SBFC

18th June, 2025

To
National Stock Exchange of India Limited,
Exchange Plaza, Plot No. C/1, G Block,
Bandra-Kurla Complex, Bandra (East),
Mumbai – 400051

NSE Symbol: SBFC

To
BSE Limited
Phiroze Jeejeebhoy Towers,
21st Floor, Dalal Street,
Mumbai – 400001

BSE Scrip Code: 543959

Sub: Notice of 18th Annual General Meeting and the Annual Report of the Company for the financial year 2024-25

Dear Sir/Madam,

Pursuant to Regulation 34 and 53 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and other applicable regulations, please find enclosed the Notice of the 18th Annual General Meeting ("AGM") of the Company along with the Annual Report for financial year ended 2024-25. The 18th AGM of the Company is scheduled to be held on Monday, 14th July, 2025 at 02:30 p.m. (IST) through video conferencing/other audio-visual means. The Notice of the AGM along with the Annual Report is being sent through electronic mode to the members and the debenture holders of the Company.

The Notice of the AGM and Annual Report are being made available on the Company's website at https://www.sbfc.com/investors.

You are requested to take the same on record.

Thanking you,

Yours faithfully,
For **SBFC Finance Limited**

NAMRATA SAJNANI
Digitally signed by NAMRATA SAJNANI
Date: 2025.06.18 11:32:22 +05'30'

SBFC Finance Limited MUMBAI

Namrata Sajnani
Company Secretary & Chief Compliance Officer
Encl: As above

NAVIGATING GROWTH WITH

THE COMPASS AND THE ANCHOR

Annual Report

2025

SBFC FINANCE LIMITED

www.sbfc.com

SBFC

Content

Setting the Scene	
Company Overview	04
Operational and Financial Highlights	08
Message from MD & CEO	11
Message from the Founding Team	12
Our Leadership Team	14
Key Milestones	16
Product Portfolio	18
Key Performance Indicators	20
Customer Journeys	22
ESG Commitment	
Enabling the Entrepreneurial Journey of India's Households	28
Creating Economic Empowerment through Education, Skill. And Healthcare	32
Strategy & Performance	
The Pillars Powering Our Purpose	36
Technology as an Enabler of Inclusion and Execution	38
Management Discussion & Analysis	42
Compliance & Governance	
Directors' Report	56
Corporate Governance Report	73
Business Responsibility and Sustainability Report	97
Financials & AGM Notice	
Standalone Financial Statements	142
Consolidated Financial Statements	237
Notice	306

Forward-Looking Statements

Certain statements in this Annual Report may be considered forward-looking in nature. These include, but are not limited to, statements relating to SBFC Finance Limited's business plans, strategies, future outlook, financial performance, growth projections, credit quality, technology initiatives, expansion plans and other forward-looking matters.

Such statements are based on current assumptions, expectations and estimates, and are subject to known and unknown risks and uncertainties. Actual results, performance or events may differ materially from those expressed or implied in these statements due to various external and internal factors, including but not limited to economic conditions, regulatory changes, interest rate movements, market developments and operational challenges.

SBFC Finance Limited does not undertake any obligation to update or revise any forward-looking statements, whether as a result of future events or otherwise, unless required by applicable laws.

To know more about SBFC Finance Limited please scan the QR Code

OR

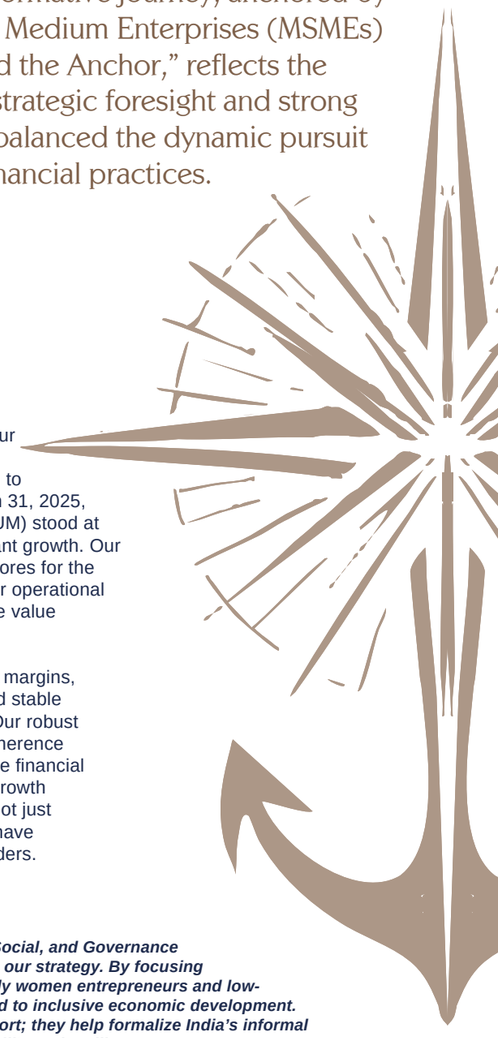
Please visit
www.sbfc.com

SBFC

NAVIGATING GROWTH WITH

THE COMPASS AND THE ANCHOR

In FY2025, SBFC Finance Limited navigated a transformative journey, anchored by our commitment to empowering Micro, Small, and Medium Enterprises (MSMEs) across India. Our guiding theme, "The Compass and the Anchor," reflects the dual focus that shaped our growth for the period: strategic foresight and strong financial discipline. This theme speaks to how we balanced the dynamic pursuit of new opportunities, with the stability of sound financial practices.



The Compass: Strategic Direction

Throughout the year, we sharpened our strategic focus, expanding our footprint to 205 branches across 16 states and two Union Territories. This growth enabled us to reach underbanked populations in Tier II and Tier III cities, bringing financial inclusion to the forefront. By serving over 90,000 customers, we provided essential financial solutions tailored to the aspirations of India's entrepreneurial spirit.

In February 2025, we secured INR 4,000 million from British International Investment (BII), the UK's development finance institution. This funding has been pivotal in supporting low-income entrepreneurs and women borrowers, help to reach up to 5,000 new customers. It reflects our commitment to fostering economic resilience and growth among those who need it most.

Our compass also guided us through digital transformation. By embracing technology, we enhanced customer experiences, improved operational efficiencies, and strengthened risk management framework. This strategic shift positioned us to respond agilely to changing market conditions while ensuring that our services remained accessible and efficient.

The Anchor: Financial Discipline

While growth has been central to our journey, our progress has been grounded in a disciplined approach to financial management. As of March 31, 2025, our Assets Under Management (AUM) stood at INR 8,747 crores, marking significant growth. Our Profit After Tax reached INR 345 crores for the period, reflecting the strength of our operational model and our focus on sustainable value creation.

We maintained healthy net interest margins, controlled credit costs, and ensured stable asset quality across our portfolio. Our robust risk management practices and adherence to regulatory standards provided the financial stability necessary to support our growth ambitions. These measures have not just safeguarded our performance but have reinforced the trust of our stakeholders.

Looking Ahead

Our commitment to Environmental, Social, and Governance (ESG) principles has been integral to our strategy. By focusing on underserved segments—especially women entrepreneurs and low-income communities—we contributed to inclusive economic development. Our efforts go beyond financial support; they help formalize India's informal sector, fostering long-term sustainability and resilience.

Reflecting on FY2025, "The Compass and the Anchor" has been more than just a theme—it has been a philosophy guiding every decision we made. By balancing strategic growth with financial discipline, we have created a platform for sustained impact. As we look to the future, we remain committed to driving economic progress, empowering MSMEs, and delivering lasting value to all our stakeholders.

Company Overview

SBFC at a glance

We are a Non-Banking Financial Company (NBFC), operating at the intersection of technology and trust, serving India's credit-starved micro and small businesses. With a strong phygital distribution model, robust underwriting practices and best-in-class risk governance, we have emerged as a lender of choice in the ₹5 –30 lakh MSME financing segment — a ₹3.2 lakh crore opportunity growing at 24% CAGR.*

What We Do

SBFC provides secured MSME loans and gold loans, with nearly 100% of our book being secured. Our core focus is the credit needs of India's self-employed entrepreneurs in Tier II and Tier III cities. With average ticket sizes of ₹9.49 lakh (MSME) and ₹0.94 lakh (gold), our offerings are tailored for accessibility and sustainability.

Our in-house sourcing, real-time analytics, and decentralised credit evaluation enable faster turnaround times and deeper market penetration, while our robust collections infrastructure ensures portfolio strength.

Our Business Footprints

205 branches

Operating in 16 states and 2 Union Territories, across 205 branches and 157 cities

1.71 lakh customers

Serving 1.71 lakh live customers as of FY2025

4,294 employees

100% in-house sourcing, anchored by a growing workforce of 4,294 employees

End-to-end phygital operating model with innovative technology deployment across origination, underwriting and collections

* As of Mar-24 (Source – CRIF Data)

Our Vision

To build a world-class financial institution that delivers scale, profitability and governance.

Our Mission

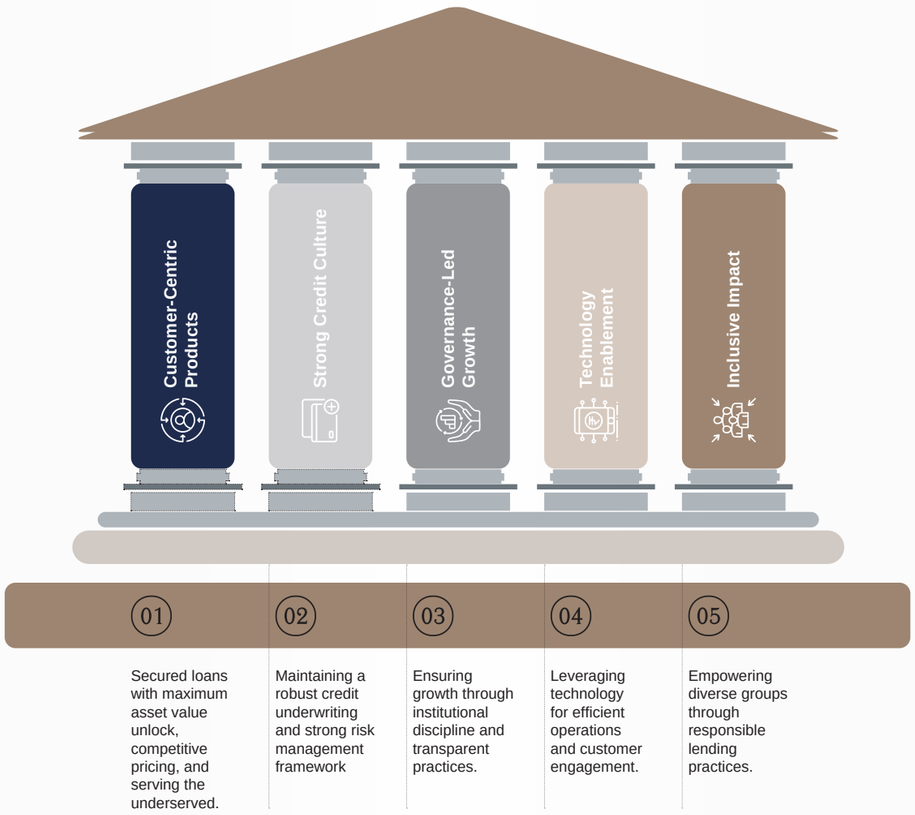
To make loans easy by designing and delivering them with excellence, agility and integrity. We will use technology and human knowledge to find deserving customers and make the loan experience easy for them.

What Differentiates Us?

- Pan India Footprint
- Credit Underwriting
- Technology and Analytics
- Financial Strength
- Risk Management
- Experienced Management

Credit Rating	India Ratings	CARE Ratings	ICRA
	AA- Stable	AA- Stable	AA- Stable

Our Strategic Pillars



SBFC's growth is underpinned by a clear and focused strategy built on five core pillars.

01 We offer **Customer-Centric Products** designed to unlock maximum asset value through secured loans, competitive pricing and serving the underserved.

02 **Our Strong Credit Culture** is reflected in our AA- (Stable) credit rating, a well-managed Gross NPA ratio of 2.74%, and a healthy Provision Coverage Ratio of 45.69%.

03 **Governance-Led Growth** remains a cornerstone of our institution, anchored in institutional discipline, active board oversight and transparent disclosures.

04 **Technology Enablement** is at the heart of our operations, with a mobile-first CRM, a Business Rule Engine (BRE)-driven loan origination system, digital KYC, real-time dashboards, seamless digital payments and robust disaster recovery readiness.

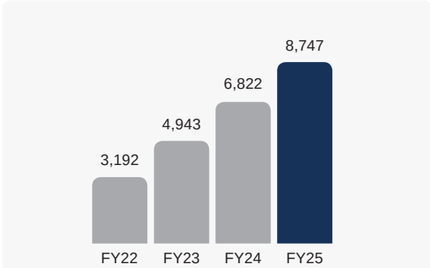
05 Above all, our **Inclusive Impact** is visible in the way we empower MSMEs, women entrepreneurs and low-income borrowers through responsible lending practices and collaborative co-lending programme.

01 Setting the Scene
02 ESG Commitment
03 Strategy & Performance
04 Compliance & Governance
05 Financials & AGM Notice

Performance Snapshot – FY2025

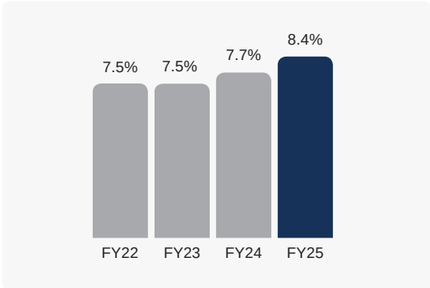
Metric	Value	YoY Change	What this means
AUM	₹8,747 Cr	+28%	Strong growth in asset book reflects SBFC's expanding market footprint and effective credit
PAT	₹345 Cr YoY	+46%	Significant jump in profitability demonstrates operating leverage and margin improvement.
RoAAUM	4.53%	+39 bps	Growth in RoAAUM reflects efficiency.
Opex to AAUM	4.65%	-69 bps	Reduced cost-to-income ratio signals operational efficiency and scalability of operating model.
Spread	8.42%	+72 bps	Improved spread shows better pricing power and optimised funding cost, boosting margins.
Capital Adequacy	36.1%	Robust	Strong capital adequacy provides a solid cushion for future growth and risk absorption.

AUM (₹ in Crore)

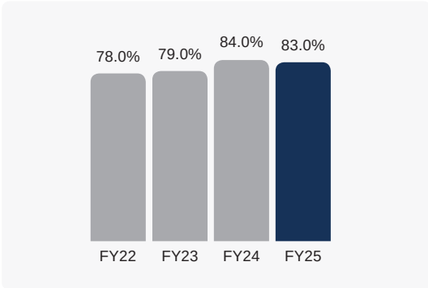


We are building a resilient institution — anchored in sound governance, scaled through technology, and guided by purpose — to power the dreams of India's underserved entrepreneurs.

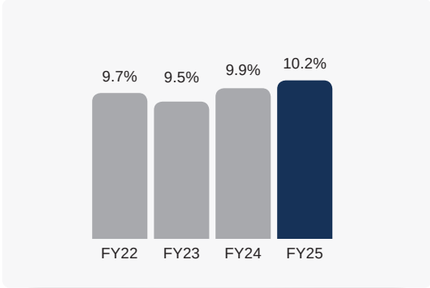
Spread* (%)



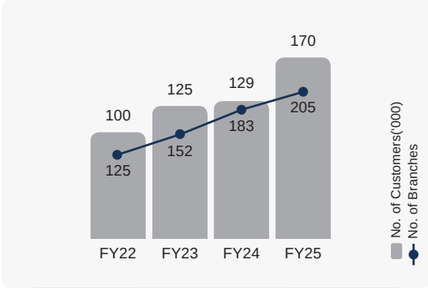
MSME Loan as of Total AUM (%)



Net Interest Margin* (%)



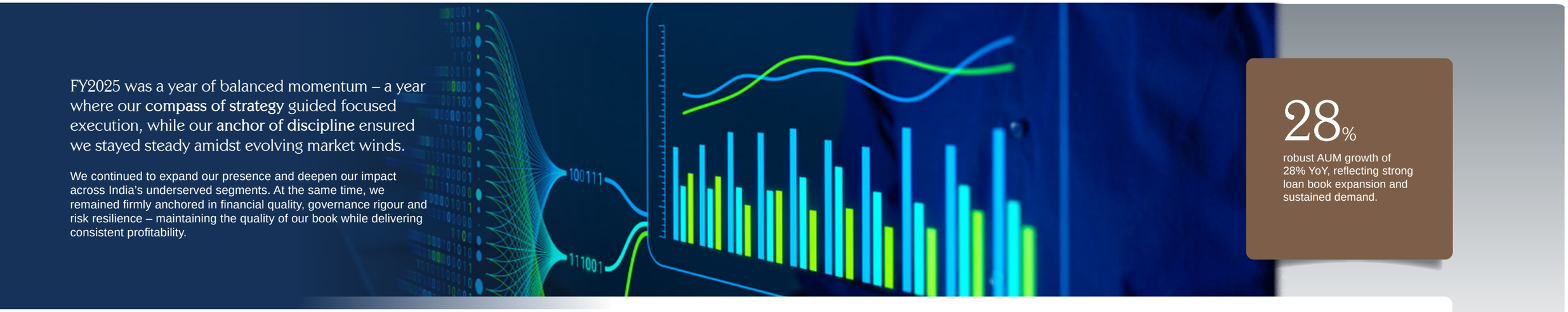
Branch and Customer Growth



** based on daily averages*

Operational and Financial Highlights:

Navigating performace with prudence.



FY2025 was a year of balanced momentum – a year where our **compass of strategy** guided focused execution, while our **anchor of discipline** ensured we stayed steady amidst evolving market winds.

We continued to expand our presence and deepen our impact across India's underserved segments. At the same time, we remained firmly anchored in financial quality, governance rigour and risk resilience – maintaining the quality of our book while delivering consistent profitability.

28%

robust AUM growth of 28% YoY, reflecting strong loan book expansion and sustained demand.

Operational Highlights:

Strategic direction and growth momentum

205 branches across 16 states and 2 UTs

focused on Tier II and Tier III India

1.5+ lakh active customers

reaching micro-entrepreneurs and self-employed borrowers

₹4,000+ million funding from BII

dedicated to low-income and women entrepreneurs

Strengthened digital infrastructure

from paperless onboarding to mobile-app based digital collections

Institutionalised co-lending partnerships

expanding our reach without stretching risk

Enhanced technology stack

robust Lead Management System, Business Rule Engine, Integrated Mobile App

Secured MSME disbursals

consistently strong, driven by granular, low-LTV lending approach

Direction gives us purpose; discipline gives us permanence. In FY2025, we moved forward with both.

Financial Highlights:

Financial discipline, asset quality, and institutional maturity

FY2025 was a year where we delivered quality earnings, stayed rooted in our principles, and protected our book, our ratings reaffirmed, NPAs well-contained, Capital buffers strong and most importantly, lending done with discernment.

Metric	FY2025	FY2024	YoY Growth	What the change indicates
AUM Total assets under management – reflects portfolio size	₹8,747 Cr	₹6,822 Cr	+28%	Steady growth despite moderation signals disciplined expansion
PAT Net profit after tax	₹345 Cr	₹237 Cr	+46%	Strong bottom-line efficiency and operating leverage kicking in
ROE Return on average tangible equity – profitability against tangible equity base	12.72%	11.28%	+144 bps	Sustained shareholder value creation.
NIM Net Interest Margin – yield minus cost of funds	10.20%	9.91%	+29 bps	High margins maintained even in competitive lending market
GNPA Gross non-performing assets	2.74%	2.43%	+31 bps	Slight uptick due to portfolio maturity, still within control range
NNPA Net non-performing assets after provisions	1.51%	1.36%	+15 bps	Maintained under prudent thresholds – indicates superior risk filters
Credit Rating External assessment of creditworthiness	AA- (Stable)	AA- (Stable)	Affirmed	Institutional stability and governance reaffirmed
Capital Adequacy Regulatory buffer against risk-weighted assets	36.1%	40.5%	Healthy buffer	Healthy capital buffer ensures growth headroom and resilience

Leading with clarity, anchored in responsibility

The financial year 2025 stands as a testament to our leadership's ability to balance ambition with discipline.

Guided by this year's theme, '**The Compass and the Anchor**', we continued to advance our mission of empowering India's underserved MSME sector through a dual focus: strategic foresight and financial strength. The compass represents our drive to explore new opportunities and extend financial inclusion into deeper geographies. The anchor reflects our unwavering commitment to institutional stability, governance excellence and prudent risk management.

This philosophy has shaped our decision-making at every level, from expanding our reach to reinforcing our operational backbone and risk controls. As we navigated a transforming financial landscape, our leadership remained focused on delivering consistent performance, ensuring that growth remained responsible, inclusive and resilient.

In the year ahead, SBFC's aspirations are grand yet precise: to construct a lasting institution synonymous with scale, profitability and governance. Our strides are ambitious yet measured, ensuring that finance remains a transformative force for the MSMEs we serve. As we progress, our pledge to innovation, our expansion into untapped markets and our investment in our people, collectively write a new chapter in the financial narrative of India—one where SBFC's influence is both transformative and enduring.

Message from

MD & CEO

Mr. Aseem Dhru
Managing Director & CEO

FY2025 was a year in which we stayed steady in uncertain waters. While our loan disbursals moderated from the highs of the previous years, this was a deliberate decision to hold our course. We prioritised asset quality, operational robustness, and institution-building over chasing aggressive scale. In doing so, we protected the long-term health of our business and reinforced the foundations on which sustainable growth must rest.

Resilience, for us, was about using headwinds to test the strength of our anchors – our people, processes, and principles. Our growth engine remained strong, our NPAs held within the tolerance range and we delivered profitability of ₹345 crore. These results reflect our financial discipline and also our conviction in building a lasting Institution.

This year also reaffirmed the power of prudence. With the present risk of being caught off guard by credit slippages and liquidity pressures, we stayed ahead through robust risk management and a stable liability mix. We improved operational efficiency through technology, deepened our presence in underserved markets and expanded partnerships that enhance our impact.

SBFC has always been more than a lender. We are a bridge connecting ambition with access, especially for India's small entrepreneurs. As we look ahead, our compass remains firmly pointed towards inclusive growth, and our anchor – our values – holds fast. We are ready to sail forward despite the headwinds because of the resilience we've built through them.

Aseem Dhru
MD & CEO
SBFC Finance Limited

Message from the Founding Team:

Navigating growth with strategic direction and financial discipline

At SBFC, our purpose is simple, yet powerful: to make finance easy and accessible for India's small businesses. This mission has remained our guiding compass since inception, and this year, we saw it come alive in more meaningful ways. FY2025 was a year of steadying the sails and strengthening our course. It was a year where we balanced ambition with prudence – staying true to our strategic direction while anchoring ourselves deeper in governance and discipline.

SBFC in FY2025

Customer Base
→ **1.71** lakh active customers

Branch Network
→ **205** Branches
→ **16** States & **2** UTs

Credit Rating
→ **AA-** (Stable) from CARE, INDIA RATING and ICRA

Global Index Inclusion
→ MSCI Global Small Cap Index
→ FTSE All Cap Index

Capital Raised
→ **₹4,000** million for low-income & women borrowers specifically

Financial Performance
→ **PAT: ₹345** crore FY2025

The Compass:

Strategic execution with momentum

We reached over 1.5 lakh customers across Tier II and Tier III India, expanding our footprint to 205 branches across 16 states and 2 Union Territories. In this expansion in scale – our focus remained on deepening our impact in the places that needed it most.

In FY2025, we secured ₹4,000 million from British International Investment (BII). More than a fundraise, this was a statement of trust in our model and our mission. The capital is now helping us reach women entrepreneurs and low-income borrowers – segments that are often overlooked but are central to India's growth story.

The Anchor:

Stability, predictability and governance

Internally, we made important strides in building institutional strength. Our co-lending partnerships matured, our liability profile diversified, and our digital infrastructure became even more robust. From onboarding to collections, our phygital model delivered scale with control. What used to take days now happens in minutes – and this efficiency is what makes our growth sustainable.

FY2025 also saw us deliver consistently strong financial performance. Profitability held firm, and so did our asset quality. Our credit ratings were reaffirmed at AA- (Stable) by CARE and ICRA. We were also included in the MSCI Global Small Cap Index – a recognition of our growing institutional maturity.

Humanising the Journey:

Our people, our differentiator

But numbers only tell part of the story. The real one is the story of our people – our field teams reaching the last mile, our credit officers making decisions with care and rigour, our data scientists refining our risk models, our tech teams ensuring every system hums quietly in the background. Every piece of this machinery matters. And together, it has worked.

This year, we saw the shift from being seen as a high-growth NBFC to being acknowledged as a resilient, process-driven institution with technology at its core and lending practices matured enough to weather macroeconomic volatility. This is a transition we are proud of – and one we intend to deepen further.

> Our team prioritises the quality of our book over the pace of our growth – because resilience today is what secures our business tomorrow.

Looking Ahead:

Resilience with responsibility

Looking ahead, we know the journey will continue to test our resilience. But we also know that our foundations are strong. Our strategy and talent ensure that we are building an institution that can thrive across cycles. One that combines agility with reliability.

In doing so, we remain committed to three priorities:

- → **Expanding our reach in Tier II and Tier III India**
- → **Maintaining underwriting discipline and strong asset quality**
- → **Creating long-term value for all stakeholders**

In an economic and political environment that is constantly changing, we take pride in knowing our bearings remain steady. We may sail different seas each year – but our compass stays true, and our anchor holds firm.

To our investors, customers, employees, regulators and partners – thank you for your continued trust. It gives us the confidence to keep moving forward with purpose and conviction.

Sincerely,

The Founding Team
SBFC Finance Limited

> Thank you for your support in building a resilient institution – where quality is protected, risk is anticipated, and every loan strengthens its foundation.

Our Leadership Team

Our leadership team embodies the clarity, courage and commitment that fuel SBFC's journey of inclusive financial empowerment.

Mr. Aseem Dhru
Managing Director & CEO
27+ Years of experience
HDFC BANK

Mr. Mahesh Dayani
Executive Director
22+ Years of experience
kotak, HDFC BANK

Mr. Narayan Barasia
Chief Financial Officer
22+ Years of experience
Godrej | CONSUMER PRODUCTS

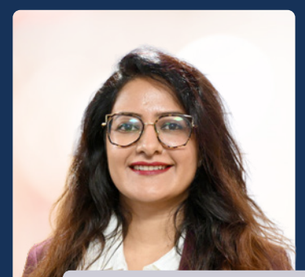
Mr. Sanket Agrawal
Chief Strategy Officer & IR
12+ Years of experience
Deloitte.

Mr. Rajiv Thakker
Chief Risk Officer
25+ Years of experience
kotak

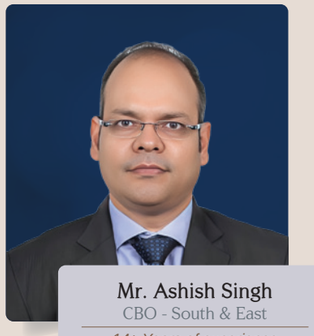
Mr. Sai Prashant Menon
Chief Collections Officer
24+ Years of experience
BAJAJ FINSERV, Standard Chartered, Fullerton India

Mr. Sumeet Ghai
Chief Human Resources Officer
22+ Years of experience
TAJ, ClubMahindra

Mr. Ganesh Vaidya
Chief Technology Officer
16+ Years of experience
HDFC BANK, kotak



Ms Namrata Sajnani
Company Secretary & Chief Compliance Officer
11+ years of experience
Piramal, BAID FINSERV LTD., UGRO CAPITAL



Mr. Ashish Singh
CBO - South & East
14+ Years of experience
HDFC BANK

Mr. Ish Chawla
CBO - North & West
16+ Years of experience
HDFC BANK, kotak

Mr. Pragnesh Soneji
CBO - Gold Loans
22+ Years of experience
HDFC BANK, kotak

Mr. Viney Veid
Head- Credit
17+ Years of experience
HDB FINANCIAL SERVICES, BAJAJ FINSERV

Mr. Shanesh Jain
Head- Internal Audit
9+ years of experience
Deloitte.

Mr. Arup Bhattacharya
Head- Treasury
21+ Years of experience
Vi, JSW Steel

Mr. Agnivesh Kumar
Head - Operations
14+ Years of experience
ICICI Bank, BAJAJ FINSERV

Key Milestones:

Building a robust institution, one step at a time

Over the years, SBFC has been steadfast in its journey to build an institution of scale, profitability and governance. Each milestone represents more than just a point in time, it reflects our resolve to simplify financial access for India's small businesses and our continued progress in embedding governance, technology and customer-centricity into our DNA. FY2025 marked yet another chapter in this journey as we deepened our impact and expanded our reach.

Our growth story is not a sprint but a disciplined and deliberate build, fuelled by the right people, purposeful innovation, and strategic foresight. The following milestones showcase how our cumulative efforts have strengthened our institutional foundation and expanded our capacity to serve India's underserved MSME sector.

Our Institutional Milestones

FY2018

- Acquisition of assets of **Karvy Financial Services Limited**
- Onboarded **Management Team**

FY2019

Customer Count	Employee Count
26,608	802

- Enhanced **ME product programme**
- Launched **LeviOSa**, our loan origination system
- Entered new markets in **Assam** and **West Bengal**
- Launched app-based collections – **Omega and Delta**
- Received ICRA rating: **A (Stable)**

FY2020

Customer Count	Employee Count
40,432	1,153

- Commenced co-origination with **ICICI Bank**
- Implemented **e-NACH** to enhance collections
- Expanded to **96 branches**; set up **Thane regional office (13000 sq ft)**
- Launched '**Loan Management Service**' and onboarded first institutional customer

FY2021

Customer Count	Employee Count
56,587	1,471

- Introduced **Gold Loan, digital loans**
- Expanded to **124 branches**
- Entered new markets in **Bihar**
- Crossed **₹100 crore** in monthly disbursements
- Gold Loan AUM reached **₹500 crore**

FY2022

Customer Count	Employee Count
72,816	2,048

- Upgraded to **A+ (Stable)** by India Ratings
- Crossed **₹200 crore** in monthly disbursements
- Secured MSME AUM reached **₹2,000 crore**
- Onboarded **20 lending partners**
- Launched **online gold loan** renewal process

FY2023

Customer Count	Employee Count
1,02,722	2,822

- Branch count crossed **150**
- Customer base crossed **100,000**
- PAT: **₹1,497 million**
- ROTE: **12%**

FY2024

Customer Count	Employee Count
1,29,183	3,758

- Successful **IPO (NSE & BSE listing**: August 16, 2023)
- Upgraded to **AA- (Stable)** by India Ratings
- Gold Loan AUM crossed **₹1,000 crore**
- Secured MSME Co-origination AUM crossed **₹1,000 crore**
- **ISO 27001** Certified

FY2025

Customer Count	Employee Count
1,64,220	4,294

- AUM reached **₹8,747 crore**
- PAT reached **₹345** crore in FY25
- Branches expanded to **205** across **16 States** & **2 UTs**
- Customer based crossed **1,50,000**
- Included in **MSCI Global Small Cap Index**
- Credit rating reaffirmed: **AA- (Stable)** by CARE and ICRA

From our first **₹1,000 crore** in AUM to being listed on MSCI, every milestone has been a step towards building a future-ready institution anchored in resilience, scale and inclusive impact.

Product Portfolio:

Lending solutions rooted in real economy impact

Our product suite is designed to enable our purpose: to make loans easy and accessible for small businesses and underserved communities across India. With the customer at the centre, our products balance efficiency, risk prudence and social impact to create bespoke, need-based lending solutions. Our core offerings cater to the aspirational self-employed segment and salaried individuals in the ₹5 lakh to ₹30 lakh loan bracket—a segment traditionally underserved by traditional lenders and crucial to India's grassroots economic fabric.

Secured MSME Loans

Core growth engine providing secured loans to MSMEs

Loan Against Gold

Liquidity lever taking gold as collateral

Secured MSME Loans: Our core growth engine

Our flagship product remains the Secured MSME Loan, structured specifically for self-employed micro and small business owners who often lack formal credit history but possess real potential and tangible collateral. With flexible loan structures and faster turnaround times, this offering continues to see deep market traction.

₹9.49 lakh
Average Ticket Size

83%
% of Total AUM

42.6%
Loan-to-Value
(MSME Portfolio Average)

Within 7 working days
Disbursal Turnaround Time

These loans are designed to meet working capital needs, enabling business expansion and the credit formalisation journeys of grassroots entrepreneurs.

Our products are designed to uplift, empower and anchor growth in India's real economy. Through secured MSME loans, gold-backed loans, and world-class loan servicing, we support building the financial backbone of emerging India.

Loan Against Gold (LAG): A collateralised liquidity lever

A strategic diversifier in our portfolio, our Loan Against Gold product caters to the urgent liquidity needs of customers with limited income documentation but readily available collateral. This short-tenure, high-margin offering complements our MSME book, offering yield optimisation and liquidity to our balance sheet.

₹0.94 lakh
Average Ticket Size

62.4%
Average Loan-to-Value

~17%
% of Total AUM

3 months to 3 years
Loan Tenure

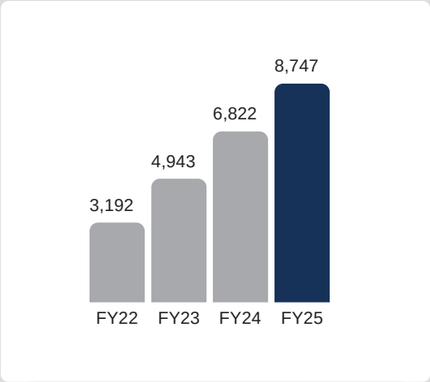
~20 minutes
Disbursal Time

With gold as a liquid asset, this segment provides a favourable risk-return profile with low credit cost and help us balance our Assets & Liabilities in our Balance Sheet.

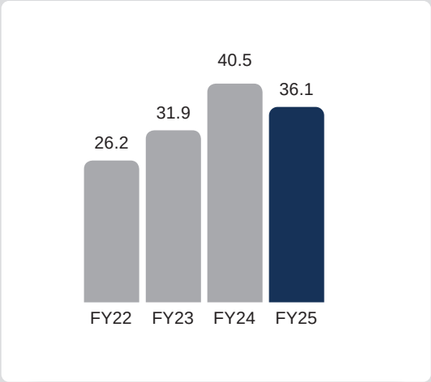
Key Performance Indicators:

Our progress in delivering sustainable, scalable growth

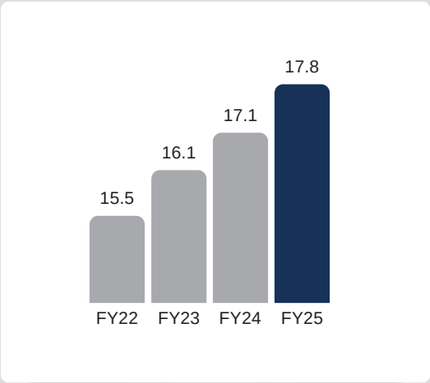
Assets Under Management (₹ in crore)



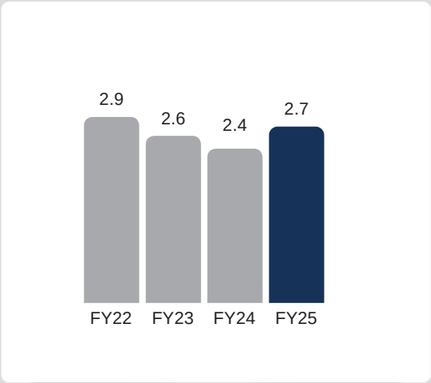
Capital Adequacy Ratio (%)



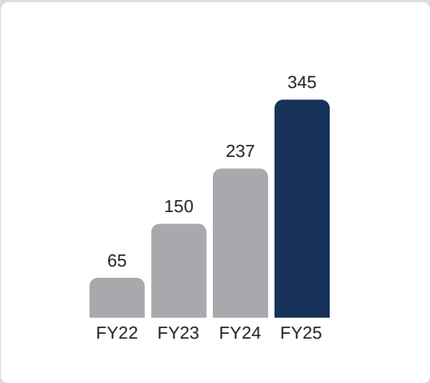
Yield* (%)



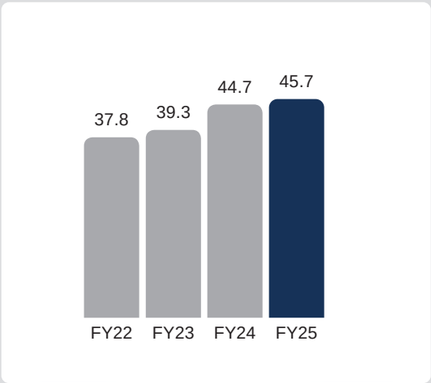
Gross NPA (%)



Profit After Tax (₹ in crore)

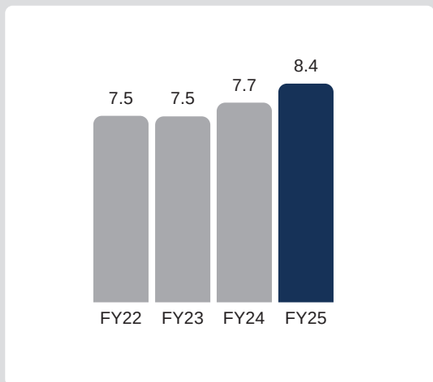


Provision Coverage Ratio (%)



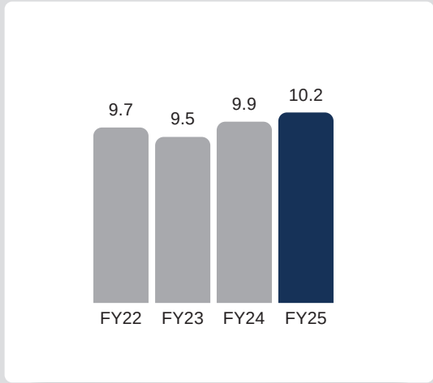
** based on daily averages*

Spread* (%)

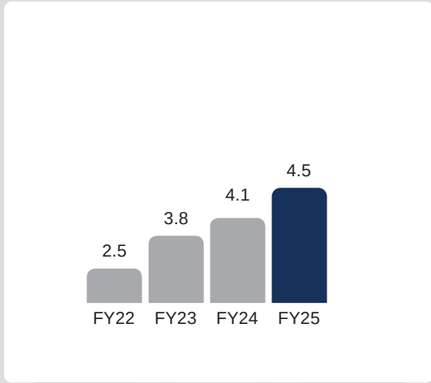


Credit Cost to Average AUM* (%)

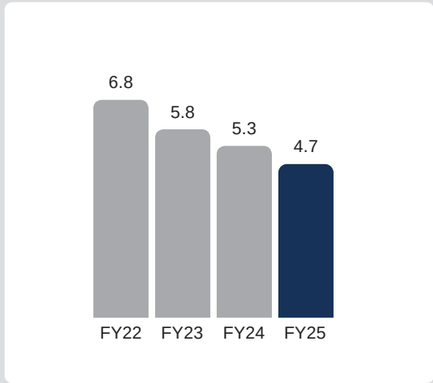
Net Interest Margin* (%)



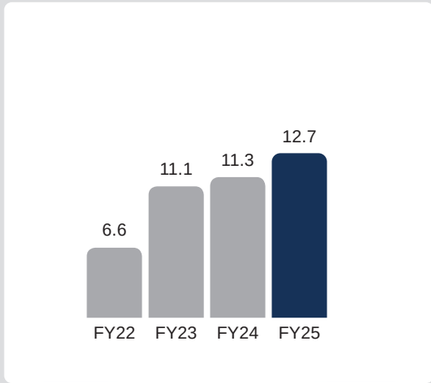
Return on Average AUM* (%)



Operating Expenses to Average AUM* (%)



Return on Average Tangible Equity# (%)



** based on daily averages*
 # based on monthly averages

Customer Journeys: Where aspiration meets accessibility

We believe access to credit should not be a barrier to progress. For many of our customers, a loan is more than a financial product — it's the difference between standing still and moving forward. Whether it's expanding a shop, upgrading equipment or simply finishing a home, our loans help people take tangible steps towards their goals.

Building a Business from the Ground Up

Expanding a Family Business

Turning Experience into Enterprise

Strengthening Livelihoods and Stability

Rebuilding and Expanding a Legacy Business

Building a Business from the Ground Up

Trends Mens Wear | Sangli, Maharashtra

Mr. Suraj Mokashi, from Sangli, Maharashtra, is the owner of Trends Mens Wear, a clothing store he started six years ago. After completing his college education, Mr. Suraj began working at a friend's garment shop. It was here that he gained hands-on experience in retail, learned how to manage stock, understand customer preferences, and run day-to-day operations. While his father explored traditional employment options for him— many of which required upfront payments or fees—Mr. Suraj had a different vision. He decided to use his retail experience to start something of his own.

The Challenge

Mr. Suraj took a leap of faith and rented his own shop. The initial response was encouraging, and the business started picking up. But like many first-generation entrepreneurs, he faced the common challenges of limited capital and constrained growth. Despite his efforts, expanding the business remained a distant goal. He needed funding to take the next step but lacked access to formal credit options that were fast, flexible and suited to his business size.

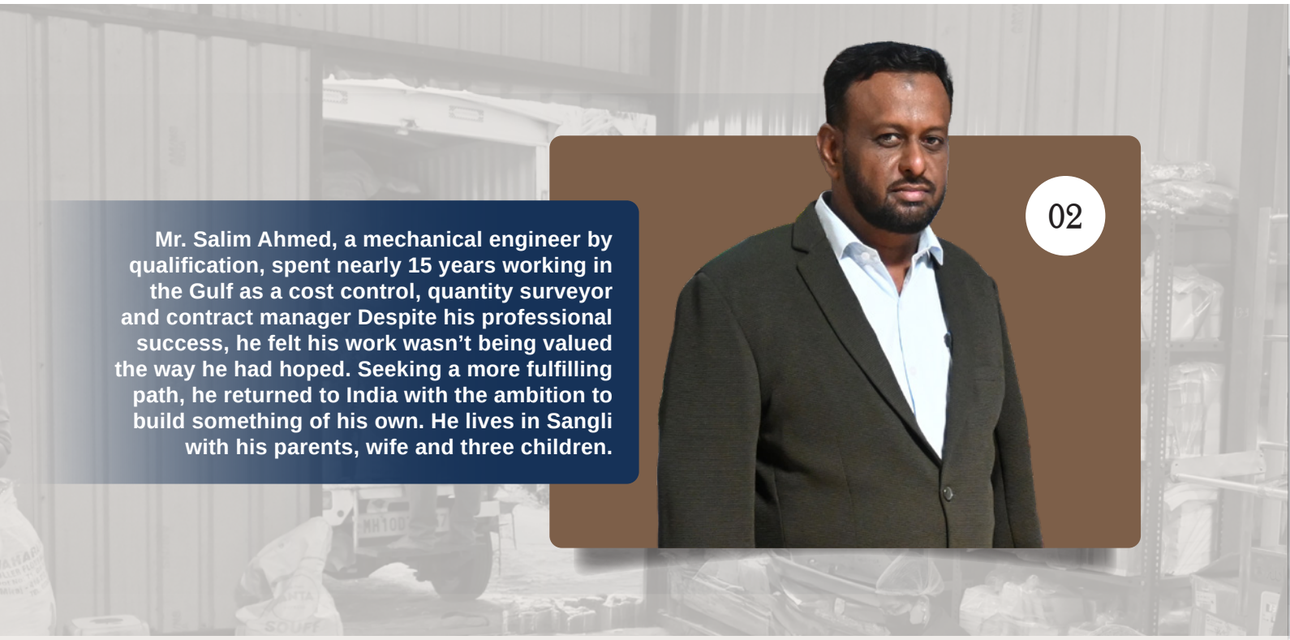
How SBFC Helped

A chance interaction with a customer-turned-friend introduced Mr. Suraj to SBFC Finance. Encouraged by what he heard, Mr. Suraj reached out to us. We assessed his business, understood his needs and structured a loan that worked for him—without the complexity and delays often associated with traditional lenders. With this support, Mr. Suraj was able to invest further in his store, stabilise operations and focus on growing his customer base.

Mr. Suraj's story highlights what access to the right financial partner can do for small business owners. By supporting entrepreneurs like Suraj with timely, uncomplicated credit, we help turn individual effort into long-term enterprise.

Turning Experience into Enterprise

Say's Spices | Sangli, Maharashtra



02

Mr. Salim Ahmed, a mechanical engineer by qualification, spent nearly 15 years working in the Gulf as a cost control, quantity surveyor and contract manager Despite his professional success, he felt his work wasn't being valued the way he had hoped. Seeking a more fulfilling path, he returned to India with the ambition to build something of his own. He lives in Sangli with his parents, wife and three children.

The Challenge

Mr. Salim initially planned to open a hotel, but the onset of the COVID-19 pandemic disrupted his plans, leading to financial losses of nearly ₹18–20 lakhs. Determined to rebuild, he shifted focus and started Say's Spices, with a vision to become a leading food manufacturer in India. For over five years, he funded the business on his own, but persistent challenges—especially in packaging—held him back. A loan from another lender failed to provide the kind of support he needed to grow the business.

How SBFC Helped

Mr. Salim approached SBFC. We understood his business potential and extended the support and funding he required. With our help, he was able to strengthen operations and address his packaging challenges. Today, his business runs smoothly, and Mr. Salim often recommends SBFC to others in his community—sharing the same trust he experienced with us.

Mr. Salim's story highlights how the right financial support, at the right time, can reignite entrepreneurial ambition. At SBFC, we enable transitions, helping experienced professionals like Mr. Salim turn their expertise into meaningful impact.

Rebuilding and Expanding a Legacy Business

Sairam Auto Works | Betal, Karnataka

03

Mr. Suresh, based in Betal, Karnataka, is the owner of Sairam Auto Works—a garage he has been running for the past 26 years. A hands-on entrepreneur, he has managed and operated the garage himself every day, steadily building a customer base over the years.

The Challenge

Like many small business owners, Mr. Suresh faced serious disruptions during the COVID-19 pandemic. Labour shortages and operational hurdles forced him to pause his garage work and return to his hometown, where he temporarily focused on managing his family's poultry farm. Once conditions stabilised, he resumed operations at his garage—but by then, business had slowed, and resources were limited. While he was eager to expand, he simply didn't have the capital to take the next step.

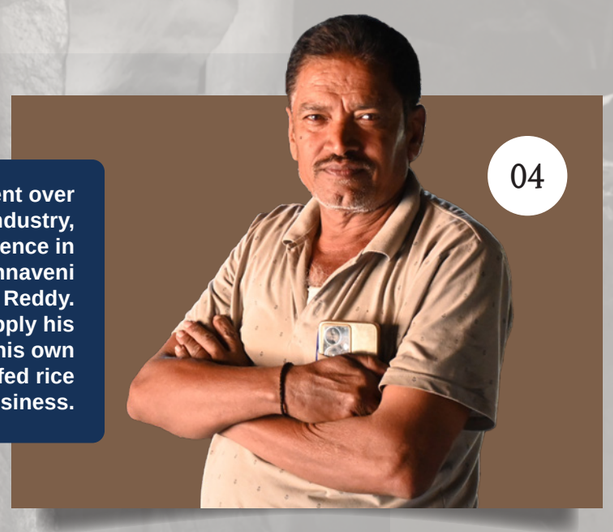
How SBFC Helped

A friend, and also a SBFC employee, encouraged Mr. Suresh to approach us. He reached out, and we were able to quickly understand his needs and offer him a loan that would support his business growth. The funds helped him strengthen operations and invest in expansion. Seeing the benefits, Mr. Suresh later availed a top-up loan as well. With the renewed confidence and business momentum, he now plans to open a second branch.

Mr. Suresh's journey reflects the kind of long-term value we create by supporting established entrepreneurs in their growth phase. Our ability to provide timely, need-based credit helps businesses recover and grow stronger than before.

Expanding a Family Business

TVR Enterprises | Telangana



04

Mr. Venkatesh Reddy has spent over 25 years working in the puffed rice industry, gaining deep knowledge and experience in the trade. He lives with his wife Krishnaveni Reddy and their son Shrikanth Reddy. Five years ago, he decided to apply his experience to build something of his own and started TVR Enterprises, a puffed rice manufacturing business.

The Challenge

Like many small business owners, Mr. Venkatesh faced serious setbacks during the COVID-19 pandemic. His operations were severely impacted, and business came to a standstill. However, once the economy began to recover, the demand for puffed rice surged again, offering him an opportunity to scale. Mr. Venkatesh was keen to expand, but lacked the capital to acquire land and invest in the equipment needed to set up a larger factory.

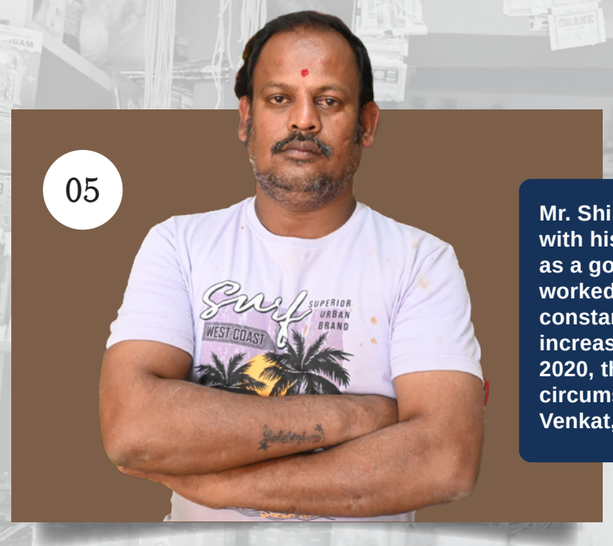
How SBFC Helped

When Mr. Venkatesh approached the SBFC office, our team worked closely with him to understand his requirements. With end-to- end support from our staff, including personalised assistance through the loan process, we were able to provide him with the funding needed to purchase new machinery and invest in factory expansion. Today, his business is operating at a much larger scale, with increased output and improved profitability.

Mr. Venkatesh's journey shows how timely and accessible financing can unlock the next stage of growth for experienced entrepreneurs. Our services enable small business owners to build on their strengths, and grow establishments that create lasting impact in their communities.

Strengthening Livelihoods and Stability

Laxmi Venkat | Rajanukunte, Bangalore



05

Mr. Shirniwas lives in Rajanukunte, Bangalore, with his wife and two children. He works as a government employee, while his wife worked in domestic roles that involved constant movement— something that became increasingly difficult for their family. In 2020, they decided to take charge of their circumstances and opened a shop, Laxmi Venkat, using a loan from a bank.

The Challenge

While the shop gave the family some financial stability, life threw unexpected challenges their way. In 2023, they faced significant financial pressure, compounded by the emotional and medical toll of Mr. Shirniwas's mother suffering a paralysis attack. With household expenses rising and business growth slowing, Mr. Shirniwas needed better financial support to keep things moving forward.

How SBFC Helped

A friend recommended SBFC, and Mr. Shirniwas reached out to us. He availed a balance transfer top-up loan, which enabled him to expand his shop and cover his mother's medical expenses. Impressed by the ease and responsiveness of our service, he later took a second top-up loan to build the first and second floor of his home—adding both space and security for his family.

Mr. Shirniwas's story shows that credit, when structured and delivered well, does more than just support a business: it safeguards families. Our approach enables people to meet immediate challenges and invest in long-term stability, all with the same trusted financial partner.

Anchored in purpose, sailed for impact:

Enabling the entrepreneurial journey of India's households

India's micro, small, and medium enterprises (MSMEs) are the heartbeat of local communities, the foundation of self-reliance, and the catalysts of generational progress. Yet, for millions of entrepreneurs across the country, the lack of access to formal credit remains a defining barrier. At SBFC, we enable access to capital for underserved entrepreneurs, turning aspiration into action. Through our purpose-driven lending model, we are financing small businesses, supporting household enterprises, and creating pathways where ambition can grow without constraints.

Unlocking India's Credit-Starved Backbone

India is home to over 63 million MSMEs—a diverse ecosystem that powers nearly a third of the country's GDP. Yet, for all their economic significance, the vast majority of these enterprises operate in a credit vaccum. Formal financing remains elusive, particularly for businesses in smaller towns and lower-income households. The problem isn't lack of aspiration, but the lack of access.

At SBFC, we exist to bridge that gap by unlocking the economic potential of India's self-made entrepreneurs. Our lending philosophy is built on the premise that access to credit should be an enabler of dreams, not a barrier to them.

Credit its more that just capital. It is dignity, momentum, and the first push towards transformation.

Building Reach Where It Matters Most

Our business model has been intentionally designed to reach the underserved. With 205 branches across 157 cities, 16 States and 2 Union Territories, SBFC is now present in close to 25% of the total districts across the states we operate in. This geographic footprint surpasses density and emphasises deepening inclusion in regions where formal credit systems have historically been under-penetrated.

Every branch we open brings us closer to a borrower who previously had to rely on informal sources. Our reach is still only a fraction of the total opportunity, and that's precisely where our long-term growth runway lies.

25%

SBFC is present in nearly 25% of districts in the states we operate—yet the opportunity is still just unfolding.

Empowering Women and Low-Income Households

This year, we took a step further in deepening inclusion, not just geographically, but demographically too. A portion of our borrowing has been raised specifically to support two critically underserved segments: low-income households and women entrepreneurs. Through a strategic partnership with British International Investment (BII), we have secured ₹400 crore in funding, half of which is earmarked for each of these focus groups.

These are borrowers who have historically remained outside the scope of mainstream lending. By targeting credit toward them, we aim to fill a market gap while also catalysing generational progress.

When a woman entrepreneur rises, so does her household, her community, and the next generation.

Anchored in purpose, sailed for impact

SBFC

A Loan is a Beginning, Not the End

We view our customers as aspiring entrepreneurs on a path to progress. From saree manufacturers in Karnataka to workshop owners in Pune and retail traders in Uttar Pradesh, the stories behind our loans are stories of resilience, ambition and steady advancement.

Every enterprise we support contributes to its neighbourhood, creating livelihoods, enabling services, and driving local demand. In this sense, our purpose goes beyond credit, it becomes a catalyst for upward mobility.

83%

of our total AUM is in Secured MSME lending, directly fuelling grassroots of economic growth.

Resilience Rooted in ESG Commitment

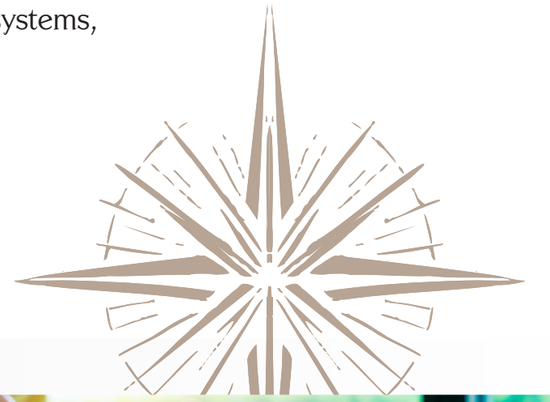
While our financial services create economic impact on the ground, we continue to integrate environmental, social and governance (ESG) principles into our broader operations. Our ESG philosophy is embedded in action, from formalising risk frameworks to community development initiatives that complement our business reach.

49%

Profit alone does not build institutions— purpose and responsibility do. 49% of certified trainees are absorbed into our workforce.

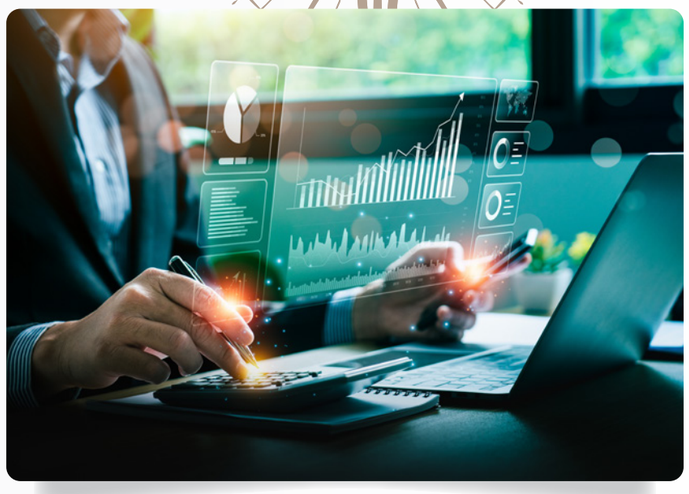
Our CSR initiatives reflect this commitment. From supporting infrastructure upgrades in rural schools in Gujarat and Rajasthan to mobile ophthalmic vans in Maharashtra, we are building more than balance sheets—we are building human capital. Our flagship training initiative, SBFC Gurukul, has trained over 616 youth from underserved backgrounds in FY2025, with 49% of certified trainees absorbed into our workforce.

As we look ahead, our journey is firmly anchored in deeper trust, stronger systems, and more meaningful impact.



The Road Ahead: Purpose-Led Growth, Quality-First Execution

FY2025 has been a year of consolidation, focus, and maturity. While growth continues, our core fundamentals—credit quality, profitability, and operational efficiency—have remained steady and resilient. With a PAT of ₹3,451 million for the year, we are growing profitably, with each incremental gain enabling us to expand our CSR efforts. Our focus remains on building not just a high-growth company, but a high-quality institution.



₹3,451 million

With our PAT at ₹3,451 milion for FY2025, every addition to profitability is also an opportunity to add to our CSR commitments.

We are here to grow responsibly, inclusively, and with enduring purpose.

Shiksha se Rojgar:

Creating economic empowerment through education, skill and healthcare

We support India's underserved households in moving from informal to formal financial systems. This transition begins with access to knowledge, skills and basic well-being.

Our CSR philosophy, Shiksha se Rojgar, means "From Education to Employment." It reflects our belief that financial empowerment is a journey built on three essentials: education, employability, and health. When these foundations are strong, individuals and households are better prepared to participate in and benefit from the formal economy.

By investing in the pillars of Education, Employability, and Health, we aim to create a long-term impact in the communities where we operate. We have aligned our CSR investments to the geographies where SBFC has operational depth – ensuring we create deep, locally relevant impact in regions like Tier II and Tier III Maharashtra, Gujarat, Rajasthan, and Madhya Pradesh.

Our CSR is not peripheral to our business. It is a natural extension of it. We finance households, but we also invest in the conditions that enable them to thrive. Whether it's a girl stepping into a new classroom, a young trainee finding their first formal job, or accessing to medical support – every one of these experiences underscores our efforts to build a financially and socially resilient India.

616

Youths trained under SBFC Gurukul | 49% absorbed into SBFC.

200+ girls enrolled in Sirohi

90 new admissions in Ahmedabad

We believe that real financial empowerment begins with knowledge, skills and health.

6,927 patients screened

277 detected with refrective error

297

Villages served by Mobile Eye Care Unit

Education: Uplift of school infrastructure in aspirational districts

Shri Swaminarayan Vidyalaya
Manipura, Viramgam, Ahmedabad

In Gujarat, we enabled Shri Swaminarayan Vidyalaya to expand enrolment beyond Class 8, filling a critical education gap as government-provided schooling ends at this level.

Our support facilitated infrastructure upgrades that led to 90 new student admissions, including the introduction of Class 9 to 12.

The provision of separate washrooms helped improve inclusivity, with girl students now making up over 50% of the school's population.

This year, we also supported safe transportation so students can travel from neighbouring villages.

Government Upper Primary School
Tankariya, Sirohi, Rajasthan

In Rajasthan's aspirational district of Sirohi, we focused on basic infrastructure and digital inclusion.

Our support enabled the development of four smart classrooms, a common area for mid-day meals, and separate toilets.

As a result, the school enrolled over 200 new girls, reinforcing our belief that access creates inclusion.

290

Over 290 new students admitted across two schools in Gujarat and Rajasthan.

Employability: SBFC Gurukul – skilling for local employment

Each of our branches is embedded in the local economy. We finance local businesses and hire local talent who understand the language, context, and customer mindset. SBFC Gurukul, our flagship skilling programme, takes this localisation strategy further by equipping underprivileged youth with skills that are relevant to our business.

Our model includes one-on-one counselling before enrolment, followed by structured induction, classroom sessions, on-the-job training, and buddy-based mentoring.

616

616 youths trained in various roles like Credit Processing Officer, Branch Sales Manager, and Chief Valuer

191

191 trainees certified with 259 active participants in FY2025

SBFC Gurukul builds aspiration, structure, and a pathway to formal employment.

49%

49% of trainees absorbed into SBFC

47%

47% of beneficiaries from low-income households

35%

35% of beneficiaries who are female

41%

41% of beneficiaries from Tier II and Tier III cities

Health: Community healthcare for the underserved

We believe health is a precondition for economic participation. Through this pillar, we supported Cataract Screening healthcare initiatives in FY2025, focusing on regions where public health access remains limited.

Cataract Screening and Transport: Kale Village, Kolhapur

In Maharashtra, we supported the Chaitanyam Ophthalmic Institute with a 25-seater Mobile Ophthalmic Unit to ferry cataract patients from 297 remote villages to the institute in Kale village. This has helped marginalised farmers and elderly residents access life-changing care without travel burden. The intervention has restored sight and improved quality of life for hundreds of members of our community.

Programme - Foster Inclusive Education

Name of the schools - Little Angels School
Year of introduction - 2019 onwards
Partners - Little Angels School
Program Details - There are students who can't afford to pay school dues due to their parent's financial condition, for such students we are sponsoring towards their educational expenditure. These students are having different disability which includes Autism, ADHD, Slow learner, Moderate Mental Retardation etc.
Skills - Academics, Life Enrichment Centre, Functional Academics & Vocational sections.

6,927

Total children screened

277

Total children detected with refrective error

297

Villages served by Mobile Eye Care Unit

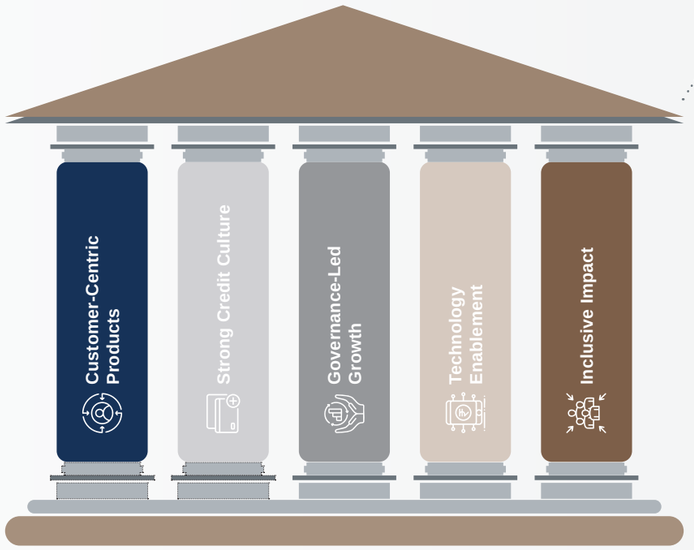
The Pillars Powering Our Purpose:

How we build, grow, and deliver value

Our business strategy is purposefully designed to address the evolving financial needs of India's underserved segments. These pillars give us actionable frameworks that respond to the operating realities of our environment. Each pillar aligns our internal capabilities to the opportunities and headwinds in India's MSME landscape, enabling us to scale with stability and grow with responsibility.

45.7%

Provision Coverage Ratio showcases our prudent approach to risk mitigation



01	02	03	04	05
Secured loans with maximum asset value unlock, competitive pricing, and serving the underserved.	Maintaining a robust credit underwriting and strong risk management framework	Ensuring growth through institutional discipline and transparent practices.	Leveraging technology for efficient operations and customer engagement.	Empowering diverse groups through responsible lending practices.

From strengthening our credit culture and governance foundations to upgrading core systems and expanding impact-led lending, our strategic pillars are translating operational meticulousness into scalable and inclusive growth.

01

Customer-Centric Products

Operating Context:

India's MSME sector, which comprises over 63 million enterprises and contributes ~30% to the national GDP, continues to face persistent credit exclusion. Traditional lenders often lack the risk appetite or distribution models to cater to borrowers in Tier II and Tier III towns, where formal financial access remains thin. Credit penetration remains low in the ₹5–30 lakh loan ticket segment, even as the category is growing at a ~24% CAGR. Moreover, rising economic aspirations, urbanisation, and digitisation are driving an increasing demand for more flexible, tailored and friction-free credit offerings.

Our Response:

At SBFC, we craft loan products that are designed around the economic realities of our customers. Our secured MSME loans are structured to unlock the maximum value from customer assets, combining competitive pricing, appropriate tenures, flexible repayment schedules and rapid disbursal processes. From asset-backed MSME financing to agile gold loans, our product strategy is anchored in accessibility and relevance.

02

Strong Credit Culture

Operating Context:

The broader NBFC sector is navigating a period of heightened scrutiny, regulatory tightening and macroeconomic volatility. With rising interest rates, inflation-linked cost pressures and uneven demand recovery, the sector faces challenges around asset quality and provisioning adequacy. The RBI continues to reinforce stringent credit discipline and higher capital buffers through evolving regulatory frameworks, making prudent underwriting and robust collection frameworks critical differentiators for long-term viability.

Our Response:

SBFC's credit culture is intentionally conservative yet calibrated to the realities of our customer segments. We operate with a rigorous credit underwriting policy, a segment-specific risk matrix, and active risk governance across the credit lifecycle. Our consistently stable GNPA ratio of 2.7% and a healthy Provision Coverage Ratio of 40% reflect our robust asset quality. Our AA- (Stable) credit rating stands as a testament to our discipline and risk resilience.

