



PAHAL

A NEW BEGINNING

ANNUAL REPORT

2024 -25



Table of Contents

1. CORPORATE OVERVIEW

• Corporate Information	02
• Foundation of Our Legacy	04
• From MD's Desk	06
• Board and Senior Management	10
• The Executive Suite	11
• Key Milestones	12
• The Management Architecture	18
• Our Portfolio: Products, Services & Technology	19
• Our Cultural Fabric (Empowering People)	29
• Progress (Merger & Acquisition) – Highlights for FY 2024–25	34
• Sustainable Development Goals	36
• Strategic Planning Retreat – Varanasi	38

2. MANAGEMENT REPORTS

• Management Discussion and Analysis	39
• Directors' Report	41

3. FINANCIAL REPORTS

• Financial Performance Analysis	111
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4. NOTICE OF ANNUAL GENERAL MEETING

• Notice of AGM	210
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14
Years ago

Pahal set out with a clear mission

to empower people, uplift small businesses, and strengthen communities by making financial services accessible to all. Since then, Pahal has grown into an institution that delivers meaningful impact and lasting value for every stakeholder.



Corporate Information

Corporate Identity Number : U65910GJ1994PTC082668

Registered Office Address: 7th Floor, Binori B Square – 2, Opp. Hathisingh Ni Vadi, Ambli Iscon Road, Ahmedabad – 380054

Board of Directors:

Mr. Satish G Mehta	Independent Director
Mr. Vaibhav Suhas Joshi	Independent Director, appointed w.e.f. 29.10.2024
Ms. Alpana Indrajit Killawala	Independent Director appointed w.e.f. 12.11.2024
Mr. Kartik S Mehta	Managing Director
Ms. Purvi J Bhavsar	Managing Director
Mr. Guillaume Jean Barberousse	Nominee Director – SOCIÉTÉ DE PROMOTION ET DE PARTICIPATION POUR LA COOPÉRATION ECONOMIQUE S.A., appointed w.e.f. 21.07.2025
Mr. Luca Torre	Nominee Director – Huruma Fund managed by GAWA Capital
Ms. De Silva Niroshani Sawana-wadu	Nominee Director – BOPA Pte Ltd.
Dr. Deepali Pant Joshi	Independent Director, ceased to be Director w.e.f. 01.08.2024
Ms. Arpita Pal Agrawal	Nominee Director – DIA Vikas Capital Private Limited, ceased to be Director w.e.f. 06.05.2025
Mr. Venkatraman Ganesh Iyer	Independent Director, final term as an Independent Director expired on 24.08.2024

Chief Financial Officer: Mr. Chintan C Desai

Company Secretary & Compliance Officer: Ms. Dimple R Padhiar

Statutory Auditors: M/s J. H. Mehta & Co.
Chartered Accountants Firm Registration No.: 106227W 203 Onyx Building, Raj-Hans Society, B/h Lal Bunglow, St. Xavier's College Corner Road, Ellisbridge, Ahmedabad – 380006, Gujarat

Internal Auditor: M/s. Radisson Consulting Kanakia Western Edge II, Western Edge II, A-005, off Western Express Highway, Food Corporation of India Warehouse, Borivali East, Mumbai, Maharashtra 400066

Secretarial Auditors: M/s GKV & Associates (Company Secretary & Trademark) C. P. No.: 19866 ACS No.: 31820 419, Golden Plaza, Amar Jawan Circle, Nr. S.P. Ring Road, Nikol, Ahmedabad – 382350

Debenture Trustee:

- Catalyst Trusteeship Limited :** GDA House, First Floor, Plot No. 85 S. No. 94 & 95, Bhusari Colony (Right), Kothrud, Pune, Maharashtra, India, 411038
No: +91 20 66807200 / 223 / 224
- IDBI Trusteeship Services Limited :** Ground Floor, Universal Insurance Building, Sir Phirozshah Mehta Road, Fort, Bazargate, Mumbai, Maharashtra – 400 001, India
No: 022 40807000, +91 8097474599
- Vistra ITCL (India) Limited:** The Capital Building, B Wing, 5th Floor, Unit No 505 A2, Bandra Kurla Complex, Bandra (East), Mumbai, Mumbai, Maharashtra, India, 400051
No: +91 98206 61411

Register and Transfer Agent:

Skyline Financial Services Private Limited: D-153A, First Floor Okhla Industrial Area, Phase-I, New Delhi, Delhi, India, 110020

Pahal Financial Services Private Limited

Pahal Financial Services Private Limited was established in 2011 as an RBI-registered NBFC-MFI, providing microfinance services to low-income households. With a mission to empower marginalized communities, Pahal has grown into one of the fastest-expanding MFIs in India.

The Company operates with over 3,000 employees across 300+ branches, managing a portfolio of more than ₹2,000 crores across nine states and one Union Territory. Backed by over 55 lenders, including banks, NBFCs, DFIs, and foreign investors, Pahal is also a partner institution with MUDRA.

Through its customer-first approach and tailored financial solutions, Pahal continues to drive financial inclusion and improve livelihoods in underserved communities.



Our Mission

To reach micro finance services to 2 million clients at competitive rates. To achieve internationally acceptable returns of investments to attract mainstream capital in the services of the segment at the bottom of the pyramid.



Our Vision

We endeavor to provide sustainable services for financial inclusion in rural and urban households with proficiency, at an affordable price while maintaining dignity, honor and transparency to enhance the livelihood and quality of life of our customers.



Our Values

Customer centric | People first | Integrity | Innovation
Operational excellence | Value Creation | Diversity



Ms. Purvi Bhavsar
CO-FOUNDER &
MANAGING DIRECTOR

Mr. Kartik S Mehta
CO-FOUNDER &
MANAGING DIRECTOR

From MD's Desk

As we close the financial year 2024-25, we are proud to reflect on the progress and resilience demonstrated by Pahal Financial Services in a rapidly evolving microfinance landscape. This year has been pivotal in navigating regulatory changes, responding to sector-wide challenges, and expanding our footprint into new geographies, including Telangana. Despite macroeconomic headwinds and the sector's contraction, we remained committed to our mission of promoting responsible financial inclusion, particularly for women entrepreneurs and low-income households. We extend our heartfelt gratitude to our dedicated team, strategic partners, investors, regulators, and customers, whose unwavering support and collaboration have been critical in enabling sustainable and impactful growth.

Steering Resilience and Inclusive Growth in a Changing Landscape

India continues to stand out as one of the fastest-growing major economies, now ranked as the 4th largest economy globally with a nominal GDP exceeding USD 4 trillion. Domestic consumption, infrastructure development, and digital technology adoption are key drivers of this growth. However, the country faces important challenges, such as providing productive employment for its large and growing working-age population, with an average age of 28.2 years. The vision of Viksit Bharat 2047 focuses on inclusive development, with special attention to youth, farmers, women, and the poor.

The microfinance sector has witnessed tremendous expansion over the past decade, growing from ₹17,264 crore in 2012 to ₹3.93 lakh crore in 2024, driven by innovations in digital lending and financial inclusion. The projected CAGR of ~10.1% from 2025 to 2033 remains promising. Yet, FY25 proved to be a challenging year as the sector's AUM contracted to ₹3.59 lakh crore by June 2025, marking a 5.8% QoQ and 17% YoY decline. While NBFC credit growth remained robust at +20%, MFIs experienced a steep ~95% plunge in profits, and industry-wide delinquency rose to 21.84%.

During the year (FY-25), the microfinance sector experienced a notable contraction, with AUM declining significantly due to macroeconomic headwinds and regulatory adjustments. Pahal's portfolio experienced a contraction in line with the broader industry trend; however, we demonstrated resilience by prioritizing portfolio quality, adhering to responsible lending practices, and driving sustainable, long-term growth. Pahal Financial Services achieved several significant milestones that strengthened our strategic position and broadened our impact, despite a challenging industry environment.

Pahal's Key Milestones & Strategic Progress

- Equity infusion of ₹147.6 crore, led by Proparco and supported by Gawa Capital
- New marquee lenders like DFC, Symbiotics, and Bank of Baroda, expanding our lender base to over 50 partners.
- Expanded our geographic presence with the activation of Telangana as a new operational state.
- Reduced employee attrition rate below the industry average, strengthening institutional capacity.
- Qualified for the National Credit Guarantee Trust Company (NCGTC) program, improving access to credit for underserved segments.
- Launched new digital initiatives, including Pahal Pe (digital lending platform) and strategic Fintech partnerships, enhancing customer accessibility and operational efficiency.
- The regulatory revision lowering the Qualifying Asset requirement from 75% to 60% provided Pahal with a headroom for enabling strategic expansion into non-micro-loan products while remaining compliant.
- Pahal's innovative practices were recognized globally, being featured as a case study by INSEAD.

Additionally, through a Technical Assistance (TA) project supported by Gawa Capital, we are in the process of strengthening our expertise in agri-finance by developing innovative financial solutions tailored to the needs of small and marginal farmers. This ongoing initiative focuses on enhancing access to credit for agricultural activities and promoting sustainable farming practices, with the aim of empowering the backbone of rural livelihoods and contributing to long-term economic resilience.

Impact Initiatives

IBISA:

Pahal's mission extends beyond financial inclusion to delivering measurable social impact. Our strategic IBISA partnership has been pivotal in providing peace of mind to rural dairy farmers in Gujarat by protecting their livestock and livelihoods from extreme temperature risks. This initiative exemplifies our long-term strategy to design innovative, climate-resilient financial solutions that build systemic resilience in vulnerable communities.

Additionally, we achieved a Sustainability/ESG Rating of B+ (69%) from AFISAR and received excellent performance ratings in the Code of Conduct Assessment (CoCA) by SMERA. These accolades reflect our dedication to responsible finance and consumer protection.

Financial Literacy and Consumer Protection

On the financial literacy front, we conducted over 48 workshops in partnership with RBI & Sa-Dhan, reaching more than 2,400 women, educating them on savings, credit management, and responsible borrowing. We continued to strengthen our grievance redressal mechanism, ensuring transparent and prompt resolution of client concerns.

Furthermore, in collaboration with M-SWASTH, we launched more than 15 e-clinics across Uttar Pradesh and Bihar since January 2022. In FY 2024-25 alone, these e-clinics served over 68,000 beneficiaries, making healthcare accessible and affordable to rural populations.

Commitment to the Sustainable Development Goals (SDGs)

Our operations are closely aligned with the following key SDGs



The Road Ahead

At Pahal, our commitment to responsible and sustainable growth is unwavering. As we look to the future, we will continue embedding advanced impact measurement frameworks, expanding our climate-sensitive financial solutions, deepening digital innovations, and strengthening strategic partnerships. Guided by prudence and purpose, we remain focused on empowering underserved communities with dignity, resilience, and opportunity. The lessons of past years reaffirm the importance of balanced growth, navigating challenges with caution while pursuing impactful opportunities.

As we move forward, it is crucial to exercise caution against irrational exuberance. While the opportunities are promising, we must remain vigilant and prudent in our strategies. The lessons from previous years remind us of the importance of balanced growth and sustainable practices.

Warm regards,

Purvi Bhavsar & Kartik Mehta

Co-Founders & Managing Directors

Pahal Financial Services Pvt Ltd

Board And Senior Management



Mr. Satish G Mehta
(CHAIRMAN OF THE BOARD)

Mr. Satish G. Mehta, Founder of Athena Advisors, brings over 40 years of expertise in mortgage finance, consumer finance, credit information, and consultancy, and was instrumental in establishing India's first credit bureau – CIBIL. He has worked with leading institutions like HDFC, CIBIL, Dun & Bradstreet Dubai, Piramal Capital, and global organizations including the World Bank and IFC.



Mr. Vaibhav Suhas Joshi
(Non-Executive Independent Director)

Mr. Vaibhav is a seasoned business leader with 20+ years of experience in fintech and digital banking, having co-founded multiple startups and worked with two leading banks. An honorary PhD in Digital Banking & Fintech, he has contributed to landmark initiatives like Aadhaar, YES Bank's Digital Banking setup, and India's large-scale financial inclusion project eShakti.



Ms. Alpana Killawala
(Non-Executive Independent Director)

Ms. Alpana retired from the Reserve Bank of India in 2019 after a 26-year career, serving as Head of Communication Policy. She worked closely with several RBI Governors and played a key role in financial inclusion and literacy initiatives, including multilingual campaigns, illustrated booklets, and the establishment of the RBI Museum.



Ms. Purvi Bhavsar
(CO-FOUNDER & MANAGING DIRECTOR)

Ms. Purvi Bhavsar, a first-generation entrepreneur from Ahmedabad, brings 29+ years of diverse experience across BFSI and Telecom with organizations like Kotak Mahindra, HDFC Bank, ICICI Bank, and Vodafone. She has been recognized among the Top 10 Women in Finance (2020) and Leading Women in Telecom (2010-11), and actively mentors fintech and impact start-ups through programs by IIMB and Stanford.



Mr. Kartik S Mehta
(CO-FOUNDER & MANAGING DIRECTOR)

Mr. Kartik S. Mehta, a Chartered Accountant, Cost Accountant, and Certified Financial Planner, is a career banker with 30+ years of experience in banking and financial services. He has worked across corporate finance, treasury, retail banking, agriculture credit, priority sector, and microfinance, and has contributed to pioneering work in the banking correspondent space, with extensive exposure in India, Brazil, and South Africa.



Mr. Guillaume Barberousse
(Nominee Director- Proparco)

Mr. Barberousse, Head of Sustainability at Proparco, is an agronomist with a master's in finance from ESCP. He has held leadership roles including Deputy Head of MAS Division and Regional Director, bringing extensive experience in sustainability and development finance.



Ms. Arpita Pal Agrawal
(NOMINEE DIRECTOR - DIA VIKAS)

She holds a PGDM from IIM Ahmedabad and is the Managing Director & CEO of Dia Vikas Capital since February 2023. Previously, she led M-CRIL Inclusive Microeconomics and was a Partner in Big 4 firms with over 25 years of management and risk consulting experience. She serves on the Supervisory Board of Oikocredit and is an independent director at Airtel Payments Bank.



Mr. Luca Torre
(NOMINEE DIRECTOR - GAWA CAPITAL)

He has spent his career investing in and advising microfinance institutions. Before founding GAWA, he worked at Credit Suisse, advising on capital market access, including Banco Compartamos' IPO. He also gained experience with Annapurna, an Indian MFI, and started his career at BCG. He holds an MBA from Kellogg, where he was awarded the Siebel scholarship.



Ms. Niroshani Sawanawadu
(NOMINEE DIRECTOR - BOPA)

She has extensive MSME experience, specializing in financial inclusion and digital development. As founding Country Manager in Myanmar, she built a leading microfinance company in 2 years. A CGAP certified trainer and SPI4 auditor, she holds degrees in IT and an MSc in Finance from SOAS, UK, with additional training from Harvard and Boulder Institute of Microfinance.

The Executive Suite



Mr. Chintan Desai
Chief Financial Officer

Extensive experience with Gujarat Lease Financing Limited, HDFC Bank, Sol Group (UK), and SAI Consulting Engineers. Manages strategic business planning, budgetary control, equity capital and debt syndication, treasury management, accounting, and taxation at Pahal.



Ms. Dimple Padhiar
Company Secretary

Appointed as Company Secretary & Compliance Officer in November 2023, she is a qualified Company Secretary with over 9 years of corporate compliance experience, having worked with Abellon Cleanenergy (Claris Group) and the Chiripal Group.



Ms. Anubhuti Kapadia
Chief Compliance Officer

Appointed as Chief Compliance Officer in May 2024, she is a qualified Company Secretary with 6+ years of NBFC-MFI experience, specializing in legal & compliance, audits, fundraising, strategic management, and field operations.



Mr. Dharmesh Shah
Associate Director

Joined Pahal as General Manager Operations in 2015. Previously worked in RBL Bank Limited and ING Vysya Bank. Brings over 29 years of financial sector experience.



Ms. Dhara Vyas
Chief Audit & Risk Officer

Over 22 years of experience in financial services and international development across banking, microfinance, HR, and consulting, with assignments at Suryoday SFB, Grameen Foundation, Accion, Swadhaar, Kotak, HDFC, and ANZ Grindlays.



Mr. Dinesh Yadav
Head-IT

Over 20 years of experience with organizations like Sajja Finance, Indokem, and Nyanza Bottling, with expertise in implementing SAP BI, Microsoft Dynamics NAV, Core Banking Systems, and other ERPs.



Ms. Firuzi M. Vakil
Head Operations

Brings 19 years of banking experience, including 17 years with HDFC Bank and 2 years with Indusind Bank; currently serves as Head - Operations at Pahal, overseeing JLG, IL & SL.



Mr. Jitendra Priyadarshi
Head -HR & Training

Holds an MBA from Gujarat University with 12+ years of HR leadership experience across talent management, HR transformation, employee engagement, and compliance. Has previously worked with Belstar Microfinance, Equitas SFB, Cholamandalam, and Fullerton India.



Mr. Pushkar Parashar
Chief Operating Officer

COO of Pahal with 15 years of experience in the financial sector and entrepreneurship, having worked with BFIL, Axis Bank, and Vaya Trust. He was also Pahal's first COO before rejoining in 2025.



Mr. Premprakash Patel
Business Head - Secured Loans

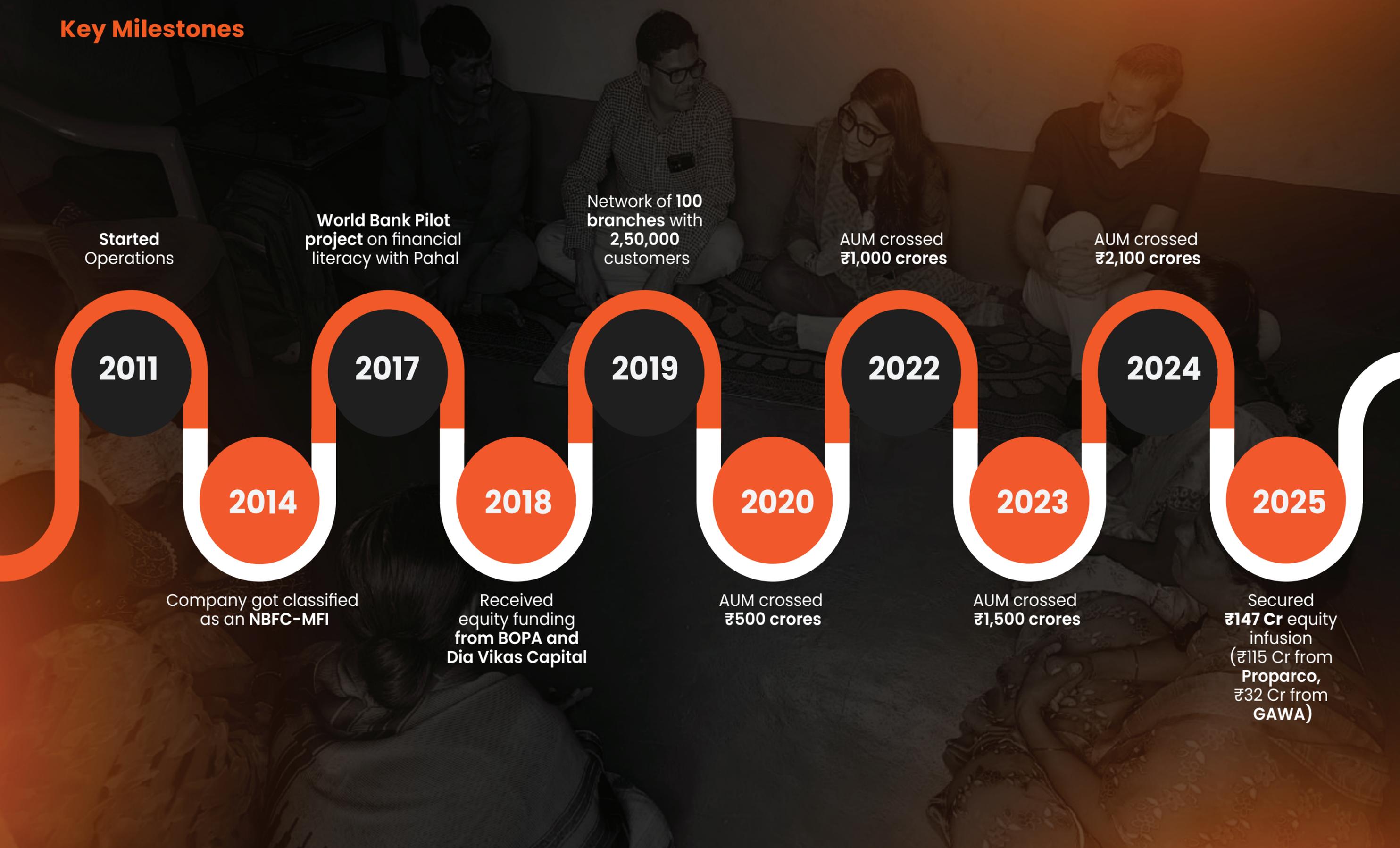
Over 28 years of retail finance experience with expertise in business strategy, operations, sales, compliance, and P&L management, having worked with GRUH Finance, Bajaj Finance, and HDFC Bank.



Ms. Sneha Bohra
Product Manager - Digital

Ms. Sneha Bohra, a qualified Chartered Accountant, brings rich experience in digital initiatives and product management. She spearheaded the launch of PahalPe, the company's digital lending platform, and continues to drive innovation and customer-centric product strategy at Pahal Financial Services Pvt. Ltd.

Key Milestones





Key metrics that defined us in FY 2024-25



Active Customers

5.65 lakh



Female Borrowers

5.50 lakh



Branches

358



Staff Members

2992



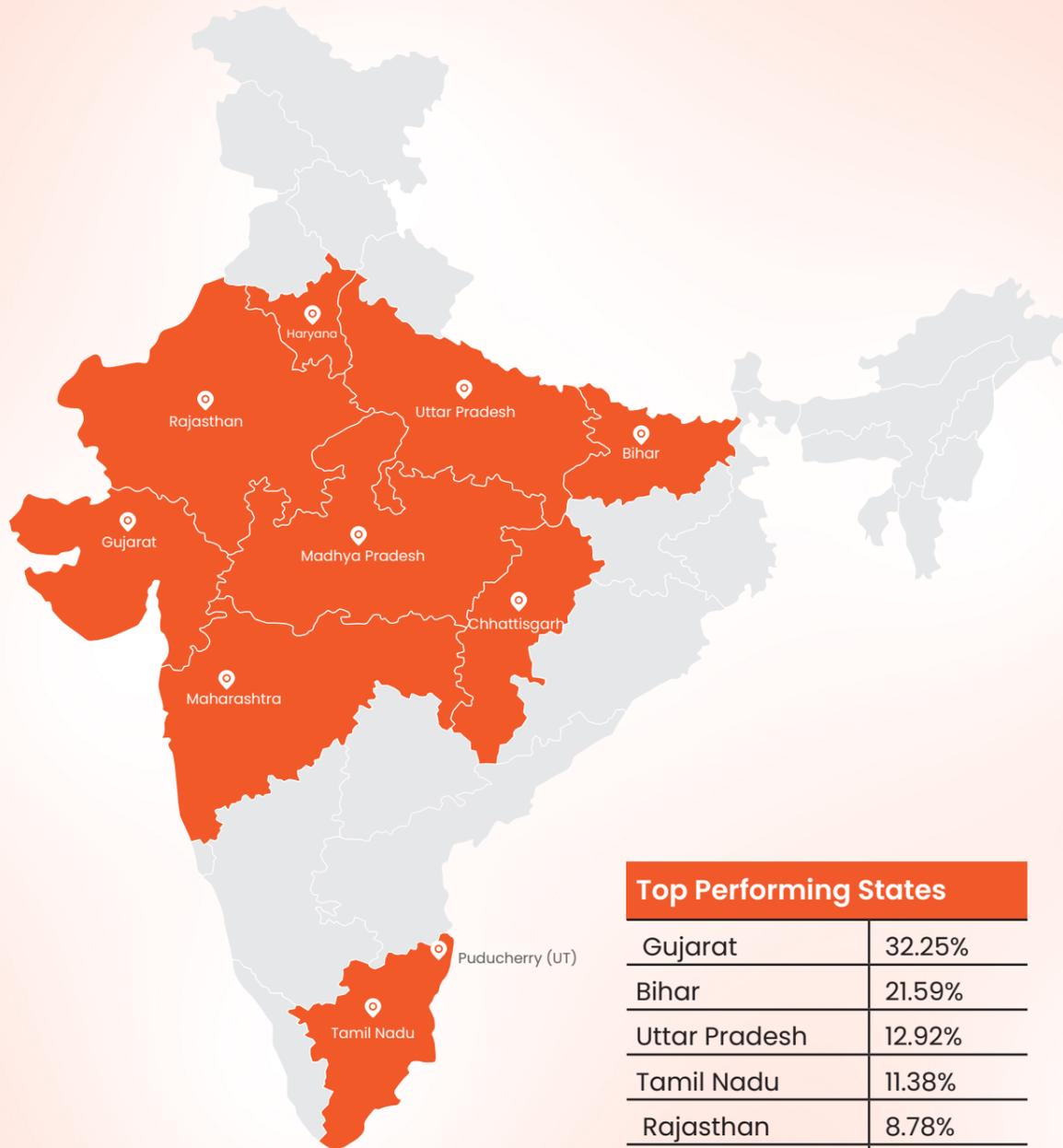
Field/Credit Officers

2786



Assets Under Management

₹1,773 Cr

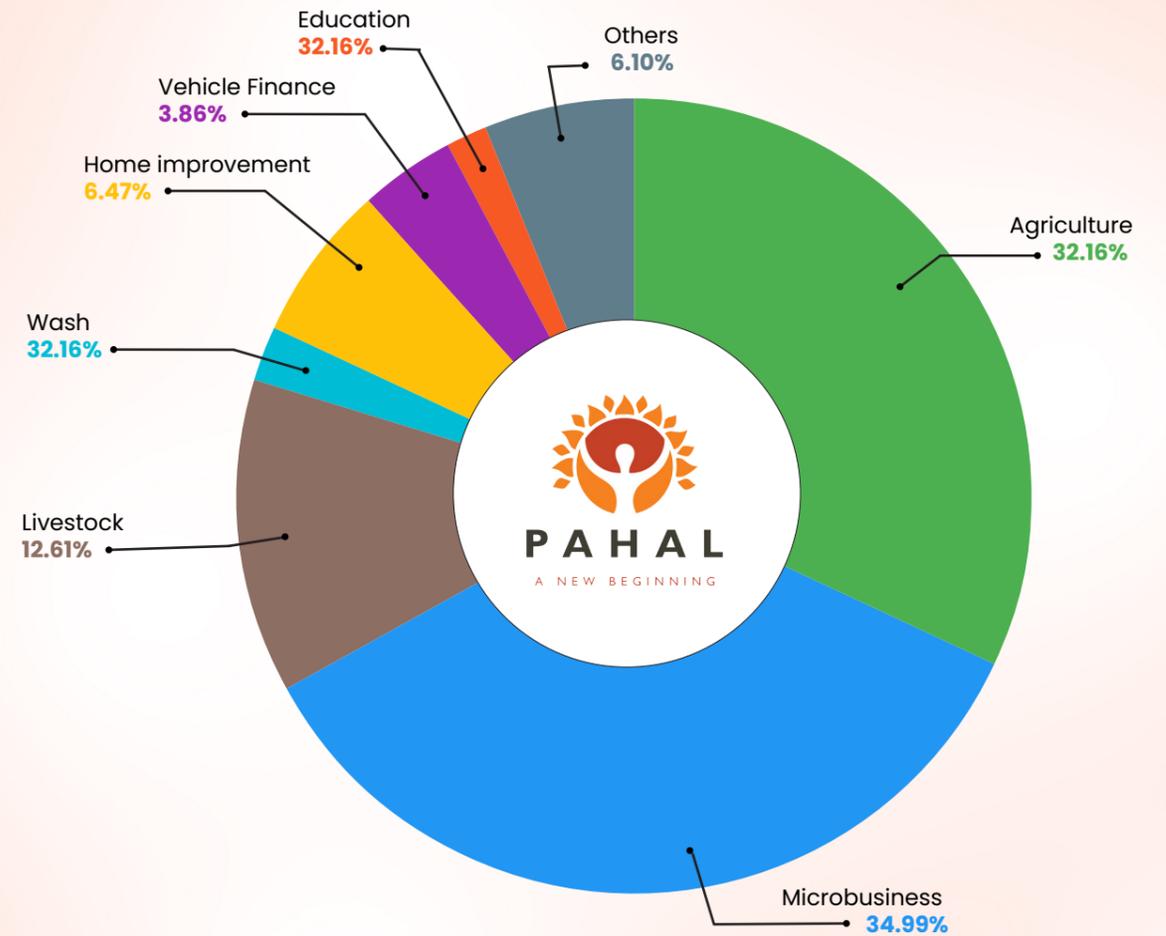


Top Performing States	
Gujarat	32.25%
Bihar	21.59%
Uttar Pradesh	12.92%
Tamil Nadu	11.38%
Rajasthan	8.78%
Madhya Pradesh	8.99%

Product Mix (Portfolio Distribution)



Purpose-Wise Portfolio Allocation



Lender Partnerships



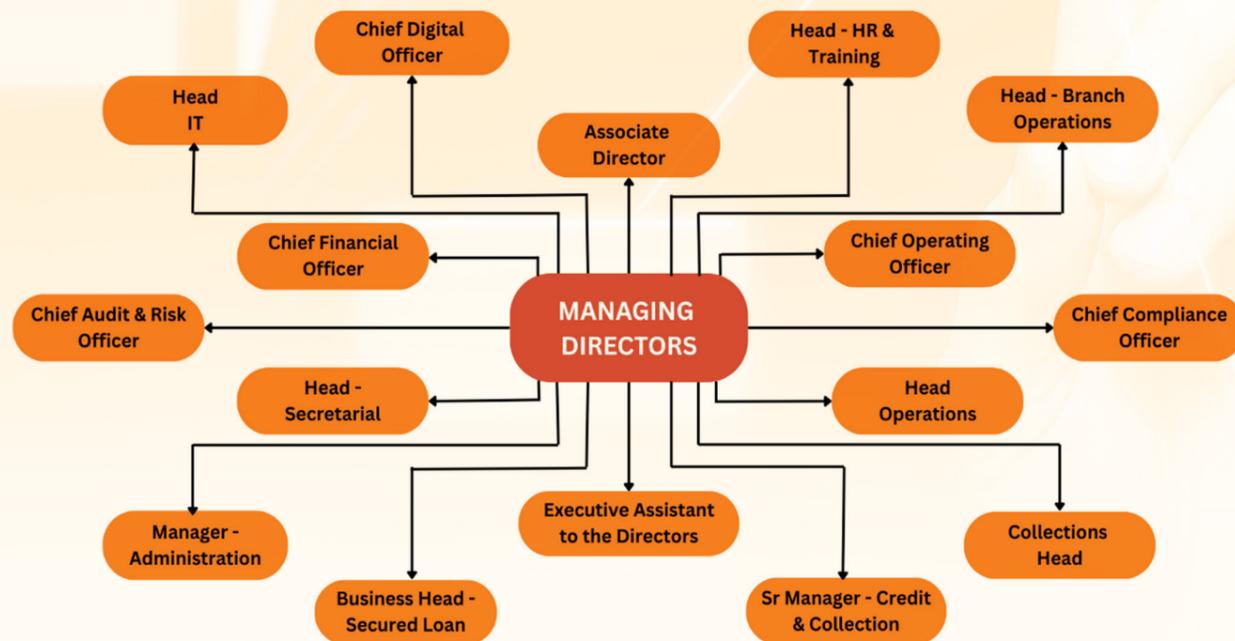
Ratings & Recognition Credit Rating

- BBB-/Stable (Triple B) from India Ratings – reaffirming financial stability.
- MFI Grading: C1 (Code of Conduct: Excellent)
- M1 (highest grade for operational and financial performance) from SMERA.

The Management Architecture

In our continued quest for excellence, Pahal Financial Services Private Limited takes immense pride in our team and their unwavering efforts. As the saying goes, "We are what we repeatedly do. Excellence then, is not an act, but a habit." Our team, composed of dedicated professionals from diverse backgrounds, is the backbone of our success. Each member brings unique expertise, contributing to a cohesive and efficient operational framework that drives our mission forward. Supporting our belief that "Together we will achieve greatness beyond measure," our collective efforts ensure sustained excellence and growth.

At the helm is our leadership team, including the Managing Directors and Executive Management, who set the strategic vision and ensure its effective implementation. Various departmental heads oversee critical functions such as Operations, Finance, Human Resources, Marketing, and Risk Management. Each department is staffed with skilled professionals committed to achieving our organizational goals.



Our Portfolio: Products Services & Technology

JOINT LIABILITY GROUP (JLG)

Pahal offers a comprehensive Joint Liability Group (JLG) product portfolio designed to cater to the diverse needs of low-income rural and semi-urban households. Our offerings go beyond traditional loans, including consumer products such as fans, mixers, and solar lights, essential for daily household activities. We also provide targeted financial products like Water and Sanitation loans and the micro-insurance product, Hospicash, covering medical expenses and mitigating financial risks associated with health issues. Pahal's commitment to customer protection principles and fair behavior ensures that our services are accessible and beneficial to the communities we serve.

Service Portfolio: In FY 24-25, we onboarded 6.45 lakh insurance policies across Credit Life, Hospicash, and Cattle Insurance, with total claims settled exceeding ₹36.23 Crores from about 18,435 claims received. The highest number of policies was onboarded in June'24 and July'24, followed by August'24 and October'24.

Ticket Size

₹30,000 – ₹1.03lakhs

Purpose

Microbusiness, Livestock, Agriculture, Education, WASH

Performance

Microbusiness has the largest portfolio (40%) followed by Agriculture (39%) and Livestock (15%).



EXPANDING HORIZONS: OUR GEOGRAPHIC FOOTPRINT

We are operating in 9 states and 1 UT with an AUM (own + managed) exceeding ₹1534 Cr in the JLG vertical, serving over 5.39 lakh customers through 328 branches.

Portfolio Growth: JLG Vertical witnessed a substantial annual portfolio growth rate of ~20%, with Chhattisgarh experiencing the highest growth at 14%, from ₹23.89 Cr in FY 24 to ₹27.20 Cr in FY 25. Madhya Pradesh also saw a significant growth rate of 7%.

Customer Base: The highest customer base is in Bihar and Gujarat, Chhattisgarh showing the fastest growth at over 14%, followed by Madhya Pradesh with a 7% increase. Both states are rapidly climbing the ladder in customer base expansion.



Industry Overview And Trends

Market Size & Growth Dynamics

- India's microfinance market expanded dramatically—from ₹17,264 crore in 2012 to ₹3.93 lakh crore in 2024—reflecting a 2,100% rise over 12 years. (Data source: IMARC Group)
- The 2025–33 outlook remains favorable, with an expected CAGR of ~10.1%, based on a global forecast model.
- Yet FY25 brought a notable downturn: sector-wide AUM contracted to ₹3.59 lakh crore by June 2025—a 5.8% QoQ and 17% YoY drop. (Data source: The Economic Times)
- NBFC credit growth was strong (+20% in FY25 vs. +12% for banks), but MFIs saw a staggering ~95% plunge in profits. (Data source: The Times of India)

Asset Quality & Profitability Stress

- Rising delinquencies are a major concern: soft bucket PAR rose 50 bps and hard bucket (>30 days past due) hit 4.1% in June 2024
- AUM and growth severely slowed in FY25—projected to just 0–5% for MFIs, down sharply from ~29% in FY24 (Data source: Business Standard)
- ICRA forecasts credit costs rising steeply to 5.4–5.6% (from 2.2% in FY24) and RoMA sliding to 0.4–0.8%, ICRA's outlook noted a 12% contraction of AUM in FY25, down sharply from 29% growth in FY24 (Data source: Business Standard)
- Mavenark Advisors also signals shrinking Net Interest Margins (NIMs) due to worsening yields and asset quality

Regulatory & Policy Developments

- Stronger guardrails introduced by MFIN in April 2025: borrower allowed max 3 MFI lenders; household indebtedness capped at ₹2 lakh; enhanced underwriting norms (Data source: Value research online, The Financial Express, Business Standard & Mint)
- RBI reduced qualifying asset requirement for NBFC-MFIs to 60% (from 75%) in June 2025—granting greater flexibility to diversify assets (Data source: The Economic Times & Business Standard)
- RBI Deputy Governor flagged critical issues such as high interest margins, over-indebtedness, and aggressive recovery practices; urged reforms toward ethical lending (Date source: Business Standard & The Week)

Operational Innovation & Transformation

- Digital transformation remains a strong enabler: digital platforms, AI/biometric eKYC, UPI integration, mobile-first services, and fintech partnerships are driving efficiency and inclusion (Data Source: IMARC Group)
- RegTech, blockchain, cybersecurity, and contactless payment innovations are being adopted for enhanced transparency and fraud mitigation
- MFIs continue prioritizing women-centric lending, with women comprising 99% of 8.67 crore active borrowers and ₹4.43 lakh crore loan book in 2024 (Data Source: The Economic Times & Equifax)
- ESG-aligned initiatives like green microfinance (renewable energy, sustainable agriculture) are gaining traction.

Business Strategy & Execution

Core Strategic Response

- Digital Excellence & Efficiency
Accelerate adoption of AI-driven underwriting, UPI-based loan servicing, mobile apps, and RegTech tools to reduce cost and shrink turnaround times.
- Product & Borrower Diversification
Leverage RBI's relaxed qualifying asset norms (60%) by expanding into adjacent segments like MSME lending, secured small business loans, and community savings schemes.
- Ethical and Borrower-Safe Lending
Align with SA-DHAN guardrails and RBI's expectations—strict borrower verification, enforce ₹2 lakh indebtedness cap, and adopt humane collection practices.
- Women-Focused & ESG Offerings
Deepen women-focused lending, add green financing products, and highlight so-



cial impact as differentiators.

- Capital Strategy & Consolidation Play
With investor sentiment waning (equity down 1.8% and borrowings down 36% in FY25) strategic rights issue, alliance with Banks, or thoughtful M&A to build scale and resilience can be seen.
- Operational Resilience & Risk Monitoring
Strengthen credit bureau linkage, deploy early-warning systems, provide staff cross-training, and diversify state-level exposure to mitigate regional disruptions.

INDIVIDUAL LOAN (IL)

At Pahal Finance, customer-centricity continues to drive our individual lending strategy. We have diversified our loan offerings to address the evolving needs of customers, particularly those from vulnerable and underserved communities.

Our IL products, ranging from ₹50,000 to ₹10 lakh, include both secured and unsecured loans for individuals and businesses, with flexible tenures of 6–36 months. In addition, cattle loans with insurance cover remain a cornerstone product, supporting rural households by safeguarding their livelihood assets.

Strategic Focus

In FY 24–25, our focus remained on:

- Designing competitive products aligned to market needs.
- Expanding our consumer product range alongside core loans.
- Transitioning IL branches to a virtual credit model for loans below ₹2 lakh, ensuring faster and more seamless customer experience.

Partnerships & Initiatives

1. SIDBI Partnership – Supporting women entrepreneurs with business loans up to ₹5 lakh at competitive rates.
2. MAS Financial Alliance – Strengthening reach in smaller ticket loans with sizes up to ₹1.5 lakh.
3. Green Financing – Partnering with Sistema.Bio to promote sustainable rural livelihoods; 50 units of bio-digestors sold under subsidized schemes.
4. Digital Integration – Through Dvara Technology, dairy farmers now benefit from rapid credit appraisal using cattle photo uploads.
5. Dvara E Registry – Agri loan to small and marginal farmers through Khet score technology

Portfolio Snapshot:

Portfolio Snapshot (FY 24-25)				
Loan Type	Ticket Size	Tenure	ROI Range	Clients
Secured Loan	₹2.5 lakh – ₹10 lakh	6-36 months	26% – 28%	89
Unsecured Loan	₹50,000 – ₹3 lakh	6-36 months	26% – 28%	17186
Cattle Loan	₹50,000 – ₹10 lakh	6-36 months	24% – 28%	1291
Business Loan	₹1 lakh – ₹10 lakh	6-36 months	26% – 28%	989



SECURED LOAN (SL)

Market Landscape

With two-thirds of India’s population in rural areas, the demand for commercial and utility vehicles continues to expand. Used vehicle sales are expected to outpace new vehicle sales by nearly six times by 2026, while NBFCs’ vehicle financing assets are projected to grow by 17% to over ₹8.1 lakh crore.

Our Strategic Response

Pahal Finance continues to build on this opportunity by:

- Expanding presence in Tier 3 and Tier 4 towns.
- Offering tailored products like used tractors, new and electric three-wheelers, and used commercial vehicles.
- Driving cross-sell opportunities including vehicle insurance renewal.
- Exploring co-lending partnerships with leading NBFCs and banks, including TATA Capital.
- Planning geographic expansion into 2 more states and opening 11 additional branches

Product Portfolio (FY 24-25)

- New 3-wheelers (passenger & goods): Loans up to 110% of ex-showroom price, tenures up to 60 months.
- Electric 3-wheelers: Loans up to 95%, tenures up to 48 months.
- Used 3-wheelers (Bajaj): Fixed loan amounts, tenures up to 36 months.
- Used cars & commercial vehicles: Loans up to 95% of valuation, tenures up to 60 months.
- Interest rates: Ranged between 18% and 33%, competitive with market standards.

Operational States:

- Gujarat
- Madhya Pradesh
- Tamil Nadu
- Rajasthan



New Product Offering: Digital Lending Application – PahalPe

PahalPe – Powering Our Digital Lending Future

As part of our strategic vision to build a technology-led, customer-first financial ecosystem, Pahal is set to launch PahalPe, a mobile-first platform for instant personal loans. This marks a major step towards digitizing the entire borrowing journey, making credit access faster, simpler, and more inclusive.

With PahalPe, customers will be able to complete the full loan cycle—application, KYC, approval, and disbursement—seamlessly on their smartphones without branch visits. Designed with competitive interest rates, minimal documentation, and complete transparency, the platform ensures ease of access while upholding strong credit discipline.

Key Differentiators

- Inclusive Lending – Designed to serve first-time borrowers and semi-urban/rural customers, bridging the financial inclusion gap.
- End-to-End Digital Journey – 100% paperless process with direct disbursal into customer bank accounts.
- Flexibility & Choice – Customers can select their loan amount, tenure, and EMI date.
- Efficient & Scalable – Quick turnaround time supported by robust backend integrations, enabling higher operational efficiency.

