws;

- xxii. To make applications for listing of Equity Shares on the Stock Exchanges and to execute and to deliver or arrange the delivery of necessary documentation to the Stock Exchanges and to take all such other actions as may be necessary in connection with obtaining such listing;
- xxiii. To do all such deeds and acts as may be required to dematerialise the Equity Shares and to sign and/ or modify, as the case may be, agreements and/ or such other documents as may be required with National Securities Depository Limited, Central Depository Services (India) Limited, registrar and transfer agents and such other agencies, as may be required in this connection with power to authorise one or more officers of the Company to execute all or any of the aforementioned documents;
- xxiv. To do all such acts, deeds, matters and things and execute all such other documents, etc., as it may, in its absolute discretion, deem necessary or desirable for the Offer, in consultation with the BRLMs, including without limitation, determining the anchor investor portion and allocation to anchor investors, finalising the basis of allocation and allotment of Equity Shares to the successful allottees and credit of Equity Shares to the demat accounts of the successful allottees in accordance with Applicable Laws;
- xxv. To settle all questions, difficulties or doubts that may arise in regard to the Offer, including such issues or allotment and matters incidental thereto as it may deem fit and to delegate such of its powers as may be deemed necessary and permissible under Applicable Laws to the officials of the Company;
- xxvi. To take such action, give such directions, as may be necessary or desirable as regards the Offer and to do all such acts, matters, deeds and things, including but not limited to the allotment of Equity Shares against the valid applications received in the Offer, as are in the best interests of the Company;
- xxvii. To approve the expenditure in relation to the Offer;
- xxviii. To negotiate, finalise, settle, execute and deliver any and all other documents or instruments and doing or causing to be done any and all acts or things as the Fund Raising Committee may deem necessary, appropriate or advisable in order to carry out the purposes and intent of the foregoing or in connection with the Offer and any documents or instruments so executed and delivered or acts and things done or caused to be done by the Fund Raising Committee shall be conclusive evidence of the authority of the Fund Raising Committee in so doing; and

- xxix. To submit undertaking/certificates or provide clarifications to or obtain approvals and seek exemptions, if necessary, from the Securities Exchange Board of India and the Stock Exchanges where the Equity Shares of the Company are proposed to be listed.

## X. REVIEW COMMITTEE

The Review Committee was constituted on September 17, 2024, in accordance with Master Direction on Treatment of Wilful Defaulters and Large Defaulters dated July 30, 2024, issued by the Reserve Bank of India ("RBI").

### Composition, Meetings and Attendance:

During the year under review, the composition of the Review Committee comprised of three Directors - two Non-Executive Directors and one Executive Director, as follows:

S.N.	Name of Director	Position
1	Mr. Arijit Sanyal	Chairman of the Committee, Managing Director & CEO
2	Mr. Rajnish Kumar	Member, Non-Executive Nominee Director
3	Mr. Ashish Agrawal	Member, Non-Executive Nominee Director

During the financial year under review, no meeting of the Review Committee was required to be conducted.

### Terms of Reference:

The terms of reference for Review Committee are in line with the regulatory requirements. The key responsibilities of the Committee includes:

- (i) To review proposal(s) as recommended by the Identification Committee along with written representation(s) received from borrower(s) with respect to their classification as wilful defaulter(s);
- (ii) To schedule a personal hearing, if required, with the borrower(s) whose account is proposed to be classified as wilful defaulter(s);
- (iii) To pass an order for the classification of borrower(s) account to wilful defaulter(s);
- (iv) Any other matters as may prescribed by RBI or any other regulatory body, as may be applicable from time to time; and
- (v) Any other matters as the Board may delegate to the Committee from time to time.

## GENERAL BODY MEETINGS

### I. ANNUAL GENERAL MEETINGS (AGM)

The details of the last three AGMs and Special Resolutions passed are given below:

For the Financial Year	Meeting	Date & Time	Venue	Special Resolutions passed
2023-24	19 <sup>th</sup> AGM	September 05, 2024, at 2.30 p.m. (IST)	Meeting through video conferencing.	<ul style="list-style-type: none"><li>i. Increase in the borrowing limits of the Company; and</li><li>ii. Change of name of the Company and consequential alteration to Memorandum of Association and Articles of Association of the Company.</li></ul>
2022-23	18 <sup>th</sup> AGM	June 6, 2023, at 4:00PM (IST)	Meeting through video conferencing	<ul style="list-style-type: none"><li>i. Approval of increase in limits of borrowing of the Company u/s 180(1)(c) of Companies Act, 2013, not exceeding ₹ 23,000 crore;</li><li>ii. Approval for issuance of Non-Convertible Debentures and/ or other hybrid instruments on a private placement basis not exceeding ₹ 7,500 crore;</li><li>iii. Approval for Amendment to Articles of Association of the Company; and</li><li>iv. Approval of Revised Employee Stock Option Plan-2022 of the Company.</li></ul>
2021-22	17 <sup>th</sup> AGM	June 29, 2022, at 11:00AM (IST)	HDFC House 165/166, HT Parekh Marg, Backbay Reclamation, Churchgate, Mumbai – 400 020	Approval of increase in limits of borrowing of the Company u/s 180(1)(c) of the Companies Act, 2013, not exceeding ₹ 20,000 crore.

II. EXTRA- ORDINARY GENERAL MEETING (EGM)

During FY2024-25, seven Extra-Ordinary General Meetings were held on June 20, 2024, June 28, 2024, October 09, 2024, October 30, 2024, December 23, 2024, December 26, 2024, and March 05, 2025. Details of Special Resolutions passed are given below:

Meeting	Date & Time	Venue	Special Resolutions passed
1 <sup>st</sup> EGM	Thursday, June 20, 2024, at 2:00 p.m. (IST)	EQT Partners, Unit 801 & 802, Piramal Tower, Peninsula Corporate Park, G.K. Marg, Lower Parel West, Mumbai - 400013	<div><div>i. Issuance of non-convertible debentures and/or hybrid instruments on a private placement basis; and</div><div>ii. Issue of equity shares by way of a private placement on a preferential basis.</div></div>
2 <sup>nd</sup> EGM	Friday, June 28, 2024, at 7:30 p.m. (IST)	Meeting through video conferencing	<div><div>i. Approval and adoption of the amended and restated articles of the Company.</div></div>
3 <sup>rd</sup> EGM	Wednesday, October 9, 2024, at 12.30 p.m. (IST)	Meeting through video conferencing	<div><div>i. Issue of equity shares on preferential basis through private placement.</div></div>
4 <sup>th</sup> EGM	Wednesday, October 30, 2024, at 12:00 Noon (IST)	Meeting through video conferencing	<div><div>i. Approval and adoption of the amended articles of the Company</div></div>
5 <sup>th</sup> EGM	Monday, December 23, 2024, at 11.30 a.m. (IST)	Meeting through video conferencing	<div><div>i. Issuance of non-convertible debentures and/or hybrid instruments on a private placement basis</div><div>ii. Approval on the term of the independent directors for a period of 2 (two) years</div><div>iii. Approval for adoption of “Credila Financial Services Limited Employees Stock Option Plan – 2024”</div></div>
6 <sup>th</sup> EGM	Thursday, December 26, 2024, at 12:30 pm (IST)	Meeting through video conferencing	<div><div>i. Adoption of the restated articles of association of the Company</div><div>ii. Raising of capital through an initial public offering</div><div>iii. Modification in the Credila Financial Services Limited Employees Stock Option Plan - 2022</div></div>
7 <sup>th</sup> EGM	Wednesday, March 05, 2025, at 3:15 p.m. (IST)	Meeting through video conferencing	<div><div>i. Payment of remuneration by way of commission to non-executive directors</div></div>

POSTAL BALLOT

There was no postal ballot conducted during the financial year 2024-25.

DETAILS OF REMUNERATION TO DIRECTORS

I. REMUNERATION POLICY

The Remuneration Policy, including the criteria for remunerating Non-Executive Directors and Executive Director is recommended by the Nomination & Remuneration Committee and approved by the Board.

The Remuneration Policy is available on the Company’s website at <https://www.credila.com/investor-relations>.

The remuneration paid to the Directors are line with the Remuneration Policy of the Company.

II. DETAILS OF REMUNERATION FOR THE FINANCIAL YEAR 2024-25:

A. NON-EXECUTIVE DIRECTORS

Name	Sitting fees paid (₹)	Commission Paid/ Payable (₹)
Mr. V. S. Rangan	-	-
Mr. Biswamohan Mahapatra#	-	15,00,000^
Mr. Sunil Shah#	-	15,00,000^
Mr. Rajesh Gupta#	-	15,00,000^
Ms. Madhumita Ganguli#	-	15,00,000^
Mr. D. Sundaram	25,00,000	30,00,000^^
Mr. Abhijit Sen	24,00,000	20,00,000^^

Name	Sitting fees paid (₹)	Commission Paid/ Payable (₹)
Mr. Bharat Shah	16,00,000	20,00,000^^
Ms. Anuranjita Kumar	18,00,000	20,00,000^^
Mr. Rajnish Kumar	14,00,000	20,00,000^^
Mr. Ashish Agrawal	-	-
Mr. Jimmy Mahtani	-	-
Mr. Kosmas Kalliarekos*	-	-
Mr. Sanjay Kukreja***	-	-
Mr. Satish Pillai**	10,00,000	20,00,000^^
Mr. Seung Hyo Han**	-	-
Mr. Ankit Singhal****	-	-

#Ceased to be Directors with effect from March 20, 2024.

\*Ceased to be a Director with effect from June 28, 2024.

\*\* Appointed as Directors with effect from June 28, 2024.

\*\*\* Ceased to be a Director with effect from November 11, 2024.

\*\*\*\* Appointed as a Director with effect from November 12, 2024.

^Commission paid in FY 24-25 for FY23-24

^^ Commission paid in FY 25-26 for FY24-25.

B. MANAGING DIRECTOR & CEO

i) Details of fixed components and performance linked incentives, along with the performance criteria:

Particulars of Remuneration	Amount (₹)
Salary	3,98,82,228
Value of perquisites, other benefits and allowances	24,94,516
Retiral benefits	15,12,001
Insurance	1,36,834
Performance bonus paid	3,25,00,000
<b>Total</b>	<b>7,65,25,579</b>

ii) Service contracts, notice period, severance fees:

Service Contract: 5-year contract till January 16, 2030

Notice Period: 6 months

Severance Fees: Not applicable

iii) Stock option details, if any and whether issued at a discount as well as the period over which accrued and over which exercisable:

Particulars	Number of Stock Options
Number of Stock Options granted under Credila Financial Services Limited Employee Stock Option Plan - 2024 (“ESOP - 2024”) during financial year 2024-25*	22,04,837#
Number of Stock Options vested but not yet exercised under Credila Financial Services Limited Employee Stock Option Plan - 2022	2,50,000

\*The Stock Options would be vested as follows:

- First vesting: 20% after one year from date of grant
- Second vesting: 20% after 4 months from first vesting
- Subsequent vesting: 20% each every year for three years at one-year interval

# Includes 30,000 stock options granted earlier, which were re-allocated back into the ESOP 2024 pool pursuant to the resolution passed by the Nomination & Remuneration Committee on May 30, 2025.

PARTICULARS OF SENIOR MANAGEMENT INCLUDING THE CHANGES THEREIN SINCE THE CLOSE OF THE PREVIOUS FINANCIAL YEAR

The details of Senior Management of the Company during the financial year ended March 31, 2025, are follows:

Employee Name	Designation
Mr. Manjeet Bijlani	Chief Financial Officer
Mr. Hitesh Parashar	Chief Business Officer
Mr. Anand Nevgi	Chief Operating Officer
Mr. Sayantan Roy	Head of Internal Audit
Mr. Sebastian Fernandez*	Chief Risk Officer
Ms. Aastha Sachdeva**	Chief Risk Officer
Mr. Shashank Agrawal@	Chief Technology Officer
Mr. Nilotpal Borpujari	Chief Credit Officer
Ms. Nishita Mazumdar	Head - Branch Operations
Ms. Natasha Raj	Head – Human Resources & CSR
Mr. Zarir Khambatta	Chief of Staff
Mr. Sameer Vyas	Chief Compliance Officer
Ms. Akanksha Kandoi#	Company Secretary & Compliance Officer
Ms. Karishma Jhaveri ##	Company Secretary & Compliance Officer

# Ceased to be the Company Secretary & Compliance Officer of the Company with effect from close of business hours on June 24, 2024.

@ Ceased to be the Chief Technology Officer of the Company with effect from August 14, 2024

## Appointed as the Company Secretary & Compliance Officer of the Company with effect from September 17, 2024.

\* Resigned as the Chief Risk Officer of the Company on November 8, 2024, and has served his notice period in the Company until February 5, 2025.

\*\* Appointed as Chief Risk Officer- Designate of the Company on December 19, 2024, and was appointed as the Chief Risk Officer on February 6, 2025.

SUCCESSION PLANNING

The Company believes that sound succession plans for the Board and senior leadership are very important to create a robust future for the Company. The Company recognises that succession planning is a continuous process rather than a one-time event and has put in place a Policy on Succession Planning that aligns talent management with the objective and endeavours to mitigate critical risks such as vacancy, readiness and transition risk.

OTHER DISCLOSURES

I. BOARD EVALUATION

With the objective of enhancing the effectiveness of the Board, the NRC has formulated the methodology and criteria to evaluate the performance of the Board, committees thereof and each Director. The NRC and the Board of Directors of the Company had adopted the revised criteria on performance evaluation of the Independent Directors, Non-Executive Directors,

Managing Director, Chairman, the Board as a whole and its Committees, based on the SEBI Guidance Note released by SEBI on January 5, 2017, on the evaluation of the Board of Directors of the listed companies.

The NRC had sought feedback from the Directors through structured questionnaires. The Chairman of the NRC had evaluated the feedback and communicated the outcome of the evaluation to the NRC and the Chairman of the Board. The Independent Directors also reviewed the performance of the Non-Executive Directors, the Chairman and the Board as a whole.

II. RELATED PARTY TRANSACTIONS

The Company has a Board approved policy on Related Party Transactions. The policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions entered into between the Company and its related parties. The policy is available on the Company’s website at <https://www.credila.com/investor-relations>.

There were no transactions with related parties that may have potential conflict with the interest of the Company.

Details of related party transactions entered into by the Company in the ordinary course of its business are included in the notes forming part of the financial statements uploaded on the Company’s website, along with submission to stock exchange on a half-yearly basis.

There were no material related party transactions during the year which required prior approval of the Shareholders of the Company.

The Audit Committee had provided omnibus approval for the transactions to be entered by the Company with its related parties.

Further, there were no financial or commercial transactions by the senior management where their personal interests may have potential conflict with the interests of the Company.

III. STRICTURES AND PENALTIES

During the financial year ended March 31, 2023, BSE Limited imposed a penalty of ₹ 1000 for delay in intimation for repayment of commercial paper in accordance with erstwhile SEBI Operational Circular dated August 10, 2021. Apart from the above-mentioned penalty, no other penalties or strictures were imposed on the Company by any stock exchange, SEBI or other statutory authority on matters relating to the capital markets during preceding three financial years.

Further, during the financial year ended March 31, 2025, no penalties or strictures were imposed on the Company by the Reserve Bank of India or any other statutory authority.

IV. WHISTLE BLOWER POLICY

The Company has a Board-approved Whistle Blower Policy and vigil mechanism to ensure that all employees/ directors of the Company work in a conducive environment and are given a platform to freely express their concerns or grievances on various matters pertaining to any malpractice, actual/suspected fraud or violation of the Company’s code of conduct. The policy is available on the Company’s website at <https://www.credila.com/investor-relations>.

The policy provides that the whistle blower shall be protected against any detrimental action as a result of any allegations made in good faith and allows direct access to the Chairman of the Audit Committee.

During the year under review, no person was denied access to the Audit Committee to express concerns or report grievances under the Whistle Blower Policy and/ or vigil mechanism.

V. SUBSIDIARY COMPANY

The Company does not have any Subsidiary Company, hence formulation of Policy for determining Material Subsidiaries as per the SEBI Listing Regulations is not applicable to the Company.

VI. COMMODITY PRICE RISK OR FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES

The Company does not deal in any commodity and hence is not directly exposed to any commodity price risk. During the year under review, the Company availed External Commercial Borrowings (“ECBs”) of ₹ 6,291.97 crores for further lending of education loans as per the ECB guidelines issued by the RBI. As on March 31, 2025, the outstanding ECB stood at ₹ 7,137 crore. The Company has entered into derivative transactions with various counter parties to hedge its foreign exchange risks and interest rate risks associated with ECBs.

VII. CERTIFICATE FROM PRACTICING COMPANY SECRETARY REGARDING NON-DEBARMENT AND NON-DISQUALIFICATION OF DIRECTORS

The Company has received a certificate from M/s Vinod Kothari & Company, Practicing Company Secretaries, to the effect that none of the directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as director of the Company by SEBI/Ministry of Corporate Affairs or such other statutory

authority. The said certificate has been annexed to this Report.

VIII. DETAILS OF RECOMMENDATION OF ANY COMMITTEE OF THE BOARD NOT ACCEPTED BY THE BOARD AND REASONS THEREOF

During the year under review, the Board has accepted all the recommendations made by the Board Committees, from time to time.

IX. FEES PAID TO STATUTORY AUDITORS

During the financial year ended March 31, 2025, total fees paid by the Company to the Joint Statutory Auditors is given below:

Particulars	Amount (₹ in lakhs)
Statutory Audit Fee (including limited review report)	101.25
Fee for other services	23.53
<b>Total</b>	<b>124.78</b>

The Company has not paid fees to any entities in the network firm/entity of the Joint Statutory Auditors, during the year under review.

X. COMPLAINTS PERTAINING TO SEXUAL HARASSMENT

Disclosure in relation to the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013, for the financial year ended March 31, 2025, is as under:

Number of complaints filed	Nil
Number of complaints disposed of	Nil
Number of complaints pending	Nil

XI. DISCLOSURE OF ‘LOANS AND ADVANCES IN THE NATURE OF LOANS TO FIRMS/COMPANIES IN WHICH DIRECTORS ARE INTERESTED BY NAME AND AMOUNT’

The Company has not granted any loans or advances in the nature of loans to firms/companies in which the Directors are interested.

CEO/CFO CERTIFICATION

The Managing Director & CEO and Chief Financial Officer have certified to the Board with regard to the financial statements and internal controls relating to financial reporting for the year ended March 31, 2025, as required under the SEBI Listing Regulations.

COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS OF SEBI LISTING REGULATIONS

The Company is a High Value Debt Listed Entity (“HVDLE”) pursuant to SEBI (Listing Obligations and Disclosure

Requirements), Regulations, 2015. During the financial year ended March 31, 2025, the Company was required to comply with the provisions of Regulation 16 to 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of Corporate Governance.

Pursuant to SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2025 dated March 27, 2025, the regulation references as applicable to HVDLE have also been complied by the Company.

The Company has obtained a certificate from M/s. Vinod Kothari & Company, Practicing Company Secretaries regarding compliance with the provisions relating to corporate governance laid down under the SEBI Listing Regulations. This certificate is annexed to this Report.

#### CODE OF CONDUCT

The code of conduct for non-executive directors, whole-time directors and members of senior management of the Company is in conformity with the requirements of the Listing Regulations and are placed on the Company’s website. The directors and members of senior management have affirmed their adherence to the provisions of the respective codes.

A declaration to this effect signed by the Managing Director & CEO forms part of the Annual Report.

The Code of Conduct of the Company reflects the Company’s long-standing commitment of doing business with integrity.

#### ADHERENCE TO ACCOUNTING STANDARDS AND COMPANIES ACT, 2013

The Company has complied with the applicable Indian Accounting Standards (Ind AS) notified by the Ministry of Corporate Affairs under Section 133 of the Companies Act, 2013 and rules made thereunder.

The financial statements for the year have been prepared in accordance with Schedule III to the Companies Act, 2013.

The Company is in compliance with the requirements of the Companies Act, 2013 and rules made thereunder.

#### SECRETARIAL STANDARDS

The Company has complied with the applicable provisions of secretarial standards issued by the Institute of Company Secretaries of India.

#### RISK MANAGEMENT AND INTERNAL CONTROL POLICIES ADOPTED BY THE COMPANY

The Company has a well-defined Risk Management Framework in place. The Company has procedures to periodically place before the Risk Management Committee and the Board, the risk assessment and mitigation plans being followed by the Company. Para 28 of the Directors Report can be referred for more details.

#### DEALING WITH UNPUBLISHED PRICE SENSITIVE INFORMATION

The policy on Determination of Materiality and Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information are placed on the Company’s website and deal with the adequate and timely disclosure of information and events of the Company.

#### TRANSACTIONS WITH NON-EXECUTIVE DIRECTORS

The non-executive directors of the Company do not have any pecuniary relationships or transactions with the Company, its directors or senior management, other than in the normal course of business.

#### PROCEEDS FROM ISSUE(S) OF NON-CONVERTIBLE DEBENTURES ("NCDS") ON PRIVATE PLACEMENT BASIS

During the year under review, the Company raised an amount of ₹ 1,510 crore through Non-Convertible Debentures, issued in various tranches on a private placement basis. The funds raised from the issuance of NCDs were utilised for regular business activities including utilisation of proceeds for disbursement to meet the finance requirements of the borrowers of the Company and other associated business objectives such as discharging existing debt obligations which were generally undertaken for business operations.

#### BREACH OF COVENANT

There were no instances of breach of covenant for loan availed or debt securities issued.

#### GOING CONCERN

The Board is satisfied that the Company has adequate resources to continue its business for the foreseeable future and consequently considers it appropriate to adopt the going concern basis in preparing the financial statements.

#### GENERAL SHAREHOLDER INFORMATION

##### I. COMPANY REGISTRATION DETAILS

The Company is registered in the State of Maharashtra. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is U67190MH2006PLC159411.

##### II. SHAREHOLDERS

As on March 31, 2025, the Company has 9 shareholders (including 2 Nominee shareholders of Infinity Partners). The main channel of communication with the shareholders is through the annual report and half yearly/quarterly financial results published on the website of the Company and newspaper publications. Details relating to financial results are disseminated to the shareholders through newspaper publication and

uploaded on the Company’s website. The financial results are inter alia published in The Free Press Journal and Navshakti.

The Management statement on the integrity and fair presentation of the financial statements is provided as a part of the annual report in the Management Discussion and Analysis Report.

##### III. 20th ANNUAL GENERAL MEETING

Day and Date: Friday, September 26, 2025

Time: 11.00 AM

Venue/Mode of AGM: Video Conferencing

Financial Year: April 1, 2024 to March 31, 2025

Dividend Payment Date: Not Applicable, as no dividend is recommended for financial year 2024-25.

##### IV. LISTING ON THE STOCK EXCHANGE

The Non-Convertible Securities and Commercial Papers of the Company are listed on the debt market segment of BSE Limited.

Name of the Stock Exchange	Address
BSE Limited	P. J. Towers, Dalal Street, Mumbai – 400 001, Maharashtra

Annual listing fees, as prescribed, have been paid to the said stock exchange for the financial year March 31, 2025.

The details of the RTAs of the Company as on March 31, 2025, is as follows –

Name	Address	Website Details
Adroit Corporate Services Private Limited	18-20, Jafferbhoy Industrial Estate, Makwana Road, Marol Naka, Andheri, Mumbai – 400 059, Maharashtra	<a href="https://adroitcorporate.com;">https://adroitcorporate.com;</a>
KFin Technologies Limited	Selenium Building, Tower-B, Plot No 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddi, Telangana India - 500 032.	<a href="http://www.kfintech.com">www.kfintech.com</a>

##### VIII. DISTRIBUTION OF SHAREHOLDING

Shareholding Pattern of the Company as on March 31, 2025, is as follows:

Name of Shareholder	No. of Equity Shares held	Percentage
Kopvoorn B.V.	13,99,36,441	63.96
Moss Investments Limited	3,17,26,838	14.50
Shinhan Bank Co., Ltd.	2,20,10,272	10.06
Defati Investments Holding B.V.	18,11,920	0.83
Mr. Ashley Menezes (Partner - Infinity Partners)	14,45,350	0.66
HDFC Bank Limited	178,99,005	8.18
HDFC Life Insurance Company Limited	39,57,887	1.81
Mr. Arijit Sanyal (Nominee shareholder of Infinity Partners)	1	-
Mr. Manjeet Bijlani (Nominee shareholder of Infinity Partners)	1	-
Total (Issued & Paid Up)	21,87,87,715	100.00

##### V. STOCK CODE

The equity shares of the Company are not listed on the Stock Exchange; hence the Stock code is not applicable.

##### VI. SUSPENSION OF SECURITIES FROM TRADING

During FY2024-25, none of the securities of the Company were suspended from trading.

##### VII. REGISTRAR AND SHARE TRANSFER AGENT AND SHARE TRANSFER SYSTEM

In terms of Regulation 7 and such other applicable regulations of the SEBI Listing Regulations, the Board of Directors on November 22, 2024, accorded their approval to change the Registrar and Share Transfer Agent of the Company (‘RTA’) from Adroit Corporate Services Private Limited (‘Existing RTA’) to KFin Technologies Limited (‘New RTA’) for the existing and new Equity shares of the Company.

Accordingly, with effect from December 19, 2024, Adroit Corporate Services Private Limited provides registrar services for the existing Non-Convertible Debentures and Commercial Papers of the Company and KFin Technologies Limited is acting as an RTA for the existing and new Equity Shares of the Company and for all the further issuance(s) of Non-Convertible Debentures and Commercial Papers of the Company.

As on March 31, 2025, all the securities of the Company are in dematerialised form. Since all the securities of the Company are in dematerialised form, there is no physical transfer of securities.

IX. DEMATERIALISATION OF SHARES AND LIQUIDITY

As on March 31, 2025, the total equity capital of the Company was held in dematerialised form with National Securities Depository Limited and Central Depository Services (India) Limited. As the equity shares of the Company are not listed on the Stock Exchange, the shares were not traded on the Stock Exchange.

X. OUTSTANDING GLOBAL DEPOSITORY RECEIPTS (“GDRS”)/AMERICAN DEPOSITORY RECEIPTS (“ADRS”)/WARRANTS OR ANY CONVERTIBLE INSTRUMENTS, CONVERSION DATE AND LIKELY IMPACT ON EQUITY

The Company has not issued any GDRs/ADRs/Warrants, or any Convertible Instruments. Therefore, there is no impact on equity on account of such instruments.

XI. ADDRESS FOR CORRESPONDENCE REGISTERED OFFICE

Credila Financial Services Limited (formerly known as HDFC Credila Financial Services Limited)  
B 301, Citi Point, Andheri-Kurla Road, Andheri (East), Mumbai - 400 059  
Tel Nos.: 1800-209-3636  
Email: [investor.relations@credila.com](mailto:investor.relations@credila.com)

Plant Locations/Offices:

As of March 31, 2025, the Company has a physical presence in 41 cities with a network comprising eight regional offices in Delhi, Mumbai, Bangalore, Hyderabad, Chennai, Pune, Ahmedabad and Kolkata, across 32 branches in India.

XII. RATINGS

During the financial year under review, the credit rating of the Company was as below:

Particulars	CRISIL	CARE	ICRA
Non-Convertible Debentures	AA+ (Stable)	AA (Stable)	AA (Stable)
Subordinated Debt	AA+ (Stable)	AA (Stable)	AA (Stable)
Perpetual Debt	AA (Stable)	AA- (Stable)	AA- (Stable)
Term Loans	-	AA (Stable)	AA (Stable)

XIII. UNCLAIMED DIVIDEND

Pursuant to Sections 124 and 125 of the Act, read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (“IEPF Rules”), including amendment thereto, dividend, if not claimed within seven years from the date of transfer to Unpaid Dividend Account of the Company, is liable to be transferred to the Investor Education and Protection Fund (“IEPF”).

There is no unclaimed dividend payable by the Company as on March 31, 2025.

XIV. MEANS OF COMMUNICATION

The Company maintains a dedicated ‘Investors’ section on its official website to facilitate easy access to information for shareholders. All relevant information and documents required to be disclosed in accordance with the provisions of the Act and SEBI Listing Regulations are regularly updated and made available at: <https://www.credila.com/>

The quarterly, half-yearly and annual financial results are submitted to BSE Limited (BSE). These financial results are also published in widely circulated newspaper.

In addition, the Annual Report, along with the quarterly, half-yearly and annual financial results, is made available on the Company’s website at <https://www.credila.com/>, BSE Limited at [www.bseindia.com](http://www.bseindia.com). This multi-channel approach ensures timely, transparent and effective communication with shareholders and various stakeholders of the Company.

On behalf of the Board of Directors

Date: August 12, 2025  
Place: Mumbai

**D. Sundaram**

Chairman of the Board  
DIN: 00016304

COMPLIANCE WITH THE CODE OF CONDUCT

I confirm that for the year under review, the Company has received from the Directors and Senior Management, a declaration of compliance with the code of conduct as applicable to them.

On behalf of the Board of Directors

Date: August 12, 2025  
Place: Mumbai

**Arijit Sanyal**  
Managing Director & CEO  
DIN: 08386684

CERTIFICATE ON CORPORATE GOVERNANCE

To  
The Members,  
**Credila Financial Services Limited**  
(Formerly known as “HDFC Credila Financial Services Limited”)

We have examined the compliance of Corporate Governance by Credila Financial Services Limited (Formerly known as “HDFC Credila Financial Services Limited”) (“the Company”) for the financial year ending on March 31, 2025 (‘period under review’), as stipulated in Regulations 15 to 27 read with corresponding provisions of Chapter VA (effective from March 28, 2025) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), as applicable to the Company on a ‘comply or explain’ basis during the period under review, basis examination of documents provided in Annexure I. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations.

Further, In our opinion and to the best of our information and according to the explanations given to us, we certify that during the period under review, the Independent Directors of the Company did not hold directorships on the board of more than three Non-Banking Financial Companies (‘NBFC’) in Middle Layer or Upper Layer category, at the same time, in compliance with the Para 98 of the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023.

The compliance of conditions of Corporate Governance is the responsibility of the Management of the Company. Our examination was limited to review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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 its affairs.

For **M/s Vinod Kothari & Company**  
Practicing Company Secretaries  
Unique Code: P1996WB042300

**Vinita Nair**  
Joint Managing Partner  
Membership No.: F10559  
CP No.: 11902  
UDIN: F010559G000901471  
Peer Review Certificate No.: 4123/2023

Place: Mumbai  
Date: July 31, 2025

ANNEXURE I

LIST OF DOCUMENTS

- Scanned copies of signed Minutes for the meetings of the following held during the Audit Period were provided:
  - Board Meetings;
  - Audit Committee Meetings;
  - Nomination and Remuneration Committee Meetings;
  - Risk Management Committee Meetings;
  - Stakeholders Relationship Committee Meeting;
  - Annual General Meeting and Extraordinary General Meetings;
- Policies framed under the Listing Regulations as available on the website;
- Terms of reference of Committees of the Board;
- Annual Disclosures received from Directors pursuant to Section 184(1);
- Declaration by Independent Directors;
- Omnibus approval granted for FY 2024-25 and FY 2025-26;
- Details of other directorship as reflecting in Director’s Master Data on MCA and stock exchange filing for corporate governance under Reg. 27 (2).

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

[Pursuant to Para C (10)(i) of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Chapter VII of SEBI Master Circular for listing obligations and disclosure requirements for Non-convertible Securities, Securitized Debt Instruments and/ or Commercial Paper]

To,  
The Members,  
**Credila Financial Services Limited**  
(Formerly known as “HDFC Credila Financial Services Limited”)  
B 301, Citi Point, Andheri-Kurla Road,  
Andheri (East), Mumbai-400 059, India.

We have examined the relevant registers, records, forms, returns, and disclosures received from the Directors of Credila Financial Services Limited (Formerly known as “HDFC Credila Financial Services Limited”) having CIN U67190MH2006PLC159411 and having registered office at B 301, Citi Point, Andheri-Kurla Road, Andheri (East), Mumbai-400 059 India (hereinafter referred to as “the Company”), produced before us by the Company for the purpose of issuing this Certificate, in accordance with clause 10(i) of Para C of Schedule V to the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Chapter VII of the SEBI Master Circular for listing obligations and disclosure requirements for Non-convertible Securities, Securitized Debt Instruments and/ or Commercial Paper dated May 21, 2024.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended March 31, 2025 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India or the Ministry of Corporate Affairs or by the Reserve Bank of India or by Insurance Regulatory and Development Authority.

Sl. No.	Name of the Director as on March 31, 2025	DIN	Category of Directorship as on March 31, 2025	Date of Appointment
1.	Mr. Damodarannair Sundaram	00016304	Chairman, Independent Director	March 20, 2024
2.	Mr. Arijit Sanyal	08386684	Managing Director & CEO	January 17, 2020*
3.	Mr. Abhijit Sen	00002593	Independent Director	March 20, 2024
4.	Mr. Bharat Shah	00136969	Independent Director	March 20, 2024
5.	Ms. Anuranjita Kumar	05283847	Independent Director	March 20, 2024
6.	Mr. V.S. Rangan	00030248	Non-Executive Nominee Director	December 24, 2009
7.	Mr. Jimmy Lachmandas Mahtani	00996110	Non-Executive Nominee Director	March 20, 2024
8.	Mr. Ashish Agrawal	00163344	Non-Executive Nominee Director	March 20, 2024
9.	Mr. Rajnish Kumar	05328267	Non-Executive Nominee Director	March 20, 2024
10.	Mr. Satish Pillai	03511106	Non-Executive Director	June 28, 2024
11.	Mr. Seung Hyo Han	10686686	Non-Executive Director	June 28, 2024
12.	Mr. Ankit Singhal	09776472	Non-Executive Nominee Director	November 12, 2024

\* Based on the recommendation of the Nomination & Remuneration Committee, the Board of Directors and shareholders of company at their meeting held on January 16, 2025, and March 05, 2025 respectively have considered and approved re-appointment of Mr. Arijit Sanyal (DIN: 08386684) as the Managing Director & CEO of the Company for a period of five years commencing from January 17, 2025, to January 16, 2030.

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **M/s Vinod Kothari & Company**  
Practicing Company Secretaries  
Unique Code: P1996WB042300

**Vinita Nair**  
Joint Managing Partner  
Membership No.: F10559  
CP No.: 11902

Place: Mumbai  
Date: July 31, 2025  
UDIN: F010559G000901559  
Peer Review Certificate No.: 4123/2023

FORM NO. MR-3  
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2025

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

To,  
The Members,  
**Credila Financial Services Limited**  
(formerly known as HDFC Credila Financial Services Limited)  
(CIN: U67190MH2006PLC159411)

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Credila Financial Services Limited (formerly known as HDFC Credila Financial Services Limited) (hereinafter called the ‘Company’) for the financial year ended March 31, 2025 (“audit period”). Secretarial audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct/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 as listed in Annexure II 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, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the audit period, according to the provisions of applicable law provided hereunder:

1.

The Companies Act, 2013 (‘the Act’) and the rules made thereunder;

2.

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

3.

The Depositories Act, 1996 and the regulations and bye-laws framed thereunder;

4.

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

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 (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (b)

The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 with respect to Chapter IIA applicable for Initial Public Offer on Main Board through pre-filing of draft offer document;

(c)

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

(d)

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

(e)

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

(f)

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

6.

Laws specifically applicable to an NBFC– Middle Layer, as identified by the management, which inter-alia includes:

(a)

The Reserve Bank of India Act, 1934 along with relevant notification, circulars and guidelines as applicable;

(b)

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

(c)

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

(d)

Master Directions on Fraud Risk Management in NBFC (including HFC);

(e)

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

(f)

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

(g)

RBI Master Directions on Information Technology Governance, Risk, Controls and Assurance Practices;

(h)

RBI Guidelines on Risk-Based Internal Audit (RBIA) System for Select NBFCs and UCBs dated February 03, 2021

(i)

Compliance Function and Role of Chief Compliance Officer (CCO) – NBFCs – RBI Circular dated April 11, 2022
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- (j) Implementation of 'Core Financial Services Solution' by Non-Banking Financial Companies (NBFCs) – RBI Circular dated February 23, 2022
  - (k) Reserve Bank - Integrated Ombudsman Scheme, 2021
  - (l) Framework for Compromise Settlements and Technical Write-offs
  - (m) Master Direction on Treatment of Wilful Defaulters and Large Defaulters
  - (n) Master Direction – Reserve Bank of India (Internal Ombudsman for Regulated Entities) Directions, 2023
  - (o) Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs);
7. Master Direction – Reserve Bank of India (Commercial Paper and Non-Convertible Debentures of original or initial maturity upto one year) Directions, 2024 (as amended from time to time) w.r.t. issue of commercial papers and applicable Operating Guidelines issued by FIMMDA (Fixed Income Money Market and Derivatives Association of India) read with Chapter XVII of SEBI Master Circular no. SEBI/HO/DDHS/PoD1/P/CIR/2024/54 dated May 22, 2024 as updated from time to time; and;
8. Laws specifically applicable to a Corporate Agent, as identified by the management, that is to say:
- (a) The Insurance Regulatory and Development Authority of India (Registration of Corporate Agents) Regulations, 2015 and circulars issued thereunder.