03

Governance-Led Growth

Operating Context:

In an increasingly complex regulatory environment, stakeholder expectations around transparency, board oversight, and ESG accountability are intensifying. Investors and regulators alike are demanding higher standards of disclosure, auditability and ethical conduct, especially for financial institutions serving high-risk segments. Governance has moved from a compliance metric to a strategic performance enabler and brand differentiator.

Our Response:

At SBFC, we have built a governance framework that supports long-term, sustainable growth. Our institution is guided by strong board-led oversight, defined risk and audit committees, and a proactive compliance culture. Transparency is woven into our disclosures, investor communication and internal controls. This institutional discipline not only builds stakeholder trust but also supports our capital- raising capabilities, rating stability and regulatory alignment.

04

Technology Enablement

Operating Context:

Technology continues to redefine the contours of financial services delivery in India. From Aadhaar-enabled digital KYC to API-led underwriting, the shift towards digital-first models is accelerating across the BFSI sector. At the same time, increasing customer expectations for frictionless experiences and rising threats to cybersecurity are creating dual pressures: the need for innovation and the imperative for resilience. Mid-sized NBFCs are expected to modernise without losing cost advantage or customer proximity.

Our Response:

SBFC's technology architecture is built to scale efficiently while preserving human empathy in service delivery. We operate a mobile-first CRM, a Business Rule Engine (BRE)-based loan origination system, real-time dashboards, digital KYC, IMPS/NEFT disbursals and API-integrated credit decisioning. Our DR setup, endpoint security and RPA-enabled processes reinforce system resilience. These investments allow us to deliver speed, precision and scalability across the customer lifecycle.

05

Inclusive Impact

Operating Context:

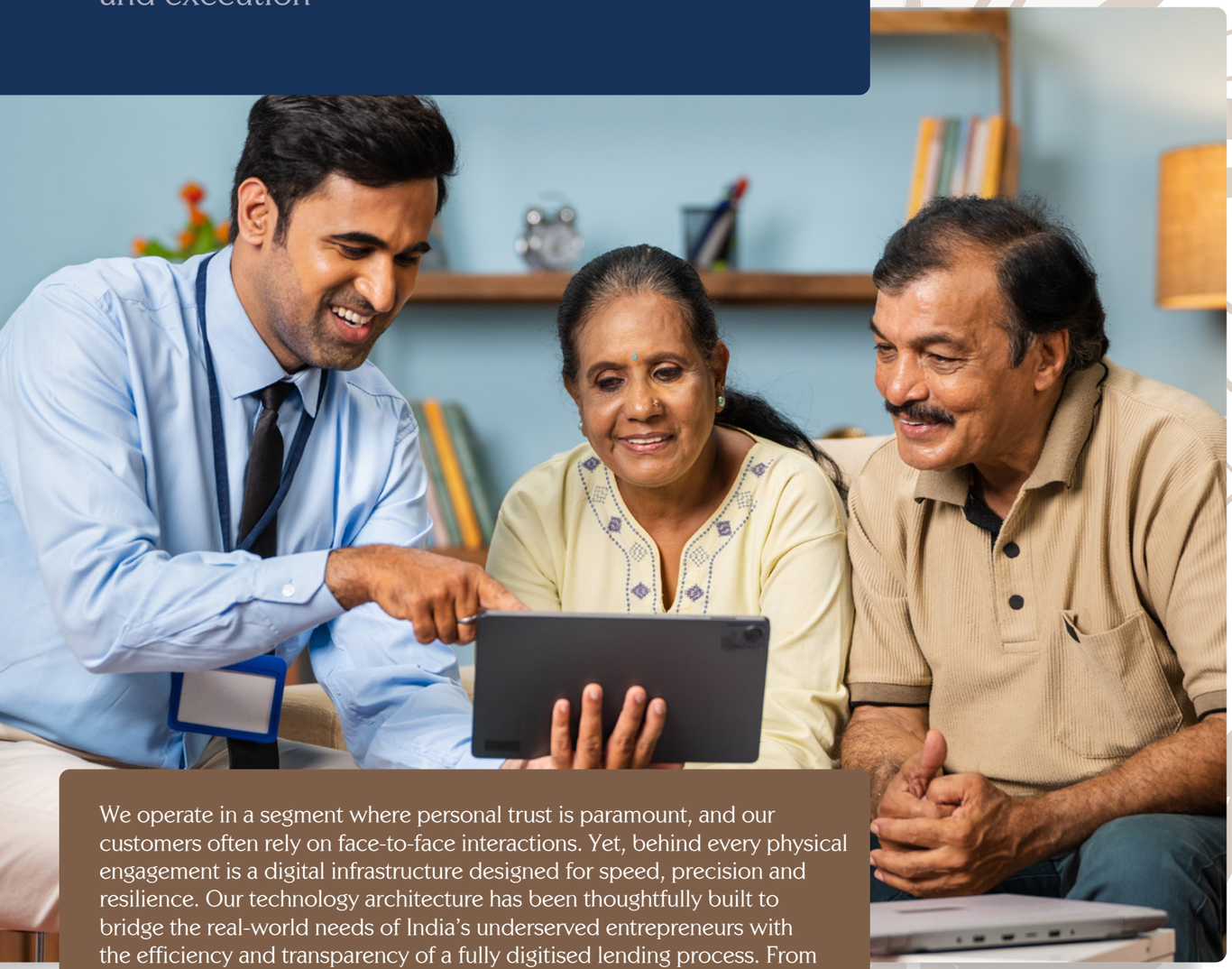
India's formalisation agenda— driven by Udyam registration, GST adoption, and digital financial inclusion—is unlocking new credit demand from previously unbanked MSMEs and women entrepreneurs. However, access gaps remain stark. Women continue to account for only a small fraction of formal credit uptake, and many low-income entrepreneurs still lack the collateral or documentation to meet traditional lending norms. At the same time, ESG- led capital flows are prioritising inclusion-linked impact, making inclusive finance both a social imperative and a capital advantage.

Our Response:

SBFC's inclusive impact philosophy is embedded in our lending practices, our partnerships and our workforce development initiatives. 95% of our loans have woman as applicants or co-applicants. Beyond lending, our SBFC Gurukul programme and CSR education initiatives aim to build capacity, enable employability and create lasting community transformation.

Digital backbone, human soul:

Technology as an enabler of inclusion and execution



We operate in a segment where personal trust is paramount, and our customers often rely on face-to-face interactions. Yet, behind every physical engagement is a digital infrastructure designed for speed, precision and resilience. Our technology architecture has been thoughtfully built to bridge the real-world needs of India's underserved entrepreneurs with the efficiency and transparency of a fully digitised lending process. From customer onboarding to post-disbursal servicing, every step is powered by robust systems, intuitive platforms and automation tools — ensuring that while the experience remains personal, the execution is seamless, secure and scalable.

Technology is Our Engine, But the Customer is Still Our Compass

Our business ethos is rooted in a simple but powerful belief: the strength of our institution lies not just in the products we offer, but in the way we deliver them. Our technology strategy is a deliberate extension of this ethos. We are building for India's underserved entrepreneurs who need real solutions.

The typical SBFC customer may not initiate their journey online, but that does not mean they deserve anything less than a smooth digital experience post onboarding. Our technology stack enables this seamless bridge: from a physical interaction at the doorstep to a fully digitised loan lifecycle that is faster, more secure, and more transparent. This approach directly supports our strategy to scale with quality, keep costs efficient, and maintain high-touch, high-tech service delivery at the heart of our business model.

Technology serves best when it disappears behind the relationship it enables.

From Paper to Platform: The Phygital Transformation

Our lending journey reflects our business philosophy – meet the customer where they are, but take them where they need to be. The journey begins with a physical interaction, often in a semi-digital environment. Yet, once the initial data is captured, the process is entirely digitised through our advanced Loan Origination System (LOS) and Loan Management System (LMS).

This year, we undertook a comprehensive revamp of our LOS & LMS architecture to create a modern system that is modular, intuitive and designed for scale. The transition to a three-tier architecture, with segregated web and application layers, has improved system security, performance, and scalability. A new microservices-based architecture and a migration to an Oracle-based database have provided the system with agility and robustness – ready to support growing customer volumes and complex integrations.

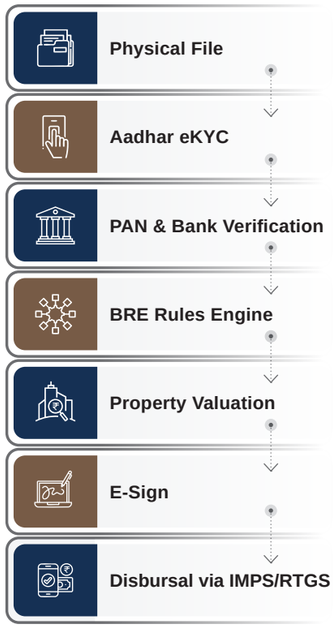
Our LOS overhaul also includes the introduction of an Intermediate Banking System (IBS) layer as an API middleware. This enables seamless real-time system interactions and opens future integration possibilities with external partners, payment gateways and compliance systems.

The wireframe and workflow have also been redesigned for speed and precision. Customer onboarding for Gold Loans is now paperless, with embedded digital features such as Aadhaar-based eKYC, PAN verification, and eSign capability. Risk controls have been enhanced with SDN list checks, customer deduplication, RBI-mandated validations and dual valuation models based on scheme thresholds.

The user interface has been refined for faster task execution – fewer clicks, cleaner screens, faster completion. Asset-level image documentation has replaced loan-level scanning, improving traceability and compliance. Loan renewal processes have been shortened, and operational tasks have been shifted from the front end – bringing efficiency, transparency and accountability.

At a broader level, our system is now a unified core platform that links origination, underwriting, disbursal, servicing, renewal, and closure into one tightly integrated system. For a lending institution like us, this transformation is aligned to our ambition of delivering impact at scale.

Our end-to-end lending workflow



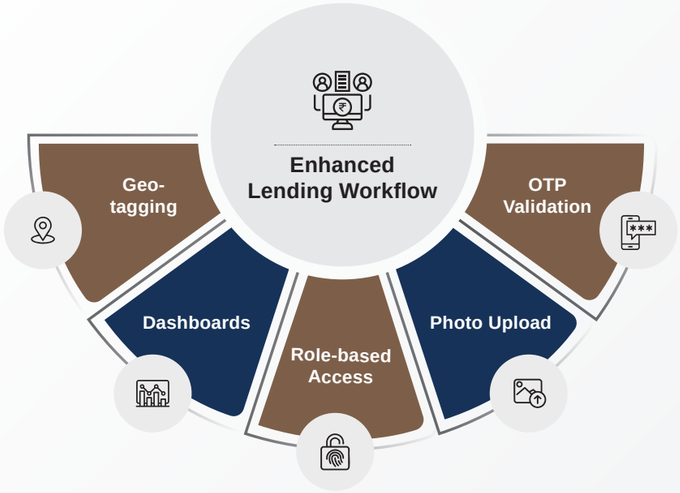
Our LMS overhaul integrates a three-tier architecture, microservices, and an API-centric framework—creating a secure, scalable, and modular digital backbone that transforms every physical loan file into an auditable, real-time digital asset.

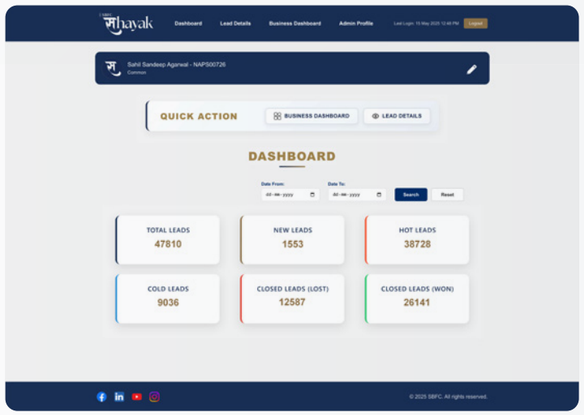
System Upgrades for Seamless Control and Growth

Complementing our LMS transformation is our **Sahayak lead management engine:** our in-house CRM designed to track sourcing effectiveness and branch performance. The platform is deeply integrated with HRMS hierarchy and allows geo-tagging, role-based access, OTP verification, deduplication and document uploads. Real-time dashboards bring visibility and rigour to every lead, while enhancing our sales-to-credit conversion pipeline.

These system upgrades support our broader business strategy: maintain cost discipline, scale with clarity, and keep execution aligned with risk frameworks. For an institution growing into deeper geographies, tech-enabled control mechanisms are fundamental to ensuring institutional integrity.

Technological Integration in Lending





Robotic Process Automation: Speed Meets Consistency

Robotic Process Automation (RPA) is another layer of our digital strategy that helps us eliminate inefficiency, reduce human error, and reallocate time toward customer-facing value.

We have implemented RPA across multiple back-office functions including report generation, reconciliation, document tracking, compliance monitoring, and recurring operational routines. These bots execute high-volume tasks with precision, freeing our teams to focus on judgement-based decisions rather than repetitive operations.

RPA ensures that critical processes, from credit scoring to portfolio reviews, are faster and standardised. This has a material impact on our business: faster execution leads to faster disbursals, higher throughput per employee, and better portfolio monitoring.

Precesion

RPA now ensures 100% accuracy and zero human delay in key back-office tasks.

Efficiency

RPA has reduced processing time across key back-office functions.

Resilience Built into the System: DR, BCP and Layered Controls

As we grow and scale, operational resilience becomes a strategic imperative. SBFC has invested in a comprehensive, enterprise-wide **Business Continuity Planning (BCP)** and **Disaster Recovery (DR)** framework that underpins our ability to serve customers without disruption, irrespective of external shocks.

Our DR infrastructure is anchored on a mirrored setup between our primary data centre in Mumbai and our Disaster Recovery site in Hyderabad. We conduct quarterly full-scale DR drills, where live operations are shifted to Hyderabad post end-of-day processing and run for a complete business day. This is a real-time stress test of our systems' capacity to manage business-as- usual operations under contingency conditions.

Data replication is managed via the N2WS Backup & Recovery appliance, enabling synchronous backups and near-zero RPO and minimal RTO performance. Our DR systems ensure that even in the event of a primary site failure, our business will continue without data loss, latency or compromise to service levels.

In parallel, we have hardened endpoint security through multi-tiered control layers: Advanced Endpoint Detection & Response (EDR), Data Loss Prevention (DLP) solutions, ZTNA-based email and web security protocols, role-based access through Active Directory, and Privileged Access Management (PAM) systems. Patch management and real-time threat detection are managed centrally, while regular audits validate infrastructure integrity.

Beyond tech, our governance architecture includes structured audits, fraud monitoring mechanisms, and training programmes for incident response readiness. Together, this layered control framework ensures that SBFC operates with digital sophistication and institutional integrity.

The layer of our Resilience Architecture

Governance Framework
Ensuring compliance and incident management

Endpoint Security
Protecting endpoints with advanced security tools

Access Controls
Managing access with robust control mechanisms

DR Site + BCP Drills
Core disaster recovery and continuity planning

Efficiency at Scale: Execution Empowered by Tech

Efficiency at SBFC is a mindset, driven by technology and executed with intent. Our digital infrastructure enables collections to be tracked in real-time through mobile apps, CRM platforms that offer 360-degree customer views, and payment channels that allow customers to transact via UPI, BBPS and aggregator gateways.

Our tech-powered processes have led to measurable reductions in loan turnaround times, improving operating leverage while enhancing customer satisfaction. With embedded analytics at every stage, from lead origination to delinquency management, our teams now operate with sharper insights, better prioritisation, and improved outcomes.

Looking Ahead: A Digital Core with a Human Face

These comprehensive upgrades reaffirm our commitment to leveraging technology as a catalyst for sustainable growth, compliance, and superior customer experience. As we continue our digital journey, we aim to further integrate intelligent automation, data analytics, and customer-centric innovations in the coming year. As we look ahead, our digital infrastructure will continue to evolve to meet customer expectations, regulatory readiness and business ambition.

SBFC's financial performance, operations, and strategy overview.

The global economy in 2024 showcased remarkable resilience amidst numerous challenges, with growth stabilising at 3.2%.

Overview of the Global Economy:

The global economy in 2024 showcased remarkable resilience amidst numerous challenges, with growth stabilising at 3.2%. This steady expansion was underpinned by varying regional dynamics, reflecting both strengths and vulnerabilities across key economies. The United States maintained a growth rate of 2.8%, doing better than the previous estimates. This performance was bolstered by strong consumer spending and favourable financial conditions, reflecting the economy's underlying strength despite external headwinds. Meanwhile, India continued its robust growth trajectory, achieving an impressive 6.5% expansion, driven primarily by solid domestic demand and sustained investment activity.

Conversely, the Euro Area faced subdued growth, impacted by Germany's economic slowdown, stemming from weak manufacturing output and persistent trade uncertainties. In China, growth moderated to 4.8%, influenced by challenges within the property sector and waning consumer confidence, leading to a more cautious economic outlook.

Inflation Trends and Market Dynamics

Global inflationary pressures eased notably during 2024, with headline inflation declining from 6.8% to 5.9%. Advanced economies witnessed a faster disinflation rate than emerging markets, reflecting effective monetary tightening in developed regions. However, the global trade environment faced uncertainties exacerbated by rising protectionism and geopolitical tensions, particularly in the Middle East. These factors dampened global trade flows and weighed on investor sentiment.

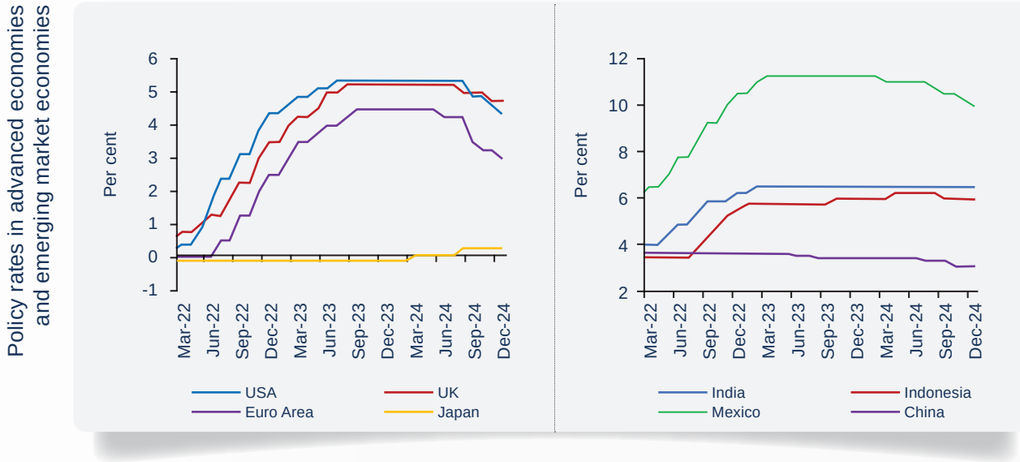
In response to heightened geopolitical instability and increased market volatility, gold prices surged by 25.5% in 2024, reaffirming its status as a traditional safe-haven asset and an effective hedge against economic uncertainties.

Monetary Policy, Interest Rates, and Currency Markets

Interest rate movements in 2024 exhibited a mixed trajectory. Central banks in advanced economies gradually transitioned from aggressive tightening cycles towards a more neutral stance, cautiously lowering rates as inflationary pressures receded. Conversely, select emerging markets maintained elevated interest rates to curb inflation and support currency stability.

5.9%

Headline Inflation Marks Notable Easing of Global Price Pressures in 2024.



Source: *Economic Survey, Ministry of Finance, Jan 2025.*

Currency markets mirrored these policy shifts. The US dollar strengthened, driven by expectations of higher US interest rates and shifts in trade policies. In contrast, several emerging market currencies experienced volatility due to geopolitical tensions and fluctuating capital flows.

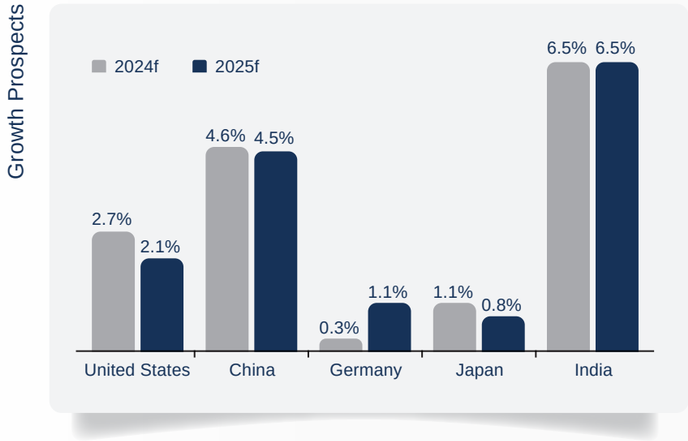
3.3%

IMF forecasts global growth to remain stable in 2025

Outlook for 2025 – Growth, Inflation, and Policy Directions

Looking ahead to 2025, the International Monetary Fund's (IMF) World Economic Outlook Update (January 2025) forecasts global growth to remain stable at 3.3%. India is expected to sustain its impressive performance with a projected growth rate of 6.5%, continuing to lead significant economies in terms of expansion.

The United States is anticipated to grow at 2.7%, supported by robust labour markets and increased investment activities. The Euro Area is projected to experience a modest recovery, with growth improving to 1.0%, driven by easing financial conditions and strengthening domestic demand.



Source: *World Economic Outlook Update, IMF, Jan 2025*

Interest rates globally are projected to trend downward in 2025, contributing to a more supportive economic environment.

China's growth is forecast to moderate slightly to 4.6% as the government implements fiscal measures to mitigate trade uncertainties and stabilise the fragile property market. Other emerging markets are expected to maintain steady growth trajectories, with regions such as Latin America and sub-Saharan Africa benefiting from stable domestic demand and favourable commodity prices. However, geopolitical tensions, particularly in the Middle East, alongside persistent trade restrictions, continue to pose significant downside risks to global economic prospects.

Inflationary Outlook and Policy Adjustments

Inflation is expected to decline further in 2025, supported by easing commodity prices and stabilising labour markets. The pace of disinflation, however, will vary across regions, with advanced economies likely to achieve inflation targets sooner than their emerging market counterparts.

Monetary policies are anticipated to ease gradually as inflation pressures subside, fostering more accommodative financial conditions. At the same time, fiscal tightening is expected in many advanced economies to ensure long-term economic sustainability.

Interest rates globally are projected to trend downward in 2025, contributing to a more supportive economic environment. The US dollar is likely to stabilise, although potential shifts in trade policies and ongoing geopolitical risks could trigger market fluctuations. Emerging market currencies may see modest appreciation underpinned by improved investor sentiment and the easing of global financial conditions.

Overview of the Indian Economy:

Despite global stagnation, rising geopolitical uncertainties, and the looming threat of a tariff war driven by growing protectionism, the Indian economy has successfully maintained its position as the world's fastest-growing major economy. Leveraging its demographic dividend and the expanding wealth of its middle class, India has demonstrated resilience across consumption, services, and, notably, its forex and capital markets, enabling it to withstand global economic headwinds.

According to the first advance estimates released by the National Statistical Office (NSO), Ministry of Statistics & Programme Implementation (MoSPI), India's real Gross Domestic Product (GDP) growth for FY25 is projected at 6.4%. On the demand side, Private Final Consumption Expenditure (PFCE) at constant prices is expected to grow by 7.3%, supported by a rebound in rural demand.

According to the IMF's World Economic Outlook Update, January 2025, India is projected to maintain its position as the world's fastest-growing major economy, with a robust GDP growth rate of 6.5% in both 2025 and 2026. Resilient domestic demand, a thriving services sector, and sustained investment momentum underpin this rapid growth trajectory. The IMF highlights India's demographic advantages, rising middle-class income, and continued policy reforms as key drivers supporting its economic expansion. Despite global challenges, including geopolitical tensions and trade uncertainties, India's stable macroeconomic fundamentals, growing consumer base, and increasing focus on infrastructure development have fortified its growth outlook. The IMF also notes that India's external sector remains resilient, with substantial foreign exchange reserves and stable capital inflows, further strengthening its ability to weather global economic headwinds.

According to the IMF, India is projected to remain the world's fastest-growing major economy, with a GDP growth rate of 6.5% in 2025 and 2026.

India's monetary and financial sectors have exhibited strong performance during the first nine months of FY25, reinforcing the country's robust economic outlook. Bank credit has grown steadily, with credit growth aligning closely with deposit growth, while scheduled commercial banks (SCBs) have seen improved profitability, marked by declining gross non-performing assets (GNPAs) and a higher capital-to-risk weighted asset ratio (CRAR). Significant strides in financial inclusion have been achieved, with the Reserve Bank of India's Financial Inclusion Index rising from 53.9 in March 2021 to 64.2 by March 2024, driven by the efforts of Rural Financial Institutions (RFIs) and Development Financial Institutions (DFIs). Capital markets are playing a pivotal role in supporting economic growth. The Indian stock market reached a new high in December 2024 and has remained consistently resilient despite geopolitical uncertainties and global headwinds. The insurance and pension sectors have also strengthened the financial ecosystem, advancing universal coverage. However, the evolving financial landscape—with rising consumer credit, increasing non-bank financing, and a surge in IPO activity—necessitates a balanced regulatory approach to sustain growth while safeguarding financial stability.

The Reserve Bank of India's Financial Inclusion Index increased from 53.9 in March 2021 to 64.2 by March 2024.

Industry Overview:

Overview of the NBFC Sector in India:

India's non-banking financial company (NBFC) sector has emerged as a critical pillar of the country's economic ecosystem and is pivotal in extending credit to underbanked and underserved segments. India's NBFC sector is the third largest globally, following the USA and the UK, reflecting its rapid expansion and growing significance. Over the years, NBFCs have become instrumental in bridging the credit gap, particularly for small businesses, micro-enterprises, and rural populations that often remain beyond the reach of traditional banks.

India's NBFC sector is the third largest globally, after the USA and the UK.

15%-17%

The NBFC sector's AUM growth is expected to range between 15% and 17% in FY2026.

The sector has experienced robust growth in recent years, with assets under management (AUM) rising by 23% in FY2024. However, the NBFC-MFI segment saw an 11.9% year-on-year decline in AUM, driven by reduced disbursements and increasing credit risk. Despite this setback, industry projections indicate a gradual recovery, with overall AUM growth expected to moderate to a healthier 15–17% by FY2026.This anticipated slowdown is attributed to several macroeconomic and regulatory dynamics. A key concern is the rising level of delinquencies, especially in unsecured loans and microfinance segments, which has prompted NBFCs to exercise greater caution in lending. In response to these challenges, many institutions are recalibrating their loan portfolios and tightening credit norms to mitigate potential risks.

Funding dynamics have also shifted. NBFCs have relied heavily on bank funding to support their lending operations. However, regulatory adjustments have tightened liquidity channels, requiring NBFCs to diversify their funding sources and explore options such as capital markets, securitisation, and alternative investments to maintain credit flow.

Regulatory evolution has been another defining factor for the NBFC sector. The RBI's introduction of a scale-based regulatory framework has brought a more nuanced oversight approach, categorising NBFCs based on their size, complexity, and systemic importance. This framework aims to strengthen financial stability by ensuring that more prominent and interconnected NBFCs are subject to enhanced regulatory scrutiny. In addition, the RBI has sharpened its focus on customer protection, transparency in pricing, and governance standards, raising the bar for operational compliance across the sector.

According to a CRISIL report, infrastructure financing accounts for the largest share of NBFC credit at 24%, followed by MSME loans, which hold a 21% share of overall NBFC credit. Housing finance represents the third largest share of total outstanding NBFC credit, with a 16% share. The report also indicates that not only will NBFC credit reach ₹55.5 Tn by FY26, but disbursements towards MSMEs are expected to increase in the coming years, with their share of overall NBFC credit projected to rise to 23% by the end of FY26.

Risk management has taken centre stage as NBFCs navigate a more complex operating environment. With the RBI lowering rates by nearly 1% since February—most recently with a 50 bps cut—NBFCs are poised to benefit from improved margins. At the same time, institutions are strengthening credit appraisal frameworks, early warning systems, and portfolio monitoring to safeguard asset quality amid rising delinquencies and tightening regulatory oversight.

The broader macroeconomic context continues to influence the sector's trajectory. While India's strong domestic demand and economic growth offer tailwinds for credit expansion, external uncertainties—such as geopolitical tensions, rising protectionism, and fear of escalating trade wars fuelling inflationary pressures—pose intermittent challenges. Nevertheless, the sector remains well-positioned to sustain its growth momentum, supported by a deepening financial ecosystem, rising consumer aspirations, and the government's focus on financial inclusion.

RBI's 50 bps rate cut is set to boost NBFCs by widening margins through lower funding costs and slower loan repricing.

The number of exporting MSMEs grew from 52,849 in 2020-21 to 1,73,350 in 2024-25.

Overview of the MSME Sector in India:

Micro, Small, and Medium Enterprises (MSMEs) are the backbone of India's economy. They promote entrepreneurship, generate employment, and contribute significantly to the nation's GDP and exports. As of February 2025, the MSME sector encompasses over 5.93 crore enterprises, employing approximately 24.14 crore individuals.

The contribution of the MSME (Micro, Small, and Medium Enterprises) sector to India's Gross Domestic Product (GDP) has consistently increased. In 2020–21, MSMEs accounted for 27.3% of the country's Gross Value Added (GVA). Currently, this figure exceeds 30%.The government aims to raise the sector's contribution to the GDP from the current 30% to 50%.

MSMEs have demonstrated remarkable resilience and adaptability, significantly contributing to India's export performance. Exports from MSMEs witnessed a substantial rise, increasing from ₹3.95 lakh crore in 2020-21 to ₹12.39 lakh crore in 2024-25. The number of exporting MSMEs also grew from 52,849 in 2020-21 to 1,73,350 in 2024-25. This growth underscores the sector's critical role in boosting India's economy and strengthening global trade.

Credit and Financial Inclusion

Source: *Unified Lending Interface (ULI) Changing the credit landscape in India, PWC, Dec 24.*

The MSME sector's total funding requirement is projected to reach ₹134.40 lakh crore, with a total debt demand estimated at ₹106.11 lakh crore.

Access to credit remains a critical factor for the growth and sustainability of MSMEs. The government is taking various steps to address this credit gap, which was estimated to be USD 400 billion. Initiatives like increasing budgetary outlay to the tune of ₹23,168.15 crores towards the ministry of MSME and introducing the Unified Lending Interface (ULI) to digitise the underwriting of MSME Loans show the government's commitment to the sector.

NBFCs have emerged as key MSME lenders, outpacing private banks (20.9%) and public banks (10.4%) in growth, according to CareEdge Ratings. MSME AUM for NBFCs is expected to cross ₹5.3 lakh crore by FY26.

Despite the positive trajectory, MSMEs face challenges such as limited access to formal credit, infrastructural constraints, and the need for technological upgradation. Bridging the credit gap requires concerted efforts from financial institutions, policymakers, and stakeholders to create an enabling environment that fosters innovation, enhances competitiveness, and promotes sustainable growth within the MSME sector.

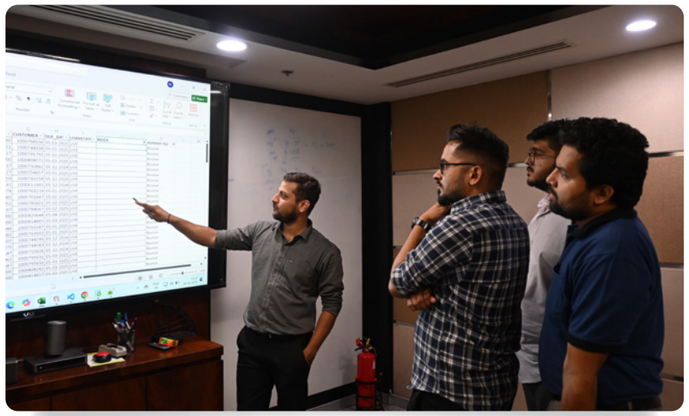
Company Overview:

SBFC Finance Limited is a systemically important non-deposit-taking, non-banking financial company (NBFC) registered with the Reserve Bank of India (RBI), headquartered in Mumbai, Maharashtra. We are classified under the Middle Layer according to RBI's Master Direction – Non-Banking Financial Company – Scale-Based Regulation Directions, 2023. Established in 2008, we primarily provide financial services to micro, small, and medium enterprises (MSMEs) and individual customers whom traditional banking institutions underserve. SBFC's product portfolio includes secured MSME Loans and Loans Against Gold. The company has developed a 'PhyGital' model that combines digital technology with personalised in-person service, enabling efficient and customer-centric lending solutions.

In FY2025, we embarked on a transformative journey, driven by our commitment to empowering Micro, Small, and Medium Enterprises (MSMEs) across India. We have sharpened our strategic focus, expanding our presence to 205 branches across 16 states and two Union Territories. This growth allowed us to reach underbanked populations in Tier II and Tier III cities, placing financial inclusion at the forefront. By serving over 100,000+ customers, we delivered essential financial solutions tailored to the aspirations of India's entrepreneurial spirit.

We enhanced customer experiences, improved operational efficiencies, and strengthened risk management frameworks. This year has been meticulously executed at SBFC, focusing on last-mile reach and deeper market penetration. We have made significant strides in refining our processes, synergising efforts, and maximising the value of our achievements.

In addition to our lending services, we have expanded our offerings by obtaining a Corporate Agent (Composite) License from the Insurance Regulatory.



This year has been meticulously executed at SBFC, focusing on last-mile reach and deeper market penetration. We have made significant strides in refining our processes, synergising efforts, and maximising the value of our achievements.

We transitioned into a public limited company and listed equity shares on the National Stock Exchange (NSE) and the Bombay Stock Exchange (BSE) on August 16, 2023. As of March 31, 2025, the Company's shareholding pattern is as follows:

Category of Shareholders	% Shareholding
SBFC Holdings Pte. Ltd. (Promoter Group)	53.33%
Mutual Funds	15.56%
Resident Individuals	11.88%
Foreign Companies	9.15%
Foreign Portfolio Investors	6.53%
Alternate Investment Funds	1.37%
Qualified Institutional Buyers	0.74%
Others	1.44%
Total	**100.00%**

Source: *BSE*

As of March 31, 2025, the promoter group, SBFC Holdings Pte. Ltd. holds 53.33% of the total shareholding along with SBI Mutual Fund with 8.53%, Aditya Birla Sun Life Trustee Private Limited with 3.22%, Malabar Funds with 4.04% and foreign entities such as Amansa with 4.08% and Massachusetts Institute of Technology with 1.45%.

Business Overview:

MSME Loans

We support India's micro, small, and medium enterprises (MSMEs) by providing accessible, tailored financing solutions. As of March 31, 2025, we operate across 16 states and two union territories through our growing network of 205 branches, strategically positioned in underbanked tier II and tier III cities. This extensive reach enables us to serve the financial needs of small enterprises in regions where formal credit remains limited.

Our key strength in the MSME lending strategy is our focus on maintaining a well-diversified loan portfolio. Our Asset Under Management (AUM) is carefully distributed across states, ensuring low concentration risk and enhancing the overall stability of our loan book. This approach has enabled us to scale our operations while safeguarding asset quality.

We primarily cater to small enterprise borrowers with a strong repayment history, typically maintaining a CIBIL score of over 700 at origination. Our direct engagement model—driven by a dedicated sales force and local branch-led marketing—fosters lasting customer relationships, enhancing satisfaction and loyalty. This high-touch approach ensures borrowers receive personalised service, strengthening our position as a trusted financial partner.

A robust risk management framework underpins our lending operations. Comprehensive underwriting processes, rigorous customer assessments, and continuous portfolio monitoring contribute to maintaining a healthy loan book. As of March 31, 2025, the company's Gross Non-Performing Assets (GNPA) stand at 2.74%, reflecting its commitment to asset quality while expanding its lending portfolio.

The MSME loan segment has experienced significant growth over the past year. The Assets Under Management (AUM) for MSME loans reached ₹72,494 million, marking an increase of 27% and accounting for 83% of SBFC's total AUM of ₹87,474 million. This growth highlights our continued success in deepening its presence within the MSME sector while adhering to prudent lending practices.

We remain a key player in India's MSME financing landscape by leveraging our strong branch network, customer-centric strategies, and robust risk management framework. Our dedication to empowering small businesses supports local economies and contributes to India's broader goal of inclusive economic growth.

Gold Loans

We offer a comprehensive Gold Loan product, enabling clients to leverage their gold assets by securing loans against gold jewellery. Designed for simplicity and speed, the Gold Loan facility allows borrowers to avail up to 75% of the gold's value as the loan amount. Given the secured nature of these loans, the process involves minimal documentation and limited credit checks, allowing for swift transaction time and seamless customer experiences.

Our commitment to efficiency ensures that gold loan transactions are processed quickly and backed by advanced technology, skilled personnel, and streamlined operational procedures. This enables clients to meet their urgent financial needs without unnecessary delays. The company offers diverse gold loan schemes tailored to suit customers' requirements. Borrowers can choose from flexible loan tenures and repayment schedules, empowering them to select options that best align with their financial planning.

During the fiscal year ending March 31, 2025, the Gold Loan segment recorded steady growth, with Assets Under Management (AUM) reaching ₹14,540 million, reflecting an 41% increase year-on-year. This segment now accounts for 17% of SBFC's total AUM of ₹87,474 million.

Our Gold Loan business continues to cater to a broad spectrum of customers, from small business owners to individuals seeking short-term liquidity. Our customer-centric approach and commitment to speed, transparency, and flexibility reinforce our strong position in India's competitive gold loan market. By balancing growth with prudent risk management, we ensure that our Gold Loan segment remains a key contributor to our diversified lending portfolio.

Financial Performance:

Particulars	FY 2025	FY 2024	Y-o-Y%
Interest Income on Loans	11,674	8,661	35%
Interest Income other than on Loans	289	522	-45%
Fee & Other Income	1,098	1,015	8%
Total Income	13,061	10,198	28%
Finance Cost	4,192	3,506	20%
Operating Expenses	3,546	3,061	16%
Pre-Provisioning Operating Profit	5,322	3,631	47%
Credit Cost	737	470	57%
Tax Expense	1,133	791	43%
Profit after Tax	3,452	2,370	46%
Basic EPS (₹ / Share)	3.20	2.35	36%
Diluted EPS (₹ / Share)	3.15	2.29	38%

Particulars	FY 2025	FY 2024	Variance
Return on Average AUM (%)	4.53%	4.14%	+39 bps
Return on Average Tangible Equity (%)	12.72%	11.28%	+144 bps
Net Interest Margin (%)	10.20%	9.91%	+29 bps
Operating Expenses to Average AUM (%)	4.65%	5.34%	-69 bps
Borrowings to Tangible Equity ratio	1.79	1.59	+0.20x
Net NPA (%)	1.51%	1.36%	+15 bps

Analysis of Financial Performance:

Interest Income on loans

Our interest income on loans has increased by 35% from ₹8,661 million in FY 2024 to ₹11,674 million in FY 2025. The AUM has increased by 28% from ₹68,219 million as of March 31, 2024, to ₹87,474 million as of March 31, 2025. The growth in AUM was due to an increase in our Secured MSME lending and our Loan against Gold portfolio. We have increased our branch network from 183 to 205 in FY 2025. Our interest income other than on loans decreased from ₹522 million in FY 2024 to ₹289 million in FY 2025. The reduction is largely due to decrease in Interest on deposit with banks and Investment in Pass through certificates.

Fees and other income

Our Fees and other income increased from ₹1,015 million in FY 2024 to ₹1,097 million in FY 2025. During the current year, the Company obtained a Certificate of Registration dated November 25, 2024, from IRDAI to act as a 'Corporate Agent (Composite)' under the Insurance Act, 1938. Accordingly, the Company recognised a commission on insurance of ₹62 million.

Finance costs

Our finance costs increased by 20% from ₹3,506 million in FY 2024 to ₹4,192 million in FY 2025, primarily due to an increase in the amount of debt securities and borrowings from ₹39,960 million as of March 31, 2024, to ₹52,643 million as of March 31, 2025, to fund the growth in AUM. The debt-equity ratio has increased from 1.44 as of March 31, 2024, to 1.65 as of March 31, 2025.

Operating expenses

Our operating expenses increased by 16% from ₹3,061 million in FY 2024 to ₹3,546 million in FY 2025, primarily due to an increase in salary, wages, and depreciation.

Profit before Tax

Profit before tax is ₹4,585 million for FY 2025 compared to ₹3,161 million for FY 2024. The growth of 45% in profit before tax is achieved due to AUM growth of 28%, along with improved spread and operating leverage.

Profit after tax

Profit after tax increased by 46% from ₹2,370 million for FY 2024 to ₹3,452 million for FY 2025.

Risk Management Framework

We have established a robust and dynamic Enterprise Risk Management (ERM) framework that integrates risk management into our strategic planning, operations, and decision-making processes. This framework identifies, assesses, monitors, and mitigates organisational risks, ensuring the company's resilience and stability in a dynamic financial landscape. Our Risk management practices involve regulatory compliance, market intelligence, technological integration, and a strong risk-aware culture.

The Board of Directors oversees our risk management framework, which is supported by various committees, including the Risk Management Committee, Audit Committee, and Asset-Liability Committee (ALCO). These committees are pivotal in establishing policies, setting risk appetite, and monitoring the company's overall risk profile. Senior management ensures that risk management practices are effectively implemented at all levels.

Credit Risk

Given our core lending operations for MSMEs and Gold Loan customers, we meticulously screen our prospective clients through rigorous underwriting policies. The company employs a comprehensive credit risk assessment process that includes:

Rigorous Underwriting:

Advanced analytics and technology-driven credit-scoring models help assess borrower profiles and reduce default risks.

Impairment Assessment:

The company follows a three-stage model for Expected Credit Loss (ECL) assessment—Stage 1 (standard), Stage 2 (increased risk), and Stage 3 (credit impaired)—ensuring early identification and proactive management of credit risks.

Collateral Management:

Strict adherence to RBI's Loan-to-Value (LTV) norms and regular collateral value monitoring enhances asset security, especially for Gold Loans.

The Board of Directors oversees SBFC's risk management framework, which is supported by various committees, including the Risk Management Committee, Audit Committee, and Asset-Liability Committee (ALCO).

Liquidity and ALM Risk

Liquidity risk is managed through a robust Asset-Liability Management (ALM) framework to maintain adequate liquidity buffers and diversified funding sources. Key practices include:

Regular Cash Flow Monitoring:

Daily tracking of inflows and outflows ensures timely identification of liquidity gaps.

Maintaining Liquidity Coverage Ratio (LCR):

In line with RBI guidelines, we maintain an adequate LCR to withstand short-term liquidity disruptions.

Stress Testing:

Scenario analysis and stress testing are conducted periodically to assess liquidity resilience under adverse market conditions.

Operational Risk

Operational risk arises from potential failures in internal processes, systems or human errors. We mitigate these risks through:

Stringent Internal Controls:

Well-defined Standard Operating Procedures (SOPs) and control mechanisms reduce process inefficiencies.

Fraud Prevention:

The company has a firm whistleblower policy and a risk-based internal audit framework to detect and prevent fraudulent activities.

Business Continuity Planning (BCP):

Contingency plans and disaster recovery protocols ensure operational continuity during unforeseen disruptions.

Information Technology Risk

With the growing reliance on digital platforms, we place high emphasis on data security and cybersecurity:

ISO 27001 Certification:
Achieved to reinforce data security practices and regulatory compliance.

Advanced Cybersecurity Measures:
Endpoint detection, real-time threat monitoring, and multi-layered security protocols safeguard the IT infrastructure.

eKYC Implementation:
Leveraging biometric-based verification has streamlined customer onboarding while ensuring compliance with regulatory norms.

Environmental, Social, and Governance (ESG) Risk

Recognising the growing importance of sustainable business practices, we integrate ESG considerations into our risk framework:

Environmental Risk Assessment:
Evaluating the impact of operations on the environment and integrating sustainability into lending decisions.

Social Responsibility:
Promoting financial inclusion by supporting underserved communities, particularly MSMEs in tier II and III cities.

Governance:
Strong emphasis on ethical practices and transparent reporting to stakeholders.

Compliance and Reputational Risk

The company maintains stringent compliance protocols to adhere to all regulatory guidelines:

Dedicated Compliance Teams:
Ensuring timely adherence to RBI regulations, SEBI guidelines, and other statutory requirements.

Ethics and Governance:
Strong governance policies and a well-defined code of conduct safeguard the company's reputation.

Continuous Monitoring and Evolution

Our risk management framework is dynamic and continuously evolving in response to market trends, regulatory changes, and emerging risks. Future enhancements focus on:

Advanced Predictive Analytics:
To further refine credit risk assessment and portfolio monitoring.

Climate Risk Integration:
Assessing environmental impacts on loan portfolios, particularly in agriculture and MSME sectors.

Enhanced Cybersecurity Investments:
Staying ahead of evolving cyber threats with next-gen security tools.

Through our comprehensive risk management framework, we remain committed to maintaining financial stability, safeguarding stakeholder interests, and supporting our long-term growth objectives in an ever-evolving financial landscape.

Fraud Monitoring and Control

We maintain a robust and proactive Fraud Monitoring and Control framework to safeguard our operations' integrity and ensure adherence to regulatory standards. The company employs a comprehensive whistleblower policy, encouraging employees and stakeholders to report any suspected fraudulent activities confidentially and without fear of retaliation. This policy is vital in fostering a culture of transparency and accountability.

Fraud investigations are meticulously carried out to identify root causes and systemic vulnerabilities, enabling corrective actions to prevent such incidents' recurrence. We have established dedicated Fraud Prevention Committees, comprising members from senior management and the Board of Directors, who regularly review significant fraud cases. These committees analyse trends, strengthen internal controls, and formulate strategic responses to mitigate potential risks.

The Internal Audit team is critical in the company's fraud prevention efforts. Under a risk-based audit program, the team conducts periodic audits to detect irregularities, evaluate control effectiveness, and ensure compliance with internal policies and regulatory requirements. Audit findings related to fraud or potential risks are promptly reported to the Board and senior management, ensuring that corrective and preventive measures are implemented immediately.

In addition to conventional monitoring practices, we leverage technology-driven tools to enhance fraud detection capabilities. Advanced analytics and real-time monitoring systems enable the early identification of suspicious activities, allowing for swift intervention. Regular employee training programs on fraud awareness strengthen the organisation's ability to prevent and detect fraudulent actions.

Information Technology

In FY 2025, we strengthened our technology-driven operations, recognising Information Technology (IT) as a strategic enabler of business growth, operational efficiency, and superior customer service. At the core of our success lies our "phygital" approach, integrating digital platforms with personalised customer interactions, enabling seamless loan origination, underwriting, collections, risk management, and audits.

Our IT infrastructure has been pivotal in streamlining key processes, driving operational efficiency, and enhancing decision-making. Investments were made in upgrading core systems, expanding data storage, improving disaster recovery protocols, and ensuring business continuity and data integrity. SBFC's proprietary Loan Origination System (LOS), integrated with advanced analytics, has further reduced turnaround times, enabling faster loan approvals while maintaining regulatory compliance.

Cybersecurity remained a top priority throughout the year. We successfully maintained ISO 27001 certification, reaffirming our commitment to global best practices in information security management. We strengthened our Endpoint Detection and Response (EDR) systems, upgraded data encryption protocols, and integrated Security Information and Event Management (SIEM) tools for real-time threat monitoring. Continuous security assessments and compliance reviews fortified our cybersecurity posture against evolving threats.

SBFC's success is driven by its "phygital" approach, blending digital platforms with personalised interactions for seamless loan processing and risk management.

We implemented eKYC across branches to advance our digital transformation journey, leveraging Aadhaar-based biometric verification for seamless and compliant customer onboarding. We also launched several innovations to enhance user experience. Mobile-friendly loan application platforms improved Customer Relationship Management (CRM) systems, and self-service portals now offer customers greater control and convenience in managing our loans. These initiatives have significantly improved customer engagement and satisfaction.

Our focus on emerging technologies remains strong. We have advanced our cloud migration strategy, improving system scalability and data security while optimising operational costs. Adopting agile methodologies across IT operations has enabled us to adapt quickly to market changes and evolving customer needs. This agile approach has supported the rapid rollout of new features and strengthened the company's ability to stay ahead in a competitive market.

Internal Control System, Adequacy and Compliance

We maintain a robust and adaptive Internal Control System, ensuring operational efficiency, regulatory compliance, and the integrity of our financial reporting. The framework aligns with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI), ensuring adherence to best practices.

The control system spans all key business processes, including loan origination, credit underwriting, collections, risk management, and financial reporting. Designed to safeguard assets and ensure data accuracy, these controls promote operational transparency and protect against errors and fraud.

Operating under a risk-based audit framework, the Internal Audit function is central to assessing and enhancing

Our compliance framework ensures alignment with all regulatory requirements set by the Reserve Bank of India (RBI), SEBI, and other authorities.

these controls. Regular audits focus on high-risk areas, while data analytics and automation have strengthened real-time monitoring and reporting capabilities. Audit findings are reviewed by senior management and the Audit Committee to ensure timely corrective actions and continuous process improvements.

Our compliance framework ensures alignment with all regulatory requirements set by the Reserve Bank of India (RBI), SEBI, and other authorities. We have strengthened our AML and KYC protocols, enhanced cybersecurity measures, and maintained rigorous compliance audits.

The Audit Committee oversees the adequacy of controls, regularly reviewing audit outcomes, risk management strategies, and regulatory compliance. We remain committed to continuous improvement, integrating emerging technologies and governance enhancements to strengthen our control environment and safeguard stakeholder interests.

Human Resources and Industrial Relations

In FY 2025, we continued to foster a dynamic, inclusive, and employee-centric work environment. Our human resources strategies empower employees, promote diversity, and create a workplace culture that thrives on integrity, agility, and continuous growth. A motivated and engaged workforce is central to driving innovation and achieving business excellence. Throughout the year, we expanded our workforce by adding 536 employees, raising our total from 3,758 in FY 2024 to 4,294 in FY 2025.

Driving Inclusiveness and Employee Empowerment

Our emphasis on diversity and inclusion continues to be the cornerstone of our people strategy. Our 'Gender Diversity' initiative has seen considerable progress, with more women leaders taking on key department roles. Targeted leadership development programs, mentorship opportunities, and skill enhancement workshops have nurtured talent and ensured equal growth opportunities for all employees. We also introduced cross-functional leadership programs to empower employees to take on broader responsibilities and contribute meaningfully to the organisation's growth.

Enhancing Work-Life Balance

At SBFC, we have continued to prioritise employee well-being, fostering a workplace that balances professional growth with personal wellness. This year saw the continuation of regular health camps, team sports events, and

SBFC's emphasis on diversity and inclusion continues to be a cornerstone of its people strategy.

The SBFC Gurukul program, under the National Apprenticeship Promotion Scheme, has broadened its reach, providing skill development to more underprivileged youth.

cultural celebrations, all designed to strengthen team spirit and promote holistic well-being. Initiatives such as mental health awareness programs, wellness webinars, and community engagement activities have been crucial in supporting employees' physical and emotional health.

We Care – Corporate Social Responsibility

Our 'We Care' initiative remains at the forefront of our commitment to social responsibility. The flagship SBFC Gurukul program, under the National Apprenticeship Promotion Scheme, has expanded our reach, offering skill development opportunities to more youth, especially from underprivileged backgrounds. This program equips participants with valuable skills and fosters pathways to employment within SBFC and beyond. Additionally, our community outreach extended to local education projects, where we continued our efforts to improve school infrastructure and support inclusive education initiatives.

Looking Ahead

As we look forward to the coming year, we remain dedicated to strengthening our HR practices and community engagement programs. We will focus on integrating digital tools into HR processes, enhancing employee engagement platforms, and creating more personalised learning and development opportunities. We aim to expand our diversity and inclusion programs further and broaden the scope of our community initiatives, ensuring that SBFC continues to be a workplace that supports individual growth and societal advancement.

To the Members of SBFC Finance Limited

Your Directors have the pleasure of presenting the Eighteenth Annual Report on the business and operations of your Company together with the Audited Standalone and Consolidated financial statements for the Financial Year (FY) ended March 31, 2025.

Financial Performance

The highlights of the standalone financial results are given below:

(₹ in Million)

Particulars	FY 2025	FY 2024
Total Income	13,061.09	10,198.20
Total Expenditure	8,475.93	7,037.59
Profit before Tax	**4,585.16**	**3,160.61**
Tax Expense	1,133.48	790.40
Profit after Tax	**3,451.68**	**2,370.21**
Amount brought forward from the previous year	4,805.81	2,909.64
Amount available for appropriation	3,451.68	2,370.21
Appropriations:		
Transfer to Reserve Fund u/s 45-IC of the RBI Act, 1934	690.34	474.04
Balance carried forward to Balance Sheet	**7,567.15**	**4,805.81**

Your Company's total income increased by 28% from ₹ 10,198.20 million for the year ended March 31, 2024 to ₹ 13,061.09 million for the year ended March 31, 2025. The Profit after tax has increased by 46% from ₹ 2,370.21 million for the year ended March 31, 2024 to ₹ 3,451.68 million for the year ended March 31, 2025.

Material changes from the end of the financial year till the date of this report

No material changes and commitments have occurred after the closure of the FY 2025 till the date of this Report, which would affect the financial position of your Company.

Transfer to Reserves

The Company transferred an amount of ₹ 690.34 million to the Reserve Fund under section 45-IC of the RBI Act, 1934.

Pursuant to provisions of Companies Act, 2013 ("the Act") read with relevant rules thereunder, the Company, being a NBFC, is exempt from creating debenture redemption reserve in respect of privately placed debentures including the requirement to invest up to 15% of the amount of debentures maturing during the next financial year. However, the Company maintains sufficient liquidity buffer to fulfill its obligations arising out of debentures.

Dividend

The Directors do not recommend payment of any dividend on the Equity Shares for the financial year ended March 31, 2025, to conserve capital for future business expansion.

As stipulated in Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") the Dividend Distribution Policy can be accessed on the Company's website at the web link: https://www.sbfc.com/faq.

Operations

During the financial year, the Company continued to strengthen its presence by expanding to 205 branches across 16 states and 2 union territories in the underserved credit markets of India by focusing on Secured MSME and Gold Loan products, primarily targeting customers in tier II and tier III cities. The Company's approach remained centered on promoting financial inclusion by offering accessible, collateral-backed credit solutions tailored to the needs of micro and small enterprises, as well as individual borrowers seeking short-term liquidity.

Assets Under Management ("AUM") has grown by 28 % during the year under review from ₹ 68,219 million as at March 31, 2024 to ₹ 87,474 million as at March 31, 2025. During the year under review, your Company has disbursed Secured MSME loans of ₹ 26,707 million against ₹ 27,933 million during the previous year.

Material Developments

During the year under review, Insurance Regulatory and Development Authority of India has issued a Certificate of Registration dated November 25, 2024 to your Company to act as 'Corporate Agent (Composite)' under the Insurance Act, 1938. Your Company will provide options to its customers in the areas of life insurance, health insurance and general insurance under group (Corporate Agent-Composite) in the geographies that the Company operates in.

Change in Nature of Business

There has been no change in the nature of business and operations of the Company during the year under review.

RBI Compliances

The Company continues to comply with the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 and all the applicable laws, regulations, guidelines, etc. as prescribed by RBI from time to time.

Capital Adequacy

As on March 31, 2025, the Capital to Risk Assets Ratio ("CRAR") of your Company was 36.10% (Tier I- 36.10%) which is well above the minimum requirement of 15% as prescribed by RBI.

Share Capital

The issued, subscribed and paid-up Equity Share Capital of the Company as on March 31, 2025 stood at ₹ 10,859,990,880/-. During the Financial Year under review, the paid-up Equity Share Capital of the Company has increased on account of issuance and allotment of 12,244,102 Equity Shares of ₹ 10/- each pursuant to the exercise of stock options by the eligible employees under Employee Stock Option Schemes of the Company.

No Equity Shares were issued with differential rights as to dividend, voting or otherwise during the year under review. None of the Directors of the Company holds instruments convertible into Equity Shares of the Company.

Equity

Your Company has total equity of ₹ 31,901.31 million and Goodwill of ₹ 2,603.92 million as on March 31, 2025. Net of Goodwill, your Company has Tangible Equity of ₹ 29,297.39 million.

Employee Stock Options

Your Company has in force various Employees Stock Option Schemes viz. SBFC Stock Option Policy I 2018, SBFC Stock Option Policy 2021 –I, SBFC Stock Option Policy 2021 –II, SBFC Stock Option Policy 2021 –III -Special Grant, SBFC Stock Option Policy 2021 –IV, SBFC Stock Option Policy 2021 –V, SBFC Stock Option Policy 2023 –I, SBFC Stock Option Policy 2023 –II, SBFC Stock Option Policy 2023 –III, SBFC Stock Option Policy 2024 –I.

With a view to attract, retain and motivate talent, align employee interests with long-term growth, and foster a sense of ownership to drive a sustained Company success, your Company with the approval of members at Annual General Meeting ("AGM") held on June 28, 2024, has formulated a SBFC Stock Option Policy 2024 – I, contemplating grant of 5,000,000 equity shares, constituting 0.46% of the paid-up share capital of the Company as on March 31, 2025.

Further, the Nomination and Remuneration Committee at its Meeting held on April 24, 2025 and the Board of Directors at its Meeting held on April 26, 2025 had considered and approved the amendments to SBFC Stock Option Policy I 2018 ('ESOP 2018-I Policy') and SBFC Stock Option Policy 2021 I ('ESOP 2021-I Policy'). The special resolution for seeking approval of the members of the Company is set out in the Notice of the ensuing 18th Annual General Meeting. The proposal to amend these policies is with reference to Definition of Eligible Employee, Exercise Period, Relevant Date, SBFC Trust Deed, Vesting Period, Vesting Schedule and Exercise Price details.

The proposed amendments to the ESOP 2018-I Policy and ESOP 2021-I Policy would be applicable to the Employee Stock Options not yet granted and hence any variation in the ESOP 2018-I Policy and ESOP 2021-I Policy will not be considered as prejudicial to the interest of the employees.

In terms of Regulation 14 of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, (SBEB Regulations) the disclosures with respect to the ESOP Schemes have been provided on the website of the Company at https://www.sbfc.com/investors.

The certificate(s) from secretarial auditor M/s Parikh & Associates, Company Secretaries confirming implementation of the ESOP Schemes in accordance with the SBEB Regulations and shareholders resolutions would be made available for inspection of the shareholders at the ensuing Annual General Meeting.

Utilisation of funds raised through Initial Public Offering (IPO)

During FY 2024, your Company made an Initial Public Offer ("IPO" or "Issue") comprising a fresh issue of 105,301,883 Equity Shares aggregating to ₹ 6,000 million and an offer for sale of 74,561,402 Equity Shares aggregating to ₹ 4,250 million and pursuant to the IPO, the shares of the Company were listed on The National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) on August 16, 2023.

Pursuant to the provisions of regulation 32(6) of the SEBI Listing Regulations, the Company has fully utilised the funds raised through IPO for the objects stated in the offer document. The reports from ICRA Limited, monitoring agency appointed for IPO has been filed with the stock exchanges and is also available on the Company's website.

Internal Capital Adequacy Assessment Policy ('ICAAP')

Pursuant to Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 (SBR), NBFCs are required to have an ICAAP in place. The objective of ICAAP is to ensure availability of adequate capital to support all risks in business and also to encourage NBFCs to develop and use better internal risk management techniques for monitoring and managing their risks. Accordingly, your Company has framed an ICAAP policy. This policy is developed considering the requirements

of the SBR and is based on the Pillar-2 requirements under Basel III Framework developed by the Basel Committee on Banking Supervision (BCBS). The objective of the policy is to provide an ongoing assessment of the Company's entire spectrum of risks and the methodology to assess current and future capital, reckoning other mitigating factors and also to assist and apprise the Board on these aspects and on Company's internal capital adequacy assessment process and Company's approach to capital management.

Information Technology Governance and Cyber Security

In alignment with the Reserve Bank of India's Master Direction on Information Technology Governance, Risk, Controls and Assurance Practices, the Company has established a robust IT governance structure. An IT Strategy Committee chaired by an Independent Director and comprising of Independent, Executive and Nominee Directors, the Chief Technology Officer (CTO) and other member of Senior Management provides strategic oversight on technology initiatives and the overall cybersecurity posture. Your Company has implemented a comprehensive suite of IT and security policies, including those for Information Security, Cybersecurity, Business Continuity, IT Outsourcing, Cyber Crisis Management and Incident Response, ensuring a structured and risk-based approach to regulatory compliance and operational resilience.

Cybersecurity remained a key focus area during the year. The Company successfully retained its ISO 27001:2022 certification, reaffirming its commitment to global standards in information security management. Regular Business Continuity and Disaster Recovery (BC/DR) drills were conducted to validate system robustness and response readiness. Advanced threat detection capabilities were enhanced through the deployment of Xtended Detection and Response (XDR) tools, with infrastructure and application logs integrated into a centralized Security Operations Centre (SOC). The SOC operates on a 24x7 basis, enabling real-time threat analysis and risk-based incident response.

To further strengthen the security framework, the Company integrated all endpoints into a unified Active Directory (AD) environment, significantly improving access governance and endpoint control. Key cybersecurity controls including Data Loss Prevention (DLP), email security, and vulnerability management were rigorously assessed, with identified risks promptly mitigated as part of a continuous improvement plan. Periodic Vulnerability Assessment and Penetration Testing (VAPT) exercises were conducted on critical systems and core business applications to ensure ongoing resilience. Furthermore, cybersecurity and privacy awareness across the organization was carried out through structured employee training programs, phishing simulations, and the dissemination of best practice guidelines, reinforcing a culture of cyber vigilance and shared responsibility.

Mobilisation of funds

Your Company has diversified borrowing profile comprising of availing Term loans/Cash Credit facilities from Banks and financial institutions, issue of Non-Convertible Debentures, External Commercial Borrowings through loans. Your Company continues to further expand/diversify its borrowing profile by tapping new lenders.

Mobilisation of funds as on March 31, 2025 are as under:

(₹ in million)

Sr. No.	Particulars	FY 25
1	Indian rupee loan from banks	26,364.41
2	Term Loans from Financial Institutions/ Corporates	3,714.54
3	Non-Convertible Debentures	11,000.00
4	Foreign Currency loan from banks	9,337.29
5	Collateralized Borrowing	1,932.78

As specified in the respective offer documents, the funds raised from issuance of NCDs were utilised for on lending to secured micro, small and medium enterprises and gold loans. Details of the end-use of funds were furnished to the Audit Committee on a quarterly basis. The NCDs are listed on the debt market segment of BSE Limited. During the year, your Company has redeemed NCDs worth ₹ 930 million.

There has been no default in making payments of principal and interest on all the NCDs issued by the Company on a private placement basis. Further, there was no deviation/ variation in the use of proceeds raised, from the objects stated in the offer document.

Credit Rating

During FY 2025, the credit rating of your Company was upgraded & affirmed by ratings agencies. It reaffirms the high reputation and trust the Company has earned for its sound financial management and its ability to meet all its financial obligations.

The brief details of the ratings received from the credit rating agencies by the Company for its outstanding instruments are given in **'Annexure -II'**.

Management Discussion and Analysis Report

The information on the affairs of the Company is provided in the Management Discussion and Analysis Report in accordance with the SEBI Listing Regulations and Master Direction issued by the Reserve Bank of India. This report is presented as a separate section, forming part of the Annual Report.

Corporate Governance

Your Company is committed to maintaining the highest governance standards and has also implemented several best governance practices. Pursuant to Regulation 34(3) read together with Schedule V of the SEBI Listing Regulations, the Company has prepared Corporate Governance Report which forms part of this Report, marked as **'Annexure – VI'**. As per Para C and E of Schedule V of the SEBI Listing Regulations, the Company has obtained two certificates from M/s Parikh & Associates, Company Secretaries (a) Certificate on Non-Disqualification of Directors; and (b) Certificate on the compliance of the conditions of the Corporate Governance. These certificates forms part of this Report, marked as **'Annexure - IX'** and **'Annexure - VII'** respectively.

The Managing Director and the Chief Financial Officer have given their certificate as required under Regulation 17(8) read with Part B of Schedule II of the SEBI Listing Regulations regarding the Annual Financial Statements of the Company for the year ended on March 31, 2025, which forms part of this Report, marked as **'Annexure – X'**.

Compliance Management

The Company has adopted a compliance management tool viz. Compliance Insights which comprehensively covers all compliances under various regulatory frameworks applicable to the Company and provides system-driven alerts to the respective owners.

Business Responsibility and Sustainability Report

In compliance with Regulation 34(2)(f) of the SEBI Listing Regulations, as applicable, your Company's Business Responsibility and Sustainability Report for the year ended March 31, 2025, forms part of this Annual Report annexed as **'Annexure – XII'**.

Details of subsidiary/ joint ventures/ associate companies

During FY 2025, SBFC Home Finance Private Limited ('SBFC Home Finance'), the Company's wholly-owned subsidiary had made an application to Reserve Bank of India (RBI) for obtaining a Certificate of Registration for operating as a 'Housing Finance Company'. RBI had not considered the said application, as SBFC Home Finance is a subsidiary of a registered NBFC-ICC, leading to layering of NBFCs. Since the intended objective behind the incorporation of SBFC Home Finance was not achieved, SBFC Home Finance, decided to pursue the process of Voluntary Liquidation. The shareholders of SBFC Home Finance at their meeting held on January 27, 2025 had approved the voluntary liquidation process. The liquidator has completed the process of realization of assets and liabilities of SBFC Home Finance. Consequently, the net proceeds of the realization have been distributed to your Company on March 27, 2025.

The subsidiary had not commenced any business or conducted any operations since the date of its incorporation. Further, SBFC Home Finance is not a material subsidiary of the Company.

In terms of the provisions of Section 129(3) of the Act, the Consolidated Financial Statements of the Company and its subsidiary, SBFC Home Finance, are prepared and form part of this Annual Report.