Strategic Impact

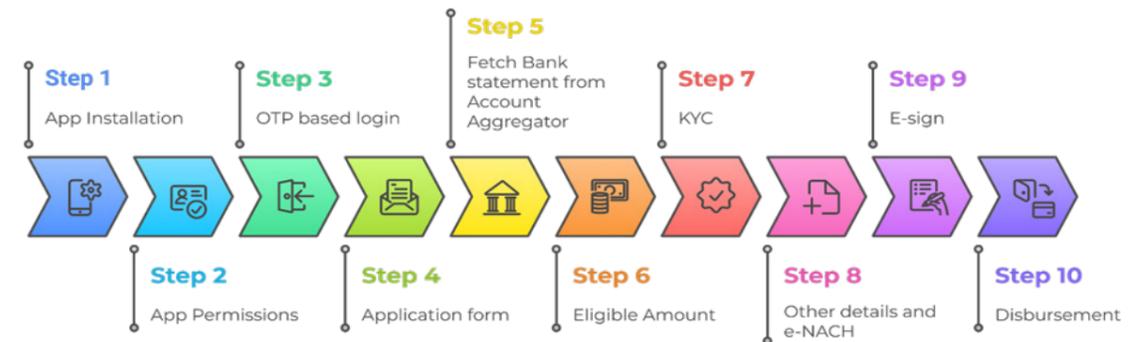
The launch of PahalPe is expected to:

- Expand Pahal’s reach in the retail lending market.
- Strengthen our positioning as a digital-first, future-ready NBFC-MFI.
- Drive operational efficiency and lower acquisition costs.
- Reinforce our commitment to financial inclusion by extending access to underserved segments.

Product Parameters

- Maximum Ticket Size: up to ₹1.50 lakh
- Target Segment: Salaried and self-employed borrowers, including first-time credit seekers
- Objective: Support household needs, small businesses, and financial inclusion initiatives

PahalPe Loan Process



TECHNOLOGY INITIATIVES

Key Digital Initiatives

Several strategic initiatives have been implemented to strengthen our digital capabilities, improve operational efficiency, enhance compliance, and align with our sustainability goals.

Payment Link Implementation

We introduced a secure payment link mechanism to enable customers to make digital repayments via SMS payment link. This has improved collection efficiency, reduced cash handling risks, and enabled real-time payment reconciliation.

Account Aggregator Integration

By adopting the RBI’s Account Aggregator framework, we can now securely access customer financial data with consent. This has accelerated credit assessment, reduced document handling, and improved underwriting quality.

Implementation of SRO Guard Rails

Industry-standard guard rails recommended by SRO’s have been implemented to enhance borrower eligibility checks, ensure responsible lending practices, and maintain portfolio quality.

Paperless Digital Onboarding & Disbursement

We have digitized the entire customer journey from KYC to disbursement, eliminating paper-based processes. This supports our commitment to environmental sustainability and reduces turnaround times.

Leveraging Digital Video PD & Virtual Center Meetings

Video PD (VPD) and online center meetings have been introduced, reducing travel re-

quirements, enhancing operational agility, and significantly lowering loan disbursement turnaround time.

Compliance Management System Implementation

A centralized compliance platform has been deployed to track, monitor, and report on all regulatory requirements. This system ensures timely compliance, better governance, and improved audit preparedness.

Overall Impact:

These initiatives collectively contribute to faster service delivery, improved compliance adherence, reduced operational costs, better risk management, and alignment with our ESG objectives.

Our Cultural Fabric (Empowering People)

Activities and Initiatives undertaken by Pahal and its Employees over the last year...!

Strengthening Leadership Through People: Strategic Workshop at Pahal

In April 2025, Pahal's Senior Management Team participated in a high-impact Strategic Workshop facilitated by Mayin Advisory Services. The session was designed to realign our leadership lens on organizational culture, people strategy, and future-readiness.

What truly stood out was Mayin's clarity of thought, their deep HR expertise, and a strong partnership mindset. The facilitators created a dynamic and engaging space where senior leaders could reflect, ideate, and collaborate on key people priorities.

This initiative marks a vital step in our commitment to fostering agile leadership, strengthening organizational capability, and building a future-focused work culture.

Special thanks to all participants for their active involvement and to Mayin for being true partners in this journey.



The first introductory meeting, held on 15th January 2025, marked the commencement of a significant initiative in collaboration with Sa-Dhan to strengthen the grievance redressal framework. This platform plays a crucial role in addressing and resolving grievances of MFIs, clients, and staff, thereby reinforcing client protection by ensuring that borrowers' voices are heard. In line with this commitment, Ms. Purvi Bhavsar has been appointed as a member of the Grievance Redressal Committee, contributing her expertise towards the development and effective implementation of a robust grievance resolution mechanism at the MFI level.



Awards & Recognition

ASSOCHAM Award

- Runner-Up for Best ESG Initiative in the NBFCs, Digital Payments, and Lending Firms category.

Sa-Dhan Elaben Memorial Award

- Runner-Up for Best Women-Friendly Financial Institution.

Pahal was presented as a Case Study at INSEAD

We are proud to share that Pahal was recently presented as a case study at INSEAD, one of the world's leading business schools. This recognition is a testament to our journey of impact, innovation, and inclusive finance.

The experience of engaging with world-class mentors, professors, and future leaders was deeply enriching. As we reflect on this milestone, we celebrate the grit and passion that fuel our mission.



Talent Acquisition and Retention

During the year, our focus remained on building a skilled and committed workforce to support our business growth and serve our customers effectively.

Talent Acquisition:

- We strengthened our recruitment framework to ensure timely hiring of high-quality talent across all levels, with special emphasis on field staff who form the backbone of our operations.
- New hiring initiatives and community outreach helped us attract candidates familiar with the regions we serve, ensuring cultural alignment and operational efficiency.
- 100% onboarding across all levels at all branches was maintained throughout the year with replacement TAT of 45 days to ensure smooth operations.
- Our efforts in talent acquisition and retention have enabled us to maintain a stable and motivated workforce, capable of delivering on our mission of empowering communities through financial inclusion.

Retention:

- We rolled out new retention strategies focused on enhancing employee engagement, career development, and workplace well-being.
- Retention incentive process, structured induction programs, role-specific training, and regular capability-building sessions to equip employees with the skills needed for operational excellence.
- Periodic feedback and open communication channels ensured that employee concerns were addressed promptly, contributing to improved satisfaction and reduced attrition.
- The voluntary field attrition for the year has come down by 8% as compared to previous year due to the various retention activities.

Diversity and Inclusion Initiatives

We are committed to fostering a workplace that values diversity, promotes equality, and ensures inclusion at every level of the organization. Our workforce reflects the communities we serve, with a significant representation of employees from varied geographies, cultures, and socio-economic backgrounds.

Gender Diversity:

- In line with our focus on empowering women, we continued to increase female representation across roles, including field operations, branch management, and leadership positions.

Inclusive Hiring Practices:

- We actively recruit from local communities, providing opportunities to candidates from underrepresented groups and ensuring accessibility to employment for individuals with diverse educational and professional experiences.

Workplace Culture:

- Through awareness sessions, anti-harassment training, and policies like POSH (Prevention of Sexual Harassment), we have reinforced our commitment to a safe and respectful work environment.
- Our diversity and inclusion initiatives not only strengthen our organisational culture but also enhance our ability to understand and serve our customers better, driving long-term sustainability and impact.

Training Initiatives & Impact

In the financial year 2024-25, Pahal Financial Services conducted 573 training programs, benefitting 26,951 participants, the company continued to strengthen its learning culture by delivering a wide range of training programs, including onboarding, technology updates and adoption, technical skills, soft skills, leadership development, and compliance. These initiatives covered almost the entire workforce through diverse learning modes such as classroom sessions, virtual training, blended learning, e-learning modules, workshops, field training, and on-the-job learning.

While specific quantitative impact measures were not recorded this year, the consistent focus on capability building has ensured that employees remain equipped with the knowledge and skills required to adapt to evolving business needs. Looking ahead, the company plans to prioritize psychological safety and implement a structured framework to align training with business KPIs, enabling clear measurement of outcomes in the coming year.

Progress (Merger & Acquisition) – Highlights for 24–25

PROPARCO: EQUITY INFUSION

Strategic Fundraising to Accelerate Growth and Social Impact

In the fiscal year 2024–25, Pahal Financial Services achieved a significant milestone by securing ₹147 crore in equity funding from Proparco, the private sector financing subsidiary of the French Development Agency (AFD), along with continued support from our existing investor, Gawa Capital.

This strategic infusion of capital reflects strong investor confidence in Pahal’s mission and growth trajectory. The funding will play a pivotal role in expanding Pahal’s outreach, enhancing its technology infrastructure, and strengthening financial access for low-income households, with a special focus on empowering women entrepreneurs who are vital contributors to rural economic development.

Proparco’s investment reflects a shared commitment to advancing responsible and sustainable finance. This partnership is in alignment with the India–France cooperation agenda, aimed at fostering inclusive growth and enhancing economic resilience. It further emphasizes the critical role of supporting microfinance institutions that provide impact-driven, customer-focused financial solutions to underserved communities.

At Pahal, we remain committed to our vision of deepening financial inclusion through responsible lending practices. Our product offerings—tailored micro and MSME loans—are designed to address the unique challenges of low-income households, enabling them to invest in businesses, healthcare, and education. Furthermore, we continue to innovate in climate finance, ensuring that vulnerable segments are supported in the face of climate risks.

This funding marks a major step forward in our journey to drive economic empowerment, particularly for women-led businesses, and reinforces our dedication to the broader Sustainable Development Goals (SDGs). It equips us to scale our operations, further embed ESG principles in our strategy, and deliver lasting social and economic impact.

“We are excited to welcome Proparco as an equity partner in Pahal. Proparco’s expertise on climate and ESG aspects will help propel Pahal’s growth over the coming years. This funding will play a pivotal role in accelerating our growth, expanding our geographic presence, and strengthening our ability to serve more micro-entrepreneurs, particularly women, who are the backbone of rural economies,” said Kartik Mehta and Purvi Bhavsar, Co-founders of Pahal Financial Services. “With Proparco’s support, we aim to deepen our social impact and reinforce our commitment to responsible and sustainable finance.”



Sustainable Development Goals

Our Commitment to progressing responsibly

As a responsible NBFC-MFI, Pahal Financial Services is deeply committed to fostering inclusive and sustainable growth while creating long-term value for all stakeholders. Our core focus remains on extending access to affordable and responsible financial services to underserved households, with a special emphasis on empowering women, small entrepreneurs, and low-income families.

During the financial year 2024-25, over 89.31% of our loan portfolio was extended to women borrowers, reflecting our unwavering commitment to promoting women as key drivers of household stability and community development. Our cumulative portfolio continued to grow, with a strong focus on livelihood financing, microenterprise support, and income-generating activities that contribute to sustainable economic upliftment.

Beyond credit delivery, Pahal conducted 48 financial literacy workshops, empowering customers with the knowledge and tools to make informed financial decisions and access digital financial services.

Aligned with our Environmental, Social, and Governance (ESG) objectives and the broader Sustainable Development Goals (SDGs), we consciously steer our products toward responsible financing avenues. These include clean energy solutions, sustainable agriculture practices, and livelihood-enhancing products, contributing specifically to the following SDGs:

- SDG 1: No Poverty – By expanding financial access to low-income households, enabling income-generating activities.
- SDG 5: Gender Equality – Through targeted loans and support for women entrepreneurs.
- SDG 7: Affordable and Clean Energy – By promoting clean energy solutions.
- SDG 8: Decent Work and Economic Growth – Supporting micro and small enterprises to promote entrepreneurship.
- SDG 13: Climate Action – Through climate-sensitive financial products and risk mitigation strategies.

This year, Pahal's performance in responsible and impact-driven operations was validated by the AFISAR (Agents for Impact Sustainability Alignment Rating) rating, which recognized our strong governance, customer protection measures, and alignment with financial inclu-

sion and social impact best practices.

A landmark initiative this year was our partnership with IBISA to secure cattle-holding customers against loss from extreme temperature conditions. Gujarat witnesses extreme heat from April to July, reducing milk production and impacting daily incomes of dairy farmers. This innovative solution helps safeguard livelihoods and builds resilience among vulnerable farmers.

At an organizational level, Pahal continues to uphold strong governance, customer protection, and ethical practices across all operations. By combining scale with responsibility, we not only finance livelihoods but enable dignity, resilience, and opportunity for millions of households.

Looking ahead, Pahal will focus on further digital innovation, deepening impact measurement frameworks, expanding climate-sensitive solutions, and enhancing strategic partnerships—all while advancing our mission to foster dignity, resilience, and opportunity for millions of underserved households.



Strategic Planning Retreat – Varanasi

Overview

In June, 2025, the company convened its annual strategic planning retreat in Varanasi—a city symbolic of renewal and long-term vision. The serene setting provided an ideal backdrop for deep reflection, collaborative ideation, and decisive planning.

The strategy meeting provided comprehensive overview of our operating landscape, leadership vision and forward looking initiatives. From macroeconomic insights and sectoral trends to board expectations and business strategy, the discussion underscored our commitment to innovation, resilience and responsible growth. Key updates included advancements in technology infrastructure and expanding focus on climate action and thematic initiatives such as PahalPe. These pillars form the foundation of our roadmap for sustainable impact and stakeholder value.

“
The Varanasi retreat was not just a meeting—it was a moment of strategic clarity. We emerged with renewed conviction for sustainable growth.
 ”



Management Discussion and Analysis

Company Overview

Pahal Financial Services Pvt. Ltd., established in 2011 through the strategic acquisition of Kelkar Leasing Company Pvt. Ltd. and a microfinance portfolio of ₹2.50 Cr from Lok Vikas Nidhi, has consistently pursued its vision of holistic financial inclusion for underserved and unbanked communities across India. Over the years, Pahal has strengthened its presence and operations, combining robust governance with a customer-centric approach.

Key Performance Highlights – FY 2024-25

The financial year 2024-25 was marked by significant challenges across the microfinance industry, with the sector witnessing an overall AUM contraction of nearly 20%. Despite this, Pahal demonstrated resilience and operational discipline:

- **Assets Under Management (AUM):** Closed at ₹1,773 Cr, compared to ₹2,094 Cr in FY 2023-24, reflecting a controlled degrowth of 15.32%, better than the industry average.
- **Customer Base:** Declined marginally from 5.8 lakh to 5.65 lakh active customers.
- **Revenue & Profitability:** Revenue increased to ₹505.20 Cr (from ₹462.23 Cr), while PAT stood at ₹6.37 Cr against ₹39.15 Cr in the previous fiscal.
- **Human Capital:** Workforce optimized to 2,992 employees (from 3,189), primarily due to branch mergers and operational realignments.
- **Capital Infusion:** Secured ₹147 Cr in equity funding, comprising ₹115 Cr from Proparco (new investor) and ₹32 Cr from GAWA (existing investor), further strengthening the company's balance sheet.

Industry Context

The Microfinance Industry (MFI) had a very challenging year.

- **NBFC-MFI Loan Portfolio:** ₹1,48,419 Cr with 5.39 Cr active loan accounts.
- **Average Ticket Size:**
- **Portfolio at Risk (PAR 90+):** Deteriorated from 10.90% in March 2025 to 8.8% in March 2025.

Against this backdrop, Pahal delivered industry-leading portfolio quality, with a PAR 90+ of 6.10%, showcasing strong risk management and operational efficiency.

Capital Mobilization and Partnerships

Pahal successfully raised ₹983.47 Cr through diversified sources during the year:

- ₹38.91 Cr via securitization and direct assignments.
- ₹944.56 Cr from banks, NBFCs, FPIs, and other institutional partners.
- Additionally, in FY 2025-26, funds were raised through the GIFT City route at more competitive rates.

Top Lending Partners included ResponsAbility, Blue Orchard, Developing World Markets (DWM), Bank of Maharashtra, and MAS Financial Services Ltd.

Governance & Compliance

Portfolio Quality and Governance

Pahal maintained industry-leading asset quality with PAR 90+ at 6.10%, outperforming the industry benchmark. As an RBI-registered NBFC-MFI since 2014, Pahal upholds the highest standards of compliance, governance, and ethical operations, ensuring transparency and trust across all stakeholders.

Looking Ahead

With a stronger capital base, disciplined risk management practices, and a motivated team, Pahal is well-positioned to:

- Expand its reach in underserved geographies.
- Drive sustainable and profitable growth.
- Deliver measurable socio-economic impact by empowering communities through accessible and responsible financial solutions.



Directors' Report

To,
The Members of
DIRECTORS REPORT

Pahal Financial Services Private Limited

We are delighted to present on behalf of Board of Directors of Pahal Financial Services Private Limited ("the Company"), the 15th Annual Report of the Company along with Audited Financial Statements for the Financial Year ended 31st March 2025.

FINANCIAL HIGHLIGHTS

The summary of the Company's financial performance for the financial year ended March 31,2025 and March 31,2024 are as under:

(Rupees in Lakhs)

Particulars	Financial Year	
	2024-25	2023-24
Total Revenue	50,520.13	46,222.62
Total Expenditure	50,096.34	41,024.24
Profit/Loss before Tax	423.79	5,198.38
Tax Expense	(212.74)	1,283.77
Profit after Tax	636.54	3,914.61
Transfer to General Reserves	-	-
Paid Up Share Capital	6,483.71	4,689.77
Equity Share Capital	4,697.58	4,689.77
Preference Share Capital (Compulsorily Convertible Preference Shares - Series C CCPS)	1,786.13	

During the year under review, Company's total income amounted to Rs. 50,520.13 Lakhs, Profit before tax stood at Rs. 423.79 lakhs and profit after tax stood at Rs. 636.54 lakhs. During the year ended March 31,2025, Asset Under Management (AUM) of the Company has degrown by -15.32%.

OPERATIONAL HIGHLIGHT

The operational indicators for F.Y. 2024-25 as compared to previous F.Y. 2023-24 is given below:

Indicators	For the year ended	
	31 st March 2025	31 st March 2024
Number of States	11	10
Number of Branches	358	340
Number of Borrowers	564,884	5,94,802
The aggregate Assets under Management (AUM) (Rs. In Lakhs)	177,273.66	2,09,351.35
Loan Amount disbursed during the year (Rs. In Lakhs.)	120,943.12	1,87,385.16
Total Portfolio O/S (Own + Assigned + Securitized & BC)	177,273.66	2,09,351.35
(Less) Assigned + BC portfolio	35,456.68	52,904.03
Net Own Portfolio (Rs. In Lakhs.)	141,816.98	1,56,447.32
Borrowed Fund O/s (Rs. In Lakhs.)	140,248.47	1,52,920.03
Total Staff	2994	3,189
PAR > 30 days in % (AUM)	10.75%	3.15%
PAR > 30 days (AUM) (Rs. In Lakhs)	19,063.31	6,593.02
Pahal has increased its borrowers by appx.		-5.03%
Own portfolio increased by		-32.98%
New borrowed fund increased by		-39.83%
Disbursement of loan amount increased by		-35.46%
Growth in the aggregate Assets under Management (AUM)		-15.32%

CHANGE IN THE NATURE OF BUSINESS

There were no such changes occurred in the nature of business during the financial year under review.

MATERIAL EVENT RECORDED SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENT

There are no material changes and commitments affecting the financial position of the Company, which has occurred between the end of the Financial Year of the Company i.e. 31st March 2025 and the date of Directors' Report.

DIVIDEND

Equity Shares

Your directors are pleased to recommend a final dividend of 2% per equity shares of Rs. 10 each for the year ended 31st March 2025.

AMOUNT TRANSFERRED TO RESERVES

The amount of Rs. 127.31 Lakhs being 20.00% of the Profit After Tax (PAT) was transferred to statutory reserves of the Company pursuant to Section 45 IC of the Reserve Bank of India Act, 1934

TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

During the period, the Company does not have any amount due to be credited to the Investor Education and Protection Fund as provided in the provisions of Section 125 of the Companies Act, 2013.

DEPOSITS

Being a Non-Deposit taking, Non-Banking Financial Company, your Company has not accepted any deposits from the public. Your Company is registered with the Reserve Bank of India (RBI), as a non-Deposit accepting NBFC under Section 45-IA of the RBI Act, 1934. Your Directors hereby report that the Company has not accepted any public deposits during the year under review and it continues to be a Non-Deposit taking, Non-Banking Financial Company in conformity with the guidelines of the RBI.

DEBENTURES

During the year under review, the details of debentures issued by your company are as under:

ISIN	Name of Allottees	Name of Debenture Trustee	No. of Debentures	Amount (Rs. In lakh)	Listing Status
INE514Q07346	INCRD ALTERNATIVE OPPORTUNITIES TRUST – INCRD CREDIT OPPORTUNITIES FUND – I	Catalyst Trusteeship Limited	1360	1360	Listed
INE514Q07361	BlueOrchard Microfinance Fund	Catalyst Trusteeship Limited	4100	4100	Listed
INE514Q07353	Stichting Juridisch Eigenaar Actiam Institutional Microfinance Fund III as legal owner of Cardano Impact Financial Inclusion Fund (I)	Catalyst Trusteeship Limited	1640	1640	Listed
	DWM Income Funds SCA SICAV SIF – The Trill Impact- DWM SDGs Credit Fund		2460	2460	
INE514Q07379	MASALA INVESTMENTS S.A.R.L.	Catalyst Trusteeship Limited	3000	3000	Listed
	AAV S.A.R.L.		3000	3000	

• Details of Debenture Trustees of the Company are as follows:

Sr. No.	Name of the Debenture trustees	Address	Contact detail
1	Catalyst Trusteeship Limited (Erstwhile GDA Trusteeship Limited)	GDA House, First Floor, Plot No. 85 S. No. 94 & 95, Bhursari Colony (Right), Kothrud, Pune, Maharashtra, India, 411038	+91 20 66807200 / 223 / 224 ComplianceCTL-Mumbai@ctl-trustee.com
2	Vistra ITCL (India) Limited	6th Floor, The IL&FS Financial Center Plot No. C-22, G Block, Bandra Kurla Complex Bandra (East), Mumbai 400051	No: +91 98206 61411 itclcomplianceofficer@vistra.com
3	IDBI Trusteeship Services Limited	Universal Insurance Building, Ground Floor Sir P.M Road, Fort Mumbai, Maharashtra – 400 001, India	022-40807000 itslcompliance@idbitrustee.com

BONDS IN THE FORM EXTERNAL COMMERCIAL BORROWINGS LISTED AT INDIA INTERNATIONAL EXCHANGE (IFSC) LIMITED (INDIA INX)

During the year under review, the details of bonds listed at India International Exchange (IFSC) Limited (India INX) in the form external commercial borrowings issued by your company are as under:

ISIN	Name of Bondholder	Name of Security Trustee	No. of Bonds	Amount of issuance
INIFD1605036	GLOBAL GENDER-SMART FUND S.A., SICAV-SIF	Catalyst Trusteeship Limited	750	USD 75,00,000/-
INIFD1605010	JAPAN ASEAN WOMEN EMPOWERMENT FUND	Catalyst Trusteeship Limited	500	USD 50,00,000/-
INIFD1605028	BLUEORCHARD MICRO FINANCE FUND	Catalyst Trusteeship Limited	700	USD 70,00,000/-

CHANGE IN THE CAPITAL STRUCTURE OF THE COMPANY

a. Authorized Share Capital

During the year under review, following are the changes in Authorised Share Capital of the Company:

- Company has increased the authorized capital from Rs. 69,90,79,110/- (Rupees Sixty-Nine Crores Ninety Lakhs Seventy-Nine Thousand One Hundred and Ten Only) divided into 5,24,07,911 (Five Crores Twenty-Four Lakhs Seven Thousand Nine Hundred and Eleven) equity shares of face value of Rs. 10/- each and 1,75,00,000 (One Crore Seventy-Five Lakhs) preference shares of Rs. 10/- each to Rs. 72,90,79,110/- (Rupees Seventy-Two Crore Ninety Lakhs Seventy-Nine Thousand One Hundred Ten Only) divided into 5,54,07,911 (Five Crore Fifty-Four Lakhs Seven Thousand Nine Hundred Eleven) equity shares of Rs. 10/- (Rupees Ten) each and 1,75,00,000 (One Crore Seventy-Five Lakhs) Preference Shares of Rs. 10/- (Rupees Ten) each at the Extra-Ordinary General Meeting held on August 2, 2024 and
- Company has increase authorized capital from Rs. 72,90,79,110/- (Rupees Seventy-Two Crore Ninety Lakhs Seventy-Nine Thousand One Hundred Ten Only) divided into 5,54,07,911 (Five Crore Fifty-Four Lakhs Seven Thousand Nine Hundred Eleven) equity shares of Rs. 10/- (Rupees Ten) each and 1,75,00,000 (One Crore Seventy-Five Lakhs) Preference Shares of Rs. 10/- (Rupees Ten) each to Rs. 77,90,79,110/- (Rupees Seventy-Seven Crore Ninety Lakhs Seventy-Nine Thou-

sand One Hundred Ten Only) divided into 5,54,07,911 (Five Crore Fifty-Four Lakh Seven Thousand Nine Hundred Eleven) equity shares of Rs. 10/- (Rupees Ten) each and 2,25,00,000 (Two Crore Twenty Five Lakhs) Preference Shares of Rs. 10/- (Rupees Ten) each at the Extra-Ordinary General Meeting held on February 12, 2025.

After the financial year and upto the date of report following are the changes in Authorised Share Capital of the Company:

- Company has increased authorized capital from Rs. 77,90,79,110/- (Rupees Seventy-Seven Crore Ninety Lakhs Seventy-Nine Thousand One Hundred Ten Only) divided into 5,54,07,911 (Five Crore Fifty-Four Lakh Seven Thousand Nine Hundred Eleven) equity shares of Rs. 10/- (Rupees Ten) each and 2,25,00,000 (Two Crore Twenty-Five Lakh) Preference Shares of Rs. 10/- (Rupees Ten) each to Rs. 98,90,79,110/- (Rupees Ninety-Eight Crore Ninety Lakhs Seventy-Nine Thousand One Hundred Ten Only) divided into 7,64,07,911 (Seven Crore Sixty-Four Lakhs Seven Thousand Nine Hundred Eleven) equity shares of Rs. 10/- (Rupees Ten) each and 2,25,00,000 (Two Crore Twenty-Five Lakh) Preference Shares of Rs. 10/- (Rupees Ten) each at the Extra-Ordinary General Meeting held on April 8, 2025.

b. Paid-up Share Capital

• Equity Shares

During the year under review, your Company had issued and allotted following Equity Shares:

- Issued and allotted 22,500 equity shares having face value of Rs. 10/- each at Rs. 32.25/- including premium of Rs. 22.25 to Pahal Welfare Trust under ESOP.
- Issued and allotted 55,500 equity shares having face value of Rs. 10/- each at Rs. 32.25/- including premium of Rs. 22.25 to Pahal Welfare Trust under ESOP.

Thus, as on 31st March 2025, the Equity Share Capital of the Company stood at Rs. 46,97,57,510/- (Rupees Forty-Six Crores Ninety-Seven Lakhs Fifty-Seven Thousand Five Hundred and Ten Only).

After the financial year and upto the date of report, your Company had issued and allotted following Equity Shares:

- Issued and allotted 21,94,374 equity shares upon conversion of Compulsorily Convertible Preference Shares (Series C) having face value of Rs. 10/- each at Rs. 82.48/- including premium of Rs. 72.48/- each to HURUMA FUND S.C.A., SICAR- EuSEF.
- Issued and allotted 17,24,151 equity shares upon conversion of Compulsorily Convertible Preference Shares (Series C) having face value of Rs. 10/- each at Rs. 82.48/- including premium of Rs. 72.48/- each to HURUMA SV SÀRL.
- Issued and allotted 1,39,42,774 equity shares upon conversion of Compulsorily Convertible Preference Shares (Series C) having face value of Rs. 10/- each at Rs. 82.48/- including premium of Rs. 72.48/- each to SOCIÉTÉ DE PROMOTION ET DE PARTICIPATION POUR LA COOPÉRATION ECONOMIQUE S.A.
- Issued and allotted 7,500 equity shares having face value of Rs. 10/- each at Rs. 80.24/- including premium of Rs. 70.24 to Pahal Welfare Trust under ESOP.

• Preference Shares

During the year under review, your Company had issued and allotted following Preference Shares:

- Issued and allotted 21,94,374 Compulsorily Convertible Preference Shares (Series C) having face value of Rs. 10/- each at Rs. 82.48/- including premium of Rs. 72.48/- each to HURUMA FUND S.C.A., SICAR- EuSEF.
- Issued and allotted 17,24,151 Compulsorily Convertible Preference Shares (Series C) having face value of Rs. 10/- each at Rs. 82.48/- including premium of Rs. 72.48/- each to HURUMA SV SÀRL.
- Issued and allotted 1,39,42,774 Compulsorily Convertible Preference Shares (Series C) having face value of Rs. 10/- each at Rs. 82.48/- including premium of Rs. 72.48/- each to SOCIÉTÉ DE PROMOTION ET DE PARTICIPATION POUR LA COOPÉRATION ECONOMIQUE S.A.

Thus, as on 31st March 2025, the Compulsorily Convertible Preference Shares Capital of the Company stood at Rs. 17,86,12,990/- (Rupees Seventeen Crores Eighty-Six Lakhs Twelve Thousand Nine Hundred and Ninety Only).

After the financial year and upto the date of report, your Company has converted 1,78,61,299 Series C Compulsorily Convertible Preference Shares having a face value of Rs. 10 per share into equity shares of the Company.

RESERVE BANK OF INDIA (RBI) DIRECTIONS

The Company is registered with RBI as NBFC-MFI vide Registration No. B.01.00551. The Company continues to comply with the applicable requirements as prescribed by RBI.

In terms of Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 as amended from time to time, your company is classified as NBFC- Middle Layer (NBFC-ML). Your Company complies with the direction(s), circular(s), notification(s) and guideline(s) issued by the Reserve Bank of India as applicable to your company.

DECLARATION FROM INDEPENDENT DIRECTOR(S)

The Company has received necessary declarations of independence from each of its Independent Directors under section 149(7) of the Companies Act, 2013, that he/she meets the criteria of Independent Directors envisaged in section 149(6) of the Companies Act, 2013. There has been no change in the circumstances affecting their status as Independent Directors of the Company.

CAPITAL ADEQUACY

The Company continues to fulfill all the norms and standards laid down by the RBI pertaining to the Capital Adequacy Ratio (CRAR). The Company has been able to maintain CRAR of 29.89% as on March 31, 2025, which is well above the RBI mandated norm of 15%. The Company continued to apply prudent liquidity management techniques and adopt strategy of maintaining adequate liquidity buffer throughout the financial year 2024-25.

INTERNAL FINANCIAL CONTROLS

The Company has devised a proper system of internal financial controls which is commensurate with size and nature of Business. The Board has appointed M/s. Radisson Consulting as an Internal Auditor of the Company pursuant to the provisions of Section 138 of the Companies Act, 2013 in order to ensure proper internal financial controls.

The policies and procedures adopted by Company take into account the design, implementation and maintenance of adequate internal financial controls, keeping in view the size and nature of the business. The internal financial controls ensure the orderly and efficient conduct of its business. The controls encompass safeguarding

of your Company's assets, strict adherence to policies, and prevention and detection of frauds and errors against any unauthorized use or disposition of assets and misappropriation of funds. These controls help to keep a check on the accuracy and completeness of the accounting records and timely preparation of reliable financial disclosures.

Key Risk Areas and Mitigation

Type	Risks	Mitigation
Credit Risk	<ul style="list-style-type: none"> Overleveraging across borrowers Changing JLG dynamics 	<ul style="list-style-type: none"> Enhanced Credit Assessment Proactive Credit monitoring Implementation of Credit Risk management Mechanism as per RBI guidelines
Operational Risk	<ul style="list-style-type: none"> Disruptions in external Environment Lack of execution of control mechanism Frauds and misappropriation 	<ul style="list-style-type: none"> Implementation of Operational Risk management Mechanism as per revised RBI guidelines Business Process Automation Strengthening Maker/checker concept in critical processes Monitoring Exception Reports
IT/Cybersecurity	<ul style="list-style-type: none"> System Failures Data breaches Cyber attacks Digital Platforms 	<ul style="list-style-type: none"> Digital Roadmaps Strengthening Technology and security infrastructure
Compliance	<ul style="list-style-type: none"> Revised Guidelines Tightened regulations 	<ul style="list-style-type: none"> Active tracking of compliance requirements Technology Driven Compliance Strict compliance

Way Forward

The Risk Management Framework is being made robust in line with the Operations Risk and Resilience Guidelines by RBI. Frameworks such as RCSA, EWS and KRIs are being developed at Enterprise level

DETAILS OF SUBSIDIARY, ASSOCIATE AND/OR JOINT VENTURE COMPANIES

The Company has no subsidiary, associate and/or joint venture companies.

RISK MANAGEMENT AND AUDIT

Overview

Pahal Financial Services Private Limited (Pahal) aims to operate within an effective risk management framework to actively manage all the risks faced by the company, in a manner consistent with its risk profile. It seeks to promote a strong risk culture throughout the organization. A strong risk culture is designed to help reinforce the Company's efforts by encouraging a holistic approach to the management of risk and return throughout the organization as well as the effective management of Pahal's risk, capital, and reputation.

Risk is an integral part of Pahal's business, and sound risk management is critical to the success of the organization. As a financial institution, the company is exposed to risks that are particular to the small-ticket micro-lending business and the environment within which it operates. The company has identified and implemented comprehensive policies and procedures to assess, monitor, and manage risk throughout the company. The risk management process is continuously assessed and improved to meet the changing risk scenario; the agility of the risk management process is monitored and reviewed for its appropriateness in the changing risk landscape. The process of continuous evaluation of risks includes taking stock of the risk landscape on an event-driven basis.

Governance and Oversight

Overall governance, management, and oversight of the risk management practices of the organization exist with the Board, Audit Committee, ALCO, and Risk Management Committee. Risk management at Pahal aims to reduce the likelihood of errors, wrong decisions, and the impact of risks due to unforeseen circumstances as much as possible. The management regularly monitors risk and discloses its risk profile and mitigation strategies to the board on an ongoing basis.

Risk Management Framework

Pahal has a strong risk management system in which the Board approved Risk Management Framework covers Credit, Operational, Market, Liquidity, Reputational Risk, and Risk Based Internal Audit. The risk appetite includes a series of metrics as Key Risk Indicators with limits that express, in quantitative and qualitative terms, the maximum risk exposure that company is willing to assume. Trend analysis is done based on these KRIs. Risk assessments and support activities to address threshold

breaches are conducted to monitor potential risks, Pahal uses a risk matrix, and stress testing to assess and compare the risks. New Processes and products are reviewed from a risk control perspective. Regular Risk Reports are prepared for senior management and board.

Internal Audit

Pahal has a full-fledged in-house business internal audit department for internal audit of its branch business operations and processes. They provide regular reports to the internal stakeholders, share them with the external stakeholders as and when required, and present them to the board. The Chief Audit and Risk Officer reports to the Audit Committee (ACB) and Risk Management Committee of the Board. The audit reports are discussed with the business operations team and Branch back-end operations team to minimize inconsistencies, focus on areas of improvement, and ensure the correction of operational problems. This also includes checking all compliance with regard to regulatory guidelines and statutory compliances.

Pahal has adopted a risk-based audit planning approach to conduct its audits throughout the year. The Audit Plan is developed based on an understanding of inherent risks and the control environment. Audit frequency is determined through a risk-based approach, considering historical audit grades, trends, and trend analysis of key risk indicators.

Social and Environmental Performance Management

Social and Environmental Performance Management (SEPM) is the effective translation of an institution's social and environmental mission into practice. At Pahal, the vision, mission, and values serve as the basic principles for Social and Environmental Performance Management and its approach is based on the Universal Standards for Social and Environmental Performance Management (USSEPM), a framework provided by Social Performance Task Force (SPTF) and Cerise for the effective implementation of Social and Environmental practices. SPI5 is an assessment tool which is used to assess an institution's compliance to USSEPM. It evaluates performance across various dimensions, including social strategy and commitment, client protection principles, responsible growth and development, human resource development, and environmental performance management.

Client Protection and Code of Conduct

Pahal has imbibed the spirit of Client Protection Principles and developed a strong

culture of fair and responsible behavior toward its clients. Pahal follows the client protection guidelines provided by SPTF and Cerise under the Client Protection Pathway-. Pahal has also achieved the highest Grade of C1 in Code of Conduct Assessment signifying excellent performance on Code of Conduct dimensions.

Products and Services focused on positive Social Impact

Pahal has a wide range of products and services which help in improving the quality of life of the underserved sections of society by providing safety net against socio economic risks and creating opportunities for employment generation, livelihood growth, women empowerment, education, improving sanitation etc. These products and services include water & sanitation loans, education loans, health insurance, cattle insurance etc.

Pahal provides various non-financial services such as providing financial literacy training and health consultation to clients and their community. Health consultation services is provided in collaboration with M-SWASTH. Pahal has set up E-Clinics in its branches. Through this initiative, Pahal aims to provide the most advanced and digital health facilities and create more health awareness.

Client Impact and Satisfaction Studies

Pahal regularly takes part in the annual Microfinance Index Survey by an External agency 60 Decibels. The purpose of the study is to assess the impact of microfinance services on clients' lives. The results show that Pahal has improved clients' access to financial services and improved their quality of life. Moreover, Pahal internally conducts Client Satisfaction Surveys at regular intervals to get insights on clients' satisfaction levels.

Environmental Performance

Pahal is streamlining its practices to devise an effective strategy to improve the Environmental performance. Pahal has done a gap assessment to see the scope of improvement. The ESG strategy is being planned to mitigate climate risk, reduce its impact on the portfolio, improve the resilience against climate shocks. Pahal has expanded its Environmental Strategy to include the goal of being a carbon neutral company as a part of its strategy. The lending practices have also been enhanced to include Social and Environmental Criteria in credit assessment. These measures will be a part of broader ESG framework which will include active tracking of carbon emission data.

There are products such as loans for climate smart agriculture, loans for biodegesters, ecofriendly solutions such as solar lights and induction cooktops as consumer products, climate risk insurance and loans for electric vehicles which reduce the negative impacts on environment and act as effective mitigation of climate change risk. Pahal has also reduced paper usage through increasing digitization of the core processes.

Sustainability Rating

Pahal conducted an external Sustainability Rating exercise which was based on Sustainable Development Goals (SDGs) and Environmental, Social & Governance (ESG) criteria. It was done through an external agency, Agents for Impact Sustainability Alignment Rating (AFISAR). Pahal achieved a score of 69% with a "B+" Rating which is above the AFISAR benchmark of 43%.

KEY MANAGERIAL PERSONNEL

Pursuant to the provisions of Section 203 of the Companies Act, 2013 read with the Rules made thereunder, following employees are the Whole Time Key Managerial Personnel of the Company as on the date of this report:

Sr. No.	Name	Designation
1	Mr. Kartik S Mehta	Managing Director
2	Ms. Purvi J Bhavsar	Managing Director
3	Mr. Chintan C Desai	Chief Financial Officer
4	Ms. Dimple Padhiar	Company Secretary

During the year under review, there was no change in the Key Managerial Personnel of the Company.

APPOINTMENTS/RESIGNATIONS OF DIRECTORS

All the Directors have varied experience and specialized knowledge in various areas of relevance to the Company. The Board consists of directors appointed as per the provisions of the Companies Act, 2013 and RBI Master Directions

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

- Mr. Vaibhav Suhas Joshi (DIN: 10810824) was appointed as an Additional Director (Non-Executive & Independent) w.e.f. 29th October 2024.

- Ms. Alpana Indrajit Killawala (DIN: 10821462) was appointed as an Additional Director (Non-Executive & Independent) w.e.f. 12th November 2024.
- Dr. Deepali Pant Joshi (DIN: 07139051) resigned as an Independent Director of the Company w.e.f. 1st August 2024.
- Mr. Venkatraman Ganesh Iyer (DIN: 01204165) ceased to be an Independent Director of the Company, upon completion of second and final consecutive term of 5 years on August 24, 2024.
- Mr. Vaibhav Suhas Joshi (DIN: 10810824) was appointed as an Independent Director by the Members of the Company for 5 years w.e.f. 29th October 2024 by regularizing him in the Extra-Ordinary General Meeting held on February 12, 2025.
- Ms. Alpana Indrajit Killawala (DIN: 10821462) was appointed as an Independent Director by the Members of the Company for 5 years w.e.f. 12th November 2024 by regularizing her in the Extra-Ordinary General Meeting held on February 12, 2025.

After the financial year and upto the date of report following are the changes:

- Mr. Guillaume Jean Barberousse (DIN: 11038651) was appointed as an Additional Director (Nominee) on behalf of SOCIÉTÉ DE PROMOTION ET DE PARTICIPATION POUR LA COOPÉRATION ECONOMIQUE S.A. w.e.f. 21st July 2025 and later he was appointed as a Nominee Director by the Members of the Company by regularizing him in the Extra-Ordinary General Meeting held on July 22, 2025.
- Ms. Arpita Pal Agrawal (DIN: 08588528) ceased to be Nominee Director w.e.f. 6th May 2025 pursuant to her withdrawal of nomination by Dia Vikas Capital Private Limited.
- Mr. Saurabh Baroi (DIN: 02723687) was appointed as an Additional Director (Nominee) in place of Ms. Arpita Pal Agrawal (DIN: 08588528) on behalf of Dia Vikas Capital Private Limited w.e.f. September 15, 2025.

There were no other changes on the Board except as mentioned above.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors' Responsibility Statement as required under Section 134(5) of the Companies Act, 2013 is attached as Annexure I and form part of the Board's Report.

SIGNIFICANT AND MATERIAL ORDERS

During the period under review, there were no Significant and Material Orders passed by Regulators or Courts or Tribunals impacting the going concern status of the Company and its operations in future.

DISCLOSURES ON CORPORATE GOVERNANCE PURSUANT TO RESERVE BANK OF INDIA (NON-BANKING FINANCIAL COMPANY – SCALE BASED REGULATION) DIRECTIONS, 2023 (AS UPDATED FROM TIME TO TIME)

For the disclosures on corporate governance, please refer Annexure II which forms part of the Board's report and for disclosure related to Financial Statements pursuant to Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 (Direction 90 – Disclosure in Financial Statement – Notes to Accounts), please refer to Notes to Accounts which forms part of the Financial Statements.

BOARD MEETINGS:

The Composition of the Board as on 31st March 2025 was as follows:

Sr. No.	Name of the Director	Director Since	Capacity (i.e. Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	DIN	No. of Board Meetings		No. of other directorship	Remuneration (in Lakhs)			No. of shares held in and convertible instruments held in the NBFC
1	Mr. Kartik S Mehta	08/02/2011	Managing Director	02083342	11	11	-	170.50	-	-	41,02,868
2	Ms. Purvi J Bhavsar	08/02/2011	Managing Director	02102740	11	10	-	170.50	-	-	42,26,669
3	Ms. Alpana Indrajit Killawala*	12/11/2014	Non-Executive and Independent Director	10821462	3	3	-	-	0.90	-	-
4	Mr. Satish G Mehta	21/07/2021	Non-Executive and Independent Director	00110640	11	11	5	-	4.55	-	34,000
5	Mr. Vaibhav Suhas Joshi**	29/10/2024	Non-Executive and Independent Director	10810824	4	4	-	-	1.75	-	-
6	Ms. Arpita Pal Agrawal	22/09/2023	Nominee Director (Dia Vikas Capital Private Limited)	08588528	11	10	5	-	3.20	-	-
7	Mr. Luca Torre	01/09/2023	Nominee Director (Huruma Funds Managed by GAWA Capital)	09747393	11	8	5	-	1	-	-
8	Ms. De Silva Niroshani Sawanawadu	01/09/2023	Nominee Director (BOPA Pte Ltd)	08227028	11	10	1	-	1.25	-	-

* Ms. Alpana Indrajit Killawala (DIN: 10821462) was appointed as an Additional Director (Non-Executive & Independent) of the Company w.e.f. 12th November 2024.