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by the Institute of Company Secretaries of India.

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

#### Recommendations as a matter of best practice:

In the course of our audit, we have made certain recommendations for good corporate practices to the compliance team, for its necessary consideration and implementation by the Company.

#### We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Director, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place

during the audit period were carried out in compliance with the provisions of the Act. As confirmed by the Company, the non-executive nominee directors appointed in terms of the Shareholders' Agreement and the Articles of Association are liable to retire by rotation in terms of Section 152 (6) of the Act.

Adequate notice is given to all directors to schedule the Board and Committee Meetings, agenda and detailed notes on agenda were sent at least seven days in advance except in cases where the meetings were at shorter notice, 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.

All the decisions were unanimous and there was no instance of dissent in the Board and/or Committee meetings recorded as part of the minutes.

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

We further report that during the audit period, the Company has undertaken following specific events/ actions that can have a major bearing on the Company's compliance responsibility in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.:

#### 1. Issue of equity shares:

##### A. Preferential issue of equity shares to Shinhan Bank Co., Ltd.:

During the audit period, the Board and Shareholders of the Company at their Meeting held on April 02, 2024 and June 20, 2024, respectively, had accorded their approval for preferential issue of 22,010,272 equity shares of face value of ₹ 10/- per share issued at a premium of ₹ 671.50/- per equity share aggregating to an amount of ₹ 15,00,00,00,368/- (Rupees One Thousand Five Hundred Crores and Three Hundred Sixty Eight only) to Shinhan Bank Co., Ltd. ("Shinhan"). Accordingly, upon receipt of equity share subscription amount from Shinhan, the Board at their meeting held on June 28, 2024 had accorded their approval for allotment of 22,010,272 equity shares to Shinhan.

##### B. Rights issue of equity shares:

During the audit period, the Board of Directors at their meeting held on April 02, 2024 approved rights issue of equity shares. The

Board of Directors at their meeting held on July 24, 2024 accorded their approval for allotment of 1,36,50,331 Equity Shares of the Company of face value of ₹ 10/- per share at a premium of ₹ 671.50/- per share aggregating to an amount of ₹ 9,30,27,00,576.5/- (Rupees Nine Hundred and Thirty Crores Twenty Seven Lakh Five Hundred and Seventy Six and Fifty paisa only), on rights basis to the Shareholders from whom the Company had received the subscription amount.

##### C. Preferential issue of equity shares to HDFC Life Insurance Company Limited:

During the audit period, the Board and Shareholders of the Company at their meeting held on September 17, 2024 and October 09, 2024, respectively, had accorded their approval for preferential issue of 39,57,887 equity shares of face value of ₹ 10/- per share issued at a premium of ₹ 671.50/- per equity share aggregating to an amount of ₹ 2,69,72,99,990.50/- (Rupees Two Hundred and Sixty Nine Crores Seventy Two Lakhs Ninety Nine Thousand Nine Hundred and Ninety and Fifty paisa only) HDFC Life Insurance Company Limited ("HDFC Life"). Accordingly, upon receipt of equity share subscription amount from HDFC Life, the Allotment Committee had on October 14, 2024, accorded its approval for allotment of 39,57,887 equity shares to HDFC Life.

#### 2. Filing of pre-filed draft red herring prospectus ('PDRHP') with SEBI and Stock Exchanges

During the audit period, based on the recommendation of the Board of Directors of the Company and Fund Raising Committee of Directors at their respective meetings, the shareholders at the Extra-Ordinary General Meeting held on December 26, 2024, approved public issue of equity shares of face value of ₹ 10 each aggregating to ₹ 30,000 million (including share premium) (the "Fresh Issue") and in the course of the initial public offering of the Equity Shares (the "Offer"), which may also include an offer for sale by certain existing selling shareholders ("Offer for Sale"). Consequently, on December 26, 2024, the Company filed a Pre-filed Draft Red Herring Prospectus ('PDRHP') with SEBI and the Stock Exchanges, where the equity shares are proposed to be listed. Further, the Company filed the updated DRHP-I filed on June 27, 2025 for fresh issue of ₹ 30,000 million and offer for sale of upto ₹ 20,000 million.

#### 3. Issue and allotment of Non-Convertible Debentures ('NCDs') on private placement basis:

During the audit period, the Company issued secured listed NCDs aggregating to ₹ 1,510 crore.

#### 4. Redemption of NCDs:

During the audit period, the Company redeemed listed NCDs amounting to ₹ 600 crore, pursuant to maturity, and Perpetual Debt Instruments amounting to ₹ 100 crore, pursuant to exercise of call option upon receipt of approval from Reserve Bank of India.

#### 5. Issuance and repayment of Commercial Paper

During the audit period, the Company issued Commercial Papers aggregating to ₹ 3,350 crore, which are listed on BSE and repaid Commercial Papers aggregating to ₹ 2,500 crore.

#### 6. Increase in borrowing limits under Section 180(1)(c) of the Act:

During the audit period, the Company increased the borrowing limits of the Company from the existing limit of ₹ 40,000 crore to ₹ 55,000 crore pursuant to the special resolution passed in terms of Section 180(1)(c) of the Act in the Annual General Meeting held on September 05, 2024.

#### 7. Alteration of the Memorandum of Association ('MOA') and Articles of Association ('AOA'):

##### A. Adoption of Amended and Restated AOA pursuant to amendment in shareholders' agreement:

During the audit period, the Company adopted the amended and restated AOA vide special resolution passed in the Extraordinary General Meeting held on June 28, 2024 in order to incorporate the relevant provisions of (i) Share Subscription Agreement dated April 3, 2024 executed between Shinhan Bank Co. Ltd. and the Company read with (ii) Deed of Adherence to the Shareholders' Agreement dated June 19, 2023 executed on April 3, 2024 amongst Kopvoorn B.V., Moss Investments Limited, Defati Investments Holding B.V., and Infinity Partners, HDFC Bank Limited, Shinhan Bank Co., Ltd. and the Company.

##### B. Change of name of the Company and consequential alteration to MOA & AOA:

Pursuant to the sale of 90.01% stake by HDFC Bank Limited ("HDFC Bank") and certain employees of the Company, the Company ceased to be the subsidiary of the HDFC Bank. Accordingly, during the audit period, pursuant to a special resolution passed by the Shareholders at the Annual General Meeting dated September 05, 2024 and receipt of requisite approval from the Reserve Bank of India vide NOC letter dated September 17,

2024, the name of the Company was changed from “HDFC Credila Financial Services Limited” to “Credila Financial Services Limited”, and the Registrar of Companies issued a fresh certificate of incorporation on October 21, 2024 pursuant to the change in the name of the Company. The change in name of the Company was also intimated to IRDAI vide email dated October 03, 2024. Accordingly, the MOA and AOA of the Company was altered pursuant to change in name of the Company.

C. Adoption of Amended and Restated AOA pursuant to amendment in shareholders’ agreement:

During the audit period, the Company executed Second Deed of Adherence to the Shareholders Agreement dated June 19, 2023 on October 14, 2024, pursuant to the preferential issue of equity shares to HDFC Life Insurance Company Limited. Accordingly, the Company amended its AOA vide special resolution passed in the Extraordinary General Meeting held on October 30, 2024 to align the AOA with the Second Deed of Adherence to the Shareholders Agreement dated June 19, 2023.

D. Adoption of new AOA pursuant to filing of PDRHP with SEBI and stock exchanges

During the audit period, Company amended its AOA to align with the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended, and the listing requirements of the stock exchange(s) to ensure that the AOA is aligned prior to filing of the PDRHP with the SEBI and the stock exchanges. Accordingly, the Shareholders of the Company at their Extraordinary General Meeting held on December 26, 2024, passed a special resolution for

adoption of a new set of AOA confirming the requirements and directions provided by the stock exchanges and the Act and the rules made thereunder, as amended and other applicable laws.

8. Employee Stock Option Plan Scheme related:

A. Adoption of Credila Financial Services Limited Employees Stock Option Plan – 2024 (“ESOP - 2024”)

During the audit period, the Company adopted the ESOP Scheme – 2024 to create, issue, offer and allot 73,49,458 Equity Shares of ₹ 10 each to the employees of the Company vide special resolution passed in the Extraordinary General Meeting held on December 23, 2024.

B. Modification in the Credila Financial Services Limited Employees Stock Option Plan - 2022 (“ESOP - 2022”)

During the audit period, the ESOP - 2022 scheme was modified on account of change of name and prior to filing PDRHP to align with SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 pursuant to a special resolution passed in the Extraordinary General Meeting held on December 26, 2024.

For **M/s Vinod Kothari & Company**  
Practicing Company Secretaries  
Firm Registration No.:  
P1996WB042300

**Vinita Nair**  
Joint Managing Partner  
Membership No.: F10559  
CP No.: 11902  
UDIN: F010559G000901427  
Peer Review Certificate No.:  
4123/2023

Place: Mumbai  
Date: July 31, 2025

This report is to be read with our letter of even date which is annexed as **Annexure ‘I’** and forms an integral part of this report.

Annexure I

ANNEXURE TO SECRETARIAL AUDIT REPORT (NON-QUALIFIED)

To,  
The Members,

**Credila Financial Services Limited**  
(formerly known as HDFC Credila Financial Services Limited)

Our Secretarial Audit Report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit. The list of documents for the purpose, as seen by us, is listed in Annexure II;
2. We have followed the audit practices and the processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test-check 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. Our Audit examination is restricted only upto legal compliances of the applicable laws to be done by the Company, we have not checked the practical aspects relating to the same.
4. Wherever our Audit has required our examination of books and records maintained by the Company, we have also relied upon electronic versions of such books and records, as provided to us through online communication. Considering the effectiveness of information technology tools in the audit processes, we have conducted online verification and examination of records, as facilitated by the Company, for the purpose of issuing this Report. In

doing so, we have followed the guidance as issued by the Institute.

5. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company as well as correctness of the values and figures reported in various disclosures and returns as required to be submitted by the Company under the specified laws, though we have relied to a certain extent on the information furnished in such returns.
6. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulation and happening of events etc.
7. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedure on test-check basis.
8. Due to the inherent limitations of an audit including internal, financial, and operating controls, there is an unavoidable risk that some misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with audit practices.
9. The contents of this Report has to be read in conjunction with and not in isolation of the observations, if any, in the report(s) furnished/to be furnished by any other auditor(s)/ agencies/authorities with respect to the Company.
10. 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.

ANNEXURE II

LIST OF DOCUMENTS

- Scanned copies of signed Minutes for the meetings of the following held during the Audit Period were provided:
  - Board of Directors;
  - Audit Committee;
  - Nomination and Remuneration Committee;
  - Corporate Social Responsibility Committee;
  - Risk Management Committee;
  - Stakeholders Relationship Committee;
  - Asset Liability Management Committee;
  - IT Strategy Committee;
  - Annual General Meeting;
  - Extraordinary General Meetings;
  - Allotment Committee, Finance Committee, Committee of Executives & Fund raising Committee
- Notice for Board Meeting and Committee (s) Meeting on sample basis;
- Annual Report for 2023-24 and financial results filed with stock exchange;
- Director Disclosures under applicable law;
- Selected policies framed under applicable laws to the Company;
- Documents pertaining to applicable SEBI Regulations;
- Forms and returns filed with the ROC & RBI;
- Documents relating to issue of Equity Shares;
- Documents relating to issue/redemption of Non-Convertible Debentures/ Perpetual Debt Instruments and Commercial Papers;
- Documents relating to Corporate Agents under IRDA Regulations;
- Memorandum and Articles of Association as amended.

DETAILS OF EMPLOYEES' STOCK OPTION SCHEME PURSUANT TO THE PROVISIONS OF THE COMPANIES (SHARE CAPITAL AND DEBENTURES) RULES, 2014 AS ON MARCH 31, 2025

Sr. No.	Particulars	ESOP 2022	ESOP 2024
1	Options granted for the year	-	61,65,381 <sup>(1)</sup>
2	Options vested for the year	-	-
3	Options Exercised for the year	-	-
4	Total no. of Equity Shares that would arise as a result of full exercise of options granted (net of forfeited/lapsed/ cancelled options)	-	61,11,705 <sup>(1)</sup>
5	Options lapsed (during FY 2024-25)	-	53,676 <sup>(2)</sup>
6	Exercise Price	419.64	681.5
7	Variation of Terms of Option	-	No Variation
8	Money realized by exercise of options (during FY 2024-25)	NA	-
9	Total Number of Options in Force (Excluding Exercised Options)	2,50,000	61,11,705 <sup>(1)</sup>

<sup>(1)</sup> Includes 30,000 options granted earlier, which were re-allocated back into the ESOP 2024 pool pursuant to the resolution passed by the Nomination and Remuneration Committee on May 30, 2025.

<sup>(2)</sup> Options lapsed on account of resignation of employees.

Employee wise details of options granted during the financial year ended March 31, 2025:

a. Details of Options granted to Key Managerial Personnel ("KMP"):

Name of KMP and Designation	Number of Options Granted during the Year (Under ESOP 2024)
Arijit Sanyal – Managing Director & CEO <sup>(1)</sup>	22,04,837 <sup>(2)</sup>
Manjeet P Bijlani – Chief Financial Officer	2,83,585
Karishma Jhaveri – Company Secretary and Compliance Officer	47,386

<sup>(1)</sup> As on date of this report, Mr. Arijit Sanyal holds 24,04,837 options under ESOP 2024.

<sup>(2)</sup> Includes 30,000 options granted earlier, which were re-allocated back into the ESOP 2024 pool pursuant to the resolution passed by the Nomination and Remuneration Committee on May 30, 2025.

b. Any other employee who received grant of options amounting to 5% or more of the Options granted during the year:

Name of Employee and Designation	Number of Options Granted during the Year
Hitesh Parashar – Chief Business Officer	3,56,702
Anand Nevgi – Chief Operating Officer	3,22,941

c. Identified employees who were granted options, during the year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant:

Name of Employee and Designation	Number of Options Granted during the Year
Arijit Sanyal, Managing Director & CEO	NA <sup>(1)</sup>

<sup>(1)</sup> Refer to notes in point (a) above.

# Independent Auditors’ Report

To the Members of Credila Financial Services Limited  
(formerly known as HDFC Credila Financial Services Limited)

## Report on the Audit of the Financial Statements

### OPINION

1. We have jointly audited the accompanying financial statements of Credila Financial Services Limited (formerly known as HDFC Credila Financial Services Limited) (“the Company”), which comprise the Balance Sheet as at March 31, 2025, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year then ended.

### BASIS FOR OPINION

3. We conducted our joint audit 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 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### KEY AUDIT MATTERS

4. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Assessment of impairment loss allowance based on expected credit loss (ECL) on Loans (Refer Note 8 of the financial statements)	
Key audit matter	How our audit addressed the key audit matter
As at March 31, 2025, the outstanding balance of loans granted by the Company aggregated to ₹ 41,70,963.93 lakhs and the associated impairment loss allowance recognised in the books aggregated to ₹ 24,033.16 lakhs.  The impairment loss allowance is determined in accordance with the Expected Credit Loss (‘ECL’) model specified under Ind AS 109 “Financial Instruments” and involves exercise of judgement by the management in estimating the expected losses using components of ECL such as Probability of Default (‘PD’), Loss Given Default (‘LGD’) and Exposure at Default (expected balance at default together with expected drawdown from committed lines) (‘EAD’) and Staging of Loans.	<div>The procedures performed by us included the following:</div> <ul style="list-style-type: none"><li>Assessed the Company’s accounting policy in respect of loans and related ECL provisioning for compliance with Ind AS 109 “Financial Instruments”.</li><li>Understood and evaluated the design and tested the operating effectiveness of the key controls put in place by the Company’s management over the:<ul style="list-style-type: none"><li>assumptions used in the calculation of ECL and its various aspects such as the determination of PD, LGD, EAD and Staging of Loans</li><li>completeness and accuracy of source data used by the management in the ECL computation;</li><li>approval of changes to ECL methodology and models through the Company’s governance framework; and</li><li>computation of ECL.</li></ul></li></ul>

### Assessment of impairment loss allowance based on expected credit loss (ECL) on Loans (Refer Note 8 of the financial statements)

Key audit matter	How our audit addressed the key audit matter
Quantitative factors like days past due, behaviour of the loan portfolio, historical losses incurred on defaults, macro-economic data points and recovery post default, and qualitative factors like nature of the underlying loan, deterioration in credit quality, correlation of macro-economic variables to determine expected losses, judgement in relation to management overlays and related Reserve Bank of India (‘RBI’) guidelines, to the extent applicable are also taken into account in the ECL computation.  In view of the significant management judgment around determination of impairment loss and the complexity of the ECL model, we determined this to be a key audit matter.	<ul style="list-style-type: none"><li>With the assistance of auditors’ experts, verified the appropriateness of the methodology and models used by the Company and assessed reasonableness of the assumptions used within the computation process to determine the impairment loss allowance as per the requirements of Ind AS 109 “Financial Instruments” and ECL policy of the Company;</li><li>Tested, on a sample basis, the completeness and accuracy of the source data used;</li><li>Recomputed the impairment loss allowance for a sample of loans spread across the portfolios, to check the arithmetical accuracy and compliance with the ECL methodology approved by the Board of Directors of the Company;</li><li>Evaluated the reasonableness of the assumptions and judgements involved in management overlays forming part of the impairment loss allowance, and the related approvals and</li><li>Evaluated the adequacy of presentation and disclosures in relation to impairment loss allowance in the financial statements.</li></ul>

### Information Technology (“IT”) Systems and Controls impacting Financial Reporting

The IT environment of the Company is complex and involves three systems used in the loan operations of Company for recording a large volume of transactions and one financial system used for recording of journal entries.  As a result, there is a high degree of reliance and dependency on such IT systems for the financial reporting process of the Company.  Further, the Company has implemented a new loan origination and loan management system during the year and have started using the same for processing of new loan products, while continuing to use the legacy loan origination and management system for existing products.  Appropriate IT general controls and IT application controls are required to ensure that such IT systems are able to process the data as required, completely, accurately, and consistently for reliable financial reporting.  We have identified key IT systems (“in-scope” IT systems) which have an impact on the financial reporting process and the related controls testing as a key audit matter because of the complexity of the IT systems and high level of dependency on these systems for processing of financial transactions and their impact on the financial reporting process.	<div>The procedures performed by us included the following:</div> <ul style="list-style-type: none"><li>Involved our technology specialists to obtain an understanding of the IT environment, IT applications and related infrastructure relevant to financial reporting and to assess the relevant controls.</li><li>Evaluated the design and tested the operating effectiveness of relevant IT general controls over the “in-scope” IT systems and IT dependencies identified as relevant for our audit of the financial statements -</li><li>On such “in-scope” IT systems, tested key IT general controls with respect to the following domains:<ul style="list-style-type: none"><li>Program change management, which includes that program changes are moved to the production environment as per defined procedures and relevant segregation of environment is ensured;</li><li>User access management, which includes user access provisioning, de-provisioning, access review, password management, sensitive access rights and segregation of duties to ensure that privilege access to applications, operating systems and databases in the production environment were granted only to authorized personnel;</li><li>Program development, which includes controls over IT application development or implementation and related infrastructure;</li><li>IT operations, which includes data backup and recovery.</li></ul></li><li>Evaluated the design and tested the operating effectiveness of relevant key IT dependencies within the key business processes, which included testing automated controls, automated calculations/ accounting procedures, segregation of duties and system generated reports, as applicable.</li><li>Communicated with the management and those charged with governance and tested a combination of compensating controls, remediated controls and/ or performed alternative audit procedures, where necessary.</li></ul>
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## OTHER INFORMATION

5. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the 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 financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and in doing so, consider whether the other information is materially inconsistent with the 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 and take appropriate action as applicable under the relevant laws and regulations.

## RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

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

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

## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

9. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
10. As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - Obtain an understanding of internal 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 financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

11. 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.
12. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
13. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## OTHER MATTER

14. The financial statements of the Company for the year ended March 31, 2024, were audited by Shah Gupta & Co. and Gokhale & Sathe, who vide their report dated May 01, 2024 expressed an unmodified opinion on those financial statements.

Our Opinion on the financial statements is not modified in respect of above matter.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

15. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
16. 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 paragraph 16(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended).
  - (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 Flows dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid financial statements comply with the 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 is disqualified as on March 31, 2025, from being appointed as a director in terms of Section 164(2) of the Act.

- (f) With respect to the maintenance of accounts and other matters connected therewith, reference is made to our remarks in paragraph 16(b) above on reporting under Section 143(3)(b) and paragraph 16(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended).
- (g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company 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 Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 41 to the financial statements;
- ii. The Company has made provision, as required under the applicable law or Indian Accounting Standards, for material foreseeable losses on long-term contracts including derivative contracts – Refer Note 6 and 8 to the financial statements;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2025.
- iv. (a) The management has represented that, to the best of its knowledge and belief, as disclosed in Note 43 (c) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by

- the Company to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 43 (d) to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries and
- (c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances; nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- v. The Company has not declared or paid any dividend during the year.
- vi. Based on our examination, which included test checks, the Company has used multiple accounting software for maintaining its books

of account, which have a feature of recording audit trail (edit log) facility and that has operated throughout the year for all relevant transactions recorded in the software, except in respect of the database level audit trail for direct database changes wherein for two software the audit log does not contain the details of user who has modified values; and for one software, the audit log does not contain the pre-modified values. During the course of performing our procedures, other than the aforesaid instances of audit trail information is not maintained where the question of our commenting does not arise, we did not notice any instance of audit trail feature being tampered with. Further, the audit trail has been preserved as per the statutory requirements for record retention.

17. The Company has paid for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

For **Price Waterhouse LLP**  
Chartered Accountants  
Firm's Registration No: 301112E/  
E300264

For **Gokhale & Sathe**  
Chartered Accountants  
Firm's Registration No: 103264W

**Sharad Agarwal**  
Partner  
Membership No: 118522  
UDIN: 25118522BMOCLG1034

**Rohit Ambekar**  
Partner  
Membership No: 604211  
UDIN: 25604211BNGBPN9076

Place:- Mumbai  
Date:- May 16, 2025

Place:- Mumbai  
Date:- May 16, 2025

## Annexure A to Independent Auditor’s Report

Referred to in paragraph 16 (g) of the Independent Auditor’s Report of even date to the members of Credila Financial Services Limited (formerly known as HDFC Credila Financial Services Limited) on the financial statements as of and for the year ended March 31, 2025

### Report on the Internal Financial Controls with reference to Financial Statements under clause (i) of sub-section 3 of Section 143 of the Act

1. We have jointly audited the internal financial controls with reference to financial statements of Credila Financial Services Limited (formerly known as HDFC Credila Financial Services Limited) (“the Company”) as of March 31, 2025 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### MANAGEMENT’S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

2. The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (“the Guidance Note”) issued by the Institute of Chartered Accountants of India (“ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of 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.

### AUDITOR’S RESPONSIBILITY

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing specified under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial

statements was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system with reference to financial statements.

### MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

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

### INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### OPINION

8. In our opinion, the Company has, in all material respects, adequate internal financial controls system with reference to financial statements and such internal financial controls

with reference to financial statements were operating effectively as at March 31, 2025, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

For <b>Price Waterhouse LLP</b> Chartered Accountants Firm's Registration No: 301112E/ E300264	For <b>Gokhale &amp; Sathe</b> Chartered Accountants Firm's Registration No: 103264W
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<b>Sharad Agarwal</b> Partner Membership No: 118522 UDIN: 25118522BMOCLG1034	<b>Rohit Ambekar</b> Partner Membership No: 604211 UDIN: 25604211BNGBPN9076
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Place:- Mumbai Date:- May 16, 2025	Place:- Mumbai Date:- May 16, 2025
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## Annexure B to Independent Auditors' Report

**Referred to in paragraph 15 of the Independent Auditors' Report of even date to the members of Credila Financial Services Limited (formerly known as HDFC Credila Financial Services Limited) on the financial statements as of and for the year ended March 31, 2025**

In terms of the information and explanations sought by us and furnished by the Company, and the books of account and records examined by us during the course of our audit, and to the best of our knowledge and belief, we report that:

- i. (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of Property, Plant and Equipment.
- (B) The Company is maintaining proper records showing full particulars of Intangible Assets.
- (b) The Property, Plant and Equipment of the Company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.
- (c) The Company does not own any immovable properties other than properties where the Company is the lessee and the lease agreement are duly executed in favour of lessee (Refer Note 13 to the financial statements). Accordingly, reporting under clause 3(i)(c) of the Order is not applicable to the Company.
- (d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or Intangible Assets or both during the year. Consequently, the question of our commenting on whether the revaluation is based on the valuation by a Registered Valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment (including Right of Use assets) or Intangible Assets does not arise.
- (e) No proceedings have been initiated on or are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in the financial statements does not arise.

- ii. (a) The Company is in the business of rendering services and, consequently, does not hold any inventory. Accordingly, reporting under clause 3(ii) (a) of the Order is not applicable to the Company.
- (b) During the year, the Company has been sanctioned working capital limits in excess of ₹ 5 crores, in aggregate, from banks on the basis of security of current assets. The Company has filed quarterly returns statements with such banks, which are in agreement with the unaudited books of account (Also, refer Note 43 (i) to the financial statements).
- iii. (a) Reporting under clause 3(iii)(a) of the Order is not applicable to the Company as it is a non-banking financial company registered with the Reserve Bank of India engaged in the business of granting loans.
- (b) In respect of all the loans / investments / guarantee / security / loans / advances in nature of loan, the terms and conditions under which such loans were granted/ investments were made/ guarantees provided/ security provided are not prejudicial to the Company's interest.
- (c) In respect of the loans/ advances in nature of loan, the schedule of repayment of principal and payment of interest has been stipulated by the Company. Considering that the Company is a non-banking financial company engaged in the business of granting education loans to individual customers, 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 reported 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 recognised 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 8 and note 40.26 to the financial statements), the parties are repaying the principal amounts, as stipulated, and are also regular in payment of interest.

- (d) In respect of the following loans/advances in nature of loans, the total amount overdue for more than ninety days as at March 31, 2025 is ₹ 4,521.18 lakhs. The details of such cases are as follows:

(₹ in Lakhs)				
No. of cases	Principal Amount Overdue	Interest Overdue	Total Overdue	Remarks (if any)
224	4,478.68	42.50	4,521.18	Nil

In such instances, in our opinion, reasonable steps have been taken by the Company for the recovery of the principal amounts and interest thereon.

- (e) Reporting under clause 3(iii)(e) of the Order is not applicable to the Company as it is a non-banking financial company registered with the Reserve Bank of India engaged in the business of granting loans.
- (f) There were no loans/ advances in nature of loans which were granted during the year, including to promoters/ related parties that were repayable on demand or without specifying any terms or period of repayment.

- (b) The particulars of statutory dues referred to in sub-clause (a) as at March 31, 2025 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Disputed Amount as per order (₹)	Amount paid under protest (₹)	Period to which the amount relates	Forum where the dispute is pending	Remarks, if any
Goods and Services Act, 2017	Goods and Services Tax	36.12 Lakhs	1.72 Lakhs	FY 2017-18	Goods & Services Tax Appellate Authority	NIL
Goods and Services Act, 2017	Goods and Services Tax	91.33 Lakhs	4.72 Lakhs	FY 2019-20	Goods & Services Tax Appellate Authority	NIL
Goods and Services Act, 2017	Goods and Services Tax	19.26 Lakhs	1 Lakhs	FY 2020-21	Goods & Services Tax Appellate Authority	NIL
Goods and Services Act, 2017	Goods and Services Tax	6.78 Lakhs	-	FY 2020-21	Goods & Services Tax Appellate Authority	NIL

- viii. There are no transactions previously unrecorded in the books of account that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- ix. (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender during the year.

- iv. In our opinion, the Company has complied with the provisions of Section 185 and sub-section (1) of Section 186 of the Act in respect of the loans and investments made and guarantees and security provided by it. The provisions of sub-sections (2) to (11) of Section 186 are not applicable to the Company as it is a non-banking financial company registered with the RBI engaged in the business of granting loans.
- v. The Company has not accepted any deposits or amounts which are deemed to be deposits referred in Sections 73, 74, 75 and 76 of the Act and the Rules framed there under.
- vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the services of the Company. Accordingly, reporting under clause 3(vi) of the Order is not applicable to the Company.
- vii. (a) In our opinion, the Company is regular in depositing the undisputed statutory dues, including goods and services tax, provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, and other statutory dues, as applicable, with the appropriate authorities.

(b)	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.	(b)	A report under sub-section (12) of Section 143 of the Act has been filed by us, as statutory auditors, in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government of India. Further, no such report has been filed by any other auditor appointed by the Company under the Act.	(c)	The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the additional reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																													
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## Balance Sheet

As at March 31, 2025

(₹ in Lakhs)			
Particulars	Note	As at March 31, 2025	As at March 31, 2024
<b>ASSETS</b>			
<b>1. Financial assets</b>			
(a) Cash and cash equivalents	4	2,66,662.68	1,47,109.01
(b) Bank balances other than (a) above	5	1,33,791.52	65,290.02
(c) Derivative financial instruments	6	7,494.80	2,882.24
(d) Trade receivables	7	2,199.42	2,036.54
(e) Loans	8	41,46,930.77	28,08,321.57
(f) Investments	9	2,37,813.46	1,12,535.11
(g) Other financial assets	10	4,649.04	5,563.16
<b>Total financial assets</b>		<b>47,99,541.69</b>	<b>31,43,737.65</b>
<b>2. Non-financial assets</b>			
(a) Current tax assets (net)	11	0.24	362.07
(b) Deferred tax assets (net)	12	2,677.37	3,008.20
(c) Property, plant and equipment	13	7,702.23	4,096.55
(d) Capital work in progress	13	364.06	451.98
(e) Intangible assets	13	3,241.25	161.73
(f) Intangible assets under development	13	1,575.07	3,043.42
(g) Other non-financial assets	14	4,348.54	1,735.26
<b>Total non-financial assets</b>		<b>19,908.76</b>	<b>12,859.21</b>
<b>Total Assets</b>		<b>48,19,450.45</b>	<b>31,56,596.86</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>1. Financial liabilities</b>			
(a) Derivative financial instruments	6	7,014.19	6,206.37
(b) Payables			
(i) Trade payables			
- Total outstanding dues of micro enterprises and small enterprises	15	29.89	25.65
- Total outstanding dues of creditors other than micro enterprises and small enterprises	15	5,320.81	2,618.87
(c) Debt securities	16	5,93,630.46	4,20,074.00
(d) Borrowings (other than debt securities)	17	31,38,453.32	20,19,724.94
(e) Subordinated liabilities	18	1,54,817.67	1,63,483.68
(f) Other financial liabilities	19	38,417.04	27,102.67
<b>Total financial liabilities</b>		<b>39,37,683.38</b>	<b>26,39,236.18</b>
<b>2. Non-financial liabilities</b>			
(a) Current tax liabilities (net)	20	888.87	-
(b) Provisions	21	1,621.96	1,189.78
(c) Other non-financial liabilities	22	9,805.70	11,834.42
<b>Total non-financial liabilities</b>		<b>12,316.53</b>	<b>13,024.20</b>
<b>Total liabilities</b>		<b>39,49,999.91</b>	<b>26,52,260.38</b>
<b>EQUITY</b>			
(a) Equity share capital	23	21,878.77	17,916.92
(b) Other equity	24	8,47,571.77	4,86,419.56
<b>Total equity</b>		<b>8,69,450.54</b>	<b>5,04,336.48</b>
<b>Total Liabilities &amp; Equity</b>		<b>48,19,450.45</b>	<b>31,56,596.86</b>

See accompanying notes to the financial statements

This is the Balance Sheet referred in our report of even date.

For **Price Waterhouse LLP**  
Chartered Accountants  
Firm's Registration No: 301112E/E300264

For and on behalf of the Board of Directors  
**Credila Financial Services Limited**  
(Formerly known as HDFC Credila Financial Services Limited)  
CIN No: U67190MH2006PLC159411

**Sharad Agarwal**  
Partner  
Membership No: 118522

**V. Srinivasa Rangan**  
Non-Executive Director  
(DIN - 00030248)

**Arijit Sanyal**  
Managing Director & CEO  
(DIN - 08386684)

For **Gokhale & Sathe**  
Chartered Accountants  
Firm's Registration No: 103264W

**Rohit Ambokar**  
Partner  
Membership No: 604211

**Manjeet Bijlani**  
Chief Financial Officer  
(ACA - 102472)

**Karishma Jhaveri**  
Company Secretary  
(ACS - 25932)

Place:- Mumbai  
Date:- May 16, 2025

Place:- Mumbai  
Date:- May 16, 2025

## Statement of Profit and Loss

For the year ended March 31, 2025

(₹ in Lakhs)			
Particulars	Note	Year ended March 31, 2025	Year ended March 31, 2024
<b>Revenue from operations</b>			
(a) Interest income	25	4,46,660.71	2,62,099.09
(b) Fees and commission income	26	21,857.46	11,892.94
(c) Net gain on fair value changes	27	2,796.50	3,111.86
(d) Net gain on derecognition of financial instruments under amortised cost		658.44	-
<b>I. Total revenue from operations</b>		<b>4,71,973.11</b>	<b>2,77,103.89</b>
<b>II. Other income</b>		<b>626.85</b>	<b>0.21</b>
<b>III. Total income (I + II)</b>		<b>4,72,599.96</b>	<b>2,77,104.10</b>
<b>IV. Expenses</b>			
(a) Finance costs	28	2,89,344.26	1,73,102.29
(b) Impairment on financial instruments	31	14,654.18	4,978.52
(c) Employee benefit expense	29	15,794.07	14,693.80
(d) Depreciation and amortisation	13	2,403.62	1,141.60
(e) Other expenses	30	17,806.71	12,351.15
<b>Total expenses</b>		<b>3,40,002.84</b>	<b>2,06,267.36</b>
<b>V. Profit before Tax (III - IV)</b>		<b>1,32,597.12</b>	<b>70,836.74</b>
<b>Tax expense</b>			
- Current tax	33	32,750.66	18,197.02
- Deferred Tax	12	850.62	(244.17)
<b>VI. Total tax expense</b>		<b>33,601.28</b>	<b>17,952.85</b>
<b>VII. Net profit after tax (V- VI)</b>		<b>98,995.84</b>	<b>52,883.89</b>
<b>Other comprehensive income</b>			
(a) Items that will not be reclassified to profit or loss			
- Remeasurement of the defined benefit plans		(119.09)	(55.39)
- Income tax relating to the above item that will not be reclassified to profit or loss		29.97	13.94
(b) Items that will be reclassified to profit or loss			
- Cash flow hedge reserves		(7,982.57)	683.22
- Income tax relating to the above item that will be reclassified to profit or loss		2,009.05	(171.96)
- Fair value of investments		1,655.23	592.58
- Income tax relating to the above item that will be reclassified to profit or loss		(416.59)	(149.55)
<b>VIII. Other comprehensive income</b>		<b>(4,824.00)</b>	<b>912.84</b>
<b>IX. Total comprehensive income (VII + VIII)</b>		<b>94,171.84</b>	<b>53,796.73</b>
<b>X. Earnings per equity share :</b>			
(a) Basic (in ₹)	34	47.80	33.83
(b) Diluted (in ₹)	34	47.69	33.81
(c) Face value per share (in ₹)		10	10

See accompanying notes to the financial statements

This is the Statement of Profit and loss referred in our report of even date.