During the FY 2025, there was no other entity which became or ceased to be joint venture or associate of the Company.

A statement containing salient features of the financial statement of subsidiaries or associate companies or joint ventures is provided in Form AOC - 1, which is attached hereto as **'Annexure – IV'**.

Loans and Advances

During the year under review, your Company has not given any loans and advances to its subsidiaries or to firms/ companies in which Directors are interested.

Particulars of Loans, Guarantees or Investments

Your Company, being an NBFC registered with RBI and engaged in the business of giving loans in ordinary course of its business, is exempt from complying with the provisions of Section 186 of the Act with respect to loans.

Pursuant to the provisions of Section 186(4) of the Act, details with regard to the investments made by the Company, as applicable, are given in Notes to the Standalone financial statements, forming part of this Annual Report.

Deposits

Your Company being a non-deposit taking Non-Banking Financial Company has not accepted or renewed any amount falling within the purview of provisions of Section 73 of the Act read with the Companies (Acceptance of Deposit) Rules, 2014 during the financial year under review. Hence, the requirement for furnishing the details relating to deposits covered under Chapter V of the Act or the details of deposits that are not in compliance with Chapter V of the Act is not applicable.

Corporate Social Responsibility (CSR)

The Corporate Social Responsibility (CSR) Committee comprises of three members viz., Ms. Surekha Marandi, Chairperson, Mr. John Mescall and Mr. Ravi Venkatraman, members. The CSR interventions for the year focused on child education and preventive health care. The CSR Policy, approved by the Board, outlines SBFC's commitment to integrate CSR as a core business process for the sustainable development of society.

The CSR Policy has been hosted on the website of the Company at: https://www.sbfc.com/faq.

As per the provisions of Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 ("CSR Rules"), the mandatory CSR spend of the Company for FY 2025 was ₹ 43.78 million, against which

your Company has spent ₹ 44.91 million during the year. Further, in terms of the CSR Rules, Chief Financial Officer has certified that the funds disbursed have been utilised for the purpose and in the manner approved by the Board for FY 2025.

The Annual Report on the CSR activities undertaken by your Company during the year under review, as prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended, is set out in **'Annexure - I'** of this Report.

Annual Return

In accordance with the requirements under Section 92(3) and Section 134(3)(a) of the Act and the applicable rules, the annual return in Form No. MGT-7 as on March 31, 2025 is available on the website of the Company www.sbfc.com.

Board & Its Committees

Board

The Company has an optimum combination of executive, non-executive and independent directors, including an independent woman director. As on March 31, 2025, the Board is comprised of a Non-Executive Chairman, 2 (two) Executive Directors, 2 (two) Non-Executive Non-Independent Directors and 5 (five) Independent Directors including 1 (one) Women Director.

Committee(s) of Board

Pursuant to various requirements under the Act and the SEBI Listing Regulations, and the requirements under applicable RBI Regulations, the Board of Directors has constituted/ reconstituted various committees such as Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee, Corporate Social Responsibility Committee, Risk Management Committee, IT Strategy Committee. The details of composition, terms of reference, number of meetings held during the year, attendance there at and other details pertaining to these committees are mentioned in the Corporate Governance Report.

All recommendations made by the Audit Committee during the year were approved and accepted by the Board of Directors of the Company.

As on March 31, 2025, the Audit Committee comprised of the 4 (four) Directors, namely, Mr. Ravi Venkatraman (Chairperson), Ms. Surekha Marandi (Independent Director), Mr. Neeraj Swaroop (Independent Director) and Mr. John Mescall (Non-Executive Non-Independent Director).

Meetings and Postal Ballot

The Board of Directors met 5 (five) times during the year under review i.e., on April 27, 2024, July 27, 2024, October 26, 2024, January 25, 2025 and February 28, 2025, as against the statutory requirement of at least four meetings. The requisite quorum was present at all the Board Meetings. The maximum time gap between any two meetings was not more than one hundred and twenty days.

During the year under review, no Extraordinary General Meeting of the Members was held. The Members have passed the following items by way of special resolution through postal ballot:

- On May 19, 2024 approved the appointment of Mr. Ravi Venkatraman (DIN: 00307328) as an Independent Director of the Company for a term of five consecutive years commencing from February 21, 2024 to February 20, 2029 and Mr. Koni Uttam Nayak (DIN: 02543830) as an Independent Director of the Company for a term of five consecutive years commencing from March 26, 2024 to March 25, 2029 and;
- On April 7, 2025, approved the appointment of Mr. Mahesh Dayani as a Whole-time director designated as 'Executive Director' of the Company.

Detailed information on the Meetings of the Board, its Committees, Postal Ballot and the AGM is included in the Report on Corporate Governance, which forms part of this Annual Report.

Meetings of Independent Directors

The Independent Directors met during the year under review, on March 15, 2025. The Meeting was conducted without presence of the Whole-time Director(s), the Non-Executive Non-Independent Directors, Chief Financial Officer or any other Management Personnel to enable the Independent Directors to discuss matters pertaining to, inter-alia, review of performance of Non-Independent Directors and the Board as a whole, review the performance of the Chairman of the Company, assess the quality, quantity and timeliness of flow of information between the Company Management & the Board and its Committees and free flow discussion on any matter that is necessary for the Board to effectively and reasonably perform their duties.

Directors and Key Managerial Personnel

Appointment of Directors

Based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors, the Members of the Company by means of a Special Resolution passed through Postal Ballot on May 19, 2024 approved the appointment of Mr. Ravi Venkatraman (DIN: 00307328) as an Independent Director of the Company for a term of five consecutive years commencing from February 21, 2024 to February 20, 2029 and Mr. Koni Uttam Nayak (DIN: 02543830) as an Independent Director of the Company for a term of five consecutive years commencing from March 26, 2024 to March 25, 2029.

The Board of Directors based on the recommendation of the Nomination and Remuneration Committee and in terms of Section 161 of the Act at its meeting held on February 28, 2025 appointed Mr. Mahesh Dayani (DIN: 06561389) as an Additional and Whole-time Director, designated as 'Executive Director', for a term of 5 (five) consecutive years commencing from February 28, 2025 to February 27, 2030, subject to approval of Members of the Company. On April 7, 2025, the Members of the Company passed the Special Resolution through Postal Ballot for the appointment of Mr. Mahesh Dayani as Whole-time Director designated as 'Executive Director' of the Company.

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors at their meeting held on April 26, 2025, appointed Mr. Leroy James Langeveld (DIN: 11068486) as an Additional and Nominee Director (Non- Executive), liable to retire by rotation effective from April 26, 2025. The approval of the members at the ensuing 18th Annual General Meeting will be sought for appointment of Mr. Leroy James Langeveld as Nominee Director of the Company.

Re-appointment of director retiring by rotation

In accordance with the applicable provisions of Section 152 of the Act, Mr. John Mescall (DIN: 08385575), Nominee Director of the Company, retires by rotation at the forthcoming Annual General Meeting (AGM) of the Company. Being eligible, Mr. John Mescall have offered himself for re-appointment as Director. Brief particulars of Mr. John Mescall as required under the Secretarial Standard on General Meetings issued by ICSI have been provided in the notice of the 18th AGM of the Company.

Fit and Proper and Non-Disqualification Declaration by Directors

All the Directors of the Company have confirmed that they satisfy the 'fit and proper' criteria as prescribed under Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023, and that they are not disqualified from being appointed/re-appointed/continuing as Director in terms of Section 164(1) and (2) of the Act. None of the Directors of the Company are disqualified and/or debarred as per the applicable provisions of the Act and the Securities and Exchange Board of India (SEBI).

Declaration by Independent Directors of the Company

The Company has received declarations under section 149 of the Act and Regulation 16 of the SEBI Listing Regulations from Mr. Neeraj Swaroop, Mr. Ravi Venkatraman, Ms. Surekha Marandi, Mr. Rajesh Mannalal Agrawal and Mr. Koni Uttam Nayak, Independent Directors and a confirmation that there has been no change in the circumstances which may affect their status as Independent Director during the year. Further, the Board after taking these declarations/ disclosures on record and acknowledging the veracity of the same, concluded that the Independent Directors hold highest standards of integrity and possess the relevant proficiency, expertise and experience to qualify and continue as Independent Directors of the Company and are Independent of the Management of the Company.

Key Managerial Personnel

Pursuant to the provisions of Section 203 of the Act read with the rules made there under, Mr. Aseem Dhru, Managing Director & CEO, Mr. Mahesh Dayani, Executive Director, Mr. Narayan Barasia, Chief Financial Officer and Ms. Namrata Sajnani, Company Secretary & Chief Compliance Officer are the whole-time key managerial personnel of the Company as on March 31, 2025.

Changes in Key Managerial Personnel

- Mr. Jay Mistry, ceased to be the Company Secretary and Chief Compliance Officer of the Company with effect from close of business hours on August 7, 2024. The Board noted the same and placed on record its sincere appreciation for the valuable contribution made by Mr. Jay Mistry during his tenure as the Company Secretary and Chief Compliance Officer of the Company.
- Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company at its Meeting held on July 27, 2024 appointed Ms. Namrata Sajnani as the Company Secretary and Chief Compliance Officer of the Company with effect from August 8, 2024.
- The Board of Directors of the Company at its Meeting held on February 28, 2025, basis the recommendation of the Nomination and Remuneration Committee appointed Mr. Mahesh Dayani as an Additional and Whole-time Director, designated as 'Executive Director', subject to approval of Members of the Company. On April 7, 2025, the Members of the Company passed the Special Resolution through Postal Ballot for the appointment of Mr. Mahesh Dayani as Whole-time Director designated as 'Executive Director' of the Company.

Policies on Directors' Appointment and Remuneration

In accordance with the provisions of Section 134(3)(e) of the Act read with Section 178 of the Act and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), your Company has adopted a Nomination and Remuneration Policy which, inter-alia, includes the criteria for determining qualifications, positive attributes and independence of Directors, identification of persons who are qualified to become Directors and who may be appointed in the Senior Management team and also adopted Policy on Succession Planning for the Board and Senior Management which inter alia, includes succession planning for Board and Senior Management.

Further, RBI has vide its circular dated April 29, 2022 issued Guidelines on Compensation of Key Managerial Personnel and Senior Management in NBFCs pursuant to RBI Scale Based Regulations. Accordingly, the Company has adopted a Board approved policy exclusively governing compensation payable to Directors, Key Managerial Personnel (KMP) and Senior Management Personnel (SMP).

In view of detailed RBI Guidelines for NBFCs concerning compensation of KMP and SMP, the Company has in place a specific policy to this effect. Accordingly, this remuneration policy has to be read along with the specific policy adopted pursuant to RBI Guidelines as regards compensation of KMP and SMP.

The Nomination and Remuneration Policy and Policy on Succession Planning for the Board and Senior Management is available on the website of the Company and can be accessed at https://www.sbfc.com/faq.

Performance evaluation at Board

The Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") stipulate the evaluation of the performance of the Board, its Committees, Individual Directors and the Chairperson. Your Company has formulated a process for performance evaluation of the Independent Directors, the Board, its Committees and other individual Directors which includes criteria for performance evaluation of the Non-Executive Directors and Executive Directors.

An annual performance evaluation exercise was carried out on the basis of a structured questionnaire on performance criteria. The observations made during the evaluation process were noted and based on the outcome of the evaluation and feedback of the Directors, the Board and the management agreed on various action points to be implemented in subsequent meetings. The evaluation process endorsed cohesiveness amongst directors, the openness of the management in sharing the information with the Board and placing various proposals for the Board's consideration and approval. Overall, the Board expressed its satisfaction on the performance evaluation process as well as performance evaluation of all Directors, Committees and Board as a whole.

Familiarisation Programme for Directors

Your Company has adopted a structured programme for orientation of all Directors including the Independent Directors so as to familiarise them with the Company– its operations, business, industry, environment in which it functions, Indian and global macro-economic front and the regulatory regime applicable to it. The Management updates the Board Members on a continuing basis of any significant changes therein and provides them an insight to their expected roles and responsibilities so as to be in a position to take well-informed and timely decisions and contribute significantly to the Company.

The Independent Directors of your Company are made aware of their roles and responsibilities at the time of their appointment through a formal letter of appointment, which also stipulates various terms and conditions of their engagement. The terms of reference of all the Committees with updations, if any, is shared with all the Board Members on quarterly basis.

Pursuant to the provisions of the Act and Regulation 25(7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), your Company has during the year conducted familiarization programmes through briefings at Board/ Committee meetings for all its Directors including Independent Directors. Details of familiarization programmes imparted to the Independent Directors during the financial year under review in accordance with the requirements of the SEBI Listing Regulations are available on the Company's website and can be accessed at the weblink: https://www.sbfc.com/investors and is also provided in the Corporate Governance Report forming part of this Annual Report.

Directors' Responsibility Statement

Pursuant to Section 134 of the Act, the Directors of the Company do hereby confirm that:

a. in the preparation of the annual accounts for financial year ended March 31, 2025, the applicable accounting standards were followed, and that there are no material departures thereof;

b. such accounting policies had been selected and applied consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2025 and of the profits of the Company for the FY 2025;

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

d. the annual accounts had been prepared on a going concern basis;

e. internal financial controls to be followed by the Company was laid down, and such internal financial controls are adequate and were operating effectively, and

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

Internal Financial Controls

Your Company has in place, adequate and effective internal financial controls with reference to financial statements, commensurate with the size, scale and complexity of its operations.

Internal Audit Framework

The Internal Audit function at SBFC plays a critical role in providing assurance to the Audit Committee, Board of Directors and Senior Management regarding the quality and effectiveness of the Company's internal controls, risk management practices, and governance frameworks. In accordance with the Reserve Bank of India's guidelines on Risk-Based Internal Audit (RBIA), SBFC has adopted and implemented a Risk-Based Internal Audit Policy.

At the start of each financial year, a comprehensive audit plan is developed and approved by the Audit Committee. Internal audit reports, prepared in alignment with this approved plan, are reviewed by the Committee on a quarterly basis. These reports include key audit findings along with recommended corrective and preventive actions. Based on the insights from these audits, the Committee assesses the adequacy and effectiveness of internal control systems.

Additionally, the Audit Committee holds independent discussions with the internal auditor, in the absence of management, to ensure objectivity and transparency in the audit process.

Statutory Auditor's certification on Internal Financial Controls

The Statutory Auditors of your Company viz. M M Nissim & Co. LLP, Chartered Accountants have examined the internal financial controls of the Company and have submitted an unmodified opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting as at March 31, 2025.

Risk Management

Risk Management forms an integral part of the Company's business. Your Company has a comprehensive Enterprise Risk Management (ERM) framework, which is applied in strategy setting and across the enterprise, designed to identify potential events that may affect the entity, manage risk within its risk appetite, to provide reasonable assurance regarding the achievement of Company's objectives. The objective of ERM is to lay down the broad principles, guidelines and procedures governing the framework for risk identification, assessment, measurement and reporting process of the business risks. The policy aims to ensure that all material risks can be identified and managed in a timely and structured manner.

In compliance with Scale Based Regulations, the Board of Directors have basis recommendation of Risk Management Committee adopted ICAAP Policy and Framework with the objective of ensuring availability of adequate capital to support all risks in business as also enable effective risk management system in the Company.

The Chief Risk Officer ("CRO") oversees and strengthens the risk management function of the Company. The CRO apprises the Risk Management Committee and the Board on the risk assessment, process of identifying and evaluating risks, major risks as well as the movement within the risk grades, the root cause of risks and their impact, key risk indicators, risk management measures and the steps being taken to mitigate these risks.

Auditors and Audit Reports

Statutory Auditors and their Reports

The Members of the Company at the 15th Annual General Meeting had approved the appointment of M/s Suresh Surana & Associates LLP, Chartered Accountants, Mumbai (Firm Registration No. 121750W/W- 100010) as the Statutory Auditor of the Company till the 17th Annual General Meeting for a term of 2 consecutive years. Accordingly, their tenure as the Statutory Auditor concluded at the 17th AGM of the Company held on June 28, 2024.

Consequent to the above and in terms of the provisions of Section 139 of the Act and Guidelines for Appointment of Statutory Auditors issued by the Reserve Bank of India and basis the recommendation of the Audit Committee and the Board of Directors of the Company, the Members have at 17th AGM held on June 28, 2024 approved the appointment of M/s. M M Nissim & Co. LLP, Chartered Accountants, (Firm Registration No. 107122W/W100672), as the Statutory Auditors of the Company from the conclusion of the 17th Annual General Meeting till the conclusion of the 20th Annual General Meeting of the Company to be held in the year 2027.

In compliance with the Reserve Bank of India Guidelines dated April 27, 2021 ("RBI Guidelines"), your Company has in place a Policy for appointment of Statutory Auditors of the Company.

The Statutory Auditors have issued unmodified Audit Reports on the Standalone and Consolidated Financial Statements for the financial year ended March 31, 2025. The Report does not contain any qualification, reservation or adverse remark or disclaimer. The Statutory Auditors have given a confirmation to the effect that they have not been disqualified in any manner from continuing as the Statutory Auditors.

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

Secretarial Auditor and Audit Report

Pursuant to the provisions of section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. Parikh & Associates, Practicing Company Secretaries to undertake the Secretarial Audit of the Company for FY 2025.

The Company has annexed to this Board's Report as **'Annexure - VIII'**, a Secretarial Audit Report for the FY 2025 given by the Secretarial Auditor.

The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

Annual Secretarial Compliance Report with additional confirmations on compliances

In compliance with Regulation 24A of SEBI Listing Regulations, your Company has undertaken an audit for FY 2025 for all the applicable compliances as per SEBI Listing Regulations and circulars/guidelines issued thereunder. The Annual Secretarial Compliance Report has been issued by M/s. Parikh & Associates, Practicing Company Secretaries, Secretarial Auditor for FY 2025.

Appointment of Secretarial Auditor of the Company

In compliance with the SEBI Circular No. SEBI/HO/CFD/CFD-PoD-2/CIR/P/2024/185 dated December 31, 2024 and in accordance with the provisions of Section 204 of the Act read with the Rules framed thereunder and basis the recommendation of Board of Directors, the approval of Members of the Company is sought for appointment of M/s. Parikh & Associates, Practicing Company Secretaries as the Secretarial Auditor of the Company for conducting the Secretarial Audit of the Company for a period of five (5)

consecutive years. The Secretarial Auditor have given a confirmation to the effect that they are eligible to be appointed and not disqualified from continuing as the Secretarial Auditor. Necessary resolution(s) seeking Members approval for appointment of M/s. Parikh & Associates, Practising Company Secretaries as Secretarial Auditor of the Company forms part of the Notice convening the 18th AGM.

Cost Records and Cost Audit

Maintenance of cost records and requirement of cost audit as prescribed under the provisions of Section 148 of the Act are not applicable in respect of the business activities carried out by your Company and hence such accounts and records were not required to be maintained by the Company.

Particulars of Contracts or Arrangements with Related Parties

All the related party transaction(s) that were entered into during the financial year were on arm's length basis and in ordinary course of business. Pursuant to the provisions of Section 134(3)(h) read with Rule 8(2) of the Companies (Accounts) Rules, 2014, particulars of the contracts or arrangements with related parties referred to in section 188(1) in Form AOC-2 is annexed as **'Annexure – III'**.

In accordance with the applicable provisions of the Master Direction issued by the Reserve Bank of India and the SEBI Listing Regulations, the 'Policy on Materiality of Related Party Transactions and Dealing with Related Party Transactions', as updated is available on the Company's website: https://www.sbfc.com/faq.

Human Resources Management & Health, Safety and Environment

At your Company, we prioritise the personal growth and job satisfaction of our employees, recognising them as crucial to our business's success and expansion. We conduct various training and awareness programs to enhance professional skills, keeping our workforce informed about our core values, behaviors and Company policies. Open communication channels, coupled with regular updates across all departments, facilitate the exchange of information and enhance approachability and add to the transparent work culture. We adhere strictly to health, safety, and environmental standards, ensuring a responsible approach to our operations. Through our initiatives, we aim to cultivate fresh talent and nurture a pool of skilled manpower. All employees are well-versed with our Insider Trading Code.

Particulars of Employees and Related Disclosures

Details required under the provisions of section 197(12) of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, containing, among other things, the ratio of remuneration of Director to the median remuneration of employees, the percentage increase in the median remuneration, are annexed to this Report. This disclosure forms part of this Report, and is marked as **'Annexure – V'**.

Details of top ten employees in terms of the remuneration and employees in receipt of remuneration as prescribed under rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, containing details prescribed under rule 5(3) of the said rules, which form part of the Directors' Report, will be made available to any member on request, as per provisions of section 136(1) of the Act. Any shareholder interested in obtaining such information may write to the Company Secretary at complianceofficer@sbfc.com.

Compliance with the Code of Conduct

All Directors, Key Managerial Personnel and Senior Management of the Company have confirmed compliance with the Code of Conduct applicable to the Directors and employees of the Company. The Managing Director & CEO has given the certificate as required under Regulation 34(3) read with Part D of Schedule V of the SEBI Listing Regulations regarding compliance with the Code of Conduct of the Company for the year ended on March 31, 2025, which forms part of this Report, marked as **'Annexure – XI'**.

The Code of Conduct is available on the Company's website at weblink - https://www.sbfc.com/faq.

Vigil Mechanism

Your Company promotes ethical behaviour in all its business activities and has established a vigil mechanism for its Directors, Employees, and Stakeholders associated with the Company to report their genuine concerns. The Vigil Mechanism as envisaged in the Act and the Rules prescribed thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is implemented through the Whistle Blower Policy, to provide for adequate safeguards against victimisation of persons who use such mechanism and make provision for direct access to the Chairperson of the Audit Committee.

The Whistle Blower Policy has been widely disseminated within the Company. The Policy is available on the website of the Company at the web link: https://www.sbfc.com/faq.

During the year, the Company received 9 whistle blower complaints. All the cases were investigated and appropriate actions were taken. The Audit Committee is apprised of the vigil mechanism on a periodic basis. During the year, no person was denied access to the Chairperson of the Audit Committee. A quarterly report on the whistle blower complaints is placed before the Audit Committee for its review.

Disclosure Under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("POSH Act")

Your Company has in place a comprehensive Policy in accordance with the provisions of POSH Act and Rules made thereunder. The Policy has been widely communicated internally and is placed on the Company's intranet portal. The Company ensures that no employee is disadvantaged by way of gender discrimination.

Your Company has complied with the provisions relating to the constitution of the Internal Complaints Committee under the POSH Act to redress complaints received regarding sexual harassment.

No cases were reported during the year under review. 4267 employees have undergone the POSH training in FY 2025.

Energy Conservation, Technology Absorption and Foreign Exchange Earnings & Outgo

The particulars in respect of conservation of energy, technology absorption and foreign exchange earnings and outgo, as required under Section 134(3)(m) of the Act read with Rule (8)(3) of the Companies (Accounts) Rules, 2014 for FY 2025 are set out hereunder:

a. The Company has no activity involving the Conservation of Energy or Technological or Technology Absorption;

b. The Company's Foreign Exchange Earnings was Nil during the year under review. The Company's Foreign Exchange Outgo was ₹ 521.18 million pertaining to Interest expense on foreign currency borrowings and ₹ 0.26 million pertaining to software license.

Details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and the Company's operations in future

There were no significant and material orders passed by the regulators or courts or tribunals during the year impacting the going concern status of the Company and its future operations.

Compliance with the Provisions of Secretarial Standard – 1 and Secretarial Standard – 2

The Company has devised proper systems to ensure compliance with the provisions of the Secretarial Standards, i.e., SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively, issued by The Institute of Company Secretaries of India ("ICSI") and such systems are adequate and operating effectively.

Disclosure pertaining to Insolvency & Bankruptcy Code

There were neither any applications filed by or against the Company nor any proceedings were pending under the Insolvency and Bankruptcy Code, 2016 during the year under review.

Disclosure on One-Time Settlement

During the year, the Company has not made any one-time settlement for loans taken from the Banks or Financial Institutions and hence the details of difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof is not applicable.

General Disclosures

The Directors further state that no disclosure or reporting is required in respect of the following items, as there were no transactions/events related to these items during the financial year under review:

- There was no issue of equity shares with differential rights as to dividend, voting or otherwise;
- There was no issue of shares (including sweat equity shares) to the employees of the Company under any scheme, save and except Employee Stock Option schemes referred to in this Report;
- There was no raising of funds/issue of shares through Preferential Allotment, Public Issue, Rights Issue or Qualified Institutional Placement;
- There was no buy back of the equity shares during the year under review;
- There were no voting rights which are not directly exercised by the employees in respect of equity shares for the subscription/purchase for which loan was given by the Company (as there is no scheme pursuant to which such persons can beneficially hold shares as envisaged under Section 67(3)(c) of the Act);
- The Company has completed all corporate actions within the specified time limits. The securities were not suspended from trading during the year due to corporate actions or otherwise;
- There was no revision made in the Financial Statements or the Board's Report of the Company;
- Mr. Aseem Dhru, Managing Director & CEO and Mr. Mahesh Dayani, Executive Director did not receive any remuneration/commission from Holding/Subsidiary of the Company during FY 2025.
- The Company being an NBFC, the provisions relating to Chapter V of the Act, i.e., acceptance of deposit, are not applicable. Disclosures as per NBFC regulations have been made in this Annual Report.

Acknowledgement

Your Directors would like to express their sincere appreciation for the co-operation and assistance received from shareholders, debenture holders, debenture trustee, bankers, financial institutions, regulatory bodies and other business constituents during the financial year under review. Your Directors also wish to place on record their deep sense of appreciation for the commitment displayed by all executives, officers and staff, resulting in the successful performance of the Company during the financial year.

For & on behalf of Board of Directors of SBFC Finance Limited

Neeraj Swaroop
Chairperson & Independent Director
DIN: 00061170

Aseem Dhru
Managing Director & CEO
DIN: 01761455

Place: Mumbai
Date: June 6, 2025

Annexure - I

Annual Report on CSR Activities to be included in Board's Report

1. A brief outline on CSR policy of the Company:

   Objective: The main objective of CSR policy is to make CSR a key business process for the sustainable development of society. SBFC will act as a good corporate citizen and aim to supplement the role of the government in enhancing the welfare measures of society. SBFC would be undertaking the CSR activities as listed in Schedule VII and Section 135 of the Companies Act, 2013 and the Rules framed thereunder and as per its CSR policy.

2. The Composition of the CSR Committee:

Sl No.	Name of Director	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	Ms. Surekha Marandi	Chairperson & Independent Director	2	2
2	Mr. Ravi Venkatraman	Independent Director	2	2
3	Mr. John Mescall	Nominee Director	2	2

3. Provide the web-link where the 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.sbfc.com/investors
   - CSR Policy: https://www.sbfc.com/faq
   - CSR Projects: https://www.sbfc.com/faq

4. Provide the details of the Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the Report): Not Applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any: Not Applicable

6. Average net profit of the Company as per section 135(5): ₹ 1,996,028,227

7. (a) Two percent of average net profit of the Company as per section 135(5): ₹ 39,920,565

   (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: ₹ 3,852,062

   (c) Amount required to be set off for the financial year, if any: NIL

   (d) Total CSR obligation for the financial year (7a+7b-7c): ₹ 43,772,627

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per the second proviso to section 135(5)		
	Amount (in ₹)	Date of transfer	Name of the Fund	Amount	Date of transfer
44,914,641	-	-		-	

* The Company received a NAPS subsidy of ₹ 4,011,026 during FY 2024–25. Of this, ₹ 1,142,014 was utilized for skill development programs in March 2025, and the remaining amount will be spent in accordance with Section 135 of the Companies Act, 2013.

(b) Details of CSR amount spent against ongoing projects for the financial year: Not Applicable

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

Sr.	Name of the 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 ₹)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency	
							Name	CSR registration number
1	Gurukul: National Apprentice Promotion Scheme (NAPS)	Employment enhancing vocation skills	Yes	PAN India	28,352,641	Yes	-	-
2	Shiksha: Infrastructure Development	Promoting Education	Yes	# Shri Swaminarayan Vidyalaya, Manipura, Viramgam, Ahmedabad # Government Upper Primary School Tankariya Sirohi, Rajasthan	12,320,000	No	Yuva Unstoppable	CSR00000473
3	Shiksha: Education of underprivileged children	Promoting Education	Yes	Bandra West, Mumbai	1,242,000	No	Human Development Centre	CSR00018558
4	Aarogya: Mobile Ophthalmic Unit project	Healthcare	Yes	Panhala block of Kolhapur, Maharashtra	3,000,000	No	Ekam Foundation	CSR00004951
	Total				**44,914,641**			

(d) Amount spent in Administrative Overheads: Nil

(e) Amount spent on Impact Assessment, if applicable: Nil

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹ 44,914,641

(g) Excess amount for set off, if any : Not applicable

Sr No	Particulars	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	-
(ii)	Total amount spent for the Financial Year	-
(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)]	-

9. (a) Details of Unspent CSR amount for the preceding three financial years: Nil

   (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Nil

10. In case of creation or acquisition of a capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details)

    (a) Date of creation or acquisition of the capital asset(s): Not applicable

    (b) Amount of CSR spent for creation or acquisition of capital asset: Not applicable

    (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address, etc: Not applicable

    (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): Not applicable

11. Specify the reason(s) if the Company has failed to spend two per cent of the average net profit as per section 135(5): Not applicable

For & on behalf of Board of Directors of SBFC Finance Limited

Surekha Marandi
Chairperson of Committee & Independent Director
DIN: 06952573

Aseem Dhru
Managing Director & CEO
DIN: 01761455

Place: Mumbai
Date: June 6, 2025

Annexure – II
Rating Assigned by Credit Rating Agencies and Migration of Ratings during FY 2024-25

Name of Rating Agency	Date of rating	Facility/ Instrument	Rating assigned	Revision during the year
ICRA Limited	September 20 ,2024	Long term fund based term loan	[ICRA] AA- Stable	[ICRA]AA-(Stable); upgraded from [ICRA]A+ (Stable)
		Non Convertible Debentures	-	[ICRA]AA-(Stable); upgraded from [ICRA]A+ (Stable) and withdrawn
India Ratings & Research Pvt Ltd	June 12, 2024	Bank Loans	IND AA-/Stable	No change
		Non Convertible Debentures		No change
CARE Ratings Limited	July 18, 2024	Long Term Bank Facilities	CARE AA-; Stable	CARE AA- (Stable); upgraded from CARE A+; Positive
	August 28, 2024	Non Convertible Debentures		Assigned

For & on behalf of Board of Directors of SBFC Finance Limited

Neeraj Swaroop
Chairperson & Independent Director
DIN: 00061170

Aseem Dhru
Managing Director & CEO
DIN: 01761455

Place: Mumbai
Date: June 6, 2025

Annexure – III
FORM AOC - 2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/ arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis –

   There were no contracts or arrangements or transactions entered into during the year ended March 31, 2025, which were not at arm's length basis.

2. Details of material contracts or arrangement or transactions at arm's length basis –

   There were no material contracts or arrangements or transactions for the year ended March 31, 2025 as per the provisions of the Companies Act, 2013. Thus, this disclosure is not applicable.

For & on behalf of Board of Directors of SBFC Finance Limited

Neeraj Swaroop
Chairperson & Independent Director
DIN: 00061170

Aseem Dhru
Managing Director & CEO
DIN: 01761455

Place: Mumbai
Date: June 6, 2025

Annexure – IV

Form AOC - 1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries or associate companies or Joint ventures

Part A : Subsidiaries [as per section 2(87) of the Companies Act, 2013]

1. Name of the subsidiary: SBFC Home Finance Private Limited
2. The date since when subsidiary was acquired: The subsidiary of the Company was incorporated on December 6, 2022
3. Reporting period for the subsidiary concerned, if different from the holding company's reporting period.- Same period as holding company's reporting period.
4. Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.- Not Applicable
5. Share capital - Nil
6. Reserves and surplus - Nil
7. Total assets - Nil
8. Total Liabilities - Nil
9. Investments - Nil
10. Turnover - ₹ 10,408,008.80
11. Profit before taxation - ₹ 9,181,756.73
12. Provision for taxation - ₹ 2,619,055.80
13. Profit after taxation - ₹ 6,562,700.93
14. Proposed Dividend - Nil
15. Extent of shareholding (in percentage) – Nil *
    - Names of subsidiaries which are yet to commence operations: Not Applicable
    - Names of subsidiaries which have been liquidated or sold during the year.: SBFC Home Finance Private Limited*

    * The subsidiary is in the process of voluntary liquidation, and the official liquidator had been appointed on January 27, 2025 for this process. The liquidator has completed the process of realization of assets and liabilities. Consequently, the net proceeds of the realization have been distributed to the Company on March 27, 2025.

Part B : Details of Associates / Joint Ventures [as per section 2(6) of the Companies Act, 2013]:

Not Applicable

- Names of associates or joint ventures which are yet to commence operations: Not Applicable
- Names of associates or joint ventures which have been liquidated or sold during the year: Not Applicable

For & on behalf of Board of Directors of SBFC Finance Limited

Neeraj Swaroop
Chairperson & Independent Director
DIN: 00061170

Aseem Dhru
Managing Director & CEO
DIN: 01761455

Place: Mumbai
Date: June 6, 2025

Annexure – V

Statement of Disclosure of Remuneration under section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended for the financial year ended March 31, 2025

Name of the Director/ Key Managerial Personnel	Designation	Ratio of remuneration of Director to median remuneration of employees	% increase in Remuneration over previous year
(A) Whole-time Director			
Aseem Dhru	Managing Director & CEO	96.02 : 1	12%
(B) Non- executive directors			
Neeraj Swaroop	Independent Director & Chairman	5.13 : 1	Note 1
Rajesh Mannalal Agrawal	Independent Director	1.35 : 1	Note 1
Surekha Marandi	Independent Director	4.32 : 1	Note 1
Koni Uttam Nayak	Independent Director	3.51 : 1	Note 1
Ravi Venkatraman	Independent Director	5.40 : 1	Note 1
John Mescall	Nominee Director	Note 2	Note 2
Jonathan Tadeusz Tatur	Nominee Director	Note 2	Note 2
(C) Executive Director			
Mahesh Dayani#	Executive Director	74.90 : 1	NA
(D) Key Managerial Personnel			
Aseem Dhru	Managing Director & CEO		12%
Mahesh Dayani#	Executive Director		NA
Narayan Barasia	Chief Financial Officer		12%
Jay Mistry*	Company Secretary & Chief Compliance Officer (upto August 7, 2024)		8%
Namrata Sajnani*	Company Secretary & Chief Compliance Officer (w.e.f August 8, 2024)		NA

\# Mr. Mahesh Dayani was appointed as Additional & Executive Director w.e.f. February 28, 2025 subject to approval of shareholders, which was obtained on April 7, 2025. Accordingly, the median has been derived at by considering median for proportionate period.

* Ms. Namrata Sajnani was appointed as Company Secretary and Chief Compliance Officer on August 8, 2024 and Mr. Jay Mistry has resigned as Company Secretary and Chief Compliance Officer on August 7, 2024

Notes:

1. The Independent Directors have been paid only sitting fees during the financial year, hence their remuneration with the median remuneration of the employees is not comparable. However, their ratio of sitting fees paid to the median remuneration of employees have been provided above.
2. The Non-Executive Nominee Directors are not paid any remuneration by the Company.

(C) Percentage increase in the median remuneration of employees in the financial year: 8.19%

(D) Number of permanent employees on the rolls of the Company as on March 31, 2025: 2,628 employees

(E) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

Particulars	% change in remuneration
Average increase in salary of employees (other than key managerial personnel)	10.23%
Average increase in remuneration of key managerial personnel	10.67%

(F) Affirmation:

The Company affirms that the remuneration is in line with its Remuneration Policy.

For & on behalf of Board of Directors of SBFC Finance Limited

Neeraj Swaroop
Chairperson & Independent Director
DIN: 00061170

Aseem Dhru
Managing Director & CEO
DIN: 01761455

Place: Mumbai
Date: June 6, 2025

Annexure - VI
Corporate Governance Report

Corporate governance at SBFC Finance Limited ('Company') embodies best practices, legal compliance and ethical standards crucial for our sustainability. We prioritize transparency, accountability and effective oversight to foster a corporate culture that supports our stakeholders' interests. Our framework ensures robust checks and balances among the board, committees, management, auditors and stakeholders, reflecting our commitment to governance excellence and responsible business operations. This Corporate Governance Report for the financial year ended on March 31, 2025, has been prepared in compliance with the requirements of Regulation 34(3) read together with Para C of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, from time to time, ("SEBI Listing Regulations") and forms a part of the Directors Report of the Company for the aforesaid financial year. The Company has adhered to the requirements stipulated under Regulations 17 to 27 read with Para C and D of Schedule V and clauses (b) to (i) and (t) of Regulation 46(2) of the SEBI Listing Regulations as applicable with regard to Corporate Governance.

1. Company's philosophy on Corporate Governance

Corporate Governance refers to, but is not limited to, a set of laws, regulations and good practices and systems that enable an organisation to perform efficiently and ethically to generate long-term wealth and create value for all its stakeholders. Sound governance practices and responsible corporate behaviour contribute to the superior long-term performance of organisations. Corporate Governance requires everyone to raise their level of competency and capability to meet the expectations in managing the enterprise and its resources optimally with prudent ethical standards. The Company recognises that good corporate governance is a continuous exercise. Adherence to transparency, accountability, fairness and ethical standards are an integral part of the Company's function.

The Company's structure, business dealings, administration and disclosure practices are aligned to good corporate governance philosophy and to add value to customers' businesses by providing financial services that allow them to increase the efficiency, quality and profitability of their operations while upholding the Company's core values, courage, ownership, respect and energy and include the values of creativity, co-operation, reliability, integrity, embracing diversity and compliance with the laws. The Company has an adequate system of control in place to ensure that the executive decisions taken should result in optimum growth and development which benefits all the stakeholders and aims to increase and sustain its corporate values through growth and innovation. The Company's Code of Conduct serves as a guide to each Director and employee on the standards and values, ethics and business principles which govern their conduct. The Company's policy on internal controls requires a periodical review of all controls including financial, operational, compliance and risk management.

The Company ensures strict adherence to all applicable regulatory frameworks, including the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 ("RBI Master Directions"), the Companies Act, 2013 ("the Act"), and the SEBI Listing Regulations. It also remains compliant with relevant rules, regulations, circulars, and notifications issued by the Reserve Bank of India (RBI), Securities and Exchange Board of India (SEBI), Ministry of Corporate Affairs (MCA), Insurance Regulatory and Development Authority of India (IRDAI) and other concerned statutory authorities.

2. Board of Directors

The Board of Directors, in its fiduciary role, is responsible for safeguarding the Company's interests and creating long-term stakeholder value. It upholds the principles of ethical governance, transparency, and accountability, supported by a balanced mix of independent and non-independent directors. The Board promotes diversity and inclusion, bringing varied perspectives to enhance decision-making and corporate culture. Key responsibilities include strategic oversight, policy formulation, performance review, compliance monitoring, and financial approvals. Several Board Committees have been formed to address specific areas requiring focused and expert attention.

The Board of Directors of your Company has an optimum combination of Executive and Non-Executive Directors in compliance with the requirements of Regulation 17 of SEBI Listing Regulations and Section 149 of the Companies Act, 2013 ("Act"). As on March 31, 2025, the Board comprised of 9 (nine) directors, with 7 (seven) Non-Executive Directors of which 5 (five) are Independent Directors including the Chairman and a Woman Independent Director.

The composition of the Board of Directors, category of directors, the number of other committees of which a director is a Member/Chairperson and the attendance at the last Annual General Meeting (AGM) of the Company were as follows:

Name of the Directors and Category	DIN	No. of Shares held in Company as on March 31, 2025	No. of memberships in Audit/ Stakeholders Relationship Committee including the Company^	No. of post of Chairperson in Audit/ Stakeholders Relationship Committee held including the Company ^	Whether attended last AGM held on June 28, 2024
Mr. Neeraj Swaroop (Chairperson & Independent Director)	00061170	--	3	1	Yes
Ms. Surekha Marandi (Independent Director)	06952573	--	4	1	Yes
Mr. Rajesh Mannalal Agrawal (Independent Director)	00302467	--	1	0	Yes
Mr. Ravi Venkatraman (Independent Director)	00307328	--	10	4	Yes
Mr. Koni Uttam Nayak (Independent Director)	02543830	--	0	0	Yes
Mr. Aseem Dhru (Managing Director & CEO)	01761455	3,47,09,209	3	3	Yes
Mr. Mahesh Dayani (Whole Time Director)*	06561389	1,23,99,017	0	0	N.A
Mr. John Mescall (Nominee Director)#	08385575	--	2	0	Yes
Mr. Jonathan Tadeusz Tatur (Nominee Director) #	08639243	--	0	0	Yes

^Only membership/chairmanship of the Audit Committee and Stakeholders Relationship Committee of Indian public limited companies, and equity listed companies have been considered and positions held in various chambers/bodies, private limited companies, foreign companies, companies registered under Section 8 of the Act have been excluded.

** Appointed as Whole-time Director designated as Executive Director by the Board of Directors on February 28, 2025 and by the shareholders on April 7, 2025*

 # Nominee of Promoter Holding Company – SBFC Holdings Pte. Ltd.

***Note -** Mr. Leroy James Langeveld was appointed as an Additional and Nominee Director (Non- Executive), liable to retire by rotation effective from April 26, 2025, subject to the approval of Shareholders of the Company at the ensuing 18th Annual General Meeting ("AGM") of the Company.*

The Committee positions are based on the latest disclosures received by the Company. None of the directors on the Board of the Company is a Member of more than 10 committees or Chairperson of more than 5 committees, reckoned in accordance with Regulation 26 of the SEBI Listing Regulations.

All the Directors have confirmed that they are free from any disqualification mentioned under Section 164 and/ or any other provisions of the Act. The Independent Directors, namely, Mr. Neeraj Swaroop, Mr. Rajesh Mannalal Agrawal, Ms. Surekha Marandi, Mr. Ravi Venkatraman and Mr. Koni Uttam Nayak have given the declaration and confirmed that they fulfill the criteria for "independence" and/or "eligibility" as prescribed under the SEBI Listing Regulations and Section 149 of the Act and they have also affirmed compliance with the Code of Conduct of the Company and the Code for Independent Directors mentioned in Schedule IV of the Act. In terms of Regulation 25(8) of the SEBI Listing Regulations, the Independent Directors have confirmed that they are not aware of any circumstances or situations which exist or may be reasonably anticipated that could impair or impact their ability to discharge their duties. In the opinion of the Board, the Independent Directors of the Company fulfill the conditions specified under the SEBI Listing Regulations and are Independent of the management. None of the Directors of your Company are inter-se related to each other or to any Key Managerial Personnel of the Company. All the Independent Directors of the Company have obtained registration with the databank of Independent Directors maintained by the Indian Institute of Corporate Affairs. No shares or convertible instruments of the Company are held by any Non-Executive Directors.

As required under Para C of Schedule V to the SEBI Listing Regulations, based on the latest disclosures received by the Company, the following are the number of Directorships and the names of the listed entities where the directors of the Company are also a Director and the category of their directorships therein as on March 31, 2025:

Name of the Directors	No. of Directorships	Directorships and its category in equity listed entities including the Company *
Mr. Neeraj Swaroop	2	SBFC Finance Limited (ID) Spandana Sphoorty Financial Limited (ND)
Ms. Surekha Marandi	1	SBFC Finance Limited (ID)
Mr. Rajesh Mannalal Agrawal	2	SBFC Finance Limited (ID) Ajanta Pharma Limited (JMD)
Mr. Ravi Venkatraman	2	SBFC Finance Limited (ID) ESAF Small Finance Bank Limited (ID)
Mr. Koni Uttam Nayak	1	SBFC Finance Limited (ID)
Mr. Aseem Dhru	3	SBFC Finance Limited (MD & CEO) Safari Industries (India) Limited (ID) Rossari Biotech Limited (ID)
Mr. Mahesh Dayani	1	SBFC Finance Limited (ED)
Mr. Jonathan Tadeusz Tatur	1	SBFC Finance Limited (ND)
Mr. John Mescall	1	SBFC Finance Limited (ND)

ID – Independent, Non-Executive; ND – Nominee Director, Non-Executive; JMD – Joint Managing Director, MD & CEO – Managing Director & Chief Executive Officer, ED - Executive Director

**Covers Equity Listed Entities but Private Limited Companies, High value debt listed entities and Section 8 Companies are excluded from the list.*

None of the Directors hold office in more than ten (10) public limited companies as prescribed under Section 165(1) of the Act.

The Independent Directors of the Company do not serve in more than 7 listed companies and none of them is a wholetime director in any listed Company except Mr. Rajesh Mannalal Agrawal who is the Joint Managing Director of Ajanta Pharma Limited.

The Board of Directors of the Company met 5 (Five) times during the financial year ended March 31, 2025. At least one meeting of the Board was held in every quarter and the time gap between any two consecutive Board Meetings did not exceed 120 days during the financial year ended March 31, 2025. The details of the Board Meetings held and attendance thereat are as follows:

Sr. No.	Date of Board Meetings	Board Strength (No. of Directors)	No. of Directors Present	No. of Independent Directors Present
1	April 27, 2024	8	8	5
2	July 27, 2024	8	8	5
3	October 26, 2024	8	8	5
4	January 25, 2025	8	7	4
5	February 28, 2025	8	7	5

The attendance of Directors at the Board meetings are as follows:

Name of Director	Category	Eligible to attend	Attended
Mr. Neeraj Swaroop	Chairperson & Independent Director	5	5
Ms. Surekha Marandi	Independent Director	5	5
Mr. Rajesh Mannalal Agrawal	Independent Director	5	4
Mr. Ravi Venkatraman	Independent Director	5	5
Mr. Koni Uttam Nayak	Independent Director	5	5
Mr. Aseem Dhru	Managing Director & CEO	5	5
Mr. Mahesh Dayani[$]	Executive Director	0	0
Mr. Jonathan Tadeusz Tatur	Nominee Director	5	4
Mr. John Mescall	Nominee Director	5	5

[$] Appointed as Whole-time Director designated as Executive Director by the Board of Directors on February 28, 2025 and by the shareholders on April 7, 2025.

The information as required under Regulation 17(7) read with Part A of Schedule II to the SEBI Listing Regulations is periodically placed before the Board. The Board periodically reviews the strategy, annual business plan, business performance of the Company, risk management, compliance reports of the laws applicable to the Company, internal financial controls and financial reporting systems, minutes of the Board Meetings of the Company's subsidiary companies, adoption of quarterly/half-yearly/annual results.

Core Skills / Expertise / Competencies available with the Board of Directors of the Company

The Board comprises qualified members who bring in the required skills, competence and expertise to enable them to effectively contribute in deliberations at Board and Committee meetings. As required under Schedule V of the SEBI Listing Regulations, the below matrix summarizes a mix of skills, expertise and competencies possessed by our individual Directors, which are key to corporate governance and Board effectiveness:

Parameters	Mr. Neeraj Swaroop	Ms. Surekha Marandi	Mr. Rajesh Mannalal Agrawal	Mr. Ravi Venkatraman	Mr. Koni Uttam Nayak	Mr. Jonathan Tadeusz Tatur	Mr. John Mescall	Mr. Mahesh Dayani	Mr. Aseem Dhru
Industry Experience	✓	✓		✓				✓	✓
Financial Expertise	✓			✓		✓		✓	✓
Consumer Behavior	✓		✓		✓		✓	✓	✓
Legal and Compliance		✓		✓					✓
Corporate Governance	✓	✓	✓	✓	✓	✓	✓	✓	✓
Strategy	✓		✓	✓	✓	✓	✓	✓	✓
Risk Management	✓	✓	✓	✓	✓	✓	✓	✓	✓
Information Technology					✓			✓	✓
Investor Relationship	✓	✓	✓	✓	✓	✓	✓	✓	✓

Board Training and Familiarisation Programme

In terms of Regulation 25(7) of the SEBI Listing Regulations, the Company is required to conduct various programmes for the Independent Directors of the Company to familiarise them with their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, the business model of the Company, etc.

The Company regularly familiarises its Board, including Independent Directors, with key aspects of its business and financial strategy, risk management practices, regulatory updates and governance framework. During the year, familiarisation was conducted through Board and Committee meetings covering business and financial performance, audit presentations, risk identification and mitigation, and IT strategy including cybersecurity and digital initiatives. Directors were also updated on liquidity and asset-liability management, regulatory inspections and CSR activities. Discussions included internal controls, related party transactions, policy reviews and compliance with SEBI Listing Regulations and Insider Trading Regulations. Independent Directors are made aware of their roles and responsibilities at the time of appointment through a formal letter outlining the terms of engagement.

Details of familiarisation programmes imparted to Independent Directors is disclosed on its website at https://www.sbfc.com/investors.

Independent Directors' Separate Meeting

The SEBI Listing Regulations and Schedule IV to the Act mandate the Independent Directors of the Company to hold at least one meeting in every financial year, without the attendance of non-independent directors and members of the management. During the financial year ended on March 31, 2025, the Independent Directors met on March 15, 2025, inter alia, to review the performance of Non-Independent Directors and the Board as a whole, to review the performance of the Chairperson of the Company and to assess the quality, quantity and timeliness of flow of information between the management of the Company and the Board and, as intimated, were found satisfactory.

Re-appointment of Directors

As required under Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard - 2 on General Meetings issued by the Institute of Company Secretaries of India, particulars of the Directors seeking re-appointment are given in the Notice of the 18th AGM of the Company which forms part of the Annual Report.

Code of Conduct

In terms of Regulation 17(5) and 26(3) of the SEBI Listing Regulations, the Board has laid down Codes of Conduct for Board Members and for Senior Management of the Company ("Codes"). The Board has also adopted a Code of Conduct for Independent Directors in line with Section 149(8) read with Schedule IV of the Companies Act, 2013. This serves as a guide to professional conduct, outlining the role, duties, and responsibilities expected from Independent Directors to uphold high standards of integrity and governance within the Company.

This Code of Conduct emphasises the Company's commitment to compliance with the highest standards of legal and ethical behaviour. The Code of Conduct is available on the website of the Company at https://www.sbfc.com/faq. All Board Members and Senior Management Personnel have confirmed their adherence to the Company's Codes of Conduct. The declaration to this effect signed by Mr. Aseem Dhru, Managing Director & CEO, is attached separately with this report.

3. Board Committees

The Board of Directors of the Company has various committees consisting of Executive, Non-Executive and Independent Directors to meet various statutory requirements of the Companies Act, 2013 and the SEBI Listing Regulations and to perform various specific and critical functions. Currently, the Board has 6 (six) committees, viz.:

a) Audit Committee

b) Nomination and Remuneration Committee (NRC)

c) Corporate Social Responsibility Committee (CSR)

d) Stakeholders Relationship Committee (SRC)

e) Risk Management Committee (RMC)

f) IT Strategy Committee (ITSC)

The Company Secretary acts as the Secretary to all the Committees of the Board. The composition, terms of reference, attendance and other details of these Committees are mentioned later in this Report.

a) Audit Committee

Constitution and Composition: The Board of Directors of the Company has a qualified and independent Audit Committee that acts as a link between the Management, the Statutory Auditors, Internal Auditors and the Board. The Audit Committee as on March 31, 2025, consists of 4 (four) members, the details are mentioned in table below.

The Managing Director & CEO and Chief Financial Officer attend the meetings of the Audit Committee as invitees. The Company Secretary is the Secretary of the Audit Committee. All Directors are financially literate and Mr. Ravi Venkatraman has accounting or related financial management expertise in addition to investor relationship, start up and scaling up of businesses, processes etc. The Statutory Auditors and Internal Auditors are invited to the meetings to discuss with the Directors the scope of audit, their comments and recommendation on the accounts, records, risks, internal procedures and internal controls of the Company and to discuss the Internal Audit Reports. The minutes of the Audit Committee meetings were also circulated to the Board, discussed and taken note of. All recommendations made by the Audit Committee during the year were accepted by the Board.

Terms of Reference: The terms of reference of the Audit Committee cover all the areas mentioned under Section 177 of the Act and Regulation 18 read together with Part C of Schedule II of the SEBI Listing Regulations.

The broad terms of reference of the Audit Committee, inter-alia, include, review of financial reporting process and all financial results, statements and disclosures and recommending the same to the Board, review the internal audit reports and discuss the same with the internal auditors, review internal control systems and procedures, evaluation of internal financial controls and risk management systems and their effectiveness, to meet the statutory auditors and discuss their findings, their scope of audit, post audit discussion, auditor's independence, adequacy of internal audit functions, audit qualifications, if any, appointment/removal of auditors, changes in accounting policies and practices, if any, reviewing, approval and disclosure of all related party transactions, reviewing with the management the performance of the statutory and internal auditors and their remuneration in compliance with the Act, the SEBI Listing Regulations and other legal requirements

and compliances, reviewing ongoing litigations and their impact on the Company and compliance with the statutory requirements. The Audit Committee also reviews the compliance with the Insider Trading Regulations .

Attendance: During the financial year ended on March 31, 2025, 4 (Four) meetings of the Audit Committee were held on April 27, 2024, July 27, 2024, October 26, 2024 and January 25, 2025.

The composition of the Committee and attendance of its members at the meetings held during the year are as follows:

Name of Director	Position	Category	No. of meetings held	Eligible to attend	Attended
Mr. Ravi Venkatraman	Chairperson	Independent Director	4	4	4
Ms. Surekha Marandi	Member	Independent Director	4	4	4
Mr. Neeraj Swaroop	Member	Independent Director	4	4	4
Mr. John Mescall	Member	Nominee Director	4	4	4

b) Nomination and Remuneration Committee

Constitution and Composition: The Board of Directors of the Company has a qualified and independent Nomination and Remuneration Committee (NRC) as per the provisions of Section 178 of the Act and Regulation 19 of the SEBI Listing Regulations. As on March 31, 2025, the NRC consists of 3 (three) members the details of which are mentioned in the table below.

Terms of Reference: The terms of reference of the NRC cover all the areas mentioned under Section 178 of the Act and Regulation 19 read together with Part D of Schedule II of the SEBI Listing Regulations. The broad terms of reference of the NRC, inter alia, include, recommending and reviewing the policy relating to remuneration and terms of employment of managing/ whole-time directors and senior management personnel, formulating the criteria for determining qualifications, positive attributes and independence of a director, and recommending to the Board a policy relating to the remuneration of the directors, key managerial personnel, and other employees. It also involves identifying persons who may be appointed as directors or senior management personnel of the Company, preliminary evaluation of every Director's performance, Board diversity, and any other matters which the Board of Directors may direct from time to time. The Committee shall assess the Board's skill, knowledge, and experience needs, define the required capabilities, and identify suitable independent director candidates through external agencies, diverse sourcing, and time commitment evaluation.

Attendance: During the financial year ended on March 31, 2025, 2 (Two) meetings of the NRC were held i.e., on October 24, 2024 and February 28, 2025. The composition of the NRC and attendance of its members at the meetings held during the year are as under:

Name of Director	Position	Category	No. of meetings held	Eligible to attend	Attended
Mr. Rajesh Mannalal Agrawal	Chairperson	Independent Director	2	2	2
Mr. Neeraj Swaroop	Member	Independent Director	2	2	2
Mr. John Mescall	Member	Nominee Director	2	2	2

Performance Evaluation: In compliance with the Act and SEBI Listing Regulations, the Board undertakes an annual performance evaluation to review and enhance the effectiveness of the Board, its Committees, and individual Directors. The Nomination and Remuneration Committee has laid down a framework for the performance evaluation of Directors, based on parameters such as their role, contribution, experience, expertise, ability to offer constructive challenge, integrity, confidentiality, and independent judgement.

In line with the provisions of the Act and SEBI Listing Regulations, the Company conducted the Board Evaluation during the year, covering the performance of the Board, its Committees, individual Directors, Independent Directors, and the Chairperson.

The performance evaluation of the Board, its Chairman and the Non-Executive Directors were carried out by the Independent Directors at their separate meeting held on March 15, 2025 and as intimated, were found satisfactory. The meetings, held without the presence of the Managing Director & CEO, Non-Executive Non-Independent Directors, and the management team, provided an informal setting for the Independent Directors to discuss matters relating to the Company's affairs and share their collective views with the Board of Directors.

c) Corporate Social Responsibility Committee

As required under Section 135 of the Act, the Board of Directors of the Company has constituted a Corporate Social Responsibility Committee (CSR Committee). As on March 31, 2025, the CSR Committee consists of 3 (three) members, the details of which are mentioned in the table below.

The terms of reference of the CSR Committee are in conformity with the requirements of Section 135 of the Act and the Rules made thereunder. The Committee is responsible for formulating and recommending to the Board a Corporate Social Responsibility Policy outlining the activities to be undertaken by the Company in line with Schedule VII of the Act, identifying focus areas for CSR activities, recommending the expenditure to be incurred, formulating an annual CSR action plan for the Board's approval, and monitoring the implementation of CSR initiatives from time to time. Corporate Social Responsibility Policy is available on the Company's website www.sbfc.com/faq. The CSR Committee met twice during the year i.e., on April 26, 2024, and January 24, 2025.

The composition of the CSR Committee and attendance of its members at the meetings held during the year are as under:

Name of Director	Position	Category	No. of meetings held	Eligible to attend	Attended
Ms. Surekha Marandi	Chairperson	Independent Director	2	2	2
Mr. John Mescall	Member	Nominee Director	2	2	2
Mr. Ravi Venkatraman	Member	Independent Director	2	2	2

d) Stakeholders Relationship Committee

The Company has a Stakeholders Relationship Committee (SRC) in accordance with the provisions of Section 178 of the Act and Regulation 20 of the SEBI Listing Regulations. The Committee's mandate includes, among other responsibilities, resolving grievances of security holders such as issues related to shares, non-receipt of annual reports, etc. It also oversees the effective exercise of voting rights by shareholders, ensures adherence to service standards concerning services provided by the Registrar and Share Transfer Agent ('RTA'). Ms. Namrata Sajnani, Company Secretary, acts as the Compliance Officer of the Company. There were no shareholders complaints received during the financial year 2024-25 or pending as on March 31, 2025. As on March 31, 2025, the SRC consists of 3 (three) members, details of which are provided in the table below. During the year, only 1 (one) meeting of the Committee was held on January 24, 2025.

The composition of the SRC and attendance of its Members at the meeting held during the year are as follows:

Name of Director	Position	Category	No. of meetings held	Eligible to attend	Attended
Ms. Surekha Marandi	Chairperson	Independent Director	1	1	1
Mr. John Mescall	Member	Nominee Director	1	1	1
Mr. Ravi Venkatraman	Member	Independent Director	1	1	1

e) Risk Management Committee

In compliance with Regulation 21 of the SEBI Listing Regulations and the provisions of RBI Regulations, the Board of Directors of the Company has a Risk Management Committee (RMC).

The terms of reference of the RMC, inter alia, include formulation of a detailed risk management policy which shall include (a) framework for identification of internal and external risks specifically faced by the Company, including financial, operational, sectoral, sustainability, information, cyber security risks or any other risk as may be determined by the Committee (b) measures for risk mitigation including systems and processes for internal control of identified risks, and (c) business continuity plan and other functions specified in Part D of Schedule II to the SEBI Listing Regulations and as prescribed under RBI Regulations. The RMC carries out a series of regulatory driven activities that are mandated under various guidelines and directives issued by the RBI Regulations.

The RMC consists of 8 (eight) Members comprising of 6 (six) Directors and 2 (two) senior management personnel of the Company, the details of which are given in the table below. During the financial year ended on March 31, 2025, 4 (Four) meetings of the RMC were held on April 27, 2024, July 27, 2024, October 26, 2024 and January 24, 2025 and the time gap between any two consecutive meetings did not exceed 210 days during the year 2025. The composition of the RMC and attendance of its members at the meetings held during the year are as follows:

Name of Member	Position	Category / Designation	No. of Meetings Held	Eligible to attend	Attended
Ms. Surekha Marandi	Chairperson	Independent Director	4	4	4
Mr. Neeraj Swaroop	Member	Independent Director	4	4	4
Mr. Aseem Dhru	Member	Managing Director & CEO	4	4	4
Mr. Ravi Venkatraman	Member	Independent Director	4	4	4
Mr. John Mescall	Member	Nominee Director	4	4	4
Mr. Koni Uttam Nayak	Member	Independent Director	4	4	4
Mr. Pankaj Poddar[&]	Member	Chief Risk Officer	4	4	4
Mr. Sanket Agrawal[&]	Member	Chief Strategy Officer & IR	4	4	3

[&] Senior management personnel of the Company.

f) IT Strategy Committee

The Board of Directors of the Company has constituted an IT Strategy Committee (ITSC) in terms of the applicable provisions of RBI Regulations.

The terms of reference of ITSC includes, inter-alia, the following:

(a) Approving IT strategy and policy documents and ensuring that the management has put an effective strategic planning process in place;

(b) Sourcing and use of IT resources;

(c) Ensuring that Company has an effective IT strategic planning process in place;

(d) Company to have in place processes for assessing and managing IT and cybersecurity risks;

(e) Adequate budgetary allocations for the IT function; and

(f) Review adequacy and effectiveness of the Business Continuity Planning and Disaster Recovery Management of the Company.

The ITSC consists of 7 (seven) Members comprising of 5 (five) Directors and 2 (two) senior management personnel of the Company, the details of which are given in the table below .During the financial year ended on March 31, 2025, 4 (Four) meetings of the ITSC were held on April 26, 2024, July 25, 2024, October 25, 2024 and January 24, 2025. The composition of the ITSC and attendance of its members at the meetings held during the year are as follows:

Name of Member	Position	Category	No. of meetings held	Eligible to attend	Attended
Mr. Koni Uttam Nayak	Chairperson	Independent Director	4	4	4
Mr. Neeraj Swaroop	Member	Independent Director	4	4	4
Mr. Ravi Venkatraman	Member	Independent Director	4	4	4
Mr. Aseem Dhru	Member	Managing Director & CEO	4	4	4
Mr. Jonathan Tadeusz Tatur	Member	Nominee Director	4	4	4
Mr. Ganesh Vaidya[&]	Member	Chief Technology Officer	4	4	4
Mr. Sanket Agrawal[&]	Member	Chief Strategy Officer & IR	4	4	3

[&] Senior management personnel of the Company.

4. Remuneration to Directors

The Independent Directors are entitled to sitting fees for every meeting of the Board or Committee thereof attended by them. The Nominee Directors nominated by the Promoter Company are not entitled to any sitting fee or commission on the profits of the Company. The Managing Director & CEO and Executive Director are not entitled to receive any sitting fees for attending meetings of the Board or any Committee thereof nor do they receive any commission on net profits. The Managing Director & CEO and the Executive Director are entitled to salary, performance pay and other perquisites and benefits as per the approval of shareholders. None of the Directors had any other pecuniary relationship or transaction with the Company during the financial year ended on March 31, 2025.

The details of remuneration paid to Directors for the financial year ended on March 31, 2025 are as under:

(₹ in million)

Name of Director	Salary & Allowances	Perquisites /Benefits	Sitting Fees	Total	Service Contract, etc.
Mr. Neeraj Swaroop	--	--	1.90	1.90	Re-appointed as an Independent Director upto November 20, 2027. Not liable to retire by rotation
Mr. Rajesh Mannalal Agrawal	--	--	0.50*	0.50*	Appointed as an Independent Director upto November 10, 2025. Not liable to retire by rotation
Ms. Surekha Marandi	--	--	1.60	1.60	Appointed as an Independent Director upto September 22, 2027. Not liable to retire by rotation
Mr. Ravi Venkatraman	--	--	2.00	2.00	Appointed as an Independent Director upto February 20, 2029. Not liable to retire by rotation
Mr. Koni Uttam Nayak	--	--	1.30	1.30	Appointed as an Independent Director upto March 25, 2029. Not liable to retire by rotation
Mr. Aseem Dhru	64.10	--	--	64.10	Re-appointed as Managing Director upto September 27, 2027. Liable to retire by rotation
Mr. Mahesh Dayani	2.31	--	--	2.31	Appointed as Executive Director upto February 27, 2030 Liable to retire by rotation
Mr. Jonathan Tadeusz Tatur	--	--	--	--	Liable to retire by rotation
Mr. John Mescall	--	--	--	--	Liable to retire by rotation

** Sitting fees for one Board Meeting held in FY 24-25, paid in FY 2025-26, has not been considered.*

1. None of the directors other than Mr. Aseem Dhru, Managing Director & CEO and Mr. Mahesh Dayani, Executive Director are entitled to any stock options.

2. The remuneration paid to Mr. Aseem Dhru, the Managing Director & CEO and Mr. Mahesh Dayani, Executive Director of the Company for FY 2024-25 is given below:

(₹ in million)

Particulars	Aseem Dhru	Mahesh Dayani[(2)]
Basic Salary	30.82	1.97
Benefits, Perquisites and Allowances (includes payment in lieu of pension)	14.29	0.15
Commission, Bonus and Performance Linked Incentive Remuneration	16.00	-
Retirement Benefits [(1)]	2.99	0.19
Total Remuneration	**64.10**	**2.31**

[(1)] Comprises of Gratuity, contribution to Provident Fund and Superannuation fund as per the policies of the Company.

[(2)] Mr. Mahesh Dayani was appointed as an Executive Director of the Company with effect from February 28, 2025.

Notes:

- *Notice period for termination of appointment of Managing Director & Chief Executive Officer and Execuitve Director is 3 (three) months on either side.*
- *No severance pay is payable on termination of appointment.*
- *There were no Employee Stock Options granted to Mr. Aseem Dhru, the Managing Director & CEO and Mr. Mahesh Dayani, Executive Director during the FY 24-25.*

Other terms and conditions of appointment of the Non- Executive Directors including criteria for making payments have been disclosed in the Nomination and Remuneration Policy placed on the website of the Company at www.sbfc.com/faq.