** Mr. Vaibhav Suhas Joshi (DIN: 10810824) was appointed as an Additional Director (Non-Executive & Independent) of the Company w.e.f. 29th October 2024.

DIRECTOR WHO CEASED TO BE DIRECTOR DURING F.Y 2024-25

Sr. No.	Name of the Director	Director Since	Capacity (i.e. Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	DIN	No. of	No. of Board meetings attended	No. of other directorship	Salary and other compensation	Sitting Fees	Commission	No. of shares held in and convertible instruments held in the NBFC
1	Dr. Deepali Pant Joshi	01/10/2022	Independent Director	07139051	4	4	9	-	2	-	-
2	Mr. Venkatraman Ganesh Iyer	25/08/2014	Independent Director	01204165	4	4	2	-	1.50	-	25000

#The above shareholding of Mr. Kartik S Mehta includes 50,000 Equity shares held by him in the capacity of Karta of Kartik Shailesh Mehta HUF and 30,61,200 partly paid equity shares on which Re. 1 per equity shares was paid.

\$The above shareholding of Ms. Purvi J Bhavsar includes 30,61,200 partly paid equity shares on which Res. 1 per equity shares was paid.

The Board of Directors of the Company meets at regular intervals, they met 11 (Eleven) times during the Financial Year. The intervening gap between any two meetings was within the period prescribed by the Companies Act, 2013. The Board is regularly briefed and updated on the key activities of the business and is provided with briefings and presentations on operations, quarterly financial and other matters concerning the Company. Besides, information about statutory compliance, minutes, and information as required under the Companies Act, 2013, Listing Regulations and Guidelines of Reserve Bank of India being provided to the Directors on regular interval of time. The details of meetings are given as follows:

Sr. No.	Date of Meeting	Total Number of Directors associated as on the date of meeting	Attendance	
			Number of Directors attended	% of attendance
1	10.04.2024	8	8	100.00%
2	25.04.2024	8	8	100.00%
3	09.05.2024	8	8	100.00%
4	01.08.2024	8	8	100.00%
5	10.09.2024	6	5	83.33%
6	19.09.2024	6	5	83.33%
7	29.10.2024	6	5	83.33%
8	12.11.2024	7	6	85.71%
9	04.02.2025	8	8	100.00%
10	19.03.2025	8	7	100.00%
11	28.03.2025	8	7	87.50%

*Mr. Vaibhav Suhas Joshi (DIN: 10810824) was appointed as an Additional Director (Non-Executive & Independent) w.e.f. 29th October 2024.

**Ms. Alpana Indrajit Killawala (DIN: 10821462) was appointed as an Additional Director (Non-Executive & Independent) w.e.f. 12th November 2024.

***Dr. Deepali Pant Joshi (DIN: 07139051) resigned as an Independent Director of the Company w.e.f. 1st August 2024.

****Mr. Venkatraman Ganesh Iyer (DIN: 01204165) ceased to be an Independent Director of the Company, upon completion of second and final consecutive term of 5 years on August 24, 2024.

*****Mr. Vaibhav Suhas Joshi (DIN: 10810824) was appointed as an Independent Director by the Members of the Company for 5 years w.e.f. 29th October 2024 by regularizing him in the Extra-Ordinary General Meeting held on February 12, 2025.

*****Ms. Alpana Indrajit Killawala (DIN: 10821462) was appointed as an Independent Director by the Members of the Company for 5 years w.e.f. 12th November 2024 by regularizing her in the Extra-Ordinary General Meeting held on February 12, 2025.

Details of change in composition of the Board during the current and previous financial year

Sr. No.	Name of Director	Capacity	Nature of Change (Resignation/Appointment)	Effective Date
1	Mr. Vaibhav Suresh Joshi	Independent Director	Appointment	29.10.2024
2	Ms. Alpana Indrajit Killawala	Independent Director	Appointment	12.11.2024
3	Dr. Deepali Pant Joshi	Independent Director	Resignation	01.08.2024
4	Mr. Venkatraman Ganesh Iyer	Independent Director	Expiry of term as Independent Director	24.08.2024
5	Mr. Guillaume Jean Barberousse	Nominee Director - SOCIÉTÉ DE PROMOTION ET DE PARTICIPATION POUR LA COOPÉRATION ECONOMIQUE S.A.	Appointment	21.07.2025
6	Ms. Arpita Pal Agrawal	Nominee Director - Dia Vikas Capital Private Limited	Withdrawal of nomination by Dia Vikas Capital Private Limited	06.05.2025

Where an Independent Director resigns before expiry of her/his term, the reasons for resignations as given by her/him shall be disclosed:

Dr. Deepali Pant Joshi resigned as an Independent Director w.e.f. 1st August 2024 due to personal reasons and Mr. Venkatraman Ganesh Iyer ceased to be an Independent Director of the Company, upon completion of second and final consecutive term of 5 years on August 24, 2024. We would like to express our sincere gratitude to Dr. Deepali Pant Joshi and Mr. Venkatraman Ganesh Iyer for their valuable contribution throughout the tenure as Independent Directors. Company confirms that there were no material reasons for resignation of Dr. Deepali Pant Joshi other than those provided above.

Details of any relationship amongst the directors inter se shall be disclosed – Not Applicable

COMMITTEES OF THE BOARD AND THEIR COMPOSITION

The Board of Directors has constituted various Board Committees with specific terms of reference to ensure timely and effective working of the Board and the Company in addition to comply with the provisions of the Companies Act 2013, the SEBI (LODR) regulation 2015, other regulations/guidelines of the Reserve Bank of India (RBI) and other statutory provisions. The Committees operate as empowered bodies of the Board. There are 9 (Nine) Committees of the Board of Directors, which have been delegated adequate powers to discharge their roles and responsibilities and urgent business of the Company. The composition and functioning of these Committees are in compliance with the applicable provisions of Companies Act 2013, SEBI (LODR) regulation 2015 and also in consonance with the Master Directions issued by the RBI for NBFC. As on March 31, 2025, the following committees were in operation :

1. Audit Committee;
2. Nomination and Remuneration Committee;
3. Stakeholders Relationship Committee;
4. Corporate Social Responsibility Committee;
5. Asset and Liability Management Committee
6. Risk Management Committee
7. Information Technology Strategy Committee;
8. Finance Committee

The Committee meets as often as required. The Minutes of the meeting of the Committee are circulated to the Board of Directors. The brief description of terms of reference and composition of these Committees are as follows:

1. Audit Committee

The Audit Committee of the Company is chaired by the Non-Executive Independent Director. All the members of the Committee are financially literate and possess thorough knowledge of accounting or related financial management expertise. The Audit Committee has been constituted with the primary objective to monitor and provide an effective supervision of the management's financial reporting process, to ensure accurate and timely disclosures, with the highest level of transparency, integrity, and quality of financial reporting. Majority of the members of the Committees are Independent Directors.

The Statutory Auditors and Internal Auditors are invited to the Audit Committee Meeting to discuss with Directors the scope of Audit and their report along with comments. Minutes of Audit Committee Meetings are circulated to all the members and thereafter discussed and noted at the subsequent Board Meeting. The Company Secretary of the Company acts as Secretary of the Audit Committee

The Composition of the Audit Committee as on 31st March 2025 was as follows:

Sr. No.	Name of the Director	Member of Committee since	Category (i.e Executive/ Non- Executive/Chairman/Promoter Nominee/Independent)	Designation in the Committee	No. of Meetings of Committee		No. of shares held in the NBFC
					Held	Attended	
1	Mr. Satish G Mehta	01/10/2021	Non-Executive and Independent Director	Chairperson	4	4	34,000
2	Ms. Arpita Pal Agrawal		Nominee Director (Dia Vikas Capital Private Limited)	Member	4	4	0
3	Mr. Vaibhav Suhas Joshi*		Non-Executive and Independent Director	Member	2	2	0

* Mr. Vaibhav Suhas Joshi was admitted as a member of the Committee w.e.f. 29th October 2024.

DIRECTOR WHO CEASED TO BE MEMBER DURING F.Y 2024-25

Sr. No.	Name of the Director	Member of Committee since	Category (i.e Executive/Non-Executive/Chairman/Promoter Nominee/Independent)	Designation in the Committee	No. of Committee meetings held	No. of Committee meetings attended	No. of shares held in the NBFC
1	Dr. Deepali Pant Joshi	06/11/2022	Non-Executive and Independent Director	Member	2	2	-

The members of the Audit Committee met 4 (Four) times during the financial year. The details of which are given as follows:

Sr. No.	Date of Meeting	Total No. of Members associated as on the date of meeting	Attendance	
			No. of members attended	% of attendance
1	08.05.2024	3	3	100.00%
2	01.08.2024	3	3	100.00%
3	11.11.2024	3	3	100.00%
4	04.02.2025	3	3	100.00%

Terms of Reference of Audit Committee

1. Recommendation to the Board the appointment, remuneration, replacement or removal and terms of appointment of auditors of the Company;
2. Review and monitor the auditor's independence and performance, and effectiveness of the audit process;
3. Examination of the financial statement and the auditor's report thereon;
4. Approval or subsequent modifications of transactions of the Company with the related parties;
5. Scrutiny of Inter – Corporate Loans and Investment;
6. Valuation of undertaking or assets of the company, wherever it is necessary;
7. Evaluation of Internal financial controls and risk management systems;
8. Monitoring the end use of funds raised through public offer (if any) and related matter.

2. Nomination and Remuneration committee

The terms of reference of the Nomination and Remuneration Committee are in accordance with the provisions of the Companies Act 2013, the regulation framed by Reserve Bank of India. It discharges such other functions as may be delegated by the Board of Directors from time to time. The Remuneration Policy is available at Company's website and can be accessed through the weblink of the Company <https://pahalfinance.com/wp-content/uploads/2025/08/Nomination-and-remuneration-policy.pdf>

The Committee has recommended to the Board of Directors, the manner for an ef-

fective annual performance evaluation of the Board, its committee and individual directors. The Board expressed its satisfaction with the evaluation process. It also reviews and recommends the payment of salaries, incentive and finalizes appointment and other employment conditions of Directors and Key Managerial Personnel. The Composition of the Nomination and Remuneration Committee as on 31st March 2025 was as follows:

Sr. No.	Name of the Director	Member of Committee since	Category (i.e Executive/Non- Executive/ Chairman/Promoter Nominee/Independent)	Designation in the Committee	No. of Meetings of Committee		No. of shares held in the NBFC
					Held	Attended	
1.	Mr. Vaibhav Suhas Joshi*	29/10/2024	Non-Executive & Independent Director	Chairperson	1	1	-
2	Ms. Alpana Indrajit Killawala**	12/11/2024	Non-Executive & Independent Director	Member	-	-	-
3.	Mr. Satish G. Mehta	01/10/2021	Non-Executive & Independent Director	Member	2	2	34,000

* Mr. Vaibhav Suhas Joshi was admitted as Chairperson of the Committee w.e.f. 29th October 2024.

** Ms. Alpana Indrajit Killawala was admitted as a member of the Committee w.e.f. 12th November 2024.

*** Ms. De Silva Niroshani Sawanawadu was admitted as a member of the Committee w.e.f. 29th October 2024.

DIRECTOR WHO CEASED TO BE MEMBER DURING F.Y 2024-25 :

Sr.	Name of the Director	Member of Committee since	Category (i.e Executive/ Non- Executive/ Chairman/ Promoter Nominee/Independent)	Designation in the Committee	No. of Meetings of Committee Held	No. of Meetings of Committee attended	No. of shares held in the NBFC
1	Dr. Deepali Pant Joshi	06/11/2022	Non-Executive and Independent Director	Chairperson	1	1	-
2	Mr. Venkatraman G lyer	22/05/2015	Non-Executive and Independent Director	Member	1	1	25000
3	Ms. De Silva Niroshani Sawanawadu	29/10/2024	Nominee Director (BOPA)	Member	1	1	-

The members of the Nomination and Remuneration Committee met 2 (Two) times during the financial year. The details of which are given as follows:

Sr. No.	Date of Meeting	Total Number of Members associated as on the date of meeting	Attendance	
			Number of Members attended	% of attendance
1.	08.05.2024	3	3	100.00%
2.	12.11.2024	3	3	100.00%

Terms of reference of Nomination and Remuneration Committee:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the Remuneration of the Directors, Key Managerial Personnel and other Employees;
2. Formulation of criteria for evaluation of Independent Directors and the Board;
3. Devising a policy on Board diversity;
4. Identifying persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down, and

recommend to the Board their appointment and removal and shall specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Committee or by an independent external agency and review its implementation and compliance;

5. To determine the Fit & Proper Criteria for Directors The Reserve Bank of India ('RBI') vide its Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 dated October 19, 2023 updated as on February 25th 2025 Annex XXIII requires Formulation of criteria for evaluation of Independent Directors and the Board on quarterly basis;
6. To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management;
7. To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board;
8. To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management;
9. To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations;
10. Develop a succession plan for the Board and to regularly review the plan;
11. Carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification, as may be applicable.

3. Stakeholder Relationship Committee

The Stakeholder Relationship Committee is entrusted with the responsibility of addressing the shareholder's /investor's complaints. The Composition of the Stakeholder Relationship Committee as on 31st March 2025 was as follows:

Sr. No.	Name of the Director	Member of Committee since	Category (i.e Executive/Non-Executive/Chairman/Promoter Nominee/Independent)	Designation in the Committee	No. of Meetings of Committee		No. of shares held in the NBFC
					Held	Attended	
1.	Mr. Vaibhav Suhas Joshi*	29/10/2024	Non-Executive & Independent Director	Chairperson	1	1	-
2.	Mr. Kartik S Mehta	25/09/2015	Managing Director	Member	1	1	*41,02,868
3.	Ms. Purvi J Bhavsar	25/09/2015	Managing Director	Member	1	1	**42,26,669

*The above shareholding of Mr. Kartik S Mehta includes 50,000 Equity shares held by him in the capacity of Karta of Kartik Shailesh Mehta HUF and 30,61,200 partly paid equity shares on which Re. 1 per equity shares was paid.

**The above shareholding of Ms. Purvi J Bhavsar includes 30,61,200 partly paid equity shares on which Re. 1 per equity shares was paid.

DIRECTOR WHO CEASED TO BE MEMBER DURING F.Y 2024-25 :

Sr.	Name of the Director	Member of Committee since	Category (i.e Executive/Non-Executive/Chairman/Promoter Nominee/Independent)	Designation in the Committee	No. of Meetings of Committee Held	No. of Meetings of Committee attended	No. of shares held in the NBFC
1	Mr. Venkatraman G Iyer	30/07/2019	Non-Executive and Independent Director	Chairperson	-	-	25000

The meeting of Stakeholders Relationship Committee was held on March 28, 2025.

Terms of reference of Stakeholders Relationship Committee:

The role of Stakeholders Relationship Committee involves:

1. To consider and review shareholders'/ investors' grievances and complaints and ensure that all shareholders'/ investors' grievances and correspondence are attended to expeditiously and satisfactorily unless constrained by incomplete documentation and/ or legal impediments;
2. To do all other acts and deeds as may be necessary or incidental to the above.

4. Corporate Social Responsibility Committee

The Composition of the Corporate Social Responsibility Committee as on 31st March 2025 was as follows:

Sr. No.	Name of the Director	Member of Committee since	Category (i.e Executive/Non-Executive/Chairman/Promoter Nominee/Independent)	Designation in the Committee	No. of Meetings of Committee		No. of shares held in the NBFC
					Held	Attended	
1.	Mr. Satish Mehta*	09/05/2024	Non-Executive & Independent Director	Chairperson	1	1	34000
2.	Ms. Arpita Pal Agarwal	22/09/2023	Nominee Director - Dia Vikas Capital Private Limited	Member	2	2	-
3.	Mr. Kartik S Mehta	04/05/2019	Managing Director	Member	2	2	**41,02,868
4.	Ms. Purvi J Bhavsar	04/05/2019	Managing Director	Member	2	2	***42,26,669

* Mr. Satish Mehta was admitted as Chairperson of the Committee w.e.f. 9th May 2024.

DIRECTOR WHO CEASED TO BE MEMBER DURING F.Y 2024-25

Sr. No.	Name of the Director	Member of Committee since	Category (i.e Executive/Non-Executive/Chairman/Promoter Nominee/Independent)	Designation in the Committee	No. of Meetings of Committee Held	No. of Meetings of Committee attended	No. of shares held in the NBFC
1	Mr. Venkatraman G Iyer	04/05/2019	Non-Executive - Independent Director	Chairperson	1	1	25000

**The above shareholding of Mr. Kartik S Mehta includes 50,000 Equity shares held by him in the capacity of Karta of Kartik Shailesh Mehta HUF and 30,61,200 partly paid equity shares on which Re. 1 per equity shares was paid.

***The above shareholding of Ms. Purvi J Bhavsar includes 30,61,200 partly paid equity shares on which Re. 1 per equity shares was paid.

The Members of the Corporate Social Responsibility Committee met 2 (Two) times during the financial year. The details of which are given as follows:

Sr. No.	Date of Meeting	Total Number of Directors associated as on the date of meeting	Attendance	
			Number of Directors attended	% of attendance
1.	09.05.2024	4	4	100
2.	12.11.2024	4	4	100

Terms of reference of Corporate Social Responsibility Committee:

The role of Corporate Social Responsibility Committee involves:

1. To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII of the Companies Act, 2013
2. Recommend the various CSR Activities to be undertaken by the Company
3. Recommend the amount of expenditure to be incurred on the recommended CSR activities
4. Spend the allocated CSR amount on the CSR activities once it is approved by

the Board of Directors of the Company in accordance with the Act and the CSR Rules

5. Prepare a transparent monitoring mechanism for ensuring implementation of the projects/ programs/ activities proposed to be undertaken by the Company
6. The Committee shall have the authority to discharge its responsibilities, including the authority to retain and terminate the engagement of such consultants and counsels as the Committee may deem necessary or helpful in carrying out its responsibilities and to establish the fees and other terms for the retention of such consultants and counsel. However, such fees shall be borne by the company;
7. The Committee may form sub-committees for any purpose to be undertaken by it and may delegate to such sub-committees or to members of the management of the Company, such powers and authority as it deems appropriate;
8. Submit the Reports to the Board in respect of the CSR activities undertaken by the Company
9. Monitor CSR Policy from time to time
10. Authorize executives of the Company to attend the CSR Committee Meetings
11. The Committee shall formulate and recommend to the Board, an annual action plan in pursuance of its CSR policy, in accordance with the applicable rules of the Companies (Corporate Social Responsibility Policy), Rules 2014 and such plan may be altered by the Board as per the recommendation of the Committee, based on the reasonable justification to that effect.
12. To do such other acts, deeds and things as may be directed by the Board and required to comply with the applicable laws.

5. Asset and Liability Management Committee

Pursuant to guidelines issued by Reserve Bank of India (RBI) on Asset Liability Management (ALM) System for NBFCs, your Company had constituted an Asset and Liability Management Committee (ALCO Committee) to maintain proper & adequate ALM systems, check the Asset Liability mismatches, interest risk exposure and to help the Company to improve the overall system for effective risk management in various portfolios held by the Company.

Mr. Kartik Mehta, Managing Director of the Company is the Chairperson of the Committee and possesses rich and varied experience and knowledge in the finance field. The other members as mentioned below are learned and eminent personalities in their respective fields. All members of the Committee are also experienced and heading the industrial and service sectors.

The Members of the Asset and Liability Management Committee meet on monthly basis to review its ALM risks and opportunities. The details of which are given as follows:

Sr. No.	Date of Meeting	Total Number of Directors/Members associated as on the date of meeting	Attendance	
			Number of Directors/Members attended	% of attendance
1	25.04.2024	4	4	100
2	31.05.2024	4	4	100
3	26.06.2024	4	4	100
4	15.07.2024	4	4	100
5	16.08.2024	4	4	100
6	16.09.2024	4	3	75
7	14.10.2024	4	4	100
8	15.11.2024	4	4	100
9	17.12.2024	3	3	100
10	17.01.2025	4	4	100
11	21.02.2025	4	4	100
12	25.03.2025	4	4	100

6. Risk Management Committee

The Composition of Risk Management Committee as on 31st March 2025 was as follows:

Sr. No.	Name of the Director/Member	Member of Committee since	Category (i.e Executive/Non- Executive/Chairman/Promoter Nominee/Independent)	Designation in the Committee	No. of Meetings of Committee		No. of shares held in the NBFC
					Held	Attended	
1	Ms. Alpana Indrajit Killawala#	12/11/2024	Non- Executive Independent Director	Chairperson	1	1	-
2	Mr. Satish Mehta	05/05/2023	Non- Executive Independent Director	Member	4	4	34,000
3	Ms. Purvi Bhavsar##	29/10/2024	Managing Director	Member	3	3	**42,26,669
4	Mr. Kartik Mehta	05/05/2023	Managing Director	Member	4	4	*41,02,868
5	Mr. Luca Torre###	09/05/2024	Nominee Director (Huruma Funds Managed by GAWA Capital)	Member	3	0	-
6	Ms. Dhara M Vyas ***	16/01/2025	Chief Risk Officer	Member	1	1	--

*The above shareholding of Mr. Kartik S Mehta includes 50,000 Equity shares held by him in the capacity of Karta of Kartik Shailesh Mehta HUF and 30,61,200 partly paid equity shares on which Re. 1 per equity shares was paid.

**The above shareholding of Ms. Purvi J Bhavsar includes 30,61,200 partly paid equity shares on which Re. 1 per equity shares was paid.

*** Ms. Dhara M Vyas was admitted as a member of the Committee w.e.f. 16th January 2025.

Ms. Alpana Indrajit Killawala was admitted as Chairperson of the Committee w.e.f. 12th November 2024.

Ms. Purvi Bhavsar ceased to be member of the Committee w.e.f. 9th May 2024 and was admitted as a member of the Committee w.e.f. 29th October 2024.

Mr. Luca Torre was admitted as a member of the Committee w.e.f. 9th May 2024.

DIRECTOR/MEMBER WHO CEASED TO BE MEMBER OF COMMITTEE DURING F.Y 2024-25

Sr. No.	Name of the Director/Member	Member of Committee since	Category (i.e Executive/Non- Executive/Chairman/Promoter Nominee/Independent)	Designation in the Committee	No. of Meetings of Committee Held	No. of Meetings of Committee attended	No. of shares held in the NBFC
1	Mr. Deepak Billa	03/01/2024	Chief Risk Officer	Member	3	3	-
2	Dr. Deepali Pant Joshi	05/05/2023	Non- Executive Independent Director	Chairperson	2	2	-
3	Mr. Vaibhav Suhas Joshi	29/10/2024	Non- Executive Independent Director	Member	1	1	-

The Members of the Risk Management Committee met 4 (Four) times during the financial year. The details of which are given as follows:

Sr. No.	Date of Meeting	Total Number of Directors/Members associated as on the date of meeting	Attendance	
			Number of Directors/Members attended	% of attendance
1.	09.05.2024	5	5	100
2.	01.08.2024	5	4	80
3.	11.11.2024	6	5	83.33
4.	28.03.2025	6	5	83.33

Terms of reference of Risk Management Committee:

The role Risk Management Committee involves:

1. Achieving optimal return on capital employed while maintaining acceptable levels of risk including and relating to liquidity; market and operational aspects and adhering to the relevant policies and regulations;
2. Addressing concerns regarding interest rate risk exposure; and
3. To do such other acts, deeds and things as may be directed by the Board and required to comply with the applicable laws.

4. To monitor and review the risk management plan;
5. To take strategic actions to mitigate the risk associated with the nature of the business;
6. To appraise the Board of Directors at regular intervals regarding the process of putting in place a progressive risk management system, risk management policy and strategy;
7. To do such other acts, deeds and things as may be directed by the Board and required to comply with the applicable laws.
8. To lay down procedure to inform Board members about the risk assessment and minimization procedures

7. Information Technology Strategy Committee

The Composition of Information Technology Strategy Committee as on 31st March 2025 was as follows:

Sr. No.	Name of the Director	Member of Committee since	Category (i.e. Executive/Non-Executive/Chairman/Promoter Nominee/Independent)	Designation in the Committee	No. of Meetings of Committee		No. of shares held in the NBFC
					Held	Attended	
1.	Mr. Vaibhav Suhas Joshi*	29.10.2024	Non-Executive & Independent Director	Chairperson	2	2	-
2.	Ms. De Silva Niroshani Sawanawadu	01.04.2024	Nominee Director (BOPA Pte Ltd)	Member	2	2	-
3.	Mr. Kartik S Mehta	01.04.2024	Managing Director	Member	2	2	**41,02,868
4.	Ms. Purvi J Bhavsar	01.04.2024	Managing Director	Member	2	2	***42,26,669

* Mr. Vaibhav Suhas Joshi was admitted as Chairperson of the Committee w.e.f. 29th October 2024.

Mr. Luca Torre was admitted as member of the Committee w.e.f. 9th May 2024

DIRECTOR WHO CEASED TO BE MEMBER DURING F.Y 2024-25

Sr. No.	Name of the Director	Member of Committee since	Category (i.e. Executive/Non-Executive/Chairman/Promoter Nominee/Independent)	Designation in the Committee	No. of Meetings of Committee Held	No. of Meetings of Committee attended	No. of shares held in the NBFC
1	Mr. Venkatraman G Iyer	01.04.2024	Non-Executive Independent Director	Chairperson	-	-	25000
2	Mr. Luca Torre	09.05.2024	Nominee Director (Huruma Funds Managed by GAWA Capital)	Member	1	0	-

**The above shareholding of Mr. Kartik S Mehta includes 50,000 Equity shares held by him in the capacity of Karta of Kartik Shailesh Mehta HUF and 30,61,200 partly paid equity shares on which Re. 1 per equity shares was paid.

***The above shareholding of Ms. Purvi J Bhavsar includes 30,61,200 partly paid equity shares on which Re. 1 per equity shares was paid.

The Members of the Information Technology Strategy Committee met 2 (Two) times during the financial year. The details of which are given as follows:

Sr. No.	Date of Meeting	Total Number of Directors associated as on the date of meeting	Attendance	
			Number of Directors attended	% of attendance
1.	11.11.2024	5	4	80
2.	28.03.2025	4	4	100

Terms of reference of Information Technology Strategy Committee:

The role Information Technology Strategy Committee involves:

1. Approving IT strategy and policy documents and ensuring that the management has put an effective strategic planning process in place
2. Ascertaining that management has implemented processes and practices that ensure that the IT delivers value to the business;
3. Ensuring IT investments represent a balance of risks and benefits and that budgets are acceptable;

4. Monitoring the method that management uses to determine the IT resources needed to achieve strategic goals and provide high-level direction for sourcing and use of IT resources;
5. Ensuring proper balance of IT investments for sustaining NBFC's growth and becoming aware about exposure towards IT risks and controls.
6. Terms of reference of the Committee in respect of outsourced operations shall include following -
 - a. Instituting an appropriate governance mechanism for outsourced processes, comprising of risk based policies and procedures, to effectively identify, measure, monitor and control risks associated with outsourcing in an end to end manner;
 - b. Defining approval authorities for outsourcing depending on nature of risks and materiality of outsourcing;
 - c. Developing sound and responsive outsourcing risk management policies and procedures commensurate with the nature, scope, and complexity of outsourcing arrangements;
 - d. Undertaking a periodic review of outsourcing strategies and all existing material outsourcing arrangements;
 - e. Evaluating the risks and materiality of all prospective outsourcing based on the framework developed by the Board;
 - f. Periodically reviewing the effectiveness of policies and procedures;
 - g. Communicating significant risks in outsourcing to the NBFC's Board on a periodic basis;
 - h. Ensuring an independent review and audit in accordance with approved policies and procedures;
 - i. Ensuring that contingency plans have been developed and tested adequately;
 - j. NBFC should ensure that their business continuity preparedness is not adversely compromised on account of outsourcing. NBFCs are expected to adopt sound business continuity management practices as issued by RBI and seek proactive assur-

ance that the outsourced service provider maintains readiness and preparedness for business continuity on an ongoing basis.

8. Finance Committee

The Composition of Finance Committee as on 31st March 2025 was as follows:

Sr. No.	Name of the Member	Category	Designation
1.	Mr. Kartik S Mehta	Managing Director	Member
2.	Ms. Purvi J Bhavsar	Managing Director	Member
3.	Mr. Chintan Desai	Chief Financial Officer	Member

The Finance Committee meets at regular intervals of time as and when required for the proper working of the company.

Independent Director's Meeting

The Meeting of the Independent Directors of the Company was held on 29th March 2025.

Followings are the Independent Directors of the Company as on March 31, 2025

1. Mr. Vaibhav Suhas Joshi
2. Mr. Satish G. Mehta
3. Ms. Alpana Indrajit Killawala

Attendance of the Members for meeting of the Independent Directors of the Company is as under:

Sr. No	Name of the Member	No. of Meetings which Member was entitled to attend	Attendance	
			No. of Meeting attended	% of attendance
1	Mr. Vaibhav Suhas Joshi	1	1	100
2	Mr. Satish G. Mehta	1	1	100
3	Ms. Alpana Indrajit Killawala	1	1	100

GENERAL BODY MEETING

Sr. No.	Type of Meetings	Date and Place	Special Resolution Passed
1	Annual General Meeting	30th September 2024, Ahmedabad	a. Adoption of financial statement - Ordinary resolution b. Declaration of dividend - Ordinary resolution
2.	Extra Ordinary General Meeting	2nd August 2024, Ahmedabad	a. Increase in authorized capital of the company and amendment to the Memorandum of Association of the company - Ordinary resolution b. Adoption of Memorandum of Association as per the provisions of the Companies Act, 2013 - Special Resolution c. Adoption of Articles of Association as per the provisions of the Companies Act, 2013 - Special Resolution
3	Extra Ordinary General Meeting	24th September 2024, Ahmedabad	a. Approval of offer and issue of Compulsory Convertible Preference Shares on preferential allotment basis and issue of offer letter to Huruma Funds - Special Resolution b. Approval of offer and issue of Compulsory Convertible Preference Shares on preferential allotment basis and issue of offer letter to Bopa Pte Ltd. - Special Resolution
4	Extra Ordinary General Meeting	12th February 2025, Ahmedabad	a. Increase in authorized capital of the company and amendment to the Memorandum of Association of the company - Ordinary resolution b. Regularization of additional director (non-executive and independent) Mr. Vaibhav Suhas Joshi (DIN: 10810824) by appointing him as an Independent Director of the company - Ordinary Resolution c. Regularization of additional director (non-executive and independent) Ms. Alpina Indrajit Killawala (DIN: 10821462) by appointing her as an Independent Director of the company - Ordinary Resolution
5	Extra Ordinary General Meeting	19th March 2025, Ahmedabad	a. Approval of offer and issue of Compulsory Convertible Preference Shares on preferential allotment basis and issue of offer letter to Huruma Funds and Société De Promotion Et De Participation Pour La Coopération Economique S.A - Special Resolution

DETAILS OF NON-COMPLIANCE WITH REQUIREMENT OF COMPANIES ACT 2013: NIL**BOARD EVALUATION:**

In terms of provisions of the Companies Act, 2013, the Board has carried out an annual performance evaluation of its own performance, the Director individually as well as evaluation of the working of its Committees. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance of the Chairperson and the Non-Independent Directors was carried out by the Independent Directors.

COMPLIANCE WITH SECRETARIAL STANDARDS

The Company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and that such systems are adequate and operating effectively.

AUDITORS & THEIR REPORTS

- **Statutory Auditors and their report:**

Pursuant to the guidelines issued by RBI on April 27, 2021 for appointment of Statutory Central Auditor (SCA)/ Statutory Auditor (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) vide its circular No. RBI/2021- 22/25, Ref. No. DoS.CO.ARG/SEC.01/08.91.001/2021-22 ("RBI Circular") as amended from time to time, the provisions of Sections 139 and 141 of the Companies Act, 2013 and Rules made thereunder, the Shareholders in the 12th Annual General Meeting had appointed M/s. J. H Mehta & Co., Chartered Accountants having Firm Registration No. 106227W as the Statutory Auditors of the Company, to hold office for a continuous period of three years (commencing from the Financial Year 2022-23 to the Financial Year 2024-25) until the conclusion of the 15th Annual General Meeting of the Company, thus the tenure of the Statutory Auditors of the Company completes on the ensuing Annual General Meeting of the Company to be held on 30th September, 2025.

The Board of Directors in their meeting held on 15th September, 2025, based on the recommendation of the Audit Committee, has proposed the appointment of M/s. PKF Sridhar & Santhanam LLP, Chartered Accountants (Firm Registration No. 003990S/S200018) having a valid Peer review Certificate issued by the Peer Review Board of ICAI, as the Statutory Auditors of the Company for a term of 3 consecutive

years, commencing from the Financial Year 2025-26 to the Financial Year 2027-28, to hold office from the conclusion of the 15th Annual General Meeting until the conclusion of the 18th Annual General Meeting of the Company, subject to approval of the shareholders.

M/s. PKF Sridhar & Santhanam LLP have confirmed their eligibility and consent to act as Statutory Auditors of the Company, in accordance with the provisions of Sections 139 and 141 of the Companies Act, 2013, and rules framed thereunder.

The Audit Report for the Financial Year ended 31st March 2025 does not contain any qualification, reservation or adverse remark and form part of this report.

The Board has placed on record its sincere appreciation for the services rendered by M/s. J. H Mehta & Co., Chartered Accountants, as Statutory Auditors of the Company.

Secretarial Auditors and their report:

In terms of Section 204 of the Companies Act, 2013, and the Rules framed thereunder and based on recommendation of the Audit Committee, the Board of Directors of the Company has appointed M/s. GKV & Associates (Company Secretary & Trade Mark) to carry out Secretarial Audit of the Company under the provisions of the Companies Act, 2013 for the Financial Year 2024-25. The Company provided all the assistance and the facilities to the Secretarial Auditor for conducting the Secretarial Audit. The report does not contain any qualification, reservation or adverse remark. The Secretarial Audit Report is annexed with this report as Annexure III.

The Board has placed on record its sincere appreciation for the services rendered by GKV & Associates (Company Secretary & Trade Mark), as Secretarial Auditor of the Company.

Internal Auditors:

As per Section 138 of the Companies Act, 2013, and based on recommendation of the Audit Committee, the Board of Directors of the Company has appointed M/s. Radisson Consulting LLP to conduct the Internal Audit of the Company for the Financial Year 2024-25.

COST RECORDS AND COST AUDIT:

Maintenance of cost records and requirement of Cost Audit as specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, is not applicable for the business activities carried out by the Company.

REPORTING OF FRAUD BY AUDITORS

During the period under review, neither the Statutory Auditors nor the Secretarial Auditors have reported to the Audit Committee/Board any instances of material fraud in the Company by its officers or employees under Section 143 (12) of the Companies Act, 2013.

However, a few instances of misappropriation including embezzlement of cash of Rs. 98.40 lakhs by officers or employees of the Company have been noticed during the financial year 2024-25 and the same were reported to the Reserve Bank of India.

NOMINATION AND REMUNERATION POLICY

The policy of the Company on Director's appointment and remuneration, including criteria for determining qualifications, positive attributes, independence of a Director and other matters, as required under sub-section (3) of Section 178 of the Companies Act, 2013, are formulated by the Nomination and Remuneration Committee. The detailed policy can be accessed through Company's website from the following web link <https://pahalfinance.com/wp-content/uploads/2025/08/Nomination-and-remuneration-policy.pdf>.

WHISTLE BLOWER POLICY/VIGIL MECHANISM

The Board adopted and implemented the Vigil Mechanism/Whistle Blower Policy that adopts best practice. The policy enables the employees to report to the management instances of unethical behavior, actual or suspected fraud or violation of Company's Code of Conduct. Further the mechanism adopted by the Company encourages the Whistle Blower to report genuine concerns or grievances and provide for adequate safeguards against victimization of the Whistle Blower who avails of such mechanism and also provides for direct access to the Chairman of the Audit Committee, in exceptional cases.

The said Policy can be accessed at <https://pahalfinance.com/wp-content/uploads/2025/08/Whistle-Blower-Policy.pdf>.

POLICY ON PREVENTION, PROHIBITION AND REDRESSAL OF SEXUAL HARASSMENT AT WORKPLACE

To foster a positive workplace environment, free from harassment of any nature, the Company has adopted a Policy on Prevention, Prohibition and Redressal of Sexual Harassment at the workplace, in line with the provisions of "Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013" and the Rules made thereunder. Further, the Company has not received any complaint of sexual harassment during the Financial Year 2024-25.

Your Company has complied with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Prevention of Sexual Harassment (POSH) Policy is in place and Internal Complaints Committee (ICC) has been constituted and is fully operational & functional. The constitution of ICC is as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the committee includes external member with relevant experience. The Committee meets at regular intervals in order to ensure and enhance security of female employees.

The disclosure as required under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 for Financial Year 2024-25 is given below:

Number of complaints filed during the financial year: Nil

Number of complaints disposed of during the financial year: Nil

Number of complaints pending as on end of the financial year: Nil

The said Policy can be accessed at <https://pahalfinance.com/wp-content/uploads/2025/08/POSH-Policy.pdf>.

CUSTOMER GRIEVANCE

The Company has organised Grievance Redressal Processes for receiving and handling customer complaints/grievances and ensuring that the customers are treated fairly and without any bias at all the times. All issues raised by the customers are dealt with courtesy and redressed expeditiously.

FAIR PRACTICE CODE

The Company has in place a Fair Practice Code (FPC) approved by the Board in compliance with the guidelines issued by RBI, to ensure better service and provide necessary information to customers to take informed decisions. The FPC is available on the website of the Company at

<https://pahalfinance.com/wp-content/uploads/2025/08/Fair-Practices-Code-Gujarati.pdf>

<https://pahalfinance.com/wp-content/uploads/2025/08/Fair-Practices-Code-Marati.pdf>

<https://pahalfinance.com/wp-content/uploads/2025/08/Fair-Practices-Code-Tamil-1.pdf>

<https://pahalfinance.com/wp-content/uploads/2025/08/Fair-Practices-Code-Hindi.pdf>

<https://pahalfinance.com/wp-content/uploads/2025/08/Fair-Practices-Code-Telugu-1.pdf>

The Board also periodically reviews the FPC to ensure levels of adequacy and appropriateness.

PAHAL EMPLOYEE STOCK OPTION (ESOP) SCHEME

Pursuant to the approval accorded by the shareholders vide resolution passed in Annual General Meeting held on 23rd September 2016, the Board had formulated an Employee Stock Option Scheme. Further in the meeting of Board of Directors of the Company, the board on recommendation of Nomination and Remuneration Committee of the Company adopted Pahal Employee Stock Option Plan 2018 for 5,00,000 Equity Shares at Rs. 32.25 per share which was approved by the Shareholders vide resolution passed in the General Meeting.

Further, the Board of Directors of the Company, on recommendation of the Nomination and Remuneration Committee of the Company, had also adopted Pahal ESOP Scheme III-2022 for 30,000 Equity Shares at Rs. 69.97 per share which was approved by the Shareholders vide resolution passed in the Extra Ordinary General Meeting held on 22nd March 2022. Thereafter on recommendation of the Nomination and Remuneration Committee of the Company, had also adopted Pahal ESOP Scheme IV-2023 for 6,70,000 Equity Shares at Rs. 80.24 per share which was approved by the shareholders vide resolution passed in the Annual General Meeting held on 29th September 2023.

Disclosures as required under Section 62 of the Companies Act, 2013 (to be read with Rule 12 of the Companies (Share Capital and Debenture) Rules, 2014:

Sr.	Particulars	31 st March 2025
1.	Options outstanding at the beginning of the year	2,47,000
2.	Number of options granted during the year (B)	1,75,000
3.	Number of options vested during the year (B)	0
4.	Number of options forfeited during the year	0
5.	Number of options exercised during the year	78000
6.	Total number of shares arising as a result of exercise of option	0
7.	Number of options lapsed/expired during the year	2,10,000
8.	The exercise price of the options	Rs. 26 and Rs. 32.25
9.	Variation of terms of options	None
10.	Money realized during the year by exercise of option (Rs. In Lakh)	-
11.	Number of options granted and in force at the end of the year	1,34,000

Options granted to the Key Managerial Personnel during the year: No

Any other employee who receives a grant of options in any one year of options amounting to five percent or more of options granted during the year:

Employee name	Designation	Options granted	Exercise Price (In Rs.)
Mr. Rahul Kumar Singh	Chief Operating Officer	1,25,000	80.24
Mr. Rahul Kumar Singh	Chief Operating Officer	25,000	32.25

Identified employees who were granted option, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant:

Employee name	Designation	Options granted	Exercise Price (In Rs.)
NIL			

EMPLOYEE REMUNERATION

None of the employees of the Company was in receipt of the remuneration exceeding the limits prescribed u/s 197(12) read with rule 5, sub rule 2 of The Companies (Appointment and Remuneration of Managerial Personnel) of the Companies Act, 2013 during the year under review.

LISTING WITH STOCK EXCHANGES

The Company has Non-Convertible Debentures which are listed on BSE Limited (BSE). The listing fees payable to the exchange for the financial year 2024-25 have been paid.

The Company has Bonds in the form of External Commercial Borrowings which are listed on India International Exchange (IFSC) Limited (India INX).

STATUTORY DISCLOSURES

The disclosures to be made under sub-section (3) (m) of section 134 of the Companies Act 2013 read with Rule (8) (3) of the Companies (Accounts) Rules, 2014 by your company are explained as under:

- * Information Relating to Conservation of Energy, Technology Absorption: Though the Company is not engaged in any manufacturing activity, it consistently invests in energy efficient office equipment at all its branch office locations and strives to promote and provide funds to its borrowers to acquire eco-friendly stoves and lighting equipment.

- * Foreign Exchange Earnings and Outgo:

There are no foreign exchange inflows during F.Y 2024-25 and Rs. 4935.44 lakhs are the outflows transactions during the year 2024-25.

RELATED PARTY TRANSACTIONS

The Company has put in place a policy for Related Party Transaction (RPT Policy), which has been approved by the Board of Directors, and which is reviewed every year by the Board of Directors. The Policy provides for identification, necessary approval by the Audit Committee/ Board reporting and disclosure requirement in compliance with the requirement of the companies act 2013 and the SEBI (Listing Obligation and Disclosures Requirements) 2015.