For **Price Waterhouse LLP**  
Chartered Accountants  
Firm's Registration No: 301112E/E300264

For and on behalf of the Board of Directors  
**Credila Financial Services Limited**  
(Formerly known as HDFC Credila Financial Services Limited)  
CIN No: U67190MH2006PLC159411

**Sharad Agarwal**  
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Membership No: 118522

**V. Srinivasa Rangan**  
Non-Executive Director  
(DIN - 00030248)

**Arijit Sanyal**  
Managing Director & CEO  
(DIN - 08386684)

For **Gokhale & Sathe**  
Chartered Accountants  
Firm's Registration No: 103264W

**Rohit Ambokar**  
Partner  
Membership No: 604211

**Manjeet Bijlani**  
Chief Financial Officer  
(ACA - 102472)

**Karishma Jhaveri**  
Company Secretary  
(ACS - 25932)

Place:- Mumbai  
Date:- May 16, 2025

Place:- Mumbai  
Date:- May 16, 2025

# Statement of Cash Flows

For the year ended March 31, 2025

(₹ in Lakhs)		
Particulars	Year ended March 31, 2025	Year ended March 31, 2024
<b>A. Cash flow from Operating activities</b>		
Profit before tax	1,32,597.12	70,836.74
Adjustments to reconcile profit before tax to net cash flows :		
Depreciation and amortisation	2,403.62	1,141.60
Impairment on financial instruments	14,654.18	4,978.52
(Profit)/loss on property, plant and equipment sold/discarded	6.15	9.93
Interest income	(4,46,660.71)	(2,62,099.09)
Interest expense	2,88,419.86	1,72,802.46
Employee benefits expense	370.41	148.55
Employee share based payments expense	1,015.99	1,135.00
Net gain on fair value changes	(2,796.50)	(3,111.86)
Net gain on derecognition of financial instruments	(658.44)	-
Cash inflow towards interest received	2,11,458.52	1,22,206.72
Cash outflow towards interest paid	(2,62,602.30)	(1,59,867.35)
Cash inflow/(outflow) from derivative financial instruments	1,605.00	-
<b>Cash (utilised in) / generated from operations before working capital changes</b>	<b>(60,187.10)</b>	<b>(51,818.78)</b>
<b>Working capital changes</b>		
(Increase) / Decrease in financial assets and non financial assets	(988.11)	(7,857.36)
Increase / (Decrease) in financial and non financial liabilities	3,709.15	8,292.59
<b>Net cash from Operations</b>	<b>(57,466.06)</b>	<b>(51,383.55)</b>
Loans disbursed (net)	(11,24,410.97)	(11,52,430.50)
(Investment)/Redemption in/from cash management schemes of mutual funds (net)	(15,521.87)	20,565.47
Income tax paid (net of Refunds)	(30,372.06)	(18,397.98)
<b>Net cash flows from/(used in) operating activities</b>	<b>(12,27,770.96)</b>	<b>(12,01,646.57)</b>
<b>B. Cash flow from Investing activities</b>		
Investments (net)	(1,67,716.93)	(1,22,554.89)
Purchase of property, plant and equipment and intangible assets	(3,541.35)	(2,864.46)
Proceeds from sale of property, plant and equipment	0.57	0.30
<b>Net cash flows from/(used in) investing activities</b>	<b>(1,71,257.71)</b>	<b>(1,25,419.05)</b>

# Statement of Cash Flows

For the year ended March 31, 2025

(₹ in Lakhs)		
Particulars	Year ended March 31, 2025	Year ended March 31, 2024
<b>C. Cash flow from Financing activities</b>		
Proceeds from issue of equity shares (including securities premium)	2,69,901.43	2,07,150.00
Debt securities and subordinated liabilities issued	4,66,575.96	3,93,779.18
Debt securities and subordinated liabilities repaid	(3,20,000.00)	(2,97,500.00)
Borrowings (other than debt securities) taken	15,60,228.42	12,88,559.01
Borrowings (other than debt securities) repaid	(4,57,087.94)	(1,56,935.13)
Lease payments	(1,035.53)	(987.38)
Dividend paid	-	(1,625.80)
<b>Net cash flows from/(used in) financing activities</b>	<b>15,18,582.34</b>	<b>14,32,439.88</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>1,19,553.67</b>	<b>1,05,374.26</b>
Cash and cash equivalents at the beginning of the year	1,47,109.01	41,734.74
<b>Cash and cash equivalents at the end of the year *</b>	<b>2,66,662.68</b>	<b>1,47,109.01</b>
<b>* Components of cash and cash equivalents</b>		
Balances with bank		
- In current accounts	2,031.27	1,759.12
- In deposits accounts having original maturity less than 3 months	2,64,631.41	1,45,349.89
	<b>2,66,662.68</b>	<b>1,47,109.01</b>

**Note:**

1. The above statement of cash flows has been prepared under the 'Indirect Method' as set out in Ind AS 7 on 'Statement of Cash Flows'.
2. Acquisition of ROU assets, being non cash item is not included in Statement of Cash flows above. Refer note no 19.1 - Leases

See accompanying notes to the financial statements

This is the Statement of Profit and loss referred in our report of even date.

For **Price Waterhouse LLP**  
Chartered Accountants  
Firm's Registration No: 301112E/E300264

For and on behalf of the Board of Directors  
**Credila Financial Services Limited**  
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Chief Financial Officer  
(ACA - 102472)

**Karishma Jhaveri**  
Company Secretary  
(ACS - 25932)

Place:- Mumbai  
Date:- May 16, 2025

Place:- Mumbai  
Date:- May 16, 2025

# Statement of Changes in Equity

For the year ended March 31, 2025

## A. EQUITY SHARE CAPITAL FY 2024-25

	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
(₹ in Lakhs)					
	17,916.92	-	17,916.92	3,961.85	21,878.77

## FY 2023-24

	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 previous reporting period	Changes in equity share capital during the previous year	Balance at the end of the previous reporting period
(₹ in Lakhs)					
	14,779.97	-	14,779.97	3,136.95	17,916.92

## B. OTHER EQUITY

Particulars	Reserves and surplus				Other comprehensive income		
	Capital reserve	Securities premium	Retained earnings	Statutory reserve	Employee stock options reserve (Refer note 39)	Impairment reserve	Remeasurement of defined benefit plan
						Effective portion of cash flow hedges	Fair value of investments
Total							
Balance as at 01 April 2024	109.46	3,26,020.52	1,24,993.76	32,897.00	278.00	1,641.11	511.26
Profit for the year	-	-	98,995.84	-	-	-	-
Other comprehensive income for the year	-	-	-	-	-	(89.12)	(5,973.52)
Total comprehensive income for the year	-	-	98,995.84	-	-	(89.12)	(5,973.52)
Transfer to Statutory reserve	-	-	(19,799.17)	19,799.17	-	-	-
Expenses incurred in respect of equity capital	-	(73.78)	-	-	-	-	-
Employees share based payments expenses	-	-	-	-	1,015.99	-	-
Securities premium received during the year	-	2,66,038.16	-	-	-	-	-
Balance as at March 31, 2025	109.46	5,91,984.90	2,04,190.43	52,696.17	1,293.99	1,641.11	(197.21)

# Statement of Changes in Equity

For the year ended March 31, 2025

## B. OTHER EQUITY (CONTINUED)

Particulars	Reserves and surplus				Other comprehensive income		
	Capital reserve	Securities premium	Retained earnings	Statutory reserve	Employee stock options reserve (Refer note 39)	Impairment reserve	Remeasurement of defined benefit plan
						Effective portion of cash flow hedges	Fair value of investments
Total							
Balance as at 01 April 2023	109.46	1,21,636.04	82,649.10	22,319.65	1,171.58	1,276.44	(66.64)
Profit for the year	-	-	52,883.89	-	-	-	-
Other comprehensive income for the year	-	-	-	-	-	(41.45)	511.26
Total comprehensive income for the year	-	-	52,883.89	-	-	(41.45)	511.26
Transfer to Statutory reserve and Impairment reserve	-	-	(10,942.02)	10,577.35	-	364.67	-
Expenses incurred in respect of issue of equity capital	-	(1,104.38)	-	-	-	-	-
Dividend on equity shares	-	-	(1,625.80)	-	-	-	-
Employees share based payments expenses	-	-	-	-	2,463.17	-	-
Transfer to Retained Earnings for exercise of Employee Stock Options ("ESOP-22")	-	-	2,028.58	-	(2,028.58)	-	-
Discharge of liabilities towards surrender of ESOP-22	-	-	-	-	(1,328.17)	-	-
Securities premium received during the year	-	2,05,488.86	-	-	-	-	-
Balance as at March 31, 2024	109.46	3,26,020.52	1,24,993.76	32,897.00	278.00	1,641.11	(108.09)

See accompanying notes to the financial statements

This is the Statement of Profit and loss referred in our report of even date.

For Price Waterhouse LLP  
Chartered Accountants  
Firm's Registration No: 301112E/E300264

For and on behalf of the Board of Directors  
Credila Financial Services Limited  
(Formerly known as HDFC Credila Financial Services Limited)  
CIN No: U67190MH2006PLC159411

Sharad Agarwal  
Partner  
Membership No: 118522

Arijit Sanyal  
Managing Director & CEO  
(DIN - 08386684)

For Gokhale & Sathe  
Chartered Accountants  
Firm's Registration No: 103264W

Rohit Ambekar  
Partner  
Membership No: 604211

Manjeet Bijiani  
Chief Financial Officer  
(ACA - 102472)

Karishma Jhaveri  
Company Secretary  
(ACS - 25932)

Place:- Mumbai  
Date:- May 16, 2025

Place:- Mumbai  
Date:- May 16, 2025

# Notes to the Financial Statements

For the year ended March 31, 2025

## 1. COMPANY OVERVIEW

Credila Financial Services Limited (Formerly HDFC Credila Financial Services Limited), (the "Company") is engaged in the business of originating, funding and servicing loans for the education of Indian students and in providing ancillary services related to the said business activities. The Company was a wholly owned subsidiary of Housing Development Finance Corporation Limited ("HDFC Limited") till June 30, 2023. Pursuant to the merger of HDFC Limited with HDFC Bank Limited with effect from July 01, 2023, the Company became a wholly owned subsidiary of HDFC Bank Limited. On March 19, 2024, HDFC Bank Limited sold 14,01,72,180 equity shares to (a) Kopvoorn B.V., ("EQT Group") and (b) Moss Investments Limited, (c) Defati Investments Holding B.V., (d) Infinity Partners, ("ChrysCapital Group") and the Company ceased to be a subsidiary of HDFC Bank Limited. With effect from March 19, 2024 the Company became subsidiary of Kopvoorn B.V., which holds 63.96% of the shareholdings as on March 31, 2025.

The Company is a Non-deposit taking Non-Banking Financial Company ("NBFC") registered with the Reserve Bank of India ("RBI"), with Registration No. N-13.01857. Under the scale based regulations for NBFCs, the Company has been classified as NBFC-ML (Middle Layer).

The Company is domiciled in India as a Limited Company having its Registered Office at B 301, Citi Point, Andheri-Kurla Road, Andheri (East), Mumbai - 400 059. The Company's Debt Securities are listed on BSE Limited.

## 2. BASIS OF PREPARATION

### 2.1 Statement of compliance and basis of preparation and presentation of financial statements

The financial statements have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 as per section 133 of the Companies Act, 2013 (the "Act") and relevant amendment rules issued thereafter ("Ind AS").

The financial statements have been prepared and presented on going concern basis and on historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period as explained below, the relevant provisions of the Act and the guidelines issued by the RBI to the extent applicable.

The Balance Sheet, the Statement of Profit and Loss and the Statement of Changes in Equity are prepared and presented in the format prescribed in the Schedule III to the Act. The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows".

Amounts in the financial statements are presented in Indian Rupees in lakhs rounded off to two decimal places as permitted by Schedule III to the Act. Per share data is presented in Indian Rupee to two decimal places. The Company presents its Balance Sheet in order of liquidity. An analysis regarding recovery or settlement within 12 months after the reporting date and more than 12 months after the reporting date is presented in Note 35.

These financial statements were approved by the Company's Board of Directors and authorised for issue on 16 May 2025.

### 2.2 Functional and presentation currency

The financial statements are presented in Indian Rupees (₹) which is the functional and the presentation currency and all values are rounded to the nearest lakh, except when otherwise indicated.

### 2.3 Basis of measurement

The financial statements have been prepared on historical cost basis, except for certain financial instruments which are measured at fair value.

Historical cost is generally the amount of cash or cash equivalents paid or the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received on sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in the financial statements is determined on such a basis, except for share based payment transactions that are within the scope of Ind AS 102 Share based payment, leasing transactions that are within the scope of Ind AS 116 Leases.

# Notes to the Financial Statements

For the year ended March 31 2025

## 2.4 Use of estimates and judgements

The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

Following areas entail a high degree of estimate and judgement or complexity in determining the carrying amount of some assets and liabilities.

### 1. Impairment of financial assets – Note 31 & 8.1.

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The various inputs used and process followed by the Company in measurement of ECL has been detailed in Note 8.1.

### 2. Effective Interest Rate ("EIR") Method – Note 25 and Note 28

The Company's EIR methodology recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle including prepayments. This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, and fee income/expense that are integral parts of the instrument.

3. **Recognition of deferred tax assets; availability of future taxable profits against which tax losses carried forward and unutilised tax breaks can be used – Note 12**
4. **Measurement of defined benefit obligations; key actuarial assumptions – Note 32**
5. **Fair value of financial instruments**

Some of the Company's financial assets and financial liabilities are measured at fair value for financial reporting purposes. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date regardless of whether that price is directly observable or estimated using another valuation technique.

Fair value measurements under Ind AS are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable, for information about valuation techniques and input used in determining the fair value of various financial assets and financial liabilities are disclosed in Note 38.2

## 3. MATERIAL ACCOUNTING POLICY INFORMATION

### 3.1 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured and there exists reasonable certainty of its recovery.

#### 3.1.1 Interest income - EIR method

Interest income on financial instruments is recognised on a time proportion basis taking into account the amount outstanding and the EIR applicable.

The EIR is the rate that exactly discounts estimated future cash flows of the financial instrument through the expected life of the financial instrument or where appropriate a shorter period to the carrying amount of the financial instrument. The future cash flows are estimated taking into account all the contractual terms of the instrument.

The calculation of the EIR includes all fees and commission paid or received between parties to the contract that are incremental and directly attributable to the specific lending arrangement, transaction costs, and all other premiums or discounts. For financial assets measured at

# Notes to the Financial Statements

For the year ended March 31 2025

FVTPL, transaction costs are recognised in statement of profit and loss at initial recognition.

The interest income is calculated by applying the EIR to the gross carrying amount of non-credit impaired financial assets (i.e. at the amortised cost of the financial asset before adjusting for any expected credit loss allowance). For credit-impaired financial assets the interest income is calculated by applying the EIR to the amortised cost of the credit-impaired financial assets (i.e. the gross carrying amount less the allowance for ECL).

### 3.1.2Net Gain or Loss on Fair Value Changes

The gain/loss on mutual fund is recognised in the statement of profit and loss in net gain on fair value changes as and when units of mutual funds are sold. The unsold units of mutual funds are fair valued on reporting date and unrealised gain/loss is recognised in the statement of profit and loss in net gain on fair value changes.

For qualifying fair value hedges, the cumulative change in the fair value of hedging derivatives is recognised in the statement of profit and loss in net gain on fair value changes. The corresponding change in the fair value of the hedged item attributable to the hedge risk component (interest rate) is also recognised in the statement of profit and loss in net gain on fair value changes.

### 3.1.3Commission income

Income from commission includes [i] fees received from the authorised dealers on referral for foreign exchange services, [ii] income on sourcing of insurance business and [iii] income on sourcing of other financial products. The Company recognises commission income in accordance with Ind AS 115 and the terms of the relevant agreement and when it is probable that the Company will collect the consideration.

### 3.1.4Income on derecognised (assigned) loans

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

### 3.1.5Other fees

Other fees represent documentation charges, ACH/ECS swap charges, cheque bouncing charges, prepayment charges, penal interest charges and these are recognised as income when the amounts become due and there is no uncertainty in realisation.

Servicing fees on assignment transactions are recognised upon completion of service in accordance with the terms of relevant contract / agreements.

## 3.2 Financial instruments

### 3.2.1Recognition and Initial Measurement

Financial assets and liabilities, with the exception of loans, debt securities and borrowings are initially recognised on the trade date, i.e. the date that the Company becomes a party to the contractual provisions of the instrument. Loans are recognised when funds are transferred to the customers' account. The Company recognises debt securities and borrowings when funds are received by the Company.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs and revenues that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs and revenues directly attributable to the acquisition of financial assets or financial liabilities designated at FVTPL are recognised immediately in statement of profit and loss.

### 3.2.2Classification and subsequent measurement

#### Financial Assets

The Company classifies and measures all of its financial assets based on the business model for managing the assets and the asset's contractual terms, measured at either

- Amortised cost
- Fair value through other comprehensive income ("FVOCI")
- Fair value through profit and loss ("FVTPL")

# Notes to the Financial Statements

For the year ended March 31 2025

## Business model assessment

The Company determines the business model at a level that reflects how financial assets are managed together to achieve a particular business objective. The Company's business model does not depend on management's intentions for an individual instrument; therefore, the business model assessment is performed at a higher level of aggregation rather than on an instrument-by-instrument basis.

The Company considers all relevant information and evidence available when making the business model assessment.

At initial recognition of a financial asset, the Company determines whether newly recognised financial assets are part of an existing business model or whether they reflect a new business model. The Company reassesses its business models at each reporting period to determine whether the business models have changed since the preceding period.

### • Amortised cost

The Company measures cash and cash equivalents, bank balances, loans and advances, trade receivables and other financial assets at amortised cost if the following condition is met:

- Financial Assets that are held within a business model whose objective is to hold financial assets in order to collect the contractual cash flows, and that have contractual cash flows that are SPPI.

#### Solely Payments of Principal and Interest ("SPPI") Test

For an asset to be classified and measured at amortised cost, its contractual terms should give

#### Subsequent measurement and gains and losses

The Company assesses the classification and measurement of a financial asset based on the contractual cash flow characteristics of the asset and the Company's business model for managing the asset.

Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income and impairment loss are recognised in statement of profit and loss. Any gain or loss on derecognition is recognised in statement of profit and loss.
Debt Instruments at FVOCI	These assets are subsequently measured at fair value. Interest income and impairment loss are recognised in statement of profit and loss. Any gain or loss on subsequent measurement is recognised in OCI and on derecognition the cumulative gain or loss recognised in OCI is recycled to statement of profit and loss.
Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in statement of profit and loss.

rise to cash flows that meets the SPPI test on the principal outstanding.

To make the SPPI assessment, the Company applies judgement and considers relevant factors such as the nature of portfolio, the period for which the interest rate is set and other factors which are integral to a lending arrangement.

### • Fair value through other comprehensive income

The Company classifies and measures certain debt instruments at FVOCI when the investments are held within business model, the objective of which is achieved by both, collecting contractual cash flows and selling the financial instruments and the contractual terms of the financial instruments meet the SPPI test. The Company measures investments in Government and other debt securities, held for the purpose of maintaining the Liquidity Coverage Ratio required by RBI guidelines, at FVOCI.

### • Fair Value through Profit and Loss

Financial assets at FVTPL are:

- assets with contractual cash flows that do not meet the SPPI test; or/and
- assets that are held in a business model other than held to collect contractual cash flows or held to collect and sell; or
- assets designated at FVTPL using the fair value option.

These assets are measured at fair value, with any gains/losses arising on remeasurement recognised in statement of profit and loss.

# Notes to the Financial Statements

For the year ended March 31 2025

## Financial liabilities and equity instruments

### • Classification as debt or equity

Debt and equity instruments that are issued are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

### • Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the face value and proceeds received in excess of the face value are recognised as Securities Premium.

### • Financial Liabilities

A financial liability is a contractual obligation to deliver cash or another financial asset or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the Company or a contract that will or may be settled in the Company's own equity instruments and is a non-derivative contract for which the Company is or may be obliged to deliver a variable number of its own equity instruments, or a derivative contract over own equity that will or may be settled other than by the exchange of a fixed amount of cash (or another financial asset) for a fixed number of the Company's own equity instruments.

Financial liabilities are classified as measured at amortised cost including the NCDs which are designated as hedged items and fair valued to the extent of hedge risk component (interest rate).

### Subsequent measurement and gains and losses

Financial liabilities, which are classified as measured at amortised cost are subsequently measured at amortised cost using the effective interest method. Interest expense is recognised in statement of profit and loss. Any gain or loss on derecognition is also recognised in profit or loss.

### Undrawn 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. Commitment starts from the date of the first tranche loan draw down

till the study period is over or the amount is fully drawn down, whichever is earlier. Undrawn loan commitments form part of the exposure at default considered for the ECL provisions.

The nominal contractual value of undrawn loan commitments, where the loan agreed to be provided is on market terms, are not recorded in the balance sheet. The nominal values of these instruments together with the corresponding ECL are disclosed in Note 8.1.

## 3.2.3 Modification and derecognition

### 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.

The Company provides education loans and some of the terms and conditions of these loans are based on future conditions that are envisaged at the time of the sanctioning / disbursement of the loan, e.g. Study period is based on selection of course / terms and actual completion of study. Due to these conditions, the amount, tenure, etc. of the cash flows from the loans may undergo changes till the starting of EMI on the loan. The change in terms till such time are not considered as modification of financial assets since these are as per the original terms of the loan.

Where a modification does not lead to derecognition, the Company calculates and recognises in the statement of profit and loss, the modification gain/loss comparing the gross carrying amount before and after the modification (excluding the ECL allowance).

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet when the Company has a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

### Financial Liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the

# Notes to the Financial Statements

For the year ended March 31 2025

carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in statement of profit and loss.

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 and loss.

## 3.2.4 Impairment

The Company recognises allowances for ECL for loans to customers, other debt financial assets not measured at FVTPL, along with loan commitments issued, together referred to as 'financial instruments'. Equity instruments are not subject to impairment.

ECL is required to be measured through a loss allowance at an amount equal to:

- 12-month ECL, i.e. loss allowance on default events on the financial instrument that are possible within 12 months after the reporting date, (referred to as Stage 1); or
- Lifetime ECL, i.e. lifetime ECL that results from all possible default events over the life of the financial instrument, (referred to as Stage 2 and Stage 3).

For certain loans that do not have significant payment obligations in the next 12 months, the Company uses a higher period instead of 12 months to determine the ECL applicable on such loans till the time significant payment obligations are due in the next 12 months. The Company continues to classify these loans as Stage 1 based on its credit risk on the reporting date.

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit impaired or whether the credit risk on that financial asset has increased significantly since the initial recognition. A loss allowance for lifetime ECL is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition. For all other financial instruments, ECL is measured at an amount equal to the 12-month ECL, subject to the above exception.

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.

Based on the above process, the Company categorises its loans into Stage 1, Stage 2 and Stage 3, as described below:

Stage 1: When loans are first recognised, the Company recognises an allowance based on 12-month ECL. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2 or Stage 3.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the lifetime expected credit loss. Stage 2 loans also include facilities, where the credit risk has improved and the loan has been reclassified from Stage 3.

Stage 3: Loans considered credit-impaired. The Company records an allowance for the lifetime expected credit loss.

For financial assets for which the Company has no reasonable expectations of recovering either the entire outstanding amount, or a proportion thereof, the gross carrying amount of the financial asset is reduced. This is considered a (partial) de-recognition of the financial asset.

### Measurement of expected credit losses

The Company measures ECL on a collective basis for portfolios of loans that share similar economic risk characteristics. The Company calculates ECL based on probability-weighted scenarios to measure the expected cash shortfalls, discounted at an approximation to the portfolio EIR. A cash shortfall is the difference between the cash flows that are due to the Company in accordance with the contract and the cash flows that the Company expects to receive.

When estimating ECL for undrawn loan commitments, the Company estimates the expected portion of the loan commitment that will be drawn down over its expected life. The ECL is then based on the present value of the expected shortfalls in cash flows if the loan is drawn down. The expected cash shortfalls are discounted at an approximation to the expected EIR on the loan.

# Notes to the Financial Statements

For the year ended March 31 2025

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

Probability of Default (“PD”) is the probability of whether the borrowers will default on their obligations in the future which is calculated based on historical default rate summary of past years using the Roll Rate analysis.

The Exposure at Default (“EAD”) is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, and expected drawdowns on committed facilities after considering the expected disbursement.

The Loss Given Default (“LGD”) is an estimate of the loss from a financial asset given that a default occurs The LGD is computed using the Company’s own loss and recovery experience. It is usually expressed as a percentage of the EAD.

### Significant increase in credit risk

The Company monitors all financial instruments 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. The Company’s accounting policy on loans is not to use the practical expedient for financial assets that financial assets with ‘low’ credit risk at the reporting date are deemed not to have had a significant increase in credit risk. As a result, the Company monitors all financial assets, in the nature of loans and issued loan commitments that are subject to impairment for significant increase in credit risk.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company 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 qualitative information that is reasonable and supportable, including the Company’s historical experience and forward-looking information that is available without undue cost or effort,

including future prospects of general economic conditions based on forecasts of economic information.

As a back-stop when an asset becomes more than 30 days past due, the Company considers that a significant increase in credit risk has occurred and the asset is classified in Stage 2 of the impairment model, i.e. the loss allowance is measured as the lifetime ECL.

### Credit-impaired financial assets

A financial asset is ‘credit-impaired’ when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Credit-impaired financial assets are referred to as Stage 3 assets. Evidence of credit-impairment includes observable data about the following events:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- restructuring of loan due to financial difficulty of the borrower;
- bankruptcy of the borrower.

It may not be possible to identify a single discrete event instead, the combined effect of several events may have caused financial assets to become credit-impaired.

### Definition of default

Critical to the determination of ECL is the definition of default. The definition of default is used in measuring the amount of ECL and in the determination of whether the loss allowance is based on 12-month or lifetime ECL, as default is a component of the PD which affects both the measurement of ECL and the identification of a significant increase in credit risk.

The Company considers the following as constituting an event of default:

- the borrower is past due more than 90 days on any material credit obligation to the Company; or
- the borrower is unlikely to pay its credit obligations to the Company in full.

When assessing if the borrower is unlikely to pay its credit obligation, the Company takes into account both qualitative and quantitative indicators. Quantitative

# Notes to the Financial Statements

For the year ended March 31 2025

indicators such as overdue status and non-payment on another obligation to the Company of the same counterparty are key inputs in this analysis.

### Trade receivables and contract assets

The Company follows ‘simplified approach’ for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECL at each reporting date, right from its initial recognition. The Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated for changes in the forward-looking estimates.

### 3.25Collateral valuation and repossession

To mitigate the credit risk on financial assets, the Company seeks to use collateral, where possible as per the Board approved Credit Policy. The Company provides fully secured, partially secured and unsecured education loans to individuals. The parameters relating to acceptability and valuation of each type of collateral is a part of the Credit Policy of the Company.

In case of delinquent customers, the Company liquidates the collateral assets and recovers the amount due against the loan. Any surplus funds are returned to the customers/ obligors.

### 3.26Write-off

Loans and debt securities are written off when the Company has no reasonable expectations of recovering the financial asset (either in its entirety or a portion of it). This is the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. A write-off constitutes a derecognition event. The Company may apply enforcement activities to financial assets written off. Recoveries resulting from the Company’s enforcement activities could result in impairment gains.

### 3.27Presentation of allowance for ECL in the statement of financial position

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 and
- for loan commitments: as a provision.

### 3.28Derivative Financial Instruments

The Company enters into a variety of derivative financial instruments to manage its exposure to foreign exchange risk and interest rate risk. Derivatives held include principal only swaps and interest rate swaps.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each Balance Sheet date. The resulting gain/loss is recognised in the statement of profit and loss immediately unless the derivative is designated and is effective as a hedging instrument, in which event the timing of the recognition in the statement of profit and loss depends on the nature of the hedge relationship. The Company designates certain derivatives as either hedges of the fair value of recognised assets or liabilities (fair value hedges) or hedges of highly probable forecast transactions (cash flow hedges).

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability.

### Hedge Accounting

The Company makes use of derivative instruments to manage exposures to interest rate and foreign currency. In order to manage particular risks, the Company applies hedge accounting for transactions that meet specified criteria.

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company’s risk management objective and strategy for undertaking hedge, the hedging / economic

# Notes to the Financial Statements

For the year ended March 31 2025

relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the Company would assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an on-going basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges that meet the criteria for hedge accounting are accounted for, as described below:

### Fair Value Hedges

Fair value hedges hedge the exposure to changes in the fair value of a recognised asset or liability or an identified portion of such an asset, liability, that is attributable to a particular risk and could affect profit or loss.

For designated and qualifying fair value hedges, the cumulative change in the fair value of a hedging derivative is recognised in the statement of profit and loss in net gain on fair value changes. Meanwhile, the cumulative change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item in the balance sheet and is also recognised in the statement of profit and loss in net gain on fair value changes.

The Company classifies a fair value hedge relationship when the hedged item (or group of items) is a distinctively identifiable asset or liability hedged by one or a few hedging instruments. The financial instruments hedged for interest rate risk in a fair value hedge relationship is fixed rate debt issued and other borrowed funds. If the hedging instrument expires or is sold, terminated or exercised, or where the hedge no longer meets the criteria for hedge accounting, the hedge relationship is discontinued prospectively. If the relationship does not meet hedge effectiveness criteria, the Company discontinues hedge accounting from the date on which the qualifying criteria are no longer met. For hedged items recorded at amortised cost, the accumulated fair value hedge adjustment to the carrying amount of the hedged item on termination of the hedge accounting relationships is amortised over the remaining term of the original hedge using the recalculated EIR method by recalculating the EIR at the date when the amortisation begins. If the hedged item is derecognised, the unamortised fair value

adjustment is recognised immediately in the statement of profit and loss.

### Cash Flow Hedges

A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability (such as all or some future interest payments on variable rate debt) or a highly probable forecast transaction and could affect profit or loss.

For designated and qualifying cash flow hedges, the effective portion of the cumulative gain or loss on the hedging instrument is initially recognised directly in other comprehensive income ("OCI") within other equity (cash flow hedge reserve). The ineffective portion of the gain or loss on the hedging instrument is recognised immediately in the statement of profit and loss. When the hedged cash flow affects the statement of profit and loss, the effective portion of the gain or loss on the hedging instrument is recorded in the corresponding income or expense line of the statement of profit and loss.

When a hedging instrument expires, is sold, terminated, exercised, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss that has been recognised in OCI upto that time remains in OCI and is recognised in the statement of profit and loss when the underlying hedged item is matured/expired. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in OCI is immediately transferred to the statement of profit and loss.

### 3.3 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on 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. Cash and cash equivalents are carried at amortised cost in the Balance Sheet.

### 3.4 Property, plant and equipment ("PPE")

#### Recognition and measurement

PPE is recognised when it is probable that future economic benefits associated with the item are expected to flow to the Company and the cost of the item can be measured reliably. Advances paid in respect of PPE are presented under other non-financial assets. PPE held for use are stated in the balance sheet at original cost net of tax / duty credits availed, less accumulated depreciation and

# Notes to the Financial Statements

For the year ended March 31 2025

accumulated impairment losses. Administrative or other general overhead expenses and borrowing costs that are specifically attributable to acquisition of intangible assets are allocated and capitalised as a part of the cost of the PPE.

PPE is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of profit and loss. PPE not ready for the intended use on the date of the Balance Sheet is disclosed as "capital work-in-progress".

### Depreciation

Depreciation is recognised using straight line method so as to write off the cost of the assets less their residual values over their estimated useful lives as specified in Schedule II to the Act or in case of assets where the estimated useful life was determined by technical evaluation, over the useful life so determined. Depreciation method is reviewed at each financial year end to reflect expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful life and residual values are also reviewed at each financial year end with the effect of any change in the estimates of useful life / residual value is accounted on prospective basis.

Depreciation for additions to/deductions from, owned assets is calculated pro rata to the period of use. The useful life of the property, plant and equipment held by the Company is as follows:

Class of assets	Useful life
Computers*	4 years
Furniture & Fittings	10 years
Office Equipment	5 years
Motor Cars used other than those used for business of running them on hire	8 years

\* For the above class of assets, based on technical advice and the internal assessment done, the management believes that the useful lives as given above best represent the period over which management expects to use these assets. Hence, the useful lives for these assets are different from the useful lives as prescribed under Part C of Schedule II of the of the Companies Act, 2013. Leasehold improvement is amortised over the remaining duration of the leases.

### 3.5 Intangible assets

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the Company and the cost of the asset can be measured reliably. Intangible assets are stated at original cost net of tax/duty credits availed, if any, less accumulated amortisation and cumulative impairment. Administrative and other general overhead expenses that are specifically attributable to acquisition of intangible assets are allocated and capitalised as a part of the cost of the intangible assets.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in statement of profit and loss when the asset is derecognised.

Intangible assets not ready for use on the date of Balance Sheet is disclosed as 'Intangible assets under development'.

Intangible assets are amortised on straight line basis over the estimated useful life of 5 years. The method of amortisation and useful life are reviewed at the end of each accounting year with the effect of any changes in the estimate being accounted for on a prospective basis.

### 3.6 Impairment of non-financial assets

As at the end of each reporting period, the Company reviews the carrying amounts of its PPE and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the PPE and intangible assets are tested for impairment so as to determine the impairment loss, if any.

### 3.7 Employee benefits

#### i) Short term employee benefits

The undiscounted amount of employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences.

# Notes to the Financial Statements

For the year ended March 31 2025

**ii) Defined contribution plan**

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contribution into a separate entity and will have no legal or constructive obligation to pay further amounts.

**Provident fund**

The Company's contribution paid/ payable during the year towards provident fund is charged to statement of profit and loss every year. In accordance with the applicable law, all employees of the Company are entitled to receive benefits under the Provident Fund Act, 1952. The Company contributes an amount on a monthly basis at a determined rate to the pension scheme administered by the Regional Provident Fund Commission ("RPFC").

**iii) Defined benefit plans**

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

**Gratuity and other post retirement benefits**

The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

Gratuity is a defined benefit plan. The cost of providing benefits is determined annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of

contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in statement of profit and loss.

When the benefits of a plan are changed or a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss in curtailment is recognised immediately in statement of profit and loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

**iv) Other long term employee benefits**

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability and at the present value of the defined benefit obligation as at the balance sheet date as determined basis Actuarial valuation. The same is charged to the statement of profit and loss.

**v) Share-based Payment Arrangements**

Estimating fair value for share-based payment transactions requires use of an appropriate valuation model. The Company measures the cost of equity-settled transactions with Option holders using Black-Scholes Model to determine the fair value of the options on the grant date. Inputs into the valuation model, includes assumption such as the expected life of the share option, volatility and dividend yield. The stock options granted to employees pursuant to the Company's Stock Options Schemes, are measured at the fair value of the options at the grant date using Black Scholes Model. The fair value of the options determined at grant date is accounted as employee compensation cost over the vesting period on a straight line basis over the period of option, based on the number of grants expected to vest, with corresponding increase in equity. On cancellation or lapse of option granted to employees, the compensation cost charged to statement of profit & loss is credited with corresponding decrease in equity.

In case of accelerated vesting, the balance amount of fair value of the options is accounted as employee compensation cost on the date of accelerated vesting.

On cancellation / settlement of options, any compensation paid is accounted as deduction from employee stock option reserve upto the fair value of options and any excess is recognised as an expense.

# Notes to the Financial Statements

For the year ended March 31 2025

**3.8 Provisions, contingent liabilities and contingent assets**

**Provisions are recognised only when:**

- the Company has a present obligation (legal or constructive) as a result of a past event; and
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation

Provision is measured using the cash flows estimated to settle the present obligation and when the effect of time value of money is material, the carrying amount of the provision is the present value of those cash flows. Reimbursement expected in respect of expenditure required to settle a provision is recognised only when it is virtually certain that the reimbursement will be received.

Where the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under such contract, the present obligation under the contract is recognised and measured as a provision.

**Contingent liability is disclosed in case of:**

- a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation; and
- a present obligation arising from past events, when no reliable estimate is possible.

**Contingent Assets:**

Contingent assets are not recognised in the financial statements. Contingent assets are disclosed where an inflow of economic benefits is probable.

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

**3.9 Taxes on Income**

Income tax expense comprises current and deferred taxes. Income tax expense is recognized in the statement of profit and loss except when they relate to items that are recognized outside profit or loss (whether in other comprehensive income or directly in other equity).

**Current tax**

Current income taxes are determined based on taxable income of the Company. Current tax comprises the expected tax payable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable is the best estimate of the tax amount expected to be paid that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted by the balance sheet date.

Off-set of Current tax assets and tax liabilities.

Current tax assets and liabilities are offset only if, the Company:

- has a legally enforceable right to set off the recognised amounts; and
- intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously

**Deferred tax**

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilized business loss and depreciation carry-forwards and tax credits. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilized. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be 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 based on the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which

# Notes to the Financial Statements

For the year ended March 31 2025

the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

### 3.10 Goods and services tax input credit

Goods and services tax input credit asset is recognised in the books of accounts in the period in which the supply of goods or service received is recognised and when there is no uncertainty in availing/utilising the credits.

Expenses and assets are recognised net of the goods and services tax/value added taxes 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 expense item, as applicable.

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

### 3.11 Borrowing costs

Borrowing costs include interest expense calculated using the EIR method and finance charges in respect of assets acquired on finance lease. EIR includes interest and amortization of ancillary cost incurred in connection with the borrowing of funds.

Other borrowing costs are recognised as an expense in the period in which they are incurred.

### 3.12 Foreign currencies

Transactions in currencies other than the Company's functional currency are recorded on initial recognition using the exchange rate at the transaction date. At each Balance Sheet date, foreign currency monetary assets and liabilities are reported at the prevailing closing spot rate. Non monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of transaction.