The Company has obtained a Directors and Officers Liability Insurance Policy covering all Directors and Officers of the Company in respect of any legal action that might be initiated against any Director or Officer of the Company.

5. Senior Management Personnel (SMPs)

Particulars of senior management personnel of the Company as on March 31, 2025, are as follows:

Name	Designation
Mr. Narayan Barasia	Chief Financial Officer
Mr. Saiprashant Menon	Chief Collections Officer
Mr. Pankaj Poddar	Chief Risk Officer
Mr. VM Maneesh	Chief Operations Officer
Mr. Sanket Agrawal	Chief Strategy Officer & IR
Mr. Sumeet Raj Ghai	Chief Human Resource Officer
Mr. Ganesh Vaidya	Chief Technology Officer
Mr. Namrata Sajnani	Company Secretary & Chief Compliance Officer
Mr. Viney Vaid	Head – Credit
Mr. Shanesh Jain	Head – Internal Audit

- Mr. Mahesh Dayani was a SMP until February 27, 2025. He was later appointed as an Additional & Executive Director by the Board of Directors on February 28, 2025. The appointment was subsequently approved by the shareholders on April 07, 2025 through Postal Ballot.
- Mr. Pragnesh Soneji, Chief Business Officer - Gold Business, Mr. Ashish Singh, Chief Business Officer - South & East and Mr. Ish Chawla, Chief Business Officer - West & North were designated as SMPs on April 26, 2025.

6. General Body Meetings

Particulars of last three Annual General Meetings (AGM) are given below:

Financial Year	Date of AGM	Location	Time	Special Resolution passed
March 31, 2024	June 28, 2024	The AGM was held through video conferencing at the registered office of the Company at Unit No. 103, 1st Floor, C&B Square, Sangam Complex, Andheri Kurla Road, Village Chakala, Andheri (East), Mumbai - 400 059	3:00 pm	1. Issuance of Non-Convertible Debentures and / or Bonds 2. Approval of SBFC Stock Option Policy 2024 – I
March 31, 2023	May 31, 2023	The AGM was held through video conferencing at the registered office of the Company at Unit No. 103, 1st Floor, C&B Square, Sangam Complex, Andheri Kurla Road, Village Chakala, Andheri (East), Mumbai - 400 059	4:00 pm	None
March 31, 2022	June 27, 2022	The AGM was held through video conferencing at the registered office of the Company at Unit No. 103, 1st Floor, C&B Square, Sangam Complex, Andheri Kurla Road, Village Chakala, Andheri (East), Mumbai - 400 059	12:00 pm	To approve re-appointment of Mr. Neeraj Swaroop as an Independent Director on the Board of the Company

Details of Special Resolution passed through Postal Ballot:

During the year ended on March 31, 2025, following special resolutions were passed through postal ballot:

(a) Date of Postal Ballot Notice: March 26, 2024

Voting period: April 20, 2024 to May 19, 2024

Cut off Date: April 5, 2024

Date of passing the resolutions (last date for voting): May 19, 2024

Special Resolutions:

1. Appointment of Mr. Ravi Venkatraman (DIN: 00307328) as an Independent Director of the Company for a term of 5 (Five) years

2. Appointment of Mr. Koni Uttam Nayak (DIN: 02543830) as an Independent Director of the Company for a term of 5 (Five) years

Subject Matter of the Resolution	Votes in favour of the resolution (% of total number of valid votes)	Votes against the resolution (% of total number of valid votes)	Result
Appointment of Mr. Ravi Venkatraman (DIN: 00307328) as an Independent Director of the Company for a term of 5 (Five) years	99.85	0.15	Approved
Appointment of Mr. Koni Uttam Nayak (DIN: 02543830) as an Independent Director of the Company for a term of 5 (Five) years	99.85	0.15	Approved

(b) Date of Postal Ballot Notice : February 28, 2025

Voting Period: March 09, 2025 to April 07, 2025

Cut off date: February 28, 2025

Date of passing the resolutions (last date for voting): April 07, 2025

Special Resolutions:

1. Appointment of Mr. Mahesh Dayani, (DIN: 06561389), as the Whole-time Director, designated as 'Executive Director', for a term of five consecutive years and payment of remuneration.

Subject Matter of the Resolution	Votes in favour of the resolution (% of total number of valid votes)	Votes against the resolution (% of total number of valid votes)	Result
Appointment of Mr. Mahesh Dayani, (DIN: 06561389), as the Whole-time Director, designated as 'Executive Director', for a term of five consecutive years and payment of remuneration	99.86	0.14	Approved

The Board of Directors had appointed Ms. Jigyasa N. Ved (Membership No. FCS 6488, CP No. 6018) or failing her, Mr. Mitesh Dhabliwala (Membership No. FCS 8331, CP No. 9511) of M/s. Parikh & Associates, Practising Company Secretaries, as the Scrutinizer to scrutinize the above two postal ballot process in fair and transparent manner.

Procedure for postal ballot:

The postal ballot was carried out as per the provisions of Sections 108 and 110 and other applicable provisions of the Act, read with the Rules framed thereunder and read with the General Circular Nos. 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020 and subsequent circulars issued in this regard, the latest being 09/2024 dated September 19, 2024 issued by the Ministry of Corporate Affairs ("MCA Circulars").

The Company had engaged the services of KFin Technologies Limited (KFin) for providing remote e-Voting facilities to the members, enabling them to cast their vote electronically and in a secure manner.

In accordance with the provisions of the Act, Postal Ballot notices are exclusively sent electronically to the registered email addresses of members. To comply with these provisions, the Company enables members to vote solely through an electronic voting system ('remote e-voting'). Additionally, the Company publishes notices in newspapers to inform members. Voting rights are determined based on the equity shares held by members as of the cut-off date.

Furthermore, pursuant to the Act, the Company appoints a scrutinizer to conduct the postal ballot process in a fair and transparent manner. The scrutinizer submits a consolidated report to the Chairman of the Company. These results, along with the scrutinizer's report are communicated to the stock exchanges and also published on the Company's website by the Company. If a resolution is passed by the requisite majority, it is considered passed on the last date specified by the Company for receiving remote e-voting.

7. Means of Communication

Quarterly financial results: The Company's quarterly / half-yearly / annual financial results are filed with the Stock Exchanges on NSE Electronic Application Processing System (NEAPS) and BSE Corporate Compliance & Listing Centre (the Listing Centre) and are available on their websites, www.nseindia.com and www.bseindia.com. They are also available on the website of the Company www.sbfc.com. The financial results of the Company are also published in the newspapers (Financial Express and Loksatta) as prescribed under the SEBI Listing Regulations.

Quarterly presentations: Official news releases and official media releases, if any, are generally submitted to Stock Exchanges and are also available on the website of the Company.

Presentations to institutional investors / analysts: The Company organizes on quarterly basis, earnings call for its investors, including institutional investors and financial analysts to discuss the quarterly financial and operational performance. The audio recordings and transcript of the meeting as submitted to Stock Exchanges and are also available on the website of the Company.

Website: The Company also engages with its shareholders through its website, www.sbfc.com. The 'Investor Relations' section hosts all material public information, including financial results, presentations shared with the media, analysts and institutional investors, schedules and transcripts of investor earnings calls, shareholder-related updates and contact details of designated personnel. .

Annual Report: The Company ensures effective communication through its Annual Report, which provides detailed information including the Directors' Report, Corporate Governance Report, Management Discussion and Analysis Report and the audited Financial Statements.The Annual Report is also available on the website of the Company.

SEBI Complaints Redress System (SCORES): Investor complaints are processed at SEBI in a centralised web based complaints redress system. The salient features of this system are centralised database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaints and their current status. The Company has also enabled the online resolution of all types of disputes arising in the Indian securities market through the Online Dispute Resolution (ODR) Portal.

Address for communication: All communication, service requests, queries, such as change of address, bank mandates, nominations, etc. should be addressed to the Registrar and Share Transfer Agent (RTA) of the Company at the following address:

KFin Technologies Limited
Selenium, Tower-B, Plot 31 & 32,
Financial District, Nanakramguda, Serilingampally,
Hyderabad, Rangareddi - 500 032, Telangana, India
Tel: 1800-309-4001
Email: einward.ris@kfintech.com
Web site: www.kfintech.com

Service requests/complaints, if any, may also be addressed to the Company Secretary at the Registered Office of the Company at Unit No. 103, 1st Floor, C&B Square, Sangam Complex, Andheri Kurla Road, Village Chakala, Andheri (East), Mumbai - 400 059 or sent by email at complianceofficer@sbfc.com.

Shareholders are encouraged to correspond with the RTA and the Company via email to speed up response, reduce paperwork and to help the Company to redress complaints faster. Shareholders are requested to mention their Folio nos./DP-ID and Client ID, mobile number and their Email ID for a prompt response. However, for instructions like change of bank mandate, change of address, transfers/transmission of shares, etc. letters duly signed by the shareholders should be sent to the Company/RTA. In case of email communication, the Company/RTA respond to only those emails which are registered with the Company/ RTA/Depositories.

The SEBI, vide its Master Circular for Registrars to an Issue and Share Transfer Agents dated May 07, 2024 mandated that the security holders (holding securities in physical form), whose folio(s) do not have PAN or choice of nomination or contact details or mobile number or bank account details or specimen signature updated, shall be eligible for any payment including dividend, interest or redemption in respect of such folios, only through electronic mode with effect from April 01, 2024 upon completion of all the documents/ details in entirety as mentioned above. Copies of relevant forms are available on the website of Company's RTA at www.kfintech.com.

8. General Shareholder Information

The date, time & venue of the ensuing 18th Annual General Meeting is as follows:

Financial Year	Day & Date	Mode & Venue	Time
2025	Monday, July 14, 2025	Through Video Conferencing and Other Audio-Visual Means. The deemed venue of Annual General Meeting shall be the registered office of the Company.	2.30 pm (IST)

Cut Off and Record Date:

The cut off date is Monday, July 7, 2025 for determining members who will be entitled to avail the facility of remote e-voting as well as e-voting at the AGM venue. Record date is not applicable as no dividend is proposed by the Board of Directors.

Electronic Voting:

Pursuant to Section 108 and other applicable provisions of the Act read with the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI Listing Regulations and all other notifications/ circulars as may be applicable, voting at the ensuing AGM will be made through electronic mode.

Financial Year:

The Company follows 1st April to 31st March as its financial year.

(a) Distribution of shareholding as on March 31, 2025:

Sr. No	Category (Shares)	No of Holders	% to Holders	No. of Shares	% to Equity
1	1 - 500	134289	86.24	16911332	1.56
2	501 - 1000	8908	5.72	7026928	0.65
3	1001 - 2000	6059	3.89	9037367	0.83
4	2001 - 3000	2216	1.42	5527702	0.51
5	3001 - 4000	1193	0.77	4231158	0.39
6	4001 - 5000	713	0.46	3331806	0.31
7	5001 - 10000	1167	0.75	8429168	0.78
8	10001 - 20000	513	0.33	7311668	0.67
9	20001 and above	665	0.43	1024191959	94.31
	Total	**155723**	**100.00**	**1085999088**	**100.00**

(b) Dematerialisation of shares and liquidity as on March 31, 2025:

Sr. No	Description	No. of Shares	% to Equity
1	NSDL	1,01,65,49,182	93.61
2	CDSL	6,94,49,906	6.39
	Total	**1,08,59,99,088**	**100.00**

The Company does not have any shares issued in physical form as on March 31, 2025. The Company's shares are compulsorily traded in dematerialized form on BSE Limited ('BSE') and National Stock Exchange of India Ltd. ('NSE'). The equity shares of the Company were not suspended from trading during the year on account of corporate actions or otherwise.

(c) Shareholding pattern as on March 31, 2025:

Summary of Shareholding Pattern	No. of Shares	Percentage (%)
Promoters	579,188,410	53.33%
Mutual Funds, AIF, Insurance	191,841,588	17.66%
Foreign Portfolio Investors	70,936,193	6.53%
Individuals, Bodies Corporate	144,653,326	13.32%
Foreign Companies	99,379,571	9.15%
Total	**1,085,999,088**	**100.00%**

No pledge has been created over the Equity Shares held by the Promoter as on March 31, 2025.

(d) Outstanding global depository receipts or american depository receipts or warrants or any convertible instruments, conversion date and likely impact on equity:

The Company does not have any outstanding global depository receipts or american depository receipts or warrants or any convertible instruments, conversion date and likely impact on equity.

9. Shareholders Information

(a) Details of Listing of Equity Shares and Stock Code:

National Stock Exchange of India Limited (NSE)

Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra – Kurla Complex,
Bandra (E), Mumbai 400 051
Scrip Code: SBFC

BSE Limited (BSE)

Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai 400 001
Scrip Code: 543959

Annual listing fee for the year 2025-26 has been paid by the Company to National Stock Exchange of India Limited and BSE Limited.

(b) The ISIN number allotted to the Company (for equity share) is INE423Y01016.

(c) Status of Investor Complaints

The status of investor complaints as on March 31, 2025 as reported under Regulation 13(3) of the SEBI Listing Regulations is as under:

Pending as on April 1, 2024	0
Received during the year	0
Resolved during the year	0
Pending as on March 31, 2025	0

The Company supports SCORES by using it as a platform for communication between the SEBI and the Company. There is no pending complaint on the SCORES platform.

(d) Name, designation and address of the Compliance Officer:

Ms. Namrata Sajnani
Company Secretary & Chief Compliance Officer
SBFC Finance Limited
Email ID: complianceofficer@sbfc.com
Tel: +91-22-67875344

Compliance Officer: Ms. Namrata Sajnani, the Company Secretary & Chief Compliance Officer of the Company is also the Compliance Officer.

(e) Depositories

National Securities Depository Limited
Trade World, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg,
Lower Parel, Mumbai – 400013
Central Depository Services (India) Limited
Marathon Futurex, A-Wing, 25th Floor, NM Joshi Marg,
Lower Parel, Mumbai - 400013

(f) The details of Non Convertible Debentures issued and outstanding as on March 31, 2025 are as under:

Series No.	Stock Exchange Listing	ISIN	Principal Amount (₹ in crores)	Date of Maturity
A1 – Tranche 1	BSE Limited	INE423Y07088	100	May 27, 2025
A2	BSE Limited	INE423Y07096	200	March 04, 2027
A3	BSE Limited	INE423Y07104	200	May 13, 2027
A4	BSE Limited	INE423Y07112	200	July 18, 2027
A5	BSE Limited	INE423Y07120	400	February 4, 2030

During the year under review, your Company has fully redeemed the following secured Listed, Rated Redeemable Non-Convertible Debentures ("NCDs") issued on private placement basis on the due dates and as per the respective terms of issue

Series No.	Stock Exchange Listing	ISIN	Principal Amount (₹ in crores)	Date of Maturity
A	BSE Limited	INE423Y07062	43	August 06, 2024
A1 – Tranche 2	BSE Limited	INE423Y07070	50	March 19, 2025

(g) Registrar & Share Transfer Agents:

The share management work, are being handled by the Registrar and Share Transfer Agent (RTA), KFin Technologies Limited and their address is given below:

Selenium, Tower-B, Plot 31 & 32, Financial District,
Nanakramguda, Serilingampally,
Hyderabad, Rangareddi - 500 032,
Telangana, India
Tel: 1800-309-4001
Investor grievance e-mail:
einward.ris@kfintech.com
Website: www.kfintech.com

(h) Share Transfer and Transmission System:

In terms of the SEBI Listing Regulations, securities of the Company can only be transferred in dematerialized form. Further, SEBI vide its Circular dated January 25, 2022, (subsumed as part of SEBI Master Circular No. SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated May 07, 2024), mandated all the listed companies to issue securities in dematerialised form only. The shares of the Company are held in dematerialized form only.

(i) Status of Unpaid Dividends / Unclaimed Dividends/Shares:

The Company has not declared any dividend and hence IEPF Rules are not applicable.

The Company does not have any Unpaid Dividends / Unclaimed Dividends/Shares Transferred to IEPF under sections 124 and 125 of the Companies Act, 2013.

As on March 31, 2025, there were no shares of any shareholder lying unclaimed with the Company or lying in the suspense account. The disclosures required to be given under Regulation 34(3) read with Para F of Schedule V of the SEBI Listing Regulations are therefore not applicable.

(j) Factory/Plant Location:

The Company does not have any Factory / Plant Location.

(k) Investors' Correspondence:

Mr. Sanket Agrawal, Chief Strategy Officer and IR
SBFC Finance Limited
Unit No. 103, 1st Floor, C&B Square,
Sangam Complex, Andheri Kurla Road,
Village Chakala, Andheri (East), Mumbai - 400 059
T.: +91-22-67875300
sanket.agrawal@sbfc.com

(l) Commodity price risk or foreign exchange risk and hedging activities:

The Company, being a financial services company, is not directly exposed to commodity price/foreign exchange risk and hedging activities. Hence, no disclosure is required under regulation 34 read with Schedule V of the SEBI Listing Regulations. The Company has borrowed Foreign Currency Term Loan (FCNRB-TL) which is completely hedged towards its entire exposure for the full tenure of FCNRB-TL as per Board approved Foreign Exchange Risk Management Policy.

The Company's products are not in the nature of commodity and hence there is no commodity price risk.

(m) List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad:

During the year, ICRA Limited upgraded the ratings for both long-term fund-based term loans and non-convertible debentures from [ICRA]A+ (Stable) to [ICRA]AA- (Stable). CARE Ratings upgraded its rating for long-term bank facilities from CARE A+; Positive to CARE AA- Stable and assigned the same rating to non-convertible debentures. India Ratings & Research affirmed its existing ratings for bank lines and non-convertible debentures at IND AA-/Stable.

The details of credit rating and revision during the year has been provided as an Annexure to the Directors Report.

10. Disclosures

(a) The Company does not have any materially significant related party transaction, which may have potential conflict with the interests of the Company at large. All the transactions with related parties are in the ordinary course of business and on arm's length basis and have been disclosed separately in the Notes to the Financial Statements. The Policy on Materiality of Related Party Transactions and dealing with Related Party Transactions is available on the Company's website www.sbfc.com/faq.

(b) There were no instances of any non-compliance by the Company related to capital markets during the year under review and no penalties or strictures were imposed on the Company by stock exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years except the following:

The Company has had instances of non compliances with provisions with SEBI Listing Regulations with respect to Regulation 53(2), 50(2) and Regulations 13(3) in the financial year 2022-23. The Company has paid the applicable fine to BSE Limited and has strengthened the internal systems to ensure timely compliances.

The Board has devised a proper system to ensure compliance with the provisions of all applicable laws and periodically reviews the compliance reports of all laws applicable to the Company and takes necessary steps to ensure the compliance in letter and spirit.

(c) The Company has established a vigil mechanism system and has in place a Vigil Mechanism and Whistleblower Policy, a copy of which is available on the Company's website www.sbfc.com/faq. Adequate safeguards have been provided against the victimisation of persons who use the vigil mechanism. No person has been denied access to the Audit Committee to lodge their grievances.

(d) The financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time). All the Ind AS issued and notified by the Ministry of Corporate Affairs till the date of the financial statements have been considered in preparing these financial statements.

(e) Utilisation of funds raised through Preferential Allotment/Qualified Institutions Placement : The Company has not raised funds by issue of equity shares either on preferential basis or through qualified institutions placement. Therefore, there are no details to be disclosed as per regulation 32(7A) of the SEBI Listing Regulations.

(f) The Company has appropriately complied with all mandatory requirements under the SEBI Listing Regulations. The Company has adopted various discretionary requirements under Part E of Schedule II of the Listing Regulations. It does not maintain a separate office for the Non-Executive Chairman. The Auditors' Report for FY 2024-25 carries unmodified opinion, reflecting the Company's strong financial governance. A clear distinction is maintained between the roles of the Non-Executive Chairman and the Managing Director & CEO, who are not related. The Internal Auditor reports directly to the Audit Committee and presents detailed findings at its quarterly meetings.

(g) Subsidiary of the Company:

During FY 2025, SBFC Home Finance Private Limited ('SBFC Home Finance') the Company's wholly-owned subsidiary had made an application to Reserve Bank of India (RBI) for obtaining a Certificate of Registration for operating as a 'Housing Finance Company'. RBI had not considered the said application, as SBFC Home Finance is a subsidiary of a registered NBFC-ICC, leading to layering of NBFCs. Since the intended objective behind the incorporation of SBFC Home Finance was not achieved, SBFC Home Finance, decided to pursue the process of Voluntary Liquidation. The shareholders of SBFC Home Finance at their meeting held on January 27, 2025 had approved the voluntary liquidation process. The liquidator has completed the process of realization of assets and liabilities of SBFC Home Finance. Consequently, the net proceeds of the realization have been distributed to your Company on March 27, 2025.

The subsidiary had not commenced any business or conducted any operations since the date of its incorporation. Further, SBFC Home Finance is not a material subsidiary of the Company.

In terms of the provisions of Section 129(3) of the Act, the Consolidated Financial Statements of the Company and its subsidiary, SBFC Home Finance, are prepared and form part of this Annual Report.

During the FY 2024-25, there was no other entity which became or ceased to be joint venture or associate of the Company.

No loan / advance was given by the Company to any firms / companies in which directors are interested.

Details of material subsidiaries of the listed entity, including the date and place of incorporation and the name and date of appointment of statutory auditors of such subsidiaries – The Company does not have any material subsidiary.

The Company has framed 'Policy on determination of Material Subsidiary' which is made available on the website of the Company at www.sbfc.com/faq.

During the financial year 2024-25, the Company did not have any material subsidiary companies, hence the provisions of SEBI Listing Regulations with respect to appointment of atleast one Independent Director of the Company on the Board of unlisted material subsidiaries, are not applicable to the Company.

The minutes of the subsidiary company were placed before the Board of Directors of the Company on a quarterly basis and the attention of the Directors is drawn to significant transactions and arrangements entered into by the subsidiary company, if any.

The Company is compliant with other requirements under Regulation 24 of the SEBI Listing Regulations with regard to its subsidiary companies.

(h) Further, the Company has adequate internal control systems to identify risks at the appropriate time and to ensure that the management controls the risk through a properly defined framework.

(i) During the year, there has been no preferential allotment or qualified institutional placement. The Company has not issued any GDRs/ADRs/ Warrants or any convertible instruments. Hence corresponding disclosures have not been made.

(j) A certificate has been obtained from M/s. Parikh & Associates, Practicing Company Secretaries confirming that none of the Directors of the Company have been debarred or disqualified by Securities and Exchange Board of India/Ministry of Corporate Affairs or any such statutory authority from being appointed or continuing as director of the Company and the same forms part of the Directors Report.

(k) All recommendations made by the Committees of the Board during the year were accepted by the Board. During the financial year ended on March 31, 2025, there was no such instance wherein the Board had not accepted any recommendation of any committee of the Board.

(l) Details of total fees for all services paid by the Company and its subsidiary for the financial year 2024-25 on a consolidated basis, to the Statutory Auditors of the Company and all entities in the network firm/ network entity of which the Statutory Auditors are a part, given below:

Particulars	(₹ In million)
Audit fees	5.27
Tax audit	0.29
Other tax matters and certification	1.16
Total	**6.72**

(m) The Company has a Board-approved policy in compliance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act, 2013 ('POSH Act'). As part of its commitment to equal employment opportunities, the Company strives to foster a safe working environment where employees can work free from discrimination, gender bias, and sexual harassment. There were no complaints filed with Internal Complaints Committee during the FY 2024-25.

(n) In terms of the SEBI Listing Regulations, the Management Discussion and Analysis Report forms part of the Annual Report. Details of significant changes in key financial ratios, along with detailed explanations thereof (including details of any change in Return on Net Worth as compared to the immediately previous financial year along with a detailed explanation thereof) have been adequately made under the Management Discussion and Analysis Report.

(o) The Company makes presentations to institutional investors and analysts during earnings call held for quarterly / annual results. The audio recording and transcript of the same are available on the website of the Company.

(p) The Company has duly complied with the requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI Listing Regulations.

(q) The CEO & CFO Certification for the financial year ended on March 31, 2025 forms part of the Directors Report.

(r) Other items which are not mentioned in this Report are mentioned in the Directors Report and those items which are not applicable to the Company have not been separately commented upon.

(s) The Company has not entered into any agreement as referred to under Regulation 30A of the SEBI Listing Regulations as on March 31, 2025.

(t) **Breach of covenant:** There was no of breach of covenant of loan availed or debt securities issued by SBFC Finance Limited during the financial year ended March 31, 2025.

Annexure – VII

PRACTISING COMPANY SECRETARIES' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of
SBFC FINANCE LIMITED

We have examined the compliance of the conditions of Corporate Governance by **SBFC Finance Limited** ('the Company') for the year ended on March 31, 2025, as stipulated under Regulations 17 to 27, clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and para C, D & E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2025.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Parikh & Associates
Practising Company Secretaries

Sd/-
Jigyasa N. Ved
Partner

FCS: 6488
CP: 6018
UDIN: F006488G000206853
PR No.: 6556/2025

Place: Mumbai
Date: 06.06.2025

Annexure – VIII
FORM No. MR-3

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2025

(Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

To,
The Members,
SBFC Finance Limited

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company, to the extent the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2025, generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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

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

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

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

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

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

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

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

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

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

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

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not applicable to the Company during the audit period)

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

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

(vi) Other laws applicable specifically to the Company namely:

1) The Reserve Bank of India Act, 1934 and regulations made thereunder

2) The Foreign Exchange Management Act, 1999 (FEMA) and regulations made thereunder to the extent applicable

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

4) The Indian Contracts Act, 1872

5) The Depositaries Act, 1996

6) The Trade Marks Act, 1999

7) The Copyright Act, 1957

8) The Information Technology Act, 2000

9) The Prevention of Money Laundering Act (PMLA), 2002

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to board and general meetings.

(ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR).

During the period under review, the Company has generally complied with the provisions of the Act, rules, regulations, guidelines, standards, etc. mentioned above.

We further report that:

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

Adequate notice was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance for meetings other than those held at shorter notice, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes, the decisions at the Board Meetings were taken unanimously.

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

We further report that during the audit period the Company had following events which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

1. The Company has approved SBFC Stock Option policies (ESOP Policies) which is implemented through the SBFC Welfare Trust ("Trust") to whom the Company had allotted Equity Shares in the past. During the year, the Trust has transferred 10,51,500 Equity Shares to the employees of the Company under the said ESOP Policies.

2. Allotted 1,22,44,102 equity shares of face value of ₹ 10 each under the various SBFC Stock Option Policies.

3. Issued and allotted 80,000 (eighty thousand) secured, listed, rated, redeemable, non-convertible debentures having a face value of INR 1,00,000/- (Indian Rupees One Lakh only) each, for cash at par, aggregating up to INR 800,00,00,000/- (Indian Rupees Eight Hundred Crores Only) in three tranches on a private placement basis.

4. Redeemed 5430 (Five thousand Four hundred and Thirty) secured, listed, rated, redeemable, non-convertible debentures, aggregating up to INR 93,00,00,000/- (Indian Rupees Ninety Three Crores Only).

5. During the financial year, the board of directors of the Company at its meeting held on 25th January, 2025 had taken note of the voluntary liquidation of Wholly owned subsidiary of the Company i.e. SBFC Home Finance Private Limited pursuant to the approval granted by the subsidiary's Board of Directors on 22nd January, 2025 and subsequently approved by its shareholders on 27th January, 2025.

For Parikh & Associates
Company Secretaries

Sd/-
Jigyasa N. Ved
Partner

FCS: 6488
CP: 6018
UDIN: F006488G000206820
PR No.: 6556/2025

Place: Mumbai
Date: 26.04.2025

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 and Annual Secretarial Compliance Report.

'Annexure A'

To,
The Members,
SBFC Finance Limited

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

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

2. We have followed the audit practices and process 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 process and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Where ever required, we have obtained the Management Representation about the Compliance of laws, rules and regulations and happening of events, etc.

5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Parikh & Associates
Company Secretaries

Sd/-
Jigyasa N. Ved
Partner

FCS: 6488
CP: 6018
UDIN: F006488G000206820
PR No.: 6556/2025

Place: Mumbai
Date: 26.04.2025

Annexure - IX
Certificate of Non-Disqualification of Directors

[Pursuant to Regulation 34(3) read with sub-clause (10)(i) of Clause C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members,
SBFC Finance Limited

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of SBFC FINANCE LIMITED having CIN L67190MH2008PLC178270 and having registered office at 103, 1st Floor, C&B Square, Sangam Complex, Andheri Kurla Road, Village Chakala, Andheri (East), Mumbai - 400059 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Sub-clause 10(i) of Clause C of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications(including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2025 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of the Director	DIN	Date of appointment / re-appointment
1.	John Mescall	08385575	29/05/2019
2.	Neeraj Swaroop	00061170	21/11/2017
3.	Aseem Dhru	01761455	29/09/2018
4.	Jonathan Tadeusz Tatur	08639243	17/12/2019
5.	Rajesh Mannalal Agrawal	00302467	11/11/2020
6.	Surekha Marandi	06952573	23/09/2022
7.	Koni Uttam Nayak	02543830	26/03/2024
8.	Ravi Venkatraman	00307328	21/02/2024
9.	Mahesh Kanyalal Dayani	06561389	28/02/2025

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Parikh & Associates
Company Secretaries

Sd/-
Jigyasa N. Ved
Partner

FCS No: 6488
CP No: 6018
UDIN: F006488G000206919
PR No.: 6556/2025

Place: Mumbai
Date: 26.04.2025

Annexure - X
Certificate by the Managing Director and Chief Financial Officer

Pursuant to Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 we, the undersigned, in our respective capacities as Managing Director and Chief Financial Officer of SBFC Finance Limited ("the Company") to the best of our knowledge and belief, hereby certify that:

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

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

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

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

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

D. We have indicated to the Auditors and the Audit Committee that there has been no:

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

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

   3. instances of significant fraud which we have become aware and the involvement therein of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For & on behalf of SBFC Finance Limited

Aseem Dhru
Managing Director & CEO
DIN: 01761455

Narayan Barasia
Chief Financial Officer

Place: Mumbai
Date: April 26, 2025

Annexure - XI

Managing Director & CEO's Certificate on Compliance with the Code of Conduct

Declaration under Regulation 34(3) read with Part D Of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

SBFC Finance Limited ("the Company") has adopted the Code of Conduct for its Board Members and Senior Management Personnel and the same is available on the website of the Company.

Pursuant to Regulation 34(3) read with Para D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, it is hereby declared that all Members of the Board of Directors and the Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the year ended on March 31, 2025.

For & on behalf of SBFC Finance Limited

Aseem Dhru
Managing Director & CEO
DIN: 01761455

Place: Mumbai
Date: June 6, 2025

Annexure - XII

Business Responsibility and Sustainability Report

SECTION A: GENERAL DISCLOSURES

I. Details

1.	Corporate Identity Number (CIN) of Company	L67190MH2008PLC178270
2.	Name of the Company	SBFC Finance Limited
3.	Year of incorporation	January 25, 2008
4.	Registered office address	Unit No. 103, 1st Floor, C&B Square, Sangam Complex, Andheri Kurla Road, Village Chakala, Andheri (East), Mumbai - 400059.
5.	Corporate address	Unit No. 103, 1st Floor, C&B Square, Sangam Complex, Andheri Kurla Road, Village Chakala, Andheri (East), Mumbai - 400059.
6.	E-mail	companysecretary@sbfc.com
7.	Telephone	+91-22-67875300
8.	Website	www.sbfc.com
9.	Financial year for which reporting is being done	2024-25
10.	Name of the Stock Exchange(s) where shares are listed	National Stock Exchange (NSE) and Bombay Stock Exchange (BSE).
11.	Paid-up capital	1,085,999,088 shares of face value of ₹ 10 each amounting to ₹ 10,859,990,880 as of March 31, 2025.
12.	Name and contact details of the person who may be contacted in case of any queries on the BRSR report	Name: Shekhar Bhoral **Designation:** Head - Centre of excellence **Telephone:** +91-8894348622 **Email ID:** shekhar.bhoral@sbfc.com
13.	Reporting boundary	The non-financial information in this report covers the activities and progress of SBFC Finance Limited on a standalone basis. The reporting boundary for all environmental, social, and governance disclosures include all our 205 branches and 2 offices in India as of March 31, 2025. The reporting period for the information covers the period from April 1, 2024, to March 31, 2025.
14.	Name of the assurance provider	Not applicable
15.	Type of assurance obtained	Not applicable

II. Products/services

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

Description of main activity	Description of business activity	% of turnover
Other Credit Granting	SBFC Finance Limited is a non-banking financial company (NBFC) focused on providing loans to the underserved section of the society that includes entrepreneurs, small business owners, self-employed individuals, as well as salaried and working-class individuals.	100%

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

S. No.	Product/service	NIC Code	% of total turnover contributed
1.	Other Credit Granting As a Non-Banking Financial Company, SBFC Finance Limited primarily offers fund-based products that includes secured MSME loan and loan against gold.	64920	89.5%

III. Operations

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

Location	Number of Offices	Number of branches	Total
National	2	205	207
International	-	-	-

19. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of states)	16 States and 2 UTs
International (No. of countries)	-

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

This disclosure is not applicable as we are a Non-Banking Financial Company (NBFC) offering financial services, particularly secured MSME and gold loans to the underserved section of society, in India.

c. A brief on types of customers

Our customers primarily comprise of entrepreneurs, small business owners, self-employed individuals as well as salaried and working-class individuals who are underserved.

IV. Employees

20. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
1.	Permanent (D)	2,628	2,387	90.8%	241	9.2%
2.	Other than permanent (E)	1,721	1,595	92.7%	126	7.3%
3.	**Total employees (D + E)**	**4,349**	**3,982**	**91.6%**	**367**	**8.4%**

Note - Details related to workers are not applicable as we have not employed any workers during the reporting period.

b. Differently abled employees and workers

S. No	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
1.	Permanent (D)	2,628	1	0.04%	-	-
2.	Other than permanent (E)	1,721	-	-	-	-
3.	**Total employees (D + E)**	**4,349**	**1**	**0.02%**	**-**	**-**

21. Participation/inclusion/representation of women

	Total (A)	No. and % of females	
		No. (B)	% (B / A)
Board of Directors	9	1	11.1%
Key Management Personnel	4	1	25.0%

22. Turnover rate for permanent employees and workers

	FY 2024-25			FY 2023-24			FY 2022-23		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	54.8%	43.9%	53.90%	44.3%	43.1%	44.2%	36.5%	36.9%	36.5%

*Details of confirmed employee have been taken for employee turnover calculation during the reporting period.

V. Holding, subsidiary and associate companies (including joint ventures)

23. Names of holding / subsidiary / associate companies / joint ventures

S. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Nil	Nil	Nil	Nil

VI. CSR details

24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013 - Yes

(ii) Turnover (in ₹) – Standalone - ₹ 13,051.2 million

(iii) Net worth (in ₹) – Standalone - ₹ 31,901.3 million

VII. Transparency and Disclosures Compliances

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

Stakeholder group from whom the complaint is received	Grievance Redressal Mechanism in Place (Yes/No). (If yes, then provide web-link for grievance redress policy.)*	FY 2025			FY 2024		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes	-	-	-	-	-	-
Investors (other than shareholders)	Yes	-	-	-	-	-	-
Shareholders	Yes	-	-	-	25	-	-
Employees and workers	Yes	-	-	-	-	-	-
Customers	Yes	218	1	-	753	-	-
Value Chain Partners	Yes	-	-	-	-	-	-
Others (violation of code of business conduct and ethics)	Yes	-	-	-	-	-	-

* *For all our other key stakeholders we have a dedicated email address for them to raise their grievances that is then dealt by either the Human Resources team or other team as applicable.*

* *Our CSR policy can be accessed through the following link: https://www.sbfc.com/cmsproject/mediaGallery/docs/Corporate%20Social%20Responsibility%20Policy- 1644468331.pdf?rm=1702233000*

* *Our whistleblower policy is available on our website through this link: https://www.sbfc.com/cmsproject/mediaGallery/docs/Whistle%20Blower%20Policy-1667053329.pdf?rm=1694197800*

* *Our privacy policy is available on our website through this link: https://www.sbfc.com/privacy-policy*

* *Our Grievance Redressal Policy available on our website through this link: https://www.sbfc.com/cmsproject/mediaGallery/docs/Grievance%20Redressal%20Policy-1704795424.pdf?rm=1702233000*

26. Overview of the entity's material responsible business conduct issues. Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format:

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	Incase of Risk, Approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1`	Sustainable Finance	O	Financing has an important role to play in enabling businesses and economies to transition to a sustainable economy. The MSME sector in India is one of the key drivers of the economy and significantly contributes to the country's GDP as well as employment. As a financial services company, we recognize that directing capital towards such enterprises presents a substantial opportunity for us to make a meaningful impact. We firmly believe that achieving financial success should be intricately linked with our contribution to the greater good of society.	Being an NBFC, focusing on providing loans to businesses and individuals in the MSME sector that are underserved, we are addressing a major financing gap, thus, enables such businesses and entrepreneurs obtain loans to scale up their operations, improve efficiency or for other business expansion related purposes. Our efforts involve placing a heightened focus on providing loans to entrepreneurs and small businesses with a focus on sustainability and inclusive growth.	Sustainable finance offers positive financial benefits to SBFC by enhancing risk management, improving access to capital, and driving long-term value creation through responsible and resilient business practices 1. **Attracting Impact Investors:** Sustainable finance initiatives often attract, impact investors and institutions focused on impactful investments. By aligning with sustainability goals, we may gain access to a new source of funding and partnerships with organizations that are keen on supporting socially responsible initiatives. 2. **Risk Mitigation:** Assessing and promoting sustainability in lending can help identify risks and opportunities more effectively. It can lead to better risk management by avoiding industries or projects with high risks, reducing the likelihood of loan defaults and losses 3. **Improved Reputation:** Incorporating sustainability into your business model can enhance your brand image and reputation. Customers, especially those from younger generations, are increasingly choosing businesses that align with their values, including environmental and social responsibility.

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	Incase of Risk, Approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
2	Climate Change	R	We recognize that climate change, poses a risk to our operations, our clients, and the broader economy.	We are committed to addressing climate change risks through proactive measures. We are primarily into mortgage loan and we have created policy around excluded activities. We exclude funding of loan in production of, or trade in, any product or activity deemed illegal under applicable local or national laws or regulations or subject to internationally agreed phase- outs or bans as defined in global conventions and agreements.	Financial Implications (Negative): We acknowledge that climate change related risks may have adverse financial implications for SBFC Finance Limited. These risks include the potential for increased loan defaults, reduced asset values, and losses on investments in sectors vulnerable to climate impacts, such as fossil fuels and agriculture.

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	Incase of Risk, Approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
3	Financial Inclusion and Capacity Building	O	MSMEs contribute significantly to India's growth story by making up a substantial portion of the country's GDP as well as employment. However, they do not have required access to formal credit or lending. As a result, financing becomes a major obstacle for such entrepreneurs and business owners as traditional banks do not provide financing tailored to their requirements. At SBFC, we aim to fill this gap by providing financing opportunities to business owners who are underserved and further unlocking India's growth story. We are also deeply associated with uplifting other marginalized groups of the society including women, rural and local borrowers, people in old age etc., ensuring overall inclusion.	As an NBFC engaged in providing loans to small businesses and entrepreneurs in the MSME sector, women, and other marginalized groups, our business model aligns with key principles of financial inclusion. Some of our current approaches to capture the opportunity include, 1. **Partnerships:** Collaborating with government agencies, non- governmental organizations, and other stakeholders to promote financial inclusion and address challenges effectively. Through partnerships, we can leverage expertise, resources, and networks to scale our impact. 2. **Data and Analytics:** Leveraging data and analytics to identify regions and communities that have limited access to financial services. This data-driven approach will enable us to prioritize our efforts and allocate resources where they are most needed. 3. **Ethical Selling and Responsible Marketing:** Ensuring the highest quality of ethics during sale of our products. Through our training programs we ensure that all the product related terms and conditions are appropriately explained to the customer during the loan process. In case of grievances or complaints, the customer can raise their grievance to us through multiple channels at their disposal.	Embracing financial inclusion and capacity building as an opportunity can lead to several positive financial implications: 1. Market Expansion: Reaching previously underserved markets can expand our customer base and unlock new business opportunities. 2. Customer Loyalty and Retention: Providing tailored financial solutions can foster customer loyalty and retention, enhancing long-term profitability. 3. Reputation and Branding: Demonstrating our commitment to financial inclusion aligns with evolving consumer preferences and enhances our reputation as a socially responsible financial institution, attracting ethically minded customers and investors.

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	Incase of Risk, Approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
4	Employee Health and Well-being	O	At SBFC, we recognize that the health and well-being of our employees are paramount to the success and sustainability of our organization. Emphasizing employee health and well-being presents a significant opportunity to create a positive and productive work environment while fostering a culture of care and support.	To prioritize employee health and well-being, we have developed a comprehensive approach that demonstrates our commitment to our most valuable asset - our employees: 1. Health Benefits and Insurance: Providing robust health benefits and insurance coverage to ensure that our employees have access to quality medical care and support in times of need. 2. Workplace Safety: Ensuring a safe and secure work environment by adhering to rigorous safety standards and promoting a culture of safety awareness among employees. 3. **Flexible Work Arrangements:** Offering flexible work arrangements, such as remote work options or flexible hours, to accommodate the diverse needs and responsibilities of our employees.	Financial Implications (Positive): Prioritizing employee health and well-being can lead to several positive financial implications 1. **Increased Productivity:** Healthy and engaged employees tend to be more productive, resulting in improved operational efficiency and enhanced customer service. 2. **Reduced Absenteeism and Turnover:** By investing in employee well-being, we can potentially reduce absenteeism and turnover, leading to cost savings associated with recruitment and training. 3. **Enhanced Employee Engagement:** A focus on health and well-being fosters a positive work culture, leading to higher employee satisfaction and increased loyalty to the organization. 4. **Attracting Talent:** Demonstrating our commitment to employee health and well-being makes us an attractive employer, helping us attract and retain top talent in the industry.

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	Incase of Risk, Approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
5	Customer Experience	O	Customer experience is a significant opportunity to enhance our competitiveness and build lasting relationships with our clients. By delivering exceptional services and products, we can increase customer satisfaction, retention, and loyalty.	To maximize the opportunity of customer experience, we have adopted the following approach: **Digital Innovation:** Embracing digitalization and leveraging innovative technologies through our "PhyGital" model which uses technology and authentic in-person service to create loans which support the ambitions of our customers. We engage directly with small business owners and work through loan applications together, in person, at the customer's pace. **Grievance Redressal Mechanisms:** We have a dedicated grievance redressal mechanism to promptly address customer related complaints and grievances through multiple channels. Each complaint is thoroughly reviewed, monitored, and resolved to achieve complete customer satisfaction. To bolster our support, a dedicated Grievance Redressal Officer is appointed and prominently displayed in all our branches. **Continuous Improvement:** Continuously reviewing and upgrading our processes and systems to stay ahead in the dynamic financial landscape and provide the best possible experience to our customers.	**Financial Implications (Positive):** Improving customer experience can lead to several positive financial implications, such as: **Customer Loyalty:** Satisfied customers are more likely to remain loyal and utilize a broader range of our services, increasing customer retention and lifetime value. **Word-of-Mouth Referrals:** Delighted customers are more inclined to refer friends and family to our services, expanding our customer base through word-of- mouth referrals. **Competitive Advantage:** By providing superior customer experience, we can differentiate ourselves from competitors and attract new customers seeking exceptional financial services.

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	Incase of Risk, Approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
6	Diversity and Inclusion	O	Diversity and inclusion are a tremendous opportunity for us to foster a culture of innovation, creativity, and equality within our organization. Embracing diversity can help us tap into a broader talent pool and enhance decision-making processes.	To leverage the opportunity of diversity and inclusion, we have implemented the following approach: 1. **Diverse Hiring Practices:** Promoting a diverse and inclusive workforce by adopting fair and unbiased hiring practices that attract talent from various backgrounds. 2. **Inclusive Workplace:** Creating an inclusive workplace where all employees feel valued, respected, and empowered to contribute their unique perspectives and ideas. 3. **Training and Development:** Providing training and development opportunities that foster cultural awareness, sensitivity, and understanding among employees. 4. **Human Rights:** Factoring in Human Rights considerations in our HR policies. 5. **Fair Wage:** Compliant with minimum wage requirements to ensure that our employees are appropriately compensated. 6. **Grievance redressal mechanism:** Implementing a mechanism for employees to report and seek resolution for their grievances.	Financial Implications (Positive): Embracing diversity and inclusion can lead to several positive financial implications including: 1. **Increased Innovation:** A diverse workforce brings together varied perspectives, driving innovation and creativity, which can lead to the development of innovative financial products and services. 2. **Enhanced Employee Productivity:** Inclusive workplaces tend to have higher employee satisfaction and productivity, contributing to overall organizational efficiency and effectiveness. 3. **Talent Attraction and Retention:** Demonstrating a commitment to diversity and inclusion can attract top talent and reduce employee turnover, resulting in cost savings associated with recruitment and training.

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	Incase of Risk, Approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
7	Data privacy and Cyber security	R	Data privacy and cybersecurity is a significant risk for us due to the potential financial and reputational consequences of data breaches. In the event of a security breach, sensitive customer information could be exposed, leading to regulatory fines, legal liabilities, loss of customer trust, and damage to the company's brand image. Ensuring robust data protection measures is essential to safeguard the interests of both the institution and its customers.	We have a well-defined framework and policy on cyber security and data privacy. This policy assures users that all personal information provided through the website is treated with the utmost confidentiality and is not shared with third parties in most circumstances, unless explicitly solicited and permitted by the user. In alignment with our commitment to providing safe and secure banking services, we have a defined cyber security and data privacy policy for client data protection. Our Phygital Model blends technology with human touch, allowing us to understand and underwrite credit for our valued customers effectively.	Financial Implications (Negative): Data privacy and cybersecurity risks can have several adverse financial implications for us at SBFC. Some of these implications include, but not limited to, 1. Reputation Damage: A data breach or cybersecurity incident can severely impact our reputation, leading to a loss of customer trust and potential business opportunities 2. Financial Losses: Cyberattacks may result in financial losses, such as regulatory fines, legal costs, and compensating affected customers for any damages incurred.

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	Incase of Risk, Approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
8	Economic Performance	O	For SBFC, strong economic performance opens doors to greater access to funding sources, enabling them to expand their lending capabilities and reach a wider customer base. It enhance ability to offer competitive interest rates and attractive financial products, further attracting potential borrowers and investors alike. Additionally, a solid financial track record builds trust and credibility in the eyes of regulatory authorities and customers, fostering long-term relationships and ensuring sustained profitability for the organization.	To leverage the opportunity of economic performance, we have developed the following approach: 1. Financial Strength: We have the capital to grow with confidence and are backed by investors. 2. Skilled workforce: We have a hand-picked team of people with diverse skills, relevant experience and a passion for customer service. 3. Risk Management: We have implemented effective risk management practices to identify and mitigate potential financial risks that could impact our economic performance. 4. Analytics: We optimize business processes and customer service using advanced data analysis. 5. Innovation and Technology: We use smart technology to enhance efficiency and make the customer journey easier. 6. Responsible Investments: Making responsible and sustainable investments that align with our values and contribute to long-term economic growth.	Financial Implications (Positive): Maintaining strong economic performance can lead to several positive financial implications for us. Some of these key implications include, 1. Investor Confidence: A strong financial performance can enhance investor confidence and attract new investors seeking profitable opportunities. 2. Competitive Advantage: A robust economic performance positions us favorably among competitors and strengthens our position in the financial market. 3. Capital Access: Improved economic performance enhances our ability to access capital for expansion and strategic investments.

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	Incase of Risk, Approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
9	Business Ethics and Governance	R/ O	At SBFC, we recognize that having strong Business Ethics and Governance present significant opportunities for us to establish ourselves as responsible and trustworthy organization in the financial industry. This is particularly crucial considering the inherent risks associated with the financial sector, and the need to safeguard the interests of customers, investors, and stakeholders. The evolving financial regulatory landscape places greater emphasis on ethical conduct, transparent disclosures, customer protection, and responsible lending practices.	By adhering to strong ethical practices and adopting robust governance mechanisms, we seek to enhance our reputation in the market. Trust is a vital asset in the financial sector, and customers are more likely to engage with an organization that prioritizes ethics and governance. We have a strong Code of Conduct at place along with other policies to ensure that ethical practices are upheld at all times and throughout the hierarchy of our operational system. At SBFC, we have developed robust governance frameworks, ethical business practices, and proactive compliance management systems that position us to mitigate regulatory risks while capitalizing on emerging opportunities such as faster approvals, preferential partnerships, and enhanced investor confidence.	Financial Implications (Positive)- Ethical behavior improves the reputation of the company, attracting more customers, thereby increasing revenue. It may also help to attract more investments and capital. Compliance with ethical standards reduces legal and regulatory expenses and also facilitate easier access to capital markets for further growth. Regulatory Sanctions (Negative): Failure to adhere to these ethical and governance standards exposes SBFC to regulatory sanctions, reputational damage, and financial penalties.

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	Incase of Risk, Approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
10	Risk Management	R/ O	Risk Management presents a significant opportunity for SBFC since it helps us to enhance our stability, resilience, and sustainable growth. As we operate in an inherently risk-prone financial environment, effective risk management strategies help us minimize our losses, maintain regulatory compliance, and enhance investor confidence which in turn helps us in optimizing our capital allocations, thus maximizing returns on investments.	We have a highly comprehensive risk management strategy that helps us to navigate uncertainties and achieve long term success in our business. We have identified potential sources of risks specific to our business model, operations and industry and accordingly we have implemented risk mitigation strategies and controls to reduce the likelihood and impact of the identified risks. We have also established a robust system to continuously monitor risks and ensure the proper approach towards mitigation of the risks.	Financial Implications (Positive)- A comprehensive risk management strategy will positively impact our financial performance by reducing losses, enhancing profitability, optimizing capital allocation, improving creditworthiness, ensuring compliance, attracting investments, and fostering customer trust. Proactive management of risks reduces the likelihood and severity of financial losses and avoid potential expenses associated with managing and recovering from risk related incidents. It positions the company as a stable and reliable financial institution, supporting sustainable growth and success in the competitive financial industry.

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	Incase of Risk, Approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
11	Digitalization and Innovation	O	Digitalization and innovation present a remarkable opportunity for SBFC to revolutionize its lending operations. By leveraging advanced data analytics and AI-driven processes, the organization can assess creditworthiness more accurately and tailor financial solutions that cater to the specific needs and ambitions of small business owners.	To leverage the opportunity of digitalization and innovation, we have embraced the following approach: 1. Digital Transformation: Investing in digital technologies to streamline our processes, enhance efficiency, and provide more convenient services to our customers. 2. Analytics: We optimize business processes and customer service using advanced data analysis. 3. Innovation and Technology: We use smart technology to enhance efficiency and make the customer journey easier. 4. PhyGital Model: It combines the efficiency and speed of technology with personalized, face-to-face interactions, providing a unique customer experience. 5. Customer-Centric Solutions: Prioritizing customer needs and preferences while developing digital solutions to create seamless and user-friendly experiences.	Financial Implications (Positive): Some key positive financial implications include, 1. Operational Efficiency: Digitalization streamlines operations, reduces costs, and improves efficiency, leading to potential cost savings and increased profitability. 2. Competitive Edge: By adopting innovative technologies, we gain a competitive edge in the market, attracting tech-savvy customers and staying ahead of competitors. 3. New Revenue Streams: Innovative financial products and services open up new revenue streams, expanding our business opportunities and revenue generation. 4. Enhanced Customer Acquisition: Digital solutions that offer convenience and personalized experiences attract new customers and enhance customer acquisition rates.

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

ESSENTIAL INDICATORS

This section is aimed at helping businesses demonstrate the structures, policies, and processes put in place towards adopting the NGRBC principles and core elements.

S. No.	Principle description
P1	Businesses should conduct and govern themselves with integrity, and in a manner that is ethical, transparent, and accountable
P2	Businesses should provide goods and services in a manner that is sustainable and safe
P3	Businesses should respect and promote the well-being of all employees, including those in their value chains
P4	Businesses should respect the interests of and be responsive to all their stakeholders
P5	Businesses should respect and promote human rights
P6	Businesses should respect and make efforts to protect and restore the environment
P7	Businesses when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent
P8	Businesses should promote inclusive growth and equitable development
P9	Businesses should engage with and provide value to their consumers in a responsible manner

Disclosure questions			P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Policy and management processes											
1.	a.	Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
	b.	Has the policy been approved by the Board (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
	c.	Web-link of the policies, if available.	Our employee Code of Conduct is made accessible to all our employees through the company's intranet and thus it is not possible to provide a publicly available link. To access our Code of Conduct of Board of Directors and Senior Management available on our website, please refer to the following link: https://www.sbfc.com/cmsproject/mediaGallery/docs/Code%20of%20Conduct%20-%20Board%20and%20Senior%20Management-1679632545.pdf?rm= To access our privacy policy available on our website, please refer to the following link: https://www.sbfc.com/privacy-policy To access our Grievance Redressal Policy available on our website, please refer to the following link: https://www.sbfc.com/cmsproject/mediaGallery/docs/Grievance%20Redressal%2 0Policy-1704795424.pdf?rm=1702233000 To access our CSR policy available on our website, please refer to the following link: https://www.sbfc.com/cmsproject/mediaGallery/docs/Corporate%20Social%20Responsibility%20Policy-1683527618.pdf?rm= To access our Corporate Governance Policy available on our website, please refer to the following link: https://www.sbfc.com/cmsproject/mediaGallery/docs/Corporate%20Governance%20Policy-1644468392.pdf?rm=1694197800 To access our Nomination and Remuneration policy available on our website, please refer to the following link: https://www.sbfc.com/cmsproject/mediaGallery/docs/Nomination%20and%20Remuneration%20Policy-1644468634.pdf?rm=1694197800 Our whistleblower policy available on our website, please refer to the following link: https://www.sbfc.com/cmsproject/mediaGallery/docs/Whistle%20Blower%20Policy-1667053329.pdf?rm=1694197800								

Disclosure questions		P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
2.	Whether the entity has translated the policy into procedures. (Yes / No)	Y	N	Y	N	Y	Y	Y	Y	Y
3.	Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes, all the policies have been extended to all our stakeholders including our value chain partners, wherever applicable.								
4.	Name of the national and international codes/certifications/labels/standards (e.g. Forest stewardship council, Fairtrade, Rainforest alliance, Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) mapped to each principle.									
		SBFC adheres to Fair Practice Code guidelines issued by the Reserve Bank of India for Non-Banking Financial Companies (NBFCs) detailing standards for fair business and corporate practices while dealing with their customers. SBFC is ISO 27001:2022 certified.								
5.	Specific commitments, goals, and targets set by the entity	We are continuing to build on the identified focus areas in our ESG framework as mentioned below: • **Inclusive Lending Goal:** ▪ 50% of the proceeds of the disbursed Facility to be disbursed to Sub-borrowers with household income levels of <=INR 28,000 (adjusted bi-annually with inflation) ("Low-Income"). ▪ 50% of the proceeds of the disbursed Facility to be disbursed to Sub-borrowers where either 1) female is the main loan applicant or 2) the collateral is owned or co-owned by a female in cases where female is not the main loan applicant. ▪ Moreover, SBFC has taken accepted the 2x challenge wherein, Gender is a key consideration within SBFC and SBFC commits to allocating at least 50% of use of proceeds to women-led and owned SME. • **Gender Diversity in Workforce:** Ensuring the women participation above 25% employees in the Head Office. • **Training and Capacity Building:** Target 90% coverage in skill development program. • **CSR:** Support education to under privileged students through infrastructure development under Shiksha Program, building skill under Gurukul program through Skill India and Preventing Health under Aarogya Program. • **ILO:** Alignment of the policies with ILO Core Conventions ratified in India. • **Health and Safety Commitment:** Ensure a safe and healthy work environment by implementing robust occupational health and safety standards and achieve 100% awareness on employee coverage in Human Rights Training. • **Data Privacy and Protection:** Uphold the highest standards of data privacy and security by ensuring compliance under ISO 27001:2022.								

Disclosure questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
6. Performance of the entity against the specific commitments, goals, and targets along with reasons in case the same are not met.	Our performance during the FY 2025 on identified focus areas in our ESG framework as mentioned below: • **Inclusive Lending Goal:** ▪ 50% of the proceeds of the disbursed facility to be disbursed to Sub-borrowers with household income levels of <=INR 28,000 (adjusted bi-annually with inflation) ("Low-Income"). ▪ 50% of the proceeds of the disbursed facility to be disbursed to Sub-borrowers where either 1) female is the main loan applicant or 2) the collateral is owned or co-owned by a female in cases where female is not the main loan applicant. ▪ Moreover, SBFC has accepted the 2x Challenge, wherein gender is a key consideration. SBFC commits to allocating at least 50% of the use of proceeds to women-led and women-owned SMEs. • **Gender Diversity in Workforce:** Women make up 26% of the employees at the Head Office in FY 2025 • **Training and Capacity Building:** 98% covered in skill development program. • **CSR:** The total number of beneficiaries during FY 2024-25 includes 402 students under Siksha, 265 apprentices under Gurukul, and 6,927 students under Aarogya. • **Health and Safety Commitment:** Ensure a safe and healthy work environment by implementing robust occupational health and safety standards and 100% employee covered under Human Rights Training. **Data Privacy and Protection:** Ensured the highest standards of data privacy and security by ensuring compliance under ISO 27001:2022 during FY 2025.								
Governance, leadership, and oversight									
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)	SBFC is building on certain pillars to drive its institutional value for all its stakeholders. These pillars include providing services to micro enterprises or the small businesses that are at the heart of the segment in which SBFC operates. Focusing on small businesses in small towns, SBFC strategically opens branches to bring services closer to where these businesses operate. The company is committed to creating skill development opportunities for community members, ensuring equal access to opportunities for all. Additionally, SBFC actively engages in CSR initiatives, including reconstructing schools in remote areas, collaborating with NGOs, and promoting education and skill-based training for youth. We strive to balance profitability with principles, adhering to stringent Governance, Compliance, and Risk Management measures while proactively working towards empowering the under banked and underserved sectors of the society. As we chart our course towards a sustainable future, we stand united, committed to empowering dreams and transforming lives. In the dynamic world of MSME lending, we stand firm to our commitment to Excellence, Resilience, and most importantly, Growth that is truly Sustainable.								
8. Details of the highest authority responsible for implementation and oversight of the business responsibility policy/policies	Board of Directors of the Company.								
9. Does the entity have a specified committee of the Board/ Director responsible for decision-making on sustainability-related issues? (Yes / No). If yes, provide details.	Yes, the CSR Committee, ESG Management Committee & Stakeholders Relationship Committee of the Board are responsible for making decisions on sustainability related issues								

10. Details of review of NGRBCs by the company:

Subject for review	Indicate whether the review was undertaken by Director/committee of the board/ any other committee									Frequency (Annually/ half-yearly/ quarterly/ any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	All the policies are reviewed by the Board members and others in senior management.									The reviews are done on an annual basis.								
Compliance with statutory requirements of relevance to the principles, and the rectification of any non-compliances	SBFC strives to comply with all applicable statutory requirements. There have been no instances of non-compliances during the financial year.																	

11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/ No). If yes, provide the name of the agency.

No, we have not carried out any independent assessment/ evaluation of the working of our policies by an external agency during the reporting period.

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

Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
The entity does not consider the principles material to its business (Yes/No)	N	N	N	N	N	N	N	N	N
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	No. SBFC has commenced its ESG journey in the financial year 2022-23. The company is making active efforts to establish systems in place to formulate and implement all policies related to the principles of NGBRC.								
The entity does not have the financial or/ human and technical resources available for the task (Yes/No)	No. SBFC has necessary financial, human, and technical resources for this task. However, this is the first year of reporting, the company is still in process of strengthening its position in ESG management.								
It is planned to be done in the next financial year (Yes/No)	SBFC has commenced its ESG journey in FY 2023. The company is making active efforts to establish systems in place to formulate and implement all policies related to the principles of NGBRC during the year FY 2025. However, we are currently working on respective roadmap for 3 years starting from the FY 2026 to FY 2028.								
Any other reason (please specify)	-								

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

Principle 1: Businesses should conduct and govern themselves with integrity, and in a manner that is ethical, transparent, and accountable.

ESSENTIAL INDICATORS

1. Percentage coverage by training and awareness programme on any of the principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	% of persons in respective category covered by the awareness programmes
Board of directors*	1	Training and awareness on departmental policies of the company, including those related to Human Resources, Compliance, Information Technology, and other functional areas.	100%
Key managerial personnel*	1	Training and awareness on departmental policies of the company, including those related to Human Resources, Compliance, Information Technology, and other functional areas.	100%
Employees other than BoD and KMPs**	24	1) Prarambh- Induction Program covers ● About Company, Our Leadership & Our Values ● Product Training ● Grooming & Uniform 2) Mandatory Training: ● Cyber Security ● POSH ● Code of Conduct, ● KYC & AML Awareness ● BCP & DR 3) Leadership Development Program ● Strategies for Growth, Campus Course, Indian Institute of Management Ahmedabad 4) Departmental Module ● ABM ● Incentive Structure ● CPA Modules ● Advance Excel Training ● IT Change and Release Management ● Linux Server Administrative Training – For TSG and SMG ● Windows Server Administration - For TSG and SMG ● Oracle Database Administration – For TSG and SMG. ● Time Management, Verbal & Written Communication. ● Team Management – For Senior & Middle Layer 5) Health & Safety Training ● First Aid Training 6) New Software and process launch. ● Kapture CRM Process ● DICE ● miFIN- LMS ● Sahayak (DSR Portal)	100% of the eligible employees were covered by these training and awareness programs.

** All the draft policies are subject to board review before their adoption. Draft copy of all policies subject to resolution are circulated among all the board members and senior management before the meeting. They are also briefed and made aware regarding the context and key updates related to such policies.*

*** All the new joiners are subject to mandatory induction trainings that covers topics such as POSH, Cybersecurity, Code of Conduct, KYC and other mandatory trainings. Moreover, some trainings on key topics such as POSH, CoC, Cyber- security and KYC & AML awareness are mandatorily provided to all eligible employees as well.*

Note - In FY 2025, Board and Committee meetings kept Independent Directors made aware on various topics like regulatory changes, economic landscape, IT updates, and risk indicators.

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

Monetary					
	NGRBC Principle	Name of the regulatory/ enforcemen t agencies/judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred ? (Yes/No)
Penalty/Fine	-	-	-	-	-
Settlement	-	-	-	-	-
Compounding	-	-	-	-	-

Non-Monetary				
	NGRBC Principle	Name of the regulatory/ enforcemen t agencies/judicial institutions	Brief of the Case	Has an appeal been preferred ? (Yes/No)
Imprisonment	-	-	-	-
Punishment	-	-	-	-

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

Case details	Name of the regulatory/ enforcement agencies/ judicial institutions
Not applicable as no such appeals were filed during the reporting period.	

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

   Our comprehensive Code of Conduct (CoC) applies to all employees, and it includes stringent provisions against bribery. SBFC Finance Limited is committed to upholding the highest standards of integrity, confidentiality, and ethical behavior both within and outside the organization. This ensures that all our employees are bound by these principles. Our Code of Conduct for employees is made accessible to all the employees through the company's intranet.

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

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

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

   Not applicable

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

	FY 2025 (Current Financial Year)	FY 2024 (Previous Financial Year)
Number of days of Account Payables	0.71	3.89

9. Openness of business

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

Parameters	Metrics		FY 2025 (Current Financial Year)	FY 2024 (Previous Financial Year)
Concentration of Purchases	a.	Purchases from trading houses as % of total purchases	Being a financial services company, these disclosures are not applicable.	
	b.	Number of trading houses where purchases are made from		
	c.	Purchases from top 10 trading houses as % of total purchases from trading houses		
Concentration of Sales	a.	Sales to dealers / distributors as % of total sales		
	b.	Number of dealers / distributors to whom sales are made		
	c.	Sales to top 10 dealers / distributors as % of total sales to dealers / distributors		
Share of RPTs in	a.	Purchases (Purchases with related parties / Total Purchases)	Nil	Nil
	b.	Sales (Sales to related parties / Total Sales)	Nil	Nil
	c.	Loans & advances (Loans & advances given to related parties / Total loans & advances)	Nil	Nil
	d.	Investments (Investments in related parties / Total Investments made)	Nil	4.93%

LEADERSHIP INDICATORS

1. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.

   Yes.

   The company has a separate Code of Conduct for the Board of Directors and the Senior Management which provides all the members of the Board and the Senior Management shall conduct their activities and fulfill their fiduciary obligations, on behalf of the Company, with honesty, integrity and fairness and in the best interest of the Company. They are prohibited from engaging in any activity that interferes with their performance or responsibilities or otherwise is in conflict with or prejudicial to the company.

   In addition to the above, SBFC Finance Limited's CoC covers potential areas where conflict of interest may be countered. It also provides specific guidelines on avoiding and dealing with possible conflicts of interest and the requirement to disclose potential conflicts of interest by employees.

   The Code of Conduct for BOD and Senior Management can be accessed from this link:

   https://www.sbfc.com/cmsproject/mediaGallery/docs/Code%20of%20Conduct%20-%20Board%20and%20Senior%20Management-1679632545.pdf?rm=1694197800

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

ESSENTIAL INDICATORS

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

	FY 2025	FY 2024	Details of improvements in environmental and social impacts
R&D	Nil	Nil	Not Applicable
Capex (Technology & Software fees)	₹ 24.86 million	₹ 7.78 million	The expenses incurred on technology and software licenses, helps us create a system which is equipped to process a loan with quick turnaround time. We believe these expenses are an investment to stay relevant, competitive and efficient in today's digital world. The technology expenses help us to improve customer experiences, manage, and analyze large amounts of data.