During the year under review your company has not entered into any transaction with related party. Details of related party transactions as per Accounting Standard may be referred to in Note 46 of the Financial Statements.

EXTRACT OF ANNUAL RETURN

In terms of Section 92(3) of the Companies Act 2013 read with section 134(3)(a) thereof, the Annual Return of the Company for the year ended 31st March 2025, in

the prescribed Form MGT – 7 is available on the website of the company on <https://pahalfinance.com/investors-information/annual-return/>

DISCLOSURES UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016

Your Company has neither filed any application nor any proceeding pending under the Insolvency and Bankruptcy Code, 2016 during the reporting year, hence no disclosure is required under this section.

CORPORATE SOCIAL RESPONSIBILITY

As per the requirements of the provisions of Section 135 of the Companies Act, 2013 read with rules made thereunder, your Company had constituted a Corporate Social Responsibility (CSR) Committee. As on March 31, 2025, members of the Committee were: -

Sr. no	Name of the Member	Designation/Nature of Directorship	No. of Meetings of CSR Committee held during the year	No. of meetings of CSR Committee attended during the year
1.	Mr. Satish Mehta	Non-Executive & Independent Director (Chairperson)	1	1
2.	Ms. Arpita Pal Agarwal	Nominee Director – Dia Vikas Capital Private Limited	2	2
3.	Mr. Kartik S Mehta	Managing Director	2	2
4.	Ms. Purvi J Bhavsar	Managing Director	2	2

The Committee has in place the CSR policy in accordance with provisions of Section 135 of the Companies Act, 2013, read with Rules made thereunder, indicating the activities to be undertaken by the Company from time to time. The Committee has been entrusted with the prime responsibility of implementation of the activities under the CSR Policy and recommend the amount to be spent on such CSR activities during the year. The Committee is also responsible for recommending to the Board such activities which could be undertaken as per CSR policy.

The CSR Policy of your Company, as adopted by the Board is available on the website of the Company and can be accessed through the weblink of the Company <https://pahalfinance.com/wp-content/uploads/2025/08/29.-CSR-Policy-2025-26.pdf>.

Your Company has undertaken the CSR activities and complied with the provisions of Section 135 of the Companies Act, 2013. During the Financial Year under review, your Company spent Rs. 37.38 Lakhs on its CSR activities towards Health (E Clinic), education, flood relief & Water and Sanitation as against the required CSR liability amounting to Rs. 49.49 Lakhs, 2% of the average net profits of previous three financial years.

The CSR initiatives undertaken by your Company along with other CSR related details form part of the Annual Report on CSR activities for FY 2024-25, which is annexed as Annexure- IV

During FY 2024-25, your Company, through its ongoing initiative, collaborated with M-SWASTH to set up e-clinics at its branches, with the objective of providing timely and affordable healthcare solutions to rural communities that often face challenges due to limited resources and inadequate infrastructure.

The e-clinic model comprises a small kiosk equipped with a laptop or tablet for seamless digital connectivity with doctors, along with basic medical devices to measure blood pressure, sugar levels, blood counts, and other vitals. Operated by trained workers and dedicated staff, these e-clinics offer a simple, effective, and low-cost approach to healthcare, ensuring accessibility and convenience for underserved populations.

The facility is enabled by M-Insure, a technology-driven healthcare service provider, which through its tele-health and tele-medical platform connects rural patients with qualified doctors and medical specialists. At present, the project is operational in Uttar Pradesh and Bihar, with a vision to expand further in the coming years.

Village Tekri – Pahal's Commitment to Community Well-being

At Pahal, we believe that sustainable development begins with empowering communities. Guided by our core values of integrity and innovation, we continue to contribute meaningfully to improving lives through focused community initiatives.

Our engagement with Tekri Village, Mehsana District, Gujarat, began around four years ago, and we remain committed to driving positive and lasting impact. Recent initiatives undertaken in the village include:

1. Clean Water Access – Ensuring availability of safe drinking water.

2. Solar Energy Products – Promoting clean energy and reducing dependence on conventional sources.
3. Improved Sanitation – Supporting hygiene and healthier living conditions.
4. Supporting Education – Enabling better learning opportunities for children.

These initiatives reflect our commitment to holistic community development by addressing essential needs such as water, energy, sanitation, and education. Through such efforts, we aim to foster a healthier, more sustainable future for the communities we serve.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The Company is a Non-Banking Financial Companies classified as NBFC-MFI and the principle business of the Company is to provide loan. Hence, Section 186 will not be applicable to your Company. The Company has not entered into any such transaction as prohibited under section 186.

ANNEXURE FORMING PART OF THIS REPORT OF DIRECTORS:

The Annexure referred to in this report and other information which are required to be disclosed are annexed herewith and form part of this report of the directors:

1. Director's Responsibility Statement
2. Corporate Governance Report
3. Secretarial Audit Report
4. Annual report on Corporate Social Responsibility (CSR) Activities

ACKNOWLEDGEMENT:

Your Directors warmly appreciate the dedication and commitment of all employees. They acknowledge the assistance, cooperation and encouragement given to your company by the shareholders, lenders, bankers and all other stake holders who have made valuable contribution for the growth of your Company

For and on behalf of the Board of Directors

-sd-

Kartik S. Mehta
Managing Director
(DIN: 02083342)

-sd-

Purvi J. Bhavsar
Managing Director
(DIN: 02102740)

Date: 15.09.2025

Place: Ahmedabad

Annexure I

DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm and state that:

- in the preparation of the annual accounts for the financial year ended March 31, 2025, the applicable accounting standards have been followed and there were no material departures there from;
- they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on March 31, 2025 and of the profit of the Company for that period;
- they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- they have prepared the annual accounts for the financial year ended March 31, 2025 on a going concern basis;
- they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively during the financial year ended March 31, 2025 and;
- they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively during the financial year ended March 31, 2025.

For and on behalf of the Board of Directors

-sd-

Date: 15.09.2025
Place: Ahmedabad

Kartik S. Mehta
Managing Director
(DIN: 02083342)

-sd-

Purvi J. Bhavsar
Managing Director
(DIN: 02102740)

Annexure II

CORPORATE GOVERNANCE REPORT

This Corporate Governance Report relating to the year ended on March 31, 2025 was prepared in compliance with the applicable provisions of the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments thereof and RBI Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 bearing ref No. RBI/DoR/2023-24/106 DoR.FIN.REC.No.45/03.10.119/2023-24, dated October 19, 2023 (as updated from time to time) and forms a part of the Director’s Report to the Members of Pahal Financial Services Private Limited (“Company”)

COMPANY’S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company believes that a good corporate governance system is necessary condition to ensure its long term success. It ensures good governance through the implementation of effective policies and procedures, which is mandated and regularly reviewed by the Board of Directors (‘the Board’) or the committees of the members of the Board. The Board appreciates the growing demand for accountability, honesty and transparency in fulfilling its fiduciary duties towards various stakeholders of the company. The Board believes that the observance of generally accepted governance standards provides a company with legitimacy, reduces its vulnerability to a financial crisis, and broadens and deepens its access to capital. The Board believes that the company should adopt the governance principles of highest standard to enhance its reputation as a leading micro finance institution and to maintain the trust of investors.

These Corporate Governance Principles, adopted by Company, together with the charter of the Asset and Liability Committee, Risk Management Committee, Audit Committee, Nomination and Remuneration Committee, Finance Committee, Stake Holder Relationship Committee, , Information technology Strategy Committee, Corporate Social Responsibility Committee, Code of Conduct/ Ethics-for all employees, Code of Conduct for Directors & Senior Management, Customer Grievance Redressal Policy, Fair Practices Code, Investment Policy, Anti-sexual Harassment Policy, Risk Management Policy, Whistle Blower Policy provide the framework for the governance of the company. The Board of Directors along with its committees provides leadership and guidance to the Company’s management and directs, supervises

and controls its activities. The responsibility of the Board as a whole, and the Terms of Reference Committees are provided in this Report.

1.	Composition of the Board	The details are provided in the Director’s Report
2.	Details of change in composition of the Board during the current and previous financial year	
3.	Committees of the Board and their composition along with terms of reference	
4.	General Body Meeting	
5.	Details of non-compliance with requirements of Companies Act, 2013	None
6.	Details of penalties and strictures	During F.Y 2024-25, Company received notices from Bombay Stock Exchange imposing fine amounting Rs. 5900 and Rs. 11800 for non-submission of intimation under regulation 50(1)(d) and delay in submission of intimation under regulation 60(2) respectively. The Company has duly paid the fines as per the notices.
7.	Breach of Covenant	The details are provided in the Financial Statements – refer note no. 83.
8.	Divergence in Asset Classification and Provisioning	Not Applicable

1. AUDIT COMMITTEE

i.	brief description of terms of reference;	The details are provided in the Director’s Report
ii.	composition, name of members and chairperson	
iii.	meetings and attendance during the year	

2. NOMINATION AND REMUNERATION COMMITTEE

i.	brief description of terms of reference;	The details are provided in the Director's Report
ii.	composition, name of members and chairperson	
iii.	meetings and attendance during the year	
iv.	Performance evaluation criteria for Independent Director	<p>The Performance Evaluation of Independent Directors is carried out on the basis of their role, expertise, skills, leadership qualities, strategic direction to align company's value and standards, effective decision making ability, initiative on knowledge updates, internal controls etc.</p> <p>An Independent Director shall be a person of integrity and possess appropriate balance of skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing and technical operations or any other discipline related to the Company's business. The Company did not have any pecuniary relationship or transactions with Non-Executive Directors during the year ended 31st March 2025 except for payment of sitting fees</p>

3. STAKEHOLDERS RELATIONSHIP COMMITTEE

i.	name of the non-executive director heading the committee;	The details are provided in the Director's Report. The Company have not received any complaints from the shareholders of the company for the F.Y 2024-25
ii.	name and designation of the compliance officer	
iii.	number of shareholders' complaints received during the financial year;	
iv.	number of complaints not solved to the satisfaction of shareholders;	
v.	number of pending complaints	

4. RISK MANAGEMENT COMMITTEE

i.	brief description of terms of reference;	The details are provided in the Director's Report
ii.	composition, name of members and chairperson	
iii.	meetings and attendance during the year	

5. ASSET AND LIABILITY MANAGEMENT COMMITTEE

i.	brief description of terms of reference;	The details are provided in the Director's Report
ii.	composition, name of members and chairperson	
iii.	meetings and attendance during the year	

6. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

i.	brief description of terms of reference;	The details are provided in the Director's Report
ii.	composition, name of members and chairperson	
iii.	meetings and attendance during the year	

7. INFORMATION TECHNOLOGY STRATEGY COMMITTEE

i.	brief description of terms of reference;	The details are provided in the Director's Report
ii.	composition, name of members and chairperson	
iii.	meetings and attendance during the year	

8. SENIOR MANAGEMENT

Particulars of Senior Management including the changes therein since the close of the previous Financial Year

a. List of Senior Management as on March 31, 2025, are following -

Sr. No.	Emp ID	Name	Designation	Date of Appointment
1	P00182	Dharmesh V Shah	Associate Director	07/03/2015
2	P00274	Chintan C Desai	Chief Financial Officer	24/09/2015
3	P01065	Premprakash R Patel	Business Head	02/04/2018
4	P01484	Firuzi M Vakil	Head - Operations	23/10/2018
5	P02737	Dinesh S Yadav	Head IT	24/08/2020
6	P05064	Jitendra Priyadarshi	Head - HR and Training	02/09/2022
7	P06786	Dimple R Padhiar	Company Secretary & Compliance Officer	01/09/2023
8	P07887	Sneha P Bohra	Product Manager - Digital	05/02/2024
9	P01169	Anubhuti Kapadia	Chief Compliance Officer	28/05/2024
10	P10036	Dhara M Vyas	Chief Audit and Risk Officer	16/01/2025

b. Details of changes in Senior Management during the financial year 2024-25 are following -

Sr. No.	Emp ID	Name	Designation	Type of Change (Appointment/Cessation)	Date of Change
1	P10036	Dhara M Vyas	Chief Audit and Risk Officer	Appointment	16/01/2025
2	P01169	Anubhuti Kapadia	Chief Compliance Officer	Appointment	28/05/2024

3	P06722	Rahul Singh	Chief Operating Officer	Cessation	14/02/2025
4	P06861	Jasmine B Gupta	Chief Digital Officer	Cessation	30/09/2024
5	P07567	Deepak Billa	Chief Audit and Risk Officer	Cessation	14/10/2024
6	P00191	Nikita D Sharma	Chief Compliance Officer	Cessation	27/05/2024

9. REMUNERATION OF DIRECTORS : The details are provided in the Director's Report

10. GENERAL BODY MEETING

GENERAL BODY MEETING	The details are provided in the Director's Report. No Resolution were passed through Postal Ballot
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11. MEANS OF COMMUNICATION

i.	quarterly results;	The primary source of information to all the stakeholders is the website of the Company. The Annual Report, quarterly financial results, corporate actions and copies of press releases, if any, among others, are regularly submitted to the Stock Exchanges and uploaded on the website of the Company including Quarterly / Annual Financial Results in accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. All the disclosures made to the Stock Exchanges are also available on the website of the Company i.e. The quarterly and annual results of the Company are published in one newspaper of English language national daily and in newspaper published in regional language.
ii.	newspapers wherein results normally published;	
iii.	any website, where displayed;	
iv.	whether it also displays official news releases; and	
v.	presentations made to institutional investors or to the analysts	

Annexure III

FORM NO. MR-3

Secretarial Audit Report for the financial year ended on 31st March, 2025

(Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014)

To,

The Members

Pahal Financial Services Private Limited

(CIN- U65910GJ1994PTC082668)

7th Floor, Binori B Square- 2,

Opp. Hathising ni Vadi, Ambli Iscon Road,

Ahmedabad, Gujarat- 380054 (India)

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

Based on our verification of the Company's Books, Papers, Minute Books, Forms and Returns filed and other Records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the financial year ended on March 31, 2025 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

The company is engaged in the business of Micro Finance Institution- Non-Banking Financial Company (NBFC) as defined in Section 45- I (A) of the Reserve Bank of India Act, 1934;

We have examined the books, papers, minute books, forms and returns filed, and other records maintained by Company for the financial year ended on March 31, 2025 according to the provisions of:

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. The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - a) The Securities and Exchange Board of India (Registrars to an issue and Share Transfer Agents) Regulations, 1993 regarding with the Companies Act, 2013 and dealing with the clients;
 - b) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; (Not applicable to the Company during the Audit Period)
 - e) The Securities and Exchange Board of India (Issue and Listing of Non- Convertible Securities) Regulations, 2021;
 - f) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; (Not applicable to the Company during the Audit Period)
 - g) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not applicable to the Company during the Audit Period)
 - h) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.

6. Specifically applicable Laws to the Company, as identified and confirmed by the Management:

- (i). The Reserve Bank of India Act, 1934,
- (ii). Foreign Exchange Management (FEMA) Act, 1999
- (iii). The Prevention of Money Laundering Act, 2002

7. Labor Laws applicable to the Employees of the Company:

- (i). Provident Fund Act, 1952;
- (ii). Employees State Insurance Act, 1948;
- (iii). Profession Tax Act, 1975;
- (iv). The Payment of Gratuity Act, 1972;

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

- a) Secretarial Standards issued by the Institute of Company Secretaries of India;
- b) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We further report that:

During the period under review the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines etc. mentioned above

We further report that:

We have not examined compliance with applicable Financial Laws, like Direct and Indirect Tax Laws, since the same have been subject to review by statutory Auditors and other designated professionals.

We further report that:

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

- Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.
- During the year the company had convened AGM on 30th September 2024 and EOGM on 2nd August 2024 (on shorter notice), 24th September 2024 (on shorter notice), 12th February 2025 and 19th March 2025 (on shorter notice).
- The company had taken consents of majority directors including Independent Directors for board meetings which were held on shorter notice
- Majority decision is considered, decision in the meetings have been taken unan- imously and recorded as part of the minutes;
- The company has obtained necessary approvals under the various provisions of the Act;
- There was no prosecution initiated and fines or penalties imposed during the year under review except;

Sr. No.	Regulation	Responded Yes/No	Waiver Request if any	Amount Paid	Waiver Re- ceived
1	Regulation 60(2)	Yes	-	11800	-
2	Regulation 50(1)(d)	Yes	-	5900	-

Observation:

- The directors have complied with the disclosure requirements in respect of their eligibility of appointment, independence and compliance with the requirement of the Companies Act, 2013.

We further report that:

Based on our review of Compliance Mechanism established by the Company and on the basis of Compliance Certificate(s) issued by the MD/CEO and taken on re- cord by the Board of Directors at their meeting(s), we are of opinion that, there are adequate systems and processes in place in the Company, which is commensu- rate with the size and operations of the Company to monitor and ensure compli- ance with applicable laws, rules, regulations and guidelines.

We Further report that:

Below mentioned material events held in the company during the year under review;

- Appointment and Resignation of Directors – followings are the changes in composition of the Board of Directors of the Company –

Sr. No.	Name of Director	Capacity	Nature of Change (Resignation/Appointment)	Effective Date
1	Mr. Vaibhav Suhas Joshi	Independent Director	Appointment	29.10.2024
2	Ms. Alpana Indrajit Killawala	Independent Director	Appointment	12.11.2024
3	Dr. Deepali Pant Joshi	Independent Director	Resignation	01.08.2024
4	Mr. Venkatraman Ganesh Iyer	Independent Director	Expiry of term as Independent Director	24.08.2024

Change in Capital Structure i. e. ESOP, Issue of Shares/debentures/bonds –

During the year under review, your Company had issued and allotted following Equity Shares:

- Issued and allotted 22,500 equity shares having face value of Rs. 10/- each at Rs. 32.25/- including premium of Rs. 22.25 to Pahal Welfare Trust under ESOP.
- Issued and allotted 55,500 equity shares having face value of Rs. 10/- each at Rs. 32.25/- including premium of Rs. 22.25 to Pahal Welfare Trust under ESOP.

During the year under review, your Company had issued and allotted following Preference Shares:

- Issued and allotted 21,94,374 Compulsorily Convertible Preference Shares (Series C) having face value of Rs. 10/- each at Rs. 82.48/- including premium of Rs. 72.48/- each to HURUMA FUND S.C.A., SICAR-EuSEF.
- Issued and allotted 17,24,151 Compulsorily Convertible Preference Shares (Series C) having face value of Rs. 10/- each at Rs. 82.48/- including premium of Rs. 72.48/- each to HURUMA SV SÀRL.

- Issued and allotted 1,39,42,774 Compulsorily Convertible Preference Shares (Series C) having face value of Rs. 10/- each at Rs. 82.48/- including premium of Rs. 72.48/- each to SOCIÉTÉ DE PROMOTION ET DE PARTICIPATION POUR LA COOPÉRATION ECONOMIQUE S.A.

During the year under review, the details of debentures issued by the company is as under:

ISIN	Name of Allottees	Name of Debenture Trustee	No. of Debentures	Amount (Rs. In lakh)	Listing Status
INE514Q07346	INCRED ALTERNATIVE OPPORTUNITIES TRUST – INCRED CREDIT OPPORTUNITIES FUND – I	Catalyst Trusteeship Limited	1360	1360	Listed
INE514Q07361	BlueOrchard Microfinance Fund	Catalyst Trusteeship Limited	4100	4100	Listed
INE514Q07353	Stichting Juridisch Eigenaar Actiam Institutional Microfinance Fund III as legal owner of Cardano Impact Financial Inclusion Fund (I)	Catalyst Trusteeship Limited	1640	1640	Listed
	DWM Income Funds SCA SICAV SIF – The Trill Impact- DWM SDGs Credit Fund		2460	2460	
INE514Q07379	MASALA INVESTMENTS S.A.R.L.	Catalyst Trusteeship Limited	3000	3000	Listed
	AAV S.A.R.L.		3000	3000	

During the year under review, the details of bonds listed at India International Exchange (IFSC) Limited (India INX) in the form external commercial borrowings issued by your company are as under:

ISIN	Name of Bondholder	Name of Security Trustee	No. of Bonds	Amount of issuance
INIFD1605036	GLOBAL GENDER-SMART FUND S.A., SICAV-SIF	Catalyst Trusteeship Limited	750	USD 75,00,000/-
INIFD1605010	JAPAN ASEAN WOMEN EMPOWERMENT FUND	Catalyst Trusteeship Limited	500	USD 50,00,000/-
INIFD1605028	BLUEORCHARD MICRO FINANCE FUND	Catalyst Trusteeship Limited	700	USD 70,00,000/-

Details of Transfer of Shares -

Sr. No.	Transfer Type	Folio No. of	Date of Transfer	Name of Transferee	No. of	Folio No. of Transferor	Name of Transferor
1	Demat Transfer	80	07.05.2024	Lata Kishore Sonpal	12000	19	Sandeep Indrasen Mittal
2	Demat Transfer	96	27.05.2024	Nikita Sharma	7500	66	Pahal Welfare Trust
3	Demat Transfer	86	31.07.2024	Eurus Opus and Advisors LLP	10000	19	Sandeep Indrasen Mittal
4	Demat Transfer	101	31.07.2024	Sanjay Ladiwala	10000	19	Sandeep Indrasen Mittal
5	Demat Transfer	71	03.09.2024	Dharmesh Shah	15000	66	Pahal Welfare Trust
6	Demat Transfer	71	04.10.2024	Dharmesh Shah	20000	66	Pahal Welfare Trust
7	Demat Transfer	69	18.10.2024	Chintan Desai	7500	66	Pahal Welfare Trust
8	Demat Transfer	102	22.11.2024	Premprakash Patel	7500	66	Pahal Welfare Trust
9	Demat Transfer	86	02.12.2024	Eurus Opus and Advisors LLP	10000	19	Sandeep Indrasen Mittal
10	Demat Transfer	103	03.01.2025	Anuradha T Iyer	10000	86	Eurus Opus and Advisors LLP
11	Demat Transfer	93	03.03.2025	Unnat Parghi	3000	66	Pahal Welfare Trust

As informed, the Company has responded appropriately to the notices received from various statutory/regulatory authorities including initiating action for corrective measures, wherever focused necessary.

We further report that:

During the audit period there are no events/actions having a major bearing on the Company's affairs in pursuance of the above referred Laws, Rules, Regulations, Guidelines etc. referred above.

Place: Ahmedabad

Date: 25/08/2025

For, GKV & Associates,

Company Secretary

-sd-

Gautam Virsadiya

Proprietor

C. P. No. / F.C.S. No.: 19866/ 12366

UDIN: F012366G001075868

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

ANNEXURE-A

To,

The Members

Pahal Financial Services Private Limited

(CIN- U65910GJ1994PTC082668)

7th Floor, Binori B Square- 2,

Opp. Hathising ni Vadi, Ambli Iscon Road,

Ahmedabad, Gujarat- 380054 (India)

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

Management Responsibility:

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

Auditors Responsibility:

1. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
2. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company or verified compliances of Laws other than those mentioned above. Wherever required, we have obtained the management representation about the Compliance of laws, rules and regulations and happening of events etc.
3. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
4. The Secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Ahmedabad

Date: 25/08/2025

C. P. No. / F.C.S. No.: 19866/ 12366

UDIN: F012366G001075868

For, GKV & Associates,

Company Secretary

-sd-

Gautam Virsadiya

Proprietor

Annexure IV**CORPORATE SOCIAL RESPONSIBILITY**

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. Brief Outline of Companies CSR Policy

Since its inception, Pahal has been closely working with the marginalized communities generating sustainable ways of livelihood, resulting in the socio-economic upliftment. This mindset of the organization is reflected in the company's CSR policies on the large side. Pahal believes on the overall development of the section coming under the canopy or rural household and work continuously towards seeding the best opportunities for them which would germinate for a better tomorrow Pahal Financial Services Private Limited, understands that being part of this society this is our moral responsibility to aid and serve the society to the maximum possible extent. We believe in making differences to the lives of thousands of people who are staying in low-income households. Your Company's CSR activities are implemented in aligned with requirement of Section 135 of the Companies Act, 2013 along with objective specified in CSR Policy of the Company.

2. Composition of CSR committee:

The CSR Committee of our Board provides oversight of CSR Policy and monitor execution of various activities to meet the set CSR objectives.

The Composition of the Corporate Social Responsibility Committee as on 31st March 2025 was as follows:

Sr. no	Name of the Member	Designation/Nature of Directorship	No. of Meetings of CSR Committee held during the year	No. of meetings of CSR Committee attended during the year
1.	Mr. Satish Mehta	Non-Executive & Independent Director (Chairperson)	1	1
2.	Ms. Arpita Pal Agarwal	Nominee Director – Dia Vikas Capital Private Limited	2	2
3.	Mr. Kartik S Mehta	Managing Director	2	2
4.	Ms. Purvi J Bhavsar	Managing Director	2	2

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

Composition of CSR Committee: <https://www.pahalfinance.com/investors-information/committee-details>

CSR Policy: <https://pahalfinance.com/wp-content/uploads/2025/08/29.-CSR-Policy-2025-26.pdf>

CSR Projects approved by the Board: <https://pahalfinance.com/corporate-social-responsibility/>

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable: Not Applicable

5. (a) Average Net Profit of the Company as per section 135(5)

Financial Year	Net Profit (Rs. In Lakh)
2021-22	284.85
2022-23	1941.24
2023-24	5198.38
Average Net Profit	2474.74

(b) Two percent of average net profit of the company as per section 135(5): Rs. 49.49 Lakh

(c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: NIL

(d) Amount required to be set off for the financial year, if any: - nil

(e) Total CSR obligation for the financial year (7a+7b-7c): Rs. 49.49 Lakh

6. (a) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Project duration	Amount allocated for the project (in Rs. Lakh)	Amount spent in the current financial year (in Rs. Lakh)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs. Lakh)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District					Name	CSR Registration number	
1	E Clinic	Promoting health care including preventive health care	Y	Uttar Pradesh	Ghazipur	3 years	45.24	0.14	11.06	Yes	-	-
					Deoria			0.12		Yes	-	-
					Mirzapur			0.28		Yes	-	-
					Mathura			0.34		Yes	-	-
					Hathras			0.28		Yes	-	-
					Kachhawa			0.90		Yes	-	-
					Nandganj			0.30		Yes	-	-
					Atrouliya			0.75		Yes	-	-
					Barhaj			0.90		Yes	-	-
					Bhatni			0.60		Yes	-	-
					Sasni			0.90		Yes	-	-
					Goverdhan			0.90		Yes	-	-
					Hasayan			0.90		Yes	-	-
					Baldeo			0.60		Yes	-	-
				Bihar	Muzaffarpur	0.43	Yes	-	-			
					Samastipur	0.16	Yes	-	-			
					Darbhanga	0.28	Yes	-	-			
					Katihar	1.14	Yes	-	-			
					Banka	0.19	Yes	-	-			
					Madhepura	0.25	Yes	-	-			
					Madhubani	0.18	Yes	-	-			
					Minapur	0.30	Yes	-	-			
					Jhanjhar-pur	0.75	Yes	-	-			
Gujarat	Punsiya	0.90	Yes	-	-							
	Kamtaul	0.90	Yes	-	-							
	Dalsinghsarai	0.90	Yes	-	-							
	Ahmedabad	2.12	Yes	-	-							
Anand	2.11	Yes	-	-								

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)		
Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Project duration	Amount allocated for the project (in Rs. Lakh)	Amount spent in the current financial year (in Rs. Lakh)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs. Lakh)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency		
				State	District						Name	CSR Registration number	
					Vadodara	3 years	1.62	1.02	0.40	Yes	-	-	
					Bhavnagar			2.11					
					Borsad			1.02					
					Khergam			1.02					
					Surat			1.07					
					Navsari			0.03					
					Madhya Pradesh			Indore					1.05
					Ujjain			1.04					
					Rajasthan			Udaipur					1.02
					Tamil Nadu			Villupuram					1.06
					Chennai			0.04					
					Namakkal			1.05					
					Tharamangalam			2.05					
					Thiruvallur			2.08					
2	Financial Inclusion Awareness	Promoting education including special education and employment enhancing vocation skills	Y	Gujarat	Botad	3 years	1.62	0.09	0.40	yes	-	-	
					Ahmedabad			0.01					
					Mehsana			0.79					
					Jamnagar			0.12					
					Vadodara			0.07					
					Madhya Pradesh			Indore					0.14
3	Disaster Management	For relief, rehabilitation and reconstruction activities Vadodara	Y	Gujarat	Vadodara	3 years	1.5	0.36	0.36	Yes	-	-	
					Jamnagar			0.36					
					Kutch			0.13					
				Puducherry	0.29								
4	Water and Sanitation	Promotion of sanitation and making available safe drinking water	Y	Gujarat	Mehsana	3 years	1.13	0.86	0.27	Yes	-	-	

(b) Details of CSR amount spent against other than ongoing projects for the financial year :

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sr. No.	Name of Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project (in Rs.)	Mode of implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration number
NA									

(c) Amount spent in Administrative overheads : Nil

(d) Amount spent on Impact Assessment, if applicable: Not Applicable

(e) Total amount spent for the Financial Year (8b+8c+8d+8e): Rs. 37,38,358

(f) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in Rs. lakh)	Amount Unspent (in Rs. lakh)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
37.38	12.11	29.04.2025	-	-	-

(g) Excess amount for set off, if any: N.A

Sr. No.	Particulars	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	49,49,000
(ii)	Total amount spent for the Financial Year	37,38,358
(iii)	Excess amount spent for the financial year [(ii)-(i)]	-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	-

7. Details of Unspent CSR amount for the preceding three financial years:

Sr. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs. Lakh)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in Rs. Lakh)	Amount spent in the reporting Financial Year (in Rs. Lakh)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub section (5) of section 135, if any			Amount remaining to be spent in succeeding financial years (in Rs. Lakh)	Deficiency, if any
					Name of the Fund	Amount (in Rs. Lakh)	Date of transfer		
1	2021-22	19.68	9.48	9.48	-	-	-	-	-
2	2022-23	2.07	2.07	2.07	-	-	-	-	-
3	2023-24	15.69	15.69	15.69	-	-	-	-	-

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year**Yes - (), No - (✓)**

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

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

sr. no	Short particulars of the property or asset(s) [including complete address and location of the property]	Pin code of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
1	2	3	4	5	6		
					CSR Registration Number, if applicable	Name	Registered address
Not Applicable							

9. Specify the reason(s), if the company has failed to spend two percent of the average net profit as per section 135(5) - Not Applicable

Sd/-
Kartik Mehta
Managing Director

Sd/-
Satish Mehta
Chairman CSR Committee

Risk management and Audit

Safeguarding stability

Overview

At Pahal Financial Services Private Limited (Pahal), effective risk management remains a cornerstone of our operations. Risk is inherent to our business model, particularly in the small-ticket micro-lending space, and its sound management is critical to our long-term success.

Our approach is built around a Board-approved Risk Management Framework that promotes a strong risk culture across the organization. This culture reinforces a holistic approach to balancing risk and return, while safeguarding Pahal's capital, reputation, and financial stability.

The framework is continuously reviewed and refined to align with the evolving risk landscape. Through event-driven reviews, stress testing, and regular assessments, we ensure agility and appropriateness in addressing emerging risks.

Governance & Oversight

Risk governance is overseen by the Board of Directors, the Audit Committee, the Risk Management Committee, and the ALCO. Together, they provide strategic direction and oversight, ensuring that risk-taking is within the Company's defined risk appetite.

Management regularly monitors the risk profile, discloses key developments to the Board, and implements mitigation strategies to reduce the likelihood of operational errors, wrong decisions, or unforeseen disruptions.

Risk Management Framework

Pahal's risk framework covers Credit Risk, Operational Risk, Market Risk, Liquidity Risk, Reputational Risk, and Risk-Based Internal Audit.

- Key Risk Indicators (KRIs): Defined metrics, both qualitative and quantitative, are used to track risk appetite and thresholds.
- Monitoring & Analysis: Trend analysis, risk matrix, and stress testing are applied to assess and compare potential risks.
- Product & Process Review: New processes and products undergo rigorous risk-control assessments prior to rollout.
- Reporting: Regular risk reports are prepared and presented to senior man-

agement and the Board to ensure timely intervention

The Risk Management Framework is being made robust in line with the Operations Risk and Resilience Guidelines by RBI. Frameworks such as RCSA , EWS and KRIs are being developed at Enterprise level

Internal Audit

Pahal operates a dedicated in-house internal audit department that independently reviews branch operations and processes.

- The Chief Audit & Risk Officer reports directly to the Audit Committee and the Risk Management Committee of the Board.
- Audit findings are shared with internal stakeholders and, when required, with external stakeholders.
- Discussions with business and branch teams ensure corrective actions, consistency in operations, and compliance with statutory and regulatory guidelines.
- A risk-based audit plan is followed, with frequency determined by inherent risks, historical audit outcomes, and key risk trends.

This proactive audit framework ensures operational soundness, enhances efficiency, and strengthens compliance discipline across the organization.

Internal Financial Controls

The Company has in place a robust system of internal financial controls, commensurate with its size and nature of operations.

- Independent Oversight: The Board has appointed M/s. Radisson Consulting as the Internal Auditor under Section 138 of the Companies Act, 2013.
- Control Framework: Policies and procedures ensure orderly conduct of business, safeguarding of assets, adherence to policies, and prevention of fraud or misuse of funds.
- Financial Reporting: Controls help maintain accurate accounting records, ensure completeness, and enable timely and reliable financial disclosures.

This framework enables Pahal to maintain strong discipline in managing resources while reinforcing trust with stakeholders.

Financial Performance Analysis

INDEPENDENT AUDITOR'S REPORT

To The Pahal Financial Services Private Limited Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of Pahal Financial Services Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2025, the Statement of Profit and Loss, (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as the "Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025 and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Financial Statements of the current period. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below

to be the key audit matter to be communicated in our report.

Sr.	Key Audit Matter	Auditor's Response
1	<p>Impairment of Loans as at Balance Sheet Date (Expected Credit Losses): (Refer Note 7 to the Financial Statements)</p> <p>Ind AS 109 requires the company to provide for impairment of its loans designated at amortised cost using the expected credit loss (ECL) approach. ECL involves an estimation of probability-weighted loss on loans receivable over their life, considering reasonable and supportable information about past events, current conditions, and forecasts of future economic conditions which could impact the credit quality of the company's loan receivable.</p> <p>In the process, a significant degree of judgment has been applied by the management for:</p> <ul style="list-style-type: none"> staging of the Loan Receivable (i.e. classification in 'significant increase in credit risk' ('SICR') and 'default' categories) grouping of borrowers based on homogeneity by using appropriate statistical techniques; estimation of behavioural life; determining macro-economic factors impacting credit quality of Loans Receivable; estimation of losses for Loans Receivable with no/minimal historical defaults. <p>Since the loan Receivable form a major portion of the Company's assets, and due to the significance of the judgements used in classifying loans into various stages as stipulated in Ind AS 109 and determining related impairment provision requirements, this is considered to be the area that had a greater focus of our overall company audit and hence a key audit matter.</p>	<p>Principal audit procedures performed are:</p> <ul style="list-style-type: none"> Read and assessed the company's accounting policies for impairment of loans and their compliance with Ind AS 109. Evaluated the reasonableness of the management estimates by understanding the process of ECL estimation and related assumptions and tested the controls around data extraction and validation. Assessed the criteria for staging of financial assets based on their past-due status to check compliance with requirement of Ind AS 109. Tested a sample of performing (stage 1) assets to assess whether any SICR or loss indicators were present requiring them to be classified under stage 2 or 3. Tested the ECL model, including assumptions and underlying computation. Assessed the floor / minimum rates of provisioning applied by the company for loans receivable with inadequate historical defaults. Tested for a sample of exposures, the appropriateness of determining Exposure at Default (EAD), calculation of Probability of Default (PD) and Loss Given Default (LGD) used in ECL calculation. Assessed disclosures included in the Financial Statements in respect of expected credit losses.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report including Annexure to Board's Report but does not include Financial Statement and our auditor's report thereon. The other information 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 during the course of our audit or otherwise appears to be materially misstated.

When we read the other Information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and to comply with the relevant applicable requirements of the SA 720 'The Auditor's responsibilities Relating to Other Information'.

Responsibilities of Management and Board of Directors for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibility for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial 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 Statement in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss including the Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid Financial Statements comply with the Ind AS specified under Section 133 of the Act.
- 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 adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Financial Statements.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with 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 30)
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. (a) The Management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds (which are material either individually or in the aggregate) 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 or entity, 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 notes to accounts, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, 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.
- (c) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. The final dividend pertaining to the previous year, declared and paid by the Company during the year, is in accordance with section 123 of the Act, as applicable. The company has not proposed final dividend for the current year.
- vi. Based on our examination, which included test checks, the company has used an accounting software for maintaining its books of account for the Financial Year ended March 31, 2025 which have the feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software systems. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with and the audit trail has been preserved by the Company as per the statutory requirements for record retention.

2. As required by the Companies (Auditor’s Report) Order, 2020 (“the Order”) issued by the Central Government in terms of Section 143(11) of the Act, we give in “Annexure B” a statement on the matters specified in paragraphs 3 and 4 of the Order.

Annexure A to the Independent Auditors’ Report

[Annexure referred to in paragraph 1 (f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report on Financial Statements for the year ended March 31, 2025, to the members of Pahal Financial Services Private Limited]

Report on the Internal Financial Controls with reference to Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls with reference to Financial Statements of Pahal Financial Services Private 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 and Board of Director’s Responsibilities for Internal Financial Controls

The Company’s Management and Board of Directors are responsible for establishing and maintaining internal financial controls with reference to Financial Statements based on the internal control with reference to Financial Statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls with reference to Financial Statements issued by the Institute of Chartered Accountants of India (the “ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls with reference to Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls

With reference to Financial Statements (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to Financial Statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Financial Statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Financial Statements included obtaining an understanding of internal financial controls with reference to Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial controls system 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 system with reference to Financial Statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized

acquisition, use, or disposition of the company's assets that could have a material effect on the Financial Statements.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls system with reference to Financial Statements to future periods are subject to the risk that the internal financial control with reference to Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to Financial Statements and such internal financial controls system with reference to Financial Statements were operating effectively as at March 31, 2025, based on the criteria for internal financial controls system with reference to Financial Statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls With reference to Financial Statements issued by the ICAI.

For J. H. Mehta & Co.
Chartered Accountants
Firm Regn. No. 106227W

Place: Ahmedabad
Date: May 13, 2025

Naitik J. Mehta
Partner

M.No.130010
UDIN:25130010BMLCHM4597

Annexure B to the Independent Auditors' Report

[Annexure referred to in paragraph 2 under "Report on Other Legal and Regulatory Requirements" section of our report on Financial Statements for the year ended March 31, 2025, to the members of Pahal Financial Services Private Limited]

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

- i. a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.
(B) The Company has maintained proper records showing full particulars of intangible assets.
- b) The Property, Plant and Equipment and right-of-use assets were physically verified during the year by the Management which, in our opinion, provides for physical verification at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- c) The Company does not have any immovable property. Based on the examination of the lease agreement in respect of immovable property where the Company is the lessee, we report that lease deed is duly executed in favor of the Company and such immovable property has been disclosed in the financial statement as Right of Use of Assets as at the balance sheet date.
- d) The company has not revalued any of its Property, Plant and Equipment (including Right of Use assets) and intangible assets during the year.
- e) No proceedings have been initiated during the year or are pending against the Company as of March 31, 2025, for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder
- ii. a) The Company does not have any Inventory. Therefore, the provisions of clause 3(ii)(a) of the Order are not applicable to the company.
- b) The company has not been sanctioned working capital limits in excess of Rs. 500 Lakhs at any point of time during the year from banks or financial institutions on the basis of security of current assets for which Company requires to submit quarterly returns or statements to banks or financial

institutions. Therefore, the provisions of clause 3(ii)(b) of the Order is not applicable to the company.

- iii. According to the information and explanations given to us, in respect of loans, secured or unsecured, granted to companies, firms, Limited Liability Partnerships or any other parties during the year:
 - a. The Company's principal business is to give loans, and hence reporting under clause (iii)(a) of the Order is not applicable.
 - b. The Investment made and terms and conditions of the grant of loans during the year are, in our opinion, prima facie, not prejudicial to the Company's interest.
 - c. In respect of the loans, 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 loans majorly to retail 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, the parties are repaying the principal amounts, as stipulated, and are also regular in payment of interest, as applicable. The Company has recognized provisions against the above loans, 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 (refer Note 7 to the financial statements).

- a) In respect of following loans granted by the Company, which have been overdue for more than 90 days at the balance sheet date, as explained to us, the Management has taken reasonable steps for recovery of the principal amounts and interest:

No. of cases	Principal amount overdue - Rs. In Lakhs	Interest overdue Rs. In Lakhs	Total overdue Rs. In Lakhs	Remarks
51,301	Rs. 5,671.38	Rs. 889.50	Rs. 6,560.88	None

- b) The Company's principal business is to give loans, and hence reporting under clause (iii)(e) of the Order is not applicable.
- c) According to information and explanations given to us and based on the audit procedures performed, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year.
- iv. The Company has granted loans which are repayable on demand. Details of which are given below.

Particulars	All Parties	Promotors	Related Parties
Aggregate Loans repayable on demand	Rs. 26.16 Lakhs	Nil	Nil
Percentage of Loans of total loans	0.02%	Nil	Nil

- v. The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.
- vi. The maintenance of cost records has not been specified for the activities of the Company by the Central Government under section 148(1) of the Companies Act, 2013.
- vii. a) Undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues applicable to the Company have been regularly deposited by it with the appropriate authorities during the year. According to the information and explanations given to us and the records of the Company examined by us, in our opinion, no undisputed amounts payable as at March 31, 2025 for a period of more than six months from the date they became payable.