Exchange differences that arise on settlement of monetary items or on reporting of monetary items at each Balance Sheet date at the closing spot rate are recognised in the statement of profit and loss in the period in which they arise.

### 3.13 Segments

The Company's main business is providing education loans for higher education in India and abroad. All other activities of the Company revolve around the main business. This, in the context of Ind AS 108 – Operating Segments reporting, is considered to constitute one reportable segment and accordingly there are no other reportable segment.

### 3.14 Earnings per share (“EPS”)

Basic EPS is calculated by dividing the profit or loss that is attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss that is attributable to ordinary shareholders and the weighted-average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

### 3.15 Commitments

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

- estimated amount of contracts remaining to be executed on capital account and not provided for;
- uncalled liability on shares and other investments partly paid;
- funding related commitment to associate and joint venture companies; and
- other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

### 3.16 Lease accounting

The Company follows Ind AS 116 Leases for all long term and material lease contracts.

#### Measurement of lease liability

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

- increased by interest on lease liability;
- reduced by lease payments made; and

# Notes to the Financial Statements

For the year ended March 31 2025

- remeasured to reflect any reassessment or lease modifications specified in Ind AS 116 Leases, or to reflect revised fixed lease payments.

#### Measurement of Right-of-use assets

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

Depreciation on 'Right-of-use assets' is provided on straight line basis over the lease period. The exception permitted in Ind AS 116 Leases for low value assets and short term leases has been adopted by Company, wherever applicable.

### 3.17 Servicing of Assets / Liabilities

The Company transfers loans through direct assignment transactions. The transferred loans are de-recognised and gains/losses are accounted for, only if the Company transfers substantially all risks and rewards specified in the underlying assigned loan contract. In accordance with the Ind AS 109, on derecognition of a financial asset under assigned transactions for a fee, the Company recognises the fair value of future service fee income over service obligations cost on net basis as service fee income in the statement of profit and loss and, correspondingly creates a service asset in balance sheet.

The Company recognises either a servicing asset or a servicing liability for servicing contract. If the fee to be received is not expected to compensate the Company adequately for performing the servicing activities, a servicing liability for the servicing obligation is recognised at its fair value. If the fee to be received is expected to be more than adequate compensation for the servicing activities, a servicing asset is recognised. Corresponding amount is recognised in Statement of Profit and Loss.

## Notes to the Financial Statements

As at March 31 2025

### 4. CASH AND CASH EQUIVALENTS

See material accounting policy in note no 3.3

(₹ in Lakhs)		
Particulars	As at March 31, 2025	As at March 31, 2024
Balances with bank		
- In current accounts	2,031.27	1,759.12
- In deposits accounts having original maturity less than 3 months	2,64,631.41	1,45,349.89
<b>Total</b>	<b>2,66,662.68</b>	<b>1,47,109.01</b>

Balances with banks in current accounts do not earn any interest. Balance in deposit accounts earn interest at fixed rates for varying periods between seven days and three months. The Company places deposits as per the liquidity management requirement.

### 5. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

See material accounting policy in note no 3.2

(₹ in Lakhs)		
Particulars	As at March 31, 2025	As at March 31, 2024
In deposits accounts having original maturity more than 3 months	1,33,613.59	65,111.97
Deposits with banks to the extent held as security against the borrowings and guarantees *	177.93	178.05
<b>Total</b>	<b>1,33,791.52</b>	<b>65,290.02</b>

\* Deposit of ₹ 25 lakhs (as at March 31, 2024: ₹ 25 lakhs) is marked as lien for bank guarantee given to Unique Identification Authority of India (UIDAI), deposit of ₹ 27.78 lakhs (as at March 31, 2024: ₹ 28.78 lakhs) is marked as lien for bank guarantee given to BSE Limited and deposit of ₹ 120 lakhs (as at March 31, 2024: ₹ 120 lakhs) is marked as lien against overdraft and other facilities.

### 6. DERIVATIVE FINANCIAL INSTRUMENTS

See material accounting policy in note no 3.2

The Company enters into derivatives for risk management purposes. Derivatives held for risk management purposes include hedges that meet the hedge accounting requirements.

The table below shows the fair values of derivative financial instruments recorded as assets or liabilities together with their notional amounts.

The notional amounts indicate the value of transactions outstanding at the end of the year and are not indicative of either the market risk or credit risk.

(₹ in Lakhs)						
Particulars	As at March 31, 2025			As at March 31, 2024		
	Notional Amounts	Fair Value - Assets	Fair Value - Liabilities	Notional Amounts	Fair Value - Assets	Fair Value - Liabilities
<b>Part I</b>						
<b>(i) Currency derivatives:</b>						
- Currency swaps (Principal only swaps)	7,23,888.55	5,743.67	2,638.13	83,405.00	224.00	324.59
<b>Subtotal (i)</b>	<b>723,888.55</b>	<b>5,743.67</b>	<b>2,638.13</b>	<b>83,405.00</b>	<b>224.00</b>	<b>324.59</b>
<b>(ii) Interest rate derivatives</b>						
- Interest Rate Swaps (USD IRS)	7,23,888.55	377.46	2,498.05	83,405.00	1,208.25	-
- Interest Rate Swaps (INR OIS)	1,57,500.00	1,373.67	1,878.01	1,87,500.00	1,449.99	5,881.78
<b>Subtotal (ii)</b>	<b>881,388.55</b>	<b>1,751.13</b>	<b>4,376.06</b>	<b>270,905.00</b>	<b>2,658.24</b>	<b>5,881.78</b>
<b>Total Derivative financial instruments (i)+(ii)</b>	<b>1,605,277.10</b>	<b>7,494.80</b>	<b>7,014.19</b>	<b>354,310.00</b>	<b>2,882.24</b>	<b>6,206.37</b>

## Notes to the Financial Statements

As at March 31 2025

(₹ in Lakhs)						
Particulars	As at March 31, 2025			As at March 31, 2024		
	Notional Amounts	Fair Value - Assets	Fair Value - Liabilities	Notional Amounts	Fair Value - Assets	Fair Value - Liabilities
<b>Part II</b>						
<b>(i) Fair value hedging:</b>						
- Interest rate derivatives (INR OIS)	1,57,500.00	1,373.67	1,878.01	1,87,500.00	1,449.99	5,881.78
<b>Subtotal (i)</b>	<b>1,57,500.00</b>	<b>1,373.67</b>	<b>1,878.01</b>	<b>1,87,500.00</b>	<b>1,449.99</b>	<b>5,881.78</b>
<b>(ii) Cash flow hedging:</b>						
- Currency derivatives	7,23,888.55	5,743.67	2,638.13	83,405.00	224.00	324.59
- Interest rate derivatives (USD IRS)	7,23,888.55	377.46	2,498.05	83,405.00	1,208.25	-
<b>Subtotal (ii)</b>	<b>14,47,777.10</b>	<b>6,121.13</b>	<b>5,136.18</b>	<b>1,66,810.00</b>	<b>1,432.25</b>	<b>324.59</b>
<b>Total Derivative financial instruments (i)+(ii)</b>	<b>16,05,277.10</b>	<b>7,494.80</b>	<b>7,014.19</b>	<b>3,54,310.00</b>	<b>2,882.24</b>	<b>6,206.37</b>

**6.1** The Company has a process whereby periodically all long term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Company has reviewed and ensured that adequate provision as required under Ind AS for material foreseeable losses on such long term contracts (including derivative contracts) has been made in the books of accounts.

**6.2** Refer note 38.3.2.2 for foreign currency exchange rate risk.

### 7. TRADE RECEIVABLES

See material accounting policy in note no 3.2

(₹ in Lakhs)		
Particulars	As at March 31, 2025	As at March 31, 2024
Trade receivables - unsecured; considered good	2,213.32	2,036.54
Trade receivables - unsecured; which have significant increase in credit risk	-	-
<b>Sub total</b>	<b>2,213.32</b>	<b>2,036.54</b>
Impairment loss allowance	13.90	-
<b>Total</b>	<b>2,199.42</b>	<b>2,036.54</b>

#### Trade receivables ageing schedule

As at March 31, 2025

(₹ in Lakhs)						
Sr. No.	Particulars	Outstanding for following periods from due date of payment				
		Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years
i.	Undisputed trade receivables - considered good *	2,203.27	4.27	5.78	-	-
ii.	Undisputed trade receivables - which have significant increase in credit risk	-	-	-	-	-
iii.	Undisputed trade receivables - credit impaired	-	-	-	-	-
iv.	Disputed trade receivables - considered good	-	-	-	-	-
v.	Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-
vi.	Disputed trade receivables - credit impaired	-	-	-	-	-

\* Includes unbilled dues of ₹ 9.00 lakhs.

## Notes to the Financial Statements

As at March 31 2025

### As at March 31, 2024

		(₹ in Lakhs)				
Sr. No.	Particulars	Outstanding for following periods from due date of payment				
		Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years
i.	Undisputed trade receivables - considered good *	2,036.54	-	-	-	-
ii.	Undisputed trade receivables - which have significant increase in credit risk	-	-	-	-	-
iii.	Undisputed trade receivables - credit impaired	-	-	-	-	-
iv.	Disputed trade receivables - considered good	-	-	-	-	-
v.	Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-
vi.	Disputed trade receivables - credit impaired	-	-	-	-	-

\* Includes unbilled dues of ₹ 15.00 lakhs

No trade or other receivable is due from directors or other officer of the Company either severally or jointly with any other person. Nor any trade or other receivable is due from firm or private companies in which any director is a partner or director or a member.

The Company follows ‘simplified approach’ for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

There are no receivables for which there has been a significant increase in credit risk or which have become credit impaired.

### 8 LOANS AND ADVANCES (AT AMORTISED COST)

See material accounting policy in note no 3.2

(₹ in Lakhs)		
Particulars	As at March 31, 2025	As at March 31, 2024
<b>Term loans:</b>		
Individual loans	41,70,963.93	28,18,719.80
<b>Total – Gross</b>	<b>41,70,963.93</b>	<b>28,18,719.80</b>
Less: Impairment loss allowance	24,033.16	10,398.23
- Stage 1 and 2	18,840.22	9,230.38
- Stage 3	5,192.94	1,167.85
<b>Total – Net</b>	<b>41,46,930.77</b>	<b>28,08,321.57</b>
(a) Secured by tangible assets	7,58,867.65	5,66,527.30
(b) Secured by fixed deposits and other collaterals	29,648.80	21,447.06
(c) Unsecured	33,82,447.48	22,30,745.44
<b>Total – Gross (B)</b>	<b>41,70,963.93</b>	<b>28,18,719.80</b>
Less: Impairment loss allowance*	24,033.16	10,398.23
- Stage 1 and 2	18,840.22	9,230.38
- Stage 3	5,192.94	1,167.85
<b>Total – Net (B)</b>	<b>41,46,930.77</b>	<b>28,08,321.57</b>

## Notes to the Financial Statements

As at March 31 2025

(₹ in Lakhs)		
Particulars	As at March 31, 2025	As at March 31, 2024
<b>(I) Loans in India</b>		
(i) Public sector	-	-
(ii) Others		
- Education loans to individuals	41,70,963.93	28,18,719.80
<b>Total - Gross (C) (I)</b>	<b>41,70,963.93</b>	<b>28,18,719.80</b>
Less: Impairment loss allowance*	24,033.16	10,398.23
- Stage 1 and 2	18,840.22	9,230.38
- Stage 3	5,192.94	1,167.85
<b>Total - Net (C) (I)</b>	<b>41,46,930.77</b>	<b>28,08,321.57</b>
<b>(II) Loans outside India</b>	-	-
<b>Total (C) (I + II)</b>	<b>41,46,930.77</b>	<b>28,08,321.57</b>

\*Impairment loss allowance does not include ₹ 685.62 lakhs (as at March 31, 2024 : ₹ 656.71 lakhs) towards loan commitments. [Refer note 21]

During the current and prior reporting period, there was no change in the business model under which the Company holds financial assets and therefore no reclassifications were made.

Loans amounting to ₹ 7,88,516.45 lakhs (as at March 31, 2024: ₹ 5,87,974.36 lakhs) are secured or partly secured by one or a combination of the following collaterals:

- Immovable property
- Fixed deposits and other collaterals

Loans given as security against secured borrowings from banks & financial institutions and non-convertible debentures ₹ 39,32,294.37 lakhs (as at March 31, 2024: ₹ 25,86,267.95 lakhs).

The Company has not granted any loans or advances to promoters, directors, KMPs and the related parties that are repayable on demand or without specifying any terms or period of repayment.

### 8.1 Expected credit loss ("ECL")

Expected credit losses are a probability-weighted estimate of credit losses (i.e. the present value of all cash shortfalls) over the expected life of the financial instrument. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive. Because expected credit losses consider the amount and timing of payments, a credit loss arises even if the entity expects to be paid in full but later than when contractually due.

### a. Key components of credit risk assessment

**The key components of credit risk assessment are:**

Probability of Default ("PD"): Probability of default ("PD") is defined as the likelihood of default over a particular time horizon. The PD of an obligor is a fundamental risk parameter in credit risk analysis and depends on obligor specific as well as macroeconomic risk factors. The impact of macroeconomic criteria on the PD results in two different PD estimates, through-the-cycle ("TTC") and the point-in-time ("PIT") PD. A TTC PD estimate remains largely unaffected by the economic cycle, while a PIT PD estimate varies with the economic cycle.

There are two types of PD relevant for Ind AS 109 ECL calculation:

- 12-month PD – This represents the estimated probability of default occurring within the next 12 months from the reporting date (or over the remaining life of the financial instrument in cases when the financial instruments’ remaining life is less than 12 months). 12-month PD is used for the computation of 12-month ECL.
- Lifetime PDs –This represents the estimated probability of a default occurring over the remaining life of the financial instrument and may be further broken down into marginal probabilities for smaller time periods (or term structure) within the remaining

# Notes to the Financial Statements

As at March 31 2025

- life. Lifetime PD is used as an input for calculation of lifetime ECLs for Stage 2 exposures.
- iii. Stage 3 assets are considered to have a 100% PD

Exposure at Default ("EAD"): EAD represents the expected balance at default, taking into account the repayment of principal and interest from the Balance Sheet date to the date of default together with any expected drawdowns of committed facilities.

Loss Given Default ("LGD"): represents expected losses on the EAD in the event of default, taking into account, among other attributes, the mitigating effect of collateral value at the time it is expected to be realised and the time value of money.

The ECL is computed as a product of PD, LGD and EAD.

## b. Analysis of inputs to the ECL model under multiple economic scenarios

The ECL model in Ind AS 109 requires issuers to measure expected losses and consider forward-looking information, by reflecting “an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes” and considering “reasonable and supportable information that is available without undue cost or effort at that date about past events, current conditions and forecasts of future economic conditions.”

The Company considers PD estimates that have been adjusted using the macro economic overlay. A macroeconomic overlay has been computed taking into account the portfolio specific macroeconomic factors having statistically significant correlation with the default rate and basis the management inputs; that capture the economic conditions of the study country of the borrowers. The Company's macro economic model considers macro economic variables of India, USA, Canada and UK for the respective portfolios. The Company uses management judgement to determine the weights attributable to the three scenarios considered; i.e. a base case, an upside and a downside. The scalar rates applied to the PD have been computed using statistical and regression analysis.

## c. Definition and assessment of default

The Company considers the following as constituting an event of default:

- the borrower is past due more than 90 days on any material credit obligation to the Company;

- the accounts identified by the Company as NPA as per regulatory guidelines; or
- the borrower is unlikely to pay its credit obligations to the Company in full.

When assessing if the borrower is unlikely to pay its credit obligation, the Company takes into account both qualitative and quantitative indicators. Quantitative indicators such as overdue status and non-payment on another obligation to the Company of the same counterparty are key inputs in this analysis.

The company believes that the macroeconomic conditions of the country where education is pursued significantly impact the employment outcomes for students and borrowers. Hence, the Company expects the PD of the loans in different geographic locations to behave differently. Thus, the loans are segmented geographically to estimate the historical PD and the future PDs modelled from the ECL workings

The Company categorises financial assets at the reporting date into stages based on the days past due (‘DPD’) status as under:

### 0-30 days past due loans classified as Stage 1

It represents exposures where there has not been a significant increase in credit risk since initial recognition and that were not credit impaired upon origination. The Company uses the same criteria mentioned in the standard and assume that when the days past due exceeds ‘30 days’, the risk of default has increased significantly. Therefore, for those loans for which the days past due is less than 30 days, the Company recognises as a collective provision the portion of the lifetime ECL associated with the probability of default events occurring within the next 12 months.

### 31-90 days past due loans classified as Stage 2

The credit risk is presumed to have increased significantly for loans that are more than 30 days past due and less than 90 days past due. For such loans, lifetime default probability is considered. Based on the maturity date of the loan, the probability of default is arrived at to determine the quantum of the loan that is likely to move into the buckets ‘90 days past due’ and greater. In stage 2 and 3, an expected credit loss is calculated for the entire remaining maturity of the asset.

# Notes to the Financial Statements

As at March 31 2025

## Above 90 days past due loans classified as Stage 3

The company recognises a financial asset to be credit impaired and in stage 3 where principal and/or interest are past due for more than 90 days.

Along with delinquency buckets; the internally developed criteria to analyse whether there is increase in credit risk or whether the asset is credit impaired are considered for staging of loans.

## d. Other Inputs to the ECL Computation

The following inputs are explained in the Material Accounting Policies (Note 3.2.4).

- Significant increase in credit risk of the credit exposure
- ECL computation methodology
- Policy on write off of loan assets
- Reclassification of loan assets within the stages"

## e. Internal grading system

The Company’s independent Credit Risk Department operates as per internal rating models. The Company segments its portfolio in a way that customers are rated from ‘Standard’ to ‘NPA’ using internal grades. The model incorporates quantitative information specific to the borrower.

The Company's internal credit rating grades:

Internal rating grade	Internal rating description
Standard - No Overdue	Principal or interest payment not overdue
Standard Restructured	Accounts restructured under RBI's Resolution Framework for COVID 19 related Stress
SMA-0	Principal or interest payment overdue between 1-30 days
SMA-1	Principal or interest payment overdue between 31-60 days
SMA-2	Principal or interest payment overdue between 61-90 days
NPA	Principal or interest payment overdue more than 90 days

## f. Management overlay in addition to the base expected credit loss provision due to macro-economic factors:

The Company proactively monitors the risks arising due to global macro-economic scenario to safeguard the resilience of the Company’s loan portfolio and the overall financial stability. The economic growth prospects of our key study locations are driven by many factors like GDP growth rate, unemployment rate, inflation and geopolitical stability among others. The global economic outlook for 2025 has turned increasingly negative due to rising geopolitical tensions, trade disruptions, and policy uncertainties. Key economies including the U.S., U.K., Canada, and several emerging markets are facing slower growth, elevated inflation, and reduced investor confidence. The probability of a global recession has risen significantly, with the IMF and WTO issuing warnings about the impact of widespread tariff measures and protectionist policies. These macroeconomic challenges are also leading to tighter consumer spending, reduced trade flows, and weakening credit conditions across markets.

In light of these developments, the Company has adopted a more cautious credit risk approach and considered the higher probability of defaults of selected pool of loans which are under moratorium and where the moratorium is expected to end in next 12 months for the U.S., 15 months for the U.K. and other global markets, while maintaining 18 months for Canada and 12 months for India. These measures aim to strengthen provisioning and safeguard asset quality in a highly uncertain global environment.

Considering the above macro-economic factors and geopolitical conditions, the Company has, in view of prudence, continued to maintain management overlay while assessing the expected credit loss to be carried.

## g. Other Management overlay

The Company has identified certain cases as Doubtful Assets and Loss Assets, based on the loans being unsecured in nature and requiring 100% provision under the applicable Income Recognition and Asset Classification norms of the RBI. The maximum provision as per the ECL model is limited to the percentage of Loss Given Default, hence the Company has created additional management overlay to provide for 100% provision against these unsecured doubtful and loss Assets.

## Notes to the Financial Statements

As at March 31 2025

### h Credit quality of assets

The table below shows the credit quality and the maximum exposure to credit risk based on the Company's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances.

Particulars	As at March 31, 2025				As at March 31, 2024			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Internal rating grade								
Standard - No Overdue	41,33,920.30	16,809.81	1,062.67	41,51,792.78	28,04,003.94	9,402.24	-	28,13,406.18
SMA - 0	5,749.20	1,440.61		7,189.81	2,274.86	20.44	-	2,295.30
SMA - 1	-	3,711.79		3,711.79	-	655.68	-	655.68
SMA - 2	-	1,344.64		1,344.64	-	216.27	-	216.27
Non Performing Assets			6,924.91	6,924.91	-	-	2,146.37	2,146.37
Total	41,39,669.50	23,306.85	7,987.58	41,70,963.93	28,06,278.80	10,294.63	2,146.37	28,18,719.80

### i An analysis of changes in the gross carrying amount and the corresponding impairment loss allowances in relation to lending is as follows:

Reconciliation of the gross carrying amount:

Particulars	As at March 31, 2025				As at March 31, 2024			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	28,06,278.80	10,294.63	2,146.37	28,18,719.80	15,21,326.54	5,899.18	2,540.26	15,29,765.98
Increase in EAD - new assets originated / disbursement in existing assets / interest accrual on existing assets	17,75,677.56	1,934.62	300.76	17,77,912.94	15,68,937.63	6,530.59	165.90	15,75,634.13
Transfers during the period								
transfers to Stage 1	38,863.82	(38,182.56)	(681.26)	-	7,617.75	(6,611.36)	(1,006.39)	-
transfers to Stage 2	(55,100.59)	55,916.51	(815.92)	-	(6,801.07)	6,827.52	(26.45)	-
transfers to Stage 3	(3,712.41)	(4,979.57)	8,691.98	-	(373.05)	(720.39)	1,093.44	-
Subtotal	(19,949.18)	12,754.38	7,194.80	-	443.63	(504.23)	60.60	-
Assets repaid in part or full (excluding write offs)	(4,22,337.68)	(1,676.78)	(950.98)	(4,24,965.44)	(2,84,429.00)	(1,630.92)	(476.27)	(2,86,536.19)
Amounts written off <sup>1</sup>			(703.37)	(703.37)	-	-	(144.12)	(144.12)
Gross carrying amount closing balance	41,39,669.50	23,306.85	7,987.58	41,70,963.93	28,06,278.80	10,294.63	2,146.37	28,18,719.80

<sup>1</sup> The amounts written off presented above are subject to enforcement activity.

## Notes to the Financial Statements

As at March 31 2025

### j An analysis of changes in the gross carrying amount and the corresponding impairment loss allowances in relation to lending is as follows (continued)

Reconciliation of impairment loss allowance on gross carrying value of loan is given below:

Particulars	For the year ended March 31, 2025				For the year ended March 31, 2024			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Impairment loss allowance - opening balance	6,564.18	2,666.20	1,167.85	10,398.23	3,458.12	1,391.49	1,026.31	5,875.92
Changes in ECL due to -								
Transfers during the period								
transfers to Stage 1	10,051.51	(9,710.52)	(340.99)	-	1,796.77	(1,547.21)	(249.56)	-
transfers to Stage 2	(59.54)	299.93	(240.39)	-	(6.73)	16.39	(9.66)	-
transfers to Stage 3	(2.21)	(1,287.21)	1,289.42	-	(0.25)	(147.85)	148.10	-
Subtotal	9,989.76	(10,697.80)	708.04	-	1,789.79	(1,678.67)	(111.12)	-
ECL remeasurements due to changes in EAD / assumptions [Net]	(7,756.27)	14,158.73	3,051.76	9,454.22	(152.67)	2,953.38	23.69	2,824.40
Management Overlay	3,915.42	-	265.29	4,180.71	1,468.94	-	228.97	1,697.91
Impairment loss allowance - closing balance	12,713.09	6,127.13	5,192.94	24,033.16	6,564.18	2,666.20	1,167.85	10,398.23

The increase in impairment loss allowance of the portfolio was driven by an increase in the gross size of the portfolio, movements between stages as a result of increase in credit risk and changes to the PD and LGD inputs during the period.

Reconciliation of impairment loss allowance on undisbursed commitments is given below:

Particulars	For the year ended March 31, 2025				For the year ended March 31, 2024			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Impairment loss allowance - opening balance	603.65	53.06	-	656.71	314.05	30.57	-	344.62
Transfers during the period								
transfers to Stage 1	47.95	(47.95)	-	-	17.24	(17.24)	-	-
transfers to Stage 2	(18.69)	18.69	-	-	(39.94)	39.94	-	-
transfers to Stage 3	(0.07)	(0.17)	0.24	-	-	-	-	-
Subtotal	29.19	(29.43)	0.24	-	(22.70)	22.70	-	-
ECL remeasurements due to changes in EAD / assumptions [Net]	17.41	11.74	(0.24)	28.91	312.30	(0.21)		312.09
Impairment loss allowance - closing balance	650.25	35.37	-	685.62	603.65	53.06	-	656.71

The provision referred above was computed based on amount of undisbursed commitment of ₹ 3,57,955.11 lakhs (as at March 31, 2024 ₹ 3,85,034.08 lakhs)

## Notes to the Financial Statements

As at March 31 2025

### 9 INVESTMENTS

See material accounting policy in note no 3.2

Particulars	(₹ in Lakhs)					
	As at March 31, 2025			As at March 31, 2024		
	At fair value			At fair value		
	Through other comprehensive income	Through profit or loss	Total	Through other comprehensive income	Through profit or loss	Total
Investment in mutual funds	-	20,771.49	20,771.49	-	2,501.26	2,501.26
Investment in Government Securities	2,17,041.97	-	2,17,041.97	1,10,033.85	-	1,10,033.85
<b>Total - Gross (A)</b>	<b>2,17,041.97</b>	<b>20,771.49</b>	<b>2,37,813.46</b>	<b>1,10,033.85</b>	<b>2,501.26</b>	<b>1,12,535.11</b>
Investments in India	2,17,041.97	20,771.49	2,37,813.46	1,10,033.85	2,501.26	1,12,535.11
Investments outside India	-	-	-	-	-	-
<b>Total - Gross (B)</b>	<b>2,17,041.97</b>	<b>20,771.49</b>	<b>2,37,813.46</b>	<b>1,10,033.85</b>	<b>2,501.26</b>	<b>1,12,535.11</b>
Less: Allowance for impairment loss (Expected credit loss) (C)	-	-	-	-	-	-
<b>Total – Net (D) = (A - C)</b>	<b>2,17,041.97</b>	<b>20,771.49</b>	<b>2,37,813.46</b>	<b>1,10,033.85</b>	<b>2,501.26</b>	<b>1,12,535.11</b>

### 10 OTHER FINANCIAL ASSETS

See material accounting policy in note no 3.2

Particulars	(₹ in Lakhs)	
	As at March 31, 2025	As at March 31, 2024
<b>Unsecured; considered good</b>		
Security deposits	997.38	512.29
Advances to employees	38.92	35.81
Credit Support Annexure (CSA) margin placed	1,194.65	4,517.01
Excess interest spread receivable	658.44	-
Other financial assets*	2,032.72	498.05
<b>Total - Gross</b>	<b>4,922.11</b>	<b>5,563.16</b>
Less: Impairment loss allowance		
*Other financial assets	273.07	-
<b>Total - Net</b>	<b>4,649.04</b>	<b>5,563.16</b>

### 11 CURRENT TAX ASSETS (NET)

See material accounting policy in note no 3.9

Particulars	(₹ in Lakhs)	
	As at March 31, 2025	As at March 31, 2024
Advance tax	10,623.33	46,566.25
Less: Provisions for tax	10,623.09	46,204.18
<b>Total</b>	<b>0.24</b>	<b>362.07</b>

## Notes to the Financial Statements

As at March 31 2025

### 12 DEFERRED TAX

See material accounting policy in note no 3.9

The following table shows deferred tax assets (net) recorded in the balance sheet and changes in deferred tax recorded in the statement of profit and loss and other comprehensive income:

Particulars	(₹ in Lakhs)			
	Deferred tax assets/(liabilities)	Changes in deferred tax recorded in statement of profit and loss	Changes in deferred tax recorded in other comprehensive income	Deferred tax assets/(liabilities)
	As at March 31, 2024	For the year ended March 31, 2025	For the year ended 31 March, 2025	As at March 31, 2025
Depreciation on property, plant and equipment and intangible assets	(16.08)	(222.59)	-	(238.67)
Application of effective interest rate on financial assets	2,282.64	(1,297.11)	-	985.53
Application of effective interest rate on financial liabilities	(1,756.46)	(1,922.42)	-	(3,678.88)
Impairment on financial instruments	2,510.04	2,675.12	-	5,185.16
Provisions for employee benefits	134.15	71.53	29.97	235.65
Right of use assets	(848.44)	(683.89)	-	(1,532.33)
Lease liabilities	903.57	721.98	-	1,625.55
Derivative financial assets	(237.64)	(140.19)	265.09	(112.74)
Derivative financial liabilities	1,480.33	(842.02)	641.32	1,279.63
Fair valuation of financial liabilities	(1,417.83)	968.85	-	(448.98)
Unrealised (gain) / loss on derecognition of financial instrument	-	(165.72)	-	(165.72)
Fair valuation of investments	(26.08)	(14.16)	(416.59)	(456.83)
<b>Net deferred tax asset as at March 31, 2025</b>	<b>3,008.20</b>	<b>(850.62)</b>	<b>519.79</b>	<b>2,677.37</b>

Particulars	(₹ in Lakhs)			
	Deferred tax assets/(liabilities)	Changes in deferred tax recorded in statement of profit and loss	Changes in deferred tax recorded in other comprehensive income	Deferred tax assets/(liabilities)
	As at March 31, 2023	For the year ended March 31, 2024	For the year ended 31 March, 2024	As at March 31, 2024
Depreciation on property, plant and equipment and intangible assets	(4.56)	(11.52)	-	(16.08)
Application of effective interest rate on financial assets	1,731.21	551.43	-	2,282.64
Application of effective interest rate on financial liabilities	(581.97)	(1,174.49)	-	(1,756.46)
Impairment on financial instruments	1,337.06	1,172.98	-	2,510.04
Provisions for employee benefits	101.84	18.37	13.94	134.15
Right of use assets	(394.90)	(453.54)	-	(848.44)
Lease liabilities	422.99	480.58	-	903.57
Derivative financial assets	-	-	(237.64)	(237.64)
Derivative financial liabilities	1,872.13	(391.80)	-	1,480.33
Employee share based payments expenses	294.86	(294.86)	-	-
Fair valuation of financial liabilities	(1,757.75)	339.92	-	(1,417.83)
Fair valuation of investments	116.36	7.10	(149.54)	(26.08)
<b>Net deferred tax asset as at March 31, 2024</b>	<b>3,137.27</b>	<b>244.17</b>	<b>(373.24)</b>	<b>3,008.20</b>

## Notes to the Financial Statements

As at March 31 2025

### 13 PROPERTY, PLANT AND EQUIPMENT & INTANGIBLE ASSETS

See material accounting policy in note no 3.4 and 3.5  
The changes in the carrying value of property, plant and equipment & intangible assets for the year ended March 31, 2025 are as follows:

Particulars	Gross Block			Accumulated depreciation/amortisation			Net Block	
	As at April 01, 2024	Additions during the period	Deletions/ Write-offs during the period	As at March 31, 2025	As at April 01, 2024	during the period	As at March 31, 2025	As at March 31, 2024
<b>A Tangible assets:</b>								
Office equipment	176.27	154.34	17.96	312.65	108.12	44.89	137.08	68.14
Computers	917.22	549.76	12.78	1,454.20	400.96	273.56	662.14	516.27
Furniture & fixtures	167.91	97.64	7.94	257.61	60.52	24.47	81.33	107.39
Vehicles	41.74	-	-	41.74	8.09	5.22	13.31	33.65
Leasehold improvements	-	510.27	-	510.27	-	68.77	68.77	-
Right of use assets (Buildings)	5,293.82	4,796.84	1,362.33	8,728.33	1,922.72	1,349.88	2,639.94	3,371.10
Sub-total (A)	6,596.96	6,108.85	1,401.01	11,304.80	2,500.41	1,766.79	3,602.57	4,096.55
<b>B Intangible assets:</b>								
Other software	254.45	3,716.35	-	3,970.80	92.72	636.83	729.55	161.73
Sub-total (B)	254.45	3,716.35	-	3,970.80	92.72	636.83	729.55	161.73
C Capital work in Progress	451.98	364.06	451.98	364.06	-	-	-	451.98
D Intangible assets under development (D)	3,043.42	2,248.00	3,716.35	1,575.07	-	-	1,575.07	3,043.42
Total	(A+B+C+D)	10,346.81	12,437.25	5,569.34	17,214.73	2,593.13	4,332.12	7,753.68

The changes in the carrying value of property, plant and equipment & intangible assets for the year ended March 31, 2024 are as follows:

Particulars	Gross Block			Accumulated depreciation/amortisation			Net Block	
	As at April 01, 2023	Additions during the year	Deletions/ Write-offs during the year	As at March 31, 2024	As at April 01, 2023	For the year	As at March 31, 2024	As at March 31, 2023
<b>A Tangible assets:</b>								
Office equipment	155.13	22.77	1.63	176.27	90.10	19.60	108.12	65.03
Computers	703.51	274.49	60.78	917.22	262.57	191.56	400.96	440.94
Furniture & fixtures	165.83	9.15	7.07	167.91	47.69	17.36	60.52	118.14
Vehicles	41.74	-	-	41.74	2.87	5.22	8.09	38.87
Right of use assets (Buildings)	2,601.72	2,849.32	157.22	5,293.82	1,032.67	898.04	1,922.72	1,569.05
Sub-total (A)	3,667.93	3,155.73	226.70	6,596.96	1,435.90	1,131.78	2,500.41	4,096.55
<b>B Intangible assets:</b>								
Other software	84.50	169.95	-	254.45	82.90	9.82	92.72	161.73
Sub-total (B)	84.50	169.95	-	254.45	82.90	9.82	92.72	161.73
C Capital work in Progress	-	451.98	-	451.98	-	-	-	451.98
D Intangible assets under development (D)	1,138.11	1,905.31	-	3,043.42	-	-	-	1,138.11
Total	(A+B+C+D)	4,890.54	5,682.97	10,346.81	1,518.81	1,141.60	2,593.13	7,753.68

## Notes to the Financial Statements

As at March 31 2025

### 13. Intangible assets under development aging schedule

As at March 31, 2025

(₹ in Lakhs)						
Sr. No.	Particulars	Amount in intangible assets under development for a period of				Total
		Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
i.	Projects in progress	1,489.51	85.56	-	-	1,575.07
ii.	Projects temporarily suspended	-	-	-	-	-

Note: There are no intangible assets under development, whose completion is overdue or has exceeded its cost compared to its original plan.

As at March 31, 2024

(₹ in Lakhs)						
Sr. No.	Particulars	Amount in intangible assets under development for a period of				Total
		Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
i.	Projects in progress	1,905.31	963.64	174.47	-	3,043.42
ii.	Projects temporarily suspended	-	-	-	-	-

Note: There are no intangible assets under development, whose completion is overdue or has exceeded its cost compared to its original plan.

### 14 OTHER NON FINANCIAL ASSETS

See material accounting policy in note no 3.10

(₹ in Lakhs)		
Particulars	As at March 31, 2025	As at March 31, 2024
<b>Unsecured; considered good</b>		
Prepaid expenses	718.61	356.48
Receivable from government authorities	3,391.78	1,255.58
Others	238.15	123.20
<b>Total</b>	<b>4,348.54</b>	<b>1,735.26</b>

### 15 TRADE PAYABLES

(₹ in Lakhs)		
Particulars	As at March 31, 2025	As at March 31, 2024
Total outstanding dues of micro enterprises and small enterprises	29.89	25.65
Total outstanding dues of creditors other than micro enterprises and small enterprises		
- Payable to vendors	604.10	208.09
- Accrued expenses	4,716.71	2,410.78
<b>Total</b>	<b>5,350.70</b>	<b>2,644.52</b>

## Notes to the Financial Statements

As at March 31 2025

Trade payables include ₹ 29.89 lakhs (previous year ₹ 25.65 lakhs) payable to suppliers covered under the Micro, Small and Medium Enterprises Development Act, 2006. The information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company. The amount of principal and interest outstanding during the period is given below.