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

   Yes, we have formulated a Sustainable Procurement Policy to ensure that the limited procurement we undertake is further aligned with sustainable sourcing practices.

   However, given the nature of our business, which predominantly deals with financial instruments rather than tangible raw materials, the concept of sustainable sourcing, typically associated with physical goods, is not directly applicable to our operations

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

   We are still developing procedures for our sustainable sourcing policy and will implement it in upcoming financial year.

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

Waste type	Waste management procedure in place
Plastic (including packaging)	The company is in the business of providing loans. Hence the scope of using recycle material as inputs is limited. Further, we have tie-up with e-waste handler for disposal of electronic waste.
E-waste	
Hazardous waste	
Other waste (wastepaper and paper products)	

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the EPR plan submitted to Pollution Control Boards? If yes, whether the waste collection plan is in line with the EPR plan submitted to Pollution Control Boards?

   Not Applicable, given the nature of business of SBFC

LEADERSHIP INDICATORS

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

NIC Code	Name of Product / Service	%of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/ No) If yes, provide the web-link.
			Not Applicable		

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

   SBFC operations are limited to providing Loan Against Property (LAP) and Loan against Gold, which are financial products, there are no significant social or environmental concerns or risks arising from the production or disposal of our services. These offerings do not involve physical manufacturing, processing, or disposal activities that could impact the environment. Accordingly, no Life Cycle Assessment (LCA) or mitigation action is required in this context.

Name of Product / Service	Description of the risk / concern	Action Taken
NA	NA	NA

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or re-used input material to total material	
	FY 2025 Current Financial Year	FY 2024 Previous Financial Year
NA	NA	NA

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tons) reused, recycled, and safely disposed, as per the following format:

	FY 2025 Current Financial Year			FY 2024 Previous Financial Year		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	NA	NA	NA	NA	NA	NA
E-waste	NA	NA	NA	NA	NA	NA
Hazardous waste	NA	NA	NA	NA	NA	NA
Other waste	NA	NA	NA	NA	NA	NA

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
NA	NA

Principle 3: Businesses should respect and promote the well-being of all employees, including those in their value chains

ESSENTIAL INDICATORS

1. a. Details of measures for the well-being of employees.

Category	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent employees											
Male	2,387	2,387	100%	2,387	100%	-	-	2,387	100%	-	-
Female	241	241	100%	241	100%	241	100%	-	-	-	-
Total	**2,628**	**2,628**	**100%**	**2,628**	**100%**	**241**	**9.17%**	**2,387**	**90.8%**	**-**	**-**
Other than Permanent employees											
Male	1,595	NA	NA	1,595	100%	-	-	1,595	100%	-	-
Female	126	NA	NA	126	100%	126	100%	-	-	-	-
Total	**1,721**	**NA**	**NA**	**1,721**	**100%**	**126**	**7.3%**	**1,595**	**92.7%**	**-**	**-**

b. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format –

	FY 2025 (Current Financial Year)	FY 2024 (Previous Financial Year)
Cost incurred on well-being measures as a % of total revenue of the company	0.16%	0.20%

2. Details of retirement benefits.

Benefits	FY 2025 (Current Financial Year)		FY 2024 (Previous Financial Year)	
	No. of employees covered as a % of total employees	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees*	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	Y	100%	Y
Gratuity*	61.69%	Y	100%	Y
ESI	13.18%	Y	17%	Y

** Other than permanent employees hired for fixed tenure does not fall under the preview of gratuity.*

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes, currently we have one especially able employee and we have taken appropriate measures to ensure that our offices are accessible to differently abled employee wherever possible as per the requirements of the Rights of Persons with Disabilities Act, 2016.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web link to the policy.

The provision of equal opportunity is part of the employee Code of Conduct, which is made accessible to all employees through the company's intranet. We strive to provide equal opportunities to all our employees and qualified applicants without discrimination on the grounds of race, caste, religion, color, ancestry, marital status, gender, sexual orientation, age, nationality, ethnic origin, or special ability.

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100%	86.00%	NA	NA
Female	100%	80.00%	NA	NA
Total	**100%**	**83.00%**	**NA**	**NA**

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and workers? If yes, give details of the mechanism in brief.

	(If Yes, then give details of the mechanism in brief)
Permanent employees	Employees can share grievances to the respective HR team members through email communication wherein the grievances are addressed and concluded. The HR team is responsible for timely redressal of employee related grievances. The mechanism ensures that they can report and address their concerns confidentially and anonymously, without facing any reprisals or adverse consequences. All investigations conducted by SBFC are treated as confidential matters.
Other than permanent employees	

7. Membership of employees and workers in association(s) or Unions recognized by the listed entity:

Category	FY 2025			FY 2024		
	Total employees/ workers in the respective category (A)	No. of employees/ workers in the respective category, who are part of the association(s) or Union (B)	% (B/A)	Total employees/workers in the respective category (C)	No. of employees/ workers in the respective category, who are part of the association(s) or Union (D)	% (D/C)
Total permanent employees	2,628	-	-	3,758	-	-
Male	2,387	-	-	3,484	-	-
Female	241	-	-	274	-	-

8. Details of training given to employees and workers:

Category	FY 2025					FY 2024				
	Total (A)	On health and safety measures		On skill upgradation		Total (D)	On health and safety measures		On skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Male	3,982	3,982	100%	3,888	97.64%	3,499	3,499	100%	2,289	65.42%
Female	367	367	100%	343	93.46%	275	275	100%	252	91.64%
Total	**4,349**	**4,349**	**100%**	**4,231**	**97.29%**	**3,774**	**3,774**	**100%**	**2,541**	**67.33%**

9. Details of performance and career development reviews of employees and workers:

Category	FY 2025			FY 2024		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees*						
Male	1,959	1,959	100%	1,760	1,760	100%
Female	222	222	100%	173	173	100%
Total	**2,181**	**2,181**	**100%**	**1,933**	**1,933**	**100%**

** The coverage of performance and career development reviews of employees only includes employees that were eligible for review as per the company policy.*

10. Health and safety management system:

    a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, what is the coverage of such a system?

    Yes, we have provisions for proper ventilation, branch hygiene & sanitation, emergency exits, and first aid boxes. Moreover, we are also in the process of further enhancing health and safety across all our premises, including establishing a dedicated occupational health and safety management system. Additionally, training is being conducted for Health & Safety, Fire Drills and First-aid.

    b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

    As a responsible business entity, we understand the importance of providing a workplace that is free of work-related hazards and risks. In order to ensure the best interest of our employees and to safeguard the health and wellbeing of all, we put active efforts towards providing a work environment that uplifts the mental and physical wellness of all. We comply with all necessary requirements of a safe workplace, and we conduct routine checks to eliminate any possible risk that might exist in our premises.

    c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. Not Applicable.

    d. Do the employees/ workers of the entity have access to non-occupational medical and healthcare services?

    Yes, our employees are covered either under Group Health Insurance Policy, ESIC, Accidental Insurance, online medical consultation and Subject Matter Expert Webinars for Preventive Heart Care & Women Health.

11. Details of safety related incidents, in the following format:

Safety incident/number	Category*	FY 2025 (Current Financial Year)	FY 2024 (Previous Financial Year)
Lost Time Injury Frequency Rate (LTIFR) (per one-million-person hour worked)	Employees	No such caes reported	
	Workers		
Total recordable work-related injuries	Employees		
	Workers		
No. of fatalities	Employees		
	Workers		
High consequence work-related injury or ill-health (excluding fatalities)	Employees		
	Workers		

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.We adhere to all the relevant regulations and laws governing workplace health and safety. In a bid to continuously improve on health and safety related parameters, employees can communicate their grievances related to health and safety at workplace through the email to the Human Resources team. Employees can verbally communicate their grievances related to health and safety to the concerned HR across our offices and branches.

13. Number of complaints on the following made by employees and workers:

	FY 2025			FY 2024		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	-	-	-	-	-	-
Health & safety	-	-	-	-	-	-

14. Assessments for the year

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	No assessments were carried out during the financial year 2025
Working conditions	

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks/concerns arising from assessments of health & safety practices and working conditions.

    Not applicable as no such assessments were conducted.

LEADERSHIP INDICATORS

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N)

   (B) Workers (Y/N).

   (A) Yes, Health insurance and accidental death insurance are included as part of the benefits provided to all our permanent employees. (B) Details related to workers are not applicable as we have not employed any workers during the reporting period.

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

   Evidence of compliance against statutory norms adherence are checked before release of payment for workforce deployed thorough Labor Contract.

3. Provide the number of employees/workers having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees/ workers*	No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment
Employees		Nil

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No.

   Nil

5. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	NA
Working Conditions	NA

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

   We adhere to all the relevant regulations and laws governing workplace health and safety. In a bid to continuously improve on health and safety related parameters, employees can communicate their grievances related to health and safety at workplace through the email to the Human Resources team.

Principle 4: Businesses should respect the interests of and be responsive to all its stakeholders.

ESSENTIAL INDICATORS

1. Describe the processes for identifying key stakeholder groups of the entity.

   At SBFC, we firmly believe that engaging with stakeholders is a crucial aspect of understanding the impact of our actions. To gain comprehensive insights into how our organization affects various parties, we initiated a series of discussions with our board and senior management. Through multiple rounds of dialogue and careful consideration, we meticulously identified the key stakeholder groups that hold significant relevance to our operations. These essential stakeholder groups encompass Shareholders and Investors, Customers, Government and Regulators, Employees, Value Chain Partners and the Community.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder group	Whether identified as vulnerable & marginalized group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community meetings, Notice board, Website), Other	Frequency of engagement (Annually/ half-yearly/ quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Shareholder and Investor	Yes	Emails, Meetings, Website	Quarterly	To inform about the performance, major developments and other relevant updates regarding the Company and its subsidiaries.
Customer	Yes	SMS, Newspaper, Advertisement, Website	Need basis	Servicing throughout the lifecycle of the customer and addressing queries / grievances that the customer may have.
Government and Regulators	No	Emails, Website	Need basis	To adhere to the guidelines issues by the regulator and take feedback on questions, if any. Provide opinion on draft policies rolled out before getting implemented.
Employees	No	Emails, SMS, Advertisement, Notice board, Website	Need basis	To record and address employee grievances that may arise as a result of our operations. To collect inputs, feedback, and communicate regarding implemented policies and other relevant initiatives related to our operations.
Value Chain partners	No	Emails, SMS, Newspaper, Advertisement, Website	Need basis	To communicate and update regarding key changes related to our business operations and to communicate or inform contractual requirements.
Community	Yes	Newspaper, Advertisement, Website	Need basis	To promote social welfare activities for inclusive growth, fair and equitable development, and well-being of society through our business functioning.

LEADERSHIP INDICATORS

1. Provide the processes for consultation between stakeholders and the board on economic, environmental, and social topics or if consultation is delegated, how feedback from such consultations is provided to the board.

   We have conducted a materiality assessment to determine key factors that affect the Society, Environment, and our business at large. These material factors have been communicated to the board, and we are in the process of deriving management solutions to ensure that such stakeholder feedback is incorporated into crucial business decisions for further improvement and value creation for all.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the input received from stakeholders on these topics were incorporated into the policies and activities of the entity.

   We have conducted a Materiality Assessment to identify the environmental, social, and economic concerns that affect our stakeholders, society, environment and our business at large. This effort is to further our commitment to continuously enhancing existing processes and systems. As per the feedback received, we have already initiated development and enhancement of existing company policies and addressing key stakeholder needs by formulating initiatives and management solutions. Examples include our Environmental, Social, and Governance (ESG) policy that outlines our commitment to environmentally responsible practices, social welfare, robust governance, and stakeholder engagement. It guides our decisions, promotes sustainable value creation, and ensures ethical conduct, transparency, and accountability across our operations.

3. Provide details of instances of engagement with, and actions are taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

   We have implemented a formal grievance mechanism for our customers to raise their concerns. Our multi-channel grievance redressal mechanism is designed to address all customer-related issues. Additionally, community members can raise grievances through a dedicated channel on our website. As part of our commitment to engaging with marginalized stakeholder groups, we have conducted an initiative to gather testimonials from some of our customers regarding their experiences with us. These testimonials are publicly available on our website. Moreover, it's noteworthy that in more than 90% of our loan agreements, women either serve as primary applicants or co-applicants.

Principle 5: Businesses should respect and promote human rights.

ESSENTIAL INDICATORS

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2025			FY 2024		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
Employees						
Permanent	2,628	2,628	100%	3,758	3,758	100%
Other than permanent	1,721	1,721	100%	16	16	100%
Total employees	**4,349**	**4,349**	**100%**	**3,774**	**3,774**	**100%**

Note –Human rights were covered as part of our mandatory Code of Conduct training provided to all employees. We have formulated specific Human Rights Policy.

2. Details of minimum wages paid to employees and workers

Category	FY 2025					FY 2024				
	Total (A)	Equal to minimum wage		More than minimum wage		Total (D)	Equal to minimum wage		More than minimum wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent	2,628	-	-	2,628	100.00%	3,758	8	0.21%	3,750	99.79%
Other than permanent	1,721	9	0.52%	1,712	99.48%	16	-	-	16	100.00%
Total employees	**4,349**	**9**	**0.21%**	**4,340**	**99.79%**	**3,774**	**8**	**0.19%**	**3,766**	**99.81%**

3. Details of remuneration/salary/wages

a. Median remuneration/wages:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	4	₹ 1,600,000	1	₹ 1,600,000
Key managerial personnel	3	₹ 22,432,824	1	₹ 4,500,012
Employees other than BOD and KMP	3,975	₹ 350,004	365	₹ 309,996

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY 2025 (Current Financial Year)	FY 2024 (Current Financial Year)
Gross wages paid to females as % of total wages	6.11%	5.88%

4. Do you have a focal point (individual/ committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes, the Internal Complaints Committee addresses the issues for prevention of sexual harassment at workplace, whistle blower for upholding the prescribed Code of Conduct and online portal for employee grievance.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

The Internal Complaints Committee (ICC), established in accordance with the Prevention of Sexual Harassment (POSH) Act, is responsible for addressing POSH related complaints and ensuring resolution and confidentiality throughout the duration of the case. We have email as a communication channel for our employees to officially submit their grievances and concerns including human rights related issues to the HR department. It is the responsibility of the HR team to promptly address these employee-related grievances.

6. Number of complaints on the following made by employees and workers:

	FY 2025			FY 2024		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed During the year	Pending resolution at the end of year	Remarks
Sexual Harassment	-	-	-	-	-	-
Discrimination at workplace	-	-	-	-	-	-
Child Labour	-	-	-	-	-	-
Forced labour /Involuntary labour	-	-	-	-	-	-
Wages	-	-	-	-	-	-
Other human rights-related issues	-	-	-	-	-	-

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	FY 2025 (Current Financial Year)	FY 2024 (Previous Financial Year)
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2019 (POSH)	-	-
Complaints on POSH as a % of female employees / workers	-	-
Complaints on POSH upheld	-	-

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

All employees have access to a grievance mechanism, which ensures that they can report and address their concerns confidentially and anonymously, without facing any reprisals or adverse consequences. Employees are required to cooperate fully with any investigation into alleged violations of the Code of Conduct, Laws, Regulations, Policies, or procedures. During such investigations, employees are expected to provide truthful and comprehensive information. All investigations conducted by SBFC are treated as confidential matters. Employees are prohibited from discussing any aspect of an investigation, including its existence, with anyone except members of the disciplinary action committees authorized under the policy guidelines. Moreover, the Internal Complaints Committee (ICC) as mandated by the Prevention of Sexual Harassment (POSH) Act, applicable to all companies, to ensure a secure and inclusive work environment.

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No) Yes

10. Assessments for the year:

	% of your plants and offices that were assessed (by the entity or statutory authorities or third parties)
Child labour	Nil
Forced/involuntary labour	
Sexual harassment	
Discrimination at workplace	
Wages	
Others	

11. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 10 above.

    Not applicable.

LEADERSHIPINDICATORS

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.

   SBFC has set up a Vigil Mechanism for its employees to report their concerns or grievances. The said mechanism includes the Whistle Blower Policy and supplies adequate safeguards against victimization of persons who use it. Information about the mechanism and the channels for reporting concerns (including a third-party reporting channel) is communicated to the relevant stakeholders.

2. Details of the scope and coverage of any Human rights due-diligence conducted.

   At SBFC, our customers are paramount, and their feedback is crucial for us. We have a well-structured grievance redressal mechanism to promptly address any concerns. All disputes related to business practices, lending decisions, credit management, and recovery are diligently heard and responded to. Customers can easily reach us through several communication modes, including toll-free numbers and customer service emails. Each complaint is thoroughly reviewed, monitored, and resolved to achieve complete customer satisfaction. To bolster our support, a dedicated Grievance Redressal Officer is appointed and prominently displayed in all our branches. If needed, we have an escalation matrix, and unresolved issues can be appealed to the RBI Ombudsman, emphasizing our commitment to exemplary customer service

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

   Currently all the offices of the company are either leased or under leave and license agreement. The Company does not have any owned premises and there is a common entrance for the building. Company follows the access provided by the complex where the offices are leased for all its employees including differently abled. However, we have spread awareness to our employees to handle differently abled employees.

4. Details on assessment of value chain partners.

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	Not Applicable
Discrimination at workplace	
Child Labour	
Forced Labour/Involuntary Labour	
Wages	
Others, please specify	

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

   Not Applicable.

Principle 6: Businesses should respect and make efforts to protect and restore the environment.

ESSENTIAL INDICATORS

1. Details of total energy consumption (in giga Joules) and energy intensity:

Parameter	FY 2025	FY 2024
From Renewable Sources		
Total electricity consumption (in GJ) (A)	-	-
Total fuel consumption (in GJ) (B)	-	-
Energy consumption through other sources (in GJ) (C)	-	-
Total Energy Consumed from Renewable Sources (in GJ) (A+B+C)	-	-
From Non-Renewable Sources		
Total electricity consumption (in GJ) (D)	15,596.88	9733.78
Total fuel consumption (in GJ) (E)	-	-
Energy consumption through other sources (in GJ (F)	-	-
Total Energy Consumed from Non-renewable Sources (in GJ) (D+E+F)	15,596.88	9733.78
Total Energy Consumed (in GJ) (A+B+C+D+E+F)	**15,596.88**	**9733.78**
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees)	0.00000120 GJ per rupee turnover	0.00000095 GJ per rupee turnover
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)* (Total energy consumed / Revenue from operations adjusted for PPP)	0.0000268 GJ per rupee turnover adjusted for PPP	0.0000214 GJ per rupee turnover adjusted for PPP
Energy Intensity in terms of Physical Output**	0.00000029 GJ per rupee of loan disbursed	0.00000029 GJ per rupee of loan disbursed
Energy Intensity (Per employee) # (Total energy consumed / Total employees in the organization)	3.59 GJ per employee	2.59 GJ per employee

** We have calculated energy intensity in terms of per rupee of turnover adjusted for PPP. We have divided by Total Revenue from operations for FY 2025 and FY 2024 by Purchasing Power Parity (Total, National currency units/US dollar) obtained from OECD database: https://data.oecd.org/conversion/purchasing-power-parities-ppp.htm#indicator-chart*

*** Since SBFC is a financial services company, the physical output has been considered to be the total amount of loan disbursed (in ₹). As a result, the disclosure provides the amount of energy used per rupee of loan disbursed.*

 # Energy Intensity per employee is calculated by dividing total energy consumed divided by the total employees were employed during the reporting periods FY 2025 and FY 2024 respectively. The total number of employees only include permanent employees as no other than permanent employees were reported during the reporting periods.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No external assurance has been taken for the energy related disclosures for the reporting period FY 2025.

2. Does the entity have any sites/facilities identified as designated consumers (DCs) under the performance, achieve, and trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken if any.

   Not applicable as we do not have any sites/facilities identified as designated consumers (DCs) under the performance, achieve, and trade (PAT) Scheme of the Government of India.

3. Provide details of the following disclosures related to water, in the following format:

Not applicable

Parameter	FY 2025	FY 2024
Water withdrawal by source (in kilo liters)		
(i) Surface water	-	-
(ii) Groundwater	-	-
(iii) Third-party water ()	4,857.60	2,080.55
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kiloliters) (i + ii + iii + iv + v)	4,857.60	2,080.55
Total volume of water consumption (in kiloliters)	4,857.60	2,080.55
Water intensity per rupee of turnover (Total water consumption / Revenue from operations)	0.000000374 KL per rupee turnover	0.000000204 KL per rupee turnover
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP)	0.0000084 KL per rupee turnover adjusted for PPP	0.0000046 KL per rupee turnover adjusted for PPP
Water Intensity in terms of Physical Output	0.000000089 KL per rupee of loan disbursed	0.000000043 KL per rupee of loan disbursed
Water Intensity (Per employee) (Total water consumed / Total employees in the organization)	1.21 KL per employee	0.55 KL per employee

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Not Applicable

4. Provide the following details related to water discharged:

Parameter	FY 2025	FY 2024
Water discharge by destination and level of treatment (in kiloliters)		
(i) To surface-water	Not Applicable.	
- No treatment		
- With treatment – please specify the level of treatment		
(ii) To groundwater		
- No treatment		
- With treatment – please specify the level of treatment		
(iii) To seawater		
- No treatment		
- With treatment – please specify the level of treatment		
(iv) Sent to third parties		
- No treatment		
- With treatment – please specify the level of treatment		
(v) Others		
- No treatment		
- With treatment – please specify the level of treatment		
Total water discharged (in kiloliters)		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

5. Has the entity implemented a mechanism for zero liquid discharge? If yes, provide details of its coverage and implementation.

Not Applicable

6. Please provide details of air emissions (other than GHG emissions) by the entity:

Parameter	Unit	FY 2025	FY 2024
NOx	Not Applicable.		
SOx			
Particulate matter (PM)			
Persistent organic pollutants (POP)			
Volatile organic compounds (VOC)			
Hazardous air pollutants (HAP)			
Others – ozone-depleting substances (HCFC - 22 or R-22)			

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Not Applicable

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) and its intensity:

Parameter	Unit	FY 2025	FY 2024
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tons of CO2 equivalent	-	-
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)*	Metric tons of CO2 equivalent	3149.70	2225.25
Total Scope 1 and Scope 2 emission intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)	Metric tons of CO2 equivalent per rupee turnover	0.000000241	0.000000218
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP) **	Metric tons of CO2 equivalent per rupee turnover adjusted for PPP	0.0000054	0.0000049
Total Scope 1 and Scope 2 emission intensity in terms of physical output* **	Metric tons of CO2 equivalent per rupee in loan disbursed	0.000000058	0.000000045
Total Scope 1 and Scope 2 emission intensity (per Employee) (Total Scope 1 and Scope 2 emissions / total employees in the organization) #	Metric tons of CO2 equivalent per employee	0.72	0.59

* Scope 2 emissions = Grid Electricity Consumption

For FY 2025, the EF has been taken as 0.727 tCO2/MWh and for FY 2024, the EF has been taken as 0.823 tCO2/MWh. The source of EF has been Central Electricity Authority, Government of India.

*** We have calculated Scope 1 and Scope 2 intensity in terms of per rupee of turnover adjusted for PPP. We have divided by Total Revenue from operations for FY 2025 and FY 2024 by Purchasing Power Parity (Total, National currency units/US dollar) obtained from OECD database: https://data.oecd.org/conversion/purchasing-power-parities-ppp.htm#indicator-chart*

**** Since SBFC is a financial services company, the physical output has been considered to be the total amount of loan disbursed (in ₹). As a result, the disclosure provides the amount of Scope 1 and Scope 2 emissions emitted per rupee of loan disbursed.*

 # Scope 1 and Scope 2 Intensity per employee is calculated by dividing total Scope 1 and Scope 2 emissions by total number of employees in the organization during the reporting periods FY 2025 and FY 2024 respectively. The total number of employees only include permanent employees as no other than permanent employees were reported during the reporting periods.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Not Applicable

8. Does the entity have any project related to reducing greenhouse gas emission? If yes, then provide details. Not Applicable

9. Provide details related to waste management by the entity, in the following format:

Company is in the business of providing loan and is a service-oriented company. Our focus on waste management is limited in scope and pertains to office related waste. Our processes are largely digital and paperless. Regarding e-waste, company has an e-waste policy and has signed an agreement with a certified e-waste handler for disposal of e-waste.

Parameter	FY 2025*	FY 2024**
Total waste generated (in metric tons)		
Plastic waste (A)	1.92	1.81
E-waste (B)	0.77	0.29
Bio-medical waste (C)	-	-
Construction and demolition waste (D)	-	-
Battery waste (E)	-	-
Radioactive waste (F)	-	-
Other Hazardous waste. Please specify, if any. (G)	-	-
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e., by materials relevant to the sector) – Paper Waste*	3.41	3.46
Total (A+B+C+D+E+F+G+H)	**6.10**	**5.56**
Waste intensity per rupee of turnover (Total Waste consumption / Revenue from operations)	0.00000000047 MT per rupee turnover	0.00000000055 MT per rupee turnover
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Waste consumption / Revenue from operations adjusted for PPP)	0.00000001048 MT per rupee turnover adjusted for PPP	0.00000001223 MT per rupee turnover adjusted for PPP
Waste Intensity in terms of Physical Output	0.00000000011 MT per rupee in loan disbursed	0.00000000012 MT per rupee in loan disbursed
Waste Intensity (Per employee) (Total Waste consumed / Total employees in the organization)	0.0014 MT per employee	0.0015 MT per employee
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tons)		
Category of waste	Since we are a financial services company, the waste generated across our offices and branches primarily comprise of domestic and office related waste such as food waste, paper waste, and e- waste. Our recyclable waste is managed by a third- party vendor, and we ensure that whatever recyclable waste is generated in our facilities is handled and taken care of responsibly.	
(i) Recycled		
(ii) Re-used		
(iii) Other recovery operations		
Total		
For each category of waste generated, total waste disposed of by nature of disposal method (in metric tons)		
Category of waste	Not Applicable	
(i) Incineration		
(ii) Landfilling		
(iii) Other disposal operations		
Total		

**Paper waste has only be calculated for the Head Office in Mumbai and not for the branches across the country.*

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No external assurance has been received for waste related disclosures for the reporting period.

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce the usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

SBFC Finance Limited operates in the services industry, specializing in providing essential financial services across India. Our dedication to responsible environmental practices is evident through our commitment to digital communication and documentation. None of our products or services generate hazardous waste or make use of toxic chemicals, as we do not have any physical product offerings. The company has e-waste policy and signed an agreement with the certified e-waste disposable vendor.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones, etc.) where environmental approvals/clearances are required, please specify details in the following format:

S. No.	Locationof operations/offices	Type of operations	Whether the conditions of environmental approval/ clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
Not Applicable			

12. Details of Environmental Impact Assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA notification no.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant web link
Not Applicable					

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (prevention and control of pollution) Act, Air (prevention and control of pollution) Act, Environment Protection Act, and rules there under (Y/N). If not, provide details of all such non-compliances:

S. No.	Specify the law/ regulation /guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
Yes, we are compliant with all the applicable environmental law/ regulations/ guidelines in India.				

LEADERSHIP INDICATORS

1. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge/waste generated, please provide details of the same as well as the outcome of such initiatives:

S. No.	Initiative undertaken	Details of the initiative (Web-link, if any,may be provided along-with summary)	Outcome of the initiative
1.	In strict adherence to the guidelines laid out by the Reserve Bank of India (RBI), lending companies are mandated to furnish welcome kits to their borrowers. To align with these directives and bolster sustainable practices, SBFC has transitioned to delivering digital welcome kits to all borrowers. This strategic shift has yielded twofold benefits. Firstly, it has substantially curtailed direct paper consumption, leading to reduction in our ecological footprint. Secondly, by circumventing the need for physical transit, the initiative has tangibly minimized indirect fuel consumption, contributing to a more environmentally conscious operation.		
2.	All loan documentation files stored in our warehouses were meticulously digitized and are now accessible in electronic format. This transformation has notably diminished the need for physical transportation of files across various locations, thus significantly decreasing indirect fuel consumption. Formerly, these files necessitated transport for verification, audit, and inspection purposes. As a result of this forward-looking endeavor, we have not only streamlined our operational processes but also achieved a substantial reduction in our carbon emissions footprint.		

PRINCIPLE 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.

ESSENTIAL INDICATORS

1. a. Number of affiliations with trade and industry chambers/ associations.

   SBFC Finance Limited has affiliation with FIDC in March 2025 and have received the membership which is valid till March 31, 2025.

   b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such a body) the entity is a member of/ affiliated to.

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)	About the chambers
1	FIDC	National	Finance Industry Development Council (FIDC) is a Representative Body of NBFCs registered with the Reserve Bank of India. FIDC was formed 19 years ago and is the recognized face of the NBFC sector. FIDC has been engaged in regular interaction both with Reserve Bank of India and Govt. of India, which include pre-budget meetings and also important policy related meetings with RBI. Almost all the leading NBFCs and a large number of small and medium sized NBFCs are our members

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities

   Not applicable

LEADERSHIP INDICATORS

S. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly/ Others please specify)	Web Link, if available
1	Nil	NA	No	NA	NA

PRINCIPLE 8: Businesses should promote inclusive growth and equitable development.

ESSENTIAL INDICATORS

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	SIA notification No.	Date of notification	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant web link
Not Applicable					

2. Provide information on the project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity:

S No.	Name of project for which R&R is ongoing	State	District	No. of project affected families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In ₹)
Not Applicable						

3. Describe the mechanisms to receive and redress grievances of the community.

   We have a channel to receive and address grievances received from the larger community. An email address and phone number are made accessible for members from the general community to share their grievances or complaints.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2025	FY 2024
Directly sourced from MSMEs/ small producers	Not Applicable	Not Applicable
Directly from within India	Not Applicable	Not Applicable

   Note – Being a financial services company we are not engaged in manufacturing of any physical good and thus we do not source any raw material. Thus, our procurement is limited to procuring materials for domestic and office purposes only across our branches and offices.

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as & of total wage cost.

Location	FY 2025 (Current Financial Year)	FY 2024 (Previous Financial Year)
Urban	2,162	1,952
Metropolitan	551	510

LEADERSHIP INDICATORS

1. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized/vulnerable group

   Being a NBFC, our service offerings include financial products and services to a wide range of consumers. Since such activities neither involve procurement of raw materials, nor production of tangible goods, the procurement activities associated with our operations remain low and of limited scope. However, we are committed to uphold and promote sustainability throughout our value chain, including the aspect of the materials we procure for our day-to-day functioning including administrative needs at offices and branches. Consequently, we have Sustainable Procurement Policy that reflects our commitment to incorporate sustainable practices and develop a holistic approach to address ESG risks across our value chain. For the limited procurement activities that we conduct, we ensure that they are conducted in a manner that aligns our ESG principles and objectives catering to sustainable value chains.

   (b) From which marginalized/vulnerable groups do you procure?

   While our current activities do not involve the procurement of raw materials or the production of tangible goods, our procurement activities associated with operations are currently negligible. Nevertheless, we are dedicated to a future where we actively enhance representation from diverse groups within our value chain whenever applicable.

2. Details of beneficiaries of CSR projects:

S. No.	CSR project	No. of persons benefited from CSR projects	% of beneficiaries from vulnerable and marginalized groups
1.	Supporting Little Angel's School for specially abled children (i.e., Human Development Centre	12	100%
2.	Infrastructure Development School with our NGO Partner Yuva Unstoppable: • Shri Swaminarayan Vidyalaya, Manipura, Viramgam, Ahmedabad. • Government Upper Primary School Tankariya, Sirohi, Rajasthan	110	100%
3.	National Apprenticeship Promotion Schemes (NAPS)	450	33.80%
4.	Ekam Foundation – Mobile Eye Clinic van for rural areas in Kolhapur.	6,927	100%

Note - Our CSR initiatives revolve around offering support to education, skill development, healthcare, and NGOs, with a specific focus on aiding small and marginalized segments of society. This aligns with our core business objective of serving underserved section of society. Total contribution towards these projects ₹ 44,914,641 includes, ₹ 28,352,641 towards NAPS, ₹ 12,320,000 Improvement in School Infrastructure Shri Swaminarayan Vidyalaya, Vidyalaya, Manipura, Viramgam, Ahmedabad & Government Upper Primary School Tankariya, Sirohi, Rajasthan with YUVA UNSTOPPABLE, ₹ 1,242,000 for supporting Little Angel's School and ₹ 3,000,000 against the Mobile Eye Clinic van for rural areas in Kolhapur.

PRINCIPLE 9: Businesses should engage with and provide value to their consumers in a responsible manner.

ESSENTIAL INDICATORS

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

   SBFC has set up a Vigil Mechanism for its employees to report their concerns or grievances. The said mechanism includes the Whistle Blower Policy and supplies adequate safeguards against victimization of persons who use it. Information about the mechanism and the channels for reporting concerns (including a third- party reporting channel) is communicated to the relevant stakeholders.

   At SBFC, our customers are paramount, and their feedback is crucial for us. We have a well-structured grievance redressal mechanism to promptly address any concerns. All disputes related to business practices, lending decisions, credit management, and recovery are diligently heard and responded to. Customers can easily reach us through several communication modes, including toll-free numbers and customer service emails. Each complaint is thoroughly reviewed, monitored, and resolved to achieve complete customer satisfaction. To bolster our support, a dedicated Grievance Redressal Officer is appointed and prominently displayed in all our branches. If needed, we have an escalation matrix, and unresolved issues can be appealed to the RBI Ombudsman, emphasizing our commitment to exemplary customer service.

   For more information, please visit our Grievance Redressal Policy available on our website through this link: https://www.sbfc.com/cmsproject/mediaGallery/docs/Grievance%20Redressal%20Policy-1704795424.pdf?rm=1702233000.

   Our whistleblower policy is also available on our website: https://www.sbfc.com/cmsproject/mediaGallery/docs/Whistle%20Blower%20Policy-1667053329.pdf?rm=1694197800

   Customer satisfaction is essential for continuous improvement and delivering exceptional experiences. We actively encourage and appreciate feedback to shape our offerings and ensure customer satisfaction remains our top priority. For more information, please refer to the Customer Testimonial section of our website through this link: https://www.sbfc.com/customer-testimonials

2. Turnover of products and/or services as a percentage of turnover from all products/services that carry information about:

	As a % to total turnover
Environmental and social parameters relevant to the product	N.A.
Safe and responsible usage	N.A.
Recycling and/or safe disposal	N.A.

Note: The above disclosure is not applicable as we are a financial services company and do not manufacture any physical products or goods.

3. Number of consumer complaints in respect of the following:

	FY 2025		Remarks	FY 2024		Remarks
	Receive during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	-	-	-	-	-	-
Advertising	-	-	-	-	-	-
Cyber-security	-	-	-	-	-	-
Delivery of essential services	-	-	-	-	-	-
Restrictive trade practices	-	-	-	-	-	-
Unfair trade practices	-	-	-	-	-	-
Other (Customers)	218	1	-	753	-	-

4. Details of instances of product recalls on account of safety issues. Not Applicable.

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web link to the policy.

   SBFC Finance Limited has a well-defined framework and policy on cyber security and data privacy, as stated in our privacy policy available on our website (https://www.sbfc.com/privacy-policy). This policy assures users that all personal information provided through the website is treated with the utmost confidentiality and is not shared with third parties in most circumstances, unless explicitly solicited and permitted by the user. We deeply respect user privacy and strive to provide a hassle-free experience on our website.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/action taken by regulatory authorities on the safety of products/services.

   Nil

7. Provide the following information relating to data breaches:

   a. Number of instances of data breaches.

      Nil

   b. Percentage of data breaches involving personally identifiable information of customers.

      Nil

   c. Impact, if, any, of the data breaches. Nil

LEADERSHIP INDICATORS

1. Channels/platforms where information on products and services of the entity can be accessed.

   As a Non-Banking Financial Company (NBFC), SBFC focuses on providing financing opportunities to business owners deemed underserved by traditional banks. Our key offering includes a fund-based product that includes secured MSME loans and loans against gold. Detailed information about our product offerings is available on the company's official website (https://www.sbfc.com), SBFC mobile application, and Annual Report. Information about our offerings can also be enquired through the customer care number, email, and offline branches.

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

   As a responsible corporate citizen, we strive to educate consumers about the safe and responsible use of our services. This is achieved through effective customer service management and addressing queries related to financial products and services and providing other customer support. Additionally, we have transformed substantial part of the loan process from application to disbursal of into a digital format through our website, www.sbfc.com, utilizing our in-house LOS/App named LeviOSa (Light). We operate using an assisted digital "PhyGital" model. In this model, our Loan Officers utilize the app to digitalize the application process either at the customer's office or residence.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

   All contact(s) with the customer(s) by SBFC and / or its associates, designated third parties, is conducted through mail, e-mails, SMS, monthly statements, letters, phone or toll-free customer care numbers, and branch visits.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/ Not Applicable). If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products/services of the entity, significant locations of operation of the entity, or the entity as a whole? (Yes/No)

   Yes, all information related to the loan is available on our website. As per the relevant regulation we also communicate all relevant information during the loan sanction process to the customer. Moreover, a welcome kit containing all the relevant details related to loans is sent to the customer.

   Yes, we have taken customer testimonials to gather feedback related to our product and services and further make improvements and enhancements to it.

For & on behalf of Board of Directors of SBFC Finance Limited

Neeraj Swaroop
Chairperson & Independent Director
DIN: 00061170

Aseem Dhru
Managing Director & CEO
DIN: 01761455

Place: Mumbai
Date: June 6, 2025

To the Members of SBFC Finance Limited

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of **SBFC Finance Limited** ('the Company'), which comprise the Standalone Balance Sheet as at 31st March 2025, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Cash Flow and the Standalone Statement of Changes in Equity for the year then ended, and notes to the Standalone financial statements, including a summary of the material accounting policies and other explanatory information (hereinafter referred to as the 'standalone financial statement').

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, the relevant circulars, guidelines and directions issued by the Reserve Bank of India (RBI) from time to time ('RBI Guidelines') and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matter

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

5. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our audit addressed the key audit matter
Impairment of loans and advances to customers (Refer Note 2 for material accounting policies and Note 48.1 for credit risk disclosures)	
As at 31 March 2025, the Company has reported gross loan assets of ₹ 76,416.78 million against which an impairment loss of ₹ 1,375.84 million has been recorded. The Company recognized impairment provision for loan assets based on the Expected Credit Loss ("ECL") approach laid down under 'Ind AS 109 – Financial Instruments'. The estimation of ECL on financial instruments involves significant management judgement and estimates and the use of modelling techniques and assumptions which could have a material impact on reported profits. Significant management judgement and assumptions involved in measuring ECL is required with respect to: • ensuring completeness and accuracy of the data used to create assumption in the model. • factoring in future economic assumptions techniques used to determine probability of default, loss given default and exposure at default.	Our audit focused on assessing the appropriateness of management's judgment and estimates used in the impairment analysis through procedures that included, but were not limited to, the following: • Obtained an understanding of the modelling techniques adopted by the Company including the key inputs and assumptions; • Considered the Company's accounting policies for estimation of expected credit loss on loans and assessing compliance with the policies in terms of Ind AS 109; • Assessed reasonableness of the methodology and assumption used to determine management overlays; • Tested the design and operating effectiveness of key controls over completeness and accuracy of the key inputs and assumptions considered for calculation, recording, monitoring of the impairment loss recognized and staging of assets;
These parameters are derived from the Company's internally developed statistical models and other historical data. On the basis of an estimate made by the management, an overlay to the tune of ₹ 46.56 millions has been carried by the Company as at 31 March 2025 on loans basis their performance and outstanding position. The basis of estimates and assumptions involved in arriving at the overlay are monitored by the Company periodically and significantly depend on future developments in the company's portfolio and the economy. **Disclosure** The disclosures regarding the Company's application of Ind AS 109 are key to explaining the key judgements and material inputs to the ECL results. Further, disclosures to be provided as per RBI circulars with regards to non-performing assets and provisions is also an area of focus. Considering the significance of the above matter to the overall financial statements and extent of management's estimates and judgements involved, it required significant auditor attention. Accordingly, we have identified this as a key audit matter.	• Assessed the critical assumptions and input data used in the estimation of expected credit loss models for specific key credit risk parameters, such as the movement logic between stages, Exposure at default (EAD), probability of default (PD) or loss given default (LGD); • Evaluated the reports and working for the methodology used in the computation of Through The Cycle PD, Point In Time PD and LGD, among others; • Performed test of details over calculation of ECL, in relation to the completeness and accuracy of the data; • Obtained written representations from management and those charged with governance on whether they believe significant assumptions used in calculation of expected credit losses are reasonable; • Assessed the appropriateness and adequacy of the related presentation and disclosures of Note 48 "Financial risk management" disclosed in the accompanying financial statements in accordance with the applicable accounting standards and related RBI circulars and Resolution Framework.

Information other than the Financial Statements and Auditor's Report thereon

6. The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Board's Report (including annexures thereto) and Management Discussion and Analysis ("MD&A") (collectively referred to as "other information") but does not include the standalone financial statements 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 standalone 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 standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone 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 as required under SA 720 (Revised) 'The Auditor's responsibilities Relating to Other Information'.

Board of Director's Responsibilities for the Standalone Financial Statements

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

8. In preparing the standalone financial statements, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

9. The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

11. As part of an audit in accordance with Standards on Auditing, specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

    - Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

    - Obtain an understanding of internal 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 system with reference to standalone financial statements in place and the operating effectiveness of such controls based on our audit;

    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors;

    - Conclude on the appropriateness of Board of Directors and 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 standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;

    - Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and

    - Obtain sufficient appropriate audit evidence regarding the standalone financial statements of the Company to express an opinion on the standalone financial statements.

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

13. 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.

14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

15. The standalone financial statements of the Company for the year ended 31 March 2024 were audited by the predecessor auditor, Suresh Surana & Associates LLP, Chartered Accountants, who have expressed an unmodified opinion on those standalone financial statements vide their audit report dated April 27, 2024. Accordingly, we do not express any opinion on the figures reported in the standalone financial statements for the year ended as at March 31, 2024.

Report on Other Legal and Regulatory Requirements

16. As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

17. Further to our comments in Annexure A, as required by section 143(3) of the Act based on our audit, we report, to the extent applicable, that:

a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying standalone financial statements;

b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, except for the matters stated in paragraph 17(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended) ("the Rules");

c) the standalone financial statements dealt with by this report are in agreement with the books of account;

d) in our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;

e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 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 standalone financial statements of the Company as on 31 March 2025 and the operating effectiveness of such controls, refer to our separate Report in Annexure B. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Standalone Financial Statements.

g) As required by Section 197(16) of the Act, based on our audit, we report that the Company has paid and provided for remuneration to its directors during the year in accordance with the provisions of and limits laid down under Section 197 read with Schedule V to the Act

h) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

    i. The Company, as detailed in note 47 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2025;

    ii. The Company, as detailed in note 54.16.1 to the standalone financial statements, has made provision as at 31 March 2025, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

    iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2025;

    iv. a. The management has represented that, to the best of its knowledge and belief, as disclosed in note 52.13 to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any person or entity, including foreign entities ('the 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 ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

    b. The management has represented that, to the best of its knowledge and belief, as disclosed in note 52.13, to the standalone financial statements no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or

entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c. Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.

v. The company has not declared any dividend during the year ended 31 March 2025 Accordingly, the provision of section 123 of the Act is not applicable; and

vi. Based on our examination, which included test checks, the Company has used various accounting software for maintaining its books of account which have a feature of recording audit trail (edit log) facility, which have operated throughout the year for all relevant transactions recorded in the software, except in respect of one accounting software where the audit trail feature at the database level (DML logs) was not enabled throughout the year to log any direct data changes. Based on our procedures performed, we did not notice any instance of the audit trail feature being tampered with. In respect of the aforesaid database, in the absence of audit trail for the said period, the question of our commenting on whether the audit trail was tampered with, does not arise. Additionally, the audit trail has been preserved by the Company as per the statutory requirements for record retention.

For M M Nissim & Co LLP
Chartered Accountants
Firm's Registration No: 107122W/W100672

Hiren P Muni
Partner
Membership No. 142067
UDIN: 25142067BMNARR7438

Mumbai
April 26, 2025

Annexure A to the Independent Auditor's Report

Annexure A referred to in Paragraph 16 of the Independent Auditor's Report of even date to the members of SBFC Finance Limited on the standalone financial statements for the year ended 31 March 2025

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

i. a. (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and right of use assets.

(B) The Company has maintained proper records showing full particulars of intangible assets.

b. As per information and explanation given to us and as verified by us, the property, plant and equipment have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of physical verification adopted by the Company, is reasonable having regard to the size of the Company and the nature of its assets.

c. The Company does not have any immovable property. In case of the properties where Company is the lessee the lease agreements are duly executed in favour of the Company.

d. The Company has not revalued any of its Property, Plant and Equipment and Right of Use assets or intangible assets during the year.

e. According to the information and explanations given to us and as verified by us, no proceedings have been initiated during the year or are pending against the Company as at 31 March 2025 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder. Accordingly, reporting under clause 3(i)(e) of the Order is not applicable to the Company.

ii. a. The Company does not hold any inventory. Accordingly, reporting under clause 3(ii)(a) of the Order is not applicable to the Company.

b. The Company has a working capital limit in excess of ₹ 5 crore sanctioned by banks and financial institutions based on the security of current assets. The quarterly returns/statements, in respect of the working capital limits have been filed by the Company with such banks and financial institutions and as per the information and explanations given to us and as verified by us, such returns/ statements are materially in agreement with the books of account of the Company for the respective periods, which were not subject to audit.

iii. a. The Company is a Non-Banking Finance Company and its principal business is to give loans. Accordingly, reporting under clause 3(iii)(a) of the Order is not applicable to the Company.

b. The investments made and terms and conditions of the grant of all loans and advances in the nature of loans are not, prima facie, prejudicial to the Company's interest. Company has not provided any guarantee and also not given security to any party.

c. The Company is a Non-Banking Financial Company ('NBFC'), registered under provisions of the Reserve Bank of India Act, 1934 and rules made thereunder and is regulated by various regulations, circulars and norms issued by the Reserve Bank of India including Master Circular – Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances. In respect of loans and advances in the nature of loans granted by the Company, we report that the schedule of repayment of principal and payment of interest has been stipulated and the repayments/receipts of principal and interest are regular except for certain instances as below.

Outstanding as on 31 March 2025 for Overdue loans		
Particulars – Days past due	**Total amount outstanding (in millions)**	**No. of cases**
1-30 days	1,596.00	4,736
31-60 days	1,245.75	3,388
61-90 days	361.22	1,367
More than 90 days	2,110.38	4,576
Total	**5,313.35**	**14,067**

d. According to the information and explanations given to us, the total amount which is overdue for more than 90 days in respect of loans and advances in the nature of loans given in course of the business operations of the Company aggregates to ₹ 2,110.38 millions as at 31 March 2025 in respect of 4,576 number of loans. Further, reasonable steps as per the policies and procedures of the Company have been taken for recovery of such principal and interest amounts overdue.

e. The Company is a Non-Banking Finance Company, and its principal business is to give loans. Accordingly, reporting under clause 3(iii)(e) of the Order is not applicable to the Company.

f. The Company has not granted any loans or advances in the nature of loans which are repayable on demand or without specifying any terms or period of repayment during the year. Accordingly, reporting under clause 3(iii)(f) of the Order is not applicable to the Company.

iv. In our opinion, and according to the information and explanations given to us, the Company has not granted any loans, made investments or provided guarantees or securities to the parties that are covered under the provisions of sections 185 or 186 of the Companies Act, 2013, and hence reporting under clause 3(iv) of the Order is not applicable.

v. The provisions of the sections 73 to 76 and any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended), are not applicable to the Company being an non-banking financial company registered with the Reserve Bank of India ('the RBI'), and also the Company has not accepted any deposits from public or there is no amount which has been considered as deemed deposit within the meaning of sections 73 to 76 of the Act. Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.

vi. The Central Government has not specified maintenance of cost records under sub-section (1) of section 148 of the Act, in respect of Company's products/business activity. Accordingly, reporting under clause 3(vi) of the Order is not applicable.

vii. a. In our opinion, and according to the information and explanations given to us, undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have been regularly deposited with the appropriate authorities by the Company though there has been a delay in few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

b. There are no dues referred in sub clause (a) which have not been deposited with the appropriate authorities on account of any dispute as on 31st March 2025.

viii. According to the information and explanations given to us and as verified by us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961), which have not been recorded in the books of accounts.

ix. a. According to the information and explanations given to us, the Company has not defaulted in repayment of its loans or other borrowings or in the payment of interest thereon to any lender during the year.

b. According to the information and explanations given to us including representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or other lender or government or any government authority.

c. In our opinion and according to the information and explanations given to us, money raised by way of term loans were applied for the purposes for which these were obtained, though idle/surplus funds which were not required for immediate utilisation have been invested in readily realisable liquid investments.

d. In our opinion and according to the information and explanations given to us, and on an overall examination of the financial statements of the Company, funds raised by the Company on short term basis have not been utilized for long term purposes.

e. The Company did not have any associate or joint venture during the year. Further, according to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on accounts of or to meet the obligation of its subsidiary.

f. The Company did not have any associate or joint venture during the year. Further, according to the information and explanations given to us and as verified by us, the Company has not raised any loans during the year on the pledge of securities held in its subsidiary.

x. a. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.

b. According to the information and explanation given to us and as verified by us, the company has utilized funds raised by way of private placement of shares for the purpose for which they were raised.

xi. a. According to the information and explanations given to us and as verified by us, no fraud by the Company or no material fraud on the company has been noticed or reported during the period covered by our audit except as reported in note no. 54.16.7 if the standalone financials of the company.

b. According to the information and explanations given to us and as verified by us, no report under section 143(12) of the Act has been filed with the Central Government for the period covered by our audit.

c. We have taken into consideration the whistle blower complaints received from the Company up to nine months ended December 2024.

xii. The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.

xiii.. In our opinion and according to the information and explanations given to us, all transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. Further, the details of such related party transactions have been disclosed in the standalone financial statements, as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act.

xiv. a. In our opinion and according to the information and explanations given to us, the Company has an internal audit system as required under section 138 of the Act which is commensurate with the size and the 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 explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with them and accordingly, provisions of section 192 of the Act are not applicable to the Company.

xvi. a. The Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and such registration has been obtained by the Company.

b. During the year, the Company has not conducted any Non Banking Financial activities without a valid Certificate of Registration (CoR) from the RBI as per the Reserve Bank of India Act, 1934. Further, Company has not conducted any Housing Finance activities and is not required to obtain CoR for such activities from the RBI.

c. According to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the RBI. Accordingly, reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.

d. Based on the information and explanations given to us and as represented by the management of the Company, the Group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016) has no CICs which are registered with the Reserve Bank of India.

xvii. The Company has not incurred any cash loss in the current as well as the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.

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 standalone financial statements, our knowledge of the plans of the Board of Directors and management, we are of the opinion that no material uncertainty exists as on the date of the audit report that Company is 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. Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there is no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause 3(xx) of the Order is not applicable for the year.

b. In respect of the ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Act, in compliance with second proviso to sub section (5) of section 135 of the Act. However, subsidy received from the government, out of the CSR activities required to be ploughed back into the same project or to be transferred to the unspent CSR account and to be spent in pursuance of CSR policy or such surplus amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year. The time of such a transfer, i.e. six months of the expiry of the financial year as permitted under the second proviso to subsection (5) of section 135 of the Act has not elapsed until the date of the report.

xxi. The reporting under clause 3(xxi) is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

For M M Nissim & Co LLP
Chartered Accountants
Firm's Registration No: 107122W/W100672

Hiren P Muni
Partner
Membership No. 142067
UDIN: 25142067BMNARR7438

Mumbai
April 26, 2025

Annexure B to the Independent Auditor's Report

Annexure B to the Independent Auditor's Report of even date to the members of SBFC Finance Limited on the Standalone Financial Statements for the year ended 31st March 2025

Independent Auditor's Report on the Internal Financial Controls with reference to the Standalone Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

(Referred to in paragraph 17(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

1. In conjunction with our audit of the standalone financial statements of SBFC Finance Limited ('the Company') as at and for the year ended 31 March 2025, we have audited the internal financial controls with reference to standalone financial statements of the Company as at that date.

Board of Director's Responsibilities for Internal Financial Controls

2. The Company's Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). 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 the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Standalone Financial Statements

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements were established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls with Reference to Standalone Financial Statements

6. A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Standalone Financial Statements

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

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such controls were operating effectively as at 31 March 2025, based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For M M Nissim & Co LLP
Chartered Accountants
Firm's Registration No: 107122W/W100672

Hiren P Muni
Partner
Membership No. 142067
UDIN: 25142067BMNARR7438

Mumbai
April 26, 2025

Standalone Balance Sheet

as at March 31, 2025

(₹ In Million)

Particulars	Note No.	As at March 31, 2025	As at March 31, 2024
ASSETS			
I. Financial assets			
(a) Cash and cash equivalents	3	2,653.98	2,241.86
(b) Bank balances other than cash and cash equivalents	4	1,639.57	2,416.15
(c) Derivative financial instruments		-	-
(d) Receivables			
(i) Trade receivables	5	148.06	145.80
(e) Loans	6	75,040.94	58,364.91
(f) Investments	7	3,268.29	4,271.60
(g) Other financial assets	8	40.47	73.46
Total Financial Assets		**82,791.31**	**67,513.78**
II. Non-Financial assets			
(a) Current tax assets (net)	9	31.44	60.54
(b) Deferred tax assets (net)	19	-	-
(c) Property, plant and equipment	10	436.62	379.83
(d) Intangible assets under development	10	5.78	15.27
(e) Goodwill	10	2,603.92	2,603.92
(f) Other intangible assets	10	38.32	14.95
(g) Other non-financial assets	11	50.73	41.38
Total Non-Financial Assets		**3,166.81**	**3,115.89**
TOTAL ASSETS		**85,958.12**	**70,629.67**
LIABILITIES AND EQUITY			
LIABILITIES			
I. Financial Liabilities			
(a) Derivative financial instruments	12	98.45	45.13
(b) Payables	13		
(A) Trade payables			
(i) total outstanding dues of micro enterprises and small enterprises		4.40	6.96
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		90.15	105.52
(B) Other payables			
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		5.41	107.99
(c) Debt securities	14	11,293.74	3,949.59
(d) Borrowings (other than debt securities)	15	41,349.44	36,010.62
(e) Other financial liabilities	16	1,122.86	2,455.23
Total Financial Liabilities		**53,964.45**	**42,681.04**
II. Non-Financial Liabilities			
(a) Current tax liabilities (net)	17	-	-
(b) Provisions	18	2.92	2.26
(c) Deferred tax liabilities (net)	19	8.94	110.05
(d) Other non-financial liabilities	20	80.50	53.77
Total Non-Financial Liabilities		**92.36**	**166.08**
TOTAL LIABILITIES		**54,056.81**	**42,847.12**
EQUITY			
(a) Equity share capital	21	10,851.84	10,718.89
(b) Other equity	22	21,049.47	17,063.66
TOTAL EQUITY		**31,901.31**	**27,782.55**
TOTAL LIABILITIES AND EQUITY		**85,958.12**	**70,629.67**

Corporate Information and Material Accounting Policies 1-2

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

As per our report of even date attached

For M M Nissim & Co LLP
Chartered Accountants
Firm's Registration No. 107122W / W100672

Hiren P Muni
Partner
Membership No: 142067

Place: Mumbai
Date: April 26, 2025

For and on behalf of the Board of Directors of
SBFC Finance Limited
CIN: L67190MH2008PLC178270

Mr. Neeraj Swaroop
Chairperson & Independent Director
DIN: 00061170

Mr. Aseem Dhru
Managing Director & CEO
DIN: 01761455

Mr. Narayan Barasia
Chief Financial Officer

Ms. Namrata Sajnani
Company Secretary &
Chief Compliance Officer
F10030

Place: Mumbai
Date: April 26, 2025

Standalone Statement of Profit and Loss

for the year ended March 31, 2025

(₹ In Million)

Particulars	Note No.	For the year ended March 31, 2025	For the year ended March 31, 2024
Revenue from operations			
Interest income	23	11,963.46	9,182.59
Fees and commission income	24	699.14	709.06
Net gain on fair value changes	25	176.95	172.83
Net gain on derecognition of financial instruments under amortised cost category	26	-	2.31
Other operating income	27	211.61	118.61
(I) Total Revenue from operations		**13,051.16**	**10,185.40**
(II) Other income	28	**9.93**	**12.80**
(III) Total Income (I+II)		**13,061.09**	**10,198.20**
Expenses			
Finance costs	29	4,192.44	3,506.37
Impairment on financial instruments	30	737.20	470.26
Employee benefits expense	31	2,532.32	2,171.32
Depreciation and amortisation expense	10	168.08	134.14
Other expenses	32	845.89	755.50
(IV) Total expenses		**8,475.93**	**7,037.59**
(V) Profit before tax (III - IV)		**4,585.16**	**3,160.61**
Tax expense			
- Current tax	33	1,226.71	862.65
- Short/ (excess) provision for tax for earlier years		(12.30)	(88.65)
- Deferred tax charge/ (credit)	34	(80.93)	16.40
(VI) Total tax expense		**1,133.48**	**790.40**
(VII) Profit after tax (V-VI)		**3,451.68**	**2,370.21**
(VIII) Other comprehensive income	35		
(A) Items that will not be reclassified to profit or loss			
- Remeasurement of the defined benefit plans		6.87	0.15
- Income tax relating to the remeasurement of defined benefit plans		(1.73)	(0.04)
(B) Items that will be reclassified to profit or loss			
- The effective portion of gains and loss on hedging instruments in a cash flow hedge		(78.92)	(28.10)
- Income tax relating to items that will be reclassified to profit or loss		19.86	7.07
Other Comprehensive Income		**(53.92)**	**(20.92)**
(IX) Total comprehensive income for the year (VII + VIII)		**3,397.76**	**2,349.29**
(X) Earnings per equity share (Face value ₹ 10/- per share)			
Basic (₹)	45	3.20	2.35
Diluted (₹)		3.15	2.29

Corporate Information and Material Accounting Policies 1-2

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

As per our report of even date attached

For M M Nissim & Co LLP
Chartered Accountants
Firm's Registration No. 107122W / W100672

Hiren P Muni
Partner
Membership No: 142067

Place: Mumbai
Date: April 26, 2025

For and on behalf of the Board of Directors of
SBFC Finance Limited
CIN: L67190MH2008PLC178270

Mr. Neeraj Swaroop
Chairperson & Independent Director
DIN: 00061170

Mr. Aseem Dhru
Managing Director & CEO
DIN: 01761455

Mr. Narayan Barasia
Chief Financial Officer

Ms. Namrata Sajnani
Company Secretary &
Chief Compliance Officer
F10030

Place: Mumbai
Date: April 26, 2025

Standalone Statement of Cash Flows

for the year ended March 31, 2025

(₹ In Million)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Cash flow from Operating activities		
Profit before tax	4,585.16	3,160.61
Adjustments for:		
Depreciation and amortisation expenses	168.08	134.14
Interest income on loans	(11,674.03)	(8,660.66)
Interest received on investments	(128.57)	(306.12)
Interest income on fixed deposits	(160.86)	(215.81)
Fees and commission income	(699.14)	(551.89)
Cash inflow from fees and commission income including other operating income	857.58	591.46
Finance costs on borrowings and debt securities	4,178.55	3,496.37
Finance costs on lease liability	13.05	8.85
Net gain on financial instruments at fair value through profit or loss	(176.95)	(172.83)
Net gain on derecognition of financial instruments under amortised cost	-	(2.31)
Impairment on financial instruments	737.20	470.26
Employee share based payment	238.60	222.22
Net gain on termination of lease liability	(74.91)	(8.10)
Profit on voluntary liquidation of subsidiary	(3.76)	-
Loss on sale/ discard of Property, plant and equipment/ Intangible assets	7.89	1.68
Operational Cash Flows:		
Interest received on loans	11,215.89	8,791.25
Interest received on investments	208.24	292.54
Interest received on fixed deposits	168.61	248.52
Interest paid on borrowings and debt securities	(3,889.48)	(3,423.58)
Operating Profit before working capital changes	**5,571.15**	**4,076.60**
Changes in working capital:		
Increase/ (Decrease) in Derivative Financial Instrument	(18.73)	17.18
Increase/ (Decrease) in payables	(120.51)	91.99
Increase/ (Decrease) in Other financial liabilities	(1,332.37)	(54.60)
Increase/ (Decrease) in Other non-financial liabilities	26.73	18.85
Increase/ (Decrease) in provision	0.66	0.94
(Increase)/ Decrease in trade receivables	(160.70)	(77.08)
(Increase)/ Decrease in loans and advances	(16,955.12)	(14,812.66)
(Increase)/ Decrease in other financial assets	32.99	(31.48)
(Increase)/ Decrease in other non-financial assets	42.47	116.74
Cash flows used in Operating activities	**(12,913.43)**	**(10,653.53)**
Income taxes refund/ (paid) [Refer Note (c) below]	(1,239.15)	(900.01)
Net cash used in Operating activities	**(14,152.58)**	**(11,553.54)**
Cash flow from Investing activities		
Purchase of property, plant and equipment	(90.10)	(110.93)
Purchase of intangible assets (including intangible assets under development)	(27.13)	(7.96)
Proceeds from sale of property, plant and equipment	0.26	0.22
Investment in Subsidiary	214.26	(210.00)
Investment in Security receipts	(257.47)	-
Purchase of Mutual Funds	(33,066.89)	(25,115.55)
Sale of Mutual Funds	32,669.77	24,574.27
Redemption of investment in PTC	571.85	1,986.23
Purchase of investment in Government Securities	-	-
Redemption/ Sale of investment in Government Securities	-	2,769.09
Purchase of investment in T-Bill	(1,050.00)	(2,978.96)
Redemption/ Sale of investment in T-Bill	2,022.82	956.14
Amount Released/ (Retained) in IPO proceeds account	125.84	(125.84)
Placement of fixed deposits	(2,816.38)	(3,439.19)
Maturity/ Redemption of fixed deposits	3,459.37	3,286.16
Net cash generated from Investing activities	**1,756.20**	**1,583.68**

(₹ In Million)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Cash flow from Financing activities		
Proceeds from issuance of equity share capital including securities premium	441.77	8,277.69
Proceeds from Share Application Money	39.75	-
Transaction cost on issue of shares	0.88	(339.93)
Proceeds from borrowings other than debt securities	20,362.80	13,700.00
Repayment of borrowings other than debt securities	(15,038.89)	(14,703.22)
Proceeds from Debt Securities	8,000.00	3,500.00
Repayment of debt securities	(930.00)	-
Payments for the principal portion of the lease liability	(54.76)	(51.54)
Payments for the interest portion of the lease liability	(13.05)	(8.85)
Net cash generated from Financing activities	**12,808.50**	**10,374.15**
Net increase in cash and cash equivalents	**412.12**	**404.29**
Cash and cash equivalents as at the beginning of the year (Refer Note 3)	2,241.86	1,837.57
Cash and cash equivalents as at the end of the year (Refer Note 3)	**2,653.98**	**2,241.86**
Cash and cash equivalents at the end of the year comprises of:		
Cash on hand	66.81	97.72
Balance with banks		
- In current accounts	731.33	841.35
- In fixed deposit with original maturity of 3 months or less	1,855.00	1,300.00
- Interest accrued but not due	0.84	2.79
Total cash and cash equivalents	**2,653.98**	**2,241.86**

Notes:

(a) The above Cash Flows Statement has been prepared under the Indirect method set out in Indian Accounting Standard (Ind AS) 7 'Statement of Cash Flows'.

(b) Figures in brackets indicate cash outflow.

(c) Income taxes refund/ (paid) is treated as arising from operating activities and is not bifurcated between investing and financing activities.