- b) Details of statutory dues referred in sub-clause (a) above which have not been deposited on account of disputes as on March 31, 2025 are as under:

Nature of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which amount relates	Amount (Rs. in Lakhs)
The Income Tax Act, 1961	Income Tax	CIT (Appeals)	AY 2018-19, 2020-2021, 2021-22	205.49 (Net of 14.59 paid under protest)

- viii. There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.
- ix. a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
- b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- c) To the best of our knowledge and belief, in our opinion, term loans availed by the Company were, applied by the Company during the year for the purposes for which the loans were obtained.
- d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- e) The Company did not have any subsidiary or associate or joint venture during the year and hence, reporting under clause (ix)(e) of the Order is not applicable.
- f) The Company did not have investment in any subsidiary or associates or joint ventures and hence, reporting under clause (ix)(f) of the Order is not applicable.
- x. a) In our opinion, the Company has not raised money by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause (x) (a) of the order is not applicable.
- b) The Company has made preferential allotment of convertible preference shares during the year. For such allotment of shares, the Company has complied with the requirements of Section 62 of the Companies Act, 2013, and the funds raised have not been utilised by the Company during the year as the same were received near to year end. The Company has not made any preferential allotment or private placement of (fully or

- partly or optionally) convertible debentures during the year.
- xi. a) According to the information and explanations given to us, no material fraud by the Company has been noticed or reported during the year under audit. However, cash embezzlement, Cheating & Forgery of Rs. 98.40 lakhs by its officers or employees has been noticed and reported during the year under audit.
- b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
- c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details have been disclosed in the notes to the Financial Statements, as required by the applicable Indian accounting standards.
- xiv. a) In our opinion and according to the information and explanation given to us, the Company has an internal audit system commensurate with the size and nature of its business.
- b) The reports of the Internal Auditor for the period under audit have been considered by us.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. a) The company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and it has obtained the registration.
- b) During the year, the Company has not conducted any Housing Finance activities and is not required to obtain a certificate of registration (CoR) for such activities from the RBI. Further, the Company has valid CoR to conduct Non-Banking Financial activities.
- c) The company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Therefore, paragraph 3(xvi) (c) and (d) of the order are not applicable.
- xvii. The Company has not incurred cash losses amounting during the financial year covered by our audit and in the immediately preceding financial year
- xviii. There has been no resignation of the statutory auditors of the Company during the year.
- xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the Financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. (a) According to the information and explanations given to us there are no projects other than ongoing projects, in respect of which company is required to transfer unspent amount to a Fund specified in Schedule VII to the Companies Act.
- (b) In respect of ongoing projects, the Company has transferred unspent Corporate Social Responsibility (CSR) amount, to a Special account before the date of this report and within a period of 30 days from the end of the financial year in compliance with the provision of section 135(6) of the Act.

For J. H. Mehta & Co.
Chartered Accountants
Firm Regn. No. 106227W

Place: Ahmedabad
Date: May 13, 2025

Naitik J. Mehta
Partner

M.No.130010
UDIN:25130010BMLCHM4597

Balance Sheet as at 31st March 2025

		(Rs. In lakhs)	
Particulars	Note No.	As at	As at
		March 31, 2025	March 31, 2024
A ASSETS			
(1) Financial Assets			
(a) Cash and cash equivalents	4	34,295.02	13,248.09
(b) Bank balance other than (a) above	5	8,120.21	10,549.57
(c) Trade receivables	6	736.89	1,241.79
(d) Loans	7	137,287.57	159,569.91
(e) Investment	8	2,973.34	3,251.54
(f) Other Financial Assets	9	3,776.85	1,391.28
Total Financial Assets		187,189.88	189,252.18
(2) Non-Financial assets			
(a) Current tax assets (Net)	10	516.05	539.68
(b) Deferred tax Assets (Net)	24	1,694.41	-
(c) Property, Plant and Equipment	11	544.63	398.43
(d) Intangible assets	12	43.75	41.86
(e) Goodwill	13	413.71	413.71
(f) Right of Use Asset	14	181.59	670.36
(g) Other non-financial assets	15	204.09	122.59
Total Non Financial Assets		3,598.23	2,186.63
Total Financial and Non Financial Assets		190,788.11	191,438.81
B LIABILITIES AND EQUITY			
(1) Financial liabilities			
(a) Derivative Financial Instruments	16	744.08	593.01
(b) Trade Payables	17	-	-
i) total outstanding dues to micro enterprises and small enterprises		-	-
ii) total outstanding due to creditors other than micro enterprises and		353.32	893.00
(c) Lease Obligation	18	266.53	743.49
(d) Debt securities	19	58,616.43	37,491.72
(e) Borrowings (other than debt securities)	20	73,931.83	106,254.29
(f) Subordinated liabilities	21	7,700.70	9,174.02
(g) Other financial liabilities	22	7,683.26	8,913.14
Total Financial Liabilities		149,296.15	164,062.67

Balance Sheet as at 31st March 2025

		(Rs. In lakhs)	
Particulars	Note No.	As at	As at
		March 31, 2025	March 31, 2024
(2) Non-Financial Liabilities			
(a) Provisions	23	68.72	62.85
(b) Deferred tax liabilities (Net)	24	-	128.33
(c) Other non - financial Liabilities	25	634.46	603.36
Total Non Financial Liabilities		703.18	794.54
(3) EQUITY			
(a) Equity Share capital	26	4,697.57	4,689.77
(b) Instruments entirely equity in nature	26.3	1,786.13	-
(c) Other equity	27	34,305.08	21,891.83
Total Equity		40,788.78	26,581.60
Total Liabilities and Equity		190,788.11	191,438.81

The accompanying notes form an integral part of the Financial Statements

As per our report of even date

For and on behalf of the Board

For **J.H.Mehta & Co.**

Chartered Accountants

ICAI Firm Reg.No. 106227W

Kartik S. Mehta

Managing Director

DIN: 02083342

Purvi J. Bhavsar

Managing Director

DIN: 02102740

(Naitik J. Mehta)

Partner

Membership No. 130010

Place: Ahmedabad

Date: 13th May 2025

Chintan Desai

Chief Financial Officer

Place: Ahmedabad

Date: 13th May 2025

Dimple Padhiar

Company Secretary

Statement of Profit & Loss for the year ended on March 31, 2025

(Rs. In lakhs)			
Particulars	Note No.	For the Year ended	For the Year ended
		March 31, 2025	March 31, 2024
(i) Revenue from operations			
(a) Interest Income	31	47,565.27	43,737.55
(b) Fees and commission income	32	2,238.96	1,023.62
(c) Net gain on fair value changes	33	36.24	52.33
(d) Net Gain on derecognition of financial instruments under	34	-	439.22
(e) Other operating revenue	35	593.65	858.14
Total Revenue from Operations (i)		50,434.12	46,110.86
(ii) Other income	36	86.01	111.76
(iii) Total income (i + ii)		50,520.13	46,222.62
(iv) Expenses			
(a) Finance cost	37	26,578.74	25,490.98
(b) Impairment on financial instruments under amortised cost	38	7,909.69	3,095.27
(c) Net Loss on derecognition of financial instruments under	30	1,624.42	-
(d) Employee benefits expense	39	9,080.49	7,960.71
(e) Depreciation and amortisation expenses	11 to 14	214.58	166.32
(f) Other expenses	40	4,688.37	4,310.96
Total expenses (iv)		50,096.29	41,024.24
(v) Profit before tax (iii - iv)		423.84	5,198.38
(vi) Tax Expenses :			
(a) Current tax	41	1,610.00	1,455.00
(b) Deferred tax	41	(1,822.75)	(171.23)
Total tax expense (vi)		(212.75)	1,283.77
(vii) Profit for the Year (v - vi)		636.59	3,914.61
(viii) Other comprehensive income/(loss)			
(a) (i) Items that will not be reclassified to profit or loss			
- Remeasurement gain/(loss) on defined benefit plan		(19.43)	(21.71)
(ii) Income tax relating to items that will not be reclassified		-	-
(b) (i) Items that will be reclassified to profit or loss			
- Movement in cash flow hedge reserve		(1,035.62)	(423.38)
(ii) Income tax relating to items that will be reclassified to		-	-
(ix) Total Comprehensive Income (vii + viii)		(418.46)	3,469.52
(x) Earnings per Equity Share:			
Basic (Rs.)		1.36	10.04
Diluted (Rs.)		1.36	10.04

The accompanying notes form an integral part of the Financial Statements

As per our report of even date

For **J.H.Mehta & Co.****Chartered Accountants**

ICAI Firm Reg.No. 106227W

For and on behalf of the Board

Kartik S. Mehta
Managing Director
DIN: 02083342**Purvi J. Bhavsar**
Managing Director
DIN: 02102740**(Nalrik J. Mehta)**
Partner
Membership No. 130010
Place: Ahmedabad
Date: 13th May 2025**Chintan Desai**
Chief Financial Officer
Place: Ahmedabad
Date: 13th May 2025**Dimple Padhiar**
Company Secretary**Cash Flow Statement** for the year ended 31st March, 2025

(Rs. In lakhs)			
Particulars		For the year ended	For the year ended
		March 31, 2025	March 31, 2024
A	Cash flow from operating activities		
	Profit before tax	423.84	5,198.38
	Adjustments for:		
	Depreciation and amortization	214.58	166.32
	Net loss/ (gain) on derecognition of property, plant and equipment	(4.73)	57.06
	Net loss/ (gain) on derecognition of Lease	(35.20)	-
	Net gain on financial instruments designated at fair value through profit or loss	(36.24)	(52.33)
	Share Based Payment - ESOP	9.18	44.52
	Impairment on financial instruments	4,638.66	1,557.25
	Remeasurement of Defined Benefit Obligations	(19.43)	(21.71)
	Interest Income on Security Deposit	(1.41)	(1.09)
	Interest expense on lease	87.29	73.91
	Operating profit before working capital changes	5,276.54	7,022.31
	Movements in working capital:		
	Increase/(decrease) in other financial liabilities	(2,114.43)	3,583.80
	Increase/(decrease) in provisions	5.87	(0.97)
	Increase/(decrease) in other non-financial liabilities	31.10	243.20
	Increase/(decrease) in trade payables	(539.68)	(389.60)
	(Increase)/decrease in trade receivables	504.90	244.43
	(Increase)/decrease in loans	17,643.68	(45,787.82)
	(Increase)/decrease in other financial assets	(2,384.16)	779.24
	(Increase)/decrease in other non-financial assets	(73.14)	(33.29)
	Cash flow from/ (used in) operations	18,350.66	(34,338.70)
	Direct taxes paid (net of refunds)	(1,586.37)	(1,371.77)
	Net cash flow from/ (used in) operating activities (A)	16,764.29	(35,710.47)
B	Cash flow from investing activities:		
	Purchase of Property, Plant & Equipments	(292.63)	(719.46)
	Proceeds from disposal of Property, Plant & Equipments	13.28	2.60
	Proceeds from / (Purchase of) Mutual Funds and commercial papers (Net)	36.24	552.56
	Proceeds from / (Purchase of) Security Receipts in ARC (Net)	278.20	(1,277.15)
	Fixed Deposits matured / (placed) (Net)	2,429.36	(2,899.00)
	Net cash flow from/ (used in) investing activities (B)	2,464.45	(4,340.44)

Cash Flow Statement for the year ended 31st March, 2025

(Rs. In lakhs)		
Particulars	For the year ended	For the year ended
	March 31, 2025	March 31, 2024
C		
Cash flow from financing activities:		
Proceeds from issuance of Equity Share and Share Premium	12,971.03	35.00
Proceeds from issuance of Compulsorily Convertible Preference Shares	1,786.13	-
Dividend paid during the year	(140.69)	(135.85)
Repayment of Debt Securities	(10,731.29)	(5,710.54)
Proceeds from issuance of Debt Securities	31,856.00	17,476.00
Repayment of Other Borrowings incl. Subordinated Liabilities	(68,623.78)	(66,591.89)
Proceeds from Other Borrowings incl. Subordinated Liabilities	34,828.00	93,944.95
Repayment of lease Liabilities - net off Lease Origination	(127.22)	357.61
Net cash flow from financing activities (C)	1,818.17	39,375.28
Net increase/(decrease) in cash and cash equivalents (A)+(B)+(C)	21,046.91	(675.63)
Cash and cash equivalents as at the beginning of the year	13,248.09	13,923.72
Cash and cash equivalents as at end of the year (Refer Note 4)	34,295.02	13,248.09

Notes:

(i) Components of cash & cash equivalents at the year end	As at	As at
	March 31, 2025	March 31, 2024
Cash on hand	1,796.70	104.07
Balance with banks in current accounts	25,210.33	9,424.04
Deposits with maturity less than 3 months	7,287.99	3,719.98
Total	34,295.02	13,248.09

(ii) Cash Flow Statement has been prepared using Indirect Method Prescribed under Ind AS 7.

The accompanying notes form an integral part of the Financial Statements

As per our report of even date

For **J.H.Mehta & Co.****Chartered Accountants**

ICAI Firm Reg.No. 106227W

For and on behalf of the Board

Kartik S. Mehta **Purvi J. Bhavsar**
 Managing Director Managing Director
 DIN: 02083342 DIN: 02102740

(Naitik J. Mehta)

Partner

Membership No. 130010

Place: Ahmedabad

Date: 13th May 2025

Chintan Desai **Dimple Padhiar**
 Chief Financial Officer Company Secretary

Place: Ahmedabad

Date: 13th May 2025**Statement of changes in equity** for the year ended March 31st, 2025

(Rs. In lakhs)		
Particulars	For the year ended	
	March 31, 2025	March 31, 2024
A. Equity Share Capital		
Balance at the beginning of the Year	4,689.77	3,272.74
Changes during the Year	7.80	1,417.03
Balance at the end of Year	4,697.57	4,689.77
B Instruments entirely equity in nature		
Balance at the beginning of the Year	-	1,255.41
Changes during the Year	1,786.13	(1,255.41)
Balance at the end of Year	1,786.13	-

C Other Equity

Particulars	Reserves and Surplus				Stock options outstanding	Cash Flow Hedge Reserve	Total
	General Reserves	Securities premium	Statutory reserve	Retained earnings			
Balance as at April 01, 2023	0.60	14,832.84	995.51	2,975.78	16.50	(180.96)	18,640.27
Profit for the year	-	-	-	3,914.61	-	-	3,914.61
Dividends	-	-	-	(135.85)	-	-	(135.85)
Addition during the year	-	-	-	-	44.52	-	44.52
Others	-	-	-	-	-	-	-
Transfer from stock options outstanding amount	-	-	-	-	-	-	-
Transfer from retained earnings	-	-	782.92	(782.92)	-	-	-
Utilised for conversion of CCPS	-	(126.63)	-	-	-	-	(126.63)
Items of the OCI for the year, net of tax	-	-	-	-	-	-	-
Remeasurement benefit of defined benefit plans	-	-	-	(21.71)	-	-	(21.71)
Effective portion of cash flow hedge	-	-	-	-	-	(423.38)	(423.38)
Balance as at March 31, 2024	0.60	14,706.21	1,778.43	5,949.91	61.02	(604.34)	21,891.83

Particulars	Reserves and Surplus				Stock options outstanding	Cash Flow Hedge Reserve	Total
	General Reserves	Securities premium	Statutory reserve	Retained earnings			
Balance as at April 01, 2024	0.60	14,706.21	1,778.43	5,949.91	61.02	(604.34)	21,891.83
Profit for the year	-	-	-	636.59	-	-	636.59
Dividends	-	-	-	(140.89)	-	-	(140.89)
Addition during the year	-	12,963.23	-	-	918	-	12,972.41
Others	-	35.05	-	-	(35.05)	-	-
Transfer from stock options outstanding amount	-	-	-	-	-	-	-
Transfer from retained earnings	-	-	127.32	(127.32)	-	-	-
Utilised for conversion of CCPS	-	-	-	-	-	-	-
Items of the OCI for the year, net of tax	-	-	-	-	-	-	-
Remeasurement benefit of defined benefit plans	-	-	-	(19.43)	-	-	(19.43)
Effective portion of cash flow hedge	-	-	-	-	-	(1,035.62)	(1,035.62)
Balance as at March 31, 2025	0.60	27,704.49	1,905.75	6,299.06	35.14	(1,639.96)	34,305.08

Statement of changes in equity for the year ended March 31st, 2025**Nature of Reserves****A General reserve**

The general reserve is a free reserve which is used from time to time to transfer profits from retained earnings for appropriation purposes.

B Securities premium

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of section 52 of the Companies Act, 2013.

C Statutory Reserve

As required by section 45-IC of the RBI Act 1934, the company maintains a reserve fund and transfers there in a sum not less than twenty per cent of its net profit every year as disclosed in the profit and loss account and before any dividend is declared. The company cannot appropriate any sum from the reserve fund except for the purpose specified by Reserve Bank of India from time to time. Till date RBI has not specified any purpose for appropriation of Reserve fund maintained under section 45-IC of RBI Act, 1984.

D Stock options outstanding account

This Reserve relates to stock options granted by the Company to employees under Employee Stock Option Schemes. This Reserve is transferred to Securities Premium or Retained Earnings on exercise or cancellation of vested options.

E Cash flow hedge reserve

The Company has taken a cross currency interest rate swap to hedge the foreign currency risk of foreign currency borrowings. To the extent hedge is effective, the change in fair value of hedging instrument is recognised in cash flow reserve.

The accompanying notes form an integral part of the financial statements.

<p>As per our report of even date For J.H.Mehta & Co. Chartered Accountants ICAI Firm Reg.No. 106227W</p>	<p>For and on behalf of the Board</p> <p>Kartik S. Mehta Managing Director DIN: 02083342</p>	<p>Purvi J. Bhavsar Managing Director DIN: 02102740</p>
<p>(Naitik J. Mehta) Partner Membership No. 130010</p>	<p>Chintan Desai Chief Financial Officer</p>	<p>Dimple Padhiar Company Secretary</p>
<p>Place: Ahmedabad Date: 13th May 2025</p>	<p>Place: Ahmedabad Date: 13th May 2025</p>	

Notes to Financial Statements for the Year ended on March 31, 2025**1. Company overview**

"Pahal Financial Services Private Limited (herein after referred to as 'the Company') is a company incorporated under the provisions of the Companies Act, 1956. The company is non-deposit accepting non-banking financial company ('NBFC-ND') registered with the Reserve bank of India (RBI) under Section 45-IA of the RBI Act, 1934 and has got classified as a Non-Banking Financial Company- Micro Finance Institution ('NBFC- MFI') with effect from January 29, 2014.

The Company has been categorised as NBFC-ML under the RBI Scale Based Regulation dated 22nd October, 2021. Accordingly, the Company has taken steps, wherever applicable, to ensure compliance with the said regulation.

The Company is primarily engaged in business of providing micro finance services to women who are organized as Joint Liability Groups ('JLG') and individuals in the urban areas of multiple states of India.

In addition to the core business of providing micro finance, the company uses its distribution channel to provide certain other financial products and services to customers. Further, with effect from February 21, 2024, Company is also registered with Insurance Regulatory and Development Authority of India as Corporate Agent."

The financial statements are approved for issue by the Company's Board of Directors on 13th May, 2025

2. Basis of Preparation & Presentation of Financial Statements**2.1 Statement of Compliance**

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended time to time and the provisions of the RBI as applicable as per Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 issued vide Notification No. DoR.FIN.REC.No.45/03.10.119/2023-24 dated October 19, 2023, as amended time to time ("the Scale Based Regulations, 2023").

2.2 Basis of measurement

The Financial Statements have been prepared on the historical cost basis except for the following items which are measured at fair values:

- certain financial assets and liabilities
- defined benefit plans assets

Notes to Financial Statements for the Year ended on March 31, 2025**2.3 Functional and presentation currency**

Indian rupee is the functional and presentation currency. All amounts presented in financial statements are rounded off to nearest Lakhs, except otherwise stated.

The Company presents its balance sheet in the order of liquidity. Financial assets and financial liabilities are generally reported gross in the balance sheet. They are only offset and reported net when, in addition to having an unconditionally legally enforceable right to offset the recognised amounts without being contingent on a future event, the parties also intend to settle on a net basis.

2.4 Use of estimates and judgements

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions.

These estimates, judgments 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 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.

Application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements are:

- Useful lives of property, plant and equipment
- Valuation of financial instruments
- Provisions and contingencies
- Income tax and deferred tax
- Measurement of expected credit loss
- Consideration of significant related party transactions
- Measurement of defined employee benefit obligations

3. Material Accounting Policies**3.1 Revenue Recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Interest income and expenses

Interest income is recognised using effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through expected life of the financial

Notes to Financial Statements for the Year ended on March 31, 2025

asset to the gross carrying amount of the financial asset. When calculating the effective interest rate, the company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. Interest on Non-performing assets is recognized in the year of its receipts.

The Company calculates interest income by applying EIR to gross carrying amount of financial assets other than credit-impaired assets.

Interest expense includes issue costs that are initially recognized as part of the carrying value of the financial liability and amortized over the expected life using the effective interest method. These includes fees and commission payable to arrangers and other expenses such as external legal costs, provided these are incremental costs that are directly related to the issue of financial liability.

Dividend

Dividend income is recognised when the Company's right to receive the dividend is established, which is generally when the shareholders approve the dividend.

Gain or loss on derecognition of financial assets

Gain or Loss on derecognition of financial asset is determined as the difference between the sale price (net of selling costs) and carrying value of financial asset.

Bad Debt Recovery

Bad debt recovery is recognised as income in the year of receipt.

All other incomes are recognised and accounted for on accrual basis.

3.2 Property, plant and equipments

Property, plant and equipments are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any

The cost comprises the purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Property, plant and equipment not ready for the intended use on the date of the Balance Sheet are disclosed as "Capital work-in-progress".

Gains or losses arising from derecognition of property, plant and equipments are measured as the difference between the net disposal proceeds and the carrying amount of the asset at the time of disposal and are recognized in the statement of profit and loss when the asset is derecognized.

Notes to Financial Statements for the Year ended on March 31, 2025

Depreciation on property, plant and equipment is calculated on straight line basis using the ratio arrived as per the useful life prescribed under Schedule II to the Companies Act, 2013.

In respect of property, plant and equipment purchased during the year, depreciation is provided on a pro-rata basis from the date on which such asset is ready to use. Assets costing less than rupees ten thousand each is fully depreciated in the year of purchase.

The residual value, useful live and method of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

3.3 Intangible assets

An intangible asset is recognised, only where it is probable that future economic benefits attributable to the asset will accrue to the enterprise and the cost can be measured reliably.

Intangible assets are stated at cost, less accumulated amortization and impairment losses, if any.

Intangible assets not ready for the intended use on the date of the Balance Sheet are disclosed as "Intangible Assets Under Development".

Separately purchased intangible assets are initially measured at cost. Subsequently, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any.

Intangible assets are amortized over the expected duration of benefit on a straight-line basis. Intangible assets acquired / purchased during the year are amortised on a pro-rata basis from the date on which such assets are ready to use. Software cost related to computers is capitalized and amortized using the straight-line method over a period of three years.

The residual value, useful live and method of amortization of intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

3.4 Financial Instruments**3.4.1 Initial recognition**

The company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition.

Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit or loss are added to or deducted from the fair value of financial assets or financial liabilities on initial recognition.

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss. Regular way purchase and sale of financial assets are accounted for at trade date.

Notes to Financial Statements for the Year ended on March 31, 2025**3.4.2 Subsequent measurement****A Non-derivative financial instruments****I Financial assets carried at amortized cost**

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

II Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model. For such equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

III Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently measured at fair valued through profit or loss. Fair value changes are recognised as other income in the Statement of Profit or Loss.

IV Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method.

b Equity instruments

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Incremental costs directly attributable to the issuance of equity instruments are recognised as a deduction from equity instrument net of any tax effects.

c Instruments entirely equity in nature

An option embedded in financial instruments to exchange a fixed number of the company's own equity instruments for a fixed amount of any currency are considered as equity instruments. Such instruments in financial statements are disclosed as Instruments entirely equity in nature

Notes to Financial Statements for the Year ended on March 31, 2025

3.4.3 Derecognition

The company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability is derecognized when obligation specified in the contract is discharged or cancelled or expires.

3.4.4 Off-setting

Financial assets and financial liabilities are offset and the net amount is presented in the balance sheet when the company currently has a legally enforceable right to offset the recognised amount and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

3.4.5 Modification

"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 renegotiates loans to customers in financial difficulty to maximize collection and minimize the risk of default. A loan forbearance is granted in cases where although the borrower made all reasonable efforts to pay under the original contractual terms, there is a high risk of default or default has already

140 | Pahal Financial Services Private Limited

happened and the borrower is expected to be able to meet the revised terms. The revised terms in most of the cases include an extension of the maturity of the loan, changes to the timing of the cash flows of the loan (principal and interest repayment), reduction in the amount of cash flows due (principal and interest forgiveness).

Not all changes in terms of loans are considered as renegotiation and changes in terms of a class of obligors that are not overdue is not considered as renegotiation and is not subjected to deterioration in staging."

3.4.6 Derivative Instruments

"The Company designates cross currency interest rate swap contracts as hedge instruments in respect of foreign exchange risks arising from foreign currency borrowings. These hedges are accounted for as cash flow hedges. The Company uses hedging instruments that are governed by the policies of the Company which are approved by their respective Board of Directors. The policies provide written principles on the use of such financial derivatives consistent with the risk management strategy of the Company. The hedge instruments are designated and documented as hedges at the inception of the contract. The Company determines the existence of an economic relationship between the hedging instrument and hedged item based on the currency, amount and timing of their respective cash flows. The effectiveness of hedge instruments to

Notes to Financial Statements for the Year ended on March 31, 2025

reduce the risk associated with the exposure being hedged is assessed and measured at inception and on an ongoing basis. If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in other equity are immediately reclassified in the statement of profit and loss. The effective portion of change in the fair value of the designated hedging instrument is recognised in other comprehensive income and accumulated under the heading cash flow hedging reserve.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity till that time remains and is recognised in statement of profit and loss when the forecasted transaction ultimately affects the profit and loss. Any gain or loss is recognised immediately in the statement of profit and loss when the hedge becomes ineffective."

3.4.7 Foreign exchange transactions and translations

(A) Initial recognition: Transactions in foreign currencies are recognized at prevailing exchange rates between reporting currency and foreign currency on transaction date.

(B) Conversion: Transactions in foreign currencies are translated into the functional currency using the exchange

rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in Statement of profit and loss. Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the Statement of profit and loss on a net basis."

3.4.8 Securitisation and direct assignment

The securitised assets where the Company has not transferred substantially all the risks and rewards in accordance with the provisions of Indian Accounting Standard No.109 (Ind AS 109), 'Financial Instruments' shall not be de-recognized and proceeds received from securitisation shall be recognised as borrowings and interest thereon shall be recognised as finance cost.

The direct assignment transaction where the Company has transferred substantially all the risks and rewards in accordance with the provisions of Indian Accounting Standard No.109 (Ind AS 109), 'Financial Instruments' shall be de-recognized. Similarly, the gain on sale of assets arising from a direct assignment transactions, has been recognised on de-recognition as interest only strip."

Notes to Financial Statements for the Year ended on March 31, 2025

3.5 Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefit by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy. The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

Level 1 – inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – inputs are other than quoted prices included within level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived prices)

Level 3 – inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumption that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

3.6 Income taxes

3.6.1 Current Tax

Current tax is recognised in profit or loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case, the current tax is also recognised in other comprehensive income or directly in equity, respectively.

Current tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Notes to Financial Statements for the Year ended on March 31, 2025

Current tax assets and current tax liabilities are offset, where company has a legally enforceable right to set off the recognised amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

3.6.2 Deferred Tax

Deferred tax is recognised in profit or loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case, the deferred tax is also recognised in other comprehensive income or directly in equity, respectively.

Deferred tax liabilities are recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from initial recognition of goodwill; or initial recognition of an asset or liability in a transaction which is not a business combination and at the time of transaction, affects neither accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax losses and carry forward of unused tax credits to the extent that it is probable that taxable profit will be available against which those temporary differences, losses and tax credit can be utilized, except when deferred tax asset on deductible temporary differences arise from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the

transaction, affects neither accounting profit nor taxable profit or loss.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the tax rules and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset, where company has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

3.7 Impairment

3.7.1 Financial assets

Considering the prudence, the Company recognizes impairment on financial asset on higher of the provision required as per the directions issued by Reserve Bank of India or using expected credit loss (ECL) model as prescribed in Ind AS for the financial assets which are not fair valued.

The expected credit losses (ECLs) is recognized based on forward-looking information for all financial assets at amortized cost, no impairment loss is applicable on equity investments.

Notes to Financial Statements for the Year ended on March 31, 2025

At the reporting date, an allowance is required for the 12 month ECLs. If the credit risk has significantly increased since initial recognition (Stage 1), an allowance (or provision) should be recognized for the lifetime ECLs for financial instruments for which the credit risk has increased significantly since initial recognition (Stage 2) or which are credit impaired (Stage 3).

The measurement of ECL is calculated using three main components: (i) probability of default (PD) (ii) loss given default (LGD) and (iii) the exposure at default (EAD). The 12 month ECL is calculated by multiplying the 12 month PD, LGD and the EAD. The 12 month and lifetime PDs represent the PD occurring over the next 12 months and the remaining maturity of the instrument respectively. The EAD represents the expected balance at default, taking into account the repayment of principal and interest from the balance sheet date to the default event together with any expected drawdowns of committed facilities. The LGD represents expected losses on the EAD given the event of default, taking into account, among other attributes, the mitigating effect of collateral value at the time it is expected to be realised and the time value of money.

The Company applies a three-stage approach to measure ECL on financial assets accounted for at amortized cost. Assets migrate through the following three stages based on the change in credit quality since initial recognition.

"Stage 1: 12-months ECL

For exposures where there has not been a significant increase in credit risk since initial recognition and that are not credit impaired upon origination, the portion of the lifetime ECL associated with the probability of default events occurring within the next 12 months is recognized. Exposures with days past due (DPD) less than or equal to 29 days are classified as stage 1. The Company has identified zero bucket and bucket with DPD less than or equal to 29 days as two separate buckets."

"Stage 2: Lifetime ECL – not credit impaired

For credit exposures where there has been a significant increase in credit risk since initial recognition but that are not credit impaired, a lifetime ECL is recognized. Exposures with DPD equal to 30 days but less than or equal to 89 days are classified as stage 2. At each reporting date, the Company assesses whether there has been a significant increase in credit risk for financial asset since initial recognition by comparing the risk of default occurring over the expected life between the reporting date and the date of initial recognition. The Company has identified cases with DPD equal to or more than 30 days and less than or equal to 59 days and cases with DPD equal to or more than 60 days and less than or equal to 89 days as two separate buckets."

Notes to Financial Statements for the Year ended on March 31, 2025**"Stage 3: Lifetime ECL – credit impaired**

Financial asset is assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred. For financial asset that have become credit impaired, a lifetime ECL is recognized on principal outstanding as at period end. Exposures with DPD equal to or more than 90 days are classified as stage 3."

A loan that has been renegotiated due to a deterioration in the borrower's condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment.

ECL is recognized on EAD as at period end. If the terms of a financial asset are renegotiated or modified due to financial difficulties of the borrower, then such asset is moved to stage 3, lifetime

ECL under stage 3 on the outstanding amount is applied.

The Company assesses when a significant increase in credit risk has occurred based on quantitative and qualitative assessments. Exposures are considered to have resulted in a significant increase in credit risk and are moved to Stage 2 when:

Quantitative test: Accounts that are 30 calendar days or more past due move to Stage 2 automatically. Accounts that are

90 calendar days or more past due move to Stage 3 automatically.

Reversal in Stages: Exposures will move back to Stage 2 or Stage 1 respectively, once they no longer meet the quantitative criteria set out above. For exposures classified using the qualitative test, when they no longer meet the criteria for a significant increase in credit risk and when any cure criteria used for credit risk management are met.

The definition of default for the purpose of determining ECLs has been aligned to the Reserve Bank of India definition of default, which considers indicators that the debtor is unlikely to pay and is no later than when the exposure is more than 90 days past due.

The measurement of all expected credit losses for financial assets held at the reporting date are based on historical experience, current conditions and reasonable and supportable forecasts. The measurement of ECL involves increased complexity and judgement, including estimation of PDs, LGD, a range of unbiased future economic scenarios, estimation of expected lives and estimation of EAD and assessing significant increases in credit risk.

Presentation of ECL allowance for financial asset

ECL related to the Financial assets measured at amortized cost are shown as a deduction from the gross carrying amount of the assets.

Notes to Financial Statements

for the Year ended on March 31, 2025

Methodology for calculating ECL

The Company determines ECL based on a probability weighted outcome of factors indicated below to measure the shortfalls in collecting contractual cash flows. The Company does not discount such shortfalls considering relatively shorter tenure of loan contracts.

Probability of default (PD) –

The probability of default is an estimate of the likelihood of default over a given time horizon (12- month or lifetime, depending upon the stage of the asset).

Exposure at default (EAD) –

It represents an estimate of the exposure of the Company at a future date after considering repayments by the counterparty before the default event occurs.

Loss given default (LGD) –

It represents an estimate of the loss expected to be incurred when the event of default occurs.

Forward looking information

While estimating the expected credit losses, the Company reviews macro-economic developments occurring in the economy and market it operates in. On a periodic basis, the Company analyses if there is any relationship between key economic trends like GDP, unemployment rates, benchmark rates set by the RBI, inflation, etc. with the estimate of PD, LGD determined by the Company based on its internal data. While the internal estimates

of PG, LGD rates by the Company may not be always reflective of such relationships, temporary overlays are embedded in the methodology to reflect such macro-economic trends reasonably.

Write off

Impaired loans and receivables are written off, against the related allowance for loan impairment on completion of the Company's internal processes and when the Company concludes that there is no longer any realistic prospect of recovery of part or all of the loan. For loans that are individually assessed for impairment, the timing of write off is determined on a case by case basis. A write-off constitutes a de-recognition event. The Company has a right to apply enforcement activities to recover such written off financial assets. Subsequent recoveries of amounts previously written off are credited to the income statement.

3.7.2 Non-financial assets

Tangible and intangible assets

The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists the company estimates the asset's recoverable amount.

An asset's recoverable amount is the higher of an assets net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

Notes to Financial Statements

for the Year ended on March 31, 2025

3.9 Employee Benefits

Short term employee benefits for salary that are expected to be settled wholly within 12 months after the end of the reporting period in which employees render the related service are recognized as an expense in the statement of profit and loss.

Retirement benefit in the form of provident fund is a defined contribution scheme. The company has no obligation, other than the contribution payable to the provident fund. The company recognizes contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service.

The company operates one defined benefit plan for its employees, viz., gratuity plan. The costs of providing benefits under the plans are determined on the basis of actuarial valuation at each year-end. Actuarial valuation is carried out using the projected unit credit method made at the end of each reporting date. Re-measurement of the net defined benefit liability (asset) comprise of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability (asset) and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability / (asset)). Re-measurement are recognised in other comprehensive income and will not be reclassified to profit or loss in a subsequent period.

Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. The impairment loss is recognised in the statement of profit and loss.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

3.8 Borrowing costs

Borrowing cost includes interest and other costs that company has incurred in connection with the borrowing of funds.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset.

All other borrowing costs are expensed in the year they occur.

Investment income earned on temporary investment of specific borrowing pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Notes to Financial Statements for the Year ended on March 31, 2025**Share-based Payments:****Employee Stock Option Plan:**

The Company recognizes compensation expense relating to share-based payments in net profit based on estimated fair-values of the awards on the grant date. The estimated fair value of awards is recognized as an expense in the statement of profit and loss on a straight-line basis over the requisite service period for each separately vesting portion of the award as if the award was in-substance, multiple awards with a corresponding increase to share options outstanding account

Cash-settled transactions:

In case of cash-settled transactions, a liability is recognised for the fair value of cash-settled transactions. The fair value is measured initially and at each reporting date up to and including the settlement date, with changes in fair value recognised in employee benefits expense. The fair value is expensed over the period until the vesting date with recognition of a corresponding liability"

3.10 Provisions

A provision is recognized when the company has a present obligation as a result of 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.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

3.11 Contingent Liability

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

Notes to Financial Statements for the Year ended on March 31, 2025**3.12 Contingent Asset**

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company. The company does not recognize a contingent asset but discloses its existence in the financial statements.

3.13 Cash and cash equivalent

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank (including demand deposits) and in hand and short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

3.14 Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

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

3.15 Lease

As a lessee, the company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the average cost of raising finance.

Lease payments included in the measurement of the lease liability comprise the Fixed payments, including in-substance fixed payments.

Notes to Financial Statements for the Year ended on March 31, 2025

The lease liability is measured at amortised cost using the effective interest method. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The company presents right-of-use assets as separate line item in Non-current Assets and lease liabilities in 'borrowings' in the balance sheet."

Short-term leases and leases of low-value assets:

The company has elected not to recognise right-of-use assets and lease liabilities for short-term leases of real estate properties that have a lease term of less than 12 months. The company recognises the lease payments associated with these leases as an expense on a straight line basis over the lease term.

3.16 Segment Reporting

An operating segment is component of the company that engages in the business activity from which the company earns revenues and incurs expenses, for which discrete financial information is available and whose operating results are regularly reviewed by the chief operating decision maker, in deciding about resources to be allocated to the segment

and assess its performance. The company's chief operating decision maker is the Board of Director.

Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as un-allocable.

Revenue and expenses directly attributable to segments are reported under each reportable segment. All other expenses which are not attributable or allocable to segments have been disclosed as un-allocable expenses.

The company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the company as a whole.

3.17 Cash Flow Statement

Cash flows are reported using indirect method whereby profit for the period is adjusted for the effects of the transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts and payments and items of income or expenses associated with investing and financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated

Notes to Financial Statements for the Year ended on March 31, 2025

3.18 Business combination and Goodwill

Business combination :

Business Combination is accounted for using the acquisition method of accounting. Transaction costs incurred in connection with business combination are expensed out in statement of profit

and loss. The identifiable assets and liabilities that meet the condition for recognition is recognized at their fair values at the acquisition date. If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Company reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date"

Goodwill:

Goodwill represents the excess of the consideration paid to acquire a business over underlying fair value of the identified assets acquired. Goodwill is carried at cost less accumulated impairment losses, if any. Goodwill is deemed to have an indefinite useful life and is tested for impairment annually or when events or circumstances indicate that the implied fair value of goodwill is less than its carrying amount."

3.19 Events after reporting date

Where events occurring after the Balance Sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the Balance Sheet date of material size or nature are only disclosed.

3.20 General

Any other accounting policy not specifically referred to are in consistent with generally accepted accounting principles.