(₹ in Lakhs)		
Particulars	As at March 31, 2025	As at March 31, 2024
a) Principal amount and interest due thereon	29.89	25.65
b) The amount of interest paid	-	-
c) Amounts paid after appointed date during the year	-	-
d) Amount of interest accrued and unpaid as at year end	-	-
e) The amount of further interest due and payable even in the succeeding year	-	-
<b>Total</b>	<b>29.89</b>	<b>25.65</b>

### Trade payables aging schedule

As at March 31, 2025

(₹ in Lakhs)						
Sr. No.	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.	Micro, Small and Medium Enterprises ("MSME")	29.89	-	-	-	29.89
ii.	Others	604.10	-	-	-	604.10
iii.	Disputed dues - MSME	-	-	-	-	-
iv.	Disputed dues - Others	-	-	-	-	-
v.	Accrued expenses (unbilled)	4,716.71	-	-	-	4,716.71
vi.	<b>Total</b>	<b>5,350.70</b>	-	-	-	<b>5,350.70</b>

As at March 31, 2024

(₹ in Lakhs)						
Sr. No.	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.	Micro, Small and Medium Enterprises ("MSME")	25.65	-	-	-	25.65
ii.	Others	208.09	-	-	-	208.09
iii.	Disputed dues - MSME	-	-	-	-	-
iv.	Disputed dues - Others	-	-	-	-	-
v.	Accrued expenses (unbilled)	2,265.48	131.69	9.64	3.97	2,410.78
vi.	<b>Total</b>	<b>2,499.22</b>	<b>131.69</b>	<b>9.64</b>	<b>3.97</b>	<b>2,644.52</b>

## Notes to the Financial Statements

As at March 31 2025

### 16 DEBT SECURITIES - AT AMORTISED COST

See material accounting policy in note no 3.2

(₹ in Lakhs)		
Particulars	As at March 31, 2025	As at March 31, 2024
Non convertible debentures - secured	4,01,000.00	3,10,000.00
Less : Unamortised borrowing cost	(400.97)	(362.79)
Less : Fair value impact of hedged risk component (interest rate risk)	(710.98)	(3,326.83)
<b>Total Non convertible debentures - secured</b>	<b>3,99,888.05</b>	<b>3,06,310.38</b>
Commercial paper - unsecured	1,93,742.41	1,13,763.62
<b>Total (A)</b>	<b>5,93,630.46</b>	<b>4,20,074.00</b>
Debt securities in India	5,93,630.46	4,20,074.00
Debt securities outside India	-	-
<b>Total (B) to tally with (A)</b>	<b>5,93,630.46</b>	<b>4,20,074.00</b>

#### 16.1 Terms of debt securities and repayment as at March 31, 2025

(₹ in Lakhs)					
Particulars	0-1 year	1-3 years	3-5 years	> 5 years	Total
<b>Debt securities</b>					
<b>Non-convertible debentures - secured</b>					
6.00% - 7.00%	-	19,990.38	-	-	19,990.38
7.01% - 8.00%	-	-	19,985.60	59,938.09	79,923.69
8.01% - 9.00%	-	29,948.60	39,948.82	1,34,870.29	2,04,767.71
9.01% - 9.50%	49,962.91	19,988.51	25,965.83	-	95,917.25
<b>Total</b>	<b>49,962.91</b>	<b>69,927.49</b>	<b>85,900.25</b>	<b>1,94,808.38</b>	<b>4,00,599.03</b>
<b>Commercial paper - unsecured</b>					
8.01% - 9.00%	1,93,742.41	-	-	-	1,93,742.41
<b>Total</b>	<b>1,93,742.41</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,93,742.41</b>
<b>Total debt securities</b>	<b>2,43,705.32</b>	<b>69,927.49</b>	<b>85,900.25</b>	<b>1,94,808.38</b>	<b>5,94,341.44</b>

The above table does not include unrealised gain of ₹ 710.98 lakhs on account of fair value impact of hedge risk component (interest rate risk).

#### Terms of debt securities and repayment as at March 31, 2024

(₹ in Lakhs)					
Particulars	0-1 year	1-3 years	3-5 years	> 5 years	Total
<b>Debt securities</b>					
<b>Secured non-convertible debentures</b>					
5.99% - 7.00%	-	-	19,987.01	-	19,987.01
7.01% - 8.00%	19,989.41	-	19,982.51	59,931.33	99,903.25
8.01% - 9.00%	9,997.92	-	29,933.97	1,19,822.53	1,59,754.42
Benchmark linked (3 months T-Bill)	29,992.53	-	-	-	29,992.53
<b>Total</b>	<b>59,979.86</b>	<b>-</b>	<b>69,903.49</b>	<b>1,79,753.86</b>	<b>3,09,637.21</b>

## Notes to the Financial Statements

As at March 31 2025

(₹ in Lakhs)					
Particulars	0-1 year	1-3 years	3-5 years	> 5 years	Total
<b>Commercial paper</b>					
7.01% - 8.00%	-	-	-	-	-
8.01% - 9.00%	1,13,763.62	-	-	-	1,13,763.62
<b>Total</b>	<b>1,13,763.62</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,13,763.62</b>
<b>Total debt securities</b>	<b>1,73,743.48</b>	<b>-</b>	<b>69,903.49</b>	<b>1,79,753.86</b>	<b>4,23,400.83</b>

The above table does not include unrealised gain of ₹ 3,326.83 lakhs on account of fair value impact of hedge risk component (interest rate risk).

All secured non convertible debentures are secured by pari-passu charge on education loan receivables and have bullet repayment on maturity date.

All commercial papers are unsecured and have bullet repayment on maturity date.

During the year, the Company raised ₹ 1,51,000 lakhs (previous year : Nil) through issue of long term, secured, non-convertible debentures and redeemed ₹ 60,000 lakhs (previous year ₹ 20,000 lakhs) secured non-convertible debentures.

The quarterly asset cover statements filed by the Company with banks and financial institutions as per sanctioned terms and conditions are in agreement with the books of accounts.

### 17 BORROWINGS (OTHER THAN DEBT SECURITIES) - AT AMORTISED COST

See material accounting policy in note no 3.2

(₹ in Lakhs)		
Particulars	As at March 31, 2025	As at March 31, 2024
<b>Secured</b>		
Term loans from banks	23,42,009.85	18,52,648.23
Term loans from other parties	38,593.75	44,583.33
External commercial borrowing	7,23,888.55	83,405.00
Loans repayable on demand from banks	47,560.00	44,900.00
<b>Sub Total</b>	<b>31,52,052.15</b>	<b>20,25,536.56</b>
Less : Unamortised borrowing cost	(13,598.83)	(5,811.62)
<b>Total Borrowings (other than debt securities) (A)</b>	<b>31,38,453.32</b>	<b>20,19,724.94</b>
Borrowings in India	24,23,415.28	19,37,428.57
Borrowings outside India	7,15,038.04	82,296.37
<b>Total (B) to tally with (A)</b>	<b>31,38,453.32</b>	<b>20,19,724.94</b>

#### 17.1 Terms of borrowings and repayment as at March 31, 2025

(₹ in Lakhs)					
Particulars	0-1 year	1-3 years	3-5 years	> 5 years	Total
<b>Borrowings (Other than debt securities)</b>					
<b>Term loans from banks and other parties</b>					
8.01% - 9.00%	4,40,323.33	6,25,765.73	2,52,733.37	16,067.35	13,34,889.78
9.01% - 10.00%	2,33,130.31	4,98,407.41	2,57,504.02	51,923.76	10,40,965.50
<b>Total</b>	<b>6,73,453.64</b>	<b>11,24,173.14</b>	<b>5,10,237.39</b>	<b>67,991.11</b>	<b>23,75,855.28</b>

## Notes to the Financial Statements

As at March 31 2025

(₹ in Lakhs)					
Particulars	0-1 year	1-3 years	3-5 years	> 5 years	Total
<b>Overdrafts &amp; working capital demand loans from banks</b>					
8.01% - 9.00%	47,500.00	-	-	-	47,500.00
9.01% - 10.00%	60.00	-	-	-	60.00
<b>Total</b>	<b>47,560.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>47,560.00</b>
<b>External commercial borrowing (ECBs)</b>					
SOFR + 100 bps to 160 bps	-	5,76,120.84	1,38,917.20	-	7,15,038.04
<b>Total</b>	<b>-</b>	<b>5,76,120.84</b>	<b>1,38,917.20</b>	<b>-</b>	<b>7,15,038.04</b>
<b>Total borrowings (Other than debt securities)</b>	<b>7,21,013.64</b>	<b>17,00,293.98</b>	<b>6,49,154.59</b>	<b>67,991.11</b>	<b>31,38,453.32</b>

### Terms of borrowings and repayment as at March 31, 2024

(₹ in Lakhs)					
Particulars	0-1 year	1-3 years	3-5 years	> 5 years	Total
<b>Borrowings (Other than debt securities)</b>					
<b>Term loans from banks</b>					
8.01% - 9.00%	2,30,190.51	6,06,515.00	3,71,370.29	1,19,570.92	13,27,646.72
9.01% - 10.00%	1,47,273.20	2,64,669.89	1,45,462.69	7,476.07	5,64,881.85
<b>Total</b>	<b>3,77,463.71</b>	<b>8,71,184.89</b>	<b>5,16,832.98</b>	<b>1,27,046.99</b>	<b>18,92,528.57</b>
<b>Overdrafts &amp; working capital demand loans from banks</b>					
7.01% - 8.00%	-	-	-	-	-
8.01% - 9.00%	44,900.00	-	-	-	44,900.00
<b>Total</b>	<b>44,900.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>44,900.00</b>
<b>External commercial borrowing (ECBs)</b>					
3 Month SOFR + 100 bps to 160 bps	-	82,296.37	-	-	82,296.37
<b>Total</b>	<b>-</b>	<b>82,296.37</b>	<b>-</b>	<b>-</b>	<b>82,296.37</b>
<b>Total borrowings (Other than debt securities)</b>	<b>4,22,363.71</b>	<b>9,53,481.26</b>	<b>5,16,832.98</b>	<b>1,27,046.99</b>	<b>20,19,724.94</b>

All term loans from banks and financial institutions, working capital demand loans and ECBs are secured by pari-passu charge on the education loan receivables of the Company.

The borrowings have not been guaranteed by directors or others. Also there is no default in repayment of borrowings and interest thereon.

Term loans and working capital demand loans are borrowed at floating rate of interest.

Term loans are repayable in quarterly/half yearly installments after moratorium period and ECBs are repayable in annual/bullet repayment on maturity date.

During the year, the Company has availed External Commercial Borrowing (ECBs) of USD 747 million (previous year 100 million) for further lending of education loans as per the ECB guidelines issued by RBI from time to time. The borrowing has a maturity of 3-5 years. In terms of RBI guidelines, borrowings have been swapped into rupees by way of principal only swaps. The coupon on the borrowing is hedged through interest rate swap. The currency exposure on the interest on ECBs has not been hedged.

The Company has used the borrowings from the banks and the financial institutions for the purpose for which it was taken.

## Notes to the Financial Statements

As at March 31 2025

### 18 SUBORDINATED LIABILITIES - AT AMORTISED COST

See material accounting policy in note no 3.2

(₹ in Lakhs)		
Particulars	As at March 31, 2025	As at March 31, 2024
Subordinated Tier II non convertible Debentures.	1,09,000.00	1,09,000.00
Perpetual Debt Instruments	47,500.00	57,500.00
<b>Sub Total</b>	<b>1,56,500.00</b>	<b>1,66,500.00</b>
Less : Unamortised borrowing cost	(609.39)	(709.71)
Less : Fair value impact of hedged risk component (interest rate risk)	(1,072.94)	(2,306.61)
<b>Total Subordinated liabilities (A)</b>	<b>1,54,817.67</b>	<b>1,63,483.68</b>
Subordinated liabilities in India	1,54,817.67	1,63,483.68
Subordinated liabilities outside India	-	-
<b>Total (B) to tally with (A)</b>	<b>1,54,817.67</b>	<b>1,63,483.68</b>

### 18.1 Terms of subordinated liabilities and repayment as at March 31, 2025

(₹ in Lakhs)					
Particulars	0-1 year	1-3 years	3-5 years	> 5 years	Total
<b>Subordinated liabilities</b>					
<b>Subordinated debts</b>					
8.01% - 9.00%	-	9,989.13	-	37,421.44	47,410.57
9.01% - 10.00%	9,997.74	-	43,665.50	7,455.40	61,118.64
<b>Total</b>	<b>9,997.74</b>	<b>9,989.13</b>	<b>43,665.50</b>	<b>44,876.84</b>	<b>1,08,529.21</b>
<b>Perpetual debt instruments</b>					
8.01% - 9.00%	-	4,992.68	-	29,878.88	34,871.56
9.01% - 10.00%	-	-	7,490.31	-	7,490.31
10.01% - 11.00%	4,999.53	-	-	-	4,999.53
<b>Total</b>	<b>4,999.53</b>	<b>4,992.68</b>	<b>7,490.31</b>	<b>29,878.88</b>	<b>47,361.40</b>
<b>Total borrowings (Other than debt securities)</b>	<b>14,997.27</b>	<b>14,981.81</b>	<b>51,155.81</b>	<b>74,755.72</b>	<b>1,55,890.61</b>

The above table does not include unrealised gain of ₹ 808.04 lakhs on subordinated debts and unrealised gain of ₹ 264.90 lakhs on perpetual debt instruments on account of fair value impact of hedge risk component (interest rate risk).

### Terms of subordinated liabilities and repayment as at March 31, 2024

(₹ in Lakhs)					
Particulars	0-1 year	1-3 years	3-5 years	> 5 years	Total
<b>Subordinated liabilities</b>					
<b>Subordinated debts</b>					
8.01% - 9.00%	-	-	9,985.71	37,413.80	47,399.51
9.01% - 10.00%	-	9,993.65	-	51,056.59	61,050.24
<b>Total</b>	<b>-</b>	<b>9,993.65</b>	<b>9,985.71</b>	<b>88,470.39</b>	<b>1,08,449.75</b>
<b>Perpetual debt instruments</b>					
8.01% - 9.00%	-	-	4,990.36	29,867.92	34,858.28
9.01% - 10.00%	-	-	7,487.79	-	7,487.79
10.01% - 11.00%	4,998.18	4,997.36	-	-	9,995.54
11.01% - 12.00%	4,998.93	-	-	-	4,998.93
<b>Total</b>	<b>9,997.11</b>	<b>4,997.36</b>	<b>12,478.15</b>	<b>29,867.92</b>	<b>57,340.54</b>
<b>Total borrowings (Other than debt securities)</b>	<b>9,997.11</b>	<b>14,991.01</b>	<b>22,463.86</b>	<b>1,18,338.31</b>	<b>1,65,790.29</b>

The above table does not include unrealised gain of ₹ 1,655.46 lakhs on fair valuation of subordinated debts designated at FVTPL and unrealised gain of ₹ 651.15 lakhs on fair valuation of perpetual debt instruments designated at FVTPL.

## Notes to the Financial Statements

As at March 31 2025

All subordinated liabilities are unsecured and have bullet repayment on maturity date.

(₹ in Lakhs)		
Particulars	As at March 31, 2025	As at March 31, 2024
Perpetual debt instrument qualifies as Tier I capital under RBI guidelines	47,500.00	35,656.46
Outstanding Subordinated debt *	1,07,721.16	1,06,794.29
% of book value of the subordinated debt is considered as Tier II capital for the purpose of the capital adequacy computation based on balance term to maturity	77%	89%

\* These debentures are subordinated to present and future senior indebtedness of the Company and qualify as Tier II capital under RBI guidelines for assessing capital adequacy

### 19 OTHER FINANCIAL LIABILITIES

See material accounting policy in note no 3.2 and 3.16

(₹ in Lakhs)		
Particulars	As at March 31, 2025	As at March 31, 2024
Interest accrued but not due on borrowing	27,476.35	22,242.27
Credit Support Annexure (CSA) margin received	3,372.42	715.78
Instalments on education loans received in advance (including interest received in advance)	408.55	267.76
Lease liabilities [Refer Note 19.1]	6,458.81	3,590.16
Payable to assignment partners	346.02	-
Others	354.89	286.70
<b>Total</b>	<b>38,417.04</b>	<b>27,102.67</b>

#### 19.1 Leases:

See material accounting policy in note no 3.16

In accordance with the Ind AS 116 on "Leases", the following disclosures in respect of operating leases are made:

The Company has acquired its office premises on operating lease basis for periods ranging from 1 year to 9 years.

The Company has recognised lease liabilities and right to use assets as follows:

(₹ in Lakhs)		
Particulars	As at March 31, 2025	As at March 31, 2024
<b>I. Lease liabilities</b>		
Opening balance	3,590.16	1,680.66
Add: Lease liabilities recognised during the year	4,727.58	2,819.72
Less: Lease liabilities written off during the year	(823.37)	(150.75)
Add: Interest accrued on lease liabilities	452.05	227.91
Less: Lease payments	(1,487.61)	(987.38)
<b>Closing balance of lease liabilities</b>	<b>6,458.81</b>	<b>3,590.16</b>
<b>II. Right of use assets (RoU assets)</b>		
Opening balance	3,371.10	1,569.05
Add: RoU assets recognised during the year	4,796.84	2,849.32
Less: RoU assets written off during the year	(729.67)	(149.23)
Less: Depreciation on RoU assets	(1,349.88)	(898.04)
<b>Closing balance of RoU assets</b>	<b>6,088.39</b>	<b>3,371.10</b>

## Notes to the Financial Statements

As at March 31 2025

### Lease liabilities and lease cash flows

(₹ in Lakhs)		
Particulars	As at March 31, 2025	As at March 31, 2024
<b>Maturity analysis- contractual undiscounted cash flows</b>		
Less than one year	1,733.95	1,195.15
One to five years	5,440.10	2,857.26
More than five years	845.11	264.93
<b>Total undiscounted lease liabilities</b>	<b>8,019.16</b>	<b>4,317.34</b>
<b>Lease liabilities included in the financial statements</b>	<b>6,458.81</b>	<b>3,590.16</b>

### Amount recognised in Statement of profit and loss

(₹ in Lakhs)		
Particulars	As at March 31, 2025	As at March 31, 2024
Interest on lease liabilities charged to finance cost	452.05	227.91
Depreciation charge for the period on RoU assets	1,349.88	898.04
Expense relating to short-term leases	157.22	102.71
<b>Total</b>	<b>1,959.15</b>	<b>1,228.66</b>

Cash out flow on account of lease payments is ₹ 1,644.83 lakhs (as at March 31, 2024: ₹ 1,090.08 lakhs)

### 20 CURRENT TAX LIABILITY (NET)

See material accounting policy in note no 3.9

(₹ in Lakhs)		
Particulars	As at March 31, 2025	As at March 31, 2024
Provision for income tax	50,617.09	-
Less: Advance Tax	49,728.22	-
<b>Total</b>	<b>888.87</b>	<b>-</b>

### 21 PROVISIONS

See material accounting policy in note no 3.8

(₹ in Lakhs)		
Particulars	As at March 31, 2025	As at March 31, 2024
Provision for employee benefits		
- Gratuity	849.11	484.21
- Compensated absences	87.23	48.86
	<b>936.34</b>	<b>533.07</b>
Provision for expected credit loss on undisbursed commitment	685.62	656.71
<b>Total</b>	<b>1,621.96</b>	<b>1,189.78</b>

# Notes to the Financial Statements

As at March 31 2025

## 22 OTHER NON FINANCIAL LIABILITIES

See material accounting policy in note no 3.8

(₹ in Lakhs)		
Particulars	As at March 31, 2025	As at March 31, 2024
Origination fees received in advance*	3,678.48	5,027.03
Statutory dues	2,687.89	4,270.29
Employee benefit payable	3,439.33	2,537.10
<b>Total</b>	<b>9,805.70</b>	<b>11,834.42</b>

\*This amount pertains to origination fees which is currently not forming integral part of the financial assets - loans and not getting amortized as per effective interest rate method.

## 23 SHARE CAPITAL

See material accounting policy in note no 3.2

(₹ in Lakhs)		
Particulars	As at March 31, 2025	As at March 31, 2024
<b>Authorised</b>		
30,00,00,000 Equity shares of ₹ 10 each	30,000.00	30,000.00
<b>Total</b>	<b>30,000.00</b>	<b>30,000.00</b>
<b>Issued, subscribed and fully paid up</b>		
21,87,87,715 (previous year 17,91,69,225) Equity shares of ₹ 10 each	21,878.77	17,916.92
<b>Total</b>	<b>21,878.77</b>	<b>17,916.92</b>

### 23.1 Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period:

Particulars	As at March 31, 2025		As at March 31, 2024	
	Number	₹ in lakh	Number	₹ in lakh
<b>Equity shares</b>				
At the beginning of the year	17,91,69,225	17,916.92	14,77,99,725	14,779.97
Issued during the period against Rights Issue*	1,36,50,331	1,365.03	1,02,71,460	1,027.15
Issued during the period against ESOP-22 scheme **	-	-	19,69,500	196.95
Issued during the period against Preferential Issue***	2,59,68,159	2,596.82	1,91,28,540	1,912.85
<b>At the end of the year</b>	<b>21,87,87,715</b>	<b>21,878.77</b>	<b>17,91,69,225</b>	<b>17,916.92</b>
<b>Issued and subscribed share capital</b>	<b>21,87,87,715</b>	<b>21,878.77</b>	<b>17,91,69,225</b>	<b>17,916.92</b>

#### Current year

\* 1,36,50,331 equity shares of ₹ 10/- each at a premium of ₹ 671.50/- per share pursuant to rights issue on July 24, 2024.

\*\*\* Pursuant to preferential issue, 2,20,10,272 equity shares of ₹ 10/- each at a premium of ₹ 671.50/- per share on June 28, 2024 to Shinhan Bank Co. Ltd and 39,57,887 equity shares of ₹ 10/- each at a premium of ₹ 671.50/- per share on October 14, 2024 to HDFC Life Insurance Company Limited

#### Previous year

\* The Company had allotted 10,271,460 equity shares of face value ₹ 10 each to HDFC Bank Limited [erstwhile Housing Development Finance Corporation Limited ("HDFC Limited")], amounting to ₹ 70,000.00 lakhs on June 29, 2023, including premium of ₹ 671.50 per share, pursuant to a rights issue.

\*\* The Company has on 6 March 2024 allotted 19,69,500 equity shares of the face value of ₹ 10 each to the eligible employees of the Company under ESOP-2022 scheme, as amended from time to time.

\*\*\* The Company had allotted 1,53,02,832 equity shares to Kopvoorn B.V. ("EQT Group") and 34,69,507 equity shares to Moss Investments Limited, 1,98,144 equity shares to Defati Investments Holding B.V., 1,58,057 equity shares to Infinity Partners ("ChrysCapital Group") amounting to ₹ 1,30,361.00 lakhs on March 20, 2024, including premium of ₹ 671.50 per share, pursuant to a preferential issue.

# Notes to the Financial Statements

As at March 31 2025

## 23.2 Details of shareholders holding more than 5 percent shares in the Company are given below:

Particulars	As at March 31, 2025		As at March 31, 2024	
	Number	% shareholding	Number	% shareholding
<b>Equity shares held by</b>				
Kopvoorn B.V.	13,99,36,441	63.96%	12,90,16,176	72.01%
Moss Investments Limited	3,17,26,838	14.50%	2,92,50,961	16.33%
Shinhan Bank Co. Limited	2,20,10,272	10.06%	-	0.00%
HDFC Bank Limited *	1,78,99,005	8.18%	1,78,99,005	9.99%
<b>Total</b>	<b>21,15,72,556</b>	<b>96.70%</b>	<b>17,61,66,142</b>	<b>98.33%</b>

\*including shares held by nominee shareholders as at March 31, 2024, transferred to HDFC Bank Limited during FY 2024-25

## 23.3 Details of shareholding of promoters are given below:

### As at March 31, 2025

Shares held by promoter are as below:

Sr. No.	Promoter name	No. of shares	% of total shares	% Change during the year
i.	Kopvoorn B.V.	13,99,36,441	63.96%	-8.05%
	<b>Total</b>	<b>13,99,36,441</b>	<b>63.96%</b>	<b>-8.05%</b>

### As at March 31, 2025

Shares held by promoter are as below:

Sr. No.	Promoter name	No. of shares	% of total shares	% Change during the year
i.	HDFC Bank Limited * (upto March 18, 2024)	1,78,99,005	9.99%	90.01%
	<b>Total</b>	<b>1,78,99,005</b>		

\* including the shares held by nominee shareholders on behalf of HDFC Bank Limited

## 23.4 Terms and rights attached to equity shares

The Company has only one class of equity shares having par value of ₹ 10 each. Each holder of equity share is entitled to one vote per share. The holders of equity shares are entitled to dividends, if any, proposed by the Board of Directors and approved by shareholders at the Annual General Meeting.

In the event of liquidation of the Company, the holder of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

The Company has not allotted any shares pursuant to contracts without payment being received in cash or as bonus shares nor has it bought back any shares during the preceding period of five financial years.

The equity shares issued and allotted rank pari passu with the existing equity shares of the Company in all respect.

## Notes to the Financial Statements

As at March 31 2025

### 24 OTHER EQUITY

See material accounting policy in note no 3.2

(₹ in Lakhs)		
Particulars	As at March 31, 2025	As at March 31, 2024
Capital reserve	109.46	109.46
Securities premium	5,91,984.90	3,26,020.52
Statutory reserve	52,696.17	32,897.00
Retained earnings	2,04,190.43	1,24,993.76
Employee stock options reserve	1,293.99	278.00
Impairment reserve	1,641.11	1,641.11
Other comprehensive income		
- Remeasurement of the defined benefit plans	(197.21)	(108.09)
- Effective portion of cash flow hedges	(5,462.26)	511.26
- Fair value of investments	1,315.18	76.54
<b>Total</b>	<b>8,47,571.77</b>	<b>4,86,419.56</b>

#### 24.1 Nature of reserves

**Capital reserve:** It was created on account of non convertible debentures issue cost which were transferred to securities premium account during the financial year 2016-17.

**Securities premium :** Securities premium is credited when shares are issued at premium. It can be used to issue bonus shares, to provide for premium on redemption of redeemable preference shares or debentures, write-off of expenses on issue of equity shares or any other purpose as defined in the Act.

**Statutory reserve:** It has been created in terms of Section 45-IC (1) of the Reserve Bank of India Act, 1931 ("RBI Act") and the Company transfers at least 20% of its net profits every year to this reserve before any dividend is declared.

**Retained earnings:** Retained earnings are the profits that the Company has earned till date, less any transfers to statutory reserve and dividends paid to shareholders.

**Employee stock options reserve:** The Company has employee stock options scheme under which the eligible employees and key management personnel are granted stock options. Stock options granted are measured at fair value on the grant date using Black-Scholes model and amortised over the vesting period as employees share based payments expenses with corresponding credit in employee stock options reserve.

**Impairment reserve:** In terms of RBI notification on Implementation of Indian Accounting Standards, dated 13 March 2020 (as amended), Company has created impairment reserve. This reserve represents the difference where impairment allowance under Ind AS 109 is lower than the provisioning required under income recognition, asset classification and provisioning ("IRACP") norms issued by RBI.

#### Other comprehensive income:-

**Remeasurement of the defined benefit plans:** It represents the gain/ (loss) on account of actuarial valuation of defined benefit obligation.

**Effective portion of cash flow hedges:** It represents the cumulative gains/(losses) arising on revaluation of the hedging instruments and hedged item designated as cash flow hedges through OCI.

## Notes to the Financial Statements

As at March 31 2025

**Fair value of investments:** The Company recognises changes in the fair value of its investments in debt instruments held with a dual business objective of collect and sell in other comprehensive income. These changes are accumulated in the Fair Value of Investment (OCI). The Company transfers amounts from this reserve to profit or loss when the debt instrument is sold. Any impairment loss on such instruments is reclassified immediately to the statement of profit and loss.

### Reconciliation of movements in cash flow hedge:

(₹ in Lakhs)		
Particulars	As at March 31, 2025	As at March 31, 2024
<b>Risk category</b>		
<b>Derivative instruments</b>		
<b>Cash flow hedging reserve</b>		
Opening Balance	511.26	-
Add: Changes in fair value of interest rate swaps	(3,601.44)	944.22
Add: Changes in fair value of principal only swaps	(4,381.13)	(261.00)
Less: Income tax relating to above (net)	2,009.05	(171.96)
<b>Closing Balance</b>	<b>(5,462.26)</b>	<b>511.26</b>

### 25 INTEREST INCOME

See material accounting policy in note no 3.1.1

(₹ in Lakhs)		
Particulars	Year ended March 31, 2025	Year ended March 31, 2024
<b>On financial assets measured at amortised cost</b>		
Interest on education loans	4,16,557.46	2,53,535.46
Interest on fixed deposits with banks	17,446.52	3,902.47
Other interest income	277.09	33.22
<b>Sub total</b>	<b>4,34,281.07</b>	<b>2,57,471.15</b>
<b>On financial assets measured at fair value through other comprehensive income</b>		
Interest income from investments	12,379.64	4,627.94
<b>Total</b>	<b>4,46,660.71</b>	<b>2,62,099.09</b>

Interest income on Stage 3 assets is recognised on the net carrying value (the gross carrying value as reduced by the impairment loss allowance). Accordingly the total interest income is net of such interest on credit impaired assets amounting to ₹ 213.10 lakhs (previous year: ₹ 38.87 lakhs).

## Notes to the Financial Statements

For the year ended March 31 2025

### 26 FEES AND COMMISSION INCOME

See material accounting policy in note no 3.1.3 and 3.1.4

(₹ in Lakhs)		
Particulars	Year ended March 31, 2025	Year ended March 31, 2024
<b>Nature of Income</b>		
Commission	18,100.73	10,136.73
Origination fees	3,343.06	1,495.41
Other fees	413.67	260.80
<b>Total</b>	<b>21,857.46</b>	<b>11,892.94</b>
<b>Geographical markets</b>		
India	21,857.46	11,892.94
Outside India	-	-
<b>Total</b>	<b>21,857.46</b>	<b>11,892.94</b>
<b>Timing of recognition of revenue</b>		
Performance obligation satisfied at a point in time	21,857.46	11,892.94
Performance obligation satisfied over a period of time	-	-
<b>Total</b>	<b>21,857.46</b>	<b>11,892.94</b>

### 27 NET GAIN ON FAIR VALUE CHANGES

See material accounting policy in note no 3.1.2

(₹ in Lakhs)		
Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Net gain/(loss) on financial instruments at fair value through profit or loss		
- Investments	2,748.36	2,904.13
Net gain/(loss) on financial instruments designated at fair value through profit or loss		
- Derivatives	53.09	207.73
Profit/(Loss) on sale of investment reclassified from OCI	(4.95)	-
<b>Total</b>	<b>2,796.50</b>	<b>3,111.86</b>
Fair value changes :		
- Realised	2,687.18	2,932.36
- Unrealised	109.32	179.50
<b>Total</b>	<b>2,796.50</b>	<b>3,111.86</b>

## Notes to the Financial Statements

For the year ended March 31 2025

### 28 FINANCE COSTS

See material accounting policy in note no 3.11

(₹ in Lakhs)		
Particulars	Year ended March 31, 2025	Year ended March 31, 2024
<b>On Financial liabilities measured at amortised cost</b>		
Interest on		
- Debt securities	44,094.43	33,261.90
- Borrowings (other than debt securities)	2,28,386.78	1,25,448.38
- Subordinated liabilities	15,486.57	13,864.27
- Lease liabilities	452.08	227.91
Other charges	924.40	299.83
<b>Total</b>	<b>2,89,344.26</b>	<b>1,73,102.29</b>

### 29 EMPLOYEE BENEFIT EXPENSES

See material accounting policy in note no 3.7

(₹ in Lakhs)		
Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Salaries and bonus	13,442.07	9,754.52
Employees share based payments expenses (refer note 39)	1,015.99	4,105.95
Contribution to provident fund	511.04	371.10
Gratuity (refer note 32)	316.80	122.31
Compensated absences	53.61	26.24
Staff welfare expenses	454.56	313.68
<b>Total</b>	<b>15,794.07</b>	<b>14,693.80</b>

### 30 OTHER EXPENSES

(₹ in Lakhs)		
Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Advertisements and publicity	1,620.56	991.48
Computer expenses	3,447.06	1,795.39
Outsourcing charges	3,794.52	2,898.81
Legal and professional charges	3,973.35	3,647.38
Auditors' fees and expenses (refer note 30.1.1)	124.78	62.44
Communication costs	231.36	152.07
Travelling and conveyance	481.12	371.03
Printing and stationery	36.98	47.59
Electricity expenses	146.34	97.98
Rent	157.22	102.71
Repairs and maintenance	369.57	222.74
Rates and taxes	78.96	99.18
Directors' sitting fees and commission	282.00	115.00
Directors' liability insurance	2.70	7.20
Loss on property, plant and equipment sold or discarded	6.30	10.14
Corporate social responsibility expenses	910.93	584.10
Other expenditure	2,142.96	1,145.91
<b>Total</b>	<b>17,806.71</b>	<b>12,351.15</b>

## Notes to the Financial Statements

For the year ended March 31 2025

### 30.1 Other expenses

#### 30.1.1 Payments to auditors

(₹ in Lakhs)		
Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Audit fees	65.00	30.00
Internal control over financial reporting fees	7.00	5.00
Limited reviews	36.25	18.75
Other matters and certification	13.25	6.25
Reimbursement of expenses	3.28	2.44
<b>Total</b>	<b>124.78</b>	<b>62.44</b>

Payments to auditors above is excluding Goods and Service Tax.

#### 30.1.2 Expenditure incurred for corporate social responsibility

- a. Gross amount required to be spent by the Company during the year is ₹ 903.88 lakhs (previous year: ₹ 573.65 lakhs).
- b. The details of amounts spent towards corporate social responsibility are as under:

##### During the financial year 2024-25

(₹ in Lakhs)		
Particulars	Amount spent	Amount unpaid / provision
a) Construction/acquisition of any asset	-	-
b) On purposes other than (a) above	910.93	-

##### During the financial year 2023-24

(₹ in Lakhs)		
Particulars	In cash	Yet to be paid
a) Construction/acquisition of any asset	-	-
b) On purposes other than (a) above	584.10	-

### c. Additional disclosures in respect of corporate social responsibility

(₹ in Lakhs)		
Particulars	FY 24-25	FY 23-24
Shortfall at the end of the year	Nil	Nil
Total of previous years shortfall	Nil	Nil
Reason for shortfall	Not applicable	Not applicable
Amount paid to related party	Nil	Nil

## Notes to the Financial Statements

For the year ended March 31 2025

### d. Nature of CSR activities

(₹ in Lakhs)			
Sr. No.	Nature of CSR activity	FY 24-25	FY 23-24
1	Eradicating hunger, poverty and promoting education	-	35.00
2	Girl child empowerment	35.00	28.00
3	Promoting education	536.57	226.00
4	Promoting health care	220.00	184.10
5	Promoting special education and health among the differently abled	70.00	40.27
6	Water, Sanitation and Hygiene (WASH)	-	46.70
7	Administrative overheads	34.68	20.03
8	Impact assessment	14.68	4.00
<b>Total</b>		<b>910.93</b>	<b>584.10</b>

## 31 IMPAIRMENT ON FINANCIAL INSTRUMENTS

See material accounting policy in note no 3.2.4

(₹ in Lakhs)		
Particulars	Year ended March 31, 2025	Year ended March 31, 2024
<b>On financial assets measured at amortised cost</b>		
Loans (including ECL on undisbursed commitment)	13,663.84	4,834.40
Loans written off	703.37	144.12
Trade receivables and Other Advances	286.97	-
<b>Total</b>	<b>14,654.18</b>	<b>4,978.52</b>

## 32 EMPLOYEE BENEFIT EXPENSES

See material accounting policy in note no 3.7

As required by Ind AS 19 - "Employee Benefits", the following disclosures have been made :

### 1 Defined contribution plans

The Company makes provident fund contribution which is defined contribution plans, for qualifying employees. Under the schemes, the Company is required to contribute a specified percentage of the salary cost to fund the benefits. The Company recognised ₹ 511.04 lakhs (previous year 371.10 lakhs) for provident fund contributions in the statement of profit and loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

### 2 Defined benefit plan

The Company has an obligation towards gratuity, a funded defined benefit plan covering certain eligible employees. The plan provides for lump sum payment to vested employees at retirement, death while in employment or on

termination of the employment of an amount equivalent to 15 days salary payable for each completed year of service or part thereof in excess of six months (previous year : subject to limit of ₹ 20 lakhs). Vesting occurs upon completion of five year of service.

### a Characteristics of the defined benefit plan -

The benefits are governed by the Payment of Gratuity Act, 1972 or Company scheme rules, whichever is higher. The key features of the plan are as under:

Type of plan - Post employment benefit

Benefits offered - 15/ 26 × salary × duration of service

Salary definition - Last drawn basic salary including dearness allowance (if any)

Benefit ceiling - NA (previous year : subject to limit of ₹ 20 lakhs).

Vesting conditions - 5 years of continuous service (not applicable in case of death/disability)

## Notes to the Financial Statements

For the year ended March 31 2025

Benefit eligibility - Upon death or resignation / withdrawal or retirement

Retirement age - 58 years

**b Risks associated with defined benefit plan -**

**i. Actuarial risk:**

It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:

Adverse salary growth experience: Salary hikes that are higher than the estimated salary escalation will result into an increase in obligation at a rate that is higher than expected.