Corporate Information and Material Accounting Policies 1-2

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

As per our report of even date attached

For M M Nissim & Co LLP
Chartered Accountants
Firm's Registration No. 107122W / W100672

Hiren P Muni
Partner
Membership No: 142067

Place: Mumbai
Date: April 26, 2025

For and on behalf of the Board of Directors of
SBFC Finance Limited
CIN: L67190MH2008PLC178270

Mr. Neeraj Swaroop
Chairperson & Independent Director
DIN: 00061170

Mr. Aseem Dhru
Managing Director & CEO
DIN: 01761455

Mr. Narayan Barasia
Chief Financial Officer

Ms. Namrata Sajnani
Company Secretary &
Chief Compliance Officer
F10030

Place: Mumbai
Date: April 26, 2025

Standalone Statement of changes in equity
for the year ended March 31, 2025

Equity Share Capital

(₹ In Million)

Particulars	Amount
Balance as at March 31, 2023	**8,895.72**
Changes in equity share capital due to prior period errors	-
Restated Balance at the beginning of the previous reporting period	8,895.72
Changes in equity share capital during the current year	1,823.17
Balance as at March 31, 2024	**10,718.89**
Changes in equity share capital due to prior period errors	-
Restated Balance at the beginning of the previous reporting period	10,718.89
Changes in equity share capital during the current year	132.95
Balance as at March 31, 2025	**10,851.84**

Other Equity

(₹ In Million)

Particulars	Reserves and Surplus					Other comprehensive income on		
	Share application money pending allotment	Statutory Reserve	Securities Premium	Employee Share Option Outstanding	Retained Earnings	Remeasurement of the defined benefit plans	Effective portion of Cash Flow Hedge	Total
Balance as at April 01, 2023	**-**	**719.07**	**4,440.18**	**301.51**	**2,909.64**	**7.16**	**-**	**8,377.56**
Changes in accounting policy/prior period errors								**-**
Restated Balance as at April 01, 2023	**-**	**719.07**	**4,440.18**	**301.51**	**2,909.64**	**7.16**	**-**	**8,377.56**
Profit for the year	-	-	-	-	2,370.21	-	-	**2,370.21**
Other comprehensive income for the year (net of taxes)	-	-	-	-	-	0.11	(21.03)	**(20.92)**
Total Comprehensive Income for the year	**-**	**-**	**-**	**-**	**2,370.21**	**0.11**	**(21.03)**	**2,349.29**
Issue of share capital	-	-	6,431.26	-	-	-	-	**6,431.26**
Adjustment on account of treasury shares held through ESOP trust	-	-	23.26	-	-	-	-	**23.26**
Exercise of stock options outstanding	-	-	233.84	(233.84)	-	-	-	**-**
Employee share based payment expenses	-	-	-	222.22	-	-	-	**222.22**
Transfer to statutory reserves from retained earnings	-	474.04	-	-	(474.04)	-	-	**-**
Share issue expenses (net of taxes)	-	-	(339.93)	-	-	-	-	**(339.93)**
Balance as at March 31, 2024	**-**	**1,193.11**	**10,788.61**	**289.89**	**4,805.81**	**7.27**	**(21.03)**	**17,063.66**
Balance as at April 01, 2024	**-**	**1,193.11**	**10,788.61**	**289.89**	**4,805.81**	**7.27**	**(21.03)**	**17,063.66**
Changes in accounting policy/prior period errors	-	-	-	-	-	-	-	**-**
Restated Balance as at April 01, 2024	**-**	**1,193.11**	**10,788.61**	**289.89**	**4,805.81**	**7.27**	**(21.03)**	**17,063.66**
Profit for the year	-	-	-	-	3,451.68	-	-	**3,451.68**
Other comprehensive income for the year (net of taxes)	-	-	-	-	-	5.14	(59.06)	**(53.92)**
Total Comprehensive Income for the year	**-**	**-**	**-**	**-**	**3,451.68**	**5.14**	**(59.06)**	**3,397.76**
Issue of share capital	-	-	299.71	-	-	-	-	**299.71**
Adjustment on account of treasury shares held through ESOP trust	-	-	9.11	-	-	-	-	**9.11**
Exercise of stock options outstanding	-	-	66.89	(66.89)	-	-	-	**-**
Employee share based payment expenses	-	-	-	238.60	-	-	-	**238.60**
Transfer to statutory reserves from retained earnings	-	690.34	-	-	(690.34)	-	-	**-**
Money received against pending allotment	39.75	-	-	-	-	-	-	**39.75**
Share issue expenses (net of taxes)	-	-	0.88	-	-	-	-	**0.88**
Balance as at March 31, 2025	**39.75**	**1,883.45**	**11,165.20**	**461.60**	**7,567.15**	**12.41**	**(80.09)**	**21,049.47**

Corporate Information and Material Accounting Policies 1-2

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

As per our report of even date attached

For M M Nissim & Co LLP
Chartered Accountants
Firm's Registration No. 107122W / W100672

Hiren P Muni
Partner
Membership No: 142067

Place: Mumbai
Date: April 26, 2025

For and on behalf of the Board of Directors of
SBFC Finance Limited
CIN: L67190MH2008PLC178270

Mr. Neeraj Swaroop
Chairperson & Independent Director
DIN: 00061170

Mr. Aseem Dhru
Managing Director & CEO
DIN: 01761455

Mr. Narayan Barasia
Chief Financial Officer

Ms. Namrata Sajnani
Company Secretary &
Chief Compliance Officer
F10030

Place: Mumbai
Date: April 26, 2025

Notes forming part of Standalone Financial Statements
for the year ended March 31, 2025

1. Corporate Information

SBFC Finance Limited ('the Company') is a limited company incorporated in India under the Companies Act, 1956, having its registered office at First Floor, C&B Square, Sangam Complex, Andheri Kurla Road, Chakala, Andheri (East), Mumbai- 400059, Maharashtra. The Company is registered with the Reserve Bank of India (RBI) as a Non deposit taking Non-Banking Financial Company ("NBFC") as defined under section 45-IA of the Reserve Bank of India (RBI) Act, 1934. The Company is classified under "Middle Layer" pursuant to Master Direction– Reserve Bank of India (Non-Banking Financial Company- Scale Based Regulation) Directions, 2023.

The registration details are as follows:

Reserve Bank of India Registration no : N-13.01913

Corporate Identity Number (CIN) :
L67190MH2008 PLC178270

The Company is in the business of giving loans to Micro Enterprise secured by residential or commercial property. The Company also gives Loan against Gold, which offers the Company superior yields with almost liquid security assets. The Company also gives unsecured personal loans and unsecured business loans.

The standalone financial statement for the year ended March 31, 2025 were authorised for issue in accordance with a resolution of the board of directors on April 26, 2025.

2. Material accounting policies

2.1 Basis of preparation

The standalone financial statement of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and other accounting principles generally accepted in India mainly considering the Master Directions issued by the Reserve Bank of India ('RBI') as applicable to Non deposit taking Non-Banking Finance Companies. The standalone financial statement have been prepared under the historical cost convention, as modified by the application of fair value measurements required or allowed by relevant Accounting Standards. Accounting policies have been consistently applied to all periods presented, unless otherwise stated.

The preparation of standalone financial statement requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosed amount of contingent liabilities. Areas involving a higher degree of judgement or complexity, or areas where assumptions are significant to the Company are discussed in Note 2.15- Significant accounting judgements, estimates and assumptions.

The standalone financial statement are presented in Indian Rupees (₹) in Million and all values are rounded to the nearest Rupee in Ten Thousands, except when otherwise indicated.

2.2. Presentation of standalone financial statement

The standalone financial statement of the Company are presented as per Schedule III (Division III) of the Companies Act, 2013, applicable to NBFCs as notified by the Ministry of Corporate Affairs (MCA). Financial assets and financial liabilities are generally reported on a gross basis except when, there is an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event and the parties intend to settle on a net basis in the following circumstances:

a) The normal course of business

b) The event of default

c) The event of insolvency or bankruptcy of the Company and/ or its counterparties

2.3. Statement of compliance

The standalone financial statement have been prepared in accordance with the Indian Accounting Standards (Ind AS) on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period as explained in the accounting policies below and the relevant provisions of the Act.

Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The Company has adopted the amendments to Ind AS 1 for the first time in the current year as per Companies (Indian Accounting Standards) Amendment Rules, 2023 and applicable from April 1, 2023. The amendments change the requirements in Ind AS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements.

2.4. Financial instruments

(i) Classification of financial instruments

The Company classifies its financial assets into the following measurement categories:

a) Financial assets to be measured at amortised cost

b) Financial assets to be measured at fair value through other comprehensive income

c) Financial assets to be measured at fair value through profit or loss account

The classification depends on the contractual terms of the financial assets' cash flows and the Company's business model for managing financial assets which are explained below:

Business model assessment

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

a) How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel

b) The risks that affect the performance of the business model (and the financial assets held within that business model) and the way those risks are managed

c) How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected)

d) The expected frequency, value and timing of sales are also important aspects of the Company's assessment. The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Company's original expectations, the Company does not change the classification of the remaining financial assets held in that business model but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

The Solely Payments of Principal and Interest (SPPI) test

As a second step of its classification process, the Company assesses the contractual terms of financial assets to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/ discount).

In making this assessment, the Company considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss.

The Company classifies its financial liabilities at amortised costs.

(ii) Financial assets measured at amortised cost

These financial assets comprise bank balances, receivables, investments and other financial assets.

These are measured at amortised cost where they have:

a) contractual terms that give rise to cash flows on specified dates, that represent solely payments of principal and interest on the principal amount outstanding; and

b) are held within a business model whose objective is achieved by holding to collect contractual cash flows.

These instruments are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at amortised cost.

(iii) Items at fair value through profit or loss (FVTPL)

Items at fair value through profit or loss comprise:

a) Investments (including equity shares) held for trading;

b) Items specifically designated as FVTPL on initial recognition; and

c) debt instruments with contractual terms that do not represent solely payments of principal and interest.

Financial instruments held at FVTPL are initially recognised at fair value, with transaction costs recognised in the standalone statement of profit and loss as incurred. Subsequently, they are measured at fair value and any gains or losses are recognised in the standalone statement of profit and loss as they arise.

(iv) Debt securities and other borrowed funds

After initial measurement, debt issued, and other borrowed funds are subsequently measured at amortised cost. Amortised cost is calculated by taking into account any discount or premium on issue funds, and costs that are an integral part of the EIR.

(v) Reclassification

If the business model under which the Company holds financial assets changes, the financial assets affected are reclassified. The classification and measurement requirements related to the new category apply prospectively from the first day of the first reporting period following the change in business model that result in reclassifying the Company's financial assets. Changes in contractual cash flows are considered under the accounting policy on Modification and derecognition of financial assets described below.

(vi) Recognition and Derecognition of financial assets and liabilities

Recognition:

a) Loans and Advances are initially recognised when the Financial Instruments are transferred to the customers.

b) Investments are initially recognised on the trade date.

c) Debt securities, deposits and borrowings are initially recognised when funds reach the Company.

d) Other Financial assets and liabilities are initially recognised on the trade date, i.e., the date that the Company becomes a party to the contractual provisions of the instrument.

Derecognition of financial assets

a) Financial assets:

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired. The Company also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

The Company has transferred the financial asset if, the Company has transferred its contractual rights to receive cash flows from the financial asset.

A transfer only qualifies for derecognition if either:

a) The Company has transferred substantially all the risks and rewards of the asset, or

b) The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

The Company considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

When the Company has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Company's continuing involvement, in which case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

b) Financial liabilities:

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in the standalone statement of profit and loss.

(vii) Impairment of financial assets

Overview of the ECL principles

The Company records allowance for expected credit losses for all loans, other debt financial assets not held at FVTPL, together with financial guarantee contracts, in this section all referred to as 'financial instruments. Equity instruments are not subject to impairment under Ind AS 109.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is the portion of Lifetime ECL that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Both Lifetime ECLs and 12-month ECLs are calculated on either an individual basis or a collective basis.

The Company has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. The Company does the assessment of significant increase in credit risk at a borrower level. If a borrower has various facilities having different past due status, then the highest days past due (DPD) is considered to be applicable for all the facilities of that borrower.

Based on the above, the Company categorises its loans into Stage 1, Stage 2 and Stage 3 as described below:

Stage 1

All exposures where there has not been a significant increase in credit risk since initial recognition or that has low credit risk at the reporting date and that are not credit impaired upon origination are classified under this stage. The Company classifies all standard advances and advances up to 0-30 days default under this category. Stage 1 loans also include facilities where the credit risk has improved, and the loan has been reclassified from Stage 2.

Stage 2

All exposures where there has been a significant increase in credit risk since initial recognition but are not credit impaired are classified under this stage. Financial assets past due for 31-90 days are classified under this stage. The Company uses the below criteria for assessing movement to Stage 2:

a) Financial assets past due between 31-90

b) The Company becomes aware about any deterioration in the financial condition and reputation of the obligor which the management believes may lead to significant deterioration in credit risk

Stage 3

All exposures 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 are classified in this stage. For exposures that have become credit impaired, a lifetime ECL is recognised and interest revenue is calculated by applying the effective interest rate to the amortised cost (net of provision) rather than the gross carrying amount. Stage 3 is considered where "Contractual payments of principal and/or interest are past due for more than 90 days".

Non performing Asset classification is done in line with Reserve Bank of India Master Circular on Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances and Clarifications dated November 12, 2021 and dated February 15, 2022.

The mechanics of ECL

The Company calculates ECLs based on probability-weighted scenarios to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to the Company and the cash flows that the Company expects to receive.

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

Probability of Default (PD) – Probability of default ("PD") is defined as the likelihood of default over a particular time horizon. The PD of an obligor is a fundamental risk parameter in credit risk analysis and depends on obligor specific as well as macroeconomic risk factors. The impact of macroeconomic criteria on the PD results in two different PD estimates, through-the-cycle ("TTC") and the point-in-time ("PIT") PD. A TTC PD estimate remains largely unaffected by the economic cycle, while a PIT PD estimate varies with the economic cycle.

Exposure at Default (EAD) – EAD is taken as the gross exposure under a facility upon default of an obligor. The amortized principal and the interest accrued is considered as EAD for the purpose of ECL computation

Loss Given Default (LGD) – The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

Repossessed assets

In Loan Against Property / Mortgage Loan, the collateral on a loan can be repossessed as part of legal process through SARFAESI, arbitration etc. In such scenario, property value assessment to be done based on existing valuation done for NPA cases or fresh valuation done post repossession of the property. Basis the assessment of the valuation, additional provision to be done to the extent of shortfall in the value of asset not covered with the existing ECL provision.

Further, property auction/sale to be conducted for such repossessed assets as per legal process and guidelines basis collection manual. Once the property is sold, based on the actual realization the ECL shortfall or surplus to be accounted for.

If any repossessed asset is not sold for 24 months post repossession, the account should be marked for accelerated provision and account should be fully provided.

(viii) Write-offs

The Company reduces the gross carrying amount of a financial asset when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subjected to write-offs. However, financial assets that are written-off could still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any write-offs/ subsequent recoveries against such loans are debited/ credited in the Statement of Profit and Loss under the heading "Impairments on financial instruments".

(ix) Determination of fair value

On initial recognition, all the financial instruments are measured at fair value. For subsequent measurement, the Company measures certain categories of financial instruments (as explained in Note 2.4) at fair value on each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

i. In the principal market for the asset or liability, or

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

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

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

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

Level 1 financial instruments - Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.

Level 2 financial instruments - Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads. In addition, adjustments may be required for the condition or location of the asset or the extent to which it relates to items that are comparable to the valued instrument. However, if such adjustments are based on unobservable inputs which are significant to the entire measurement, the Company will classify the instruments as Level 3.

Level 3 financial instruments - Those that include one or more unobservable input that is significant to the measurement as whole.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Difference between transaction price and fair value at initial recognition

The best evidence of the fair value of a financial instrument at initial recognition is the transaction price (i.e. the fair value of the consideration given or received) unless the fair value of that instrument is evidenced by comparison with other observable current market transactions in the same instrument (i.e. without modification or repackaging) or based on a valuation technique whose variables include only data from observable markets. When such evidence exists, the Company recognises the difference between the transaction price and the fair value in profit or loss on initial recognition (i.e. on day one).

When the transaction price of the instrument differs from the fair value at origination and the fair value is based on a valuation technique using only inputs observable in market transactions, the Company recognises the difference between the transaction price and fair value in net gain on fair value changes. In those cases where fair value is based on models for which some of the inputs are not observable, the difference between the transaction price and the fair value is not recognised at the initial recognition stage.

(x) Derivatives and hedging activity

The Company uses derivative contracts like forward contracts to hedge its risk associated with foreign currency and interest rate fluctuation relating to foreign currency floating rate borrowings. Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain/loss is recognized in the Statement of Profit and Loss immediately unless the derivative is designated and is effective as a hedging instrument, in which event the timing of the recognition in the Statement of Profit and Loss depends on nature and type of the hedge relationship designated.

Cash flow hedges that qualify for hedge accounting

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. 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 net foreign exchange gains in the statement of profit and loss.

The effective portion of change in the fair value of the designated hedging instrument is recognised in the other comprehensive income and accumulated under the heading cash flow hedging reserve. Such amounts are reclassified into the statement of profit and loss when the related hedged items affect profit and loss.

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 the statement of profit and loss when the forecasted transaction ultimately affects profit and loss. Any gain or loss is recognised immediately in the statement of profit and loss when the hedge becomes ineffective.

2.5 Investment in subsidiaries

Investment in subsidiaries and associates are recognised at cost. Cost of investment represents amount paid for acquisition of the said investment.

The Company assesses at the end of each reporting period if there are any indications of impairment on such investments. If so, the Company estimates the recoverable value/amount of the investment and provides for impairment, if any i.e. the deficit in the recoverable value over cost.

2.6 Share Capital

The Company has only one class of equity shares. Par value of the equity share is recorded as the share capital and the amount received in excess of par value is classified as share premium. Equity shares issued by the Company are recognised at the proceeds received net of direct issue cost.

Treasury shares represent the consideration paid by the Company, including any directly attributable costs, to repurchase its own ordinary shares. Treasury shares are presented as a deduction from total equity. On cancellation of treasury shares, the amount paid is adjusted against share capital, to the extent of the par value of ordinary shares repurchased, and the balance is adjusted against share premium.

2.7 Revenue from operations

(i) Interest Income

Interest income is recognised by applying (EIR) to the gross carrying amount of financial assets other than credit-impaired assets and financial assets classified as measured at FVTPL, taking into account the amount outstanding and the applicable interest rate.

Processing fees on loans is collected towards processing of loan and are considered integral part of loan. This is amortised on EIR basis over the contractual life of the loan.

The EIR is computed:

a. As the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset to the gross carrying amount of a financial asset

b. By considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) in estimating the cash flows

c. Including all fees paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Any subsequent changes in the estimation of the future cash flows are recognised in interest income with the corresponding adjustment to the carrying amount of the assets.

Delayed payment interest (penal interest) levied on customers for delay in repayments/ non-payment of contractual cashflows is recognised on realisation.

(ii) Fees & Commission Income

Fees and commission income that are not integral part of loans and advances and therefore excluded for effective interest calculation, is recognised when the Company satisfies the performance obligation, at transaction price when the consideration received or receivable based on a five-step model as set out below.:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the Company satisfies a performance obligation

Initial money Deposit charges are collected from customers for document processing, which is non refundable in the nature and are recognized on realization basis

(iii) Net gain on Fair value changes

Any differences between the fair values of financial assets classified as FVTPL held by the Company on the balance sheet date is recognised as an unrealised gain/ loss. In cases there is a net gain in the aggregate, the same is recognised in "Net gains on fair value changes" under Revenue from operations and if there is a net loss the same is disclosed as "Net loss on fair value changes" under Expenses in the standalone statement of profit and loss.

Similarly, any realised gain or loss on sale of financial instruments measured at FVTPL is recognised in net gain/ loss on fair value changes.

(iv) Advertisement income

The Company recognises advertisement income on realisation or when the right to receive the same without any uncertainties of recovery is established.

(v) Other Operating Income

The Company recognises income on recoveries of financial assets written off on realisation or when the right to receive the same without any uncertainties of recovery is established.

Foreclosure charges are collected from loan customers for early payment/ closure of loan and are recognized on realization.

2.8 Expenses

(i) Finance costs

Finance costs on borrowings is paid towards availing of loan, is amortised on EIR basis over the contractual life of loan.

The EIR in case of a financial liability is computed

a) As the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the gross carrying amount of the amortised cost of a financial liability.

b) By considering all the contractual terms of the financial instrument in estimating the cash flows

c) Including all fees paid between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Any subsequent changes in the estimation of the future cash flows are recognised in interest expense with the corresponding adjustment to the carrying amount of the liability.

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 include fees and commissions payable to advisers and other expenses such as external legal costs, Rating Fee etc, provided these are incremental costs that are directly related to the issue of a financial liability.

(ii) Retirement and other employee benefits

Short term employee benefit

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. These benefits include short term compensated absences such as paid annual leave. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognised as an expense during the period. Benefits such as salaries and wages, etc. and the expected cost of the bonus/ ex-gratia are recognised in the period in which the employee renders the related service.

Post-employment employee benefits

a) Defined contribution schemes

All the eligible employees of the Company who have opted to receive benefits under the Provident Fund and Employees State Insurance scheme, defined contribution plans in which both the employee and the Company contribute monthly at a stipulated rate. The Company has no liability for future benefits other than its annual contribution and recognises such contributions as an expense in the period in which employee renders the related service. If the contribution payable to the scheme for service received before the Balance Sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the Balance Sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

b) Defined Benefit schemes

The Company provides for the gratuity, a defined benefit retirement plan covering all employees. The plan provides for lump sum payments to employees upon death while in employment or on separation from employment after serving for the stipulated years mentioned under 'The Payment of Gratuity Act, 1972'. The present value of the obligation under such defined benefit plan is determined based on actuarial valuation, carried out by an independent actuary at each Balance Sheet date, using the Projected Unit Credit Method, which recognizes each period of service as giving rise to an additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan are based on the market yields on Government Securities as at the Balance Sheet date.

Net interest recognized in profit or loss is calculated by applying the discount rate used to measure the defined benefit obligation to the net defined benefit liability or asset. The actual return on the plan assets above or below the discount rate is recognized as part of re-measurement of net defined liability or asset through other comprehensive income. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, attrition rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The Company fully contributes all ascertained liabilities to The Trustees – "SBFC Finance Private Limited employees group gratuity cash accumulation scheme". Trustees administer contributions made to the trust and contributions are invested in a scheme of insurance with the IRDA approved Insurance Company- Life Insurance Corporation of India.

Re-measurement, comprising of actuarial gains and losses and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit and loss in subsequent periods.

Other employee benefits

Company's liabilities towards compensated absences to employees are accrued on the basis of valuations, as at the Balance Sheet date, carried out by an independent actuary using Projected Unit Credit Method. Actuarial gains and losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognised immediately in the standalone statement of profit and loss.

The Company presents the Provision for compensated absences under provisions in the Balance Sheet.

Share-based payment arrangements

The stock options granted to employees pursuant to the Company's Stock Options Schemes, are measured at the fair value of the options at the grant date using Black Scholes Model. The fair value of the options determined at grant date is accounted as employee compensation cost over the vesting period on a straight line basis over the period of option, based on the number of grants expected to vest, with corresponding increase in equity. The employee stock option outstanding account is shown under Reserves and Surplus.

The Company has created an Employee Welfare Trust for providing share-based payment to its employees for (a) SBFC Stock Option Policy I 2018 and (b) SBFC Stock Option Policy 2021 – I policies. The Company uses the Trust as a vehicle for distributing shares to employees under the employee remuneration schemes for the above mentioned two policies. The Company allots shares to the Trustee of the Trust, for giving shares to employees. The Company treats Trust as its extension and shares held by the Trust are treated as treasury shares.

(iii) Leases:

In accordance with Ind AS 116 – Leases at the date of commencement of the lease, the Company has recognised a Lease Liability, except for leases with a term of 12 months or less (short-term leases) and low value leases.

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease. The discount rate is generally based on the incremental borrowing rate. The Company makes assessment on the expected lease term on lease by lease basis and thereby assesses whether it is reasonably certain that any option to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to termination of lease and the importance of the underlying to the Company's operation taking into account the location of the underlying asset and the availability of the suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflect the current economic circumstances.

The right-of-use assets is subsequently measured at cost less accumulated depreciation, accumulated impairment losses, if any, and adjusted for any remeasurement of the lease liability.

The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the standalone statement of profit and loss.

The company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and standalone statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in standalone statement of profit and loss.

The Company has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lock in period of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

(v) Impairment of non-financial assets

The carrying amount of assets is reviewed at each balance sheet date if there is any indication of impairment based on internal/ external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets, net selling price and value in use. 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 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. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

Goodwill represents the excess of the cost of an acquisition over the fair value of the Company's share of the net identifiable assets of the acquired entity at the date of acquisition. Goodwill is carried at cost less accumulated impairment losses. Impairment loss on goodwill is not reversed. Goodwill is not subject to amortization and tested at least annually for impairment or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount.

(vi) Taxes

Current Tax

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from, or paid to, the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, by the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax assets and liabilities are recognised for temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are only recognised for temporary differences, unused tax losses and unused tax credits if it is probable that future taxable amounts will arise to utilise those temporary differences and losses. 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 realised.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and they relate to income taxes levied by the same tax authority on the same taxable entity.

Goods and services tax paid on acquisition of assets or on incurring expenses:

Expenses and assets are recognised net of the goods and services tax/ service tax/ value added taxes paid, except:

i. When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable

ii. When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

2.9 Cash and cash equivalents

Cash and cash equivalents comprise the net amount of short-term, highly liquid investments that are readily convertible to known amounts of cash (short-term deposits with an original maturity of three months or less) and are subject to an insignificant risk of change in value. They are held for the purposes of meeting short-term cash commitments (rather than for investment or other purposes).

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short- term deposits, as defined above.

2.10 Property, plant and equipment

Property, plant and equipment (PPE) are measured at cost less accumulated depreciation and accumulated impairment, (if any). The total cost of assets comprises its purchase price, freight, duties, taxes and any other incidental expenses directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management. Changes in the expected useful life are accounted for by changing the amortisation period or methodology, as appropriate, and treated as changes in accounting estimates.

Subsequent expenditure related to an item of tangible asset are added to its gross value only if it increases the future benefits of the existing asset, beyond its previously assessed standards of performance and cost can be measured reliably. Other repairs and maintenance costs are expensed off as and when incurred.

Depreciation

Depreciation is calculated using the straight line method to write down the cost of property and equipment to their residual values over their estimated useful lives which is in line with the estimated useful life as specified in Schedule II of the Act except for Leasehold improvements which are amortised on a straight-line basis over the period of lease or 3 years whichever is less. Leasehold improvements include all expenditure incurred on the leasehold premises that have future economic benefits. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

The estimated useful lives as used by the Company are listed below:

Nature of assets	Useful life in years
Computers	
End user machines	3
Servers and networks	6
Furniture and Fixtures	10
Office equipment	5
Vehicle	8

Property plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in other income/ expense in the standalone statement of profit and loss in the year the asset is derecognised. The date of disposal of an item of property, plant and equipment is the date the recipient obtains control of that item in accordance with the requirements for determining when a performance obligation is satisfied in Ind AS 115.

2.11 Intangible assets

An intangible asset is recognised only when its cost can be measured reliably, and it is probable that the expected future economic benefits that are attributable to it will flow to the Company.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of an intangible asset comprises its purchase price and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Changes in the expected useful life, or the expected pattern of consumption of future economic benefits embodied in the asset, are accounted for by changing the amortisation period or methodology, as appropriate, which are then treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is presented as a separate line item in the standalone statement of profit and loss. Amortisation on assets acquired/ sold during the year is recognised on a pro-rata basis to the standalone statement of profit and loss from/ upto the date of acquisition/ sale.

Amortisation is calculated using the straight–line method to write down the cost of intangible assets to their residual values over their estimated useful lives. Intangible assets comprising of software are amortised on a straight-line basis over a period of 5 years, unless it has a shorter useful life.

Intangible assets with indefinite useful life is tested for impairment at each reporting period.

Gains or losses from derecognition of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the standalone statement of profit and loss when the asset is derecognised.

2.12 Provisions

Provisions are recognised when the enterprise has a present obligation (legal or constructive) as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

When the effect of the time value of money is material, the enterprise determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. The expense relating to any provision is presented in the standalone statement of profit and loss net of any reimbursement.

2.13 Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not 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 statement.

2.14 Earnings Per Share

The Company reports basic and diluted earnings per share in accordance with Ind AS 33 on Earnings per share. Basic EPS is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares including the treasury shares held by the Company to satisfy the exercise of the share options by the employees. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. In computing the dilutive earnings per share, only potential equity shares that are dilutive and that either reduces the earnings per share or increases loss per share are included.

2.15 Segments

Based on “Management Approach” as defined by Ind AS 108, The Chief Operating Decision Maker (CODM) evaluates the “Operating Segments”. Operating segments are reported in a manner consistent with the internal reporting provided to the CODM. The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Company.

2.16 Significant accounting judgements, estimates and assumptions

The preparation of financial statement in conformity with the Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosure and the disclosure of contingent liabilities, at the end of the reporting period. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised, and future periods are affected. Although these estimates are based on the management’s best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statement is included in the following notes:

2.17.1 Impairment of loans portfolio

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

It has been the Company’s policy to regularly review its models in the context of actual loss experience and adjust when necessary.

2.17.2 Share-Based Payments

Estimating fair value for share-based payment transactions requires use of an appropriate valuation model. The Company measures the cost of equity-settled transactions with employees using Black-Scholes Model to determine the fair value of the options on the grant date.

Inputs into the valuation model, includes assumption such as the expected life of the share option, volatility and dividend yield.

Further details used for estimating fair value for share-based payment transactions are disclosed in Note 41.

2.18 Operating Cycle

Based on the nature of products/ activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months.

2.19 Foreign Currency

Foreign currency transactions are recorded on initial recognition in the functional currency using the exchange rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date.

Exchange differences arising on the settlement or translation of monetary items are recognised in Standalone Statement of profit or loss in the year in which they arise.

2.20 Recent Accounting Pronouncements

Ministry of Corporate Affairs (‘MCA’) notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2025, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

3 Cash and cash equivalents

(₹ In Million)

Particulars	As at March 31, 2025	As at March 31, 2024
Cash on hand	66.81	97.72
Balances with banks:		
- In current accounts	731.33	841.35
- In fixed deposit with original maturity of 3 months or less	1,855.00	1,300.00
- Interest accrued but not due	0.84	2.79
Total	**2,653.98**	**2,241.86**

4 Bank balances other than cash and cash equivalents

(₹ In Million)

Particulars	As at March 31, 2025	As at March 31, 2024
Balances with banks:		
- In current accounts [Refer Note 4.1]	-	125.84
Fixed deposit with banks original maturity more than 3 months:		
- Earmarked balances [Refer Note 4.2]	1,604.07	1,794.05
- Non-Earmarked balances	30.00	483.01
- Interest accrued but not due	5.50	13.25
Total	**1,639.57**	**2,416.15**

4.1 Balance with banks as at March 31, 2024 includes restricted bank balance of INR 125.84 Million with ICICI Bank in which proceeds from IPO have been received. The remaining balance out of this account was paid during the year ended March 2025 to selling shareholders post deduction of expenses incurred in relation to IPO.

4.2 Details of fixed deposits under lien

(₹ In Million)

Particulars	As at March 31, 2025	As at March 31, 2024
Credit enhancement in securitisation transactions	306.50	349.95
In connection with borrowings in the form of term loans from SBI	1,294.90	1,369.03
In connection with Investment in usage of Aadhar authentication service	2.67	2.57
In connection with IPO	-	72.50
Total	**1,604.07**	**1,794.05**

5 Trade receivables

(₹ In Million)

Particulars	As at March 31, 2025	As at March 31, 2024
Receivables considered good- Secured	-	-
Receivables considered good- Unsecured	50.39	38.66
Receivables which have significant increase in credit risk	-	-
Receivables credit impaired	-	-
Unbilled Trade receivables	97.67	107.14
	148.06	**145.80**
Less: Expected credit loss	-	-
Total	**148.06**	**145.80**

5.1 No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. Further, no trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

5.2 No expected credit loss provision is required due to the short term nature of these receivables.

5.3 Ageing of Trade receivables

Ageing of Trade receivables as on March 31, 2025:

(₹ In Million)

Particulars	Unbilled	Not due	Outstanding for following periods from transaction date					Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables- considered good - Unsecured	97.67	-	49.74	0.65	-	-	-	**148.06**
Total	**97.67**	**-**	**49.74**	**0.65**	**-**	**-**	**-**	**148.06**

Ageing of Trade receivables as on March 31, 2024:

(₹ In Million)

Particulars	Unbilled	Not due	Outstanding for following periods from transaction date					Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables- considered good - Unsecured	107.14	-	31.10	3.68	3.88	-	-	**145.80**
Total	**107.14**	**-**	**31.10**	**3.68**	**3.88**	**-**	**-**	**145.80**

6 Loans

(₹ In Million)

Particulars	As at March 31, 2025	As at March 31, 2024
Measured at amortised cost		
Loan against Property	60,703.69	48,061.19
Loan against Gold	15,273.34	10,565.00
Unsecured loan	435.96	832.32
Staff loans	3.79	10.55
Total (A)– Gross	**76,416.78**	**59,469.06**
Impairment Loss Allowance	(1,375.84)	(1,104.15)
Total (A)– Net	**75,040.94**	**58,364.91**
(a) Secured by tangible assets [Refer Note 6.2]	75,977.03	58,627.60
(b) Unsecured	439.75	841.46
Total (B)– Gross	**76,416.78**	**59,469.06**
Impairment Loss Allowance	(1,375.84)	(1,104.15)
Total (B)– Net	**75,040.94**	**58,364.91**
Loans in India		
(i) Public sector	-	-
(ii) Others	76,416.78	59,469.06
Total (C)– Gross	**76,416.78**	**59,469.06**
Impairment Loss Allowance	(1,375.84)	(1,104.15)
Total (C)– Net	**75,040.94**	**58,364.91**
Loans outside India		
(i) Public sector	-	-
(ii) Others	-	-
Total (C)– Gross	**-**	**-**
Impairment Loss Allowance	-	-
Total (C)– Net	**-**	**-**

6.1 The Company's business model is to collect contractual cash flows, being the payment of Principal and Interest and accordingly, the loans are measured at amortized cost.

6.2 Loans granted by the Company are secured or partly secured by one or a combination of the following securities:- Registered/ equitable mortgage of property, Hypothecation of assets including Gold.

6.3 Loans where fraud has been committed and reported for the year is ₹ 3.51 million (March 31, 2024: ₹ Nil)

6.4 The Company has not provided any loans or advances to promoters, directors, KMPs and the related parties.

6.5 The Company has securitised certain term loans and managed servicing of such loan accounts. The carrying value of these assets have not been de-recognised in the books. Refer Note 49 for securitised term loans not derecognised in their entirety.

6.6 The Company has transferred certain stressed loans to Asset Reconstruction Company during the current year. Refer Note 51 for Disclosure pursuant to RBI notification No. RBI/DOR/2021-22/86 DOR.STR.REC.51 /21.04.048/2021-22 dated September 24, 2021.

6.7 Unsecured Loans includes unsecured business loans which is guaranteed by Credit Guarantee Fund Trust for Micro and Small Enterprises amounting to ₹ 0.32 Million (March 31, 2024: ₹ 2.27 Million).

7 Investments

(₹ In Million)

Particulars	As at March 31, 2025	As at March 31, 2024
At amortized cost		
Investment in Treasury Bills (Quoted) [Refer Note 7.2]	1,020.18	2,068.64
Investment in Pass through certificates (PTC) [Refer Note 7.3]	-	575.89
At fair value through profit or loss		
Investment in mutual funds- (Quoted)	1,990.64	1,416.57
Investment in Security receipts (Unquoted)	257.47	-
At cost		
Investment in equity instrument (Unquoted)		
Investment in Subsidiary (at cost)		
21,050,000 equity shares of ₹ 10 each in SBFC Home Finance Private Limited [Refer Note 7.1]	-	210.50
Total (A)	**3,268.29**	**4,271.60**
(i) Investments outside India	-	-
(ii) Investments in India	3,268.29	4,271.60
Total (B)	**3,268.29**	**4,271.60**
Impairment Loss Allowance (C)	-	-
Total – Net (D)= (A)-(C)	**3,268.29**	**4,271.60**

7.1 SBFC Home Finance, a wholly-owned subsidiary of the company is in the process of voluntary liquidation, and the official liquidator had been appointed on January 27, 2025 for this process. The liquidator has completed the process of realization of assets and liabilities. Consequently, the net proceeds of the realization have been distributed to the Company on March 27, 2025. Accordingly, the Company has derecognised the investment and the resultant surplus has been recorded as gain on voluntary liquidation of subsidiary. [Refer Note 28.1]

7.2 The Company has invested in Government Securities and Treasury Bills which are sovereign in nature. Hence, the Company has not provided for any impairment allowance on these investments.

7.3 There is no impairment allowance for existing Investment in Pass Through Certificates considering the performance of the underlying loans, security cover and credit enhancement.

8 Other financial assets

(₹ In Million)

Particulars	As at March 31, 2025	As at March 31, 2024
Unsecured, considered good		
Security deposits	40.40	68.82
Other receivables	0.07	4.64
Total	**40.47**	**73.46**

9 Current tax assets (net)

(₹ In Million)

Particulars	As at March 31, 2025	As at March 31, 2024
Advance income tax [Net of provision for income tax ₹ 1,212.30 Million (March 31, 2024: ₹ 2,038.76 Million)]	31.44	60.54
Total	**31.44**	**60.54**

10 Property, plant and equipment, Other intangible assets, Intangible assets under development, Goodwill

(₹ In Million)

Particulars	Property, plant and equipment							Other intangible assets			Intangible assets under development	Goodwill
	Computers	Furniture and fixtures	Office equipments	Motor car	Leasehold Improvements	Buildings Right-of-use (Refer Note 44.1)	Total	Computer Software	Trademark and Patent	Total	Computer Software	Goodwill (Refer Note 46)
Gross Block:												
Balance as at April 01, 2023	**85.35**	**233.26**	**70.67**	**2.91**	**19.13**	**206.36**	**617.68**	**56.24**	**0.69**	**56.93**	**7.49**	**2,603.92**
Additions	44.08	8.76	22.09	-	36.00	62.60	173.53	0.18	-	0.18	7.78	-
Reclassification	0.77	(2.52)	2.52	-	(0.77)	-	-	-	-	-	-	-
Disposals	0.99	4.62	1.97	-	-	8.52	16.10	-	-	-	-	-
Balance as at March 31, 2024	**129.21**	**234.88**	**93.31**	**2.91**	**54.36**	**260.44**	**775.11**	**56.42**	**0.69**	**57.11**	**15.27**	**2,603.92**
Additions	40.03	6.16	17.71	-	26.20	136.80	226.90	34.00	-	34.00	27.13	-
Reclassification	(0.70)	(15.58)	(1.06)	-	17.34	-	-	-	-	-	-	-
Disposals	9.37	7.86	7.80	-	1.58	93.00	119.61	-	-	-	36.62	-
Balance as at March 31, 2025	**159.17**	**217.60**	**102.16**	**2.91**	**96.32**	**304.24**	**882.40**	**90.42**	**0.69**	**91.11**	**5.78**	**2,603.92**
Depreciation and Amortization:												
Balance as at April 01, 2023	**52.76**	**75.85**	**33.80**	**0.88**	**1.37**	**116.49**	**281.15**	**32.70**	**0.69**	**33.39**	**-**	**-**
Additions	25.93	21.86	15.04	0.36	12.40	49.78	125.37	8.77	-	8.77	-	-
Reclassification	0.40	(0.55)	0.55	-	(0.40)	-	-	-	-	-	-	-
Disposals	0.99	2.82	1.87	-	-	5.56	11.24	-	-	-	-	-
Balance as at March 31, 2024	**78.10**	**94.34**	**47.52**	**1.24**	**13.37**	**160.71**	**395.28**	**41.47**	**0.69**	**42.16**	**-**	**-**
Additions	34.26	21.51	18.06	0.35	28.37	54.90	157.45	10.63	-	10.63	-	-
Reclassification	(0.70)	(8.69)	(0.11)	-	9.50	-	-	-	-	-	-	-
Disposals	9.20	3.46	7.21	-	1.21	85.87	106.95	-	-	-	-	-
Balance as at March 31, 2025	**102.46**	**103.70**	**58.26**	**1.59**	**50.03**	**129.74**	**445.78**	**52.10**	**0.69**	**52.79**	**-**	**-**
Net Block:												
As at March 31, 2024	**51.11**	**140.54**	**45.79**	**1.67**	**40.99**	**99.73**	**379.83**	**14.95**	**-**	**14.95**	**15.27**	**2,603.92**
As at March 31, 2025	**56.71**	**113.90**	**43.90**	**1.32**	**46.29**	**174.50**	**436.62**	**38.32**	**-**	**38.32**	**5.78**	**2,603.92**

10.1 Intangible assets under development ageing schedule: (₹ In Million)

Intangible assets under development	Amount in Intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at March 31, 2024					
Loan Management System	6.88	7.11	-	-	13.99
Others	0.90	0.38	-	-	1.28
Total	**7.78**	**7.49**	**-**	**-**	**15.27**
As at March 31, 2025					
Loan Management System	-	-	-	-	-
Others	4.89	0.89	-	-	5.78
Total	**4.89**	**0.89**	**-**	**-**	**5.78**

10.2 Intangible assets under development, whose completion is overdue compared to its original plan:

(₹ In Million)

Intangible assets under development	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at March 31, 2024					
Loan Management System	13.99	-	-	-	13.99
Others	1.28	-	-	-	1.28
Total	**15.27**	**-**	**-**	**-**	**15.27**
As at March 31, 2025					
Loan Management System	-	-	-	-	-
Others	5.78	-	-	-	5.78
Total	**5.78**	**-**	**-**	**-**	**5.78**

10.3 The Company does not have any intangible asset under development temporarily suspended or has exceeded its cost compared to its original plan.

11 Other non-financial assets

(₹ In Million)

Particulars	As at March 31, 2025	As at March 31, 2024
Prepaid expenses	33.43	24.79
Gratuity asset (net)	0.56	-
Advance to creditors	9.38	12.97
Capital advances	5.24	1.33
Advances to employees	2.12	2.29
Total	**50.73**	**41.38**

12 Derivative financial instruments

(₹ In Million)

Particulars	As at March 31, 2025				As at March 31, 2024			
	Notional Amounts	Fair Value - Assets	Notional Amounts	Fair Value - Liabilities	Notional Amounts	Fair Value - Assets	Notional Amounts	Fair Value - Liabilities
Part I								
Currency derivatives								
Spot and forwards	-	-	9,337.29	98.45	-	-	8,337.39	45.13
Part II								
Included in above (Part I) are derivatives held for hedging and risk management purposes as follows:								
Cash flow hedging:								
- Currency derivatives	-	-	9,337.29	98.45	-	-	8,337.39	45.13

The Company is exposed to certain risks relating to its ongoing business operations. The primary risks managed using derivative instruments are foreign currency risk and interest rate risk. The Company's risk management strategy and how it is applied to manage risk are explained in note 48.4.

13 Payables

(A) Trade payables (₹ In Million)

Particulars	As at March 31, 2025	As at March 31, 2024
Total outstanding dues of micro enterprises and small enterprises	4.40	6.96
Total outstanding dues of creditors other than micro enterprises and small enterprises	90.15	105.52
Total	**94.55**	**112.48**

13.1 The Company had requested its supplier to confirm the status so as to whether they are covered under the Micro, Small and Medium Enterprises Development Act, 2006 and is in the continuous process of obtaining such confirmation from its suppliers. The disclosure relating to unpaid amount as at the year end together with interest paid/ payable as required under the said Act have been given to the extent such parties could be identified on the basis of the information available with the Company regarding the status of the suppliers under MSMED Act, 2006.

(₹ In Million)

Particulars	As at March 31, 2025	As at March 31, 2024
The principal amount remaining unpaid to any supplier at the end of each accounting year	3.95	6.51
The interest due thereon at the end of each accounting year	-	0.25
The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
The amount of interest due and payable to suppliers under MSMED Act, for payments already made	0.45	0.20
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	0.45	0.45

The aforementioned is based on the responses received by the Company to its inquiries with suppliers with regard to applicability under the said Act. This has been relied upon by the auditors.

Ageing of Trade payables as on 31 March 2025: (₹ In Million)

Particulars	Unbilled	Not due	Outstanding for following periods from transaction date				
			Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) MSME	4.05	-	0.35	-	-	-	**4.40**
(ii) Others	88.39	-	0.71	1.05	-	-	**90.15**
(iii) Disputed dues – MSME	-	-	-	-	-	-	**-**
(iv) Disputed dues - Others	-	-	-	-	-	-	**-**
Total	**92.44**	**-**	**1.06**	**1.05**	**-**	**-**	**94.55**

Ageing of Trade payables as on 31 March 2024: (₹ In Million)

Particulars	Unbilled	Not due	Outstanding for following periods from transaction date				
			Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) MSME	4.69	-	2.27	-	-	-	**6.96**
(ii) Others	98.96	-	4.23	1.13	0.55	0.65	**105.52**
(iii) Disputed dues – MSME	-	-	-	-	-	-	**-**
(iv) Disputed dues - Others	-	-	-	-	-	-	**-**
Total	**103.65**	**-**	**6.50**	**1.13**	**0.55**	**0.65**	**112.48**

(B) Other payables (₹ In Million)

Particulars	As at March 31, 2025	As at March 31, 2024
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	5.41	107.99
Total	**5.41**	**107.99**

14 Debt securities

(₹ In Million)

Particulars	As at March 31, 2025	As at March 31, 2024
At amortized cost		
Secured		
- Listed redeemable Non Convertible Debentures		
Gross amount	11,356.54	3,966.45
Effective interest rate adjustments	(62.80)	(16.86)
Net amount	**11,293.74**	**3,949.59**
Total (A)	**11,293.74**	**3,949.59**
Debt securities in India	11,293.74	3,949.59
Debt securities outside India	-	-
Total (B)	**11,293.74**	**3,949.59**

14.1 No Non Convertible Debentures is guaranteed by directors and/ or others.

14.2 Terms of repayment & rate of interest of Listed redeemable non convertible debentures:

(₹ In Million)

Tenure (from the date of Balance Sheet)	As at March 31, 2025		As at March 31, 2024	
	Rate of Interest	Amount	Rate of Interest	Amount
Due within 1 years	8.76%	1,000.00	8.57% - 9.37%	930.00
Due within 1 year to 3 years	9.00%	6,000.00	9.00% - 9.37%	3,000.00
Due more than 3 Years	9.00%	4,000.00	-	-
Total		**11,000.00**		**3,930.00**
Interest accrued		356.54		36.45
Effective interest rate adjustments		(62.80)		(16.86)
Net Amount		**11,293.74**		**3,949.59**

14.3 **Details of Secured Redeemable Non Convertible Debentures:** (₹ In Million)

Name of Securities	Number	Allotment Date	Redemption Date	As at March 31, 2025	As at March 31, 2024
8.57% Secured Rated Listed Redeemable Non-Convertible Debentures	430	6-Aug-21	6-Aug-24	-	430.00
Secured Rated Listed Redeemable Non Convertible Debenture Series A1 Tranche 1	10,000	27-Feb-24	27-May-25	1,000.00	1,000.00
Secured Rated Listed Redeemable Non Convertible Debenture Series A1 Tranche 2	5,000	27-Feb-24	19-Mar-25	-	500.00
9.00% Secured Rated Listed Redeemable Non Convertible Debenture Series A2	20,000	4-Mar-24	4-Mar-27	2,000.00	2,000.00
9.00% Secured Rated Listed Redeemable Non Convertible Debenture Series A3	20,000	13-May-24	13-May-27	2,000.00	-
9.00% Secured Rated Listed Redeemable Non Convertible Debenture Series A4	20,000	18-Jul-24	18-Jul-27	2,000.00	-
9.00% Secured Rated Listed Redeemable Non Convertible Debenture Series A5	40,000	4-Feb-25	4-Feb-30	4,000.00	-
Total				**11,000.00**	**3,930.00**
Interest accrued				356.54	36.45
Effective interest rate adjustments				(62.80)	(16.86)
Total				**11,293.74**	**3,949.59**

14.4 **8.57% Secured Rated Listed Redeemable Non-Convertible Debentures:** Face value of Non Convertible Debentures is ₹ 1.00 Million. These debentures are redeemable at the end of 36 months from the date of allotment. Payment of Interest is yearly and principal repayment at maturity.

Secured Rated Listed Redeemable Non Convertible Debenture Series A1 Tranche 1 Date Of Maturity 27/05/2025 (9.00% - Mar' 25): Face value of Non Convertible Debentures is ₹ 0.10 Million. These debentures are redeemable at the end of 15 months from the date of allotment. Payment of Interest is Monthly and principal repayment at maturity.

Rate Reset Secured Rated Listed Redeemable Non Convertible Debenture Series A1 Tranche 2 Date Of Maturity 19/03/2025 (8.76% - 19 Mar' 25): Face value of Non Convertible Debentures is ₹ 0.10 Million. These debentures are redeemable at the end of 12 months 20 days from the date of allotment. Payment of Interest is Monthly and principal repayment at maturity.

9.00% Rate Reset Secured Rated Listed Redeemable Non Convertible Debenture Series A2 Date Of Maturity 04/03/2027: Face value of Non Convertible Debentures is ₹ 0.10 Million. These debentures are redeemable at the end of 36 months from the date of allotment. Payment of Interest is Yearly and principal repayment at maturity.

9.00% Rate Reset Secured Rated Listed Redeemable Non Convertible Debenture Series A3 Date Of Maturity 13/05/2027: Face value of Non Convertible Debentures is ₹ 0.10 Million. These debentures are redeemable at the end of 36 months from the date of allotment. Payment of Interest is Yearly and principal repayment at maturity.

9.00% Rate Reset Secured Rated Listed Redeemable Non Convertible Debenture Series A4 Date Of Maturity 18/07/2027: Face value of Non Convertible Debentures is ₹ 0.10 Million. These debentures are redeemable at the end of 36 months from the date of allotment. Payment of Interest is Yearly and principal repayment at maturity.

9.00% Rate Reset Secured Rated Listed Redeemable Non Convertible Debenture Series A5 Date Of Maturity 04/02/2030: Face value of Non Convertible Debentures is ₹ 0.10 Million. These debentures are redeemable half yearly in 4 tranches of 1000 Million each starting from August 2028. Payment of Interest is Yearly.

14.5 The debentures are secured by way of first pari passu charge against the book debts, Investment in PTC and loan assets of the Company which are standard. Minimum security cover of 1.1 times is required to be maintained throughout the year.

15 Borrowings (other than debt securities)

(₹ In Million)

Particulars	As at March 31, 2025	As at March 31, 2024
At amortized cost		
Secured		
Term loans		
- Indian rupee loan from banks		
Gross amount	26,430.89	19,775.18
Effective interest rate adjustments	(128.68)	(102.00)
Net amount	**26,302.21**	**19,673.18**
- Indian rupee loan from financial institutions		
Gross amount	3,733.66	5,351.24
Effective interest rate adjustments	(5.36)	(10.81)
Net amount	**3,728.30**	**5,340.43**
- Foreign Currency loan from banks	**9,379.21**	**8,384.04**
Collateralized borrowings	**1,939.72**	**2,612.97**
Total (A)	**41,349.44**	**36,010.62**
Borrowings in India	41,349.44	36,010.62
Borrowings outside India	-	-
Total (B)	**41,349.44**	**36,010.62**

15.1 a) Term loan from banks: These are secured by First Pari Passu charge by way of hypothecation of standard loan receivables of the Company, Investments in PTC and on all other book debts and current assets of the Company. Minimum security cover of 1.1 times is required to be maintained throughout the year.

b) Term loan from financial institutions: These are secured by First Pari Passu charge by way of hypothecation of standard loan receivables of the Company, Investments in PTC and on all other book debts and current assets of the Company.Minimum security cover of 1.1 times is required to be maintained throughout the year.

c) Working capital demand loan from banks: These are secured by First Pari Passu charge by way of hypothecation of standard loan receivables of the Company, Investments in PTC and on all other book debts and current assets of the Company.Minimum security cover of 1.1 times is required to be maintained throughout the year.

d) Foreign Currency loan from banks: These are secured by First Pari Passu charge by way of hypothecation of standard loan receivables of the Company, Investments in PTC and on all other book debts and current assets of the Company. Minimum security cover of 1.1 times is required to be maintained throughout the year.

e) Collateralized borrowings are secured against pool of Loan Assets. Refer Note 49 for more details.

15.2 No term loan and any other borrowing is guaranteed by directors and/ or others.

15.3 The Company has not defaulted in repayment of principal and interest during the year ended March 31, 2025 and year ended March 31, 2024.

15.4 The repayment of borrowings is done monthly and quarterly as per the sanctioned terms.

As at March 31, 2025 (₹ In Million)

Terms of Repayment	Indian rupee loan from banks		Indian rupee loan from financial institutions		Collateralized Borrowings		Foreign Currency loan from banks	
Tenure (from the date of Balance Sheet)	Rate of Interest	Amount	Rate of Interest	Amount	Rate of Interest	Amount	Rate of Interest	Amount
Due within 3 years	7.80% - 10.70%	24,801.88	9.00% - 10.30%	3,714.54	9.00% - 10.15%	749.78	6.09%	7,625.66
Due within 3-5 years	8.22% - 9.90%	1,420.39	-	-	9.00% - 10.15%	423.15	9.39%	1,711.63
Above 5 years	9.25% - 10.05%	142.14	-	-	9.00% - 10.15%	759.85	-	-
Total		**26,364.41**		**3,714.54**		**1,932.78**		**9,337.29**
Interest Accrued		66.48		19.11		6.94		41.92
Effective interest rate adjustments		(128.68)		(5.36)		-		-
Net amount		**26,302.21**		**3,728.30**		**1,939.72**		**9,379.21**

As at March 31, 2024 (₹ In Million)

Terms of Repayment	Indian rupee loan from banks		Indian rupee loan from financial institutions		Collateralized Borrowings		Foreign Currency loan from banks	
Tenure (from the date of Balance Sheet)	Rate of Interest	Amount	Rate of Interest	Amount	Rate of Interest	Amount	Rate of Interest	Amount
Due within 3 years	8.00% - 10.95%	17,368.67	9.15% - 10.25%	5,276.67	9.00% - 10.15%	778.27	6.50%	8,337.39
Due within 3-5 years	9.05% - 9.95%	2,225.61	10.25%	46.67	9.00% - 10.15%	614.59	-	-
Above 5 years	9.95%	166.05	-	-	9.00% - 10.15%	1,211.20	-	-
Total		**19,760.33**		**5,323.34**		**2,604.06**		**8,337.39**
Interest Accrued		14.85		27.90		8.91		46.65
Effective interest rate adjustments		(102.00)		(10.81)		-		-
Net amount		**19,673.18**		**5,340.43**		**2,612.97**		**8,384.04**

16 Other financial liabilities

(₹ In Million)

Particulars	As at March 31, 2025	As at March 31, 2024
Employee benefits payable	244.13	239.92
Lease liabilities [Refer Note 44.2]	174.30	107.02
Book overdraft	433.47	1,753.39
Payable on account of PTC pool	206.57	231.25
Payable to trusts	2.35	2.78
Other liabilities [Refer Note 16.1]	62.04	120.87
Total	**1,122.86**	**2,455.23**

16.1 Other liabilities majorly includes amounts payable to co-origination partners and unapplied receipts.

17 Current tax liabilities (net)

(₹ In Million)

Particulars	As at March 31, 2025	As at March 31, 2024
Provision for tax (net)	-	-
Total	**-**	**-**

18 Provisions

(₹ In Million)

Particulars	As at March 31, 2025	As at March 31, 2024
Provision for employee benefits		
Gratuity (funded) [Refer Note 40]	-	2.26
Provision for loan commitments	2.92	-
Total	**2.92**	**2.26**

19 Deferred tax liabilities (net)

(₹ In Million)

Particulars	As at March 31, 2025	As at March 31, 2024
Deferred tax liabilities		
Depreciation and amortization	492.97	481.63
Unamortized processing fees on term loan	49.54	32.64
Unamortized Incentive	81.34	-
Remeasurement of net defined benefits	1.73	-
Mark to market gain on mutual funds	4.93	1.17
Total Deferred tax liabilities	**630.51**	**515.44**
Deferred tax assets		
Expected credit losses	283.20	228.49
Provision for expenses	5.56	7.47
Transaction cost of Loan assets	265.29	134.30
Deduction u/s 80JJAA	17.36	-
Derivative Financial Instrument	26.93	7.07
Deduction u/s 35D of Income Tax Act, 1961	19.05	25.40
Impact on account of leases	4.19	2.66
Total Deferred tax assets	**621.57**	**405.39**
Deferred tax liabilities (net)	**8.94**	**110.05**

20 Other non-financial liabilities

(₹ In Million)

Particulars	As at March 31, 2025	As at March 31, 2024
Capital creditors	-	5.04
Statutory dues	80.50	48.73
Total	**80.50**	**53.77**

21 Equity share capital

(₹ In Million)

Particulars	As at March 31, 2025		As at March 31, 2024	
	No. of shares	Amount	No. of shares	Amount
Authorized				
Equity Shares of ₹ 10 each	1,30,00,00,000	13,000.00	1,30,00,00,000	13,000.00
	1,30,00,00,000	**13,000.00**	**1,30,00,00,000**	**13,000.00**
Issued, subscribed and fully paid-up				
Equity Shares of ₹ 10 each, fully paid up	1,08,59,99,088	10,859.99	1,07,37,54,986	10,737.55
	1,08,59,99,088	**10,859.99**	**1,07,37,54,986**	**10,737.55**
Treasury shares held through ESOP trust				
Equity Shares of ₹ 10 each, fully paid up	(8,14,500)	(8.15)	(18,66,000)	(18.66)
Equity shares [net of treasury shares]	**1,08,51,84,588**	**10,851.84**	**1,07,18,88,986**	**10,718.89**

21.1 Reconciliation of number of shares outstanding at the beginning and end of the reporting period:

(₹ In Million)

Particulars	As at March 31, 2025		As at March 31, 2024	
	No. of shares	Amount	No. of shares	Amount
Equity shares outstanding as at the beginning of the year	1,07,37,54,986	10,737.55	89,70,23,682	8,970.24
Add: Equity shares issued during the year	-	-	13,25,74,610	1,325.74
Add: Equity shares issued upon exercise of options under employee share option plan	1,22,44,102	122.43	4,41,56,694	441.57
Equity shares outstanding as at the end of the year	**1,08,59,99,088**	**10,859.98**	**1,07,37,54,986**	**10,737.55**

Reconciliation of number of treasury shares outstanding at the beginning and end of the reporting period:

(₹ In Million)

Particulars	As at March 31, 2025		As at March 31, 2024	
	No. of shares	Amount	No. of shares	Amount
Equity shares outstanding as at the beginning of the year	18,66,000	18.66	74,52,000	74.52
Add: Equity shares issued during the year	-	-	-	-
Add: Equity shares transferred upon exercise of options under employee share option plan	(10,51,500)	(10.52)	(55,86,000)	(55.86)
Equity shares outstanding as at the end of the year	**8,14,500**	**8.14**	**18,66,000**	**18.66**

For details of shares reserved for issue under ESOP of the Company and shares exercised under ESOP, refer note 41.

21.2 Terms and rights attached to equity shares:

The Company has single class equity shares having a par value of ₹ 10 per equity share. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time subject to payment of dividend to preference shareholders if any. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

The holders of equity shares are entitled to dividends, if any, proposed by the Board of Directors and approved by Shareholders at the Annual General Meeting.

21.3 Details of share held by the holding Company:

Particulars	As at March 31, 2025		As at March 31, 2024	
	No. of shares	% of Holding	No. of shares	% of Holding
SBFC Holdings Pte Ltd.	57,91,88,410	53.33%	59,28,13,525	55.21%

21.4 Details of shareholders holding more than five percent shares in the Company:

Particulars	As at March 31, 2025		As at March 31, 2024	
	No. of shares	% of Holding	No. of shares	% of Holding
SBFC Holdings Pte Ltd.	57,91,88,410	53.33%	59,28,13,525	55.21%
SBI Small CAP Fund	9,26,10,336	8.53%	7,75,16,317	7.22%

21.5 Details of shareholding of Promoters of the Company:

Particulars	As at March 31, 2025			As at March 31, 2024		
	No. of shares	% of Holding	% of Change during the year	No. of shares	% of Holding	% of Change during the year
SBFC Holdings Pte. Ltd	57,91,88,410	53.33%	(1.88%)	59,28,13,525	55.21%	(18.04%)
Arpwood Partners Investment Advisors LLP	-	-	(4.20%)	4,51,09,526	4.20%	(9.42%)
Eight 45 Services LLP	-	-	(0.22%)	23,62,153	0.22%	(2.49%)
Arpwood Capital Private Limited	-	-	(1.03%)	1,10,71,022	1.03%	(2.31%)

21.6 There are no bonus shares issued or shares bought back or shares issued for consideration other than cash by the Company during five years immediately preceding the balance sheet date.

21.7 There are no shares reserved for issue under options and contracts/commitments for the sale of shares or disinvestment, including the terms and amounts

21.8 The Company's equity shares have been listed on National Stock Exchange of India Limited ("NSE") and on BSE Limited ("BSE") on August 16, 2023, by completing the Initial Public Offering (IPO) of 179,863,285 equity shares of face value of ₹ 10 each at an issue price of ₹ 57 (employees were issued at ₹ 55) per equity share, consisting of fresh issue of 105,301,883 equity shares and an offer for sale of 74,561,402 equity shares by the selling shareholders. The Company had received an amount of ₹ 5,520.30 million (net off estimated offer expenses ₹ 479.70 million, including pre IPO related estimated expenses) from proceeds of fresh issue of equity shares. Further, the fund raised from Offer for sale were remitted to the selling shareholders (net off estimated offer expenses borne by the selling shareholders). The utilisation of the net proceeds is summarised as below:

(₹ In Million)

Objects of the issue as per prospectus	Amount to be utilised as per prospectus	Utilisation up to 31 March 2025	Unutilised amount up to 31 March 2025
The net proceeds from the fresh issue of shares to be used towards augmenting our Company's capital base to meet our future capital requirements arising out of the growth of our business and assets	5,590.83	5,590.83	-

21.9 10,51,500 equity shares have been transferred from Vistra ITCL (India) Limited, Trustee of SBFC Employee Welfare Trust to eligible employees pursuant to exercise of the outstanding vested options during the year. 1,22,44,102 equity shares have been issued to eligible employees pursuant to exercise of the outstanding vested Options under various SBFC Stock option policies during the year.

22 Other equity

(₹ In Million)

Particulars	As at March 31, 2025	As at March 31, 2024
Statutory reserve u/s 45-IC of the RBI Act, 1934		
Balance as at the beginning of the year	**1,193.11**	**719.07**
Add: Amount transferred from surplus balance in the Statement of Profit and Loss	690.34	474.04
Balance as at the end of the year	**1,883.45**	**1,193.11**
Securities premium		
Balance as at the beginning of the year	**10,788.61**	**4,440.18**
Add: Transfer from employee share option outstanding pursuant to stock options exercised	66.89	233.84
Add: Premium on issue of share capital	299.71	6,431.26
Add: Premium on conversion of shares from partly paid up to fully paid up	-	-
Less: Share issue expenses (net of taxes)	0.88	(339.93)
Add/ (Less): Adjustment on account of treasury shares held through ESOP trust	9.11	23.26
Balance as at the end of the year	**11,165.20**	**10,788.61**
Employee share option outstanding		
Balance as at the beginning of the year	**289.89**	**301.51**
Add: Charge for the year	238.60	222.22
Less: Transferred to securities premium pursuant to stock options exercised	(66.89)	(233.84)
Balance as at the end of the year	**461.60**	**289.89**
Retained Earnings		
Surplus in Statement of Profit and Loss as at the beginning of the year	**4,805.81**	**2,909.64**
Add: Profit for the year	3,451.68	2,370.21
Less: Transfer to statutory reserve	(690.34)	(474.04)
Balance as at the end of the year	**7,567.15**	**4,805.81**
Remeasurement gain/ (loss) on defined benefit plans		
Balance as at the beginning of the year	**7.27**	**7.16**
Add: Other comprehensive income for the year (net of taxes)	5.14	0.11
Balance as at the end of the year	**12.41**	**7.27**
Other comprehensive income on cash flow hedge reserve		
Balance as at the beginning of the year	**(21.03)**	**-**
Add: Other comprehensive income for the year (net of taxes)	-	(21.03)
Less: Deletions during the year	(59.06)	
Balance as at the end of the year	**(80.09)**	**(21.03)**
Share application money pending allotment		
Balance as at the beginning of the year	**-**	**-**
Add: Money received against pending allotment	39.75	-
Balance as at the end of the year	**39.75**	**-**
TOTAL	**21,049.47**	**17,063.66**

Statutory reserve u/s 45-IC of the RBI Act, 1934: 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 statement of profit and loss and before any dividend is declared.

Employee share option outstanding: The Company has a share option scheme under which options to subscribe for the Company's shares have been granted to certain employees including key management personnel. The share-based payment reserve is used to recognize the value of equity-settled share-based payments provided to employees, as part of their remuneration.

Securities Premium Reserve: Securities premium is used to record the premium on issue of shares. It can be utilised only for limited purposes in accordance with the provisions of the Companies Act, 2013. In case of equity settled share based payment transactions, the difference between fair value on grant date and nominal value share is accounted as securities premium.

Retained Earnings: Retained earnings are the profits that the Company has earned till date, less any transfers to statutory reserve.

Remeasurement gain/ (loss) on defined benefit plans: It represents the gains/ (losses) arising on account of actuarial valuation of defined benefit obligation.

Other comprehensive income on cash flow hedge reserve: It represents the cumulative gains/(losses) arising on mark to market of the derivative instruments designated as cash flow hedges through OCI and impact on account of revaluation of underlying hedged items.

23 Interest income

(₹ In Million)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
On Financial Assets measured at Amortized Cost:		
Interest on loans	11,674.03	8,660.66
Interest on Government Securities	-	52.77
Interest on Treasury Bills	116.50	89.67
Interest on investment in Pass Through certificates (PTC)	12.07	163.68
Interest on deposits from banks	160.86	215.81
Total	**11,963.46**	**9,182.59**

24 Fees and commission income

(₹ In Million)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Loan management services fee income	96.67	101.25
Commission Income - Insurance	61.83	-
Prepayment charges, foreclosure charges recovered from the customer	202.64	157.17
Other fee income [Refer Note 24.1]	338.00	450.64
Total	**699.14**	**709.06**

24.1 Fee Income includes Processing Fee on loan against Gold (not subject to EIR), Initial Money Deposit fees and Co-origination fees.