Notes to Financial Statements for the Year ended on March 31, 2025

(Rs. In lakhs)

Note no.	Particulars	As at	As at
		March 31, 2025	March 31, 2024
4	Cash and Cash Equivalents		
4.1	Cash on hand	1,796.70	104.07
4.2	Balances with banks		
	In current accounts	25,210.33	9,424.04
	In term deposit accounts (with original maturity of less than three months)	7,287.99	3,719.98
		32,498.32	13,144.02
	Total	34,295.02	13,248.09
5	Bank balance other than cash and cash equivalent		
	Balance with banks held as margin money (Refer Note 5.1) (with original maturity of more than three months)	8,120.21	10,549.57
	Total	8,120.21	10,549.57
5.1	Represents margin money deposits placed to avail term loans from banks and others and as cash collateral in connection with securitization transactions.		
6	Trade Receivables		
	Unsecured, considered good	736.89	1,241.79
	Total	736.89	1,241.79
7	Loans (At amortised cost)		
A	Classification based on Nature of Loan		
i	Term loans	1,45,363.73	1,63,013.46
ii	Loan repayable on demand	26.16	20.11
	Total (A) - Gross	1,45,389.89	1,63,033.57
	Less: Impairment loss allowance	8,102.32	3,463.66
	Total (A) - Net	1,37,287.57	1,59,569.91
B	Classification based on Securities		
i	Secured by tangible assets	6,333.94	5,710.18
ii	Secured by intangible assets	-	-
iii	Covered by bank / Government guarantees	-	-
iv	Unsecured	1,39,055.95	1,57,323.39
	Total (B) - Gross	1,45,389.89	1,63,033.57
	Less: Impairment loss allowance	8,102.32	3,463.66
	Total (B) - Net	1,37,287.57	1,59,569.91
C	Classification based on Geography		
i	Loans in India	1,45,389.89	1,63,033.57
	Total (C - I) - Gross	1,45,389.89	1,63,033.57
	Less: Impairment loss allowance	8,102.32	3,463.66
	Total (C - I) - Net	1,37,287.57	1,59,569.91
ii	Loans outside India	-	-
	Less: Impairment loss allowance	-	-
	Total (C - II) - Net	-	-
	Total C (i+ii)	1,37,287.57	1,59,569.91

Notes to Financial Statements for the Year ended on March 31, 2025

Rs. in lakhs

Note no.	Particulars	As at	As at
		March 31, 2025	March 31, 2024
8	Investments		
	Recorded at Fair Value through Profit and Loss Account		
	Outside India	-	-
	Inside India		
	Security Receipt of ARC	2,973.34	3,251.54
		2,973.34	3,251.54
	Less: Allowance for Impairment loss	-	-
	Total - Net Investments	2,973.34	3,251.54
8.1	Break-up of Investments		
	Security Receipt of PARAS 133 Trust		
	No. of Units (in Nos.)	1,37,889	1,54,887
	Face Value of Units (Rs.)	1,000	1,000
	Market Value of Units (Rs.)	1,000	1,000
	Amount (Rs. In Lakhs)	1,378.89	1,548.87
	Security Receipt of PARAS 139 Trust		
	No. of Units (in Nos.)	1,59,445	1,70,267
	Face Value of Units (Rs.)	1,000	1,000
	Market Value of Units (Rs.)	1,000	1,000
	Amount (Rs. In Lakhs)	1,594.45	1,702.67
	Total - Investments	2,973.34	3,251.54
9	Other financial assets		
	Interest accrued but not due and other receivables	2,931.86	900.05
	Deposits		
	Security Deposits (Refer Note 9.1)	327.62	308.20
	Other deposits	144.39	149.14
		472.01	457.34
	Others	372.98	33.89
	Total	3,776.85	1,391.28
9.1	Security deposits includes deposits placed as security against borrowings.		
10	Current Tax Assets		
	Advance Income-tax	516.05	539.68
	(Net of Provision: March 31, 2025- Rs. 4647.99 Lacs, March 31, 2024 - Rs.3037.99 Lacs)		
	Total	516.05	539.68

Notes to Financial Statements for the Year ended on March 31, 2025**11 Property, Plant and Equipment****11.1 Property, Plant and Equipments consist of:**

(Rs. In lakhs)

No.	Particulars	Computers	Furniture & Fixtures	Vehicles	Electrical Equipments	Office Equipment	Total
a	Gross Block						
	Balance as at March 31, 2023	215.07	235.08	77.19	19.01	105.81	652.14
	Additions	54.21	49.02	-	116	107.80	212.18
	Deductions	79.61	49.35	16.52	-	5.89	151.37
	Balance as at March 31, 2024	189.67	234.74	60.67	20.16	207.72	712.96
	Additions	20.55	15.19	216.44	-	19.06	271.24
	Deductions	-	-	21.00	-	1.01	22.01
	Balance as at March 31, 2025	210.22	249.93	256.11	20.16	225.76	962.19
b	Accumulated Depreciation						
	Balance as at March 31, 2023	157.76	57.36	43.64	4.16	51.74	314.66
	Additions	26.95	21.09	5.03	2.01	36.48	91.56
	Deductions	66.75	15.93	6.62	-	2.40	91.70
	Balance as at March 31, 2024	117.95	62.53	42.05	6.17	85.82	314.52
	Additions	32.29	23.41	21.75	2.13	36.92	116.50
	Deductions	-	-	13.10	-	0.36	13.46
	Balance as at March 31, 2025	150.24	85.94	50.70	8.30	122.38	417.56
c	Net Block						
	Balance as at March 31, 2024	71.72	172.21	18.63	13.99	121.89	398.44
	Balance as at March 31, 2025	59.98	163.99	205.41	11.86	103.38	544.63

11.2 Some of the Vehicles are registered in the name of directors of the Company.

12 Other Intangible assets

(Rs. In lakhs)

	Particulars	Softwares
a	Gross Block	
	Balance as at March 31, 2023	61.98
	Additions	33.04
	Balance as at March 31, 2024	95.01
	Additions	21.39
	Balance as at March 31, 2025	116.41
b	Amortisation	
	Balance as at March 31, 2023	41.69
	Additions	11.47
	Balance as at March 31, 2024	53.16
	Additions	19.50
	Balance as at March 31, 2025	72.65
c	Net Block	
	Balance as at March 31, 2024	41.86
	Balance as at March 31, 2025	43.75

Notes to Financial Statements for the Year ended on March 31, 2025**13. Goodwill**

(Rs. In lakhs)

Particulars	Goodwill
Balance as at March 31, 2023	413.71
Addition during the year	-
Amortisation for the Year	-
Balance as at March 31, 2024	413.71
Addition during the year	-
Amortisation for the Year	-
Balance as at March 31, 2025	413.71

14. Right of use assets

(Rs. In lakhs)

Particulars	Building
Balance as at March 31, 2023	259.42
Addition during the year	474.24
Amortisation for the Year	63.29
Balance as at March 31, 2024	670.36
Addition during the year	-
Derecognised during the year	410.20
Amortisation for the Year	78.58
Balance as at March 31, 2025	181.59

Notes to Financial Statements for the Year ended on March 31, 2025

(Rs. In lakhs)

Note no.	Particulars	As at	As at
		March 31, 2025	March 31, 2024
15	Other non-financial assets		
	Balance with Government Authorities	29.57	25.68
	Prepaid expense	165.18	95.20
	Advances to staff	9.34	1.71
	Total	204.09	122.59
16	Derivative Financial Instruments		
	Part I		
	(i) Currency Derivatives (Recorded at Fair Value through Other Comprehensive Income)		
	- Cross Currency Interest rate derivative Payable / (Receivable)	744.08	593.01
	(ii) Interest Rate Derivatives	-	-
	(ii) Credit Derivatives	-	-
	Total	744.08	593.01
	Part II		
	Included in above Part I are derivatives held for		
	(i) Fair Value Hedging	-	-
	(ii) Cash Flow Hedging		
	- Cross Currency Interest rate derivative	744.08	593.01
	(iii) Net Investment Hedging	-	-
	(iv) Undesignated Derivatives	-	-
	Total	744.08	593.01
16.1	Notional amount of the cross currency interest rate derivate	49,667.76	19,990.39
16.2	For Risk Management arising from derivatives refer note no. 44 & for use of derivatives		
17	Payables		
	Trade payables (Refer Note 17.1)		
	Dues to micro enterprises and small enterprises	-	-
	Due to creditors other than micro enterprises and small enterprises	353.32	893.00
	Total	353.32	893.00
17.1	There are no amount that needs to be disclosed in accordance with the Micro, Small and Medium Enterprise Development Act, 2006 (the "MSME") pertaining to Micro or small enterprise. For the year ended March 31, 2025 no supplier has intimated the company about its status as Micro or small enterprise or its registration with the appropriate authority under MSMED.		
18	Lease Obligation		
	Lease Liability	266.53	743.49
	Total	266.53	743.49

Notes to Financial Statements for the Year ended on March 31, 2025

(Rs. In lakhs)

Sr. no	Particulars	As at	As at
		March 31, 2025	March 31, 2024
A	Classification based on Nature of Borrowing		
i	Non convertible debentures (At Amortised Cost)	41,988.05	37,491.72
ii	Bonds (At Amortised Cost)	16,628.38	-
	Total (A)	58,616.43	37,491.72
B	Classification based on Geography		
i	Debt securities in India	41,988.05	37,491.72
ii	Debt securities outside India	16,628.38	-
	Total B (i + ii)	58,616.43	37,491.72

19.1 Non Convertible Debentures

Sr. no	Particulars	Rate of Interest	Term of repayment of loan
1	Microfinance Initiative for Asia (Blue Orchard)		
	Exclusive Charges by way of Hypothecation on Book Debts / loan Assets, both present and future equivalent to 110% of Debenture Value.	12.55%	25 % of Principal repayable after 24 months, 75% at the end of 36 months
2	Blue Orchard Micorfinance Fund (Blue Orchard)		
	Exclusive Charges by way of Hypothecation on Book Debts / loan Assets, both present and future equivalent to 110% of Debenture Value.	12.55% to 13.43%	25 % of Principal repayable after 24 months, 75% at the end of 36 months/ Bullet repayment at maturity
3	JAPAN ASEAN Women Empowerment Fund (Blue Orchard)		
	Exclusive Charges by way of Hypothecation on Book Debts / loan Assets, both present and future equivalent to 110% of Debenture Value.	12.55%	25 % of Principal repayable after 24 months, 75% at the end of 36 months
4	Microfinance Enhancement Facility Sa, Sicav- Sif (Responsibility)		
	Exclusive Charges by way of Hypothecation on Book Debts / loan Assets, both present and future equivalent to 110% of Debenture Value.	13.65%	Principal repayable at the end of tenure of 60 months
5	UTI INTERNATIONAL WEALTH CREATOR 4 (Responsibility)		
	Exclusive Charges by way of Hypothecation on Book Debts / loan Assets, both present and future equivalent to 110% of Debenture Value.	13.3% TO 13.50%	Principal repayable at the end of tenure of 36/48 months

Notes to Financial Statements for the Year ended on March 31, 2025

Sr. no	Particulars	Rate of Interest	Term of repayment of loan
6	Northern Arc India Impact Trust Exclusive Charges by way of Hypothecation on Book Debts / loan Assets, both present and future equivalent to 110% of Debenture Value.	15.02%	Loan Principal Will be repaid at the end of 45 months.
7	Northern Arc Capital Limited Exclusive Charges by way of Hypothecation on Book Debts / loan Assets, both present and future equivalent to 110% of Debenture Value.	12.55% TO 12.61%	Loan Principal Will be repaid on semi annual basis after one year
8	Vivriti India Impact Bond Fund Exclusive Charges by way of Hypothecation on Book Debts / loan Assets, both present and future equivalent to 100%/110% of Debenture Value.	14.00% -14.50%	Principal repayable in 6 equated semi annual instalment
9	Global Access Fund Lp Exclusive Charges by way of Hypothecation on Book Debts / loan Assets, both present and future equivalent to 100% of Debenture Value.	12.30%	Loan Principal Will be repaid in 4 semi annual payments starting form the end of 10th Quarter after disbursement
10	Impact Investment Xchange Exclusive Charges by way of Hypothecation on Book Debts / loan Assets, both present and future equivalent to 110% of Debenture Value.	15.02%	Loan Principal Will be repaid at the end of 45 months.
11	Magallanes Impacto FIL Exclusive Charges by way of Hypothecation on Book Debts / loan Assets, both present and future equivalent to 110% of Debenture Value.	12.55% TO 13.35%	Loan Principal Will be repaid on semi annual basis after one year
12	Stiching Juridisch Eigenaar Actiam Institutional Microfinance Fund (DWM) Exclusive Charges by way of Hypothecation on Book Debts / loan Assets, both present and future equivalent to 100% of Debenture Value.	15.35%	Loan Principal Will be repaid at the end of 36 months.
13	DWM Income Funds SCA SICAV SIF Exclusive Charges by way of Hypothecation on Book Debts / loan Assets, both present and future equivalent to 100% of Debenture Value.	15.35%	Loan Principal Will be repaid at the end of 36 months.
14	Incred Alternative Investments Private Limited Exclusive Charges by way of Hypothecation on Book Debts / loan Assets, both present and future equivalent to 110% of Debenture Value.	14.00%	Loan Principal will be repaid in equal installments on monthly basis.
15	Symbiotics NCD 1 Masala Investments Sar Exclusive Charges by way of Hypothecation on Book Debts / loan Assets, both present and future equivalent to 100% of Debenture Value.	13.00%	Bullet repayment at maturity
16	Symbiotics NCD 1 AAV Sarl Exclusive Charges by way of Hypothecation on Book Debts / loan Assets, both present and future equivalent to 100% of Debenture Value.	13.00%	Bullet repayment at maturity
17	ResponsAbility GGSF -ECB Bond Exclusive Charges by way of Hypothecation on Book Debts / loan Assets, both present and future equivalent to 110% of principal outstanding	13.00%	Bullet repayment at maturity

Notes to Financial Statements for the Year ended on March 31, 2025

20 Borrowings - Other than debt securities (At amortised cost)

(Rs. In lakhs)

Particulars	As at	As at	
	March 31, 2025	March 31, 2024	
A Classification based on Nature of Borrowing			
a Term loans - Secured			
(i) from banks	21,688.92	48,542.57	
(ii) from others	48,552.13	51,269.93	
b Borrowing under Securitisation Agreement - Secured	2,990.78	6,441.79	
c Loans repayable on demand - from bank	700.00	-	
Total	73,931.83	106,254.29	
B Classification based on Geography			
i Borrowings in India	45,149.27	90,412.19	
ii Borrowings outside India	28,782.56	15,842.10	
Total B (i+ii)	73,931.83	106,254.29	
20.1 Details of Security and terms of repayment			
20.1.1 Term loan from Banks and Financial Institutions			
Sr. No	Particulars of loan and security details	Rate of Interest	Term of repayment of loan
1	IDBI Bank Limited Exclusive Charges by way of Hypothecation of 100% on Book Debts / loan Assets , both present and future created/to be created out of loan.	1 year MCLR + 2%	Principal - 36 equal monthly installments with a moratorium period of 4 months
2	Fincare Small Finance Bank Limited Exclusive Charges by way of Hypothecation on all 105 % of Book Debts / loan Assets, both present and future and against pledge of Fixed Deposit up to 5%-10% of the loan amount	10 year G-Sec + Spread	Principal repayable in 24 equal monthly installments
3	State Bank of India Exclusive Hypothecation charge over specific pool of receivables/book debts created out of Bank finance and against pledge of Fixed Deposit up to 10%-30% of the loan amount	2.50% + MCLR- 6M/1Y	Principal 33-36 equal monthly installments and a moratorium period of 3-6 months
4	Nabsamruddhi Finance Limited Exclusive Charges by way of Hypothecation on all 110 % of Book Debts / loan Assets, both present and future and against pledge of Fixed Deposit of 2.50% of the loan amount	12.75% to 13.50%	Principal repayable in 36 equal monthly installments .
5	Profectus Capital Pvt Limited Exclusive Charges by way of Hypothecation on all 110%/100% of Book Debts / loan Assets, both present and future and against pledge of Fixed Deposit of 5% of the loan amount	PLR - 1.50% /13.65%	Principal repayable in 24 equal monthly installments.

Notes to Financial Statements for the Year ended on March 31, 2025

Sr. No	Particulars of loan and security details	Rate of Interest	Term of repayment of loan
6	Maanaveeya Development & Finance Private Limited		
	Exclusive Charges by way of Hypothecation on all 105% of Book Debts / loan Assets, both present and future and against pledge of Fixed Deposit upto 5% of the loan amount	13.50% to 14.25%	Principal repayable in 24 Monthly installments
7	Hinduja Leyland Finance Limited		
	Exclusive Charges by way of Hypothecation on Book Debts / loan Assets, both present and future equivalent to 110% of Loan Amount.	HBLR + 2%	Principal repayable by 24 monthly installment
8	Northern Arc Capital Limited		
	Exclusive Charges by way of Hypothecation of 105% /110% on Book Debts / loan Assets, both present and future created/to be created out of loan.	FBLR - 1.55% to FBLR + 0.7%	Principal repayable by 24 to 36 monthly installments.
9	Mas Financial Services Limited		
	Exclusive Charges by way of Hypothecation 100% on Book Debts / loan Assets, both present and future created/to be created out of loan.	Mas PLR-1.65% to Mas PLR-2.60%	Principal repayable by 24 equal monthly installments
10	Vivriti Capital Limited		
	Exclusive Charges by way of Hypothecation on Book Debts / loan Assets, both present and future equivalent to 105% of Loan Amount.	VCPL +4.8% to VCPL + 6.15%	Principal repayable by 24 to 36 monthly installments.
11	Incred Financial Services Limited		
	Exclusive Charges by way of Hypothecation on all 105% of Book Debts / loan Assets, both present and future and against pledge of Fixed Deposit upto 5% of the loan amount	14.00% to 14.50%	Principal repayable by 24 monthly installments
12	Ujivan Small Finance Bank Limited		
	Exclusive Charges by way of Hypothecation on all 105 % of Book Debts / loan Assets, both present and future and against pledge of Fixed Deposit of 10% of the loan amount.	RBLR + 7.5%	Principal repayable in 24 equal monthly installments.
13	IDFC First Bank Limited		
	Exclusive Charges by way of Hypothecation of 110% on Book Debts, both present and future value to loan amount.	12.5%	Principal repayable by 24 equal monthly installments
14	Union Bank of India Limited		
	Exclusive Charges by way of Hypothecation on all 120 % of Book Debts / loan Assets, both present and future and against pledge of Fixed Deposit of 20%/25% of the loan amount.	1 Yr MCLR + 2.75%	Principal repayable by 36 equal monthly installments with a moratorium period of 3 months
15	Utkarsh Small Finance Bank Limited		
	Exclusive Charges by way of Hypothecation on Book Debts / loan Assets, both present and future equivalent to 105% of Loan Amount & against 10 % of the Fixed Deposit.	T Bill rate + 8.84% / 13.75%	Principal repayable by 24 equal monthly installments

Notes to Financial Statements for the Year ended on March 31, 2025

Sr. No	Particulars of loan and security details	Rate of Interest	Term of repayment of loan
16	ICICI Bank Ltd		
	Exclusive Charges by way of Hypothecation of 110% on Book Debts / loan Assets, both present and future created/to be created out of loan and against 3% of the Fixed Deposit.	1 Yr MCLR + 4.40% / 1-MCLR- 6M+ 4.40%	Principal repayable by 24 equal monthly /9 quarterly installments
17	Federal Bank Limited		
	Exclusive Charges by way of Hypothecation on all 110 % of Book Debts / loan Assets and against pledge of Fixed Deposit upto 10.00% of the loan amount	1 Yr MCLR + 3.35% to 1 Yr MCLR + 4.25%	Principal repayable in 8 quarterly installments
18	HDFC Bank Limited		
	Exclusive Charges by way of Hypothecation of 110% on Book Debts, both present and future value to loan amount.	12.00%	Principal repayable by 24 monthly installments
19	Small Industries Development Bank of India (SIDBI)		
	Exclusive Charges by way of Hypothecation on Book Debts / loan Assets, both present and future equivalent to 110% of Loan Amount and against 5%-10% of the Fixed Deposit	10.50% (Repo rate+2.95%) to 11.00% (MCLR+2.85%)	Principal 36 equal monthly installments including a moratorium period of 2-6 months
20	Kotak Mahindra Bank Limited		
	Exclusive Charges by way of Hypothecation on all 110 % of Book Debts / loan Assets and against pledge of Fixed Deposit upto 10.00% of the loan amount	12.50%	Principal repayable by 24 months in equal monthly installments
21	Kisanadhan Agri Financial Services Private Limited		
	Exclusive Charges by way of Hypothecation on Book Debts / loan Assets, both present and future equivalent to 100% of Loan Amount and against 5% of Fixed Deposit	13.90% to 14.00%	Principal repayable by 24 months in equal monthly installments
22	Jana Small Finance Bank Ltd		
	Exclusive Charges by way of Hypothecation on Book Debts / loan Assets, both present and future equivalent to 100% of Loan Amount	12.47%	Principal repayable by 36 months in equal monthly installments
23	Indian Bank Limited		
	Exclusive Charges by way of Hypothecation on Book Debts / loan Assets, both present and future equivalent to 100%/111% of Loan Amount and against 10% of Fixed Deposit	1 Year MCLR + 2% to 1 Year MCLR + 3.95%	Principal repayable by 42 monthly /12 Quarterly installments
24	AU Small Finance Bank Limited		
	Exclusive Charges by way of Hypothecation on Book Debts / loan Assets, both present and future equivalent to 110% of Loan Amount and against 10% of Fixed Deposit	Repo rate + 7%	Principal repayable by 24 months
25	Manappuram Finance Limited		
	Exclusive Charges by way of Hypothecation on Book Debts / loan Assets, both present and future equivalent to 110% of Loan Amount	13.00% to 13.75%	Principal repayable by 24 months

Notes to Financial Statements for the Year ended on March 31, 2025

Sr. No	Particulars of loan and security details	Rate of Interest	Term of repayment of loan
26	State Bank of Mauritius (India) Limited		
	Exclusive Charges by way of Hypothecation on Book Debts / loan Assets, both present and future equivalent to 110% of Loan Amount	1 year MCLR + 3.20%/3.50%/3.65%	Principal repayable by 24 months
27	DCB Bank Limited		
	Exclusive Charges by way of Hypothecation on Book Debts / loan Assets, both present and future equivalent to 110% of Loan Amount and against 5% of Fixed deposit	12.50%	Principal - 24 equal monthly installments and a moratorium period of 2 months
28	Tata Capital Limited		
	Exclusive Charges by way of Hypothecation on Book Debts / loan Assets, both present and future equivalent to 110% of Loan Amount and against 10% of Fixed deposit	LTR - 8.55%	Principal repayable by 24 months
29	Indian Overseas Bank Limited		
	Exclusive Charges by way of Hypothecation on Book Debts / loan Assets, both present and future equivalent to 110% of Loan Amount and against 10% of Fixed Deposit	1 Year MCLR + SP (0.2%) + RP (3.9%)	Principal - 33 equal monthly installments after a moratorium period of 3 months
30	Bank of Baroda Limited		
	Exclusive Charges by way of Hypothecation on Book Debts / loan Assets, both present and future equivalent to 110% of Loan Amount and against 10% of Fixed deposit	1 Year MCLR + 2% to 1 Year MCLR + SP(0.25%) + Spread (3.25%)	Principal repayable by 36 months
31	OXYZO Financial Services Private Limited		
	Exclusive Charges by way of Hypothecation on Book Debts / loan Assets, both present and future equivalent to 110% of Loan Outstanding.	6M HDFC MCLR + Spread 5.70%, 6M OBLR + Spread - 0.8%	Principal will be repaid in 24 equal monthly installments.
32	Kisetsu Saison Finance (India) Private Limited		
	Exclusive Charges by way of Hypothecation on Book Debts / loan Assets, both present and future equivalent to 110% of Loan Outstanding.	HDFC MCLR + 5.80%	Principal will be repaid in 8 quarterly installments .
33	Shriram Finance Limited		
	Exclusive Charges by way of Hypothecation on Book Debts / loan Assets, both present and future equivalent to 110% of Loan Outstanding.	14.20%	Principal will be repaid in 24 equal monthly installments.
34	South Indian Bank		
	Exclusive Charges by way of Hypothecation on Book Debts / loan Assets, both present and future equivalent to 110% of Loan Amount and against 10% of Fixed deposit	MCLR + Spread - Concession Granted	Principal will be repaid in 12 quarterly installments
35	Capri Global Capital Limited		
	Exclusive Charges by way of Hypothecation on Book Debts / loan Assets, both present and future equivalent to 109% of Loan Outstanding.	CGCL LTRR +/- Margin	Principal will be repaid in 24 equal monthly installments.

Notes to Financial Statements for the Year ended on March 31, 2025

Sr. No	Particulars of loan and security details	Rate of Interest	Term of repayment of loan
36	Dhanlaxmi Bank		
	Exclusive Charges by way of Hypothecation on Book Debts / loan Assets, both present and future equivalent to 110% of Loan Amount and against 10% of Fixed deposit	1 Year MCLR + 3.30%	Principal - 33 equal monthly installments after a moratorium period of 3 months
37	Electronica Finance Limited		
	Exclusive Charges by way of Hypothecation on Book Debts / loan Assets, both present and future equivalent to 100% of Loan Amount	13.50%	Principal will be repaid in 24 equal monthly installments.
38	IKF Finance Limited		
	Exclusive Charges by way of Hypothecation on Book Debts / loan Assets, both present and future equivalent to 110% of Loan Amount and against 10% of Fixed deposit	13.5% to 14.50%	Principal will be repaid in 36 equal monthly installments.
39	National Scheduled Castes Finance and Development Corporation		
	Exclusive Charges by way of Hypothecation on Book Debts / loan Assets, both present and future equivalent to 100% of Loan Amount and against 10% of Fixed deposit	5.00%	Principal will be repaid in 20 quarterly installments And a moratorium period of 7 months
40	Piramal Enterprises Limited		
	Exclusive Charges by way of Hypothecation on Book Debts / loan Assets, both present and future equivalent to 110% of Loan Outstanding.	Lender's PLR - Spread (1350%)	Principal will be repaid in 24 equal monthly installments.
41	Blacksoil Capital Private Limited		
	Exclusive Charges by way of Hypothecation on Book Debts / loan Assets, both present and future equivalent to 105% of Loan Outstanding.	14.00%	Principal will be repaid in 24 equal monthly installments.
42	Tamilnadu Grama Bank		
	Exclusive Charges by way of Hypothecation on Book Debts / loan Assets to 100% of Loan Amount and against pledge of Fixed Deposit of 10.00% of the loan amount	13.00%	Principal will be repaid in 36 equal monthly installments.
43	Yes Bank		
	Exclusive Charges by way of Hypothecation on Book Debts / loan Assets, both present and future equivalent to 110% of Loan Amount and against 5% of Fixed deposit	1 year MCLR + Spread 2.05%	Principal will be repaid in 24 equal monthly installments.
44	HSBC Bank		
	Exclusive Charges by way of Hypothecation on Book Debts / loan Assets, both present and future equivalent to 110% of Loan Amount and against 10% of Fixed Deposit	12.95%	Principal will be repaid in 24 equal monthly installments.
45	Mercedes Benz Financial Services India Pvt. Ltd.		
	Hypothecation on the Car	10.25%	Principal will be repaid in 60 monthly

Notes to Financial Statements for the Year ended on March 31, 2025**20.1.2 External Commercial Borrowings (including effect of cross currency swap)**

Sr. No	Particulars of loan and security details	Rate of Interest	Term of repayment of loan
1	Grameen Credit Agricole Microfinance Foundation		
	Exclusive Charges by way of Hypothecation on Book Debts / loan Assets, both present and future equivalent to 105% of ECB value.	11.45% to 12.47%	Principal repayable in 5 equated semi annual instalment starting from June 2023.
2	Agents For Impact		
	Exclusive Charges by way of Hypothecation on Book Debts / loan Assets, both present and future equivalent to 100% of ECB value.	12.85%	Principal repayable after 36 months from the date of receipt.
3	Blue Orchard		
	Exclusive Charges by way of Hypothecation on Book Debts / loan Assets, both present and future equivalent to 110% of ECB value. Funds received from JAPAN ASEAN Women Empowerment Fund, Microfinance Initiative for Asia & InsuResilience Investment Fund - Debt Sub - Fund	12.69% to 12.80%	Principal repayable after 36 months from the date of receipt.
4	Triple Jump		
	Exclusive Charges by way of Hypothecation on Book Debts / loan Assets, both present and future equivalent to 100% of the outstanding loan amount	11.29% to 13.48%	Principal repayable after 36 months from the date of receipt.
5	ResponsAbility CLO		
	Exclusive Charges by way of Hypothecation on Book Debts / loan Assets, both present and future equivalent to 110% of the outstanding loan amount	14.30%	Principal repayable after 60 months from the date of receipt.
6	United States Development Finance Corporation (DFC)		
	Exclusive Charges by way of Hypothecation on Book Debts / loan Assets, both present and future equivalent to 110% of the outstanding loan amount	8.95%	Principal repayment will start after 24 months from the date of receipt on quarterly basis. Total tenure of the loan is 96 months

20.1.3 Loans repayable on demand

Sr. No	Particulars of loan and security details	Rate of Interest	Term of repayment of loan
1	State Bank of India Limited		
	Encumbrance over Fixed Deposit	7.60%	N.A.
2	HDFC Bank Limited		
	Encumbrance over Fixed Deposit	7.60%	N.A.
3	Federal Bank Limited		
	Encumbrance over Fixed Deposit	7.80%	N.A.
4	IDFC First Bank Limited		
	Encumbrance over Fixed Deposit	7.50%	N.A.
5	Bank of Maharashtra		
	Encumbrance over Fixed Deposit	9.25%	N.A.
6	HSBC Bank		
	Encumbrance over Fixed Deposit	8.40%	N.A.

Notes to Financial Statements for the Year ended on March 31, 2025**20.1.4 Borrowing under Securitisation Agreement**

Sr. No	Particulars of loan and security details	Rate of Interest	Term of repayment of loan
1	Kotak Mahindra Bank Ltd		
	External Credit Enhancement in the form of Fixed Deposit to 6.85%	11.00%	Monthly Repayment as per underlying loan portfolio
2	Mas Financial Services Limited		
	External Credit Enhancement in the form of Fixed Deposit upto 7.00%	13.60% to 13.70%	Monthly Repayment as per underlying loan portfolio

21 Subordinated liabilities (At Amortised Cost)

(Rs. In lakhs)

Particulars	As at	As at
	March 31, 2025	March 31, 2024
A Classification based on Nature of Borrowing		
1 Subordinated debt-NCD	2,095.33	2,095.39
2 Subordinated debt-Loans	5,600.87	7,078.13
Total (A)	7,700.70	9,174.02
B Classification based on Geography		
i Subordinated liabilities in India	3,443.88	5,025.73
ii Subordinated liabilities outside India	4,256.82	4,148.29
Total (B)	7,700.70	9,174.02

21.1 Details of terms of repayment

Sr. no	Particulars	Rate of interest	Terms of redemption
1	IDFC First Bank Limited	16.50% to 17.50%	Principal repayable after 84 months from the date of receipt.
2	MAS Financial Services Limited	16.75%	Principal repayable after 72 months from the date of receipt.
3	Vivriti Capital Limited	16.75%	Principal repayable after 73 months from the date of receipt.
4	Northern Arc Capital Limited	16.50%	Principal repayable after 63 months from the date of receipt.
5	Maanaveeya Development and Finance Pvt Ltd	16.50% to 17.00%	50% of the total loan amount will be repaid at the end of 5 years and 6 months and remaining 50% will be repaid at the end of 6th year.

Notes to Financial Statements for the Year ended on March 31, 2025

21.2 External Commercial Borrowings (including effect of cross currency swap)

Sr. no	Particulars	Rate of interest	Terms of redemption
1	Triple Jump Financial Inclusion Resilience Fund B.V	14.89%	33.33% each of the loan amount will be repaid after 5th, 6th and 7th year respectively from the drawdown date.

(Rs. In lakhs)

Note no.	Particulars	As at	
		March 31, 2025	March 31, 2024
22	Other financial liabilities		
	Interest accrued	2,646.46	2,075.83
	Payable towards securitisation and assignment transactions	4,940.74	6,779.44
	Others	96.06	57.87
	Total	7,683.26	8,913.14
23	Provisions		
	Provision for employee benefit	68.72	62.85
	Total	68.72	62.85
24	Deferred Tax Liabilities/(Assets)		
	On account of Property, plant and equipment and other Ind AS adjustments	-1694.41	128.33
	Total	-1694.41	128.33
25	Other non financial liabilities		
	Statutory dues	522.67	499.42
	Installment Received in Advance	111.79	103.94
	Total	634.46	603.36
26	Share Capital		
26.1	Authorized Capital		
	5 54 07 911 (As at March 31, 2024: 5 24 07 911) Equity Shares of Rs.10/- each	5,540.79	5,240.79
	2 25 00 000 (As at March 31, 2024: 1 75 00 000) Preference Shares of Rs.10/- each	2,250.00	1,750.00
	Total	7,790.79	6,990.79
26.2	Issued, Subscribed and Paid Up Capital		
	4 63 63 511 (As at March 31, 2024:- 4 62 85 511) Equity Shares of Rs.10/- each	4,636.35	4,628.55
	61 22 400 (As at March 31, 2023:- 61 22 400) Equity Shares of Rs.10/-, Paid 1Rs./ each	61.22	61.22
	Total	4,697.57	4,689.77
26.3	Instruments entirely equity in nature		
	1 78 61 299 (As at March 31 2024:- Nil) Compulsorily Convertible Preference Shares of Rs. 10/- each	1,786.13	
	Total	1,786.13	

Notes to Financial Statements for the Year ended on March 31, 2025

26.4 Rights, preferences and restrictions:

- The Company has only one class of equity shares having a par value of Rs. 10/- . Each holder of equity share is entitled to one vote per share.
- Any dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. Dividend declared and paid would be in Indian rupees.
- In the event of liquidation of the Company, the holders of equity shares shall be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The amount distributed will be in proportion to the number of equity shares held by the shareholders.
- Terms of Series C Compulsorily Convertible Preference Shares (CCPS):**
 - Each CCPS is issued at a face value of Rs. 10/- and are entitled to preferential dividend at the rate of 0.001% per year on cumulative basis.
 - The Series C CCPS shall be compulsorily converted into Equity Shares no later than May 31, 2025 or such other date as may be mutually agreed between the Company and the holders of Series C CC, based on the conversion ratio provided herein below:

Number of Equity shares issued upon conversion of CCPS = Issue Price of 1 (One) CCPS / Book Multiple of 2.1x multiplied by adjusted Book Value per share as at March 31, 2025

26.5 Details of equity shareholders holding more than 5 per cent shares :

Name of the Shareholder	As at March 31, 2025		As at March 31, 2024	
	No of Shares	% shareholding	No of Shares	% shareholding
Bopa Pte Ltd	11,550,000	24.59%	11,550,000	24.63%
HURUMA FUND S.C.A., SICAR - EUSEF	9,081,561	19.33%	9,081,561	19.36%
Dia Vikas Capital Private Limited	8,867,522	18.88%	8,867,522	18.91%
Vimal Khandwala	3,151,987	6.71%	3,151,987	6.72%
Rajesh Khandwala	3,151,987	6.71%	3,151,987	6.72%

Details of preference shareholders holding more than 5 per cent shares :

Name of the Shareholder	As at March 31, 2025		As at March 31, 2024	
	No of Shares	% shareholding	No of Shares	% shareholding
Series C CCPS				
SOCIÉTÉ DE PROMOTION ET DE PARTICIPATION POUR LA COOPÉRATION ECONOMIQUE S.A	13,942,774	78.06%	-	0%
HURUMA FUND S.C.A., SICAR-EUSEF	2,194,374	12.29%	-	0%
HURUMA SV SÄRL	1,724,151	9.65%	-	0%

Notes to Financial Statements for the Year ended on March 31, 2025

26.6 Shares held by promoters at the end of the year

Promoter name	No. of Shares	% of total shares (Voting Rights)	% Change during the year
As at 31st March 2025			
Fully Paid Equity Shares of Rs. 10 each			
Mr. Kartik S Mehta	9 91 668	2.11%	0.00%
Mr. Kartik S Mehta (including holding as Karta of Kartik S mehta HUF)	50 000	0.11%	0.00%
Ms. Purvi J Bhavsar	11 65 469	2.48%	-0.40%
Partly Paid up Equity Shares of Rs. 10 each, Paid Rs.1 each			
Mr. Kartik S Mehta	30 61 200	0.65%	0.00%
Ms. Purvi J Bhavsar	30 61 200	0.65%	0.00%
As at 31st March 2024			
Fully Paid Equity Shares of Rs. 10 each			
Mr. Kartik S Mehta	9 91 668	2.11%	-30.36%
Mr. Kartik S Mehta (including holding as Karta of Kartik S mehta HUF)	50 000	0.11%	-26.67%
Ms. Purvi J Bhavsar	11 65 469	2.49%	-30.05%
Partly Paid up Equity Shares of Rs. 10 each, Paid Rs.1 each			
Mr. Kartik S Mehta	30 61 200	0.65%	62.50%
Ms. Purvi J Bhavsar	30 61 200	0.65%	62.50%

26.7 Reconciliation of number of equity shares & preference shares outstanding:

Particulars	As at	As at
	March 31, 2025	March 31, 2024
Equity Shares at the beginning of the year	5 24 07 911	3 50 87 511
Add: Issued during the Period		
- Sweat shares issued during the year	-	-
- Under Employee stock option plan	78,000	-
- Fully paid Shares issued under private placement basis during the year	-	-
- Partly paid Shares issued under private placement basis during the year	-	3,500,000
- On conversion of Compulsory Convertible Preference Shares	-	13,820,400
Equity Shares at the end of the year	5 24 85 911	5 24 07 911

Particulars	As at	As at
	March 31, 2025	March 31, 2024
Compulsorily Convertible Preference Shares at the beginning of the year	-	125 54 104
Add: Issued during the Period		
- Sweat shares issued during the year	-	-
- Under Employee stock option plan	-	-
- Shares issued under private placement basis during the year	1 78 61 299	-
Less: CCPS converted into Equity during the Period	-	(1 25 54 104)
Compulsorily Convertible Preference Shares at the end of the year	1 78 61 299	-

Notes to Financial Statements for the Year ended on March 31, 2025

27 Other Equity

Particulars	As at	As at
	March 31, 2025	March 31, 2024
General Reserve		
Balance as per Last Balance Sheet	0.60	0.60
Add: Transferred during year	-	-
Closing Balance	0.60	0.60
Securities Premium		
Balance as per Last Balance Sheet	14,706.21	14,832.84
Add: Premium on Shares issued during year	12,963.23	-
Add: Transfer from Stock Option Outstanding	35.05	-
Less: Utilised for Conversion of CCPS	-	-126.63
Closing Balance	27,704.49	14,706.21
Statutory Reserve (Pursuant to Seciton 45-IC of the RBI Act)		
Balance as per Last Balance Sheet	1,778.43	995.51
Add: Transferred during year	127.32	782.92
Closing Balance	1,905.75	1,778.43
Stock Option Outstanding		
Balance as per Last Balance Sheet	61.02	16.50
Add: Addition during year	9.18	44.52
Less: Transferred to Securities Premium	(35.05)	-
Closing Balance	35.14	61.02
Effective portion of Cash Flow Hedge		
Balance as per Last Balance Sheet	(604.34)	(180.96)
Add: Addition during year	(1,035.62)	(423.38)
Closing Balance	(1,639.96)	(604.34)
Retained Earnings		
Balance as per Last Balance Sheet	5,949.91	2,975.78
Add: Profit during year	636.59	3,914.61
Less: Transferred to Statutory Reserve	(127.32)	(782.92)
Less: Dividend paid	(140.69)	(135.85)
Less: Remeasurement of Defined Benefit Plan	(19.43)	(21.71)
Closing Balance	6,299.06	5,949.91
Total	34,305.08	21,891.83

Notes to Financial Statements for the Year ended on March 31, 2025**28. Employee stock option plan**

28.1 The company has also granted 6,35,000 Equity shares to employees under 'Pahal Employee Stock Option Plan'. Details of the same as follows:

During the year ended March 31, 2025, the following stock option grants were in operation:		
Particulars	ESOP – I	
	Tranche I	Tranche II
Date of Grant	October 1, 2016	January 22, 2018
No. of options granted	1 00 000	2 00 000
Method of Settlement	Equity	Equity
Graded Vesting period:		
Day following the completion of 12 months from grant		
Day following the completion of 36 months from grant		
Day following the completion of 60 months from grant		
Exercise Period	36 months from the respective date of vesting	36 months from the respective date of vesting
Vesting conditions	Continuous service & performance gradation	Continuous service & performance gradation
Average remaining contractual life (Years)	3.50	4.83
Average exercise price per option (₹)	26.00	26.00
Fair value of Shares (₹)	32.00	30.00
Average Value of Options (₹)	6.00	4.00
Particulars	ESOP – II	
	Tranche I	Tranche II
Date of Grant	February 14, 2022	April & May 2023
No. of options granted	2 35 000	1 50 000
Method of Settlement	Equity	Equity
Graded Vesting period:		
Day following the completion of 12 months from grant		
Day following the completion of 36 months from grant		
Day following the completion of 60 months from grant		
Exercise Period	36 months from the respective date of vesting	36 months from the respective date of vesting
Vesting conditions	Continuous service & performance gradation	Continuous service & performance gradation
Average remaining contractual life (Years)	4.50	4.50
Average exercise price per option (₹)	32.25	32.25
Fair value of Shares (₹)	55.92	88.34
Average Value of Options (₹)	36.00	67.11

Notes to Financial Statements for the Year ended on March 31, 2025

Particulars	ESOP – III
	Tranche I
Date of Grant	May - 2024
No. of options granted	1 75 000
Method of Settlement	Equity
Graded Vesting period:	
Day following the completion of 12 months from grant	
Day following the completion of 36 months from grant	
Day following the completion of 60 months from grant	
Exercise Period	36 months from the respective date of vesting
Vesting conditions	Continuous service & performance gradation
Average remaining contractual life (Years)	4.50
Average exercise price per option (₹)	80.24
Fair value of Shares (₹)	80.24
Average Value of Options (₹)	42.22

The expected price volatility is based on historic volatility (based on remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.

Particulars	For the year ended	For the year ended
	March 31, 2025	March 31, 2024
Pahal Employee Stock Option Plan		
Options outstanding at beginning of the year	247,000	164,500
Granted during the year	175,000	150,000
Forfeited during the year	-	-
Exercised during the year	78,000	-
Expired during the year	210,000	67,500
Outstanding during the year	134,000	247,000
Exercisable at the end of the year	-	-
Particulars	As at	As at
	March 31, 2025	March 31, 2024
Stock options outstanding (gross)	60.59	119.92
Deferred compensation cost outstanding	25.45	58.90
Stock options outstanding (Net)	35.14	61.02

Notes to Financial Statements for the Year ended on March 31, 2025**28.2 Expense arising from share based payment transactions**

Total expense arising from share based payment transactions recognised in profit and loss as part of employee benefit expense were as follows:

Particulars	As at	As at
	March 31, 2025	March 31, 2024
Employee stock option plan	9.18	44.52
Issue of Sweat Equity Shares	-	-
Total	9.18	44.52

29 Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital and all other reserves attributable to the equity holders of the Company.

The Company's objective for capital management is to maximize shareholder value and safeguard business continuity. The Company determines the capital requirement based on annual operating plans and other strategic plans. The funding requirements are met through equity and operating cash flows.