Variability in mortality rates: If actual mortality rates are higher than estimated mortality rate assumption than the gratuity benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cashflow will lead to an actuarial loss or gain depending on the relative values of the estimated salary growth and discount rate.

Variability in withdrawal rates: If actual withdrawal rates are higher than estimated withdrawal rate assumption then the gratuity benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

**ii. Investment risk:**

For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the

**c Details of Company's funded post-retirement benefit plan for its employees are given below which is certified by the actuary :**

(₹ in Lakhs)		
	Gratuity	
	2024-25	2023-24
<b>I Components of employer expense</b>		
1 Current service cost	142.33	93.98
2 Past service cost	137.67	-
3 Net interest cost	36.80	28.33
4 Expected return on plan assets	-	-
5 Actuarial loss/(gain)	-	-
6 Losses/(gains) on curtailments & settlement	-	-
7 Total expense recognised in the statement of profit and loss	316.80	122.31

liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

**iii. Liquidity risk:**

Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign/retire from the Company there can be strain on the cashflows.

**iv. Market risk:**

Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in defined benefit obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate/government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

**v. Legislative risk:**

Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/regulation. The government may amend the Payment of Gratuity Act thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the defined benefit obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

## Notes to the Financial Statements

For the year ended March 31 2025

(₹ in Lakhs)		
	Gratuity	
	2024-25	2023-24
<b>II Net liability recognised in the balance sheet</b>		
1 Present value of defined benefit obligation	888.80	531.81
2 Fair value of plan assets	(39.69)	(47.59)
3 Unrecognised past service cost	-	
4 Net liability recognised in the balance sheet	849.11	484.22
- Short-term provisions	207.77	106.60
- Long-term provisions	641.34	377.62
<b>III Changes in defined benefit obligation</b>		
1 Present value of defined benefit obligation as at the beginning of the year	531.81	393.57
2 Current service cost	142.33	93.98
3 Interest cost	42.20	31.26
4 Actuarial loss/(gain)	115.81	54.37
5 Past service cost	137.67	-
6 Benefits paid	(81.02)	(41.37)
7 Present value of defined benefit obligation as at the end of the year	888.80	531.81
<b>IV Reconciliation of Liability</b>		
1 Opening net liability	484.21	366.51
2 Expenses recognised	316.80	122.31
3 Other comprehensive income	119.10	55.39
4 Benefits paid	-	
5 Contribution to plan assets	(71.00)	(60.00)
6 Amount recognised in the balance sheet under provision for employee benefits	849.11	484.21
- Short-term provisions	207.77	106.59
- Long-term provisions	641.34	377.62
<b>V Reconciliation of Plan Assets</b>		
1 Opening value of plan assets	47.59	27.06
2 Expenses incurred in the fund	-	-
3 Expected return	5.40	2.92
4 Actuarial gains/(losses)	(3.28)	(1.02)
5 Contribution by employer	71.00	60.00
6 Benefits paid	(81.02)	(41.37)
7 Closing value of plan assets	39.69	47.59
<b>VI Actual return on Plan Assets</b>		
1 Expected return on plan assets	5.40	2.92
2 Actuarial gain on plan assets	(3.28)	(1.02)
3 Actual return on plan assets	-	-

## Notes to the Financial Statements

For the year ended March 31 2025

(₹ in Lakhs)		
Gratuity		
	2024-25	2023-24
<b>VII Actuarial assumptions</b>		
1 Discount rate	6.80%	7.20%
2 Return on plan assets	6.80%	7.20%
3 Attrition rate	15.00%	15%
4 Salary escalation rate	10.00%	7.00%
5 Mortality rate	Indian Assured Lives Mortality (2012-14) Table	
<b>VIII Sensitivity analysis for actuarial assumptions</b>		
<b>Sensitivity to key assumptions</b>		
<b>Discount rate sensitivity</b>		
Increase by 0.5%	860.82	518.42
(% change)	(3.15%)	(2.52%)
Decrease by 0.5%	918.38	545.86
(% change)	3.33%	2.64%
<b>Salary growth rate sensitivity</b>		
Increase by 0.5%	917.36	542.21
(% change)	3.21%	1.96%
Decrease by 0.5%	861.50	521.66
(% change)	(3.07%)	(1.91%)
<b>Withdrawal rate (W.R.) Sensitivity</b>		
W.R. x 110%	865.43	531.15
(% change)	(2.63%)	(0.12%)
W.R. x 90%	914.80	531.78
(% change)	2.93%	0.00%

### A description of methods used for sensitivity analysis and its limitations:

Sensitivity analysis is performed by varying a single parameter while keeping all the other parameters unchanged.

Sensitivity analysis fails to focus on the interrelationship between underlying parameters. Hence, the results may vary if two or more variables are changed simultaneously.

The method used does not indicate anything about the likelihood of change in any parameter and the extent of the change if any.

**IX** The assumption of the future salary increases, considered in actuarial valuation, takes into account the inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. The discount rate is based on the prevailing market yields of Government Securities as at the balance sheet date for the estimated term of the obligations.

## Notes to the Financial Statements

For the year ended March 31 2025

### X Experience adjustments:

#### Gratuity

(₹ in Lakhs)					
Particulars	2024-25	2023-24	2022-23	2021-22	2020-21
1 Present value of defined benefit obligation	888.80	531.80	393.57	327.64	313.54
2 Present value of defined benefit assets	(39.69)	(47.59)	(27.06)	(15.25)	(7.91)
3 Experience adjustment on plan liabilities	26.56	50.48	43.51	3.44	8.46
4 Experience adjustment on plan assets	(3.28)	(1.02)	(0.52)	(0.14)	0.18
5 Unrecognised past service cost	-	-	-	-	-
6 (Excess)/short of obligation over plan assets	849.11	484.21	366.51	312.39	305.63

The Company expects to contribute approximately ₹ 207.77 lakhs (previous year: ₹ 106.59 lakhs)

Gratuity		
	2024-25	2023-24
<b>XI Investment pattern</b>		
Policy of insurance*	82.00%	64.00%
Bank balance	18.00%	36.00%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>

\* Components of investment by the insurance company are:

Gratuity		
	2024-25	2023-24
Government Securities	11.57%	43.52%
Corporate bonds		
- AAA	43.64%	33.11%
- AA+	38.51%	16.81%
- AA	2.33%	0.61%
Cash, deposits, MMI	3.95%	5.95%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>

#### Compensated absences

The actuarial liability of compensated absences of privilege leave of the employees of the Company is ₹ 87.23 lakhs (previous year ₹ 48.86 lakhs)

## Notes to the Financial Statements

For the year ended March 31 2025

### 33 INCOME TAXES

#### 33.1 Income tax recognised in profit or loss

See material accounting policy in note no 3.9

(₹ in Lakhs)		
Particulars	Year ended March 31, 2025	Year ended March 31, 2024
<b>Current tax</b>		
In respect of the current year	32,750.66	18,511.75
In respect of prior years	-	(314.73)
<b>Total current tax</b>	<b>32,750.66</b>	<b>18,197.02</b>
<b>Deferred tax</b>		
In respect of the current year	850.62	(244.17)
<b>Total income tax expense recognised in the current year relating to continuing operations</b>	<b>33,601.28</b>	<b>17,952.85</b>

#### 33.2 Reconciliation of income tax expense of the year can be reconciled to the accounting profit as follows:

(₹ in Lakhs)		
Particulars	Year ended March 31, 2025	Year ended March 31, 2024
(i) Profit before tax	1,32,597.12	70,836.74
(ii) Income tax expense calculated at 25.168% on (i) above	33,372.04	17,828.19
(iii) Effect of expenses that are not deductible in determining taxable profit	229.24	147.01
(iv) Adjustments in respect of current income tax of prior years	-	(314.73)
(v) Others	-	292.38
(vi) <b>Income tax expense recognised in statement of profit and loss [(ii) + (iii) + (iv) + (v)]</b>	<b>33,601.28</b>	<b>17,952.85</b>
(vii) <b>Effective tax rate [(iv) / (i)]</b>	<b>25.34%</b>	<b>25.34%</b>

The tax rate used for the reconciliations above is the corporate tax rate of 25.168% payable by the corporate entities in India on taxable profits under tax law in Indian jurisdiction.

### 34 EARNINGS PER SHARE ("EPS")

See material accounting policy in note no 3.14

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

In accordance with the Ind AS 33 - "Earnings Per Share", following disclosures are made:

Particulars	Units	Year ended March 31, 2025	Year ended March 31, 2024
Net Profit after tax	₹ in lakhs	98,995.84	52,883.89
Less: Dividend on preference shares and attributable tax thereon	₹ in lakhs	-	-
Net Profit after tax for basic EPS	₹ in lakhs	98,995.84	52,883.89
Weighted average number of equity shares for calculating basic earnings per share	Numbers	20,70,92,407	15,63,40,555
Face value of equity shares	₹	10	10
<b>Basic earnings per share</b>	<b>₹</b>	<b>47.80</b>	<b>33.83</b>
Net Profit after tax for diluted EPS	₹ in lakhs	98,995.84	52,883.89
Weighted average number of equity shares for calculating diluted earnings per share	Numbers	20,75,61,475	15,64,36,615
Face value of equity shares	₹	10	10
<b>Diluted earnings per share</b>	<b>₹</b>	<b>47.69</b>	<b>33.81</b>

## Notes to the Financial Statements

For the year ended March 31 2025

Weighted average number of shares outstanding during the year for diluted earnings per share:

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
	Numbers	Numbers
Weighted average number of shares of ₹ 10 each outstanding during the year – for calculating basic earnings per share	20,70,92,407	15,63,40,555
Add: Diluted effect of outstanding stock options	4,69,068	96,060
Weighted average number of shares of ₹ 10 each outstanding during the year – for calculating diluted earnings per share	20,75,61,475	15,64,36,615

The reconciliation between basic and diluted earnings per share is as follows:

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Basic earnings per share	47.80	33.83
Dilution effect of outstanding stock options	(0.11)	(0.02)
Diluted earnings per share	47.69	33.81

### 35 MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The table below shows an analysis of assets and liabilities according to when they are expected to be recovered or settled, based on the prepayment and refinance assumptions approved by the Asset Liability Management Committee of the Company.

(₹ in Lakhs)						
Particulars	As at March 31, 2025			As at March 31, 2024		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets						
Financial assets						
Cash and cash equivalents	2,66,662.68	-	2,66,662.68	1,47,109.01	-	1,47,109.01
Bank balance other than (a) above	1,33,660.25	131.27	1,33,791.52	65,260.90	29.12	65,290.02
Derivative financial instruments	3,982.32	3,512.48	7,494.80	1,938.02	944.22	2,882.24
Trade receivables	2,199.42	-	2,199.42	2,036.54	-	2,036.54
Loans	5,78,663.21	35,68,267.56	41,46,930.77	3,89,658.24	24,18,663.33	28,08,321.57
Investments	2,37,813.46	-	2,37,813.46	53,233.17	59,301.94	1,12,535.11
Other financial assets	3,387.59	1,261.45	4,649.04	580.55	4,982.61	5,563.16
Non-financial assets						
Current tax asset	-	0.24	0.24	-	362.07	362.07
Deferred tax assets (net)		2,677.37	2,677.37	-	3,008.20	3,008.20
Property, plant and equipment	-	7,702.23	7,702.23	-	4,096.55	4,096.55
Capital work in progress	-	364.06	364.06	-	451.98	451.98
Intangible assets	-	3,241.25	3,241.25		161.73	161.73
Intangible assets under development	-	1,575.07	1,575.07	-	3,043.42	3,043.42
Other non-financial assets	4,301.22	47.32	4,348.54	1,735.26	-	1,735.26
Total assets	12,30,670.15	35,88,780.30	48,19,450.45	6,61,551.69	24,95,045.17	31,56,596.86

## Notes to the Financial Statements

As at March 31 2025

(₹ in Lakhs)						
Particulars	As at March 31, 2025			As at March 31, 2024		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
<b>Liabilities</b>						
<b>Financial liabilities</b>						
Derivative financial instruments	149.99	6,864.20	7,014.19	706.34	5,500.03	6,206.37
Trade payables						
(i) Total outstanding dues of creditors micro enterprises and small enterprises	29.89	-	29.89	25.65	-	25.65
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	5,211.81	109.00	5,320.81	2,618.87	-	2,618.87
Debt securities	2,43,705.33	3,49,925.13	5,93,630.46	1,73,382.03	2,46,691.97	4,20,074.00
Borrowings (other than debt securities)	7,21,013.68	24,17,439.64	31,38,453.32	4,22,363.71	15,97,361.23	20,19,724.94
Subordinated liabilities	14,918.42	1,39,899.25	1,54,817.67	9,997.11	1,53,486.57	1,63,483.68
Other financial liabilities	33,190.16	5,226.88	38,417.04	23,710.71	3,391.96	27,102.67
<b>Non-financial liabilities</b>						
Current tax liability	888.87	-	888.87	-	-	-
Provisions	220.12	1,401.84	1,621.96	111.04	1,078.74	1,189.78
Other non-financial liabilities	9,805.70	-	9,805.70	11,834.42	-	11,834.42
<b>Total liabilities</b>	<b>10,29,133.97</b>	<b>29,20,865.94</b>	<b>39,49,999.91</b>	<b>6,44,749.88</b>	<b>20,07,510.50</b>	<b>26,52,260.38</b>
<b>Net</b>	<b>2,01,536.18</b>	<b>6,67,914.36</b>	<b>8,69,450.54</b>	<b>16,801.81</b>	<b>4,87,534.67</b>	<b>5,04,336.48</b>

### 36 CHANGE IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

See material accounting policy in note no 3.2 & 3.12

#### 36.1 For the period ended March 31, 2025

(₹ in Lakhs)						
Particulars	March 31, 2024	Cash flows	Fair Value Impact	Forex Impact	Others*	March 31, 2025
Debt securities	4,20,074.00	1,56,575.95	2,615.85	-	14,364.66	5,93,630.46
Borrowings other than debt securities	20,19,724.93	11,03,140.49	-	11,286.85	4,301.05	31,38,453.32
Subordinated Liabilities	1,63,483.68	(10,000.00)	1,233.67	-	100.32	1,54,817.67
<b>Total liabilities from financing activities</b>	<b>26,03,282.61</b>	<b>12,49,716.44</b>	<b>3,849.52</b>	<b>11,286.85</b>	<b>18,766.03</b>	<b>38,86,901.45</b>

#### 36.2 For the period ended March 31, 2024

(₹ in Lakhs)						
Particulars	March 31, 2023	Cash flows	Fair Value Impact	Forex Impact	Others*	March 31, 2024
Debt securities	3,52,400.71	60,195.31	855.52	-	6,622.46	4,20,074.00
Borrowings other than debt securities	8,86,273.61	11,31,623.87	-	485.00	1,342.46	20,19,724.94
Subordinated Liabilities	1,26,847.82	36,083.88	495.11	-	56.87	1,63,483.68
<b>Total liabilities from financing activities</b>	<b>13,65,522.14</b>	<b>12,27,903.06</b>	<b>1,350.63</b>	<b>485.00</b>	<b>8,021.79</b>	<b>26,03,282.62</b>

\*Others column includes discount on commercial paper and amortisation of initial issue cost as per Ind AS.

## Notes to the Financial Statements

As at March 31 2025

Refer Note 19.1 for movement in lease liability.

### 37 RELATED PARTY DISCLOSURES

As per Ind AS 24 - "Related Party Disclosures", following disclosure are made:

#### 37.1 Details of related parties

##### 1 Holding Company

Kopvoorn B.V. (w.e.f. March 19, 2024)

HDFC Bank Limited (w.e.f. July 01, 2023 to March 18, 2024)

HDFC Limited (Up to June 30, 2023)

##### 2 Fellow subsidiaries with whom transactions have taken place during the current or previous year

HDFC ERGO General Insurance Company Limited (up to March 18, 2024)

HDFC Life Insurance Company Limited (up to March 18, 2024)

HDFC Sales Private Limited (up to March 18, 2024)

##### 3 Associates of Holding Company

HDFC Bank Limited (up to June 30, 2023)

HDFC Securities Limited (up to June 30, 2023)

##### 4 Key Management Personnel

Mr. Damodarannair Sundaram, Chairman and Independent Non-executive Director (w.e.f. March 20, 2024)

Mr. V. Srinivasa Rangan, Chairman (upto March 20, 2024) and Non-Executive Director

Mr. Ashish Agrawal, Non-Executive Director (w.e.f. March 20, 2024)

Mr. Jimmy Mahtani, Non-Executive Director (w.e.f. March 20, 2024)

Mr. Rajnish Kumar, Non-Executive Director (w.e.f. March 20, 2024)

Mr. Seung Hyo Han, Non-executive Director (w.e.f. June 28, 2024)

Mr. Satish Kumar Pillai, Non-Executive Director (w.e.f. June 28, 2024)

Mr. Ankit Singhal, Non-executive Director (w.e.f. November 12, 2024)

Mr. Sanjay Kukreja, Non-Executive Director (w.e.f. March 20, 2024 till November 11, 2024)

Mr. Kosmas Kalliarekos, Non-Executive Director (w.e.f. March 20, 2024 till June 28, 2024)

Mr. Abhijit Sen, Independent Non-executive Director (w.e.f. March 20, 2024)

Mr. Bharat Shah, Independent Non-executive Director (w.e.f. March 20, 2024)

Ms. Anuranjita Kumar, Independent Non-executive Director (w.e.f. March 20, 2024)

Mr. Biswamohan Mahapatra, Independent Director (upto March 20, 2024)

Mr. Sunil Shah, Independent Director (upto March 20, 2024)

Ms. Madhumita Ganguli, Non- Executive Director (upto March 20, 2024)

Mr. Rajesh Gupta, Independent Director (upto March 20, 2024)

Mr. Arijit Sanyal, Managing Director and Chief Executive Officer

Mr. Manjeet Bijlani, Chief Financial Officer

Ms. Karishma Jhaveri, Company Secretary (w.e.f. September 17, 2024)

Ms. Akanksha Kandoi, Company Secretary (upto June 24, 2024)

## Notes to the Financial Statements

As at March 31 2025

### 37.2 The related party transactions of the Company are summarised below :-

(₹ in Lakhs)			
Relationship and Name of Related Parties	Nature of Transaction	Year ended March 31, 2025	Year ended March 31, 2024
<b>Holding Company</b>			
Kopvoorn B.V.	Equity Infusion	74,421.61	1,04,290.00
Kopvoorn B.V.	Reimbursement/Others	-	395.31
HDFC Bank Limited (e-HDFC Ltd.)	Rent expenses	-	378.11
HDFC Bank Limited (e-HDFC Ltd.)	Technology support charges	-	25.26
HDFC Bank Limited (e-HDFC Ltd.)	Reimbursement of GST expenses on brand usage	-	16.39
HDFC Bank Limited (e-HDFC Ltd.)	Commission income for sourcing fixed deposits	-	15.59
HDFC Bank Limited (e-HDFC Ltd.)	Staff expenses of employees on deputation	-	2.33
HDFC Bank Limited (e-HDFC Ltd.)	Reimbursement of other expenses	-	0.72
HDFC Bank Limited (e-HDFC Ltd.)	Equity Infusion	-	70,000.00
HDFC Bank Limited (e-HDFC Ltd.)	Commission income for sourcing Home Loans	-	-
HDFC Bank Limited	Interest on term loans	-	16,687.99
HDFC Bank Limited	Commission on sourcing of education loans	-	3,641.03
HDFC Bank Limited	Loan processing fees	-	1,960.00
HDFC Bank Limited	Interest on term deposits	-	694.70
HDFC Bank Limited	Reimbursement/Others	-	273.07
HDFC Bank Limited	License fees for use of corporate logo	-	247.71
HDFC Bank Limited	Bank charges	-	3.85
HDFC Bank Limited	Forex Transactions	-	-
<b>Fellow subsidiary</b>			
HDFC Life Insurance Company Limited	Commission income for sourcing insurance	-	4,143.34
HDFC Life Insurance Company Limited	Contribution to group gratuity policy	-	45.00
HDFC Life Insurance Company Limited	Employees' group term insurance premium	-	2.41
HDFC Ergo General Insurance Company Limited	Commission income for sourcing insurance	-	37.61
HDFC Ergo General Insurance Company Limited	Employees' health insurance premium	-	64.87
HDFC Ergo General Insurance Company Limited	Directors' liability insurance premium	-	8.10
HDFC Ergo General Insurance Company Limited	Cyber Secuirity Insurance	-	-
HDFC Sales Private Limited	Commission on sourcing of education loans	-	318.61
<b>Directors</b>			
Mr. Damodarannair Sundaram	Sitting Fees	25.00	1.00
Mr. Rajnish Kumar	Sitting Fees	14.00	1.00
Mr. Satish Kumar Pillai	Sitting Fees	10.00	-
Mr. Abhijit Sen	Sitting Fees	24.00	1.00
Mr. Bharat Shah	Sitting Fees	16.00	1.00
Ms. Anuranjita Kumar	Sitting Fees	18.00	1.00
Mr. V. Srinivasa Rangan	Sitting Fees	-	10.00
Mr. B. Mahapatra	Sitting Fees	-	30.00
Mr. Sunil Shah	Sitting Fees	-	28.00
Mr. Rajesh Gupta	Sitting Fees	-	21.00
Ms. Madhumita Ganguli	Sitting Fees	-	21.00
Mr. B. Mahapatra	Commission *	15.00	-
Mr. Sunil Shah	Commission *	15.00	-
Mr. Rajesh Gupta	Commission *	15.00	-

## Notes to the Financial Statements

As at March 31 2025

(₹ in Lakhs)			
Relationship and Name of Related Parties	Nature of Transaction	Year ended March 31, 2025	Year ended March 31, 2024
<b>KMPs</b>			
Mr. Arijit Sanyal	Remuneration ^	1,153.16	2,173.82
Mr. Manjeet Bijlani	Remuneration ^	242.89	272.13
Ms. Karishma Jhaveri	Remuneration ^	47.48	-
Ms. Akanksha Kandoi	Remuneration ^	38.98	104.41

\* relating to financial year 2023-24

^ Includes employee related share based payment charged to statement of profit and loss over the vesting period in accordance with Ind AS 102

### 37.3 Balance Outstanding at the end of year

(₹ in Lakhs)			
Relationship and Name of Related Parties	Nature of Transaction	As at March 31, 2025	As at March 31, 2024
<b>Holding Company</b>			
Kopvoorn B.V.	Reimbursement of expenses receivable	-	2.16
<b>Directors</b>			
Mr. Bharat Shah	Sitting Fees	0.90	-
Mr. Damodarannair Sundaram	Sitting Fees	0.90	-
Mr. Abhijit Sen	Sitting Fees	0.90	-

#### Notes:

- There were no guarantees given or security provided during the year to the related parties.
- All aforesaid transactions are in ordinary course of business and at arm’s length basis.

## 38 FINANCIAL INSTRUMENTS

See material accounting policy in note no 3.2

### 38.1 Capital management

The company's objective is to maintain appropriate levels of capital to support its business strategy taking into account the regulatory, economic and commercial environment. The Company maintains an actively managed capital base to cover risks inherent in the business and is meeting the minimum capital adequacy requirements stipulated by the Reserve Bank of India (RBI) for NBFCs. The Company is required to maintain minimum capital adequacy ratio of 15% and minimum Tier I capital of 10%.

The Company's assessment of capital requirement is aligned to the mandatory regulatory capital and its planned growth and also a long range strategy. These growth plans are aligned to assessment of risks- which include credit, liquidity and market among others.

The Company endeavours to maintain its CRAR higher than the mandated regulatory norm. Accordingly, increase in capital is planned well in advance to ensure adequate funding for its growth.

Capital to risk assets ratio (CRAR)	March 31, 2025	March 31, 2024
CRAR (%)	21.81	20.45
CRAR - Tier I capital (%)	19.70	16.60
CRAR - Tier II capital (%)	2.11	3.85

The Company has complied in full with all its externally imposed capital requirements over the reported period.

## Notes to the Financial Statements

As at March 31 2025

The Company has a Board approved ICAAP policy and framework in place, that was used for assessment of existing capital adequacy and future capital requirements based on business growth and risks encompassing credit risk, market risk, operational risk, reputation risk, strategic risk and other material risks.

The latest ICAAP exercise of the Company was completed and the updated ICAAP document was duly approved by RMC and Board in August 2024.

### 38.2 Categories of financial instruments

(₹ in Lakhs)						
Particulars	As at March 31, 2025			As at March 31, 2024		
	FVTPL	FVOCI / Cash Flow Hedge Reserve	Amortised cost	FVTPL	FVOCI / Cash Flow Hedge Reserve	Amortised cost
<b>Financial assets</b>						
Cash and cash equivalents	-	-	2,66,662.68	-	-	1,47,109.01
Bank balances other than cash and cash equivalents	-	-	1,33,791.52	-	-	65,290.02
Derivative financial assets	1,373.67	6,121.13	-	1,449.99	1,432.25	-
Trade receivables	-	-	2,199.42	-	-	2,036.54
Loans	-	-	41,46,930.77	-	-	28,08,321.57
Investments	20,771.49	2,17,041.97	-	2,501.26	1,10,033.85	
Other financial assets	-	-	4,649.04			5,563.16
<b>Total financial assets</b>	<b>22,145.16</b>	<b>2,23,163.10</b>	<b>45,54,233.43</b>	<b>3,951.25</b>	<b>1,11,466.10</b>	<b>30,28,320.30</b>
<b>Financial liabilities</b>						
Derivative financial liabilities	1,878.01	5,136.18	-	5,881.78	324.59	-
Trade payables	-	-	5,350.70	-	-	2,644.52
Debt securities*	-	-	5,93,630.46	-	-	4,20,074.00
Borrowings (other than debt securities)	-	-	31,38,453.32	-	-	20,19,724.94
Subordinated liabilities*	-	-	1,54,817.67	-	-	1,63,483.68
Other financial liabilities	-	-	38,417.04	-	-	27,102.67
<b>Total financial liabilities</b>	<b>1,878.01</b>	<b>5,136.18</b>	<b>39,30,669.19</b>	<b>5,881.78</b>	<b>324.59</b>	<b>26,33,029.81</b>

\* Includes Debt Securities of ₹ 1,04,189.30 lakhs (previous year : ₹ 1,31,541.85 lakhs) and Subordinated Liabilities of ₹ 51,361.75 lakhs (previous year : ₹ 50,106.97 lakhs) which are fair valued to the extent of hedge risk component (interest rate risk).

#### 38.2.1 Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

(₹ in Lakhs)				
Financial assets and liabilities measured at fair value - recurring fair value measurements	Level 1	Level 2	Level 3	Total
<b>As at March 31, 2025</b>				
<b>Financial assets</b>				
<b>Financial Investments at FVTPL</b>				
Mutual Funds	20,771.49	-	-	20,771.49
<b>Financial Investments at FVOCI</b>				

## Notes to the Financial Statements

As at March 31 2025

(₹ in Lakhs)				
Financial assets and liabilities measured at fair value - recurring fair value measurements	Level 1	Level 2	Level 3	Total
Government Securities	2,17,041.97	-	-	2,17,041.97
<b>Derivatives designated as fair value hedges</b>				
Interest Rate Swaps - INR OIS	-	1,373.67	-	1,373.67
<b>Derivatives designated as cash flow hedges</b>				
Interest Rate Swaps - USD IRS	-	377.46	-	377.46
Currency swaps - Principal Only swaps	-	5,743.67	-	5,743.67
<b>Total financial assets</b>	<b>2,37,813.46</b>	<b>7,494.80</b>	<b>-</b>	<b>2,45,308.26</b>
<b>Financial liabilities</b>				
Non-Convertible Debentures - fair valued hedge risk component (Interest rate risk)	-	1,04,189.30	-	1,04,189.30
Subordinated Liabilities - fair valued hedge risk component (Interest rate risk)	-	51,361.75	-	51,361.75
<b>Derivatives designated as fair value hedges</b>				
Interest Rate Swaps - INR OIS	-	1,878.01	-	1,878.01
<b>Derivatives designated as cash flow hedges</b>				
Interest Rate Swaps - USD IRS	-	2,498.05	-	2,498.05
Currency swaps - Principal Only swaps	-	2,638.13	-	2,638.13
<b>Total financial liabilities</b>	<b>-</b>	<b>1,62,565.25</b>	<b>-</b>	<b>1,62,565.25</b>

(₹ in Lakhs)				
Financial assets and liabilities measured at fair value - recurring fair value measurements	Level 1	Level 2	Level 3	Total
<b>As at March 31, 2024</b>				
<b>Financial assets</b>				
<b>Financial Investments at FVTPL</b>				
Mutual Funds	2,501.26	-	-	2,501.26
<b>Financial Investments at FVOCI</b>				
Government Securities	1,10,033.85	-	-	1,10,033.85
<b>Derivatives designated as fair value hedges</b>				
Interest Rate Swaps - INR OIS	-	1,449.99	-	1,449.99
<b>Derivatives designated as cash flow hedges</b>				
Interest Rate Swaps - USD IRS	-	1,208.25	-	1,208.25
Currency swaps - Principal Only swaps	-	224.00	-	224.00
<b>Total financial assets</b>	<b>1,12,535.11</b>	<b>2,882.24</b>	<b>-</b>	<b>1,15,417.35</b>
<b>Financial liabilities</b>				
<b>Financial Investments at FVTPL</b>				
Secured Non-Convertible Debentures - fair valued hedge risk component (Interest rate risk)	-	1,31,541.85	-	1,31,541.85
Subordinated Liabilities - fair valued hedge risk component (Interest rate risk)	-	50,106.97	-	50,106.97
<b>Derivatives designated as fair value hedges</b>				
Interest Rate Swaps - INR OIS	-	5,881.78	-	5,881.78
<b>Derivatives designated as cash flow hedges</b>				
Currency swaps - Principal Only swaps	-	324.59	-	324.59
<b>Total financial liabilities</b>	<b>-</b>	<b>1,87,855.19</b>	<b>-</b>	<b>1,87,855.19</b>

# Notes to the Financial Statements

As at March 31 2025

**Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices. This includes units of mutual funds (open ended).

**Level 2:** The fair value of financial instruments that are not traded in an active market for example, derivative instruments is determined using valuation techniques which maximize 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.

There has been no transfers between level 1, level 2 and level 3 for the year ended March 31, 2025 and March 31, 2024.

## 38.2.2 Valuation technique used to determine fair value

The fair value of a financial instrument on initial recognition is normally the transaction price (fair value of the consideration given or received). Subsequent to initial recognition, the Company determines the fair value of financial instruments that are quoted in active markets using the quoted bid prices (financial assets held) or quoted ask prices (financial liabilities held) and using valuation techniques for other instruments. Valuation techniques include discounted cash flow method using the closing curves available on the market terminals as at the end of reporting period.

The Company measures financial instruments, such as investments at fair value.

### i. Investment in mutual funds

The fair values of investments in mutual funds is based on the net asset value (‘NAV’) as stated by the issuers of these mutual fund units in the published statements as at Balance Sheet date. NAV represents the price at which the issuer will issue further units of mutual fund and the price at which issuers will redeem such units from the investors.

### ii. Investment in Government securities

The fair values of investments in government securities is based on the closing value of the security as at Balance Sheet date.

### iii. Borrowings, debt securities and derivatives

The fair value of the Company's borrowings including debt securities are calculated based on a discounted cash flow model. The discount factor used for fair valuation is derived using a combination of interpolated risk-free interest rates and credit-spreads of the of the company as on the valuation date. Input data used to carry out the fair valuation covers portfolio data and expected future cashflows for each product in the portfolio

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

## 38.2.3 Fair value of financial instruments not measured at fair value

Set out below is a comparison, by class, of the carrying amounts and fair values of the Company’s financial instruments that are not carried at fair value in the financial statements.

(₹ in Lakhs)						
Particulars	As at March 31, 2025			As at March 31, 2024		
	Carrying Value	Fair Value	Fair Value Hierarchy	Carrying Value	Fair Value	Fair Value Hierarchy
<b>Financial liabilities at amortised cost</b>						
Non convertible debentures	4,12,301.95	4,24,553.40	Level 2	3,11,572.15	3,10,487.58	Level 2
Perpetual debt instruments	49,243.39	51,906.32	Level 2	57,972.37	58,326.85	Level 2
Subordinated liabilities	1,13,532.70	1,15,891.94	Level 2	1,09,816.79	1,10,605.44	Level 2
<b>Total financial liabilities</b>	<b>5,75,078.04</b>	<b>5,92,351.66</b>		<b>4,79,361.31</b>	<b>4,79,419.87</b>	

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As at March 31 2025

**1) Note:** The fair value of the financial liabilities are considered at the amount, at which the instrument could be exchanged in current transaction between willing parties, other than in forced or liquidation sale. Carrying value includes interest accrued as on year end.

### 2) Loans:

Substantially all loans reprice frequently, with interest rates reflecting current market pricing, the carrying value of these loans approximates their fair value.

### 3) Other financial assets and liabilities

With respect to bank balances and cash and cash equivalents (refer note 4 and 5), trade receivables (refer note 7), other financial assets (refer note 10), trade payables (refer note 15) and other financial liabilities (refer note 19), the carrying value approximates the fair value.

Commercial paper (refer note 16) being short term in nature, its carrying value approximates fair value

## 38.3 Financial risk management

The Company has to manage various risks associated with the lending business. These risks include credit risk, liquidity risk, foreign exchange risk, interest rate risk and counterparty risk.

The Liquidity Risk Management Framework and Financial Risk Management Policy as approved by the Board of Directors sets limits for foreign exchange exposures and other parameters. The Company manages its interest rate and currency risk in accordance with the guidelines prescribed therein. Liquidity risks are managed through a combination of strategies like managing liability tenors in line with the maturity of assets and adequate liquidity cover in the form of High Quality Liquid Assets (HQLAs), is maintained in line with the RBI’s Liquidity Risk Management Framework.

Interest rate risks are managed by entering into interest rate swaps. The foreign exchange risk on the borrowings is actively managed mainly through principal only swaps. Counterparty risk is reviewed periodically to ensure that exposure to various counterparties is well diversified and is within the limits fixed by the Derivative Committee.

As a part of Asset Liability Management, the Company has entered into interest rate swaps, wherein it has converted a portion of its fixed rate rupee liabilities into floating rate linked to market benchmarks.

### 38.3.1 Credit risk

Credit risk is the risk of loss that may occur from the failure of any party to abide by the terms and conditions of any contract, principally the failure to make required payments of amounts due to the Company. In its lending operations, the Company is principally exposed to credit risk.

The credit risk is governed by the Credit Policy approved by the Board of Directors. The Credit Policy outlines the type of products that can be offered, customer categories, the targeted customer profile, the underwriting criteria, the credit approval process and limits and the deviations and associated approval matrix. The Company has a structured and standardized credit approval process, which includes an established procedure for credit appraisal, loan disbursal, collection and recovery.

The Company monitors its credit risk at a portfolio level. Different segments of the portfolio (sub-portfolio) is taken to understand significant deviation of credit risk to the sub-portfolio level which may not be apparent at the total portfolio analysis level. These sub-portfolios based on the perceived risks that may impact only a few catogory of customer. The Risk Management Policy addresses the recognition, measurement, monitoring and reporting of the Credit risk.

#### 38.3.1.1 Education Loans

Our customers for retail loans are low, middle and high-income, salaried and self-employed individuals. The Company’s credit officers evaluate credit proposals based on parameters as detailed in the credit policy. Such parameters typically include factors such as the student academic and entrance scores, country / university / college / course of study, future earning potential of the student, co-borrower’s income and obligations, the loan-to-value ratio (where applicable) and demographic parameters subject to regulatory guidelines. Deviations are approved as per the matrix detailed in the credit policy.

The various process controls such as PAN check, credit bureau report analysis, bank statement analysis, personal discussion with the borrower and co-borrowers, fraud check (through subscription to industry database), AML database scrubbing among the others are undertaken prior to approval of a loan. In addition visits to workplace/ business locations and residences for applicant and co-borrower provides a comprehensive due-diligence for the proposed loan.

The Company analyses the portfolio performance of each product segment regularly, and use these as inputs in revising our product programs, target market definitions and credit assessment criteria to meet our twin objectives of combining volume growth and maintenance of asset quality. The Company

## Notes to the Financial Statements

As at March 31 2025

secures the loan through collaterals depending upon the loan amount, country of study, etc. as per the product group matrix.

### Analysis of risk concentration

Since the Company provides only retail education loans, there is not significant concentration risk at the borrower / counterparty level.

### 38.3.1.2Risk management and portfolio review

The Company reviews the portfolio regularly on various parameters to look at the trend in defaults and take necessary measures.