25 Net gain on fair value changes

(₹ In Million)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Net gain/ (loss) on financial instruments at fair value through profit or loss:		
Mutual Fund		
(A) Total net gain on fair value changes	176.95	172.83
(B) Fair value changes:		
- Realized	157.37	168.20
- Unrealized	19.58	4.63
Total net gain on fair value changes	**176.95**	**172.83**

26 Net gain on derecognition of financial instruments under amortised cost category

(₹ In Million)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024 2024
Income on remeasurement of investment in Pass through certificates (PTC)	-	2.31
Total	**-**	**2.31**

27 Other operating income

(₹ In Million)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Advertisement income	160.70	77.08
Other charges	50.91	41.53
Total	**211.61**	**118.61**

28 Other income

(₹ In Million)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Interest on income tax refund	-	4.32
Gain on lease termination (net of losses) [Refer Note 44]	1.72	0.55
Net gain/(loss) on de-recognition of property, plant and equipment	0.02	-
Others [Refer Note 28.1]	8.19	7.93
Total	**9.93**	**12.80**

28.1 Others include recovery from employees, sundry balance written back & gain on voluntary liquidation of subsidiary.

29 Finance costs (on financial liabilities measured at amortized cost)

(₹ In Million)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Interest on borrowings	3,493.45	3,432.89
Interest on debt securities	685.10	63.48
Interest on lease liabilities [Refer Note 44.2]	13.05	8.85
Other interest expenses	0.84	1.15
Total	**4,192.44**	**3,506.37**

30 Impairment on financial instruments

(₹ In Million)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
On financial instruments measured at amortised cost		
Impairment on loans*	274.52	269.80
Loans written off (net of recovery)	462.68	200.46
Total	**737.20**	**470.26**

*net of recovery from Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) Scheme ₹ Nil (March 31, 2024 Nil)

31 Employee benefits expense

(₹ In Million)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Salaries and bonus	2,128.35	1,809.92
Contribution to provident fund and other funds [Refer Note 40(a)]	130.58	106.24
Employee share based payment expenses [Refer Note 41]	238.59	224.43
Staff training and welfare expenses	22.07	19.02
Gratuity expenses [Refer Note 40(b)]	12.73	11.71
Total	**2,532.32**	**2,171.32**

32 Other expenses

(₹ In Million)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Travelling and conveyance	112.03	81.21
Printing and stationery	31.20	27.33
Communication Expenses	26.54	26.94
Business promotion expenses	10.19	14.35
Loss on sale/ discard of Property, plant and equipment/ Intangible assets	5.29	1.68
Repairs and maintenance	22.38	8.90
Office maintenance	118.49	105.74
Legal & professional expenses	183.85	190.93
Director sitting fees	7.30	6.70
Auditors' remuneration [Refer Note 32.1]	6.72	6.93
Corporate social responsibility expenditure [Refer Note 32.2]	39.92	26.07
Rent [Refer Note 44.4]	58.51	49.36
Rates and taxes	26.46	27.27
Electricity charges	33.14	23.30
Insurance charges	10.43	12.74
IT expenses	123.43	112.71
Balance written off	-	2.51
Bank charges	15.49	18.62
Seminar Expenses	4.82	6.45
Miscellaneous expenses	9.70	5.76
Total	**845.89**	**755.50**

32.1 Payments to auditors (excluding taxes)

(₹ In Million)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Audit fees	5.27	5.66
Tax audit	0.29	0.27
Other tax matters and certification	1.16	1.00
Total	**6.72**	**6.93**

32.2 Corporate Social Responsibility expenditure

(₹ In Million)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
a) Amount required to be spent by the Company during the year	43.78	26.07
Two percent of average net profit of the company as per section 135(5)	39.92	26.07
Liability for Surplus arising out of the CSR activities of the previous financial years, if any	3.86	-
Liability for Surplus arising out of the CSR activities of the current financial year, if any	-	-
b) Amount of expenditure incurred	44.91	26.07
Two percent of average net profit of the company as per section 135(5)	39.92	26.07
Liability for Surplus arising out of the CSR activities of the previous financial years, if any	3.86	-
Liability for Surplus arising out of the CSR activities of the current financial year, if any	1.13	-
c) (Excess)/ shortfall at the end of the year	-	-
d) Total of previous years shortfall	-	-
e) Reason for shortfall	-	-

f) Nature of CSR activities:

- Apprenticeship under Apprenticeship Act (March 31, 2025; March 31, 2024)
- Promoting education among girl child (March 31, 2025; March 31, 2024)
- Development of School infrastructure (March 31, 2025; March 31, 2024)
- Promoting health care including preventive health care (March 31, 2025)
- Tree Plantation (March 31, 2024)

g) Where a provision is made with respect to a liability

(₹ In Million)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Opening provision balance	3.86	-
Provision created during the year	4.00	3.93
Amount spent during the year	(4.99)	(0.07)
Closing provision balance	**2.87**	**3.86**

32.2.1 No amount has been spent by the Company for the construction/ acquisition of any new asset during the year ended March 31, 2025 and year ended March 31, 2024.

32.2.2 There have been no related party transactions during the year ended March 31, 2025 and March 31, 2024 in respect of CSR activities.

32.2.3 Section 198(4)(a) allows usual working charges to be deducted while computing the net profits for the purpose of section 198. The usual working charges can be interpreted as the expenditure incurred by the Company in the ordinary course of the business. Being an NBFC, the Company provides loans to various customers with or without collaterals. Given the fact that the Company is into the lending business, any credit losses incurred by the Company could be construed and 'usual working charges' i.e. credit losses are integral part of the lending business and should not be considered as capital in nature. Accordingly, Expected Credit Loss (ECL) provision has been treated as an allowable expenditure for the purpose of calculation of profits under section 198 of the Companies Act, 2013 for Corporate Social Responsibility.

33 Income Taxes

33.1 Income Tax recognized in Statement of Profit and Loss

(₹ In Million)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Current tax		
In respect of the current year	1,226.71	862.65
In respect of the earlier year	(3.91)	(88.65)
Deferred tax		
In respect of the current year	(80.93)	16.40
In respect of the earlier year	(8.39)	-
Total Income tax expense recognized in the Statement of Profit and Loss	**1,133.48**	**790.40**

33.2 Reconciliation of income tax expense of the year:

The tax charge shown in the statement of profit and loss differs from the tax charge that would apply if all the profits had been charged at India corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate is as follows:

(₹ In Million)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Profit before income tax expense	4,585.16	3,160.61
Income tax rate	25.168%	25.168%
Tax at statutory income tax rate	1,153.99	795.46
Tax effect of amounts which are non deductible/ not taxable in calculating taxable income		
CSR expense	10.05	6.56
Deduction u/s 80JJAA	(17.36)	(2.27)
Reversal of deferred tax liability on government securities	-	(5.03)
Provision for expenses and dobutful debts for which deferred tax was not created	(0.80)	(7.58)
Income tax impact of previous year	(3.91)	(88.65)
Deferred tax impact of previous year	(8.39)	90.93
Other differences	(0.10)	0.98
Income tax expense	**1,133.48**	**790.40**

34 Deferred tax

The following table shows deferred tax recorded in the Balance sheet and changes recorded in the Income tax expense:

(₹ In Million)

Deferred tax liability (net)	As at April 1, 2024	Recognized in Statement of Profit and Loss	Recognized in Securities Premium	Recognized in OCI	As at March 31, 2025
Deferred tax liability on account of:					
Depreciation and amortization	481.63	11.34	-	-	492.97
Unamortized processing fees on term loan	32.64	16.90	-	-	49.54
Unamortized Incentive	-	81.34	-	-	81.34
Remeasurement of net defined benefits	-	-	-	1.73	1.73
Mark to market gain on mutual funds	1.17	3.76	-	-	4.93
	515.44	**113.34**	**-**	**1.73**	**630.51**
Deferred tax asset on account of:					
Expected credit losses	228.49	54.71	-	-	283.20
Provision for expenses	7.47	(1.91)	-	-	5.56
Transaction cost of Loan assets	134.31	130.98	-	-	265.29
Deduction u/s 80JJAA	-	17.36	-	-	17.36
Derivative Financial Instrument	7.07	-	-	19.86	26.93
Deduction u/s 35D of Income Tax Act, 1961	25.39	-	(6.33)	-	19.06
Impact on account of leases	2.66	1.52	-	-	4.18
	405.39	**202.66**	**(6.33)**	**19.86**	**621.57**
Deferred tax liability (net) and expense/ credit for the year	**110.05**	**(89.32)**	**6.33**	**(18.13)**	**8.94**

(₹ In Million)

Deferred tax liability (net)	As at April 1, 2023	Recognized in Statement of Profit and Loss	Recognized in Securities Premium	Recognized in OCI	As at March 31, 2024
Deferred tax liability on account of:					
Depreciation and amortization	367.36	114.27	-	-	481.63
Unamortized processing fees on term loan	32.21	0.43	-	-	32.64
Income on sale of investment in PTC	1.00	(1.00)	-	-	-
Investment in government securities measured at amortized cost	5.03	(5.03)	-	-	-
Mark to market gain on mutual funds	0.31	0.86	-	-	1.17
	405.91	**109.53**	**-**	**-**	**515.44**
Deferred tax asset on account of:					
Expected credit losses	175.72	52.77	-	-	228.49
Provision for expenses	-	7.47	-	-	7.47
Transaction cost of Loan assets	100.22	34.09	-	-	134.31
Net movement on effective portion of cash flow hedge	-	-	-	7.07	7.07
Deduction u/s 35D of Income Tax Act, 1961	-	-	25.39	-	25.39
Impact on account of leases	3.86	(1.20)	-	-	2.66
	279.80	**93.13**	**25.39**	**7.07**	**405.39**
Deferred tax liability (net) and expense/ credit for the year	**126.11**	**16.40**	**(25.39)**	**(7.07)**	**110.05**

35 Other comprehensive income

(₹ In Million)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Other comprehensive income		
(A) Items that will not be reclassified to profit or loss		
- Remeasurement of the defined benefit plans	6.87	0.15
- Income tax relating to the remeasurement of defined benefit plans	(1.73)	(0.04)
(B) Items that will be reclassified to profit or loss		
- The effective portion of gains and loss on hedging instruments in a cash flow hedge	(78.92)	(28.10)
- Income tax relating to items that will be reclassified to profit or loss	19.86	7.07
Other comprehensive income for the year (net of tax)	**(53.92)**	**(20.92)**

36 Expected Credit Loss

36.1 Loan against Property

36.1.1 Credit quality of assets

(₹ In Million)

Particulars	As at March 31, 2025				As at March 31, 2024			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Internal rating grade*								
Performing								
High grade	56,896.37	-	-	**56,896.37**	45,210.97	-	-	**45,210.97**
Medium grade	-	1,878.93	-	**1,878.93**	-	1,533.62	-	**1,533.62**
Non-performing								
Individually impaired	-	-	1,928.39	**1,928.39**	-	-	1,318.01	**1,318.01**
Total #	**56,896.37**	**1,878.93**	**1,928.39**	**60,703.69**	**45,210.97**	**1,533.62**	**1,318.01**	**48,062.60**

36.1.2 An analysis of changes in the gross carrying amount and the corresponding Expected Credit Loss allowances in relation to lending is as follows:

(₹ In Million)

Particulars	As at March 31, 2025				As at March 31, 2024			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**45,210.97**	**1,533.62**	**1,318.01**	**48,062.60**	**32,453.00**	**1,033.73**	**936.14**	**34,422.87**
New assets originated/ Assets derecognized/ repaid (excluding write offs)	13,877.42	(153.30)	(636.09)	**13,088.03**	14,033.03	(65.78)	(257.53)	**13,709.72**
Transfers to Stage 1	228.86	(176.93)	(51.93)	**-**	101.90	(64.79)	(37.11)	**-**
Transfers to Stage 2	(1,087.23)	1,127.15	(39.92)	**-**	(753.06)	839.91	(86.85)	**-**
Transfers to Stage 3	(1,321.43)	(426.06)	1,747.49	**-**	(615.89)	(205.30)	821.19	**-**
Amounts written off (net of recovery)	(12.22)	(25.54)	(409.17)	**(446.93)**	(8.01)	(4.15)	(57.83)	**(69.99)**
Gross carrying amount closing balance #	**56,896.37**	**1,878.93**	**1,928.39**	**60,703.69**	**45,210.97**	**1,533.62**	**1,318.01**	**48,062.60**

Gross carrying amount includes staff loan of ₹ Nil (March 31, 2024 : ₹ 1.41 Million)

36.1.3 Reconciliation of Expected Credit Loss (ECL) balance is given below: (₹ In Million)

Particulars	As at March 31, 2025				As at March 31, 2024			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	277.22	104.70	565.18	**947.10**	211.74	101.56	349.82	**663.12**
New assets originated/ Assets derecognized/ repaid (excluding write offs)	(41.25)	17.14	684.59	**660.48**	61.81	(15.33)	314.64	**361.12**
Transfers to Stage 1	21.55	(3.20)	(18.35)	**-**	13.05	(0.81)	(12.24)	**-**
Transfers to Stage 2	(6.78)	21.81	(15.03)	**-**	(4.89)	32.06	(27.17)	**-**
Transfers to Stage 3	(8.47)	(12.34)	20.81	**-**	(4.00)	(11.52)	15.52	**-**
Amounts written off (net of recovery)	(0.43)	(4.35)	(392.85)	**(397.63)**	(0.49)	(1.26)	(75.39)	**(77.14)**
ECL allowance - closing balance	**241.84**	**123.76**	**844.35**	**1,209.95**	**277.22**	**104.70**	**565.18**	**947.10**

***Internal rating grades are classified on below basis**

Grade	Classification Basis	Stage
High grade	0-30 DPD	Stage 1
Medium grade	31-90 DPD	Stage 2
Individually impaired	>=91 DPD & Daily NPA	Stage 3

36.2 Loan against Gold

36.2.1 Credit quality of assets (₹ In Million)

Particulars	As at March 31, 2025				As at March 31, 2024			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Internal rating grade*								
Performing								
High grade	14,747.22	-	-	**14,747.22**	9,519.69	-	-	**9,519.69**
Medium grade	-	468.95	-	**468.95**	-	994.25	-	**994.25**
Non-performing								
Individually impaired	-	-	57.17	**57.17**	-	-	51.06	**51.06**
Total #	**14,747.22**	**468.95**	**57.17**	**15,273.34**	**9,519.69**	**994.25**	**51.06**	**10,565.00**

36.2.2 An analysis of changes in the gross carrying amount and the corresponding Expected Credit Loss allowances in relation to lending is as follows:

(₹ In Million)

Particulars	As at March 31, 2025				As at March 31, 2024			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**9,519.69**	**994.25**	**51.06**	**10,565.00**	**8,376.57**	**478.66**	**114.22**	**8,969.45**
New assets originated/ Assets derecognized/ repaid (excluding write offs)	5,340.99	(600.88)	(22.50)	**4,717.61**	1,223.17	445.64	(66.13)	**1,602.68**
Transfers to Stage 1	0.91	(0.91)	-	**-**	0.01	-	(0.01)	**-**
Transfers to Stage 2	(81.69)	81.69	-	**-**	(71.10)	71.12	(0.02)	**-**
Transfers to Stage 3	(32.10)	(4.88)	36.98	**-**	(8.96)	(0.77)	9.73	**-**
Amounts written off (net of recovery)	(0.58)	(0.32)	(8.37)	**(9.27)**	-	(0.40)	(6.73)	**(7.13)**
Gross carrying amount closing balance	**14,747.22**	**468.95**	**57.17**	**15,273.34**	**9,519.69**	**994.25**	**51.06**	**10,565.00**

36.2.3 Reconciliation of Expected Credit Loss (ECL) balance is given below: (₹ In Million)

Particulars	As at March 31, 2025				As at March 31, 2024			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	**29.99**	**16.72**	**10.64**	**57.35**	**35.25**	**2.54**	**18.33**	**56.12**
New assets originated	(4.63)	(9.07)	8.12	**(5.57)**	(4.92)	13.88	(1.58)	**7.38**
Transfers to Stage 1	0.01	(0.01)	-	**-**	-	-	-	**-**
Transfers to Stage 2	(0.24)	0.24	-	**-**	(0.30)	0.30	-	**-**
Transfers to Stage 3	(0.10)	(0.08)	0.18	**-**	(0.04)	-	0.04	**-**
Amounts written off (net of recovery)	(0.01)	(0.01)	(6.27)	**(6.28)**	-	-	(6.15)	**(6.15)**
ECL allowance - closing balance	**25.03**	**7.79**	**12.67**	**45.49**	**29.99**	**16.72**	**10.64**	**57.35**

***Internal rating grades are classified on below basis**

Grade	Classification Basis	Stage
High grade	0-30 DPD	Stage 1
Medium grade	31-90 DPD	Stage 2
Individually impaired	>=91 DPD & Daily NPA	Stage 3

36.3 Unsecured loan

36.3.1 Credit quality of assets (₹ In Million)

Particulars	As at March 31, 2025				As at March 31, 2024			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Internal rating grade*								
Performing								
High grade	303.12	-	-	**303.12**	695.30	-	-	**695.30**
Medium grade	-	30.76	-	**30.76**	-	70.23	-	**70.23**
Non-performing								**-**
Individually impaired	-	-	105.85	**105.85**	-	-	75.93	**75.93**
Total #	**303.12**	**30.76**	**105.85**	**439.73**	**695.30**	**70.23**	**75.93**	**841.46**

36.3.2 An analysis of changes in the gross carrying amount and the corresponding Expected Credit Loss allowances in relation to lending is as follows:

(₹ In Million)

Particulars	As at March 31, 2025				As at March 31, 2024			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**695.30**	**70.23**	**75.93**	**841.46**	**1,402.08**	**86.80**	**106.24**	**1,595.12**
New assets originated/ Assets derecognized/ repaid (excluding write offs)	(314.98)	(21.44)	(58.83)	**(395.25)**	(538.65)	(36.15)	(55.52)	**(630.32)**
Transfers to Stage 1	10.56	(8.30)	(2.26)	**-**	13.18	(9.96)	(3.22)	**-**
Transfers to Stage 2	(34.19)	35.43	(1.24)	**-**	(73.22)	75.25	(2.03)	**-**
Transfers to Stage 3	(53.26)	(44.32)	97.58	**-**	(66.05)	(18.40)	84.45	**-**
Amounts written off (net of recovery)	(0.31)	(0.84)	(5.33)	**(6.48)**	(42.04)	(27.31)	(53.99)	**(123.34)**
Gross carrying amount closing balance #	**303.12**	**30.76**	**105.85**	**439.73**	**695.30**	**70.23**	**75.93**	**841.46**

Gross carrying amount includes staff loan of ₹ 3.79 Million (March 31, 2024 : ₹ 9.14 Million)

36.3.3 Reconciliation of Expected Credit Loss (ECL) balance is given below: (₹ In Million)

Particulars	As at March 31, 2025				As at March 31, 2024			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	**19.95**	**9.10**	**70.65**	**99.70**	**20.37**	**8.11**	**86.62**	**115.10**
New assets originated/ Assets derecognized/ repaid (excluding write offs)	(8.42)	9.48	61.64	**62.70**	(0.91)	3.93	57.42	**60.44**
Transfers to Stage 1	2.66	(0.75)	(1.91)	**-**	3.23	(0.84)	(2.39)	**-**
Transfers to Stage 2	(0.99)	1.95	(0.96)	**-**	(1.06)	2.46	(1.40)	**-**
Transfers to Stage 3	(1.53)	(6.40)	7.93	**-**	(0.96)	(1.65)	2.61	**-**
Amounts written off (net of recovery)	(0.04)	(0.34)	(38.70)	**(39.08)**	(0.72)	(2.91)	(72.21)	**(75.84)**
ECL allowance - closing balance	**11.63**	**13.04**	**98.65**	**123.32**	**19.95**	**9.10**	**70.65**	**99.70**

***Internal rating grades are classified on below basis**

Grade	Classification Basis	Stage
High grade	0-30 DPD	Stage 1
Medium grade	31-90 DPD	Stage 2
Individually impaired	>=91 DPD & Daily NPA	Stage 3

37 Change in liabilities arising from financing activities

(₹ In Million)

Particulars	As at April 1, 2024	Cash Flow (Principal Component)	Cash Flow (Interest Component)	Interest Expenses	Amortization of Transaction Costs	Other Non-Cash Changes	As at March 31, 2025
Debt securities	3,949.59	7,070.00	(365.01)	685.10	(45.94)	-	11,293.74
Lease liabilities	107.02	(54.76)	(13.05)	13.05	-	122.04	174.30
Borrowings (other than debt securities)	36,010.62	5,323.91	(3,457.31)	3,493.45	(21.23)	-	41,349.44
Total liabilities from financing activities	**40,067.23**	**12,339.15**	**(3,835.37)**	**4,191.60**	**(67.17)**	**122.04**	**52,817.48**

(₹ In Million)

Particulars	As at April 1, 2023	Cash Flow (Principal Component)	Cash Flow (Interest Component)	Interest Expenses	Amortization of Transaction Costs	Other Non-Cash Changes	As at March 31, 2024
Debt securities	454.03	3,500.00	(51.06)	63.48	(16.86)	-	3,949.59
Lease liabilities	100.90	(51.54)	(8.85)	8.85	-	57.66	107.02
Borrowings (other than debt securities)	36,936.59	(1,003.22)	(3,370.82)	3,432.89	15.18	-	36,010.62
Total liabilities from financing activities	**37,491.52**	**2,445.24**	**(3,430.73)**	**3,505.22**	**(1.68)**	**57.66**	**40,067.23**

38 Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analyzed according to when they are expected to be recovered or settled. They have been classified to mature and/or be repaid within 12 months or after 12 months. With regard to loans and advances to customers, the Company uses the same basis of expected repayment as used for estimating the Effective Interest Rate (EIR).

(₹ In Million)

PARTICULARS	As at March 31, 2025			As at March 31, 2024		
ASSETS	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial Assets						
Cash and cash equivalents	2,653.98	-	**2,653.98**	2,241.86	-	**2,241.86**
Bank balances other than cash and cash equivalents	1,333.07	306.50	**1,639.57**	928.91	1,487.25	**2,416.15**
Trade receivables	148.06	-	**148.06**	145.80	-	**145.80**
Loans	25,137.16	49,903.78	**75,040.94**	19,330.12	39,034.79	**58,364.91**
Investments	3,052.66	215.63	**3,268.29**	4,061.10	210.50	**4,271.60**
Other financial asset	5.25	35.22	**40.47**	21.95	51.51	**73.46**
Non-Financial assets						
Current tax assets (net)	-	31.44	**31.44**	-	60.54	**60.54**
Property, plant and equipment	-	436.62	**436.62**	-	379.83	**379.83**
Intangible assets under development	-	5.78	**5.78**	-	15.27	**15.27**
Goodwill	-	2,603.92	**2,603.92**	-	2,603.92	**2,603.92**
Other intangible assets	-	38.32	**38.32**	-	14.95	**14.95**
Other non-financial assets	45.49	5.24	**50.73**	40.05	1.33	**41.38**
Total Assets	**32,375.67**	**53,582.45**	**85,958.12**	**26,769.78**	**43,859.89**	**70,629.67**
LIABILITIES						
Financial Liabilities						
Derivative financial instruments	98.45	-	**98.45**	45.13	-	**45.13**
Trade payables						
(i) total outstanding dues of micro enterprises and small enterprises	4.40	-	**4.40**	6.96	-	**6.96**
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	90.15	-	**90.15**	105.52	-	**105.52**
Other payables						
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	5.41	-	**5.41**	107.99	-	**107.99**
Debt securities	1,293.74	10,000.00	**11,293.74**	959.66	2,989.93	**3,949.59**
Borrowings (other than debt securities)	15,934.36	25,415.08	**41,349.44**	13,285.83	22,724.79	**36,010.62**
Other financial liabilities	969.82	153.04	**1,122.86**	2,390.39	64.84	**2,455.23**
Non-Financial Liabilities						
Current tax liabilities (net)	-	-	**-**	-	-	**-**
Provisions	2.92	-	**2.92**	2.26	-	**2.26**
Deferred tax liabilities (net)	-	8.94	**8.94**	-	110.05	**110.05**
Other non-financial liabilities	80.50	-	**80.50**	53.77	-	**53.77**
Total liabilities	**18,479.75**	**35,577.06**	**54,056.81**	**16,957.51**	**25,889.61**	**42,847.12**
Net	**13,895.92**	**18,005.39**	**31,901.31**	**9,812.28**	**17,970.28**	**27,782.55**

Capital Management

The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximize shareholder value. The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. Capital Management Policy, objectives and processes are under constant review by the Board. For details of Capital to Risk Assets Ratio (CRAR) [Refer Note 54.2]

39 Fair value measurements

Financial instruments by category

(₹ In Million)

Particulars	As at March 31, 2025				As at March 31, 2024			
	Fair value through Profit or Loss	Amortized cost	Fair value through Other Comprehensive Income	Total	Fair value through Profit or Loss	Amortized cost	Fair value through Other Comprehensive Income	Total
Financial Assets								
Investments								
- Mutual funds	1,990.64	-	-	**1,990.64**	1,416.57	-	-	**1,416.57**
- Treasury Bills	-	1,020.18	-	**1,020.18**	-	2,068.64	-	**2,068.64**
- Pass-through certificates	-	-	-	**-**	-	575.89	-	**575.89**
- Security receipts	257.47	-	-	**257.47**	-	-	-	**-**
Trade receivables	-	148.06	-	**148.06**	-	145.80	-	**145.80**
Loans	-	75,040.94	-	**75,040.94**	-	58,364.91	-	**58,364.91**
Cash and cash equivalents	-	2,653.98	-	**2,653.98**	-	2,241.86	-	**2,241.86**
Bank Balances other than cash and cash equivalents	-	1,639.57	-	**1,639.57**	-	2,416.15	-	**2,416.15**
Other financial assets	-	40.47	-	**40.47**	-	73.46	-	**73.46**
Total Financial Assets	**2,248.11**	**80,543.20**	**-**	**82,791.31**	**1,416.57**	**65,886.71**	**-**	**67,303.28**
Financial Liabilities								
Derivative financial instruments	-	-	98.45	**98.45**	-	-	45.13	**45.13**
Trade payables	-	94.55	-	**94.55**	-	112.48	-	**112.48**
Other payables	-	5.41	-	**5.41**	-	107.99	-	**107.99**
Debt securities	-	11,293.74	-	**11,293.74**	-	3,949.59	-	**3,949.59**
Borrowings (other than debt securities)	-	41,349.44	-	**41,349.44**	-	36,010.62	-	**36,010.62**
Other financial liabilities	-	1,122.86	-	**1,122.86**	-	2,455.23	-	**2,455.23**
Total Financial Liabilities	**-**	**53,866.00**	**98.45**	**53,964.45**	**-**	**42,635.91**	**45.13**	**42,681.04**

39.1 Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognized and measured at fair value and (b) measured at amortized cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

(₹ In Million)

Financial assets and liabilities measured at fair value - recurring fair value measurements	Note No.	Carrying Amount	Level 1	Level 2	Level 3	Total
As at March 31, 2025						
Financial assets						
Financial Investments at Fair Value Through Profit or Loss						
Mutual funds	7	1,990.64	1,990.64	-	-	**1,990.64**
Financial Assets at Amortized Cost						
Investment in Treasury Bills	7	1,020.18	1,020.18	-	-	**1,020.18**
Investment in Security receipts		257.47	257.47			**257.47**
Cash and cash equivalents	3	2,653.98	2,653.98	-	-	**2,653.98**
Bank Balances other than cash and cash equivalents	4	1,639.57	1,639.57	-	-	**1,639.57**
Trade receivables	5	148.06	-	-	148.06	**148.06**
Loans	6	75,040.94	-	-	77,062.94	**77,062.94**
Other financial assets	8	40.47	-	-	40.47	**40.47**
Total financial assets		**82,791.31**	**7,561.84**	**-**	**77,251.47**	**84,813.31**
Financial liabilities						
Financial Liabilities at Fair value through Other Comprehensive Income						
Derivative financial instruments	12	98.45	-	98.45	-	**98.45**
Financial Liabilities at Amortized Cost						
Trade payables	13	94.55	-	-	94.55	**94.55**
Other payables	13	5.41	-	-	5.41	**5.41**
Debt securities	14	11,293.74	-	-	11,293.74	**11,293.74**
Borrowings (other than debt securities)	15	41,349.44	-	-	41,349.44	**41,349.44**
Other financial liabilities	16	1,122.86	-	-	1,122.86	**1,122.86**
Total financial liabilities		**53,964.45**	**-**	**98.45**	**53,866.00**	**53,964.45**

(₹ In Million)

Financial assets and liabilities measured at fair value - recurring fair value measurements	Note No.	Carrying Amount	Level 1	Level 2	Level 3	Total
As at March 31, 2024						
Financial assets						
Financial Investments at Fair Value Through Profit or Loss						
Mutual funds	7	1,416.57	1,416.57	-	-	**1,416.57**
Financial Assets at Amortized Cost						
Investment in Government Securities	7	2,068.64	2,068.84	-	-	**2,068.84**
Investment in Pass-through Certificates	7	575.89	-	-	575.89	**575.89**
Cash and cash equivalents	3	2,241.86	2,241.86	-	-	**2,241.86**
Bank Balances other than cash and cash equivalents	4	2,416.15	2,416.15	-	-	**2,416.15**
Trade receivables	5	145.80	-	-	145.80	**145.80**
Loans	6	58,364.91	-	-	59,874.07	**59,874.07**
Other financial assets	8	73.46	-	-	73.46	**73.46**
Total financial assets		**67,303.28**	**8,143.42**	**-**	**60,669.22**	**68,812.64**
Financial liabilities						
Financial Liabilities at Fair value through Other Comprehensive Income						
Derivative financial instruments	12	45.13	-	45.13	-	**45.13**
Financial Liabilities at Amortized Cost						
Trade payables	13	112.48	-	-	112.48	**112.48**
Other payables	13	107.99	-	-	107.99	**107.99**
Debt securities	14	36,010.62	-	-	36,010.62	**36,010.62**
Borrowings (other than debt securities)	15	3,949.59	-	-	3,949.59	**3,949.59**
Other financial liabilities	16	2,455.23	-	-	2,455.23	**2,455.23**
Total financial liabilities		**42,681.04**	**-**	**45.13**	**42,635.91**	**42,681.04**

39.2 Valuation technique used to determine fair value

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to Level 3, as described below.

Quoted prices in an active market (Level 1): This level of hierarchy includes financial assets that are measured by reference to quoted prices (adjusted/unadjusted) for identical assets. This category consists of quoted mutual fund units and government securities.

Valuation techniques with observable inputs (Level 2): This level of hierarchy includes financial assets, measured using inputs other than quoted prices included within Level 1 that are observable for the asset, either directly (i.e.; as prices) or indirectly (i.e.; derived from prices). This category includes derivative financial instruments.

Valuation techniques with significant unobservable inputs (Level 3): This level of hierarchy includes financial assets measured using inputs that are not based on observable market data. Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. This category includes investment in Pass-through Certificates.

There has been no transfer between level 1, level 2 and level 3 for the year ended March 31, 2025 and March 31, 2024.

The carrying amounts of trade receivables, trade payables and cash and cash equivalents are considered to be the same as their fair values, due to their short-term nature.

The fair value of Loan approximates the carrying amount.

For financial assets and liabilities measured at fair value, the carrying amounts approximates the fair values.

40 Employee Benefits

(a) Defined Contribution plans

Provident Fund

The Company makes Provident Fund contributions to defined contribution retirement benefit plans for eligible employees. Under the schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions as specified under the law are paid to the Employee Provident Fund Organization (Government).

The Company recognized expense as contribution to provident fund amounting to ₹ 119.30 Million (March 31, 2024: ₹ 95.78 Million) in the statement of profit and loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

(b) Defined benefit plans

Gratuity Fund

Characteristics of defined benefit plan

The Company has a defined benefit gratuity plan in India (funded). The Company's defined benefit gratuity plan is a final salary plan for employees, which requires contributions to be made to SBFC Finance Limited employees group gratuity cash accumulation scheme."

Risks associated with defined benefit plan

Gratuity is a defined benefit plan and Company is exposed to the following risks:

A. Actuarial Risk: It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:

Adverse Salary Growth Experience: Salary hikes that are higher than the assumed salary escalation will result into an increase in Obligation at a rate that is higher than expected.

Variability in mortality rates: If actual mortality rates are higher than assumed mortality rate assumption than the Gratuity Benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cashflow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

Variability in withdrawal rates: If actual withdrawal rates are higher than assumed withdrawal rate assumption than the Gratuity Benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

B. Investment Risk: For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

C. Liquidity Risk: Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign/ retire from the Company there can be strain on the cashflows.

D. Market Risk: Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate/ government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

E. Legislative Risk: Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/regulation. The government may amend the Payment of Gratuity Act thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the Defined Benefit Obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

During the year ended March 31, 2025 and March 31, 2024, there were no plan amendments, curtailments and settlements.

The Life Insurance Corporation is managing the Gratuity Plan and the contributions to it is done as guided by rule 103 of Income Tax Rules, 1962.

Other Post Retirement Benefit Plan

The details of the Company's post-retirement benefit plans for its employees including whole-time directors are given below which is as certified by the actuary and relied upon by the auditors.

(c) Code on Social Security

The Indian parliament has approved Code on Social Security, 2020 ("the Code") which would impact the contributions by the Company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020 and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

(₹ In Million)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Change in the Benefit Obligations:		
Liability at the beginning of the year	42.87	31.26
Current service cost	13.13	12.05
Interest cost	2.91	2.18
Benefits paid	(4.13)	(2.15)
Actuarial gains - due to change in financials assumptions	0.99	0.37
Actuarial gains - due to change in demographic assumptions	(6.37)	-
Actuarial losses - due to experience adjustments	(1.88)	(0.84)
Liability at the end of the year	**47.52**	**42.87**
Fair value of plan assets:		
Fair value of plan assets at the beginning of the year	40.61	29.94
Interest income	3.31	2.52
Actual return on plan assets	(0.39)	(0.32)
Contributions	8.68	10.62
Benefits paid	(4.13)	(2.15)
Fair value of plan assets at the end of the year	**48.08**	**40.61**
Actual return on plan assets:		
Expected return on plan assets	-	-
Actuarial loss on plan assets	-	-
Actual return on plan assets	(0.39)	(0.32)
Reconciliation of the Liability Recognized in the Balance Sheet:		
Opening net Liability/ (Asset)	2.26	1.32
Transfer in obligation	-	-
Expense recognized in Profit and Loss	12.73	11.71
Expense recognized in Other Comprehensive Income	(6.87)	(0.15)
Contribution by the Company	(8.68)	(10.62)
Benefits paid by the Company / Insurance Companies	-	-
Amount recognized in the Balance Sheet under Liabilities/ (Assets) as on March 31, 2025: (₹ 0.56 Million) (March 31, 2024: ₹ 2.26 Million) [Refer Note 11 and Note 18]	**(0.56)**	**2.26**

(₹ In Million)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Expense Recognized in the Statement of Profit and Loss:		
Current service cost	13.13	12.05
Interest cost (net)	(0.40)	(0.34)
Expense recognized in the Statement of Profit and Loss	**12.73**	**11.71**

(₹ In Million)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Expense Recognized in the Statement of Other Comprehensive Income:		
Due to change in financial assumptions	0.99	0.37
Due to change in demographic assumptions	(6.37)	-
Due to experience adjustments	(1.88)	(0.84)
Return on plan assets, excluding interest income	0.39	0.32
Net (Income)/ Expense for the year recognized in Statement of Other Comprehensive Income	**(6.87)**	**(0.15)**

Amount Recognized in the Balance Sheet: (₹ In Million)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Liability at the end of the year	47.52	42.87
Fair Value of Plan Assets at the end of the year	48.08	40.61
Amount recognized in the Balance Sheet	(0.56)	2.26
Experience Adjustment :		
On Plan Liabilities	-	-
On Plan Assets	-	-
Estimated contribution for next year	(0.56)	2.26

Investment Pattern: % Invested

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Policy of Insurance	100%	100%
Total	**100%**	**100%**

Based on the above allocation and the prevailing yields on these assets, the long term estimate of the expected rate of return on fund assets has been arrived at March 31, 2025: 6.55% (March 31, 2024: 7.20%)

Principal Assumptions: (% p.a.)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Discount rate	6.55%	7.20%
Return on plan assets	6.55%	7.20%
Salary escalation	7.50%	7.50%
Withdrawal Rate (as per age band)		
25 & Below	20.00%	20.00%
25 to 35	40.00%	20.00%
35 to 45	40.00%	20.00%
45 to 55	20.00%	10.00%
55 & Above	-	5.00%

The estimate of future salary increase, considered in the actuarial valuation takes account of inflation, seniority, promotion and other relevant factors.

Sensitivity Analysis:

(₹ In Million)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Projected Benefit Obligation on Current Assumptions		
Delta Effect of +0.50% Change in Rate of Discounting	46.76	41.67
Delta Effect of -0.50% Change in Rate of Discounting	48.32	44.14
Delta Effect of +0.50% Change in Rate of Salary Gowth	48.10	43.81
Delta Effect of -0.50% Change in Rate of Salary Growth	46.96	41.91
Delta Effect of +10% Change in Withdrawal Rate	46.47	42.15
Delta Effect of -10% Change in Withdrawal Rate	48.68	43.62

The sensitivity analysis have been performed by varying a single parameter while keeping all other parameters unchanged.

The sensitivity analysis presented above fails to focus on the inter-relationship between underlying parameters. Hence, the results may vary if two or more variables are changed simultaneously.

Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognized in the balance sheet.

Maturity Analysis of the Benefit Payments from the Fund:

(₹ In Million)

Projected Benefits Payable in Future Years From the Date of Reporting	For the year ended March 31, 2025	For the year ended March 31, 2024
1st Following Year	11.27	4.83
2nd Following Year	9.33	4.60
3rd Following Year	8.31	4.88
4th Following Year	7.91	5.54
5th Following Year	4.52	6.44
Sum of Years 6 to 10	14.86	22.72

41 Employee Stock Option

In accordance with resolution approved by the shareholders, the Company has reserved shares, for issue to employees through ESOP Scheme. On the approval of Nomination and Remuneration Committee (NRC), each ESOP scheme is issued. The NRC has approved below stock option schemes. Under the term of the schemes, the Company may issue stock options to employees and directors of the Company, each of which is convertible into one equity share.

Employee Stock Option Plans

A summary of the general terms of grants under stock options plans are as under: -

Particulars	SBFC Stock Option Policy I 2018		SBFC Stock Option Policy II 2018		SBFC Stock Option Policy 2021- I		SBFC Stock Option Policy 2021- II		SBFC STOCK OPTION POLICY 2021 - III - Special Grant		SBFC Stock Option Policy 2021- IV		SBFC Stock Option Policy 2021- V		SBFC Stock Option Policy 2023- I		SBFC Stock Option Policy 2023- II		SBFC Stock Option Policy 2023- III	
Number of options under the Plan	1,08,40,000		4,05,60,000		30,25,000		63,75,000		29,75,000		1,42,91,666		1,05,00,000		60,00,000		2,03,00,000		48,00,000	
Exercise Price (in ₹)	12.50		12.50		19.00		40.00		40.00		21.45		40.00		55.00		55.00		INR 87.33 and INR 84.67	
Fair Value of options as at Grant Date (in ₹)	(Refer fair value table below)		4.58		6.60		11-Jan-22 : 2.60; 21-Apr-22 : 13.27; 19-Nov-22: 13.36		11-Jan-22 : 3.80; 21-Apr-22 : 16.40; 19-Nov-22:: 16.33		7.60		3.80		24-Feb-23: 11.85; 26-Apr-23: 19.01; 12-Jul-23: 19.55		24.17		19-Apr-24: 24.42; 24-Oct-24: 19.79	
Maximum Term of Options Granted	Refer Note 41.1		Refer Note 41.3		Refer Note 41.1		Refer Note 41.2		Refer Note 41.2		Refer Note 41.2		Refer Note 41.2		Refer Note 41.1		Refer Note 41.1		Refer Note 41.4	
Method of Settlement	Equity settled		Equity settled		Equity settled		Equity settled		Equity settled		Equity settled		Equity settled		Equity settled		Equity settled		Equity settled	
Grant Date	1 Oct 18 to 26 May 21		1-Oct-18		30-Oct-21		11-Jan-22, 21-Apr-22 & 19-Nov-22		11-Jan-22, 21-Apr-22 & 19-Nov-22		23-Dec-21		23-Dec-21		24-Feb-23; 26-Apr-23 & 12-Jul-23		12-Jul-23		19-Apr-24 & 24-Oct-24	
Vesting requirements (No of months from Grant Date & Vesting schedule)	**(Refer vesting schedule below)**	**Months**	**Vesting Schedule**	**Months**	**Vesting Schedule**	**Months**	**Vesting Schedule**	**Months**	**Vesting Schedule**	**Months**	**Vesting Schedule**	**Months**	**Vesting Schedule**	**Months**	**Vesting Schedule**	**Months**	**Vesting Schedule**	**Months**	**Vesting Schedule**	
		12	50%	12	25.0%	12	25.00%	24	25.00%	24	25.000%	24	25.000%	12	25.00%	27	12.50%	12	25.00%	
		24	25%	15	5.0%	15	6.25%	27	6.25%	27	9.375%	27	9.375%	15	6.25%	30	12.50%	15	6.25%	
		30	25%	18	5.0%	18	6.25%	30	6.25%	30	9.375%	30	9.375%	18	6.25%	33	12.50%	18	6.25%	
				21	7.5%	21	6.25%	33	6.25%	33	9.375%	33	9.375%	21	6.25%	36	12.50%	21	6.25%	
				24	7.5%	24	6.25%	36	6.25%	36	9.375%	36	9.375%	24	6.25%	39	12.50%	24	6.25%	
				27	10.0%	27	6.25%	39	6.25%	39	9.375%	39	9.375%	27	6.25%	42	12.50%	27	6.25%	
				30	10.0%	30	6.25%	42	6.25%	42	9.375%	42	9.375%	30	6.25%	45	12.50%	30	6.25%	
				33	15.0%	33	6.25%	45	6.25%	45	9.375%	45	9.375%	33	6.25%	48	12.50%	33	6.25%	
				36	15.0%	36	6.25%	48	6.25%	48	9.375%	48	9.375%	36	6.25%			36	6.25%	
						39	6.25%	51	6.25%					39	6.25%			39	6.25%	
						42	6.25%	54	6.25%					42	6.25%			42	6.25%	
						45	6.25%	57	6.25%					45	6.25%			45	6.25%	
						48	6.25%	60	6.25%					48	6.25%			48	6.25%	

Fair value as at Grant Date for SBFC Stock Option Policy I 2018:

Grant Date	1-Oct-18	1-Oct-18	24-Dec-18	24-Dec-18	15-Mar-19	29-May-19	15-Feb-20	30-Mar-20	23-Dec-20	26-May-21
Fair Value of options as at Grant Date (in ₹)	3.61	3.55	3.31	3.24	3.13	4.07	4.30	4.52	3.95	8.90

Vesting schedule for SBFC Stock Option Policy I 2018:

Grant Date	1-Oct-18	1-Oct-18	24-Dec-18	24-Dec-18	15-Mar-19	29-May-19	15-Feb-20	30-Mar-20	23-Dec-20	26-May-21
12 months	17.5%	25.0%	17.5%	25.0%	25.0%	25.0%	17.5%	25.0%	25.0%	25.0%
15 months	7.5%	5.0%	7.5%	5.0%	5.0%	5.0%	7.5%	5.0%	5.0%	5.0%
18 months	7.5%	5.0%	7.5%	5.0%	5.0%	5.0%	7.5%	5.0%	5.0%	5.0%
21 months	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%
24 months	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%
27 months	7.5%	10.0%	7.5%	10.0%	10.0%	10.0%	7.5%	10.0%	10.0%	10.0%
30 months	7.5%	10.0%	7.5%	10.0%	10.0%	10.0%	7.5%	10.0%	10.0%	10.0%
33 months	7.5%	15.0%	7.5%	15.0%	15.0%	15.0%	7.5%	15.0%	15.0%	15.0%
36 months	10.0%	15.0%	10.0%	15.0%	15.0%	15.0%	10.0%	15.0%	15.0%	15.0%
39 months	10.0%	-	10.0%	-	-	-	10.0%	-	-	-
42 months	10.0%	-	10.0%	-	-	-	10.0%	-	-	-

41.1 If Vesting prior to IPO then upto 6 months from date of IPO, If Vesting after IPO then upto 6 months from date of Vesting

41.2 If Vesting prior to IPO then within 12 months from the date of the IPO, If Vesting after IPO then within 12 months from the date of the Vesting

41.3 If Vesting prior to IPO then 24 months from date of IPO, If Vesting after IPO then 6 months from date of Vesting

41.4 Upto 6 months from date of Vesting

41.5 Method used for accounting for shared based payment plan:

The Company uses fair value to account for the compensation cost of stock options to employees of the Company.

41.6 Fair value methodology:

The fair value of options have been estimated on the dates of each grant using the Black-Scholes model. The shares of Company are not listed on any stock exchange. Accordingly, the Company had considered the volatility of the Company's stock price based on historical volatility of similar listed enterprises. The various assumptions considered in the pricing model for the stock options granted by the Company are:

Particulars	SBFC Stock Option Policy I 2018	SBFC Stock Option Policy II 2018	SBFC Stock Option Policy 2021- I	SBFC Stock Option Policy 2021- II	SBFC STOCK OPTION POLICY 2021 - III - Special Grant	SBFC Stock Option Policy 2021- IV	SBFC Stock Option Policy 2021- V	SBFC Stock Option Policy 2023- I	SBFC Stock Option Policy 2023- II	SBFC Stock Option Policy 2023- III
Dividend yield	(Refer table below)	-	-	-	-	-	-	-	-	-
Expected volatility		20.00%	49.18%	45.67%	46.78%	48.77%	48.77%	54.83%	53.66%	33.28%
Risk free interest rate		8.00%	4.55%	5.45%	5.85%	5.07%	5.07%	7.42%	7.24%	7.26%
Expected life of the option		5 years	3 years 6 months	5 years	6 years	5 years	5 years	4 years 6 months	4 years 6 months	4 years 6 months

Fair value methodology for SBFC Stock Option Policy I 2018:

Grant Date	1-Oct-18	1-Oct-18	24-Dec-18	24-Dec-18	15-Mar-19	29-May-19	15-Feb-20	30-Mar-20	23-Dec-20	26-May-21
Dividend yield	-	-	-	-	-	-	-	-	-	-
Expected volatility	20.00%	20.00%	20.00%	20.00%	20.00%	36.45%	37.43%	43.92%	49.24%	52.61%
Risk free interest rate	8%	7.87%	7.08%	7.07%	7.06%	6.34%	5.43%	5.11%	4.33%	4.50%
Expected life of the option	4 years	3 years 6 months	4 years	3 years 6 months	3 years 6 months	3 years 6 months	4 years	3 years 6 months	3 years 6 months	3 years 6 months

41.7 Option Movement during the year ended March 31, 2025

Particulars	SBFC Stock Option Policy I 2018	SBFC Stock Option Policy II 2018	SBFC Stock Option Policy 2021- I	SBFC Stock Option Policy 2021- II	SBFC Stock Option Policy 2021 - III - Special Grant	SBFC Stock Option Policy 2021- IV	SBFC Stock Option Policy 2021- V	SBFC Stock Option Policy 2023- I	SBFC Stock Option Policy 2023- II	SBFC Stock Option Policy 2023- III	Weighted average exercise price (₹)
Exercise Price per Share (in ₹)	12.50	12.50	19.00	40.00	40.00	21.45	40.00	55.00	55.00	87.28	-
No. of options outstanding at April 1, 2024	54,000	-	11,80,000	35,18,114	24,29,625	1,27,60,417	89,25,000	50,40,004	2,03,00,000	-	42.16
Options granted during the year	-	-	-	-	-	-	-	-	-	48,74,000	87.28
Options exercised during the year	54,000	-	9,97,500	13,00,580	6,39,181	50,08,461	36,09,375	16,86,505	-	-	33.23
Options forfeited/ lapsed during the year	-	-	77,500	2,09,987	30,028	-	-	4,61,125	-	2,74,000	57.33
Number of options outstanding at March 31, 2025	**-**	**-**	**1,05,000**	**20,07,547**	**17,60,416**	**77,51,956**	**53,15,625**	**28,92,374**	**2,03,00,000**	**46,00,000**	**49.38**

Option Movement during the year ended March 31, 2024

Particulars	SBFC Stock Option Policy I 2018	SBFC Stock Option Policy II 2018	SBFC Stock Option Policy 2021- I	SBFC Stock Option Policy 2021- II	SBFC Stock Option Policy 2021 - III - Special Grant	SBFC Stock Option Policy 2021- IV	SBFC Stock Option Policy 2021- V	SBFC Stock Option Policy 2023- I	SBFC Stock Option Policy 2023- II	Weighted average exercise price (₹)
Exercise Price per Share (in ₹)	12.50	12.50	19.00	40.00	40.00	21.45	40.00	55.00	55.00	-
No. of options outstanding at April 1, 2023	42,87,500	3,80,60,000	27,63,000	61,25,250	29,25,500	1,42,91,666	1,05,00,000	57,30,000	-	23.45
Options granted during the year	-	-	-	-	-	-	-	1,40,000	2,03,00,000	55.00
Options exercised during the year	(41,56,000)	(3,80,60,000)	(14,30,000)	(23,15,574)	(3,29,875)	(15,31,249)	(15,75,000)	(3,44,996)	-	15.59
Options forfeited/ lapsed during the year	(77,500)	-	(1,53,000)	(2,91,562)	(1,66,000)	-	-	(4,85,000)	-	41.65
Number of options outstanding at March 31, 2024	**54,000**	**-**	**11,80,000**	**35,18,114**	**24,29,625**	**1,27,60,417**	**89,25,000**	**50,40,004**	**2,03,00,000**	**42.16**

41.8 The following table summarizes information about stock option plans:-

Policy Name	Exercise Price (₹)	Year ended March 31, 2025		Year ended March 31, 2024	
		Numbers	Weighted Average Remaining Life (Months)*	Numbers	Weighted Average Remaining Life (Months)*
SBFC Stock Option Policy I 2018	12.50	-	-	54,000	1.46
SBFC Stock Option Policy II 2018	12.50	-	-	-	-
SBFC Stock Option Policy 2021- I	19.00	1,05,000	-	11,80,000	3.30
SBFC Stock Option Policy 2021- II	40.00	20,07,547	4.35	35,18,114	8.53
SBFC Stock Option Policy 2021 - III - Special Grant	40.00	17,60,416	9.92	24,29,625	12.04
SBFC Stock Option Policy 2021- IV	21.45	77,51,956	3.04	1,27,60,417	7.67
SBFC Stock Option Policy 2021- V	40.00	53,15,625	3.25	89,25,000	7.67
SBFC Stock Option Policy 2023- I	55.00	28,92,374	10.48	50,40,004	11.54
SBFC Stock Option Policy 2023- II	55.00	2,03,00,000	17.14	2,03,00,000	15.36
SBFC Stock Option Policy 2023- III	87.28	46,00,000	15.59	-	-

Notes:-

*Weighted Average Remaining life represents the life for vesting. Exercise period life is in addition to the vesting life.

During the year 2018-19 & 2021-22, the Company has provided loan to the Employee welfare trust for purchase of shares issued by the Company. These shares will be vested to the employee and will be settled through issue of own equity instrument.

The charge under employee benefit expense for the year ended 31 March 2025 amounted to ₹ 238.59 Million (March 31, 2024: ₹ 224.43 Million)

42 Segment Information

The Company operates mainly in the business segment of fund based financing activity. All other activities revolve around the main business. Further, all activities are carried out within India. During the current year, the Company has obtained Certificate of Registration dated November 25, 2024 from IRDAI to act as a 'Corporate Agent (Composite)' under the Insurance Act, 1938. The Company will now be able to solicit insurance products to its customers as a Corporate Agent. As such, there are no separate reportable segments as per the provisions of Ind AS 108 on 'Operating Segments'.

43 Related party disclosures

(a) Key management personnel of the Company

Key management personnel are those individuals who have the authority and responsibility for planning and exercising power to directly or indirectly control the activities of the Company and its employees. The Company includes the members of the Board of Directors which include independent directors (and its sub-committees) and Executive Committee to be key management personnel for the purposes of Ind AS 24 Related Party Disclosures.

Sr No	Name of Key Management Personnel	Designation
1	Mr. Aseem Dhru	Managing Director & CEO
2	Mr. Neeraj Swaroop	Independent Director and Chairperson
3	Mr. Rajesh Mannalal Agrawal	Independent Director
4	Ms. Surekha Marandi	Independent Director (w.e.f. September 23, 2022)
5	Mr. Ravi Venkatraman	Independent Director (w.e.f. February 21, 2024)
6	Mr. Koni Uttam Nayak	Independent Director (w.e.f. March 26, 2024)
7	Mr. Arjun Sakhuja	Nominee Director (upto March 29, 2024)
8	Mr. John Mescall	Non-Executive Nominee Director
9	Mr. Jonathan Tadeusz Tatur	Non-Executive Nominee Director
10	Mr. Amol Krishna Jain	Director (upto February 21, 2024)
11	Mr. Mahesh Dayani	Additional & Executive Director (w.e.f February 28, 2025)
12	Mr. Narayan Barasia	Chief Financial Officer
13	Ms. Namrata Sajnani	Company Secretary (w.e.f. August 08, 2024)
14	Mr. Jay Mistry	Company Secretary (upto August 07, 2024)

(b) Related parties where control exists:

1	Holding Company	SBFC Holdings Pte. Limited
2	Subsidiary Company	SBFC Home Finance Private Limited (w.e.f. December 06, 2022 till January 27, 2025)
3	Entities in which KMP Exercise Significant Influence	Arpwood Partners Investment Advisors LLP (upto February 21, 2024)
		Arpwood Capital Private Limited (upto February 21, 2024)
		Arpwood Consultants LLP (upto February 21, 2024)
		Eight45 Services LLP (upto February 21, 2024)
4	Post-employment benefit plan	SBFC Finance Private Limited Employees GGCA Scheme
5	Controlled Employee Welfare trust	SBFC Employee Welfare Trust

(c) Related party transactions

(₹ In Million)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Key Management Personnel		
Sitting Fees:		
Mr. Neeraj Swaroop	1.90	2.80
Mr. Rajesh Mannalal Agrawal	0.50	1.00
Ms. Surekha Marandi	1.60	2.60
Mr. Ravi Venkatraman	2.00	0.30
Mr. Uttam Koni Nayak	1.30	-
Remuneration to KMPs:		
Mr. Aseem Dhru	64.10	58.23
Mr. Mahesh Dayani	2.31	-
Mr. Narayan Barasia	29.24	25.03
Ms. Namrata Sajnani	2.92	-
Mr. Jay Mistry	0.83	2.58
Employee Share Based Payment:		
Mr. Aseem Dhru	67.61	69.10
Mr. Mahesh Dayani	3.87	-
Mr. Narayan Barasia	33.16	28.48
Ms. Namrata Sajnani	0.09	-
Mr. Jay Mistry	(0.24)	0.25
ESOP Exercise through ESOP trust:		
Mr. Narayan Barasia	-	8.88
Share Application money pending allotment		
Mr. Aseem Dhru	32.17	-
Issue of Equity Share Capital:		
Mr. Aseem Dhru	117.97	338.00
Mr. Narayan Barasia	29.78	26.47
Mr. Jay Mistry	0.13	1.41

(₹ In Million)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Controlled Employee Welfare trust		
Loan repaid:		
Trustee of Employee welfare Trust	19.63	79.12
Post-employment benefit plan		
Gratuity:		
SBFC Finance Private Limited Employees GGCA Scheme	8.68	10.62
Subsidiary Company		
Investment In Equity Share Capital:		
SBFC Home Finance Private Limited	-	210.00
Reimbursement of Expenses paid on behalf of subsidiary:		
SBFC Home Finance Private Limited	2.85	-
Expenses paid on behalf of Subsidiary:		
SBFC Home Finance Private Limited	0.01	2.15
Other Income:		
SBFC Home Finance Private Limited	0.28	-

Related party balances (₹ In Million)

Particulars	As at March 31, 2025	As at March 31, 2024
Loan given		
Trustee of Employee welfare trust	12.76	32.39
Other Receivables		
SBFC Home Finance Private Limited	-	2.84
Investment In Equity Share Capital:		
SBFC Home Finance Private Limited	-	210.50

44 Leases

44.1 The changes in the carrying value of right of use assets are as follows: (₹ In Million)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Balance as at beginning of the year	**99.73**	**89.87**
Impact of restatments	-	-
Addition during the year	136.80	62.60
Deletion/ Termination during the year	(93.00)	(8.52)
Depreciation charge for the year	(54.90)	(49.78)
Depreciation on deletion/ termination	85.87	5.56
Balance as at end of the year	**174.50**	**99.73**

44.2 The following is the movement in lease liabilities: (₹ In Million)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Balance as at beginning of the year	**107.02**	**100.90**
Addition during the year	128.72	60.11
Deletion/ Termination during the year	(6.68)	(2.45)
Finance cost accrued during the year	13.05	8.85
Payment made during the year	(67.81)	(60.39)
Balance as at end of the year	**174.30**	**107.02**

44.3 Contractual maturities of lease liabilities on an undiscounted basis:

Maturity Profile of Lease liabilities: (₹ In Million)

Lease Liabilities	Less than 1 year	1 year to 3 years	3 years to 5 years	5 years and above	Total
31 March 2025	69.67	71.46	50.86	30.71	**222.71**
31 March 2024	55.97	62.72	1.37	0.75	**120.81**

44.4 Impact of Ind AS 116 in the Statement of Profit and Loss:

(i) Rental expense recorded for short-term leases for the year ended March 31, 2025 was ₹ 58.51 Million (March 31, 2024: ₹ 49.36 Million)

(ii) The aggregate depreciation on Right to use assets has been included under depreciation and amortisation expense in the Statement of Profit and Loss.

(iii) The aggregate interest on Lease liabilities has been included under Finance costs in the Statement of Profit and Loss.

45 In accordance with Ind AS 33- Earnings per Share, the computation of earnings per share is set out below:

Particulars			For the year ended March 31, 2025	For the year ended March 31, 2024
Net Profit after tax as per Statement of Profit and Loss	(A)	₹ in Million	3,451.68	2,370.21
Weighted average number of equity shares for calculating Basic EPS	(B)	Nos.	1,07,72,03,019	1,01,06,91,659
Add: Equity shares for no consideration arising on grant of stock options under ESOP		Nos.	1,90,11,349	2,21,84,168
Weighted average number of equity shares for calculating Diluted EPS	(C)	Nos.	1,09,62,14,368	1,03,28,75,826
Basic earnings per equity share (in ₹) (Face value of ₹ 10 per share)	(A)/(B)	₹ per share	3.20	2.35
Diluted earnings per equity share (in ₹) (Face value of ₹ 10 per share)	(A)/(C)	₹ per share	3.15	2.29

46 As on the date of balance sheet, there were no internal or external indications exists that require management to assess the recoverability amount of the asset. Therefore, the Company believes no impairment of assets is required as per Ind AS 36 "Impairment of Assets".

The Company has carried impairment testing by discounting the projected future cash flows and has enough head room against the carrying amount of ₹ 2,603.92 Million. Considering the head room that the Company has, there is no need for impairment. Therefore, there is no Impairment of Goodwill in the books as on March 31, 2025 and March 31, 2024.

47 Contingent Liabilities and other commitments to the extent not provided for: (₹ In Million)

Particulars	As at March 31, 2025	As at March 31, 2024
(a) Contingent liabilities		
Claims against the Company not acknowledged as Debts	24.40	13.89
(b) Capital commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	10.23	14.92
Commitments related to loans sanctioned but undrawn	721.98	-
Other Commitments	-	-

47.1 The Company's pending litigations comprise of claims against the Company by the customers and proceedings pending with other authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable, in the financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial statements.

48 Risk Disclosures

The Company's risk is managed through an integrated risk management framework, including ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Company's continuing profitability and each individual within the Company is accountable for the risk exposures relating to his or her responsibilities. The Company is exposed to credit risk, liquidity risk, interest rate risk and price risk. It is the Company's policy to ensure that a robust risk awareness is embedded in its organizational risk culture.

48.1 Credit risk

Credit risk is the risk that the Company will incur a loss because its customers or counterparties fail to discharge their contractual obligations. The Company manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties.

48.1.1 Impairment assessment

During the current year, the Company has made refinement in the ECL model and said changes have been updated in the ECL policy which is duly approved by the audit committee. However, there is no material impact on the financial statements of the Company.

Exposure at Default

EAD is taken as the gross exposure under a facility upon default of an obligor. The amortized principal and the interest accrued is considered as EAD for the purpose of ECL computation

The advances have been bifurcated into following three stages:

Stage 1

All exposures where there has not been a significant increase in credit risk since initial recognition or that has low credit risk at the reporting date and that are not credit impaired upon origination are classified under this stage. The Company classifies all standard advances and advances up to 0-30 days default under this category. Stage 1 loans also include facilities where the credit risk has improved, and the loan has been reclassified from Stage 2.

Stage 2

All exposures where there has been a significant increase in credit risk since initial recognition but are not credit impaired are classified under this stage. Financial assets past due for 31-90 days are classified under this stage. The Company uses the below criteria for assessing movement to Stage 2:

a) Financial assets past due between 31-90

b) The Company becomes aware about any deterioration in the financial condition and reputation of the obligor which the management believes may lead to significant deterioration in credit risk

Stage 3

All exposures 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 are classified in this stage. For exposures that have become credit impaired, a lifetime ECL is recognised and interest revenue is calculated by applying the effective interest rate to the amortised cost (net of provision) rather than the gross carrying amount. Stage 3 is considered where "Contractual payments of principal and/or interest are past due for more than 90 days.

Non performing Asset classification is done in line with Reserve Bank of India Master Circular on Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances and Clarifications dated November 12, 2021 and dated February 15, 2022."

Significant increase in credit risk

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss.

The Company has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. The Company does the assessment of significant increase in credit risk at a borrower level. If a borrower has various facilities having different past due status, then the highest days past due (DPD) is considered to be applicable for all the facilities of that borrower."

PD estimation process

Probability of default ("PD") is defined as the likelihood of default over a particular time horizon. The PD of an obligor is a fundamental risk parameter in credit risk analysis and depends on obligor specific as well as macroeconomic risk factors. The impact of macroeconomic criteria on the PD results in two different PD estimates, through-the-cycle ("TTC") and the point-in-time ("PIT") PD. A TTC PD estimate remains largely unaffected by the economic cycle, while a PIT PD estimate varies with the economic cycle.

Loss given default

The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

48.1.2 Analysis of risk concentration - Refer Note 54.16.3

48.1.3 Collateral and other credit enhancements

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Company has Guidelines in place covering the acceptability and valuation of each type of collateral. The Company also adheres to the RBI guidelines in respect of maintenance of adequate Loan to Value Ratios.

The main types of collateral for loans are Registered / equitable mortgage of property, Hypothecation of assets including Gold. Management monitors the market value of collateral and requests additional collateral in accordance with the underlying agreement.

In case of defaults by customers, where the Company is unable to recover the dues, the Company through a legal process enforces the security and recover the dues.

48.2 Liquidity risk and funding management

Liquidity risk is defined as the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Company might be unable to meet its payment obligations when they fall due as a result of mismatches in the timing of the cash flows under both normal and stress circumstances. Such scenarios could occur when funding needed for illiquid asset positions is not available to the Company on acceptable terms. To limit this risk, management has arranged for diversified funding sources and adopted a policy of managing assets with liquidity in mind and monitoring future cash flows and liquidity on a daily basis.

Liquidity risk is managed in accordance with our Asset Liability Management Policy. This policy is framed as per the current regulatory guidelines and is approved by the Board of Directors. The Asset Liability Management Policy is reviewed periodically to incorporate changes as required by regulatory stipulation or to realign the policy with changes in the economic landscape. The Company also maintains LCR in accordance with RBI guidelines and board approved Liquidity risk framework. The Asset Liability Committee (ALCO) of the Company formulates and reviews strategies, LCR and provides guidance for management of liquidity risk within the framework laid out in the Asset Liability Management Policy.

Analysis of financial assets and liabilities by remaining contractual maturities is provided in **Note 38**

Maturity Profile of financial liabilities:

The table below summarises the maturity profile of the Company's financial liabilities on discounted basis

(₹ In Million)

March 31, 2025	Less than 1 year	1 year to 3 years	3 years to 5 years	5 years and above	Total
Derivative financial instruments	98.45	-	-	-	**98.45**
Trade Payables	94.55	-	-	-	**94.55**
Other Payables	5.41	-	-	-	**5.41**
Debt securities	1,293.74	10,000.00	-	-	**11,293.74**
Borrowings other than debt securities	15,705.12	20,430.44	3,146.31	127.85	**39,409.73**
Collateralized borrowings	229.24	527.49	423.15	759.85	**1,939.72**
Other financial liabilities	1,003.09	55.93	39.81	24.04	**1,122.86**
Total	**18,429.60**	**31,013.86**	**3,609.27**	**911.73**	**53,964.45**

(₹ In Million)

March 31, 2024	Less than 1 year	1 year to 3 years	3 years to 5 years	5 years and above	Total
Derivative financial instruments	45.13	-	-	-	**45.13**
Trade Payables	112.48	-	-	-	**112.48**
Other Payables	107.99	-	-	-	**107.99**
Debt securities	959.66	2,989.93	-	-	**3,949.59**
Borrowings other than debt securities	13,053.91	17,907.78	2,270.07	165.89	**33,397.65**
Collateralized borrowings	231.92	555.25	614.59	1,211.21	**2,612.97**
Other financial liabilities	2,397.79	55.56	1.21	0.66	**2,455.23**
Total	**16,908.88**	**21,508.52**	**2,885.87**	**1,377.76**	**42,681.04**

48.3 Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments.