Summary of Quantitative Data is given hereunder:

Particulars	As at	As at
	March 31, 2025	March 31, 2024
Equity	4,697.57	4,689.77
Instruments in nature of Equity	1,786.13	-
Other Equity	34,305.08	21,891.83
Total	40,788.78	26,581.60

30 Contingent Liabilities and Capital Commitments**30.1 Contingent Liabilities**

Particulars	As at	As at
	March 31, 2025	March 31, 2024
Cash collaterals given and outstanding for the assigned & securitised loans	60219	735.34
Cash collaterals given and outstanding pursuant to service provider agreement	72114	248.87
Statutory Dues - Income Tax (Appeals pending with CIT(A) for AY 18-19, 20-21 & 21-22)	220.09	220.09
Total	1,543.41	1,204.30

30.2 Commitments not provided for

NIL **NIL**

Notes to Financial Statements for the Year ended on March 31, 2025

(Rs. In lakhs)

Note No.	Particulars	For the Year ended	For the Year ended
		March 31, 2025	March 31, 2024
31	Interest Income		
	Interest on Financial Assets carried at Amortized Cost		
	Interest on Loans	46,191.79	42,477.32
	Interest on deposits with Banks	1,373.48	1,260.23
	Total	47,565.27	43,737.55
31.1	Interest on deposits with Banks includes interest on margin money deposits placed to avail term loans from banks & others and as cash collateral in connection with securitisation transactions.		
32	Fees and Commission Income		
	Fees Income	2,186.36	757.92
	Marketing commission	52.60	265.70
	Total	2,238.96	1,023.62
33	Net gain on fair value changes		
	Net gain on financial instruments designated at fair value through profit or loss	36.24	52.33
	Total	36.24	52.33
33.1	Fair value changes		
	Realised	36.24	52.07
	Unrealised	-	0.26
	Total	36.24	52.33
34	Net gain/(Loss) on derecognition of financial instruments under amortised cost category		
	Income / (Loss) from securitization / assignment of Loans	(1 624.42)	439.22
	Total	(1 624.42)	439.22
35	Other operating revenue		
	Recovery from loans written off	273.65	147.51
	Consultancy Charges	320.00	710.63
	Total	593.65	858.14
36	Other Income		
	Interest on Income Tax Refund	-	12.75
	Miscellaneous Income	81.28	99.01
	Net gain on derecognition of property, plant and equipment	4.73	-
	Total	86.01	111.76
37	Finance Cost		
37.1	Interest on financial liabilities measured at amortized cost		
	Interest on borrowing	11,824.40	12,674.42
	Interest on borrowing under Securitisation Agreement	5,035.56	5,899.15
	Interest on debt securities	7,807.61	4,469.09
	Interest on subordinated liabilities	1,452.86	1,670.52
	Interest on Lease Liability	87.29	73.91
	Total Interest on financial liabilities measured at amortized cost	26,207.72	24,787.09

Notes to Financial Statements

for the Year ended on March 31, 2025

Note No.	Particulars	For the Year ended	For the Year ended
		March 31, 2025	March 31, 2024
37.2	Other Borrowing Cost		
	Arranger Fees	3.82	9.19
	Loan Processing Fees & Franking Charges	321.27	590.86
	Rating Fees	45.93	103.84
	Total other borrowing cost	371.02	703.89
	Total Finance Cost	26,578.74	25,490.98
38	Impairment on financial instruments		
	On financial instruments measured at amortized cost	4,638.66	1,557.25
	Assets Written Off	3,271.03	1,538.02
	Total	7,909.69	3,095.27
39	Employee Benefits Expense		
	Salaries	8,664.82	7,553.89
	Contribution to Provident Fund and other funds	392.00	330.90
	Share Based Payment to employees	9.18	44.52
	Staff Welfare expenses	14.49	31.40
	Total	9,080.49	7,960.71
40	Other Expense		
	Rent, taxes and energy costs	700.72	532.94
	GST Reversal Expense	222.53	290.83
	Repair and Maintenance	59.86	35.66
	Software Usage Charges	373.69	352.53
	Communication cost	123.92	117.03
	Printing and Stationery	76.63	72.36
	Advertisement expenses	1.55	3.70
	Directors Siting fees	16.15	15.35
	Auditors' fees and expenses	23.00	18.00
	Legal and Professional charges	701.83	520.65
	Travelling and Conveyance	1,072.09	954.82
	Insurance	196.60	194.82
	Customer Credit information Fees & KYC Charges	58.46	126.60
	Net loss on derecognition of property, plant and equipment	-	57.06
	CSR Expenses	49.49	19.09
	Bank Charges	108.93	164.42
	Office Expense	188.60	187.19
	Cash Management Charges	279.07	235.66
	Others	435.25	412.25
	Total	4,688.37	4,310.96
40.1	Payment to auditors :-		
	- for statutory audit	21.00	16.50
	- for tax audit	2.00	1.50
	Total	23.00	18.00

Notes to Financial Statements

for the Year ended on March 31, 2025

41	Current Tax Asset		
41.1	Income Tax Expense in The Statement of Profit and Loss Comprises of:		(Rs. In lakhs)
	Particulars	As at	As at
		March 31, 2025	March 31, 2024
	Current tax	1,610.00	1,455.00
		1,610.00	1,455.00
	Deferred Tax in Statement of Profit and Loss		
	Relating to origination and reversal of temporary difference	(1,822.75)	(171.23)
	Deferred tax expense / (Income)	(1,822.75)	(171.23)
	Total	(212.75)	1,283.77
41.2	The Details of Income Tax Assets And Liabilities and Deferred Tax Liabilities :		(Rs. In lakhs)
	Particulars	As At	As At
		March 31, 2025	March 31, 2024
	Income Tax Assets	5,164.04	3,577.67
	Income Tax Liabilities	(4,647.99)	(3,037.99)
	Net Income Tax Assets / (Liabilities)	516.05	539.68
	Deferred Tax Liabilities / (Assets)	(1,694.41)	128.33
41.3	A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before income taxes is summarized below:		
	Particulars	F.Y. 2024-2025	F.Y. 2023-2024
	Accounting profit before tax	423.84	5,198.38
	Normal tax rate	25.168%	25.168%
	Tax liability on accounting profit	106.67	1,308.33
	Tax Effect of non deductible expenses	1,537.55	457.16
	Tax Effect of deductible expenses	(34.23)	(310.49)
	Income tax expenses as per normal tax rate	1,610.00	1,455.00
41.4	Details of each type of recognized temporary differences, unused tax losses and unused tax credits		(Rs. In lakhs)
	Particulars	March 31, 2025	March 31, 2024
	Deferred Tax Related to Item Recognised Through Profit or Loss		
	Deferred Tax Liabilities		
	Related to Property, Plant and Equipments	(17.59)	(14.84)
		(17.59)	(14.84)
	Deferred Tax Assets		
	Deferred Tax Liability / Assets - Ind AS Impact	1,676.82	(143.17)
		1,676.82	(143.17)
	Total	(1,694.41)	128.33
41.5	Details of Movement in Deferred Tax Balances		(Rs. In lakhs)
	Particulars		
	Deferred Tax Liabilities / (Assets) as at March 31, 2023		299.56
	Charged / (Credit) to Statement of P&L		(171.23)
	Deferred Tax Liabilities / (Assets) as at March 31, 2024		128.33
	Charged / (Credit) to Statement of P&L		(1,822.75)
	Deferred Tax Liabilities / (Assets) as at March 31, 2025		(1,694.42)

Notes to Financial Statements

for the Year ended on March 31, 2025

42 Financial Instruments

42.1 Disclosure of Financial Instruments by Category

As at March 31, 2025										(Rs. In lakhs)			
Particulars	Note No.	FVTPL	FVTOCI	Amortized cost	Total Carrying Value	Fair Value			Total				
						Level 1	Level 2	Level 3					
Financial Assets													
Cash and Cash Equivalents	4	-	-	34,295.02	34,295.02	-	34,295.02	-	-	-	-	-	-
Bank balance other than above	5	-	-	9,100.21	9,100.21	-	9,100.21	-	-	-	-	-	-
Investment	8	2,973.34	-	-	2,973.34	-	2,973.34	-	2,973.34	-	-	-	2,973.34
Trade receivables	6	-	-	736.89	736.89	-	736.89	-	-	-	-	-	-
Loans	7	-	-	137,287.57	137,287.57	-	137,287.57	-	-	-	-	-	-
Other Financial Assets	9	-	-	3,776.85	3,776.85	-	3,776.85	-	-	-	-	-	-
Total Financial Assets		2,973.34	-	184,216.54	187,190.88	-	187,190.88	-	2,973.34	-	-	-	2,973.34
Financial Liabilities													
Trade Payables	17	-	-	353.32	353.32	-	353.32	-	-	-	-	-	-
Lease Obligation	18	-	-	266.53	266.53	-	266.53	-	-	-	-	-	-
Debt securities	19	-	-	59,016.43	59,016.43	-	59,016.43	-	-	-	-	-	-
Borrowings	20	-	-	73,891.83	73,891.83	-	73,891.83	-	-	-	-	-	-
Sub-ordinated liabilities	21	-	-	7,000.70	7,000.70	-	7,000.70	-	-	-	-	-	-
Derivative Financial Instruments	16	-	744.08	-	744.08	-	744.08	-	744.08	-	-	-	744.08
Other Financial Liabilities	22	-	-	7,685.26	7,685.26	-	7,685.26	-	-	-	-	-	-
Total Financial Liabilities		-	744.08	1,48,752.06	1,49,256.14	-	1,49,256.14	-	744.08	-	-	-	744.08
As at March 31, 2024										(Amount in Rs.)			
Particulars	Note No.	FVTPL	FVTOCI	Amortized cost	Total Carrying Value	Fair Value			Total				
						Level 1	Level 2	Level 3					
Financial Assets													
Cash and Cash Equivalents	4	-	-	13,245.09	13,245.09	-	13,245.09	-	-	-	-	-	-
Bank balance other than above	5	-	-	10,548.57	10,548.57	-	10,548.57	-	-	-	-	-	-
Investment	8	3,251.54	-	-	3,251.54	-	3,251.54	-	-	-	-	-	3,251.54
Trade receivables	6	-	-	1,241.79	1,241.79	-	1,241.79	-	-	-	-	-	-
Loans	7	-	-	159,569.91	159,569.91	-	159,569.91	-	-	-	-	-	-
Other Financial Assets	9	-	-	1,391.28	1,391.28	-	1,391.28	-	-	-	-	-	-
Total Financial Assets		3,251.54	-	1,86,006.64	1,89,252.19	-	1,89,252.19	-	3,251.54	-	-	-	3,251.54
Financial Liabilities													
Trade Payables	17	-	-	693.00	693.00	-	693.00	-	-	-	-	-	-
Lease Obligation	18	-	-	743.49	743.49	-	743.49	-	-	-	-	-	-
Debt securities	19	-	-	37,491.72	37,491.72	-	37,491.72	-	-	-	-	-	-
Borrowings	20	-	-	1,06,254.29	1,06,254.29	-	1,06,254.29	-	-	-	-	-	-
Sub-ordinated liabilities	21	-	-	9,174.02	9,174.02	-	9,174.02	-	-	-	-	-	-
Derivative Financial Instruments	16	-	593.08	-	593.08	-	593.08	-	593.08	-	-	-	593.08
Other Financial Liabilities	22	-	-	8,933.14	8,933.14	-	8,933.14	-	-	-	-	-	-
Total Financial Liabilities		-	593.08	1,83,496.66	1,84,026.87	-	1,84,026.87	-	593.08	-	-	-	593.08

Notes to Financial Statements

for the Year ended on March 31, 2025

43. Fair Value Measurement of Financial asset and financial liabilities

43.1 The Fair value of Loan given and funds borrowed approximate carrying value as the respective interest rates of the said instruments are at the prevailing market rate of interest.

43.2 The carrying amount of other financial assets and other financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled. Hence, fair value hierarchy is not given for the same.

43.3 Derivative Financial Liability on account of cross currency interest rate swap is classified as FVOCI with Level 2 Categorisation. The same is valued on the basis of estimated mid-market levels. Midmarket valuations attempt to approximate the current economic value of a given position using estimates of the midpoint between theoretical bid-side levels and offer-side levels

43.4 Investments in Security Receipts of ARC is classified as FVTPL with Level 2 Categorisation.

44. Financial Risk Management

44.1 Financial Instruments Risk management objectives and Policies

The company's activities expose it to variety of financial risks: market risk, credit risk and liquidity risk. The company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors has established a risk management policy to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management systems are reviewed periodically to reflect changes in market conditions and the Company's activities. The Board of Directors oversee compliance with the Company's risk management policies and procedures and reviews the risk management framework.

44.2 Market Risk The market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises currency risk, interest rate risk and other price risk.

Notes to Financial Statements for the Year ended on March 31, 2025

44.3 Currency 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. The Company has foreign currency borrowing and hence is exposed to foreign exchange risk. The Company uses derivative instruments as part of its management of exposure to fluctuations in foreign currency exchange rates. The derivative transactions are in form of cross currency interest rate swaps, fair value of which is separately disclosed under other financial assets / liabilities.

The exposure of foreign currency borrowing is as under:			(Rs. In lakhs)	
Particulars	Currency	March 31, 2025	March 31, 2024	
Liabilities				
Borrowings	Euro	12,962.70	9,174.26	
Borrowings	USD	15,819.86	6,667.84	
Debt Securities	USD	16,628.38	-	
Subordinated liabilities	USD	4,256.82	4,148.29	
		49,667.76	19,990.39	
Sensitivity Analysis				
(Rs. In lakhs)				
Particulars		Impact on Profit and Loss after tax		
		March 31, 2025	March 31, 2024	
Liabilities				
Exchange rate increase by 2%		743.35	299.18	
Exchange rate decrease by 2%		(743.35)	(299.18)	

44.4 Interest Rate Risk : Interest rate risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The company has no interest rate risk in case of lending activities, as rates of interest on the same are fixed during their tenure. With respect to interest rate risk on borrowing, company manages risk by obtaining fixed as well as floating rate borrowing. In case of borrowing, the Company measures risk through sensitivity analysis.

The company's exposure to interest rate risk is as follows :			(Rs. In lakhs)	
Particulars		March 31, 2025	March 31, 2024	
Liabilities				
Loan Repayable on Demand		700.00	-	
Debt securities		58,616.43	37,491.72	
Borrowings (Term loans and Vehicle Loan)		73,231.83	1,06,254.29	
Subordinated liabilities		7,700.70	9,174.02	
		1,40,248.95	1,52,920.03	
Sensitivity Analysis				
(Rs. In lakhs)				
Particulars		Impact on Profit and Loss after tax		
		March 31, 2025	March 31, 2024	
Liabilities				
Interest rate increase by 50 basis point		(524.76)	(572.17)	
Interest rate decrease by 50 basis point		524.76	572.17	

Notes to Financial Statements for the Year ended on March 31, 2025**44.5 Other Price Risk**

The Company is exposed to price risks arising from its investments in Security Receipts (SRs). The sensitivity analysis have been determined based on the exposure to price risks for Investments in SRs at the end of the reporting period

The company's exposure to other price risk is as follows :			(Rs. In lakhs)	
Particulars		March 31, 2025	March 31, 2024	
Assets				
Investment in Security Receipts of ARC		2,973.34	3,251.54	
		2,973.34	3,251.54	
Sensitivity Analysis				
(Rs. In lakhs)				
Particulars		Impact on Profit and Loss after tax		
		March 31, 2025	March 31, 2024	
Liabilities				
Price increase by 5%		111.25	121.66	
Price decrease by 5%		(111.25)	(121.66)	

44.6 Liquidity Risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and deploys cash management system. It maintains adequate sources of financing including debt at an optimised cost. The Company measures risk by forecasting cash flows.

The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due without incurring unacceptable losses or risking damage to the Company's reputation. The Company ensures that it has sufficient fund to meet expected operational expenses, servicing of financial obligations. The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted value."

Notes to Financial Statements for the Year ended on March 31, 2025

The table below provide details regarding the contractual maturities of financial liabilities as at:			
			(Rs. In lakhs)
As at March 31, 2025	Contractual Maturity	Within 12 months	After 12 months
Trade Payables	353.32	353.32	-
Lease Obligation	266.53	34.99	231.54
Debt securities	58,616.43	14,074.63	44,541.79
Borrowings	73,931.83	31,705.07	42,226.76
Subordinated liabilities	7,700.70	2,500.00	5,200.70
Derivative Financial Instruments	744.08	-	744.08
Other financial liabilities	7,683.26	7,683.26	-
	1,49,296.14	56,351.27	92,944.87
(Rs. In lakhs)			
As at March 31, 2024	Contractual Maturity	Within 12 months	After 12 months
Trade Payables	893.00	893.00	-
Lease Obligation	743.49	45.57	697.92
Debt securities	37,491.72	6,396.13	31,095.59
Borrowings	1,06,254.29	63,146.16	43,108.13
Subordinated liabilities	9,174.02	1,587.06	7,586.95
Derivative Financial Instruments	593.01	-	593.01
Other financial liabilities	8,913.14	8,913.14	-
	1,64,062.67	80,981.07	83,081.60

44.7 Credit Risk Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Credit risk encompasses both, the direct risk of default and the risk of deterioration of credit worthiness.

The maximum exposure to the credit risk is as follows :			
			(Rs. In lakhs)
Particulars		March 31, 2025	March 31, 2024
Fixed Deposits with Bank		15,408.20	14,269.55
Trade Receivables		736.89	1,241.79
Loans		1,45,389.89	1,63,033.57
Other Financial Assets		3,776.85	1,391.28
		1,65,311.83	1,79,936.19
There is no Credit risk on cash and bank balance			

For the loan portfolio, an impairment analysis is performed at each reporting date based on the facts and circumstances existing on that date to identify expected losses on account of credit risk. For the purposes of this analysis, the loan portfolio is categorised into groups based on days past due. Each group is then assessed for impairment using the ECL model as per the provisions of Ind AS 109 - financial instruments. The impairment assessment also carried out in accordance with the regulations prescribed by RBI. The provision for impairment is considered at higher of the amount worked out as per Ind AS 109 or as per RBI Regulations.

180 | Pahal Financial Services Private Limited

Notes to Financial Statements for the Year ended on March 31, 2025

The table below shows the credit quality based on credit concentration and the maximum exposure to credit risk based on the days past due and year-end stage classification of Loans. The amounts presented are gross of impairment allowances.

March 31, 2025				
Loan amount	Stage 1	Stage 2	Stage 3	Total
Exposure at Default (EAD)	1,53,786.53	8,023.03	10,394.54	1,72,204.10
Impairment Allowances as per ECL Method	383.11	962.76	6,756.45	8,102.32
Provision for impairment allowance as per RBI Regulations	88.63	2.06	1,607.42	1,698.11
(Rs. In lakhs)				
March 31, 2024				
Loan amount	Stage 1	Stage 2	Stage 3	Total
Exposure at Default (EAD)	1,97,995.01	2,560.20	4,006.76	2,04,561.98
Impairment Allowances as per ECL Method	351.71	307.22	2,804.74	3,463.67
Provision for impairment allowance as per RBI Regulations	1,855.46	48.89	78.80	1,983.14
Reconciliation of gross carrying amount of loan portfolio				
(Rs. In lakhs)				
Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount balance as at April 01, 2023	1,45,496.14	1,643.39	2,839.77	1,50,079.30
- Transfers to Stage 1	68.13	(68.13)	-	-
- Transfers to Stage 2	(1,321.50)	1,322.91	(1.40)	-
- Transfers to Stage 3	(3,184.54)	(134.55)	3,319.10	-
New asset originated ,netted off for repayment and loans derecognised during the year	57,634.71	491.52	(2,125.31)	56,000.93
- Write offs	(697.92)	(694.93)	(125.38)	(1,518.24)
Gross carrying amount balance as at March 31, 2024	1,97,995.01	2,560.20	4,006.76	2,04,561.98
- Transfers to Stage 1	(14,906.63)	5,466.31	9,440.32	-
- Transfers to Stage 2	18.73	(454.56)	435.83	-
- Transfers to Stage 3	4.47	3.45	(7.92)	-
New asset originated ,netted off for repayment and loans derecognised during the year	(28,092.95)	877.21	(1,877.70)	(29,093.44)
- Write offs	(1,232.09)	(429.58)	(1,602.76)	(3,264.44)
Gross carrying amount balance as at March 31, 2025	1,53,786.53	8,023.03	10,394.54	1,72,204.10
Reconciliation of ECL Balance				
(Rs. In lakhs)				
Particulars	Stage 1	Stage 2	Stage 3	Total
ECL Allowance as at March 31, 2023	239.32	197.21	1,469.88	1,906.41
- Transfers to Stage 1	0.46	(8.18)	0.00	(7.72)
- Transfers to Stage 2	(2.89)	158.75	(0.98)	154.88
- Transfers to Stage 3	(7.06)	(16.15)	2,323.37	2,300.16
New asset originated ,netted off for repayment and loans derecognised during the year	819.80	670.53	(862.15)	628.18
- Write offs	(697.92)	(694.93)	(125.38)	(1,518.24)
ECL Allowance as at March 31, 2024	351.71	307.22	2,804.74	3,463.67
- Transfers to Stage 1	(32.99)	655.96	6,136.21	6,759.18
- Transfers to Stage 2	0.12	(54.55)	283.29	228.86
- Transfers to Stage 3	0.03	(5.15)	0.41	(4.71)
New asset originated ,netted off for repayment and loans derecognised during the year	72.45	105.26	(1,420.84)	(1,243.12)
- Write offs	(8.21)	(51.55)	(1,041.79)	(1,101.56)
ECL Allowance as at March 31, 2025	383.11	962.76	6,756.45	8,102.32

Annual Report 2024-2025 | 181

Notes to Financial Statements for the Year ended on March 31, 2025**45. Transfer of financial assets that are not derecognised in their entirety****45.1 Nature of loan portfolio transferred under securitization transaction**

During the year 2024-25 and corresponding previous year, company has entered securitization arrangement with various banks and financial institutions. Under the arrangement company has transferred a select pool of loan portfolio which was originated in its books after completion of the minimum retention period as prescribed by Reserve Bank of India under its securitization guidelines. The company has not done the derecognition of the pool transferred which does not fulfil the derecognition criteria specified in AS 109 as the risk and rewards with respect to these assets are not substantially transferred.

Following such transfer, the company's involvement in these assets is as follows: -

- As a servicer of the transferred assets
- To the extent of credit enhancements provided to such parties.

45.2 Nature of risk and rewards of ownership to which the entity is exposed

The company has transferred a part of its portfolio (measured at amortised cost) vide assignment deals executed with various parties as a source of funds. As per the terms of deal, the derecognition criteria as per Ind As 109 including transaction substantially at the risks and rewards relating assets being transferred to the buyer being met. The assets have been derecognized. These transactions are being done as per the guidelines laid down by the Reserve Bank of India.

The arrangement has evaluated the impact of the assignment transaction executed during the year on its business model. Based on the future business plan, the company's business model remains to hold assets for collecting contractual cash flows.

45.3 Details of assets transferred, assets continue to recognize and associated liabilities under securitization transactions

Particulars	(Rs. In lakhs)	
	March 31, 2025	March 31, 2024
Carrying amount of the original assets before transfer during the year ended	4,481.90	9,746.78
Carrying amount of the assets that continue to recognize as at	4,119.35	7,547.62
Carrying amount of associated liabilities as at	2,990.78	6,441.79

Notes to Financial Statements for the Year ended on March 31, 2025

46 Related Party Disclosures:		
46.1 Related party		
(a)	Name of Key Management Personnel :	Designation
1	Mr. Kartik Mehta	Managing Director
2	Ms. Purvi J Bhavsar	Managing Director
3	Mr. Chintan Desai	Chief Financial Officer
4	Ms.Nikita Sharma (Till October 2023)	Company Secretary
5	Ms. Dimple Padhiar (November 2023 Onwards)	Company Secretary
(b) Enterprise having significant influence on company		
1	Dia Vikas Capital Private Limited	
2	HURUMA FUND S.C.A., SICAR - EuSEF	
3	BOPA Pte Ltd	

46.2 Particulars of transactions with related parties. The transactions are disclosed in aggregate value.			
Sr no.	Particulars	(Rs. In lakhs)	
		F.Y. 2024-2025	F.Y. 2023-2024
I	Transactions with KMPs		
(i)	Managerial Remuneration		
	Ms. Purvi J Bhavsar	195.92	125.91
	Mr. Kartik Mehta	195.92	125.91
(ii)	Remuneration		
	Mr. Chintan Desai	78.78	70.10
	Ms.Nikita Sharma (Till October 2023)	-	17.31
	Ms.Dimple Padhiar (November 2023 Onwards)	15.20	4.90
	*Above Numbers include Post employment benefits payable to KMPs		
(iii)	Equity Shares issued during the year		
	Partly paid up Equity shares issued to Purvi Bhavsar (17,50,000 shares F.V. 10/- paid up value 1/-issued at 63.56/-)	-	17.50
	Partly paid up Equity shares issued to Kartik Mehta (17,50,000 shares F.V. 10/- paid up value 1/-issued at 63.56/-)	-	17.50
(iv)	Equity Shares acquired under ESOP Scheme during the year		
	Mr. Chintan Desai	2.42	5.20
	Ms.Nikita Sharma	-	2.42

Notes to Financial Statements for the Year ended on March 31, 2025

(Rs. in lakhs)			
Sr no.	Particulars	F.Y. 2024-2025	F.Y. 2023-2024
II	Transactions with Associated Enterprises		
(i)	Fees Paid to Dia Vikas Capital Private Limited	3.20	3.05
(ii)	Fees Paid to HURUMA FUND S.C.A., SICAR - EuSEF	1.00	
(iii)	22,63,980 CCPS converted to 24,92,522 Equity Shares of Dia Vikas Capital Private Limited (FV Rs. 10/-)	-	2,000.00
(iv)	82,49,593 CCPS converted to 90,81,561 Equity Shares of HURUMA FUND S.C.A., SICAR - EuSEF (FV Rs. 10/-)	-	5,772.24
(v)	21,94,374 CCPS issued to HURUMA FUND S.C.A., SICAR - EuSEF (FV Rs.10/-)	1,809.92	-
(vi)	Interest Payment to Dia Vikas Capital Private Limited (From 01-08-2022 to 31-03-2023)	-	21.18
(vii)	Principal Repayment to Dia Vikas Capital Pvt. Ltd.	-	228.57
			0
Sr no.	Compensation of Key Managerial Personnel	F.Y. 2024-2025	F.Y. 2023-2024
1	Short Term Employee Benefits	418.22	218.72
2	Post Employment Benefits	63.98	56.36
3	Share Based Payments	3.61	15.05
	Total	485.81	290.13

47. Earning Per Share

Particulars	March 31, 2025	March 31, 2024
Basic		
Net Profit as per statement of Profit & Loss	636.59	3,914.61
Less: Dividend on cumulative redeemable preference shares		
Less: Dividend distribution tax on preference dividend		
Profit available to Equity Shareholders	636.59	3,914.61
Weighted average of number of equity shares outstanding during the year (in Nos.)	469.15	389.78
Basic Earning per share of face value of ₹ 10 each (₹)	1.36	10.04
Diluted		
Effect of dilution: Stock options granted under ESOP	1.34	2.47
Compulsorily Convertible Preference Shares	-	-
Adjusted net profit as per statement of Profit & Loss	643.46	3,959.13
Weighted average of number of equity shares for diluted EPS calculation	470.49	392.25
Diluted Earning per share of face value of ₹ 10 each (₹)	1.36	10.04

Notes to Financial Statements for the Year ended on March 31, 2025

Company has issued compulsory convertible preference shares during financial year ended March 2025. For calculation of diluted EPS, no. of equity shares to be issued at the time of conversion was based on future financial information. Hence, compulsory convertible preference shares were not included in calculation of diluted EPS.

48. Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The CODM is considered to be the Board of Directors who makes strategic decisions and is responsible for allocating resources and assessing performance of the operating segments.

The CODM considers the entire business of the Company on a holistic basis to make operating decisions reviews the operating results of the Company as a whole. Further the Company operates in a single reportable segment i.e. financing wherein loans are given to women who are organized as Joint Liability Groups (JLG) and individuals in the urban areas of various states of India. These activities have similar risks and returns for the purpose of Ind AS 108 "Operating segments" and is considered to be the only reportable business segment. Further, The Company is operating in India which is considered as a single geographical segment.

49. Leases

The Company has taken various office premises under lease. The lease terms in respect of such premises are on the basis of individual agreement entered into with the respective landlords. Tenure of leases ranges from eleven months to nine years. Lease payments in respect of short-term leases and leases of assets with low value are accounted as an expense in the year of incurrence.

(Rs. in lakhs)		
Particulars	March 31, 2025	March 31, 2024
Maturity Analysis of Lease Liabilities		
Carrying amount	266.53	743.49
Upto 3 months	7.92	10.13
Over 3 months upto 1year	27.07	35.44
Over 1 year upto 3 years	102.79	138.23
Over 3 years upto 5 years	128.75	220.98
Over 5 years	-	338.71
Total	266.53	743.49

Notes to Financial Statements for the Year ended on March 31, 2025

Lease Liability movement		(Rs. in lakhs)
Particulars		
As at 31st March, 2023		312.00
Addition during the year		457.95
Interest on Lease Liability		73.91
Lease rent paid for the year		(100.37)
As at 31st March, 2024		743.48
Addition during the year		-
Interest on Lease Liability		87.29
Lease rent paid for the year		(127.22)
Liabilities derecognised during the year		(437.02)
As at 31st March, 2025		266.53
Amount recognised in Statement of Profit & Loss		
Particulars		
	March 31, 2025	March 31, 2024
Expense related to short term lease	551.47	463.84
Interest on Lease Liabilities	87.29	73.91
Amount recognised in Statement of Cash Flows		
Particulars		
	March 31, 2025	March 31, 2024
Outflow under Operating activities (Short term leases)®	551.47	463.84
Outflow under Financing activities	127.22	100.37

50. CSR Expenses

		(Rs. in lakhs)	
Particulars		March 31, 2025	March 31, 2024
a) Gross Amount required to be spent by the Company during the year		49.49	19.09
b) Previous Year's unspent amount		27.26	21.77
c) Total Amount to be spent		76.75	40.86
d) Amount of Expenditure incurred		76.75	29.29
i) Acquisition of any asset		-	-
ii) Others		64.64	13.60
iii) Provision made for the CSR Expenditure		12.11	15.69
e) Paid (including transferred to CSR Fund) (Refer Note Below)		64.64	13.60
f) Shortfall		-	-
g) Unspent amount pursuant to ongoing project		12.11	27.26
h) Subsequently Transferred to Escrow Account		12.11	27.26
Total		76.75	29.29
Nature of CSR Activities undertaken			
1. E-clinic : Currently Pahal has 15 e-clinics in various locations of UP & Bihar and 80,000+ customers have been benefitted from M-Swasth e-clinics. Swasthya offers remote diagnosis of diseases and general treatment through the use of Tele-health and Telemedicine, thereby building a digital healthcare ecosystem for the mass-market population.			
2. Water & Sanitation : In tekri village, Company installed a new water pump to provide reliable access to clean drinking water for the entire community, especially during the summer months. This initiative replaces the previous hand pumps, which required significant effort and time from children. Recognizing the importance of hygiene, company also constructed new washrooms to ensure proper sanitation facilities. This initiative aims to enhance health and dignity, particularly for women and children.			
3. Education & Financial literacy : Company provided essential stationery support to students of the tekri village and distributed uniforms and also conducted financial literacy & training programmes at various places.			

Notes to Financial Statements for the Year ended on March 31, 20**51. Retirement Benefits****(i) Defined Contribution Plan:**

Contribution to Provident Fund and ESIC are included in note 39 "Employee benefits expense" includes ₹392.00 Lakhs (P.Y. ₹ 330.90 Lakhs) being expenses debited under defined contribution plan.

(ii) Defined Benefit Plan: The Company has funded defined benefit gratuity plan. Every employee who has completed five years or more of service is eligible for a gratuity on separation at 15 days basic salary (last drawn salary) for each completed year of service.

Consequent to the adoption of IND AS 19 'Employee Benefits' specified under section 133 of the Companies Act, 2013 read with rule 7 of Companies (Accounts) Rules, 2014, the following disclosures have been made as required by the standard Through its defined benefit plans the Company is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility:

The plan liabilities are calculated using a discount rate set with references to government bond yields; if plan assets underperform compared to this yield, this

will create or increase a deficit. The defined benefit plans may hold equity type assets, which may carry volatility and associated risk.

Change in bond yields: A decrease in government bond yields will increase plan liabilities, although this is expected to be partially offset by an increase in the value of the plan's investment in debt instruments.

Inflation risk: The present value of some of the defined benefit plan obligations are calculated with reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability. The post-retirement medical benefit obligation is sensitive to medical inflation and accordingly, an increase in medical inflation rate would increase the plan's liability.

Life expectancy: The present value of defined benefit plan obligation is calculated by reference to the best estimate of the mortality of plan participants, both during and after the employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Notes to Financial Statements for the Year ended on March 31, 2025

The following tables set out the status of the gratuity plan as required under Ind AS 19.		
	(Rs. In Lakhs)	
Particulars	March 31, 2025	March 31, 2024
i) Employee benefit expense recognized in Statement of Profit & Loss:		
Current service cost	51.92	37.59
Net Interest cost	4.52	4.73
Net benefit expense	56.44	42.32
ii) Employee benefit expense recognized in Other comprehensive income (OCI):		
Actuarial (gain)/losses on obligation for the period	20.63	22.16
Actual Returns on Plan Assets excluding Interest Income	(1.19)	(0.45)
Net expense recognized in OCI for the period	19.43	21.71
iii) Changes in the present value of the defined benefit obligation are as follows:		
Opening defined benefit obligation	266.24	207.80
Interest cost	19.14	15.38
Current service cost	51.92	37.59
Actuarial (gains) / losses arising from change in demographic assumptions	-	-
Actuarial (gains) / losses arising from change in financial assumptions	15.73	5.87
Actuarial (gains) / losses arising from experience adjustments	4.90	16.29
Benefits Paid	(30.22)	(16.49)
Closing defined benefit obligation	327.71	266.24
iv) Changes in Plan Asset:		
Fair Value of Plan Assets at the Beginning of the Year	203.39	143.78
Expected Returns on Plan Assets	14.62	10.85
Employer's Contribution	70.00	65.00
Benefits Paid	(30.22)	(16.49)
Actuarial Gains/ (Losses)	1.19	0.45
Fair Value of Plan Asset at the end of the year**	258.99	203.39
v) Amount Recognised in Balance Sheet		
Defined benefit obligation	327.71	266.24
Fair value of plan assets	258.99	203.39
Plan asset / (liability)	(68.72)	(62.85)
vi) The principal assumptions used in determining gratuity obligation for the Company's plans are shown below:		
Discount Rate per annum	6.71%	7.19%
Expected return on plan assets	6.71%	7.19%
Rate of salary increase	7.00%	7.00%
Employee turnover rate	For service 2 years and below 35.00% p.a. For service 3 years to 4 years 15.00% p.a. For service 5 years and above 5.00% p.a.	For service 2 years and below 35.00% p.a. For service 3 years to 4 years 15.00% p.a. For service 5 years and above 5.00% p.a.
Mortality Rate	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality 2012-14 (Urban)

** The Plan Asset is managed by LIC of India.

Notes to Financial Statements for the Year ended on March 31, 2025

vii) Projection Risks:		
Investment Risk - The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to the market yields on government bonds denominated in Indian Rupees. If the actual return on plan asset is below this rate, it will create a plan deficit.		
Interest Risk - A decrease in the bond interest rate will increase the plan liability. However, this will be partially offset by an increase in the return on the plan's debt investments.		
Longevity Risk - The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.		
Salary Risk - The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.		
Funding Arrangement and Policy		
The money contributed by the Group to the fund to finance the liabilities of the plan has to be invested. The trustees of the plan are required to invest the funds as per the prescribed pattern of investments laid out in the Income Tax Rules for such approved schemes.		
viii) Maturity Profile of Defined Benefit Obligations		
	(Rs. In Lakhs)	
Particulars	March 31, 2025	March 31, 2024
Maturity benefits payable in future years from the date of reporting		
1st Following year	14.02	11.95
2nd Following year	15.15	13.40
3rd Following year	36.92	14.16
4th Following year	23.08	33.94
5th Following year	18.31	20.32
Sum of Years 6 to 10	127.82	111.90
Sum of Years 11 and above	576.69	493.93
ix) Quantitative sensitivity analysis for significant assumption		
	(Rs. In Lakhs)	
Particulars	March 31, 2025	March 31, 2024
Projected benefit obligation on current assumption		
	327.71	266.24
Increase/decrease on present value of defined benefits obligation		
1% increase in discount rate	(31.34)	(24.99)
1% decrease in discount rate	37.49	29.77
1% increase in salary escalation rate	35.93	28.30
1% decrease in salary escalation rate	(30.51)	(24.14)
1% increase in employee turnover rate	(2.58)	(0.75)
1% decrease in employee turnover rate	2.77	0.69
x) Prescribed Contribution for Next year (12 Months)		
	129.63	114.77
xi) Asset Information		
	(Rs. In Lakhs)	
Particulars	March 31, 2025	March 31, 2024
Insurance fund	258.99	203.39

Notes to Financial Statements for the Year ended on March 31, 2025**52 Aging Analysis****52.1 Trade Payables ageing schedule**

March 31, 2025 (Rs. In lakhs)						
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	
Undisputed						
i) MSME		-	-	-	-	-
ii) Others		325.64	27.01	0.40	0.27	353.32
Disputed						
i) MSME		-	-	-	-	-
ii) Others		-	-	-	-	-
Total		325.64	27.01	0.40	0.27	353.32
Unbilled		-	-	-	-	-
Not Due		-	-	-	-	-
Grand Total		325.64	27.01	0.40	0.27	353.32
March 31, 2024 (Rs. In lakhs)						
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	
Undisputed						
i) MSME		-	-	-	-	-
ii) Others		892.33	0.40	-	0.27	893.00
Disputed						
i) MSME		-	-	-	-	-
ii) Others		-	-	-	-	-
Total		892.33	0.40	0.00	0.27	893.00
Unbilled		-	-	-	-	-
Not Due		-	-	-	-	-
Grand Total		892.33	0.40	0.00	0.27	893.00

Notes to Financial Statements for the Year ended on March 31, 2025**52.2 Trade Receivables ageing schedule**

March 31, 2025 (Rs. In lakhs)						
Particulars		Outstanding for following periods from due date of payment				Total
		Less than 6 Months	6 months - 1 Year	1-2 years	2-3 years	
Undisputed						
i) considered good		696.23	13.75	10.15	16.70	0.06
ii) Considered Doubtful		-	-	-	-	-
Disputed						
i) considered good		-	-	-	-	-
ii) Considered Doubtful		-	-	-	-	-
Total		696.23	13.75	10.15	16.70	0.06
Unbilled		-	-	-	-	-
Not Due		-	-	-	-	-
Grand Total		696.23	13.75	10.15	16.70	0.06
March 31, 2024 (Rs. In lakhs)						
Particulars		Outstanding for following periods from due date of payment				Total
		Less than 6 Months	6 months - 1 Year	1-2 years	2-3 years	
Undisputed						
i) considered good		1,127.71	1.08	85.55	27.38	0.07
ii) Considered Doubtful		-	-	-	-	-
Disputed						
i) considered good		-	-	-	-	-
ii) Considered Doubtful		-	-	-	-	-
Total		1,127.71	1.08	85.55	27.38	0.07
Unbilled		-	-	-	-	-
Not Due		-	-	-	-	-
Grand Total		1,127.71	1.08	85.55	27.38	0.07

53. The Company has used the borrowings from banks and financial institutions for the specific purpose for which it was taken at the balance sheet date

54. In respect of borrowings on the basis of security of current assets from banks and financial institutions, quarterly returns / statements of current assets filed by the Company with banks and financial institutions were in agreement with the books of accounts.

55. There were no charges or satisfaction yet to be registered with ROC beyond the statutory period.

Notes to Financial Statements for the Year ended on March 31, 2025

56. The Company is not declared as wilful defaulter by any bank or financial Institution or government authorities

57. (a) 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 to or on behalf of the Ultimate Beneficiaries

(b) The Company has not received any fund from any person(s) or entity(ies), including foreign entities ("Funding Party") with the understanding that the company shall (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.

(c) Funds transferred under Business Corrospendent (BC) operations by funding Parties are directly disbursed to ultimate borrowers, wherein Company acts as a servicer to the Loan Portfolio. Therefore, loans granted under this mechanism are not considered for reporting under this clause."

58. The Company has not granted any Loans or Advances in the nature of loans to Promoters, Directors, KMP's and related parties which are repayable on demand or given without specifying terms or period of repayment

59. The Company does not hold any Benami Property under the Benami Transactions (Prohibition) Act, 1988

60. The Company has not entered into any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956

61. The Company has not made any Investment in violation to the provisions related to number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013 read with the Companies (Restriction on number of Layers) Rules, 2017

62. The Company has not traded or invested in Crypto Currency or Virtual Currency

Notes to Financial Statements for the Year ended on March 31, 2025**63. Maturity analysis of assets and liabilities**

Particulars	(Rs. In lakhs)					
	As at March 31, 2025			As at March 31, 2024		
	Total	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months
A ASSETS						
(1) Financial Assets						
(a) Cash and cash equivalents	34,295.02	34,295.02	-	13,248.09	13,248.09	-
(b) Bank balance other than (a) above	8,120.21	4,026.04	4,094.17	10,549.57	4,941.58	5,607.99
(c) Investment	2,973.34	-	2,973.34	3,251.54	-	3,251.54
(d) Trade receivables	736.89	736.89	-	1,241.79	1,241.79	-
(e) Loans	137,287.57	91,936.25	45,351.32	159,569.91	87,864.82	71,705.09
(f) Other Financial Assets	3,776.85	3,776.85	-	1,391.28	1,391.28	-
Total Financial Assets	187,189.88	134,771.05	52,418.83	189,252.18	108,687.56	80,564.62
(2) Non-Financial assets						
(a) Current tax assets (Net)	516.05	-	516.05	539.68	-	539.68
(b) Deferred tax assets (Net)	1,694.41	-	1,694.41	-	-	-
(c) Property, Plant and Equipment	544.63	-	544.63	398.43	-	398.43
(d) Goodwill	413.71	-	413.71	413.71	-	413.71
(d) Intangible assets	43.75	-	43.75	41.86	-	41.86
(e) Right of Use Asset	181.59	-	181.59	670.36	-	670.36
(e) Other non-financial assets	204.09	204.09	-	122.59	122.59	-
Total Non-Financial Assets	3,598.23	204.09	3,394.14	2,186.63	122.59	2,064.04
Total assets	190,788.11	134,975.14	55,812.97	191,438.81	108,810.15	82,628.66

Notes to Financial Statements

for the Year ended on March 31, 2025

		(Rs. in lakhs)					
Particulars	As at March 31, 2025			As at March 31, 2024			
	Total	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	
B	LIABILITIES AND EQUITY						
	LIABILITY						
(1) Financial liabilities							
(a) Derivative Financial Instruments	744.08	-	744.08	593.01	-	593.01	
(b) Payables							
(i) Trade Payables							
i) total outstanding dues to micro enterprises and small enterprises	-	-	-	-	-	-	
ii) total outstanding due to creditors other than micro enterprises and small enterprises	353.32	353.32		893.00	893.00		
(c) Lease Obligation	266.53	34.99	231.54	743.49	45.57	697.92	
(d) Debt securities	58,616.43	14,074.63	44,541.79	37,491.72	6,396.13	31,095.59	
(e) Borrowings (other than debt securities)	73,931.83	31,705.07	42,226.76	106,254.29	63,146.16	43,108.13	
(f) Subordinated liabilities	7,700.70	2,500.00	5,200.70	9,174.02	1,587.06	7,586.95	
(g) Other financial liabilities	7,683.26	7,683.26	-	8,913.14	8,913.14	0.00	
Total Financial Liabilities	149,296.15	56,351.27	92,944.88	164,062.67	80,981.07	83,081.60	
(2) Non-Financial Liabilities							
(a) Deferred tax liabilities (Net)	-	-	-	128.33	-	128.33	
(b) Provisions	68.72	68.72	-	62.85	62.85	-	
(c) Other non - financial Liabilities	634.46	634.46	-	603.36	603.36	-	
Total Non-Financial Liabilities	703.18	703.18	0.00	794.54	666.21	128.33	
(3) EQUITY							
(a) Equity Share capital	4,697.57	-	4,697.57	4,689.77	-	4,689.77	
(b) Instruments entirely equity in nature	1,786.13	-	1,786.13	0.00	-	0.00	
(c) Other equity	34,305.08	-	34,305.08	21,891.83	-	21,891.83	
Total Equity	40,788.78	-	40,788.78	26,581.60	-	26,581.60	
Total Liabilities and Equity	190,788.11	57,054.45	133,733.66	191,438.81	81,647.28	109,791.53	

Notes to Financial Statements

for the Year ended on March 31, 2025

64. Disclosure required as per Circular DOR (NBFC). CC.PD.No.109/22.10.106/2019-20 - Implementation of Indian Accounting Standards

(Rs. 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)
(a) As at March 31, 2025						
Performing Assets						
Standard	Stage 1	153,786.53	383.11	153,403.43	88.63	294.47
	Stage 2	8,023.03	962.76	7,060.27	2.06	960.71
	Stage 3	-	-	-	-	-
Subtotal		161,809.56	1,345.87	160,463.69	90.69	1,255.18
Non-Performing Assets (NPA)						
Substandard	Stage 3	10,384.76	6,750.09	3,634.66	1,597.63	5,152.46
Doubtful - up to 1 year	Stage 3	9.79	6.36	3.43	9.79	(3.43)
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		10,394.54	6,756.45	3,638.09	1,607.42	5,149.03
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		10,394.54	6,756.45	3,638.09	1,607.42	5,149.03
Other items	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		-	-	-	-	-
Total	Stage 1	153,786.53	383.11	153,403.43	88.63	294.47
	Stage 2	8,023.03	962.76	7,060.27	2.06	960.71
	Stage 3	10,394.54	6,756.45	3,638.09	1,607.42	5,152.46
	Total	172,204.10	8,102.32	164,101.78	1,698.11	6,407.64
(b) As at March 31, 2024						
Performing Assets						
Standard	Stage 1	197,995.01	351.71	197,643.31	1,855.46	(1,503.75)
	Stage 2	2,560.20	307.22	2,252.98	48.89	258.34
	Stage 3	-	-	-	-	-
Subtotal		200,555.22	658.93	199,896.29	1,904.35	(1,245.42)
Non-Performing Assets (NPA)						
Substandard	Stage 3	4,006.76	2,804.74	1,202.03	78.80	2,725.94
Doubtful - up to 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		4,006.76	2,804.74	1,202.03	78.80	2,725.94
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		4,006.76	2,804.74	1,202.03	78.80	2,725.94
Other items	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		-	-	-	-	-
Total	Stage 1	197,995.01	351.71	197,643.31	1,855.46	(1,503.75)
	Stage 2	2,560.20	307.22	2,252.98	48.89	258.34
	Stage 3	4,006.76	2,804.74	1,202.03	78.80	2,725.94
	Total	204,561.98	3,463.67	201,098.31	1,983.14	1,480.52

Notes to Financial Statements for the Year ended on March 31, 2025

64.1 Gross Carrying amount as per Ind AS represents Exposure at Default as specified in Ind-AS 109

64.2 The impairment allowances under Ind AS 109 made by the Company exceeds the total provision required under IRACP (including standard assets provisioning), as at 31 March 2025 and 31 March 2024 and accordingly, no amount is required to be transferred to impairment reserve.