The credit team does multi level checks and ensure adherence to the terms of the credit policy prior to the commitment and disbursement of credit facilities. The central operations team monitors compliance with the terms and conditions for credit facilities prior to disbursement. It also reviews the completeness of documentation, creation of security and compliance with regulatory guidelines. The branch credit team/operations team monitors compliance with the terms and conditions for credit facilities prior to disbursement. It also reviews the completeness of documentation, creation of security and life insurance policy which covers in case of death of student during the term of the loan.

### Financial assets received as collaterals

Company has received financial assets as collaterals that it is permitted to adjust in the event of default. The details of the financial assets received as collaterals are as follows:

(₹ in Lakhs)		
Particulars	As at March 31, 2025	As at March 31, 2024
<b>Financial assets accepted as collaterals</b>		
Fixed deposits and other collaterals	29,648.80	21,447.06

### Offsetting financial assets and liabilities

The following table presents the recognised financial instruments that are offset and other similar agreements but are not offset.

The column "maximum exposure" shows the impact of the Company's balance sheet if all the offset rights are exercised.

(₹ in Lakhs)		
Particulars	As at March 31, 2025	As at March 31, 2024
Gross amounts of loans	41,70,963.93	28,18,719.80
Gross amounts set off in the balance sheet	-	-
Net amounts of loans presented in the balance sheet - financial collateral	41,70,963.93	28,18,719.80
Netting potential not recognised in the balance sheet (financial collateral)	29,648.80	21,447.06
Maximum exposure	41,41,315.13	27,97,272.74

The Risk Management team regularly reviews the credit quality of the portfolio and various sub-portfolios. The summary of such reviews are discussed with Credit and Collection for necessary action (where applicable) through regular interaction and communication

### 38.3.1.3Collateral and other credit enhancements

Based on the Board approved credit policy, the Company provides fully secured, partially secured and unsecured education loans to individuals. The parameters relating to acceptability and valuation of each type of collateral are a part of the Credit Policy of the Company. The Company obtains collateral in the form of mortgages over immovable properties and fixed deposits, wherever required. The Company does not have any credit enhancement arrangement.

In case of delinquent customers the Company has the right to repossess the collaterals pledged as security and liquidate the same to recover the amounts due against the outstanding loan. Any surplus funds after adjusting such outstanding dues are returned to the customers/obligors.

Disclosure of credit quality and the gross carrying value for credit risk and period end stage classification are further disclosed in note 8.1.

## Notes to the Financial Statements

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### 38.3.2 Market risk

It is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates and foreign exchange rates.

#### 38.3.2.1Interest rate risk

It is the risk that a Company's net interest income and the value of its assets and liabilities may fluctuate due to adverse movements in interest rates, whether caused by market dynamics or regulatory interventions by the Reserve Bank of India (RBI). These shifts can pose risk when higher interest rates increase the cost of borrowings, or when lower yields reduce the return on assets.

The Company regularly monitors the composition and pricing of its assets and liabilities to mitigate interest rate risk. Additionally, the Asset Liability Committee (ALCO) actively reviews the current interest rate environment and continuously tracks the Company's Asset-Liability Management (ALM) position to take timely corrective actions.

The Company's core business is providing education loans. The Company raises money from diversified sources like market borrowings, term loans and foreign currency borrowings amongst others. In view of the financial nature of the assets and liabilities of the Company, changes in market interest rates can adversely affect its financial condition. The fluctuations in interest rates can be due to internal and external factors. Internal factors include the composition of assets and liabilities across maturities, existing rates and re-pricing of various sources of borrowings. External factors include macro economic developments, competitive pressures, market conditions, regulatory developments and global factors. The rise or fall in interest rates impact the Company's net interest income depending on whether the balance sheet is asset sensitive or liability sensitive.

The Company uses traditional gap analysis report to determine the Company's vulnerability to movements in interest rates. The Gap is the difference between Rate Sensitive Assets ("RSA") and Rate Sensitive Liabilities ("RSL") for each time bucket. It indicates whether the Company is in a position to benefit from rising interest rates by having a positive gap (RSA > RSL) or whether it is in a position to benefit from declining interest rates by a negative gap (RSL > RSA). The Company also fixes tolerance limits for the same under the Liquidity Risk Management Framework ("LRMF"), Asset Liability Management ("ALM") & Financial Risk Management ("FRM") Policy.

### (1) Interest rate risk exposure

The break-up of the Company's assets and borrowings into variable rate and fixed rate at the end of the reporting periods are as below:

(₹ in Lakhs)		
Particulars	March 31, 2025	March 31, 2024
<b>Fixed Rate Instruments</b>		
Loans	28,867.67	57,780.73
Borrowings including debt securities and subordinated liabilities	(13,07,935.12)	(4,84,205.22)
<b>Floating Rate Instruments</b>		
Loans	41,42,096.26	27,60,939.18
Borrowings including debt securities and subordinated liabilities	(25,78,959.56)	(21,19,077.39)

### Fair value sensitivity analysis of fixed-rate instruments

The Company does not account for any fixed rate financial assets or financial liabilities at fair value through profit and loss. Therefore, a change in interest rates at the reporting date would not affect profit and loss

### Cash flow sensitivity analysis of variable-rate instruments

A reasonable possible change of 10 bps in interest rate at the reporting date would have increase (decrease) in net profit after tax by the amount shown below. This analysis assumes that all other variables remains constant.

## Notes to the Financial Statements

As at March 31 2025

(₹ in Lakhs)		
Particulars	March 31, 2025	March 31, 2024
<b>Cash flow sensitivity analysis of variable-rate instruments</b>		
Decrease by 10 bps	(1,169.73)	(480.32)
Increase by 10 bps	1,169.73	480.32

This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The period end balances are not necessarily representative of the average debt outstanding during the period.

### 38.3.2.2Foreign currency exchange rate risk

The Company has availed external commercial borrowing of USD 847 million as on date and hence the Company was exposed to foreign currency exchange risk. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Company’s functional currency i.e. INR. The objective of the hedges was to minimize the volatility of the INR cash flows. The Company’s risk management policy allows it to keep the foreign currency risk open upto 5% of the total borrowings.

The Company currently uses currency swaps to hedge its exposure in foreign currency risk. The Company designates the fair value of the currency swaps contracts as hedging instruments. In case the hedge effectiveness is 100%, the change in the fair value of the currency swaps contracts and the change in carrying value of the underlying foreign currency liability are compared and the difference is recognised in cash flow hedge reserve. During the year ended March 31, 2025, the Company did not have any hedging instruments with terms which were not aligned with those of the hedged items.

#### (1) Foreign currency risk exposure:

The Company’s exposure to foreign currency risk at the end of the reporting period expressed in INR, are as follows

(₹ in Lakhs)		
Particulars	As at March 31, 2025	As at March 31, 2024
<b>Financial liabilities</b>		
Foreign currency loan	7,23,888.55	83,405.00
Interest accrued on foreign currency loan	6,094.98	1,210.23
<b>Exposure to foreign currency risk liabilities (a)</b>	<b>7,29,983.53</b>	<b>84,615.23</b>
<b>Derivative financial instruments</b>		
Foreign exchange derivative contracts	7,23,888.55	83,405.00
<b>Exposure to foreign currency risk assets - (b)</b>	<b>7,23,888.55</b>	<b>83,405.00</b>
<b>Net exposure to foreign currency risk (c) = (a) - (b)</b>	<b>6,094.98</b>	<b>1,210.23</b>

#### (2) Foreign currency sensitivity analysis:

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments and the impact on other components of equity arises from foreign exchange swap contracts designated as cash flow hedges.

(₹ in Lakhs)				
Particulars	Impact on profit after tax		Impact on OCI	
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
USD sensitivity				
INR/USD - increase by 1%*	-	-	(43.81)	2.24
INR/USD - decrease by 1%*	-	-	43.81	(2.24)

## Notes to the Financial Statements

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### (3) Hedging policy

The Company’s hedging policy only allows for effective hedging relationships to be considered as hedges as per the relevant Ind AS. Hedge effectiveness is determined at the inception of the hedge relationship and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. The Company enters into hedge relationships where the critical terms of the hedging instrument match with the terms of the hedged item and so a qualitative and quantitative assessment of effectiveness is performed. Economic relationship between the hedged item and the hedging instrument is being assessed at the end of the reporting period by performing the hedge effectiveness testing.

#### A. Cash flow hedge

The impact of the hedging instrument and hedged item on the balance sheet:

##### Hedging instrument

(₹ in Lakhs)					
Particulars	Notional amount	Carrying amount	Line item in the statement of financial position	Weighted average contract / strike price of the hedging instrument	Change in fair value used for measuring ineffectiveness for the period - OCI
<b>As at March 31, 2025</b>					
INR USD - Principal only swaps	7,23,888.55	3,105.54	Derivative financial instrument	84.08	6,905.72
INR USD - Interest rate swap	7,23,888.55	(2,120.59)		-	(3,601.44)
<b>Total</b>	<b>14,47,777.10</b>	<b>984.95</b>			<b>3,304.28</b>

(₹ in Lakhs)					
Particulars	Notional amount	Carrying amount	Line item in the statement of financial position	Weighted average contract / strike price of the hedging instrument	Change in fair value used for measuring ineffectiveness for the period - OCI
<b>As at March 31, 2024</b>					
INR USD - Principal only swaps	83,405.00	(100.59)	Derivative financial instrument	82.92	224.00
INR USD - Interest rate swap	83,405.00	1,208.25		-	944.22
<b>Total</b>	<b>1,66,810.00</b>	<b>1,107.66</b>		<b>82.92</b>	<b>1,168.22</b>

##### Hedged Item

(₹ in Lakhs)				
Particulars	Change in the value of hedged item used as the basis for recognising hedge ineffectiveness - profit / (loss)		Cash flow hedge reserve as at	
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
External commercial borrowings	(11,286.85)	(485.00)	(11,771.85)	(485.00)
<b>Total</b>	<b>(11,286.85)</b>	<b>(485.00)</b>	<b>(11,771.85)</b>	<b>(485.00)</b>

## Notes to the Financial Statements

As at March 31 2025

The impact of the cashflow hedges in the statement of profit and loss and other comprehensive income:

					(₹ in Lakhs)
Particulars	Hedging gains or (losses) recognised in OCI		Hedging ineffectiveness recognised in statement of profit and loss		Line item in the statement of profit or loss that includes hedge ineffectiveness
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024	
External Commercial Borrowings and related derivatives (Principal Only Swap and USD-INR Interest rate swap)	(7,982.57)	683.22	-		Not applicable

### B. Fair value hedge

The impact of the hedging instrument and hedged item on the balance sheet:

#### Hedging instrument

				(₹ in Lakhs)
Particulars	Notional amount	Carrying amount - Asset/ (Liability)	Line item in the statement of financial position	Change in fair value used for measuring ineffectiveness for the period - profit / (loss)
Interest rate swap as at				
March 31, 2025	1,57,500.00	(504.34)	Derivative financial instrument	3,927.45
March 31, 2024	1,87,500.00	(4,431.79)		1,360.56

#### Hedged item

				(₹ in Lakhs)
Particulars	Notional amount	Accumulated fair value adjustment - Asset/ (Liability)	Line item in the statement of financial position	Change in fair value used for measuring ineffectiveness for the period - profit / (loss)
Non-convertible debentures				
March 31, 2025	1,57,500.00	1,783.92	Debt securities and Subordinated liabilities	(3,849.53)
March 31, 2024	1,87,500.00	5,633.44		(1,350.63)

The impact of the fair value hedges in the statement of profit and loss:

(₹ in Lakhs)			
Particulars	Hedging ineffectiveness recognised in statement of profit and loss [profit/ (loss)]		Line item in the statement of profit or loss
	March 31, 2025	March 31, 2024	
Non-Convertible Debentures and related hedges (Interest Rate Swap)	77.92	9.93	Net gain on fair value changes

## Notes to the Financial Statements

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### (4) Hedge ratio

The foreign exchange currency swap contracts are denominated in the same currency as the highly probable foreign currency cash flow on principal payments, therefore the hedge ratio is 1:1. The notional amount of interest rate swap is equal to the portion of variable rate loans that is being hedged, and therefore the hedge ratio for interest rate swap is also 1:1.

### 38.3.2.3 Price risk

The Company's exposure to price risk is not material and it is primarily on account of investment of temporary treasury surplus in the highly liquid debt funds for very short durations. The Company has a board approved policy of investing its surplus funds in highly rated debt mutual funds having insignificant price risk, not being equity funds/ high risk bearing instruments.

### 38.3.3 Liquidity risk

#### (1) Maturities of financial liabilities

Liquidity risk refers to the risk of not having enough liquid assets or adequate access to meet obligations when they become due, comply with regulatory requirements, or support the Company's investment needs. Moreover, the Company must maintain adequate liquidity to handle redemptions, unexpected disbursements, and operational expenses. The management sets standards to ensure sufficient liquidity for immediate needs. The Company's borrowing strategy is tailored to fluctuating liquidity conditions and evolving business requirements

Liquidity risk is the current and prospective risk arising out of an inability to meet financial commitments as they fall due, through available cash flows or through the sale of assets at fair market value. It includes both, the risk of unexpected increases in the cost of funding an asset portfolio at appropriate maturities and the risk of being unable to liquidate a position in a timely manner at a reasonable price.

Liquidity risks are managed through a combination of strategies like managing liability tenors in line with the maturity of assets and adequate liquidity cover in the form of High Quality Liquid Assets (HQLAs), is maintained in line with the RBI's Liquidity Risk Management Framework. Assessment of maturity profiles of financial assets and financial liabilities and maintenance of Balance Sheet liquidity ratios are considered while reviewing the liquidity position.

Liquidity risks are managed through Liquidity Risk Management Framework and Financial Risk Management Policy as approved by the Board of Directors. The Asset Liability Committee (ALCO) of the Company formulates and reviews strategies and provides guidance for management of liquidity risk within the framework laid out in the Liquidity Risk Management Framework and Financial Risk Management Policy.

The table below presents the cash flow payable by the Company under financial liabilities by remaining maturities at the balance sheet date. The amount disclosed in the table are contractual undiscounted cash flows of all financial liabilities and the balances in the table below do not agree directly to the balances in the balance sheet as it incorporates all cash flows, on an undiscounted basis, related to both principal as well as the associated future coupon payments thereon.

Contractual maturities of financial liabilities as on March 31, 2025					
	Due in 1 year	Between 1 and 3 years	Between 3 and 5 years	Beyond 5 years	Total
Non-derivatives					
Trade payables	5,241.70	109.00	-	-	5,350.70
Debt securities and Subordinated liabilities	2,98,826.69	1,67,900.04	2,02,883.30	3,44,138.36	10,13,748.39
Borrowings (other than debt securities)	9,52,852.38	19,77,840.64	7,09,805.89	74,668.93	37,15,167.84
Other financial liabilities	33,190.15	2,680.00	1,819.82	727.07	38,417.04
Total non-derivatives liabilities	12,90,110.92	21,48,529.68	9,14,509.01	4,19,534.36	47,72,683.97
Derivatives (net settled)					
Currency swaps - principal only swaps	-	1,481.97	-	-	1,481.97
Interest rate swaps	151.52	3,085.01	1,397.30	-	4,633.83
Total derivatives liabilities	151.52	4,566.98	1,397.30	-	6,115.80

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(₹ in Lakhs)					
Contractual maturities of financial liabilities as on March 31, 2024	Due in 1 year	Between 1 and 3 years	Between 3 and 5 years	Beyond 5 years	Total
<b>Non-derivatives</b>					
Trade payables	2,644.52	-	-	-	2,644.52
Debt securities and Subordinated liabilities	1,83,379.14	14,616.11	90,983.53	2,94,578.90	5,83,557.68
Borrowings (other than debt securities)	4,22,363.71	9,53,481.26	5,16,832.98	1,27,046.99	20,19,724.94
Other financial liabilities	23,710.71	2,454.01	650.58	287.37	27,102.67
<b>Total non-derivatives liabilities</b>	<b>6,32,098.08</b>	<b>9,70,551.38</b>	<b>6,08,467.09</b>	<b>4,21,913.26</b>	<b>26,33,029.81</b>
<b>Derivatives (net settled)</b>					
Currency swaps - principal only swaps	324.59	-	-	-	324.59
Interest rate swaps	401.08	919.39	1,768.23	4,659.70	7,748.40
<b>Total derivatives liabilities</b>	<b>725.67</b>	<b>919.39</b>	<b>1,768.23</b>	<b>4,659.70</b>	<b>8,072.99</b>

### 39 SHARE-BASED PAYMENTS

The shareholders at its Extraordinary General Meeting held on 26 December 2024 approved ESOP-2024 scheme with a total stock option of 73,49,458 towards an equal number of equity shares of face value ₹ 10 each of the Company.

The shareholders at its Extraordinary General Meeting held on 31 March 2022 approved ESOP-2022 scheme with a total stock option of 40,72,565 towards an equal number of equity shares of face value ₹ 10 each of the Company. The revised ESOP-2022 scheme has been approved by the shareholders at its Extraordinary General Meeting held on 18 April 2022 and at its Annual General Meeting 16 June 2023.

During the financial year 2023-24, there was an acceleration of vesting due to the change in control of the Company resulting in vesting of the unvested options under ESOP-2022 scheme. The NRC at its meeting held on 29 February 2024 approved settlement of 11,99,041 surrendered options granted to the employees for a compensation of ₹ 2,971 lakhs. Out of the balance 22,19,500 vested options, 19,69,500 options were exercised by the employees and equivalent shares were allotted on 6 March 2024.

The details of the stock options granted to employees pursuant to the Company's stock options schemes and stock options outstanding as on date are as under:

#### 39.1 Plan description

Plan Name	Credila Financial Services Limited Employee Stock Option Plan - 2024 [ESOP 2024]	HDFC Credila Employees Stock Option Plan 2022 [ESOP 2022]
Grant Date	December 26, 2024	August 3, 2022, April 17,2023 & October 13, 2022
Vesting Conditions	Service along with Individual and company performance criteria linked to employee's grade at the time of grant.	Service only, with an option of performance rating.
Term of Options including vesting	1 - 5 years with an additional condition of completion of 3 years of service at the date of grant	1 - 2 years with an additional condition of completion of 3 years of service at the date of grant
Payout	Equity-settled	Equity-settled
Plan Period	2024 Onwards	2022 Onwards
Quantum of Options	73,49,458	40,72,565
Equivalent Number of shares of FV of ₹ 10 per share	73,49,458	40,72,565
Method of Accounting	Fair Value	Fair Value
Exercise Period	3 years from the date of vesting	5 Years from date of vesting
Grant / Exercise price (₹ Per share)	681.50	419.64 to 507.86
Value of Equity Shares as on date of Grant of Original Option (₹ Per share)	681.50	419.64 to 507.86

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### 39.2 Method used for accounting for share based payment plan

The stock options granted to employees pursuant to the Company's Stock Options Schemes, are measured at the fair value of the options at the grant date using Black-Scholes model for grants given. The fair value of the options determined at grant date is recognised as employee compensation cost over the vesting period on straight line basis over the period of option, based on the number of grants expected to vest, with corresponding increase in equity. On acceleration of vesting, the balance amount of fair value of the options is recognised as employee compensation. On exercise of options, the balance in employee stock option reserve is transferred to retained earnings. On cancellation / settlement of options, any compensation paid is accounted as deduction from employee stock option reserve upto the fair value of options and any excess is recognised as an expense.

### 39.3 Movement of Number of Options

Particulars	As at March 31, 2025		As at March 31, 2024
	ESOP-2022	ESOP-2024	ESOP-2022
Outstanding at the start of the year	2,50,000	-	34,24,641
Granted during the year	-	61,65,381	2,08,050
Exercised during the year	-	-	(19,69,500)
Settled during the year	-	-	(11,99,041)
Lapsed/ cancelled during the year	-	53,676	(2,14,150)
<b>Outstanding at the end of the year</b>	<b>2,50,000</b>	<b>61,11,705</b>	<b>2,50,000</b>
Unvested at the end of the year	-	61,11,705	-
<b>Exercisable at the end of the year</b>	<b>2,50,000</b>	<b>-</b>	<b>2,50,000</b>

### 39.4 Weighted Average Exercise price

Weighted Average Exercise Price (Rs)	As at March 31, 2025		As at March 31, 2024
	ESOP-2022	ESOP-2024	ESOP-2022
<b>Outstanding at the start of the period</b>	<b>419.64</b>	<b>-</b>	<b>419.64</b>
Granted during the period	-	681.50	507.96
Exercised during the period	-	-	419.64
Settled during the period	-	-	433.63
Lapsed/ cancelled during the period	-	-	427.15
<b>Outstanding at the end of the period</b>	<b>419.64</b>	<b>681.50</b>	<b>419.64</b>
Exercisable at the end of the period	419.64	-	419.64
Weighted Average Share price at the exercise date	419.64	-	681.50

### 39.5 Outstanding Options

Particulars	As at March 31, 2025		As at March 31, 2024
	ESOP-2022	ESOP-2024	ESOP-2022
Number of options outstanding	2,50,000	61,11,705	2,50,000
Weighted average strike price (Rs)	<b>419.64</b>	<b>681.50</b>	<b>419.64</b>
Weighted average remaining lifetime of options (in years)	-	2.32	-
Number of employees covered under the scheme	1	161	1

## Notes to the Financial Statements

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### 39.6 Options granted

Particulars	FY 2024-25	FY 2023-24
	ESOP-2024	ESOP-2022
Number of options granted	61,65,381	2,08,050.00
Weighted average strike price (in Rs)	681.50	507.96
Weighted average remaining lifetime of options (in years)	3.70	4.30
Number of employees covered under the scheme	164	105.00
Weighted Average Fair value per option (in Rs)	183.25	156.35
Weighted Average Intrinsic value per option (in Rs)	-	-

### 39.7 Assumptions for Fair Value

Particulars	As at March 31, 2025	As at March 31, 2024
	ESOP-2024	ESOP-2022
Weighted average share price (in Rs)	681.50	507.96
Weighted average strike price (in Rs)	681.50	507.96
Weighted average remaining lifetime of options (in years)	3.70	4.30
Expected volatility (% p.a.)	22% p.a.	21% p.a.
Risk-free discount rate (% p.a.)	6.4% p.a. - 6.5% p.a.	6.7% - 6.8% p.a.
Expected dividend yield (% p.a.)	Nil	Nil

For the year ended March 31, 2025, the Company has accounted expense of ₹ 1,015.99 lakhs (previous year: ₹ 2,463.17 lakhs) as employee benefit expenses on the aforesaid ESOP. Further,the Company had settled 11,99,041 surrendered options during the previsou year, granted to the employees, which resulted in expense of ₹ 1,642.78 (Refer note 29). The balance in employee stock option reserve account is ₹ 1,293.99 lakhs (previous year: ₹ 278.00 lakhs) as of March 31, 2025.

## 40 DISCLOSURES PURSUANT TO RESERVE BANK OF INDIA GUIDELINES, TO THE EXTENT APPLICABLE TO THE COMPANY

The Company has prepared financial statements for year ended March 31, 2025, in accordance with Ind AS. Accordingly, the relevant disclosures are based on the carrying values as reflected in the financial statements prepared as per requirements of Ind AS.

### 40.1 Capital to risk assets ratio (CRAR)

Items	2024-25	2023-24
CRAR (%)	21.81	20.45
CRAR - Tier I capital (%)	19.70	16.60
CRAR - Tier II capital (%)	2.11	3.85
Amount of subordinated debt raised as Tier-II capital (₹ in Lakhs)	-	36,500
Amount raised by issue of Perpetual Debt Instrument	-	-
Percentage of the amount of PDI of the amount of its Tier I capital	5.21%	6.71%

The CRAR has been computed in accordance with requirements of Annex II of Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 dated October 19, 2023 (as amended) ("RBI Master Directions") i.e. "Regulatory Guidance on Implementation of Indian Accounting Standards by NBFCs" read with guidelines in Chapter IX of the RBI Master Directions.

## Notes to the Financial Statements

As at March 31 2025

### 40.2 Investments

(₹ in Lakhs)		
Items	2024-25	2023-24
<b>1 Value of investments</b>		
i) Gross value of investments	2,37,813.46	1,12,535.11
a) In India	2,37,813.46	1,12,535.11
b) Outside India	-	-
ii) Provision for depreciation	-	-
a) In India	-	-
b) Outside India	-	-
iii) Net value of investments	2,37,813.46	1,12,535.11
a) In India	2,37,813.46	1,12,535.11
b) Outside India	-	-
<b>2 Movement of provisions held towards depreciation on investments</b>		
i) Opening balance	-	-
ii) Add : Provisions made during the period	-	-
iii) Less : Write-off / write-back of excess provisions during the period	-	-
iv) Closing balance	-	-

### 40.3 Derivatives

#### 40.3.1 Forward Rate Agreement / Interest Rate Swap

(₹ in Lakhs)		
Particulars	2024-25	2023-24
(i) The notional principal of swap agreements*	16,05,277.10	3,54,310.00
(ii) Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	7,970.22	507.88
(iii) Collateral required by the applicable NBFC upon entering into swaps	-	-
(iv) Concentration of credit risk arising from the swaps**	100%	100%
(v) The fair value of the swap book	480.61	(3,324.13)

\* Includes USD IRS - Notional of USD 847 millions converted at period end exchange rate.

\*\* Concentration of credit risk arising from swap is with banks.

(₹ in Lakhs)			
Benchmark	2024-25	2023-24	Terms
OIS	Notional Principal (₹ in Lakhs)		
	1,57,500.00	1,87,500.00	Fixed Receivable V/s Floating Payable
USD SOFR	Notional Principal (USD in Millions)		
	847.00	100.00	Fixed Payable V/s Floating Receivable

# Notes to the Financial Statements

As at March 31 2025

## 40.3.2 Exchange Traded Interest Rate Derivatives

The Company has not entered into any exchange traded derivatives.

## 40.3.3 Disclosures on Risk Exposure in Derivatives

### a. Qualitative Disclosure

#### Financial Risk Management

The Company has to manage various risks associated with the lending business. These risks include liquidity risk, exchange risk, interest rate risk and counterparty risk.

The Financial Risk Management Policy as approved by the Board sets limits for exposures on currency and other parameters. The Company manages its interest rate and currency risk in accordance with the guidelines prescribed therein.

Liquidity risk and Interest rate risks arising out of maturity mismatch of assets and liabilities are managed through regular monitoring of maturity profiles. The currency risk on the borrowings is actively managed mainly through principal only swaps. Counter party risk is reviewed periodically to ensure that exposure to various counter parties is well diversified and is within the limits fixed by the Derivative Committee.

As a part of management of interest rate risk, the Company has entered into interest rate swaps wherein it has converted a portion of its fixed rate rupee liabilities into floating rate linked to a benchmark.

#### Constituents of Derivative Business

Financial Risk Management of the Company constitutes the Audit Committee, Risk Management Committee, Asset Liability Committee ("ALCO") and Derivative Committee.

The Company periodically monitors various counter party risk and market risk limits, within the risk architecture and processes of the Company.

#### Hedging Policy

The Company has a Financial Risk Management policy approved by the Board of Directors. For derivative contracts designated as hedges, the Company documents at inception, the relationship between the hedging instrument and hedged item. Hedge effectiveness is ascertained periodically on a forward looking basis and is reviewed by the Derivative Committee at each reporting period. Hedge effectiveness is measured by the degree to which changes in the fair value or cashflows of the hedged item that are attributed to the hedged risk are offset by changes in the fair value or cash flows of the hedging instrument.

#### Measurement and Accounting

All derivative contracts are recognised on the balance sheet and measured at fair value. Hedge accounting is applied to all the derivative instruments as per Ind AS 109. Gain / loss arising on account of fair value changes are recognised in the Statement of Profit and Loss to the extent of ineffective portion of hedge instruments and hedged items. The gains / losses of effective portion of hedge instrument are offset against gain / losses of hedged items in other comprehensive income.

The Company has entered into fair value hedges like interest rate swaps on fixed rate rupee liabilities as a part of the Asset Liability management whereby a portion of the fixed rate liabilities are converted to floating rate. The Company has a mark to market loss of ₹ 1,878.01 lakhs (previous year ₹ 5,881.78 lakhs) on outstanding fair value hedges.

The Company has entered into cashflow hedges to hedge currency risk and interest rate risk on certain foreign currency loans. Under the cashflow hedge, the hedging instrument is measured at fair value and any gain or loss that is determined to be an effective hedge is recognized in equity i.e., cash flow hedge reserve.

# Notes to the Financial Statements

As at March 31 2025

## Movements in the cash flow hedge reserve are as follows (as per Ind AS financials):

(₹ in Lakhs)		
Particulars	2024-25	2023-24
Opening balance	511.26	-
(Credits) / debit in the cash flow hedge reserve	(5,973.52)	511.26
Closing balance	(5,462.26)	511.26

### b. Quantitative disclosures

(₹ in Lakhs)					
Sl. No.	Particulars	Currency derivatives*		Interest rate derivatives**	
		2024-25	2023-24	2024-25	2023-24
(i)	Derivatives (notional principal amount)	7,23,888.55	83,405.00	8,81,388.55	2,70,905.00
(ii)	Marked to market positions				
	a) Asset (+)	5,743.67	224.00	1,751.13	2,658.24
	b) Liability (-)	(2,638.13)	(324.59)	(4,376.06)	(5,881.78)
(iii)	Credit exposure	68,119.50	1,668.10	9,239.26	3,759.05
(iv)	Unhedged exposures	6,094.98	1,210.23	-	-

\* Currency Derivatives includes Principal Only swaps.

\*\* Includes USD IRS - Notional of USD 847 Millions converted at period end exchange rate.

## 40.4 Disclosures relating to Securitisation

- a. The Company has not securitised any of its exposures during the year.
- b. The Company has neither purchased nor sold any non-performing financial assets during the year.
- c. Details of transfer through Direct Assignment in respect of loans (not in default)

Particulars	As at March 31, 2025	As at March 31, 2024
Number of accounts	458	-
Amount of loans transferred through direct assignemnt (₹ in Lakhs)	10,347.32	-
Retention of beneficial economic interest	10.00%	NA
Weighted average residual maturity (in years)	12.15	NA
Weighted average holding period (in years)	4.32	NA
Aggregate consideration received (₹ in Lakhs)	10,347.32	-
Coverage tangible security cover*	100%	NA
Rating wise distribution of rated loans	Unrated	NA

\* The tangible security cover is only on secured pool assigned. The unsecured pool is excluded while calculating tangible security cover.

## 40.5 Exposures

### 40.5.1 Exposure to real estate sector

The Company does not have any direct / indirect exposure to real estate as the primary purpose of the loan is for education.

### 40.5.2 The Company does not have any capital market exposure.

# Notes to the Financial Statements

As at March 31 2025

## 40.6 Details of Financing of Parent Company Products

There is no financing during the current year.

**40.7** The Company has not exceeded single borrower limit ("SGL") and nor has exceeded the group borrower limit ("GBL").

**40.8** The Company has not given any loans against intangible securities.

**40.9** The Company is not registered under any other regulator other than Reserve Bank of India and Insurance Regulatory & Development Authority of India ("IRDAI").

Name of Regulator	Type of Registration	Registration Number
Reserve Bank of India	Non Banking Financial Company - Middle Layer	N-13.01857
Insurance Regulatory & Development Authority of India Corporate Agent ("IRDAI")		CA0093

**40.10** During the year ended March 31, 2025, no penalty has been levied by any regulator.

**40.11** Rating assigned by credit rating agencies and migration of rating during the year ended March 31, 2025:

(₹ in Lakhs)				
Sr. No.	Rating agency	Programme	2024-25*	2023-24
1	CRISIL Limited	Non-convertible debenture	CRISIL AA+/ Stable	CRISIL AA+/ Stable
		Subordinated debt	CRISIL AA+/ Stable	CRISIL AA+/ Stable
		Perpetual debt instrument	CRISIL AA/ Stable	CRISIL AA/ Stable
		Bank loans	CRISIL AA+/ Stable	-
		Commercial paper	CRISIL A1+ / Stable	CRISIL A1+ / Stable
2	ICRA Limited	Non-convertible debenture	ICRA AA/ Stable	ICRA AA/ Stable
		Subordinated debt	ICRA AA/ Stable	ICRA AA/ Stable
		Perpetual debt instrument	ICRA AA-/ Stable	ICRA AA-/ Stable
		Bank loans	ICRA AA/ Stable	ICRA AA/ Stable
		Commercial paper	ICRA A1+ / Stable	ICRA A1+ / Stable
3	CARE Ratings Limited	Non-convertible debenture	CARE AA/ Stable	CARE AA/ Stable
		Subordinated debt	CARE AA/ Stable	CARE AA/ Stable
		Perpetual debt instrument	CARE AA-/ Stable	CARE AA-/ Stable
		Bank Loans	CARE AA/ Stable	CARE AA/ Stable

\* There have been no migration of rating during the year ended March 31, 2025

## 40.12 Remuneration of Directors

Details of remuneration given to non-executive directors are disclosed below:

(₹ in Lakhs)			
Name	Designation	Remuneration for FY 2024-25	Remuneration for FY 2023-24
Mr. Damodarannair Sundaram	Chairman and Independent Non-executive Director (w.e.f. March 20, 2024)	25.00	1.00
Mr. Biswamohan Mahapatra	Independent Director (upto March 20, 2024)	15.00	30.00
Mr. Sunil Shah	Independent Director (upto March 20, 2024)	15.00	28.00
Mr. Rajesh Gupta	Independent Director (upto March 20, 2024)	15.00	21.00

# Notes to the Financial Statements

As at March 31 2025

(₹ in Lakhs)			
Name	Designation	Remuneration for FY 2024-25	Remuneration for FY 2023-24
Mr. Rajnish Kumar	Non-Executive Director (w.e.f. March 20, 2024)	14.00	1.00
Mr. Abhijit Sen	Independent Non-executive Director (w.e.f. March 20, 2024)	24.00	1.00
Mr. Bharat Shah	Independent Non-executive Director (w.e.f. March 20, 2024)	16.00	1.00
Ms. Anuranjita Kumar	Independent Non-executive Director (w.e.f. March 20, 2024)	18.00	1.00
Mr. Satish Kumar Pillai	Non-Executive Director (w.e.f. June 28, 2024)	10.00	-
Mrs. Madhumita Ganguli	Non-Executive Director (up to March 20, 2024)	-	21.00
Mr. V. Srinivasa Rangan	Chairman (upto March 20, 2024) and Non-Executive Director	-	10.00
<b>Total</b>		<b>152.00</b>	<b>115.00</b>

## 40.13 Provisions and contingencies

(₹ in Lakhs)		
Break up of 'provisions and contingencies' shown under the head expenses in statement of profit and loss	2024-25	2023-24
Provisions for depreciation on investment	-	-
Provision towards NPAs*	4,025.10	141.54
Provision for Standard Assets#	9,638.75	4,692.86
Provision for Other Assets	286.97	-
Provision made towards tax expenses	33,601.28	17,952.85
Other provision and contingencies (with details)		
Provision for employee benefits		
- Compensated absences	53.61	26.24
- Gratuity	316.80	122.31

\* Represents impairment loss allowance on stage 3 loans.

# Represents impairment loss allowance on stage 1 and stage 2 loans including undisbursed commitments

**40.14** The Company has not made any drawdown from existing reserves.

## 40.15 Concentration of advances, exposures and NPAs\*:

**40.15.1** The Company is a non deposit accepting NBFC and hence does not have any depositors.

### 40.15.2 Concentration of advances

(₹ in Lakhs)		
	2024-25	2023-24
Total advances to twenty largest borrowers	3,194.35	2,698.77
Percentage of advances to twenty largest borrowers to total advances of the NBFC	0.08%	0.10%

### 40.15.3 Concentration of exposures [on limit basis or outstanding basis whichever is higher]

(₹ in Lakhs)		
	2024-25	2023-24
Total exposure to twenty largest borrowers / customers	3,632.77	2,845.50
Percentage of exposures to twenty largest borrowers/ customers to Total exposure of the NBFC on borrowers / customers	0.08%	0.09%

## Notes to the Financial Statements

As at March 31 2025

### 40.15.4 Concentration of NPAs\*

	(₹ in Lakhs)	
	2024-25	2023-24
Total exposure to top four NPA accounts	293.82	263.96

\* NPAs presented above reflects credit impaired assets as per Ind AS which includes restructured assets classified as Stage 3.

### 40.15.5 Movement of NPAs\*

		(₹ in Lakhs)	
Sr. No.	Particulars	2024-25	2023-24
(i)	Net NPAs to net advances	0.07%	0.03%
(ii)	Movement of NPAs (Gross)		
(a)	Opening balance	2,146.37	2,540.26
(b)	Additions during the period	6,491.26	1,251.04
(c)	Reductions during the period	(650.05)	(1,644.93)
(d)	Closing balance	7,987.58	2,146.37
(iii)	Movement of Net NPAs		
(a)	Opening balance	978.52	1,513.95
(b)	Additions during the period	2,270.98	671.69
(c)	Reductions during the period	(454.87)	(1,207.11)
(d)	Closing balance	2,794.64	978.52
(iv)	Movement of provisions for NPAs*		
(a)	Opening balance	1,167.85	1,026.31
(b)	Provisions made during the period	4,220.28	579.35
(c)	Write-off / write-back of excess provisions	(195.19)	(437.81)
(d)	Closing balance	5,192.94	1,167.85

\* NPAs presented above reflects credit impaired assets as per Ind AS which includes restructured assets classified as Stage 3.

### 40.16 Sectoral exposure disclosure as per Scale Based Regulations

Sectors	Current Year			Previous Year		
	Total Exposure (₹ lakhs)	Gross NPAs* (₹ lakhs)	Percentage of Gross NPAs to total exposure in that sector	Total Exposure (₹ lakhs)	Gross NPAs* (₹ lakhs)	Percentage of Gross NPAs to total exposure in that sector
1. Agriculture and Allied Activities	-	-	-	-	-	-
2. Industry	-	-	-	-	-	-
3. Services	-	-	-	-	-	-
4. Personal Loans						
i. Education Loans	41,70,963.93	7,987.58	0.19%	28,18,719.80	2,146.37	0.08%
ii. Others	-	-	-	-	-	-
Total of Personal Loans	41,70,963.93	7,987.58	0.19%	28,18,719.80	2,146.37	0.08%
5. Others, if any	-	-	-	-	-	-

\* NPAs presented above reflects credit impaired assets as per Ind AS which includes restructured assets classified as Stage 3.

## Notes to the Financial Statements

As at March 31 2025

### 40.17 Intra-group exposures

Sr. No.	Particulars	2024-25	2023-24
i)	Total amount of intra-group exposures	Nil	Nil
ii)	Total amount of top 20 intra-group exposures	Nil	Nil
iii)	Percentage of intra-group exposures to total exposure of the Company on borrowers/ customers	Nil	Nil

**40.18** The Company does not have any overseas assets.

**40.19** The Company has not sponsored any off-balance sheet Special Purpose Vehicles.

### 40.20 Customer complaints

Sr. No.	Particulars	2024-25	2023-24
<b>Complaints received by the NBFC from its customers</b>			
1	Number of complaints pending at beginning of the year	7	2
2	Number of complaints received during the year	1,304	1,636
3	Number of complaints disposed during the year	1,311	1,631
3.1	Of which, number of complaints rejected by the NBFC	162	155
4	Number of complaints pending at the end of the year	-	7
<b>Maintainable complaints received by the NBFC from Office of Ombudsman</b>			
5	Number of maintainable complaints received by the NBFC from Office of Ombudsman	154	32
5.1	Of 5, number of complaints resolved in favour of the NBFC by Office of Ombudsman	149	13
5.2	Of 5, number of complaints resolved through conciliation/mediation /advisories issued by Office of Ombudsman	5	16
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 (other than those appealed)	-	Not applicable

Grounds of complaints, (i.e. complaints relating to) (1)	Number of complaints pending at the beginning of the year (2)	Number of complaints received during the year (3)	% increase/ decrease in the number of complaints received over the previous year (4)	Number of complaints pending at the end of the year (5)	Of 5, number of complaints pending beyond 30 days (6)
Current Period					
Sanction	5	242	91%	-	-
Disbursement	-	260	-56%	-	-
Post Disbursement	1	771	-10%	-	-
Behavioural Issues	-	9	-80%	-	-
Others	1	22	175%	-	-
Total	7	1,304	-20%	-	-

## Notes to the Financial Statements

As at March 31 2025

Grounds of complaints, (i.e. complaints relating to) (1)	Number of complaints pending at the beginning of the year (2)	Number of complaints received during the year (3)	% increase/ decrease in the number of complaints received over the previous year (4)	Number of complaints pending at the end of the year (5)	Of 5, number of complaints pending beyond 30 days (6)
Previous Year					
Login to Sanction	2	127	-34%	-	-
Sanction to Disbursement	-	597	-38%	-	-
Post Disbursement	-	858	143%	-	-
Behavioural Issues	-	46	-13%	-	-
Others	-	8	NA	-	-
Total	2	1,636	5%	-	-

### 40.21 Disclosure of Restructured Accounts as on March 31, 2025

(₹ in Lakhs)						
Type of Restructuring		Others*				
Asset Classification						
Details		Standard	Substandard	Doubtful	Loss	Total
Restructured accounts as on 1 <sup>st</sup> April, 2024 (Opening figures)	No. of borrowers	-	1	-	-	1.00
	Amt. outstanding	-	42.16	-	-	42.16
	Provision thereon	-	7.15	-	-	7.15
Fresh restructuring during the period	No. of borrowers	-	-	-	-	-
	Amt. outstanding	-	-	-	-	-
	Provision thereon	-	-	-	-	-
Upgradations of restructured accounts to Standard category	No. of borrowers	-	1.00	-	-	1.00
	Amt. outstanding	-	42.16	-	-	42.16
	Provision thereon	-	7.15	-	-	7.15
Restructured advances which ceases to attract higher provisioning and/ or additional risk weight at the end of the period and hence need not be shown as restructured standard advances at the beginning of the next period	No. of borrowers	-	-	-	-	-
	Amt. outstanding	-	-	-	-	-
	Provision thereon	-	-	-	-	-
Downgradations of restructured accounts during the period	No. of borrowers	-	-	-	-	-
	Amt. outstanding	-	-	-	-	-
	Provision thereon	-	-	-	-	-
Write-offs / settlements / recoveries of restructured accounts during the period	No. of borrowers	-	-	-	-	-
	Amt. outstanding	-	-	-	-	-
	Provision thereon	-	-	-	-	-
Restructured accounts as on March 31,, 2025 (Closing figures)	No. of borrowers	-	-	-	-	-
	Amt. outstanding	-	-	-	-	-
	Provision thereon	-	-	-	-	-

### 40.22 Related Party Transactions and Policy on dealing with Related Party Transactions

Details of the related party transactions are provided in the note 37. The Company's Policy on related party transactions is available on its website.

## Notes to the Financial Statements

As at March 31 2025

(₹ in Lakhs)									
Particulars	1 day to 7 days	8 days to 14 days	15 days to 30/31 days	Over 1 month to 2 months	Over 2 months up to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Total
Liabilities									
Borrowings *	2,473.57	207.66	16,058.10	33,678.45	76,079.85	2,07,426.35	6,65,094.77	12,08,207.34	31,93,244.77
Foreign currency liabilities *	-	-	3,339.63	2,755.36	-	-	-	5,76,120.84	7,21,133.03
Assets									
Advances	6,160.70	18,545.29	15,932.86	39,119.85	40,168.64	1,35,979.11	3,22,756.76	14,38,391.35	41,65,770.99
Investments	367.02	20,634.67	15,572.95	23,244.46	20,721.75	13,981.53	1,43,291.08	-	2,37,813.46
Foreign currency assets	-	-	-	-	-	-	-	-	-

The above statements are prepared based on the prepayment assumptions approved by the ALCO.

### 40.23 Asset liability management

#### Maturity pattern of certain items of assets and liabilities as at March 31, 2025:

(₹ in Lakhs)									
Particulars	1 day to 7 days	8 days to 14 days	15 days to 30/31 days	Over 1 month to 2 months	Over 2 months up to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Total
Liabilities									
Borrowings *	2,674.52	-	3,261.15	8,342.44	1,17,007.66	74,701.76	4,20,787.36	8,85,801.00	25,42,018.26
Foreign currency liabilities *	-	-	1,210.23	-	-	-	-	82,296.37	83,506.60
Assets									
Advances	4,131.99	13,090.92	10,416.37	25,760.30	27,093.66	94,529.57	2,14,635.43	10,44,793.52	28,17,551.95
Investments	21,491.40	666.07	335.58	266.87	25,721.24	262.35	4,489.66	37,607.89	1,12,535.11
Foreign currency assets	-	-	-	-	-	-	-	-	-

The above statements are prepared based on the prepayment assumptions approved by the ALCO.

\* The above tables as at March 31, 2025 and March 31, 2024 include interest accrued but not due on borrowings.

## Notes to the Financial Statements

As at March 31 2025

**40.24** Schedule to the balance sheet of a non-deposit taking non-banking financial Company [as required in terms of paragraph 31 of Master Direction - Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023]

(₹ in Lakhs)				
Particulars	As at March 31, 2025		As at March 31, 2024	
	Amount outstanding	Amount overdue	Amount outstanding	Amount overdue
<b>Liabilities side :</b>				
<b>1) Loans and advances availed by the non banking financial company inclusive of interest accrued thereon but not paid:</b>				
a) Debentures - Secured	4,11,590.97	-	3,16,854.72	-
- Unsecured	1,61,703.15	-	1,70,912.11	-
(Other than falling within the meaning of public deposit)				
b) Deferred credit	-	-	-	-
c) Term loan	30,99,781.26	-	19,79,094.42	-
d) Inter - corporate loans and borrowing	-	-	-	-
e) Commercial paper	1,93,742.41	-	1,13,763.63	-
f) Other loan	47,560.00	-	44,900.00	-

(₹ in Lakhs)		
Particulars	As at March 31, 2025	As at March 31, 2024
	Amount outstanding	Amount outstanding
<b>Asset side :</b>		
<b>2) Break-up of loans and advances including bills receivables [other than those included in (3) below] :</b>		
a) Secured	7,88,516.45	5,87,974.36
b) Unsecured	33,82,447.48	22,30,745.44
<b>3) Break up of leased assets and stock on hire and other assets counting towards Asset Financing activities</b>		
(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	-	-

(₹ in Lakhs)		
Particulars	As at March 31, 2025	As at March 31, 2024
<b>Asset side :</b>		
<b>4) Break of investments:</b>		
<b>Current investments:</b>		
1. Quoted:		
(i) Shares: (a) Equity	-	-
(b) Preference	-	-

## Notes to the Financial Statements

As at March 31 2025

(₹ in Lakhs)		
Particulars	As at March 31, 2025	As at March 31, 2024
(ii) Debentures and bonds	-	-
(iii) Units of mutual funds	20,771.49	2,501.26
(iv) Government securities	2,17,041.97	50,731.91
(v) Others (please specify)	-	-
2. Unquoted :		
(i) Shares : (a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government securities	-	-
(v) Others (please specify)	-	-
<b>Long term investments :</b>		
1. Quoted :		
(i) Shares: (a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government securities	-	59,301.94
(v) Others (please specify)	-	-
2. Unquoted :		
(i) Shares : (a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government securities	-	-
(v) Others (please specify)	-	-

### 5) Borrower group-wise classification of assets financed as in (2) and (3) above :

(₹ in Lakhs)						
Category	As at March 31, 2025			As at March 31, 2024		
	Amount outstanding			Amount outstanding		
	Secured	Unsecured	Total	Secured	Unsecured	Total
<b>1. Related parties</b>						
(a) Subsidiaries	-	-	-	-	-	-
(b) Companies in the same group	-	-	-	-	-	-
(c) Other related parties	-	-	-	-	-	-
<b>2. Other than related parties</b>	7,88,516.45	33,82,447.48	41,70,963.93	5,87,974.36	22,30,745.44	28,18,719.80
<b>Total</b>	<b>7,88,516.45</b>	<b>33,82,447.48</b>	<b>41,70,963.93</b>	<b>5,87,974.36</b>	<b>22,30,745.44</b>	<b>28,18,719.80</b>

## Notes to the Financial Statements

As at March 31 2025

### 6) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):

Category	(₹ in Lakhs)			
	As at March 31, 2025		As at March 31, 2024	
	Amount outstanding		Amount outstanding	
	Market value / break up or fair value or NAV	Book value (Net of provisions)	Market value / break up or fair value or NAV	Book value (Net of provisions)
<b>1. Related parties</b>				
(a) Subsidiaries	-	-	-	-
(b) Companies in the same group	-	-	-	-
(c) Other related parties	-	-	-	-
<b>2. Other than related parties</b>	2,37,813.46	2,37,813.46	1,12,535.11	1,12,535.11
<b>Total</b>	<b>2,37,813.46</b>	<b>2,37,813.46</b>	<b>1,12,535.11</b>	<b>1,12,535.11</b>

### 7) Other information

Particulars	(₹ in Lakhs)	
	As at March 31, 2025	As at March 31, 2024
	Amount	Amount
i) Gross non performing assets (NPAs)*		
a) Related parties	-	-
b) Other than related parties	7,987.58	2,146.37
ii) Net non performing assets (NPAs)*		
a) Related parties	-	-
b) Other than related parties	2,794.64	978.52
iii) Assets acquired in satisfaction of debt	-	-

\* NPAs presented above reflect credit impaired assets as per Ind AS which includes restructured assets classified as Stage 3.

### 40.25 Disclosure pursuant to Para 26 of the RBI Master Direction on "Guidelines on Liquidity Risk Management Framework":

#### 40.25.1 Public Disclosure on Liquidity Risk

##### A. As at March 31, 2025"

##### i. Funding Concentration based on significant counterparty <sup>1</sup>

(₹ in Lakhs)			
Number of Significant Counterparties	Amount	% of Total Deposits	% of Total Liabilities
25 (Twenty Five)	30,02,403.28	NA	76%

##### ii. Top 20 large deposits

Not applicable. The Company being a Non-Deposit taking Non-Banking Financial Company registered with Reserve Bank of India does not accept public deposits.

## Notes to the Financial Statements

As at March 31 2025

### iii. Top 10 borrowings

(₹ in Lakhs)	
Amount	% of Total Borrowings
12,26,469.49	32%

### iv. Funding Concentration based on significant instrument/product

(₹ in Lakhs)		
Name of the instrument/product	Amount	% of Total Liabilities
Secured non convertible debentures	3,99,888.05	10%
Commercial paper	1,93,742.41	5%
Term loans from banks & financial institutions	23,75,855.27	60%
External commercial borrowings	7,15,038.04	18%
Overdrafts and working capital facilities	47,560.00	1%
Subordinated tier II non convertible debentures	1,07,721.17	3%
Perpetual debt instruments to the extent that do not qualify as equity	47,096.50	1%
<b>Total Borrowings</b>	<b>38,86,901.45</b>	<b>98%</b>
<b>Total Liabilities</b>	<b>39,49,999.91</b>	

### v. Stock Ratios:

(₹ in Lakhs)			
Particulars	as a % of total public funds <sup>3</sup>	as a % of total liabilities <sup>2</sup>	as a % of total assets
Commercial papers	5%	5%	4%
Non-convertible debentures (original maturity of less than one year)	0%	0%	0%
Other short-term liabilities	21%	21%	17%

### vi. Institutional set-up for liquidity risk management

The Liquidity Risk Management of the Company is governed by the Liquidity Risk Management Framework ("LRMF"), Asset Liability Management ("ALM") & Financial Risk Management ("FRM") Policy approved by the Board of Directors. The Board has the overall responsibility for management of liquidity risk. The Board decides the strategy, policies and procedures to manage liquidity risk in accordance with the liquidity risk tolerance/limits approved by it. The Risk Management Committee (RMC), which is a committee of the Board, is responsible for evaluating the overall risks faced by the Company including liquidity risk. The Asset Liability Management Committee ("ALCO") is responsible for ensuring adherence to the liquidity risk tolerance/limits set by the Board as well as implementing the liquidity risk management strategy. The role of the ALCO with respect to liquidity risk includes, inter alia, decision on desired maturity profile and mix of incremental assets and liabilities, responsibilities and controls for managing liquidity risk, and overseeing the liquidity positions at an entity level.

#### \* Notes:

- Significant counterparty and Significant instrument/product is as defined in Annex VI Guidelines on Liquidity Risk Management Framework in the RBI Master Direction.
- Total Liabilities has been computed as sum of all liabilities (as per Balance Sheet) less Equities and Reserves/Surplus.
- Public funds is as defined in RBI Master Direction.

# Notes to the Financial Statements

As at March 31 2025

## 40.25.2 LCR Disclosure as at March 31, 2025

(₹ in Lakhs)									
Particulars	For the quarter ended June 30, 2024		For the quarter ended September 30, 2024		For the quarter ended December 31, 2024		For the quarter ended March 31, 2025		
	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	
<b>A High Quality Liquid Assets (HQLA)</b>									
1 Balance in Current Accounts	3,689	3,689	2,575	2,575	4,276	4,276	2,787	2,787	
2 Investment in Government Securities	1,13,951	1,13,951	1,82,878	1,82,878	1,85,257	1,85,257	2,09,995	2,09,995	
<b>Total HQLA</b>	<b>1,17,640</b>		<b>1,85,453</b>		<b>1,89,533</b>		<b>2,12,782</b>		
<b>B Cash Outflows</b>									
1 Unsecured wholesale funding	17,666	20,316	34,073	39,184	4,593	5,282	32,362	37,216	
2 Secured wholesale funding	44,035	50,640	40,090	46,103	61,935	71,225	82,787	95,205	
3 Additional requirements, of which	-	-	-	-	-	-	-	-	
Outflows related to derivative exposures and other collateral requirements	62	71	619	711	812	934	562	647	
Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-	
Credit and liquidity facilities	-	-	-	-	-	-	-	-	
4 Other contractual funding obligations	1,43,621	1,65,164	2,13,516	2,45,544	1,31,771	1,51,536	95,979	1,10,376	
5 Other contingent funding obligations	3,265	3,755	5,533	6,363	5,608	6,449	3,943	4,535	
<b>TOTAL CASH OUTFLOWS</b>	<b>2,39,946</b>		<b>3,37,905</b>		<b>2,35,426</b>		<b>2,47,979</b>		
<b>C Cash Inflows</b>									
1 Secured lending	-	-	-	-	-	-	-	-	
2 Inflows from fully performing exposures	32,611	24,458	9,891	7,418	9,783	7,337	10,000	7,500	
3 Other cash inflows	3,33,517	2,50,138	4,34,675	3,26,006	2,96,801	2,22,601	3,38,450	2,53,837	
<b>TOTAL CASH INFLOWS</b>	<b>2,74,596</b>		<b>3,33,424</b>		<b>2,29,938</b>		<b>2,61,337</b>		
	<b>Total Adjusted Value</b>		<b>Total Adjusted Value</b>		<b>Total Adjusted Value</b>		<b>Total Adjusted Value</b>		
<b>TOTAL HQLA</b>	<b>1,17,640</b>		<b>1,85,453</b>		<b>1,89,533</b>		<b>2,12,782</b>		
<b>TOTAL NET CASH OUTFLOWS [Stressed Outflows - (Minimum of Stressed Inflows OR 75% of Stressed Outflows)]</b>	<b>59,987</b>		<b>84,476</b>		<b>58,857</b>		<b>61,995</b>		
<b>LIQUIDITY COVERAGE RATIO (%)</b>	<b>196%</b>		<b>220%</b>		<b>322%</b>		<b>343%</b>		

\* Unweighted values are calculated as outstanding balances maturing or callable within 30 days (for inflows and outflows).

\* Weighted values are calculated after the application of respective haircuts (for HQLA) and stress factors on inflow and outflow.

# Notes to the Financial Statements

As at March 31 2025

## For the year ended March 31, 2024

(₹ in Lakhs)									
Particulars	For the quarter ended June 30, 2023		For the quarter ended September 30, 2023		For the quarter ended December 31, 2023		For the quarter ended March 31, 2024		
	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	
<b>A High Quality Liquid Assets (HQLA)</b>									
1 Balance in Current Accounts	3,130	3,130	7,880	7,880	2,177	2,177	2,706	2,706	
2 Investment in Government Securities	39,681	39,681	59,423	59,423	82,582	82,582	94,224	94,224	
<b>Total HQLA</b>	<b>42,811</b>		<b>67,303</b>		<b>84,759</b>		<b>96,930</b>		
<b>B Cash Outflows</b>									
1 Unsecured wholesale funding	7,452	8,570	20,036	23,041	16,598	19,087	49,582	57,020	
2 Secured wholesale funding	18,778	21,595	43,600	50,140	58,558	67,342	76,130	87,550	
3 Additional requirements, of which	-	-	-	-	-	-	-	-	
Outflows related to derivative exposures and other collateral requirements	-	-	-	-	-	-	-	-	
Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-	
Credit and liquidity facilities	-	-	-	-	-	-	-	-	
4 Other contractual funding obligations	81,237	93,422	1,51,747	1,74,509	1,18,598	1,36,388	91,258	1,04,947	
5 Other contingent funding obligations	1,018	1,171	3,882	4,465	1,434	1,650	12	14	
<b>TOTAL CASH OUTFLOWS</b>	<b>1,24,758</b>		<b>2,52,155</b>		<b>2,24,467</b>		<b>2,49,531</b>		
<b>C Cash Inflows</b>									
1 Secured lending	-	-	-	-	-	-	-	-	
2 Inflows from fully performing exposures	24,776	18,582	25,226	18,920	26,330	19,748	27,307	20,480	
3 Other cash inflows	1,46,039	1,09,529	3,05,757	2,29,317	1,88,866	1,41,649	2,60,137	1,95,103	
<b>TOTAL CASH INFLOWS</b>	<b>1,28,111</b>		<b>2,48,237</b>		<b>1,61,397</b>		<b>2,15,583</b>		
	<b>Total Adjusted Value</b>		<b>Total Adjusted Value</b>		<b>Total Adjusted Value</b>		<b>Total Adjusted Value</b>		
<b>TOTAL HQLA</b>	<b>42,811</b>		<b>67,303</b>		<b>84,759</b>		<b>96,930</b>		
<b>TOTAL NET CASH OUTFLOWS [Stressed Outflows - (Minimum of Stressed Inflows OR 75% of Stressed Outflows)]</b>	<b>31,190</b>		<b>63,039</b>		<b>63,070</b>		<b>62,383</b>		
<b>LIQUIDITY COVERAGE RATIO (%)</b>	<b>137%</b>		<b>107%</b>		<b>134%</b>		<b>155%</b>		

### E Qualitative Disclosure on LCR

As per Para 26 of the RBI Master Direction, applicable NBFCs are required to maintain a liquidity buffer in terms of LCR which will promote their resilience to potential liquidity disruptions by ensuring that they have sufficient High Quality Liquid Asset (HQLA) to survive any acute liquidity stress scenario lasting for 30 days.

Road Map for all non-deposit taking NBFCs with asset size of ₹10,000 crore and above to adhere the LCR is as per the table (as prescribed by RBI).

From	01-Dec-20	01-Dec-21	01-Dec-22	01-Dec-23	01-Dec-24
<b>Minimum LCR</b>	50%	60%	70%	85%	100%

The LCR for the quarter ended December 31, 2024 is at 322% based on daily average The company was compliant with maintenance of stipulated LCR.

## Notes to the Financial Statements

As at March 31 2025

LCR has been defined as : Stock of High Quality Liquid Assets (HQLAs) divided by Total net cash outflow over the next 30 calendar days.

### Composition of HQLA :

Liquid assets comprise of high quality assets that can be readily encashed or used as collateral to obtain cash in a range of stress scenarios. There are three categories of assets included in the stock of HQLAs, viz. assets with 0%, 15% and 50% haircuts. The HQLA maintained by the Company comprises Government securities (including Government Securities and Treasury bills) and bank balance maintained in current account.

### Main drivers to the LCR :

All significant outflows and inflows determined in accordance with RBI guidelines are included in the prescribed LCR computation. Total expected cash outflows (stressed outflows) are calculated by multiplying the outstanding balances of various categories or types of liabilities and off-balance sheet commitments by 115% (15% being the rate at which they are expected to run off further or be drawn down). Total expected cash inflows(stressed inflows) are calculated by multiplying the outstanding balances of various categories of contractual receivables by 75% (25% being the rate at which they are expected to under-flow). However, total cash inflows are subjected to an aggregate cap of 75% of total expected cash outflows.

The total net cash outflow is the total expected stressed cash outflows minus total expected stressed cash inflows for the subsequent 30 calendar days. The Company had hedged foreign exchange risks and interest rate risks by using derivatives instruments viz., principal only swap (POS), USD - INR interest rate swap and INR - OIS interest rate swap.

Liquidity Management in the Company is driven by the LRMF, FRM and ALM Policy of the Company and other regulatory prescriptions. The ALCO has been empowered by the Company's Board to formulate the funding strategies to ensure that the funding sources are well diversified and consistent with the requirements of the Company. In addition to the LCR reporting, the Company prepares Structural Liquidity statements to assess the liquidity needs of the Company on an ongoing basis. The Management is of the view that the Company has sufficient liquidity cover to meet its likely future short term requirements.

### 40.26 Disclosure as per Annex II on "Regulatory Guidance on Implementation of Indian Accounting Standards by NBFCs

#### A. As at March 31, 2025

(₹ in Lakhs)						
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)
<b>Performing Assets</b>						
Standard	Stage1	41,39,669.50	12,713.10	41,26,956.40	16,591.66	(3,878.56)
	Stage2	23,306.85	6,127.12	17,179.73	97.28	6,029.84
	Stage3	1,062.67	1,062.67	-	4.80	1,057.87
<b>Subtotal for Performing Assets</b>		<b>41,64,039.02</b>	<b>19,902.89</b>	<b>41,44,136.13</b>	<b>16,693.74</b>	<b>3,209.15</b>
<b>Non-Performing Assets (NPA)</b>						
Substandard	Stage3	3,599.41	1,055.47	2,543.94	546.30	509.17
Doubtful - up to 1 year	Stage3	2,298.45	2,223.55	74.90	2,235.55	(12.00)
1 to 3 years	Stage3	421.69	316.13	105.56	354.66	(38.53)
More than 3 years	Stage3	291.38	221.15	70.23	262.58	(41.43)
Subtotal for doubtful		3,011.53	2,760.83	250.69	2,852.80	(91.96)
Loss	Stage3	313.97	313.97	-	313.97	-
<b>Subtotal for NPA</b>		<b>6,924.91</b>	<b>4,130.27</b>	<b>2,794.63</b>	<b>3,713.07</b>	<b>417.21</b>

## Notes to the Financial Statements

As at March 31 2025

(₹ in Lakhs)						
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)
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	Stage1	-	650.26	(650.26)	-	650.26
	Stage2	-	35.36	(35.36)	-	35.36
	Stage3	-	-	-	-	-
<b>Subtotal</b>		<b>-</b>	<b>685.62</b>	<b>(685.62)</b>	<b>-</b>	<b>685.62</b>
<b>Total</b>	<b>Stage1</b>	<b>41,39,669.50</b>	<b>13,363.36</b>	<b>41,26,306.14</b>	<b>16,591.66</b>	<b>(3,228.30)</b>
	<b>Stage2</b>	<b>23,306.85</b>	<b>6,162.48</b>	<b>17,144.37</b>	<b>97.28</b>	<b>6,065.20</b>
	<b>Stage3</b>	<b>7,987.58</b>	<b>5,192.94</b>	<b>2,794.63</b>	<b>3,717.87</b>	<b>1,475.08</b>
	<b>Total</b>	<b>41,70,963.93</b>	<b>24,718.78</b>	<b>41,46,245.14</b>	<b>20,406.81</b>	<b>4,311.98</b>

\* Provisions required as per IRACP norms amount to ₹ 21,456.65 lakhs. The amounts tabulated above include ₹ 476.82 lakhs towards unrealised interest on NPAs.

#### B. As at March 31 2024

(₹ in Lakhs)						
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)
<b>Performing Assets</b>						
Standard	Stage 1	28,06,278.80	6,564.19	27,99,714.61	11,447.96	(4,883.78)
	Stage 2	10,294.63	2,666.20	7,628.44	45.00	2,621.20
<b>Subtotal for Performing Assets</b>		<b>28,16,573.43</b>	<b>9,230.38</b>	<b>28,07,343.05</b>	<b>11,492.96</b>	<b>(2,262.58)</b>
<b>Non-Performing Assets (NPA)</b>						
Substandard	Stage 3	940.85	232.85	708.00	139.16	93.69
Doubtful - up to 1 year	Stage 3	236.91	213.75	23.16	224.27	(10.52)
1 to 3 years	Stage 3	409.64	283.34	126.31	326.53	(43.19)
More than 3 years	Stage 3	231.78	110.72	121.06	185.94	(75.22)
Subtotal for doubtful		878.34	607.81	270.53	736.74	(128.93)
Loss	Stage 3	327.19	327.19	-	327.19	-
<b>Subtotal for NPA</b>		<b>2,146.37</b>	<b>1,167.85</b>	<b>978.52</b>	<b>1,203.09</b>	<b>(35.24)</b>
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	-	603.65	(603.65)	-	603.65
	Stage 2	-	53.06	(53.06)	-	53.06
	Stage 3	-	-	-	-	-
<b>Subtotal</b>		<b>-</b>	<b>656.71</b>	<b>(656.71)</b>	<b>-</b>	<b>656.71</b>
<b>Total</b>	<b>Stage1</b>	<b>28,06,278.80</b>	<b>7,167.84</b>	<b>27,99,110.96</b>	<b>11,447.96</b>	<b>(4,280.12)</b>
	<b>Stage2</b>	<b>10,294.63</b>	<b>2,719.25</b>	<b>7,575.38</b>	<b>45.00</b>	<b>2,674.25</b>
	<b>Stage3</b>	<b>2,146.37</b>	<b>1,167.85</b>	<b>978.52</b>	<b>1,203.09</b>	<b>(35.24)</b>
	<b>Total</b>	<b>28,18,719.80</b>	<b>11,054.94</b>	<b>28,07,664.86</b>	<b>12,696.05</b>	<b>(1,641.11)</b>

\* Provisions required as per IRACP norms amount to ₹ 12,432.33 lakhs. The amounts tabulated above include ₹ 263.72 lakhs towards unrealised interest on NPAs.

# Notes to the Financial Statements

As at March 31 2025

**40.27 Note 40.27 There is Nil Disclosure for RBI notification on "Resolution Framework for COVID-19-related Stress" dated 6 August 2020 and on "Resolution Framework – 2.0: Resolution of Covid-19 related stress of Individuals and Small Businesses" dated 5 May 2021.**

**40.28 The disclosures as required by the Master Direction - Monitoring of frauds in NBFCs issued by RBI dated 29 September 2016**

There were 20 cases of fraud amounting to ₹ 680 lakhs reported to RBI during the year ended 31 March 2025 and subsequent to 31 March 2025 another 31 cases of fraud amounting to ₹ 1,010.62 lakhs were reported to RBI.

**40.29 Breach of covenant**

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

**40.30 Divergence in the asset classification and provisioning**

Nil

**40.31 Loans to Directors, Senior Officers and Relatives of Directors**

The Company has not lent any amount to Directors, Senior Officers and Relatives of Directors.

**40.32 CDS (Credit Default Swaps) disclosure**

The Company has not entered into Credit Default Swaps.

**40.33 Disclose the circumstances in which revenue recognition has been postponed**

There were no instances of postponement of revenue recognition pending the resolution of significant uncertainties.

## 41 CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

- a.

Capital expenditures contracted for as at the balance sheet date but not recognized in the financial statements amount to ₹ 141.63 lakhs (previous year ₹ 525.63 lakhs) towards Development of Intangible Assets.
- b.

During the FY 2023-24, Company has received order from GST department demanding ₹ 36.12 lakhs for

FY 2017-18. The Company has filed an appeal with Appellate Authority against the order passed by Assistant Commissioner of GST department by paying GST of ₹ 1.72 lakhs.

During the current year, Company has received three orders from GST department demanding ₹ 117.37 lakhs. The Company has filed appeals with Appellate Authority against two such orders passed and paid GST of ₹ 5.72 lakhs. Also, the Company is under process of filing appeal against the third order.

As at 31 March 2025, the Company has contingent liability of ₹ 153.49 lakhs (previous year : ₹ 36.12 lakhs)"

- c.

Commitments in respect of undisbursed sanctioned loans as March 31, 2025 is ₹ 3,60,038.14 lakhs

## 42 SEGMENT REPORTING

There is no separate reportable segment as per Ind AS 108 on "Operating Segments" in respect of the Company. The Company operates in single segment only. There are no operations outside India and hence there is no external revenue or assets which requires disclosure.

## 43 OTHER INFORMATION

- a)

The Company does not have any benami property, where any proceeding has been initiated or pending against the Company for holding any benami property.
- b)

The Company has not traded or invested in Crypto Currency or Virtual Currency during the financial year.
- c)

The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

i)

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

ii)

provide any guarantee, security or the like on behalf of the ultimate beneficiaries.
- d)

The Company has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

# Notes to the Financial Statements

As at March 31 2025

- i)

directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or
- ii)

provide any guarantee, security or the like on behalf of the ultimate beneficiaries.
- e)

The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- f)

The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Companies Act read with the Companies (Restriction on number of Layers) Rules, 2017.
- g)

The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period except approval of Registrar of Companies on eForm CHG - 9 is awaited on charge amounting to INR 50 Crores filed on 8 April 2025.
- h)

The Company does not have immovable properties, where the Company is the lessee and the lease agreements are duly executed in favour of the Company.
- i)

In respect of borrowings from banks and financial institutions, quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts.
- j)

During the year ended 31 March 2025, the Company has not entered into any transactions with any struck-off companies.
- k)

During the year ended 31 March 2025, the Company has not been declared as a wilful defaulter by any bank or financial institution or any other lender.

- l)

The Company has used multiple accounting software for maintaining its books of account, which have a feature of recording audit trail (edit log) facility and that has operated throughout the year for all relevant transactions recorded in the software, except in respect of the database level audit trail for direct database changes wherein for two software the audit log does not contain the details of user who has modified values; and for one software, the audit log does not contain the pre-modified values.

- m)

During the year ended 31 March 2025, the Company has not undertaken any transactions for currency futures and currency options.

- n)

There are no prior period items which are impacting Company's current year profit and loss.

**44** During the quarter ended 30 September 2024, the Company encountered an incident of suspected fraud and misrepresentation by borrowers. In this regard, the Company uncovered 71 transactions where there was suspected misrepresentation of documents from the borrowers, and a further review was conducted to analyze loans with similar profiles to evaluate if there were any additional suspected cases. Arising from the said review for confirmed fraud cases the Company had written off ₹ 448 lakhs and to account for any expected credit losses and write-offs arising from the incident and pending completion of its investigation of suspected cases with similar typology, the Company had recognized a provision of ₹ 8,000 lakhs in the statement of profit and loss in the said quarter. The Company also engaged an independent professional firm to investigate the incident to ascertain staff accountability, if any and the report did not establish any conclusive evidence indicating any collusion of staff. The Company has taken efforts to maximize recovery from such suspected fraud cases including issuance of show cause notices to these borrowers and after assessment of the responses received, the Company has filed Fraud Monitoring Report for 51 cases where fraud

# Notes to the Financial Statements

As at March 31 2025

has been established with an aggregate exposure of ₹ 1,690 lakhs as prescribed in the RBI Master Directions on Fraud Risk Management in Non-Banking Financial Companies dated 15 July 2024. The Company has reviewed loans with similar profiles for potential suspected frauds and concluded that there are no incremental fraud cases except certain cases with potential stress with an aggregate exposure of ₹ 1,176 lakhs. These have been migrated from Stage 2 to Stage 3 under the Expected Credit Loss Model on which 100% ECL provision has been retained. Accordingly, the management has reclassified loans with an aggregate exposure of ₹ 5,134 lakhs from Stage 2 to Stage 1 with a release of ECL provision of ₹ 5,134 lakhs thereon during the quarter ended 31 March 2025.

## 45 EVENTS AFTER THE REPORTING PERIOD

There have been no events after reporting date that require disclosure in these financial statements

As per our report of even date attached.

For **Price Waterhouse LLP**  
Chartered Accountants  
Firm's Registration No: 301112E/E300264

For and on behalf of the Board of Directors  
**Credila Financial Services Limited**  
(Formerly known as HDFC Credila Financial Services Limited)  
CIN No: U67190MH2006PLC159411

**Sharad Agarwal**  
Partner  
Membership No: 118522

**V. Srinivasa Rangan**  
Non-Executive Director  
(DIN - 00030248)

**Arijit Sanyal**  
Managing Director & CEO  
(DIN - 08386684)

For **Gokhale & Sathe**  
Chartered Accountants  
Firm's Registration No: 103264W

**Rohit Ambokar**  
Partner  
Membership No: 604211

**Manjeet Bijlani**  
Chief Financial Officer  
(ACA - 102472)

**Karishma Jhaveri**  
Company Secretary  
(ACS - 25932)

Place:- Mumbai  
Date:- May 16, 2025

Place:- Mumbai  
Date:- May 16, 2025



**REGISTERED OFFICE**

B-301, Citi Point, Andheri Kurla Road, Andheri (E), Mumbai – 400 059, Maharashtra

Tel. No.: +91 22 - 2825 6636 | CIN: U67190MH2006PLC159411

Website: [www.credila.com](http://www.credila.com)