64.3 Reconciliation of Exposure at default (EAD) vis-à-vis Loan Portfolio

Particulars	(Rs. In lakhs)	
	FY 24-25	FY 23-24
Balance of Loans as per Note No. 7	1,45,389.89	1,63,033.57
Add:		
Direct Assignment Portfolio	30,387.14	48,114.66
Effective Interest Rate (EIR) Adjustment	1,446.87	1,910.67
Less:		
Interest Spread Balance	1,949.55	3,299.14
Receivable on Direct Assignment Portfolio (Assignors' Pool)	3,044.09	5,177.67
Loan Repayable on demand	26.16	20.11
Exposure at Default (EAD)	1,72,204.10	2,04,561.98

65. Disclosures pursuant to various RBI Circulars**65.1 Disclosure required as per Circular DOR.No.BP.BC.63/21.04.048/2019-20 - COVID19 Regulatory Package - Asset Classification and Provisioning**

Particulars	(Rs. In lakhs)	
	FY 24-25	FY 23-24
(a) SMA/overdue categories, where the moratorium/deferment was extended	-	1,003.74
(b) Out of (A) above, amount on which asset classification benefits is extended	-	-
(c) Provision Made on (b)	-	76.83
(d) Provisions adjusted during the respective accounting periods against slippages	-	76.83
(e) Residual Provision	-	-

65.2 Disclosure required as per Reserve Bank of India Circular on Resolution Framework - 2.0 dated May 5, 2021, is as under:

Particulars	(Rs. In lakhs)	
	FY 24-25	FY 23-24
(a) Number of requests received for invoking resolution process under Part A (Nos.)	-	8,110
(b) Number of accounts where resolution plan has been implemented under this window (Nos.)	-	8,110
(c) Exposure to accounts mentioned at (b) before implementation of the plan	-	2,646.88
(d) Of (c), aggregate amount of debt that was converted into other securities	-	-
(e) Additional funding sanctioned, if any, including between invocation of the plan and implementation	-	-
(f) Increase in provisions on account of the implementation of the resolution plan	-	-

Notes to Financial Statements for the Year ended on March 31, 2025**65.3 Disclosures pursuant to RBI Notification - RBI/DOR/2021-22/86 DOR.STR.REC.51/21.04.048/2021-22 - Master Direction - Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021 - dated September 24, 2021 :**

(i) Details of stressed loans transferred to ARC			
Particulars	(Rs. In lakhs)		
	FY 24-25	FY 23-24	
(a) Total number of loans (Nos.)	-	39,367	
(b) Aggregate principal outstanding of loans transferred	-	5,598.26	
(c) Weighted average residual maturity (in months) (at the time of transfer)	-	19.09	
(d) Net book value of loans transferred (at the time of transfer)	-	2,002.31	
(e) Aggregate Consideration	-	2,400.00	
(f) Additional consideration realized in respect of accounts transferred in earlier years	-	-	
(ii) During the year company has recorded derecognition gain of Nil. (Previous year : Rs. 397.69 Lakhs) on account of sale of stressed loans.			
(iii) Security Receipts (SR) Ratings			
Particulars	FY 24-25	FY 23-24	
PARAS - 133 Trust (*) - Infomercs Valuations & Rating Pvt. Ltd.	IVR RR 1+	IVR RR 1	
PARAS - 139 Trust (*) - Infomercs Valuations & Rating Pvt. Ltd.	IVR RR 1	IVR RR 1+	
(*) Rating band awarded by SEBI Approved rating agencies to Security Receipts issued by above mentioned trust set by Pridhvi Asset Reconstruction and Securitisation Company Ltd.			
(iv) The company has not acquired any loans during the year from lenders listed in clause 3 of the aforesaid notification and from ARCs.			
(v) Details of transfer through direct assignment in respect of Loans not in default			
Particulars	(Rs. In lakhs)		
	FY 24-25	FY 23-24	
(a) Total number of loans (Nos.)	79,115	158,177	
(b) Aggregate principal outstanding of loans transferred	35,181.73	60,476.24	
(c) Total number of transactions (Nos.)	14	16	
(d) Weighted average residual maturity (in months) (at the time of transfer)	18.32	18.35	
(e) Aggregate Consideration	31,663.56	53,840.38	
(f) Retention of Beneficial Economic Interest	10%	10% to 15%	
(g) Coverage of Tangible Security Coverage	-	-	
(h) Number of instances where transferred as agreed to replace the transferred loans	-	-	
(i) Number of transferred loans replaced	-	-	
(vi) Details of loans acquired through direct assignment in respect of Loans not in default			
Particulars	(Rs. In lakhs)		
	FY 24-25	FY 23-24	
(a) Total number of loans (Nos.)	14,727	-	
(b) Aggregate principal outstanding of loans transferred	1,799.36	-	
(c) Total number of transactions (Nos.)	1	-	
(d) Weighted average residual maturity (in months) (at the time of transfer)	10.22	-	
(e) Aggregate Consideration	1,619.42	-	
(f) Retention of Beneficial Economic Interest	10%	-	
(g) Coverage of Tangible Security Coverage	-	-	
(h) Number of instances where transferred as agreed to replace the transferred loans	-	-	
(i) Number of transferred loans replaced	-	-	

Notes to Financial Statements for the Year ended on March 31, 2025**66. Pursuant to RBI Guidelines on Liquidity Risk Management Framework for Non-Banking Financial Companies dated November 4, 2019****66.1 Funding Concentration based on significant counterparty (both deposits and borrowings)**

Period	Number of Significant Counterparties	Amount (Rs.in Lakhs)	% of Total deposits	% of Total Liabilities
March 31, 2025	20	124,022.96	NA	90.69%
March 31, 2024	30	131,344.80	NA	88.94%

66.2 Details of Top 20 large deposits

Not Applicable. The Company being a Systemically Important Non-Deposit Non-Banking Financial Company registered with Reserve Bank of India does not accept public deposits.

66.3 Details of Top 10 borrowings

Period	Amount (Rs.in Lakhs)	% of Total Borrowings
March 31, 2025	94,456.38	69.07%
March 31, 2024	77,283.26	52.33%

66.4 Funding Concentration based on significant instrument/product

Name of the Instrument/ Product	As at March 31, 2025		As at March 31, 2024	
	Amount (Rs.in Lakhs)	% of Total Liabilities	Amount (Rs.in Lakhs)	% of Total Liabilities
Debt securities	58,616.43	39.08%	37,491.72	22.74%
Borrowings (other than debt securities)	73,931.83	49.29%	1,06,254.29	64.45%
Subordinated liabilities	7,700.70	5.13%	9,174.02	5.56%
Total	1,40,248.95	93.50%	1,52,920.03	92.75%

66.5 Stock Ratios

Particulars	As at March 31, 2025			As at March 31, 2024		
	As a % of public funds	As a % of Total liabilities	As a % of total assets	As a % of public funds	As a % of Total liabilities	As a % of total assets
Commercial papers	NA	-	-	NA	-	-
Non- Convertible Debentures	NA	27.99%	22.01%	NA	22.74%	19.58%
Other Short term liabilities	NA	0.47%	0.37%	NA	0.00%	0.00%

Notes to Financial Statements for the Year ended on March 31, 2025**66.6 Institutional set-up for Liquidity Risk Management**

Refer Note No.: 44.6

67. Ratios:

A Capital to Risk Assets ratio (CRAR) (Computed as per method prescribed by RBI)			
	Particulars	As at	As at
		March 31, 2025	March 31, 2024
(i)	CRAR (%) [(ii) + (iii)]	29.89%	18.36%
(ii)	CRAR- Tier I Capital(%)	26.54%	15.12%
(iii)	CRAR- Tier II Capital(%)	3.35%	3.24%
(iv)	Amount of subordinated debt considered as Tier-II capital (In ₹ laacs)	3,794.80	5,089.27

B Liquidity Coverage Ratio			
	Particulars	As at	As at
		March 31, 2025	March 31, 2024
(i)	Highly Liquid Assets		
	(A) Cash and Cash equivalents	34,295.02	13,248.09
	(B) Marketable Securities	-	-
(ii)	Net Cash outflows of next 30 days from year end		
	(A) Cash Outflows	20,363.55	25,348.35
	(B) Cash inflows	13,263.11	19,903.03
(iii)	Liquidity Coverage Ratio	483.00%	243.29%

68. Other Notes:

(i) The Company has no exposure to the real estate sector directly or indirectly in the current and previous year.

(ii) The company has not disbursed any loans against security of gold.

(iii) The Company has no exposure to capital market.

(iv) The company has no intra-group exposure.

(v) Details of Single Borrower Limit ("SGL") / Group Borrower Limit ("GBL") exceeded by the NBFC

a) Loans and advances, excluding advance funding but including off-balance sheet exposures to any single party in excess of 15 per cent of owned fund of the NBFC: Nil

b) Loans and advances to (excluding advance funding but including debentures/bonds and off-balance sheet exposures) and investment in the shares of single party in excess of 25 per cent of the owned fund of the NBFC: Nil

(vi) The Company is registered with RBI and has all its operations in India, it has not obtained registration from any other financial sector regulators during the year.

69. Details of Provisions and contingencies shown in the Statement of Profit and Loss

	Particulars	For the year ended	
		March 31, 2025	March 31, 2024
(i)	Provision for Impairment on Financial Instruments	4,638.66	1,557.25
(ii)	Provision made towards Tax Expenses	(212.75)	1,283.77
(iii)	Provision for Depreciation on Investments	-	-
(iv)	Other Provision and contingencies	87.98	79.72
	Total	4,513.89	2,920.74

Notes to Financial Statements for the Year ended on March 31, 2025

70. Details of the Customer Complaints

70.1 Details of the Customer Complaints						
Particulars	As at		As at			
	March 31, 2025		March 31, 2024			
(i) No. of complaints pending at the beginning of the year	10		-			
(ii) No. of complaints received during the year	265		526			
(iii) No. of complaints disposed during the year	265		516			
(a) of which, number of complaints rejected by the NBFC	-		-			
(iv) No. of complaints pending at the end of the year	10		10			
Maintainable complaints received by the NBFC from Office of Ombudsman						
(v) Number of maintainable complaints received by the NBFC from Office of Ombudsman	-		2			
v.i) Of (v), number of complaints resolved in favour of the NBFC by Office of Ombudsman	-		2			
v.ii) Of (v), number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman	-		-			
v.iii) Of (v), number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC	-		-			
(vi) Number of Awards unimplemented within the stipulated time (other than those appealed)	-		-			
70.1.1 Top 5 Grounds of Complaints received by NBFC from Customers						
Particulars	Credit Bureau Report	Credit-linked insurance related	Disbursement Related	Staff Behaviour Related	Instalment and Other Service Related	Total
A March 31, 2025						
(i) Complaints pending at the beginning of the year	2	4	-	3	1	10
(ii) Complaints received during the year	95	29	7	75	59	265
(iii) Complaints disposed during the year	93	33	7	73	59	265
(a) of which, complaints rejected by the NBFC	-	-	-	-	-	-
(iv) Complaints pending at the end of the year	4	-	-	5	1	10
(v) Complaints pending beyond 30 days	-	-	-	-	-	-
B March 31, 2024						
(i) Complaints pending at the beginning of the year	-	-	-	-	-	-
(ii) Complaints received during the year	236	79	50	62	99	526
(iii) Complaints disposed during the year	234	75	50	59	98	516
(a) of which, complaints rejected by the NBFC	-	-	-	-	-	-
(iv) Complaints pending at the end of the year	2	4	-	3	1	10
(v) Complaints pending beyond 30 days	1	2	1	1	-	5

71. Movements of NPAs

Refer movements provided under Note 44.7

Notes to Financial Statements for the Year ended on March 31, 202

72. Unsecured Advances

The Company has not obtained any intangible security towards the unsecured advances.

73. Draw Down from Reserves:

The Company has not made any drawdown from existing reserves.

74. Details of concentration of advances, exposures & NPA:

74.1 Concentration of Deposits is not applicable as the company is Non-deposit Taking NBFC			
74.2 Concentration of Advances			
Particulars	As at		As at
	March 31, 2025		March 31, 2024
Total Advances to Twenty Largest Borrowers - Rs. In lacs	225.30		232.19
% of Advance to Top 20 Borrowers to Total Advances	0.13%		0.11%
74.3 Concentration of NPAs			
Particulars	As at		As at
	March 31, 2025		March 31, 2024
Total Exposure to top four NPA Accounts - Rs in Lakhs	37.73		35.17

75. Sectoral Exposure:

Particular	As at March 31, 2025			As at March 31, 2024		
	Total Exposure (including Off-book exposure)	Gross NPA	% of GNPA to total Exposure	Total Exposure (including Off-book exposure)	Gross NPA	% of GNPA to total Exposure
Micro Finance Loans	148,418.11	9,281.27	6.25%	182,720.41	3,432.45	1.88%
Corporate borrowers	-	-	-	-	-	-
Unsecured personal loans	16,945.76	546.37	3.22%	16,339.64	244.08	1.49%
Vehicle Loans	6,840.23	566.91	8.29%	5,501.93	330.23	6.00%
Total	172,204.10	10,394.54	6.04%	204,561.98	4,006.76	1.96%

76. Asset Liability Management - Maturity pattern of certain items of assets and liabilities

Particulars	(Rs. In lakhs)			
	As at March 31, 2025		As at March 31, 2024	
	Loans	Borrowings	Loans	Borrowings
1 day to 7 days	3,356.11	1,330.54	2,744.40	1,421.72
8 day to 14 days	3,356.11	809.78	2,744.40	1,162.52
15 day to 30/31 days	2,054.46	3,896.20	1,372.20	3,044.13
Over one month to 2 months	8,640.28	4,889.38	7,320.66	6,563.76
Over 2 months to 3 months	8,413.61	10,861.29	7,278.50	9,589.98
Over 3 months upto 6 months	23,937.58	9,292.25	22,461.20	19,487.88
Over 6 months upto 1 year	42,178.08	19,505.61	43,943.47	30,295.35
Over 1 year upto 3 years	45,833.81	68,093.99	66,324.57	69,389.97
Over 3 years upto 5 years	7,619.18	17,405.81	8,844.19	9,313.51
Over 5 years	0.66	4,163.60	-	2,650.76
Total	145,389.90	140,248.47	163,033.58	152,919.58

Notes to Financial Statements for the Year ended on March 31, 2025

77. The Company has entered into derivative transaction to hedge foreign exchange risk arising from foreign currency borrowing. The Company designates cross currency interest rate swap contracts as hedge instruments in respect of foreign exchange risks arising from foreign currency borrowings. These hedges are accounted for as cash flow hedges. The hedge instruments are designated and documented as hedges at the inception of the contract. The Company determines the existence of an economic relationship between the hedging instrument and hedged item based on the currency, amount and timing of their respective cash flows. The effectiveness of hedge instruments to reduce the risk associated with the exposure being hedged is assessed and measured at inception and on an ongoing basis. The effective portion of change in the fair value of the designated hedging instrument is recognised in other comprehensive income and accumulated under the heading cash flow hedging reserve. Any gain or loss recognised in other comprehensive income and accumulated in equity and is recognised in statement of profit and loss when the forecasted transaction ultimately affects the profit and loss.

(Rs. In lakhs)					
Type of Hedge and Risk	Notional Amount	Carrying amount (Derivative Liability)		Maturity Dates	Change in Fair value of Hedging
		March 31, 2025	March 31, 2024		
Foreign exchange risk					
Cross Currency Interest Rate Swaps					
Euro	15.00	(5.35)	22.53	Jun-25	(27.89)
Euro	15.00	(8.20)	13.81	Jun-25	(22.00)
USD	50.00	97.04	243.50	Apr-30	(146.46)
USD	30.00	(25.70)	46.43	Jun-26	(72.13)
USD	20.00	(17.03)	31.08	Jun-26	(48.10)
USD	30.00	(46.56)	26.84	Jun-26	(73.40)
Euro	50.00	(9.40)	113.60	Jun-26	(123.00)
Euro	15.00	26.71	67.74	Aug-26	(41.02)
Euro	19.00	(38.91)	27.48	Dec-27	(66.39)
USD	25.00	62.78	-	Jul-29	62.78
USD	70.00	209.74	-	Jun-29	209.74
USD	50.00	59.72	-	Jun-27	59.72
USD	75.00	81.09	-	Jun-27	81.09
USD	80.00	213.50	-	Jul-32	213.50
Euro	25.00	54.51	-	Oct-28	54.51
Euro	23.00	83.12	-	Aug-27	83.12
Euro	2.00	7.01	-	Aug-27	7.01
Total		744.06	593.01		(620.40)

Notes to Financial Statements for the Year ended on March 31, 2025

Type of Hedge and Risk	Notional Amount	Strike Price	Interest Rate
Cross Currency Interest Rate Swaps			
Euro	15.00	88.01	11.45%
Euro	15.00	87.10	11.45%
USD	50.00	82.37	14.89%
USD	30.00	82.65	12.76%
USD	20.00	82.65	12.69%
USD	30.00	82.05	12.80%
Euro	50.00	89.10	12.85%
Euro	15.00	90.96	13.08%
Euro	19.00	88.02	12.47%
USD	25.00	83.44	13.00%
USD	70.00	83.62	12.91%
USD	50.00	83.62	12.70%
USD	75.00	83.49	13.00%
USD	80.00	83.71	8.95%
Euro	25.00	90.80	12.98%
Euro	23.00	93.38	13.48%
Euro	2.00	93.38	11.29%

Movement in Cash Flow Hedge Reserve		(Rs. In lakhs)	
Particulars	March 31, 2025	March 31, 2024	
Opening Balance of Cash Flow Hedge Reserve	(604.34)	(180.97)	
Change in Fair value of hedging Instruments	620.40	(406.75)	
Less: Amount reclassified to Statement of P&L	1,656.02	16.62	
Net Amount Charged (to)/from Other Comprehensive Income	(1,035.62)	(423.37)	
Closing Balance of Cash Flow Hedge Reserve	(1,639.96)	(604.34)	

Expense Booked in Statement of P&L		(Rs. In lakhs)	
Particulars	March 31, 2025	March 31, 2024	
Hedge Ineffective Portion	-	-	
Amount reclassified from Other Comprehensive Income	(1,656.02)	(16.62)	
Line Item affected	Foreign exchange Gain / Loss and		

Disclosure required under Master Directions issued by RBI		(Rs. In lakhs)	
Particulars	March 31, 2025	March 31, 2024	
(i) The Notional principal of Swap agreements for hedging	49,667.76	19,990.39	
(ii) Losses which would be incurred if counterparties failed to fulfil their obligations under agreement	In case of failure by the counterparty, the company would have to discharge the outstanding exposure of the ECB at the prevailing forex rates on the respective repayment dates		
(iii) Collateral Required upon entering into swaps	632.36	187.96	
(iv) Concentration of Credit risk arising from the swaps	Since the company has entered the swaps with the Bank, it does not foresee any credit risk arising from swaps.		
(v) Fair Value/Mark to Market Position of the Swap book (Derivative Liability)	744.06	593.01	
(vi) Credit Exposure	49,667.76	19,990.39	
(vii) Unhedged Exposure	NIL	NIL	

Notes to Financial Statements for the Year ended on March 31, 2025

78. "During the year under review, The company had total Outstanding towards frauds totalling to Rs. 524.04 Lakhs (31st March 2024: Rs. 481.23 Lakhs) in respect of its lending operations. Out of the above frauds amounting to Rs.87.01 Lakhs (31st March 2024: Rs. 31.42 Lakhs) has already been recovered. Suitable action has been taken by the company to recover the balance amounts.

The Above Information for Individual frauds has been compiled from Fraud Monitoring Return filed with the RBI)

The Above Information has been compiled by the management and relied upon by the Auditors. "

79. Disclosure of Whistle blower Complaints

Particular	March 31 2025	March 31 2024
No. of complaints pending at the beginning of the year	-	-
No. of complaints received during the year	-	-
No. of complaints redressed during the year	-	-
No. of complaints pending at the end of the year	-	-

80. Credit Rating

The CARE and ICRA have assigned following ratings to Company.			
Facility	Credit Rating Agency India Ratings	Credit Rating Agency ICRA	Credit Rating Agency CARE
Bank Facilities	BBB-/Stable	BBB-/Negative	
Non-Convertible Debentures	BBB-/Stable	BBB-/Negative	BBB-/Negative
Subordinated Debt			BBB-/Negative

81. Inspection for the Financial Year 2023-24 was carried out by the Reserve Bank of India during the Quarter - 3 of the current financial year. Final Report on the same is awaited from the authorities.

82. Details of Average Interest paid on Borrowings and charged on loans given to JLG:

The details of Average Interest Rate on Borrowings and charged on loans is as under:		
Particulars	F.Y. 2024-2025	F.Y. 2023-2024
Average Interest Rate on Loans given (A)	25.47%	25.57%
Average effective cost of Borrowing (B)	13.63%	14.00%
Net Interest Margin (A-B)	11.84%	11.57%

Notes to Financial Statements for the Year ended on March 31, 2025**83. Breach of Covenants**

Particulars	No. of Lenders wherein breach of covenant found as at	
	March 31, 2025	March 31, 2024
In case of Loans availed		
PAR 30+ Portfolio to POS	2	-
PAR 30+ Write off to POS	4	-
Maintenance of CRAR	-	11
PAR 90+ Write off to Tangible Network	-	1
Debt Equity Ratio	-	10
Total outside Liability to Network	-	3
Current Collection efficiency	1	-
GNPA	5	-
NNPA	2	-
OSS	1	-
PAR 30 (On +PTC)/GLP (BS)	1	-
PAR 30 less ECL to Regulatory Capital	1	-
PAR 30(Own +PTC)+ Write off to POS	1	-
PAR 30(Own +PTC)+ARC to GLP	1	-
PAR 30+ net off LLR to Tangible Network	1	-
PAR 30+ net off provision to POS	1	-
PAR 30+(On book) net off LLR to Tangible Network	1	-
PAR 90+	4	-
PAR 90+ Write off to POS	4	-
Rating by External Agency	9	-
Return on Asset (Trailing 12 months)	1	-
ROA	1	-
ROE	1	-
Non-Performing Loan Ratio	1	-
Non-Performing Loan Ratio (Unmarried Women)	1	-
Loan Loss Coverage Ratio	1	-
In case of Debt Securities		
PAR 30+ Portfolio to POS	3	2
PAR 30+ Write off to POS	3	1
Cost to Income Ratio	1	-
Loan Loss Reserve to PAR 30+(On Book)	1	-
Off Book POS to Total POS	-	-
PAR 90+ Loan Loss Reserve to Tier 1 Capital	-	-
PAR 90+ Write off to POS	1	1
PAR 90+ Write off to Tangible Network	-	1
PAR 30 less ECL to Regulatory Capital	1	-
PAR 90+	1	-
Rating by External Agency	1	-
Return on Asset (Trailing 12 months)	1	-
Write-off ratio	1	-
PAR 30+ net off LLR to total Network	1	-
PAR 30+Write off for 12 months divided by outstanding gross loan portfolio	1	-
PAR 30 + (Net off ECL) to tangible network 20%	1	-
PAR30+ restructured portfolio minus Loan loss provisions divided by regulatory capital	1	-
Loan Loss Reserve divided by PAR 90	-	1
AUM to Tangible network	-	1

Notes to Financial Statements for the Year ended on March 31, 2025

84. Assignment / securitization of loans:

During the year the Company has sold loans through direct assignment / securitisation. The information on direct assignment activity of the Company as an originator is as shown below:			
(Rs. In lakhs)			
(a)	Particulars	Year ended	
		March 31, 2025	March 31, 2024
	Total number of loans assigned/securitised during the year	90,755	184,663
	Total book value of loans assigned/securitised during the year	39,663.20	70,223.95
	Sale consideration received for loans assigned/ securitised during the year	35,554.27	62,315.77
	Income recognised in the statement of profit and loss during the year	(1,624.42)	439.22
	Balance of loans assigned /securitised as at the balance sheet date	34,506.48	55,662.28
	Cash Collateral provided and outstanding as at the balance sheet date	602.19	735.34
(b) Details of Securitisation transactions undertaken:			
1	a) No. of SPVs sponsored by the NBFC during the year for securitisation transactions (Nos.)	2	4
	b) No. of SPVs sponsored by the NBFC outstanding as at balance sheet date for securitisation transactions (Nos.)	4	6
2	Total amount of securitised assets as per books of the SPVs sponsored during the year by the NBFC	4,481.90	9,746.78
3	Total amount of exposures retained by the NBFC to comply with MRR as on the date of balance sheet		
	a) Off-balance sheet exposures		
	- First loss	-	-
	- Others	-	-
	b) On-balance sheet exposures		
	- First loss	1,281.41	1,621.12
	- Others	-	-
4	a) Off-balance sheet exposures		
	i) Exposure to own securitisations		
	- First loss	-	-
	- Others	-	-
	ii) Exposure to third party securitisations		
	- First loss	-	-
	- Others	-	-
	b) On-balance sheet exposures		
	i) Exposure to own securitisations		
	- First loss	602.19	735.34
	- Others	2,837.95	5,926.49
	ii) Exposure to third party securitisations		
	- First loss	-	-
	- Others	-	-
5	Sale consideration received for the securitised assets during the year and gain/loss on sale on account of	3,891.00	8,480.82
6	Outstanding value of services provided by way of post-securitisation asset servicing	-	-
7	Performance of facility provided: Credit enhancement and servicing agent:		
	(a) Amount Paid	7,977.70	10,119.00
	(b) Repayment Received	8,436.44	10,945.42
	(c) Outstanding Amount	674.86	791.39
8	Average default rate of portfolios observed in the past.	1.47%	2.22%
9	Amount and number of additional/top up loan given on same underlying asset.	-	-
10	Investor complaints:		
	(a) Directly/Indirectly Received	-	-
	(b) Complaints Outstanding	-	-

Notes to Financial Statements for the Year ended on March 31, 2025

85. As required under Master Directions – Reserve Bank of India

85.1 Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:				
(Rs. In lakhs)				
Particulars	F.Y. 2024-2025		F.Y. 2023-2024	
	Amount outstanding	Amount overdue	Amount outstanding	Amount overdue
a) Debentures:				
Secured	60,778.05	-	38,840.32	-
Unsecured (other than falling within the meaning of public deposits)*	2,109.92	-	2,105.30	-
b) Deferred Credits	-	-	-	-
c) Term Loans	75,006.77	-	107,201.77	-
d) Inter-corporate loans and borrowing	-	-	-	-
e) Commercial Paper	-	-	-	-
f) Other Loans	-	-	-	-
Sub ordinate debt	5,733.22	-	7,221.79	-
Working capital facility	-	-	-	-
85.2 Break up of Loans and advances including bills receivables: excluding interest accrued				
(Rs. In lakhs)				
Amount Outstanding net of provision		F.Y. 2024-2025	F.Y. 2023-2024	
a) Secured		6,333.94	5,710.18	
b) Unsecured		130,953.63	153,859.73	
85.3 Break up of Leased Assets and stock on hire and other assets counting towards AFC activities:				
(Rs. In lakhs)				
Particulars	F.Y. 2024-2025		F.Y. 2023-2024	
(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) Loan other than (a) Above		-		-
85.4 Break up of Investments				
(Rs. In lakhs)				
Particulars	F.Y. 2024-2025		F.Y. 2023-2024	
Current Investments:				
1. Quoted				
(i) Shares:				
(a) Equity		-		-
(b) Preference		-		-
(ii) Debentures and Bonds		-		-
(iii) Units of Mutual Funds		-		-
(iv) Government Securities		-		-
(v) Others (please specify)		-		-
2. Unquoted				
(i) Shares:				
(a) Equity		-		-
(b) Preference		-		-
(ii) Debentures and Bonds		-		-
(iii) Units of Mutual Funds		-		-
(iv) Government Securities		-		-
(v) Unit of Alternate Investment Fund		-		-

Notes to Financial Statements for the Year ended on March 31, 2025

Particulars	(Rs. in lakhs)					
	F.Y. 2024-2025	F.Y. 2023-2024				
Long Term Investments:						
1. Quoted						
(i) Shares:						
(a) Equity	-	-				
(b) Preference	-	-				
(ii) Debentures and Bonds	-	-				
(iii) Units of Mutual Funds	-	-				
(iv) Government Securities	-	-				
(v) Others	-	-				
2. Unquoted						
(i) Shares:						
(a) Equity	-	-				
(b) Preference	-	-				
(ii) Debentures and Bonds	-	-				
(iii) Units of Mutual Funds	-	-				
(iv) Government Securities	-	-				
(v) Unit of Alternate Investment Fund	-	-				
(vi) investment in SR of ARC	2,973.34	3,251.54				
Total Gross Value of Investments	2,973.34	3,251.54				
Less: Provision for Depreciation held towards investments	-	-				
Net Value of Investments	2,973.34	3,251.54				
85.5 Borrowers group wise classification of assets financed as in 85.2 and 85.3 above:						
	(Rs. in lakhs)					
Category	F.Y. 2024-2025			F.Y. 2023-2024		
	Amount net of Provisions			Amount net of Provisions		
	Secured	Unsecured	Total	Secured	Unsecured	Total
1. Related Parties						
a) Subsidiaries	-	-	-	-	-	-
b) Companies in the same group	-	-	-	-	-	-
c) Other Related parties	-	-	-	-	-	-
2. Other than related parties	6,333.94	130,953.63	137,287.57	5,710.18	153,859.73	159,569.91
Total	6,333.94	130,953.63	137,287.57	5,710.18	153,859.73	159,569.91
85.6 Investor group wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):						
	(Rs. in lakhs)					
Category	F.Y. 2024-2025		F.Y. 2023-2024			
	Market Value/Break up or FAIR Value or NAV	Book Value (Net of Provisions)	Market Value/Break up or FAIR Value or NAV	Book Value (Net of Provisions)		
1. Related parties						
a) Subsidiaries	-	-	-	-		
b) Companies in the same group	-	-	-	-		
c) Other Related parties	-	-	-	-		
2. Other than related parties	2,973.34	2,973.34	3,251.54	3,251.54		
Total	2,973.34	2,973.34	3,251.54	3,251.54		
85.7 Other Information						
Particulars	(Rs. in lakhs)					
	F.Y. 2024-2025	F.Y. 2023-2024				
(i) Gross Non-Performing Assets						
a) Related Parties	-	-				
b) Other than related parties	10,394.54	4,006.76				
(ii) Net Non performing Assets						
a) Related Parties	-	-				
b) Other than related parties	3,638.09	1,202.03				
(iii) Assets acquired in satisfaction of Debt	-	-				

Notes to Financial Statements for the Year ended on March 31, 2025

86. Disclosure pursuant to RBI Notification – RBI/2020-21/17 DOR.No.BP.BC/4/21.04.048/2020-21 dated August 6, 2020 (“Resolution Framework for COVID-19 Related Stress”) is not applicable as the Company has not restructured any loan accounts during the year.

87. The Accounting software’s used by Company for maintaining its books of accounts are having a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all transactions recorded in the software. Further, the audit trail feature of accounting software has not been tampered with during the financial year 2024-25 as required by Proviso to Rule 3(1) of Companies (Accounts) Rules, 2014. Further, the audit trail has been preserved by the company as per the statutory requirements for record retention.

88. Previous year’s figures have been regrouped, where necessary, to confirm to current year’s presentation.

As per our report of even date

For and on behalf of the Board

For **J.H.Mehta & Co.****Chartered Accountants****ICAI Firm Reg.No. 106227W****Kartik S. Mehta**

Managing Director

DIN: 02083342

Purvi J. Bhavsar

Managing Director

DIN: 02102740

(Naitik J. Mehta)

Partner

Membership No. 130010

Place: Ahmedabad

Date: 13th May 2025**Chintan Desai**

Chief Financial Officer

Place: Ahmedabad

Date: 13th May 2025**Dimple Padhiar**

Company Secretary

Notice Of Annual General Meeting

Notice is hereby given that the Fifteenth (15th) Annual General Meeting (AGM) of the Members of **Pahal Financial Services Private Limited** having CIN U65910GJ1994PTC082668 will be held through Video Conferencing as per below schedule:

Date: 30th September, 2025

Day: Tuesday

Time: 3:00 p.m. (IST)

Place: 7th Floor, Binori B Square - 2, Opp. Hathising Ni Vadi, Ambli Iscon Road, Ahmedabad - 380054, Gujarat, India

to transact the following business:

Ordinary Business:

1. Approval and Adoption of Audited Financial Statements and the reports of the Directors and Auditors:

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

To receive, consider and adopt the Annual Audited Financial Statements of the Company for the Financial Year ended March 31, 2025, including Balance Sheet as of March 31, 2025, the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date together with the Reports of the Board of Directors and Auditors thereon.

2. Declaration of Dividend:

To declare a Final Dividend on Equity Shares of the Company for the Financial Year 2024-25 at 2.00% per equity shares outstanding.

3. To appoint M/s. PKF Sridhar & Santhanam LLP, Chartered Accountants as Statutory Auditors of The Company:

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 139, 141, 142, 143 of the Companies Act, 2013 (“the Act”) and other applicable provisions of the Act, read with Rules made thereunder as well as Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 as amended from time to time and RBI Guidelines RBI/2021-22/25 Ref.No.DoS.CO.ARG/SEC.01/08.91.001/2021-22 dated April 27, 2021 (“RBI Guidelines”) for Appointment of Statutory Central Auditors(SCAs)/Statutory Auditors (SAs), (including any statutory modification(s) or re-enactment for the time being in force), M/s. PKF Sridhar & Santhanam LLP, Chartered Accountants, be and are hereby appointed as the Statutory Auditors of the Company from the conclusion of the ensuing Annual General Meeting to hold such office for a period of three years till the conclusion of the 18th Annual General Meeting, at mutually agreed audit fees plus all the taxes and out of pocket expenses as per actual, to conduct the audit for the financial years 2025-26 to 2027-28.”

Special Business:

4. Regularisation of Additional Director (Nominee) Mr. Saurabh Baroi (DIN: 02723687) by appointing him as a Nominee Director of the company:

210 | Pahal Financial Services Private Limited

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 152, 160, 161(3) and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof), and in accordance with the Articles of Association of the Company, and Mr. Saurabh Baroi (DIN: 02723687) who was appointed as an Additional Director (Nominee) of the Company with effect from September 15, 2025 and who holds office up to the date of ensuing Annual General Meeting, be and is hereby appointed as a Nominee Director on the Board of the Company, not liable to retire by rotation.”

“RESOLVED FURTHER THAT Mr. Kartik S Mehta [DIN: 02083342] or Ms. Purvi J Bhavsar [DIN: 02102740], Managing Directors, or Ms. Dimple Padhiar, Company Secretary of the Company, be and are hereby severally authorized to sign and file the necessary returns, forms, and documents with the Ministry of Corporate Affairs or any other regulatory authority and to do all such acts, deeds, and things as may be necessary to give effect to this resolution.”

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

The following Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice:

ITEM NO. 4:

Regularisation of Additional Director (Nominee) Mr. Saurabh Baroi (DIN: 02723687) by appointing him as a Nominee Director of the company:

Pursuant to the provisions of Sections 152, 160, 161(3) and other applicable provisions, if any, of the Companies Act, 2013, and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the directors shall be appointed by the members in the General Meeting of the company. In view of the same, Mr. Saurabh Baroi (DIN: 02723687) shall be appointed by the members in the ensuing Annual General Meeting.

The Company has received consent to act as a Director of the Company in Form DIR 2 and a declaration that he is not disqualified from being appointed as a Director of the Company in Form DIR 8 as per Companies Act, 2013.

Education Qualifications of Mr. Saurabh Baroi are followings –

- Post-Graduate in Rural Management

Pursuant to the provisions of Section 152 of the Companies Act, 2013 the directors shall be appointed by the members through Ordinary Resolution in the General Meeting of the company. In view of the same, Mr. Saurabh Baroi (DIN: 02723687) shall be appointed as a Nominee Director by the members in the ensuing Annual General Meeting of the company.

Except for Mr. Saurabh Baroi, none of the directors, key managerial personnel, or their relatives are concerned or interested in the proposed resolution.

By Order of the Board of Directors
Pahal Financial Services Private Limited
Sd-
Dimple Padhiar

Date: September 15, 2025
Place: Ahmedabad

Company Secretary**NOTES:**

1. In terms of Section 105 of the Companies Act, 2013, a member of a Company entitled to attend and vote at the Annual General Meeting is entitled to appoint another person as a proxy to attend and vote instead of himself/herself and the proxy need not be a member of the Company.
2. The proxy form duly completed must reach the registered office not later than 48 hours before the commencement of the Meeting. A body corporate being a member shall be deemed to be personally present at the meeting, if represented in accordance with the provisions of Section 113 of the Companies Act, 2013. The representative so appointed, shall have the right to appoint a proxy.
3. **FOR ATTENDING THE AGM THROUGH VC / OAVM: Members can join the through VC / OAVM.**

- **PROCEDURE FOR ATTENDING THE AGM THROUGH VC / OAVM:** The AGM of the Company is being conducted using Zoom Meeting App. Meeting ID and password to participate in the said AGM is given herein below:

Link of Video Conferencing	https://zoom.us/j/93755415934?pwd=758KlTiqMMvEJpDYwKlAXh4aJ1lKHj.1
Meeting ID	937 5541 5934
Password	525126

The detailed procedure for participation in the meeting through Video Conferencing by using Zoom App, is mentioned below:

Go to your Zoom App, click on the "Join" and enter the meeting id and password and now click on the "Join Meeting" Tab and ensure that you have proper internet facility through mobile phone or Wifi connect to your device or you can directly join the meeting by clicking on above mentioned link.

Other instructions:

- a) Please note that, if you have already downloaded/using Zoom App then you need not to do the aforesaid activities and you have to just enter the Zoom Meeting ID and Password, as provided in this Notice.
 - b) You can sign in/join the meeting before 15 minutes on the meeting day for timely participation in the AGM through video conferencing.
 - c) Please listen and participate in the discussion carefully.
 - d) Please Propose and Second any of the resolution by raising your hand/ show of hands and by saying "I propose the resolution" or "I second the resolution" whenever it is asked by the Company Secretary/Chairperson.
 - e) Please click on the "Mute" tab when there is any disturbance or noise around you or not talking.
 - f) Please ensure that *no other person is sitting with you/ participating in the aforesaid meeting through Video Conferencing.*
 - g) Please click on "Unmute" tab when you want to say something.
 - h) In case of any queries/ clarification or assistance being required with respect to the Annual General Meeting, members may write to acs@pahalfinance.com.
- **Members** who have not registered their e-mail addresses so far are requested to register their e-mail addresses for receiving all communications including Annual Report, Notices, Circular, etc. from the Company in electronic mode.
 - Members who still hold share certificates in physical form are advised to dematerialise their shareholding to also avail of numerous benefits of dematerialisation, which include easy liquidity, ease of trading and transfer, savings in stamp duty and elimination of any possibility of loss of documents and bad deliveries.

- Members may please note that no gifts/ gift coupons shall be distributed at the venue of the General Meeting.
- Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send to the Company, a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
- The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 has been annexed hereto and forms part of this Notice.
- Payment of Dividend as recommended by the Directors, if approved at the Meeting, will be made to those members whose names are on the Company's Register of Members at the end of business hours of August 31, 2025.
- The payment of dividend will be made to all members holding Equity Shares in respect of shares held in dematerialized form and/ or in physical form (if any) as per data made available by National Securities Depository Limited (NSDL), Central Depository Services (India) Limited (CDSL) and/ or Registrar & Share Transfer Agent of the Company at the closure of the business hours on August 31, 2025.
- The notice is being sent to all the members of the company, whose name appears on the register of members/ record(s) of depository as on September 15, 2025.
- Members are requested to note that, Dividends not encashed or remaining unclaimed for a period of 7 (seven) years from the date of transfer to the Company's Unpaid Dividend Account(s), the amount shall be transferred to the Investor Education and Protection Fund (IEPF) established as per the provisions of the Companies Act, 2013.
- Members may also note that the Notice of this AGM will be available on the website of the Company i.e., www.pahalfinance.com.
- Members are requested to advise any change in their address in written immediately to the Company at its Registered Office.
- All documents referred to in the accompanying notice and the statement shall be open for inspection at the Registered Office of the Company or through electronic mode at the request of the shareholder during normal business hour.
- In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the Meeting.
- In terms of the requirements of the Secretarial Standards on General Meetings (SS-2), Attendance Slip and a route map of the venue of the AGM is enclosed.

The designated email address of the Company is acs@pahalfinance.com.

Proxy Form

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN: U65910GJ1994PTC082668
 Name of the Company: Pahal Financial Services Private Limited
 Registered Office: 7th Floor, Binori B Square 2, Opposite Hathising Ni Vadi, Ambli Iscon Road, Ahmedabad - 380054, Gujarat, India

Name of Member(s):
 Registered address:
 E-mail ID:
 Folio No/ Client Id:
 DP ID:

I/ We, being the member(s) of _____ shares of the above-named company, hereby appoint

Name:	
Address:	
E-mail ID:	
Signature:	

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual General Meeting of the Company, to be held through Video Conferencing on Tuesday, 30th September 2025 at the registered office of the Company situated at 7th Floor, Binori B Square-2, Opp. Hathising Ni Vadi, Ambli Iscon Road, Ahmedabad - 380054, Gujarat, India and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No. Sr. No.	Resolution
1.	Approval and Adoption of Audited Financial Statements and the reports of the Directors and Auditors for the Financial year ended March 31, 2025
2.	Declaration of Dividend
3.	To appoint M/s. PKF Sridhar & Santhanam LLP, Chartered Accountants as Statutory Auditors of The Company
4.	Regularization of Additional Director (Nominee) Mr. Saurab Baroi (DIN: 02723687) by appointing him as a Nominee Director of the company

Date:

Signature of Authorised Representative/ Shareholder

Re. 1
 Revenue
 Stamp

Signature of Proxy holder

214 | Pahal Financial Services Private Limited

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

Attendance Slip

Registered Folio No./ Client ID:

Name and Address of First/ Sole Shareholder:

No. of shares held:

I hereby record my presence at the Annual General Meeting of the Members of Pahal Financial Services Private Limited held on Tuesday, 30th September 2025 through Video Conferencing at the Registered Office of the Company situated at 7th Floor, Binori B Square – 2, Opp. Hathising Ni Vadi, Ambli Iscon Road, Ahmedabad - 380054, Gujarat, India.

Signature of the Shareholder

NOTES:

- (1) Members/ Proxy holders are requested to produce the attendance slip duly signed for admission to the Meeting Venue.
- (2) In the case of joint holders, the votes of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the vote of the other joint holders. Seniority shall be determined by the order in which the names stand in the Register of Members.

Route Map for venue of Annual General Meeting



Our Sincere
THANKS TO OUR FUNDERS



Celebrating Our Legacy of **Impact**



Contact Us :

🌐 <https://pahalfinance.com/> ✉ ho@pahalfinance.com ☎ +91 2717 479169