The core business of the Company is providing loan against property, loan against gold and personal loans. The Company borrows through various financial instruments to finance its core lending activity. These activities expose the Company to interest rate risk.

Interest rate risk is measured through earnings at risk from an earnings perspective and through duration of equity from an economic value perspective. Further, exposure to fluctuations in interest rates is also measured by way of gap analysis, providing a static view of the maturity and re-pricing characteristic of Balance sheet positions. An interest rate sensitivity gap report is prepared by classifying all rate sensitive assets and rate sensitive liabilities into various time period categories according to contracted/ behavioural maturities or anticipated re-pricing date. The difference in the amount of rate sensitive assets and rate sensitive liabilities maturing or being re-priced in any time period category, gives an indication of the extent of exposure to the risk of potential changes in the margins on new or re-priced assets and liabilities. The interest rate risk is monitored on a quarterly basis.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates (all other variables being considered as constant) of the Company's statement of profit and loss and equity.

(₹ In Million)

For the year ended	Hypothetical Increase / (decrease) in basis points	Impact in profit or loss		Impact in equity	
For the year ended March 31, 2025					
Borrowings (₹)	25/ (25)	(74.30)	74.30	(55.60)	55.60
	50/ (50)	(148.60)	148.60	(111.20)	111.20
Loans (₹)	25/ (25)	132.22	(132.22)	98.94	(98.94)
	50/ (50)	264.43	(264.43)	197.88	(197.88)
Investments in PTC (₹)	-	-	-	-	-
	-	-	-	-	-

(₹ In Million)

For the year ended	Hypothetical Increase / (decrease) in basis points	Impact in profit or loss		Impact in equity	
For the year ended March 31, 2024					
Borrowings (₹)	25/ (25)	(55.10)	55.10	(41.23)	41.23
	50/ (50)	(110.19)	110.19	(82.46)	82.46
Loans (₹)	25/ (25)	101.19	(101.19)	75.72	(75.72)
	50/ (50)	202.39	(202.39)	151.45	(151.45)
Investments in PTC (₹)	25/ (25)	3.67	(3.67)	2.75	(2.75)
	50/ (50)	7.33	(7.33)	5.49	(5.49)

48.4 Foreign Currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign currency rates. The Company is mainly exposed to changes in USD. The below table demonstrates the sensitivity to a 5% increase or decrease in the respective foreign currency rates against INR, with all other variables held constant. The sensitivity analysis is prepared on the net unhedged exposure of the Company as at the reporting date. 5% represents management's assessment of reasonably possible change in foreign exchange rate.The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the foreign currency borrowings from banks and vendor payments. The Company has hedged its foreign currency exposure arising from bank borrowings through forward contracts in such a manner that it has fixed determinate outflows in its functional currency and as such there would be no significant impact of movement in foreign currency rates on the Company.

As of balance sheet date, Company's net foreign currency exposure expressed in INR that is not hedged is ₹ Nil (31 March 2024 - Nil)

(₹ In Million)

Foreign Currency	Hypothetical Increase / (decrease) by %	Impact in profit or loss		Impact in equity	
For the year ended March 31, 2025					
Currency Sensitivity - USD	5/ (5)	-	-	-	-
For the year ended March 31, 2024					
Currency Sensitivity - USD	5/ (5)	-	-	-	-

49 Transferred financial assets that are not derecognized in their entirety

The Company has entered into securitization arrangements to transfer the part of its portfolio of Loan against property. The terms of the arrangement included over collateralization of the assets of the Company through lien on Fixed deposits. Since the Company had retained significant risk in the transfer of the portfolio, the asset is retained in the books. Consequently, the amount received as sale consideration is shown as Collateralized borrowings in the financial statements.

(₹ In Million)

Securitisations	As at March 31, 2025	As at March 31, 2024
Carrying amount of transferred assets measured at amortised cost	2,275.74	2,951.40
Carrying amount of associated liabilities	1,939.72	2,612.97
Fair value of assets	2,293.38	2,976.41
Fair value of associated liabilities	1,939.72	2,612.97

50 Disclosure pursuant to Reserve Bank of India notification RBI/2021-22/31 DOR.STR. REC.11/21.04.048/2021-22 dated 5 May 2021 read with Notification no.RBI/2020-21/16 DOR. No.BP.BC/3/21.04.048/2020-21 dated August 06, 2020.

(₹ In Million)

Type of Borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of September 30, 2024 (A)	Of (A), aggregate debt that slipped into NPA during the half year	Of (A) amount written off during the half year	Of (A) amount paid by the borrowers during the half year	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of March 31, 2025
Personal Loans #	25.29	0.22	-	1.11	24.19
Corporate persons*	-	-	-	-	-
Of which MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	**25.29**	**0.22**	**-**	**1.11**	**24.19**

* As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

This represents Salaried customers.

(₹ In Million)

Type of Borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of March 31, 2024 (A)	Of (A), aggregate debt that slipped into NPA during the half year	Of (A) amount written off during the half year	Of (A) amount paid by the borrowers during the half year	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of September 30, 2024
Personal Loans #	36.31	3.75	0.75	10.27	25.29
Corporate persons*	-	-	-	-	-
Of which MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	**36.31**	**3.75**	**0.75**	**10.27**	**25.29**

* As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

This represents Salaried customers.

(₹ In Million)

Type of Borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of September 30, 2023 (A)	Of (A), aggregate debt that slipped into NPA during the half year	Of (A) amount written off during the half year	Of (A) amount paid by the borrowers during the half year	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of March 31, 2024
Personal Loans #	38.20	0.87	0.86	1.02	36.31
Corporate persons*	-	-	-	-	-
Of which MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	**38.20**	**0.87**	**0.86**	**1.02**	**36.31**

* As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

This represents Salaried customers.

(₹ In Million)

Type of Borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of March 31, 2023 (A)	Of (A), aggregate debt that slipped into NPA during the half year	Of (A) amount written off during the half year	Of (A) amount paid by the borrowers during the half year	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of September 30, 2023
Personal Loans #	44.84	-	1.13	5.51	38.20
Corporate persons*	-	-	-	-	-
Of which MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	**44.84**	**-**	**1.13**	**5.51**	**38.20**

* As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

This represents Salaried customers.

51 Disclosure pursuant to RBI notification No. RBI/DOR/2021-22/86 DOR.STR.REC.51 /21.04.048/2021-22 dated September 24, 2021

Details of stressed loans transferred during the year ended March 31, 2025

(₹ in million)

Particulars	To ARCs
No. of accounts	894
Aggregate principal outstanding of loans transferred	764.88
Weighted average residual tenor of the loans transferred	10.69
Net book value of loans transferred (at the time of transfer)	404.87
Aggregate consideration	420.40
Additional consideration realized in respect of accounts transferred in earlier years	-

52 Following are the additional disclosures required as per Schedule III to the Companies Act, 2013 vide Notification dated March 24, 2021:

52.1 Relationship with Struck off Companies:

To the best of the abilities, the Company has not identified any relationship with Company except mentioned below which has been struck off by the respective Registrar of Companies and such information is available vide public notice (Form No. STK-7) u/s 248 of the Act.

(₹ In Million)

Sr No	Name of Struck off Company	Nature of transaction	As at March 31, 2025	As at March 31, 2024	Relationship with the struck off Company, if any, to be disclosed
1	Fulgent Interior Private Limited	Loan given	1.14	1.28	Borrower
2	S S Institute of Technical Studies Private Limited	Loan given	2.39	2.41	Borrower

52.2 Registration of charges or satisfaction with Registrar of Companies (ROC):

There was no delay in filing form for charge creation/modification/satisfaction for the year ended March 31, 2025 and year ended March 31, 2024.

52.3 The Company has borrowings from banks and financial institutions on the basis of security of current assets and the quarterly returns filed by the Company with the banks and financial institutions are in accordance with the unaudited books of account of the Company for the respective quarters for the current year.

(₹ In Million)

Quarter ended	Nature of current Assets/ Liabilities where differences were observed	Amount as per books of account	Amount disclosed as per quarterly return/ statement	Difference	Reasons for material variance
Mar-25	Total Borrowings	50,766.25	50,767.42	(1.17)	Note-1

Note 1: The difference is arising on account of restatment of ECB Liability on spot rate as on reporting date. Provisonal quarterly statement have been submitted to lenders. The Company is in process of submission of updated quarterly statement.

(₹ In Million)

Quarter ended	Nature of current Assets/ Liabilities where differences were observed	Amount as per books of account	Amount disclosed as per quarterly return/ statement	Difference	Reasons for material variance
Mar-24	Loan against Property Receivable	48,588.56	48,652.10	(63.54)	Note-1

Note 1: Provisonal quarterly statement have been submitted to lenders. The Company is in process of submission of updated quarterly statement.

52.4 The Company has taken borrowings from banks and financial institutions and utilised them for the specific purpose for which they were taken as at the Balance sheet date. Unutilised funds as at March 31, 2025 are held by the Company in the form of bank balances, debt mutual funds and short term fixed deposits till the time the utilisation is made subsequently.

52.5 Details of Benami Property held:

No proceedings have been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder, as at March 31, 2025 and March 31, 2024.

52.6 Wilful Defaulter:

The Company is not a declared wilful defaulter by any bank or financial Institution or other lender, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India, during the year ended March 31, 2025 and March 31, 2024.

52.7 Compliance with number of layers of companies:

The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

52.8 Undisclosed Income:

There have been no transactions which have not been recorded in the books of accounts, that have been surrendered or disclosed as income during the year ended March 31, 2025 and March 31, 2024, in the tax assessments under the Income Tax Act, 1961. There have been no previously unrecorded income and related assets which were to be properly recorded in the books of account during the year ended March 31, 2025 and March 31, 2024.

52.9 Details of Crypto Currency or Virtual Currency:

The Company has not traded or invested in Crypto currency or Virtual Currency during the year ended March, 31 2025 and March 31, 2024.

52.10 Title Deeds of Immovable Properties not held in the name of the Company:

The Company does not hold any immovable property as on March 31, 2025 and March 31, 2024. All the lease agreements are duly executed in favour of the Company for properties where the Company is the lessee.

52.11 Revaluation of Property, plant and equipment and Intangible assets

There is no revaluation of Property, plant and equipment and other intangible assets during the year ended March 31, 2025 and March 31, 2024.

52.12 Utilisation of Borrowed funds and share premium:

As a part of normal lending business, the Company grants loans and advances on the basis of security/ guarantee provided by the Borrower/ co-borrower and makes investments. These transactions are part of Company's normal non-banking finance business, which is conducted ensuring adherence to all regulatory requirements.

52.13 (a) Other than the transactions described above, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries).

(b) The Company has also not received any fund from any parties (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

52.14 Analytical Ratios

	Numerator	Denominator	March 31, 2025	March 31, 2024	% Variance
Capital to Risk Weighted Assets Ratio	Total Capital Funds	Total Risk weighted assets	36.10%	40.52%	(10.91%)
Tier I Capital	Aggregate Tier I Capital (Net Owned Fund)	Total Risk weighted assets	36.10%	40.52%	(10.91%)
Tier II Capital	Aggregate Tier II Capital	Total Risk weighted assets	-	-	-
LCR			261.09%	236.78%	10.27%

53 Disclosure of Restructured Accounts as per Appendix III-D of Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 (Updated as on February 27, 2025)

(₹ In Million)

Sl No.	Other than SME and CDR Debt Restructuring Mechanism		March 31, 2025					March 31, 2024				
	Asset Classification		Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total
	Details											
1	Restructured Accounts as on April 1 of the FY (opening figures)*	No. of borrowers	654	259	-	-	**913**	792	313	-	-	**1,105**
		Amount outstanding	571.42	173.83	-	-	**745.25**	655.87	260.32	-	-	**916.19**
		Provision thereon	84.60	81.55	-	-	**166.15**	97.18	99.02	-	-	**196.20**
2	Fresh restructuring/ repayments during the year	No. of borrowers	(99)	(173)	-	-	**(272)**	(84)	(65)	-	-	**(149)**
		Amount outstanding	(88.32)	(133.26)	-	-	**(221.58)**	(72.16)	(81.31)	-	-	**(153.47)**
		Provision thereon	(11.34)	(59.14)	-	-	**(70.48)**	(10.82)	(11.07)	-	-	**(21.89)**
3	Upgradations to restructured standard category during the year	No. of borrowers	18	(18)	-	-	**-**	48	(48)	-	-	**-**
		Amount outstanding	18.50	(18.28)	-	-	**0.22**	54.04	(57.35)	-	-	**(3.31)**
		Provision thereon	2.79	(6.92)	-	-	**(4.13)**	8.00	(18.15)	-	-	**(10.15)**

(₹ In Million)

Sl No.	Other than SME and CDR Debt Restructuring Mechanism		March 31, 2025					March 31, 2024				
	Asset Classification		Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total
	Details											
4	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	No. of borrowers	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-
5	Downgradations of restructured accounts during the FY	No. of borrowers	(44)	23	21	-	-	(93)	93	-	-	-
		Amount outstanding	(20.70)	10.19	8.66	-	**(1.86)**	(65.57)	63.60	-	-	**(1.97)**
		Provision thereon	(3.05)	2.85	6.91	-	**6.72**	(9.65)	22.85	-	-	**13.20**
6	Write-offs of restructured accounts during the FY	No. of borrowers	-	(27)	-	-	**(27)**	(9)	(34)	-	-	**(43)**
		Amount outstanding	-	(9.19)	-	-	**(9.19)**	(0.76)	(11.43)	-	-	**(12.19)**
		Provision thereon	-	(9.18)	-	-	**(9.18)**	(0.11)	(11.10)	-	-	**(11.21)**
7	Restructured Accounts as on March 31 of the FY (closing figures*)	**No. of borrowers**	**529**	**64**	**21**	**-**	**614**	**654**	**259**	**-**	**-**	**913**
		Amount outstanding	**480.91**	**23.28**	**8.66**	**-**	**512.85**	**571.42**	**173.83**	**-**	**-**	**745.25**
		Provision thereon	**73.01**	**9.17**	**6.91**	**-**	**89.08**	**84.60**	**81.55**	**-**	**-**	**166.15**

*Excluding the figures of Standard Restructured Advances which do not attract higher provisioning or risk weight (if applicable).

Note:

(a) Since the disclosure of restructured advance account pertains to section "Others", the section "Under CDR Mechanism" and "Under SME Debt Restructuring Mechanism" as per format prescribed in the guidelines are not included above.

(b) Provision has been considered as per ECL.

54 Disclosure as per Annex XXII of Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 (Updated as on February 27, 2025)

54.1 Summary of Material accounting policies

The accounting policies regarding key areas of operations are disclosed as Note 2 to the standalone financial statements.

54.2 Capital

(₹ In Million)

Particulars		As at March 31, 2025	As at March 31, 2024
(i)	CRAR (%)	36.10%	40.52%
(ii)	CRAR - Tier 1 Capital (%)	36.10%	40.52%
(iii)	CRAR - Tier 2 Capital (%)	-	-
(iv)	Amount of subordinated debt raised as Tier - 2 capital	-	-
(v)	Amount raised by issue of Perpetual Debt Instruments	-	-

54.3 Investments

(₹ In Million)

Particulars		As at March 31, 2025	As at March 31, 2024
Value of Investments			
(i)	Gross Value of Investments		
	(a) In India	3,268.29	4,271.60
	(b) Outside India	-	-
(ii)	Provisions for Depreciation		
	(a) In India	-	-
	(b) Outside India	-	-
(iii)	Net Value of Investments		
	(a) In India	3,268.29	4,271.60
	(b)Outside India	-	-
Movement of provisions held towards depreciation on investments			
(i)	Opening balance	-	-
(ii)	**Add:** Provisions made during the year	-	-
(iii)	**Less:** Write-off / write-back of excess provisions during the year	-	-
(iv)	Closing balance	-	-

54.4 Derivatives

54.4.1 Forward Rate Agreement / Interest Rate Swap

(₹ In Million)

Particulars		As at March 31, 2025	As at March 31, 2024
(i)	The notional principal of swap agreements	-	-
(ii)	Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	-	-
(iii)	Collateral required by the NBFC upon entering into swaps	-	-
(iv)	Concentration of credit risk arising from the swaps	-	-
(v)	The fair value of the swap book	-	-

54.4.2 Exchange Traded Interest Rate (IR) Derivatives

(₹ In Million)

Particulars		As at March 31, 2025	As at March 31, 2024
(i)	Notional principal amount of exchange traded IR derivatives undertaken during the year	-	-
(ii)	Notional principal amount of exchange traded IR derivatives outstanding as at end of the year	-	-
(iii)	Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective"	-	-
(iv)	Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective"	-	-

54.4.3 Disclosures on Risk Exposure in Derivatives

Qualitative Disclosures

The Company has a Board approved policy in dealing with derivative transactions. Derivative transaction consists of hedging of foreign exchange transactions, which includes forward contracts. The Company undertakes derivative transactions for hedging on-balance sheet assets and liabilities. Such outstanding derivative transactions are accounted on accrual basis over the life of the underlying instrument. The Asset Liability Management Committee and Risk Management Committee closely monitors such transactions and reviews the risks involved.

The Company has entered into derivative agreement to mitigate the foreign exchange risk pertaining to foreign currency borrowing. The description of risk policies and risk mitigation strategies are disclosed in note 48.4 of the financial statements.

(₹ In Million)

Particulars		As at March 31, 2025	As at March 31, 2024
(i)	Derivatives (Notional Principal Amount) For Hedging	(9,337.29)	(8,337.39)
(ii)	Marked to Market Positions		
	a) Asset (+)	-	-
	b) Liability (-)	-	-
(iii)	Credit Exposure	-	-
(iv)	Unhedged Exposures (Refer Note 48.1.5)	-	-

54.5 Asset Liability Management Maturity pattern of certain items of Assets and Liabilities (₹ In Million)

	1 to 7 days	8 to 14 days	15 to 30/ 31 days	Over 1 month and upto 2 months	Over 2 months and upto 3 months	Over 3 months and upto 6 months	Over 6 months and upto 1 year	Over 1 year and upto 3 years	Over 3 years and upto 5 years	Over 5 years	Total
Asat March 31, 2025											
Advances [Refer Notes ii and iv below]	2,109.22	575.44	1,393.56	2,531.87	2,556.51	7,644.57	8,325.99	18,109.08	19,084.97	12,709.73	**75,040.94**
Investment [Refer Notes ii and iv below]	2,496.88	-	-	-	6.44	6.44	542.90	141.61	74.02	-	**3,268.29**
Borrowings	285.57	63.17	177.32	1,561.80	(4,421.02)	3,966.22	7,927.46	26,101.53	6,714.23	887.70	**43,263.97**
Foreign Currency liabilities [Refer Notes iii and vi below]	41.92	-	-	-	7,625.66	-	-	856.40	855.23	-	**9,379.21**
As at March 31, 2024											
Advances [Refer Notes ii and iv below]	1,200.56	386.29	919.13	1,574.35	1,678.57	6,691.38	6,879.84	16,213.44	22,068.51	752.84	**58,364.91**
Investment [Refer Notes ii and iv below]	1,916.22	64.56	-	61.68	61.98	576.73	1,379.93	-	-	210.50	**4,271.60**
Borrowings	120.17	26.98	85.19	584.25	(6,034.34)	3,856.41	7,222.79	21,452.96	2,884.66	1,377.10	**31,576.17**
Foreign Currency liabilities	46.65	-	-	-	8,337.39	-	-	-	-	-	**8,384.04**

Notes

i Maturity pattern of assets and liability has been compiled by management on contractual payment basis and relied upon by the auditors.

ii Amount shown in the tables are after netting off the provision.

iii Amount disclosed represents the amortised cost of the borrowings and foreign currency liabilities as per Ind AS as given in Note 2.4 of the standalone financial statement.

iv Amount disclosed represents the amortised cost of loans and advances and Investments and fair value in case of FVTPL instruments as per Ind AS as given in Note 2.4 of the standalone financial statements.

v Assets and liabilities bifurcation into various buckets is based on RBI guidelines.

vi Foreign Currency Liability (borrowing in foreign currency) will get converted into Rupee term loan in the month of June 2025 as per agreement with the bank and therefore, Foreign Currency Liability shown as paid and corresponding liabilities towards payment of term loan has been created and shown under Borrowings in same period. External Commercial Borrowing is considerd Fully Hedge in reference to the Swap transaction entered with RBL Bank Ltd.

54.6 Exposures

54.6.1 Exposure to Real Estate Sector (₹ In Million)

Particulars	As at March 31, 2025	As at March 31, 2024
Direct Exposure:		
(i) Residential Mortgages		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	54,206.89	42,334.58
(ii) Commercial Real Estate		
Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based limits	6,496.80	5,728.02
(iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures -		
a. Residential	-	-
b. Commercial Real Estate	-	-
Total Exposure to Real Estate sector	**60,703.69**	**48,062.60**

54.6.2 Exposures to Capital Market (₹ In Million)

Particulars		As at March 31, 2025	As at March 31, 2024
(i)	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	-	-
(ii)	Advances against shares/ bonds/ debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-	-
(iii)	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-
(iv)	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares/ convertible bonds/ convertible debentures/ units of equity oriented mutual funds 'does not fully cover the advances;	-	-
(v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
(vi)	Loans sanctioned to corporates against the security of shares/ bonds/ debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
(vii)	Bridge loans to companies against expected equity flows/ issues;	-	-
(viii)	All exposures to Venture Capital Funds (both registered and unregistered) Total Exposure to Capital Market	-	-
Total Exposure to Capital Market		**-**	**-**

54.6.3 Details of financing of parent Company products

The Company does not finance parent Company products

54.6.4 Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the NBFC (₹ In Million)

Single borrower limit exceeded during the year	Name of the Company	Outstanding Loans and Advances
The Company has not exceeded Single Borrower Limit (SGL) / Group Borrower Limit (GBL) during the year March 31, 2025 (March 31, 2024: Nil)	-	-

54.6.5 Unsecured Advances

Gross carrying amount of Unsecured Loans as on March 31, 2025 is ₹ 439.73 (March 31, 2024: ₹ 841.46 Million). There are no advances secured against intangible assets.

54.7 Registration obtained from other financial sector regulators

Sr No	Regulator	Registration No.	Valid Upto
1	Insurance Regulatory and Development Authority of India	CA0995 (to act as a Corporate Agent- Composite)	November 24, 2027

54.8 Disclosure of Penalties imposed by RBI and other regulators

There is no other instance of penalty or stricture imposed on the Company by RBI or any other regulatory on matter during the current year.

The Company had, suo moto, filed a compounding application dated January 25, 2021 with the Registrar of Companies ("RoC") under the Companies Act. The Compounding Application pertained to compounding the offence committed under Section 179(3)(d) and Section 179(3)(f) of the Companies Act, 2013 read with Secretarial Standards 1 on "Meetings of the Board of Directors" with respect to items of business which should not have been passed by a circular resolution. In accordance with the second explanation to paragraph 1.3.8 and the explanation to paragraph 6.1.1 of the Secretarial Standards 1, items of business in relation to borrowing money other than by issue of debentures and providing security in respect of loans should be placed in a board meeting of a company and shall not be passed by a circular resolution. In contravention of the above, our Company had passed certain circular resolutions to avail credit and loan facilities. By way of order signed on May 31, 2023, the RoC has disposed off the Compounding Applications and the offences thereunder have been compounded, after payment of fees of ₹ 0.97 million by the Company and the KMP's.

There is no other instance of penalty or stricture imposed on the Company by RBI or any other regulatory during the previous year.

54.9 Related Party Transaction

Refer Note 43 for details in relation to Related party transactions.

54.10 Ratings assigned by credit rating agencies and migration of ratings during the year ended:

Facility	31-Mar-25		
	ICRA	IndiaRatings	CARE
Bank Loan & Non - Convertible Debentures Rating	[ICRA]AA-(Stable)	Ind AA- (Stable)	[CARE]AA-(Stable)
Facility	**31-Mar-24**		
	ICRA	IndiaRatings	CARE
Bank Loan & Non - Convertible Debentures Rating	[ICRA]A+(Stable)	Ind AA- (Stable)	[CARE]A+(Positive)

54.11 Remuneration to Directors

Refer Note 43 (d) for details in relation to remuneration to Directors.

54.12 Management

Refer Director's report for the relevant disclosures.

54.13 Net profit or loss for the period, prior period items and changes in accounting policies

There are no prior period items that have impact on the current year's or previous year's profit and loss.

54.14 Revenue Recognition

There is no transaction in which the Revenue recognition has been postponed or pending the resolution of significant uncertainty.

54.15 Indian Accounting Standard 110 -Consolidated Financial Statements (CFS)

SBFC Home Finance, a wholly-owned subsidiary of the company is in the process of voluntary liquidation, and the official liquidator had been appointed on January 27, 2025 for this process. The liquidator has completed the process of realization of assets and liabilities. Consequently, the net proceeds of the realization have been distributed to the Company on March 27, 2025. Accordingly, the Company has derecognised the investment and the resultant surplus has been recorded as gain on voluntary liquidation of subsidiary.

54.16 Additional disclosures

54.16.1 Provisions and Contingencies

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Statement of Profit and Loss:

(₹ In Million)

Particulars		As at March 31, 2025	As at March 31, 2024
(a)	Provisions for depreciation on Investment	-	-
(b)	Provision towards NPA*	309.19	191.70
(c)	Provision made towards income tax	1,214.41	774.00
(d)	Other provisions and Contingencies	-	-
(e)	Provision for gratuity	12.73	11.71
(f)	Provision for leave encashment	-	-
(g)	Provision for depreciation	168.08	134.14
(h)	Provision for standard assets	(39.06)	78.11

*excluding recovery form Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) Scheme ₹ Nil (March 31, 2024 ₹ Nil)

54.16.2 Draw Down from Reserves

The Company has not drawn down any reserves during the current or previous year.

54.16.3 Concentration of Deposits, Advances, Exposures and NPAs

(a) Concentration of Deposits (for deposit taking NBFCs) (₹ In Million)

Particulars	As at March 31, 2025	As at March 31, 2024
Total Deposits of twenty largest depositors	-	-
Percentage of Deposits of twenty largest depositors to Total Deposits of the NBFC	-	-

Note: The Company is not a deposit taking NBFC and has not obtained any deposits from public

(b) Concentration of Advances (₹ In Million)

Particulars	As at March 31, 2025	As at March 31, 2024
Total Advances to twenty largest borrowers	231.20	268.58
Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	0.30%	0.45%

(c) Concentration of Exposures (₹ In Million)

Particulars	As at March 31, 2025	As at March 31, 2024
Total Exposure to twenty largest borrowers/ customers	231.20	268.58
Percentage of Exposures to twenty largest borrowers/ customers to Total Exposure of the NBFC on borrowers / customers	0.30%	0.45%

(d) Concentration of NPAs (₹ In Million)

Particulars	As at March 31, 2025	As at March 31, 2024
Total Exposure to top four NPA accounts	32.70	38.80

(e) Sector wise NPAs (₹ In Million)

Sector		Percentage of NPAs to Total Advances in that sector	
		As at March 31, 2025	As at March 31, 2024
1	Agriculture & allied activities	-	-
2	MSME	2.40%	2.20%
3	Corporate borrowers	-	-
4	Services	3.25%	2.80%
5	Unsecured personal loans	24.07%	9.02%
6	Auto loans	-	-
7	Other loans	0.37%	0.48%

(f) Movement of NPAs (₹ In Million)

Particulars	As at March 31, 2025	As at March 31, 2024
Net NPAs to Net Advances (%)	1.51%	1.37%
Movement of NPAs (Gross)		
(a) Opening balance	1,445.00	1,156.60
(b) Additions during the year	1,882.05	915.37
(c) Reductions during the year	(1,235.64)	(626.97)
(d) Closing balance	2,091.41	1,445.00
Movement of Net NPAs		
(a) Opening balance	798.53	701.83
(b) Additions during the year	1,106.90	525.14
(c) Reductions during the year	(769.70)	(428.44)
(d) Closing balance	1,135.74	798.53
Movement of provisions for NPAs (excluding provisions on standard assets)		
(a) Opening balance	646.47	454.77
(b) Provisions made during the year	775.15	390.23
(c) Write-off/ write-back of excess provisions	(465.94)	(198.53)
(d) Closing balance	955.67	646.47

54.16.4 Overseas Assets

The Company does not have any overseas assets.

54.16.5 Off Balance sheet SPVs sponsored (which are required to be consolidated as per accounting norms)

The Company does not have SPVs sponsored (which are required to be consolidated as per accounting norms)

54.16.6 Customer Complaints

Particulars	As at March 31, 2025	As at March 31, 2024
(a) No. of complaints pending at the beginning of the year	-	2
(b) No. of complaints received during the year	218	753
(c) No. of complaints redressed during the year	217	755
(d) No. of complaints pending at the end of the year*	1	-

*Subsequently redressed

54.16.7 Disclosure of Frauds reported during the year vide DNBS.PD.CC NO.256/03.10.042/2011-12 Dated March 02, 2012

Instances of fraud reported upto March 31, 2025: (₹ In Million)

Nature of fraud	No. of cases	Amount of fraud	Recovery	Amount write off
Misappropriation and criminal breach of trust & Cheating and Forgery	6	3.51	0.18	NIL

Six fraud cases have been identified and reported to the RBI. These cases involved misrepresentations such as concealment of existing loans against the same collateral, submission of vacant land in place of residential property, tampered KYC documents, unauthorized collection of disbursed loan amounts, and bypassing mandatory borrower consent. Additionally, one case involved a third-party employee falsely promising loans in exchange for upfront cash. In response, SBFC Finance Ltd. has implemented several preventive actions, including enhanced due diligence such as boundary verification, SRO record checks, Encumbrance Certificate validation, utility bill reviews, and third-party/ neighborhood validations. Further, internal process improvements like borrower in-person verifications, employee training, and clearer customer declarations have been enforced to prevent recurrence of such incidents.

55 Disclosure pursuant to Reserve Bank of India notification RBI/DNBR/2016-17/45 Master Direction DNBR.PD.008/03.10.119/2016-17 updated as on 29 December 2022 pertaining to gold loans.

(₹ In Million)

Particulars	As at March 31, 2025	As at March 31, 2024
No of loan Accounts auctioned*	1,517	5,198
Outstanding Loan Amount	83.97	290.21
Sale Consideration received on auction of gold	113.34	372.88

*There is no sister concern participation in any of the above accounts.

56 Disclosure of provisions required under IRACP and impairment allowances made under Ind AS 109 as per Annex II of Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 (Updated as on February 27, 2025)

(₹ In Million)

Asset Classification as per RBI Norms as at 31 March 2025	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS 109	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7) = (4)-(6)
Performing Assets						
Standard	Stage 1	71,946.74	275.60	71,671.14	291.03	(15.43)
	Stage 2	2,377.09	143.02	2,234.07	33.84	109.18
Subtotal		**74,323.83**	**418.62**	**73,905.21**	**324.87**	**93.75**
Non-Performing Assets (NPA)						
Substandard	Stage 3	1,852.19	788.30	1,063.89	188.14	600.16
Doubtful						
up to 1 year	Stage 3	193.52	130.96	62.56	55.85	75.11
1 to 3 years	Stage 3	35.63	26.46	9.17	14.01	12.45
More than 3 years	Stage 3	7.78	7.64	0.14	7.80	(0.16)
Subtotal for doubtful		**236.93**	**165.06**	**71.87**	**77.66**	**87.40**
	Stage 2	1.55	1.56	(0.01)	1.56	-
Loss	Stage 3	2.28	2.30	(0.02)	2.30	-
Subtotal for NPA		**2,091.40**	**955.66**	**1,135.74**	**268.10**	**687.56**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms.	Stage 1	-	2.92	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		**-**	**2.92**	**-**	**-**	**-**
Total	**Stage 1**	**71,946.74**	**278.52**	**71,671.14**	**291.03**	**(15.43)**
	Stage 2	**2,378.64**	**144.58**	**2,234.06**	**35.40**	**109.18**
	Stage 3	**2,091.40**	**955.66**	**1,135.74**	**268.10**	**687.56**
	Total (refer below note)	**76,416.78**	**1,378.76**	**75,040.94**	**594.53**	**781.31**

Notes:

In respect of loans granted by the Company:

- the schedule of repayment of principal and payment of interest has been duly stipulated and the repayments of principal amounts and receipts of interest have generally been regular as per repayment schedules except for 16,552 cases having loan outstanding balance at year end aggregating to ₹ 5,944.67 Million wherein the repayments of principal and interest are not regular; and

- the total amount overdue for more than 90 days as at the balance sheet date are ₹ 2,422.77 Million (Principal amount ₹ 2,110.38 Million and Interest amount ₹ 312.39 Million) for 4,576 cases. Interest income ₹ 312.39 Million which overdue for more than 90 days are not recognised as income as a matter of prudence as per accounting policies and practices of the Company.

Necessary steps are being taken by the Company for recovery thereof.

(₹ In Million)

Asset Classification as per RBI Norms as at 31 March 2024	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS 109	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7) = (4)-(6)
Performing Assets						
Standard	Stage 1	55,425.96	327.16	55,098.80	224.12	103.04
	Stage 2	2,598.10	130.52	2,467.58	39.39	91.13
Subtotal		**58,024.06**	**457.68**	**57,566.38**	**263.51**	**194.17**
Non-Performing Assets (NPA)						
Substandard	Stage 3	998.50	391.87	606.63	104.26	287.61
Doubtful						
up to 1 year	Stage 3	283.70	154.62	129.08	60.47	94.15
1 to 3 years	Stage 3	160.96	98.14	62.82	50.58	47.56
More than 3 years	Stage 3	1.84	1.84	-	0.92	0.92
Subtotal for doubtful		**446.50**	**254.60**	**191.90**	**111.97**	**142.63**
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		**1,445.00**	**646.47**	**798.53**	**216.23**	**430.24**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms.	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		**-**	**-**	**-**	**-**	**-**
Total	**Stage 1**	**55,425.96**	**327.16**	**55,098.80**	**224.12**	**103.04**
	Stage 2	**2,598.10**	**130.52**	**2,467.58**	**39.39**	**91.13**
	Stage 3	**1,445.00**	**646.47**	**798.53**	**216.23**	**430.24**
	Total (refer below note)	**59,469.06**	**1,104.15**	**58,364.91**	**479.74**	**624.41**

Notes:

In respect of loans granted by the Company:

- the schedule of repayment of principal and payment of interest has been duly stipulated and the repayments of principal amounts and receipts of interest have generally been regular as per repayment schedules except for 24,721 cases having loan outstanding balance at year end aggregating to ₹ 5,204.16 Million wherein the repayments of principal and interest are not regular; and

- the total amount overdue for more than 90 days as at the balance sheet date are ₹ 1,721.16 Million (Principal amount ₹ 1,456.59 Million and Interest amount ₹ 264.57 Million) for 2,680 cases. Interest income ₹ 264.57 Million which overdue for more than 90 days are not recognised as income as a matter of prudence as per accounting policies and practices of the Company.

Necessary steps are being taken by the Company for recovery thereof

57 Disclosure on Liquidity Coverage Ratio

As per RBI guidelines no DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 Dated November 04, 2019, NBFCs assets with more than ₹ 5,000 crores, required to maintain Liquidity Coverage Ratio (LCR) as mentioned therein.

As on October 31, 2022 the Company has crossed ₹ 5,000 crores assets mark and adopted to start complying with the monitoring and tracking of Liquidity Coverage Ratio (LCR) as part of Liquidity Risk Management framework from November 25, 2022 onwards as per RBI guidelines.

The objective of this policy is to create an institutional mechanism to compute, review and monitor periodically all the elements of the liquidity, develop suitable Liquidity Risk Management Framework, identify potential risks, take suitable decisions and mitigate such risks.

As per RBI guidelines to ensure strong liquidity, NBFCs shall maintain an adequate level of unencumbered High Quality Liquid Assets (HQLA) that can be converted into cash to meet its liquidity needs for a 30-day calendar time horizon under a significantly severe liquidity stress scenario.

The Company follows the criteria laid down by RBI for calculation of Liquidity coverage Ratio (LCR) which is represented by the ratio "Stock of HQLA" divided by "Total Net Cash Outflows over the next 30 calendar days". Total expected cash outflows (stressed outflows) are calculated by multiplying the outstanding balances of various categories or types of liabilities and off-balance sheet commitments by 115% (15% being the rate at which they are expected to run off further or be drawn down). Total expected cash inflows (stressed inflows) are calculated by multiplying the outstanding balances of various categories of contractual receivables by 75% (25% being the rate at which they are expected to under-flow). However, total cash inflows will be subjected to an aggregate cap of 75% of total expected cash outflows. In other words, total net cash outflows over the next 30 days = Stressed Outflows - Min (stressed inflows; 75% of stressed outflows).

The Company for purpose of computing cash outflows, have considered:

1. Secured wholesale funding i.e., all the contractual debt repayments,
2. Liquidity needs (e.g., collateral calls) related to financing transactions, derivatives and other contracts where 'downgrade triggers' up to and including a 3-notch downgrade,
3. Currently undrawn committed credit and liquidity facilities,
4. Any other contractual outflows not captured elsewhere in the template i.e., operational expenditure

Cash Inflows comprises of:

1. All other assets i.e., expected receipt from all performing loans,
2. Lines of credit – Credit or liquidity facilities or other contingent funding facilities that the NBFC holds at other institutions for its own purpose (Facilities which are sanctioned but not yet disbursed)
3. Other contractual cash inflows (Includes fixed deposits and mutual funds)

HQLA is considered as per RBI guidelines.

The Company exceeds the regulatory requirement of LCR which mandated maintaining 60% of expected net cash outflows for next 30 days in a stressed scenario in high quality liquid assets (HQLA) by December 2022; which has to be increased to 100% by December 2024 in a phased manner. During the quarter ended June 24, September 24, December 24 and March 25, the Company maintained a LCR of 335.24%, 395.33%, 285.14% & 261.09% respectively, well in excess of the RBI's stipulated norm of 85%.

Appendix I - As on Quarter ended March 31, 2025, December 31, 2024, September 30, 2024 and June 30, 2024 (Average for the period from 01-Jan-2025 to 31-Mar-2025, 01-Oct-2024 to 31-Dec-24, 01-July-24 to 30-September-24, 01-April-2024 to 30-June-24)

For the year ended on March 31, 2025 (₹ In Million)

Sr. No.	LCR Disclosue	Q4 FY 2025		Q3 FY 2025		Q2 FY 2025		Q1 FY 2025	
		Total Unweighted Value (average)1	Total Weighted Value (average)2	Total Unweighted Value (average)1	Total Weighted Value (average)2	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
High Quality Liquid Assets									
1	High Quality Liquid Assets	2,188.06	2,188.06	2,361.00	2,361.00	2,627.00	2,627.00	2,785.00	2,785.00
	Total HQLA	**2,188.06**	**2,188.06**	**2,361.00**	**2,361.00**	**2,627.00**	**2,627.00**	**2,785.00**	**2,785.00**
Cash Outflows									
2	Deposits (for deposit taking companies)	-	-	-	-	-	-	-	-
3	Unsecured wholesale funding	-	-	-	-	-	-	-	-
4	Secured wholesale funding	1,964.11	2,258.73	1,777.00	2,043.00	1,688.00	1,942.00	1,471.00	1,692.00
5	Additional requirements, of which	702.64	808.04	855.00	983.00	395.00	455.00	1,171.00	1,347.00
	(i) Outflows related to derivative exposures and other collateral requirements	116.99	134.54	133.00	153.00	149.00	171.00	165.00	190.00
	(ii) Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
	(iii) Credit and liquidity facilities	585.65	673.49	722.00	830.00	247.00	284.00	1,006.00	1,157.00
6	Other contractual funding obligations	248.24	285.48	249.00	286.00	227.00	261.00	247.00	284.00
7	Other contingent funding obligations	-	-	-	-	-	-	-	-
8	**TOTAL CASH OUTFLOWS**	**2,915.00**	**3,352.25**	**2,881.00**	**3,312.00**	**2,310.00**	**2,658.00**	**2,889.00**	**3,323.00**
Cash Inflows									
9	Secured lending								
10	Inflows from fully performing exposures	1,989.19	1,491.89	1,997.00	1,498.00	2,599.00	1,950.00	2,070.00	1,553.00
11	Other cash inflows	7,138.99	5,354.24	7,848.00	5,886.00	5,332.00	3,999.00	5,559.00	4,169.00
12	**TOTAL CASH INFLOWS**	**9,128.18**	**6,846.13**	**9,845.00**	**7,384.00**	**7,931.00**	**5,949.00**	**7,629.00**	**5,722.00**
		Total Adjusted Value		**Total Adjusted Value**		**Total Adjusted Value**		**Total Adjusted Value**	
13	**TOTAL HQLA**		**2,188.06**		**2,361.00**		**2,627.00**		**2,785.00**
14	**TOTAL NET CASH OUTFLOWS**		**838.06**		**828.00**		**664.50**		**830.75**
15	**LIQUIDITY COVERAGE RATIO (%)**		**261.09%**		**285.14%**		**395.33%**		**335.24%**

Note: LCR coverage ratio is based on Management estimations of future inflows and outflows which is relied upon by the auditors.

1 Unweighted values must be calculated as outstanding balances maturing or callable within 30 days (for inflows and outflows).

2 Weighted values must be calculated after the application of respective haircuts (for HQLA) and stress factors on inflow and outflow.

Appendix I - As on Quarter ended March 31, 2024, December 31, 2023, September 30, 2023 and June 30, 2023 (Average for the period from 01-Jan-2024 to 31-Mar-2024, 01-Oct-2023 to 31-Dec-23, 01-July-23 to 30-September-23, 01-April-2023 to 30-June-23)

For the year ended on March 31, 2024

(₹ In Million)

Sr. No.	LCR Disclosue	Q4 FY 2024		Q3 FY 2024		Q2 FY 2024		Q1 FY 2024	
		Total Unweighted Value (average)1	Total Weighted Value (average)2	Total Unweighted Value (average)1	Total Weighted Value (average)2	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
	High Quality Liquid Assets								
1	High Quality Liquid Assets	2,763.54	2,763.54	2,661.51	2,661.51	2,250.36	2,250.36	3,516.69	3,516.69
	Total HQLA	**2,763.54**	**2,763.54**	**2,661.51**	**2,661.51**	**2,250.36**	**2,250.36**	**3,516.69**	**3,516.69**
	Cash Outflows								
2	Deposits (for deposit taking companies)	-	-	-	-	-	-	-	-
3	Unsecured wholesale funding	-	-	-	-	-	-	-	-
4	Secured wholesale funding	1,836.96	2,112.51	1,429.12	1,643.49	1,339.77	1,540.74	1,525.99	1,754.88
5	Additional requirements, of which	1,997.36	2,296.97	2,580.16	2,967.18	2,635.66	3,031.01	2,784.17	3,201.80
	(i) Outflows related to derivative exposures and other collateral requirements	285.84	328.72	990.30	1,138.84	1,090.07	1,253.58	1,195.82	1,375.19
	(ii) Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
	(iii) Credit and liquidity facilities	1,711.52	1,968.25	1,589.86	1,828.34	1,545.59	1,777.43	1,588.35	1,826.61
6	Other contractual funding obligations	225.32	259.12	201.75	232.01	206.96	238.01	183.08	210.54
7	Other contingent funding obligations	-	-	-	-	-	-	-	-
8	**TOTAL CASH OUTFLOWS**	**4,059.64**	**4,668.60**	**4,211.03**	**4,842.68**	**4,182.39**	**4,809.76**	**4,493.24**	**5,167.22**
	Cash Inflows								
9	Secured lending	-	-	-	-	-	-	-	-
10	Inflows from fully performing exposures	2,300.63	1,725.47	2,091.50	1,568.63	1,696.27	1,272.20	1,584.07	1,188.05
11	Other cash inflows	5,455.83	4,091.87	7,540.32	5,655.24	5,550.09	4,162.57	2,658.72	1,994.04
12	TOTAL CASH INFLOWS	**7,756.46**	**5,817.34**	**9,631.82**	**7,223.87**	**7,246.36**	**5,434.77**	**4,242.79**	**3,182.09**
		Total Adjusted Value		**Total Adjusted Value**		**Total Adjusted Value**		**Total Adjusted Value**	
13	**TOTAL HQLA**	**2,763.54**		**2,661.51**		**2,250.36**		**3,516.69**	
14	**TOTAL NET CASH OUTFLOWS**	**1,167.15**		**1,210.67**		**1,202.44**		**1,985.13**	
15	**LIQUIDITY COVERAGE RATIO (%)**	**236.78%**		**219.84%**		**187.15%**		**177.15%**	

Note: LCR coverage ratio is based on Management estimations of future inflows and outflows which is relied upon by the auditors.

1 Unweighted values must be calculated as outstanding balances maturing or callable within 30 days (for inflows and outflows).

2 Weighted values must be calculated after the application of respective haircuts (for HQLA) and stress factors on inflow and outflow.

58 Public Disclosure on Liquidity Risk as per Appendix VI-A of Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 (Updated as on February 27, 2025) for the quarter ended March 31, 2025

(i) Funding Concentration based on significant counterparty (both deposits and borrowings)

S. No	Number of Significant Counterparties*	Amount (₹ In Million)	% of Total deposits	% of Total Liabilities
1	22	49,460.37	-	91.50%

*Significant instrument/product" is defined as group of similar instruments/products which in aggregate amount to more than 1% total liabilities

(ii) Top 20 large Deposits

Not applicable, since the Company is a non-deposit taking Non-Banking Financial Company.

(iii) Top 10 Borrowings

Amount (₹ In Million)	% of Total borrowings
36,101.95	68.96%

(iv) Funding concentrations based on significant instrument/Product

S. No	Name of product/ instrument	Amount (₹ In Million)	% of Total Liabilities
1	Debt securities	11,000.00	20.35%
2	Private Sector Bank	23,249.32	43.01%
3	Financial Institutions	3,714.54	6.87%
4	Public Sector Bank	3,115.09	5.76%
5	Securitization	1,932.78	3.58%
6	Foreign Bank	-	-
7	ECB	1,711.63	3.17%
8	FCNB	7,625.66	14.11%

(v) Stock Ratios

S. No	Stock ratio	Percentage
1	Commercial papers as a % of total liabilities	Nil
2	Commercial papers as a % of total assets	Nil
3	Non-convertible debentures (original maturity of less than one year) as a % of total liabilities	12.96%
4	Non-convertible debentures (original maturity of less than one year) as a % of total assets	8.14%
5	Other short-term liabilities# as a % of total liabilities	2.19%
6	Other short-term liabilities# as a % of total assets	1.38%

#Total liabilities represent Total liabilities less equity and other equity

(vi) Institutional set-up for liquidity risk management

1 The Liquidity Risk Management framework of the Company is governed by its Liquidity Risk Management policy and procedures approved by the Board.

2 The Board of Directors of the Company have the overall responsibility of management of liquidity risk. Board decides the strategy, policies and procedures of the NBFC to manage liquidity risk in accordance with the liquidity risk tolerance/limits decided by it.

3 Risk Management Committee (RMC) reports to the Board and evaluates overall risks faced by the Company including liquidity risk.

4 Asset Liability Management Committee (ALCO) of the Company implements the liquidity risk management strategy and ensures adherence to the risk tolerance/limits set by the Board.

5 In order to ensure a diversified borrowing mix, concentration of borrowing through various sources are monitored.

59 Disclosures as required under Section I of Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 (Updated as on February 27, 2025)

59.1 Exposures

59.1.1 Exposure to Real Estate Sector (₹ In Million)

Particulars	As at March 31, 2025	As at March 31, 2024
(i) Direct Exposure:		
(a) Residential Mortgages		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	54,206.89	42,334.58
(b) Commercial Real Estate		
Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based limits	6,496.80	5,728.02
(c) Investments in Mortgage Backed Securities (MBS) and other securitised exposures -		
a. Residential	-	-
b. Commercial Real Estate	-	-
(ii) Indirect Exposure:		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	-	575.89
Total Exposure to Real Estate sector	**60,703.69**	**48,638.49**

59.1.2 Exposures to Capital Market (₹ In Million)

Particulars	As at March 31, 2025	As at March 31, 2024
(i) Direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt	-	-
(ii) Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity oriented mutual funds	-	-
(iii) Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security	-	-
(iv) Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances	-	-
(v) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	-	-
(vi) Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources	-	-
(vii) Bridge loans to companies against expected equity flows / issues	-	-
(viii) Underwriting commitments taken up by the NBFCs in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds	-	-
(ix) Financing to stockbrokers for margin trading	-	-
(x) All exposures to Alternative Investment Funds:		
(i) Category I	-	-
(ii) Category II	-	-
(iii) Category III	-	-
Total Exposure to Capital Market	**-**	**-**

59.1.3 Sectoral Exposure (₹ In Million)

Sr. No.		31 March 2025			31 March 2024		
		Total Exposure (₹ in Million)	Gross NPAs (₹ in Million)	Percentage of Gross NPAs to total exposure in the sector	Total Exposure (₹ in Million)	Gross NPAs (₹ in Million)	Percentage of Gross NPAs to total exposure in the sector
1	Agriculture & allied activities	-	-	-	-	-	-
2	Industry						
	2.1 Micro and Small	5,233.14	125.52	2.40%	4,497.55	99.00	2.20%
	2.2 Medium	9.70	-	-	11.42	-	-
	2.3 Large	-	-	-	-	-	-
	Total of Industry	**5,242.84**	**125.52**	**2.39%**	**4,508.97**	**99.00**	**2.20%**
3	Services						
	3.1 Tourism, Hotel and Restaurants	2,070.58	64.95	3.14%	1,572.95	41.87	2.66%
	3.2 Professional Services	2,313.43	43.33	1.87%	1,435.98	16.89	1.18%
	3.3 Retail Trade	31,396.68	1,076.72	3.43%	24,079.99	683.51	2.84%
	3.4 Other Services	19,680.16	617.88	3.14%	16,464.70	476.74	2.90%
	Total of Services	**55,460.85**	**1,802.88**	**3.25%**	**43,553.62**	**1,219.01**	**2.80%**
4	Unsecured personal loans	439.73	105.85	24.07%	841.48	75.93	9.02%
5	Auto loans	-	-	-	-	-	-
6	Other loans - Loan against Gold	15,273.34	57.17	0.37%	10,565.00	51.06	0.48%

Exposure to specific sub-sector/industry is less than 10 per cent of Tier I Capital, such exposures are clubbed and disclosed as "Others" within that sector.

59.1.4 Intra Group Exposure (₹ In Million)

Particulars	As at March 31, 2025	As at March 31, 2024
(i) Total amount of Intra group exposure	-	212.15
(ii) Total amount of top 20 intra-group exposures	-	212.15
(iii) Percentage of intra-group exposures to total exposure of the NBFC on borrowers / customers	-	0.36%

59.1.5 Unhedged foreign currency exposure

As of balance sheet date, Company's net foreign currency exposure expressed in INR that is not hedged is Nil (March 31, 2024 - Nil)

59.1.6 Percentage of loans granted against collateral of gold jewellery to total assets

(₹ In Million)

Particulars	As at March 31, 2025	As at March 31, 2024
(i) Gold Loans granted against collateral of gold jewellery	15,273.34	10,565.00
(ii) Total assets of the Company	85,958.12	70,629.67
(iii) Percentage of Gold Loans to Total Assets	17.77%	14.96%

59.2 Related Party Disclosure

(₹ In Million)

Related Party	Parent (as per ownership or control)		Subsidiaries		Directors		Key Management Personnel		Controlled Employee Welfare trust		Others*		Total	
Items	Current year	Previous year	Current year	Previous year	Current year	Previous year	Current year	Previous year	Current year	Previous year	Current year	Previous year	Current year	Previous year
Borrowings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Placement of deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Advances	-	-	-	2.84	-	-	-	-	12.76	32.39	-	-	**12.76**	**35.23**
Maximum o/s advances during the year	-	-	2.84	2.84	-	-	-	-	32.39	111.51	-	-		
Investments	-	-	-	210.50	-	-	-	-	-	-	-	-	-	**210.50**
Purchase of fixed/ other assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of fixed/ other assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest received	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Issue of Equity Share Capital/ Conversion of partly paid to fully paid up equity share	-	-	-	-	150.14	338.00	29.91	27.88	-	-	-	-	**180.05**	**365.88**
Remuneration	-	-	-	-	66.41	58.23	32.98	27.61	-	-	-	-	**99.39**	**85.84**
ESOP Exercise through ESOP trust	-	-	-	-	-	-	-	8.88	-	-	-	-	**-**	**8.88**
Loan given	-	-	-	-	-	-	-	-	-	-	-	-	**-**	**-**
Loan repaid	-	-	-	-	-	-	-	-	19.63	79.12	-	-	**19.63**	**79.12**
ESOP expenses	-	-	-	-	71.48	69.10	33.01	28.73	-	-	-	-	**104.49**	**97.83**
Director Sitting fees	-	-	3.14	2.15	7.30	6.70	-	-	-	-	-	10.62	**7.30**	**6.70**
Others*	-	-	-	-	-	-	-	-	-	-	8.68	-	**11.82**	**12.77**

* Others include total for the items which are not more than 5 per cent of total related party transactions.

Note: There are no transactions with Relatives of KMP/ Directors and the Company does not have any Associates/ Joint Ventures.

59.3 Disclosure of complaints

1) Summary information on complaints received by the Company from customers and from the Offices of Ombudsman

Particulars		As at March 31, 2025	As at March 31, 2024
Complaints received by the Company from its customers			
1	No. of complaints pending at the beginning of the year	-	2
2	No. of complaints received during the year	218	753
3	No. of complaints disposed during the year	217	755
3.1	of which, number of complaints rejected by the Company	64	83
4	No. of complaints pending at the end of the year*	1	-
	*Subsequently redressed		
Maintainable complaints received by the Company from Office of Ombudsman		54	103
5*	Number of maintainable complaints received by the Company from Office of Ombudsman	54	103.00
5.1	Of 5, number of complaints resolved in favour of the Company by Office of Ombudsman	54	101.00
5.2	Of 5, number of complaints resolved through conciliation/mediation/ advisories issued by Office of Ombudsman	2	2.00
5.3	Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the Company	-	-
6*	Number of Awards unimplemented within the stipulated time (other than those appealed)	-	-

2) Top five grounds of complaints received by the Companys from customers

As at March 31, 2025

Sr. No.	Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
	(1)	(2)	(3)	(4)	(5)	(6)
1	EMI Banking Related	-	47	(82%)	1	-
2	Loan Closure Process	-	23	(89%)	-	-
3	Others	-	86	(44%)	-	-
4	Sales Process	-	49	(39%)	-	-
5	Debt Management	-	13	(68%)	-	-
	Total	**-**	**218**		**1**	**-**

As at March 31, 2024

Sr. No.	Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
	(1)	(2)	(3)	(4)	(5)	(6)
1	EMI Banking Related	-	265	(49%)	-	-
2	Loan Closure Process	-	213	151%	-	-
3	Others	-	154	27%	-	-
4	Sales Process	-	80	233%	-	-
5	Debt Management	2	41	173%	-	-
	Total	**2**	**753**		**-**	**-**

60 Disclosures to be made in Notes to Accounts by originators as per RBI/DOR/2021-22/85 DOR. STR.REC.53/21.04.177/2021-22 dated September 24, 2021 (Updated as on December 05, 2022)

(₹ In Million)

Sl. No.	Particulars	As on March 31, 2025	As on March 31, 2024
1	No of SPEs holding assets for securitisation transactions originated by the originator (only the SPVs relating to outstanding securitization exposures to be reported here)	4	4
2	Total amount of securitised assets as per books of the SPEs*	2,324.88	3,002.99
3	Total amount of exposures retained by the originator 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	306.50	349.95
	• Others	392.10	398.92
4	Amount of exposures to securitisation transactions other than MRR		
	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	-	-
	• Others	-	-
	ii) Exposure to third party securitisations		
	• First loss	-	-
	• Others	-	-
5	Sale consideration received for the securitised assets and gain/loss on sale on account of securitisation	-	-
6	Form and quantum (outstanding value) of services provided by way of, liquidity support, post-securitisation asset servicing, etc.		

Services Provided	No of Transaction	Value of Facility**	No of Transaction	Value of Facility**
Post Securitization Assets Servicing- Servicing agent	4	2,324.88	4	3,002.99

(₹ In Million)

Sl. No.	Particulars	As on March 31, 2025		As on March 31, 2024	
7	Performance of facility provided. Please provide separately for each facility viz. Credit enhancement, liquidity support, servicing agent etc. Mention percent in bracket as of total value of facility provided.	Credit Enhancement	%	Credit Enhancement	%
	(a) Opening Balance	349.95	6.97%	364.00	6.26%
	(b) Cumulative Amount paid During the year	-	-	43.45	3.95%
	(c) Cumulative Repayment received during the year	43.45	3.95%	-	-
	(d) Amount reduce due to pool Maturity	-	-	57.50	7.31%
	(e) Outstanding amount	306.50	6.10%	349.95	6.97%
8	Average default rate of portfolios observed in the past. Please provide breakup separately for each asset class i.e. RMBS, Vehicle Loans etc*				
	Loan against Property		2.76%		2.50%
9	Amount and number of additional/ top up loan given on same underlying asset. Please provide breakup separately for each asset class i.e. RMBS, Vehicle Loans etc		-		-
10	Investor complaints		-		-

The above disclosures are updated basis the certificate received from auditors of SPE's and relied upon by the auditors.

* Default rate % is calculated on the basis of Gross NPA on Gross advances (average of last 5 years).

61 Balances of certain trade receivables, advances given and trade payables are subject to confirmation / reconciliation, if any. The management does not expect any material difference affecting the financial statements on such reconciliation / adjustments.

62 Previous Year Figures

Previous year's figures have been regrouped and reclassified wherever necessary to conform to current year classification/ presentation.

For M M Nissim & Co LLP
Chartered Accountants
Firm's Registration No. 107122W / W100672

Hiren P Muni
Partner
Membership No: 142067

Place: Mumbai
Date: April 26, 2025

For and on behalf of the Board of Directors of
SBFC Finance Limited
CIN: L67190MH2008PLC178270

Mr. Neeraj Swaroop
Chairperson & Independent Director
DIN: 00061170

Mr. Aseem Dhru
Managing Director & CEO
DIN: 01761455

Mr. Narayan Barasia
Chief Financial Officer

Ms. Namrata Sajnani
Company Secretary &
Chief Compliance Officer
F10030

Place: Mumbai
Date: April 26, 2025

Annexure

Disclosure as required under Annex VIII of Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 (Updated as on February 27, 2025)

Liabilities Side

1) Loans and advances availed by the non banking financial company inclusive of interest accrued thereon but not paid:

(₹ In Million)

Particulars	As at March 31, 2025		As at March 31, 2024	
	Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue
a) Debentures:				
Secured	11,293.74	-	3,949.59	-
Unsecured	-	-	-	-
(other than falling within the meaning of public deposits)				
b) Deferred Credits	-	-	-	-
c) Term Loans	39,409.72	-	33,397.65	-
d) Inter Corporate loans and borrowings	-	-	-	-
e) Commercial Paper	-	-	-	-
f) Public Deposits	-	-	-	-
g) Other Loans	-	-	-	-
Collateralized Borrowings	1,939.72	-	2,612.97	-
Total	**52,643.18**	**-**	**39,960.21**	**-**

2) Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid)

(₹ In Million)

Particulars	As at March 31, 2025		As at March 31, 2024	
	Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue
a) In the form of Unsecured debentures	-	-	-	-
b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	-	-	-
c) Other public deposits	-	-	-	-

Assets Side

3) Breakup of Loans and Advances including bills receivables (other than those included in (4) below)

(₹ In Million)

Particulars	Amount Outstanding	
	As at March 31, 2025	As at March 31, 2024
a) Secured	74,721.61	57,623.14
b) Unsecured	316.41	741.78

4) Break up of Leased Assets and stock on hire and other assets counting towards asset financing activities

(₹ In Million)

Particulars	Amount Outstanding	
	As at March 31, 2025	As at March 31, 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 asset financing activities		
a) Loans where assets have been repossessed	-	-
b) Loans other than (a) above	-	-

5) Breakup of Investments

(₹ In Million)

Particulars	Amount Outstanding	
	As at March 31, 2025	As at March 31, 2024
Current Investments:		
1 Quoted:		
i) Shares:		
(a) Equity	-	-
(b) Preference	-	-
ii) Debentures and Bonds	-	-
iii) Units of mutual funds	-	-
iv) Treasury Bills	-	-
v) Others	-	-
2 UnQuoted:		
i) Shares:		
(a) Equity	-	-
(b) Preference	-	-
ii) Debentures and Bonds	-	-
iii) Units of mutual funds	1,990.64	1,416.57
iv) Treasury Bills	1,020.18	-
v) Others		
Investment in Pass Through certificates (PTC)	-	575.89
Investment in Security receipts	41.84	-
Long Term investments:		
1 Quoted:		
i) Shares:		
(a) Equity	-	-
(b) Preference	-	-
ii) Debentures and Bonds	-	-
iii) Units of mutual funds	-	-
iv) Treasury Bills	-	2,068.64
v) Others	-	-
2 UnQuoted:		
i) Shares:		
(a) Equity	-	210.50
(b) Preference	-	-
ii) Debentures and Bonds	-	-
iii) Units of mutual funds	-	-
iv) Government Securities	-	-
v) Others		
Investment in Pass Through certificates (PTC)	-	-
Investment in Security receipts	215.63	-

Annexure

6) Borrower groupwise classification of assets financed as in (3) and (4) above (₹ In Million)

Particulars		As at March 31, 2025			As at March 31, 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	74,721.61	316.41	**75,038.02**	57,623.14	741.78	**58,364.92**
Total		**74,721.61**	**316.41**	**75,038.02**	**57,623.14**	**741.78**	**58,364.92**

7) Investor groupwise classification of all investments (current and long term) in shares and securities (both quoted and unquoted): (₹ In Million)

Particulars		As at March 31, 2025		As at March 31, 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	-	-	210.50	210.50
	b) Companies in the same group	-	-	-	-
	c) Other related parties	-	-	-	-
2	Other than related parties	3,268.29	3,268.29	4,061.10	4,061.10
Total		**3,268.29**	**3,268.29**	**4,271.60**	**4,271.60**

8) Other information (₹ In Million)

Particulars		As at March 31, 2025	As at March 31, 2024
i)	Gross Non Performing Assets		
	a) Related Parties	-	-
	b) Other than related parties	2,091.41	1,445.00
ii)	Net Non Performing Assets		
	a) Related Parties	-	-
	b) Other than related parties	1,135.74	798.53
iii)	Assets acquired in satisfaction of debt	-	-

For and on behalf of the Board of Directors of
SBFC Finance Limited
CIN: L67190MH2008PLC178270

Mr. Neeraj Swaroop
Chairperson & Independent Director
DIN: 00061170

Mr. Aseem Dhru
Managing Director & CEO
DIN: 01761455

Mr. Narayan Barasia
Chief Financial Officer

Ms. Namrata Sajnani
Company Secretary &
Chief Compliance Officer
F10030

Place: Mumbai
Date: April 26, 2025

Place: Mumbai
Date: April 26, 2025

Independent Auditor's Report

To the Members of SBFC Finance Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of **SBFC Finance Limited** ('the Holding Company') and its subsidiary – **SBFC Home Finance Private Limited** (the Holding Company and its subsidiary together referred to as the 'Group'), which comprise the Consolidated Balance Sheet as at 31 March 2025, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of the material accounting policies and other explanatory information (hereinafter referred to as the 'consolidated financial statements').

2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of report of other auditor on separate financial statements of a subsidiary, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, the relevant circulars, guidelines and directions issued by the Reserve Bank of India (RBI) from time to time ('RBI Guidelines') and other accounting principles generally accepted in India of the consolidated state of affairs of the Group as at 31 March 2025, and their consolidated profit (including other comprehensive income), consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing 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 Consolidated Financial Statements section of our report. We are independent of the Group 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 consolidated financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us along with the consideration of audit report of the other auditor referred to in the 'Other Matter' paragraph below is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

5. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our audit addressed the key audit matter
Impairment of loans and advances to customers	
(Refer Note 2 for material accounting policies and Note 48.1 for credit risk disclosures)	
As at 31 March 2025, the Group has reported gross loan assets of ₹ 76,416.78 million against which an impairment loss of ₹ 1,375.84 million has been recorded. The Group recognized impairment provision for loan assets based on the Expected Credit Loss ("ECL") approach laid down under 'Ind AS 109 – Financial Instruments'. The estimation of ECL on financial instruments involves significant management judgement and estimates and the use of modelling techniques and assumptions which could have a material impact on reported profits. Significant management judgement and assumptions involved in measuring ECL is required with respect to: • ensuring completeness and accuracy of the data used to create assumption in the model.	Our audit focused on assessing the appropriateness of management's judgment and estimates used in the impairment analysis through procedures that included, but were not limited to, the following: • Obtained an understanding of the modelling techniques adopted by the Group including the key inputs and assumptions; • Considered the Group's accounting policies for estimation of expected credit loss on loans and assessing compliance with the policies in terms of Ind AS 109; • Assessed reasonableness of the methodology and assumption used to determine management overlays;

Key Audit Matter	How our audit addressed the key audit matter
• factoring in future economic assumptions techniques used to determine probability of default, loss given default and exposure at default. These parameters are derived from the Group's internally developed statistical models and other historical data. On the basis of an estimate made by the management, an overlay to the tune of ₹ 46.56 millions has been carried by the Group as at 31 March 2025 on loans basis their performance and outstanding position. The basis of estimates and assumptions involved in arriving at the overlay are monitored by the Group periodically and significantly depend on future developments in the Group's portfolio and the economy. **Disclosure** The disclosures regarding the Group's application of Ind AS 109 are key to explaining the key judgements and material inputs to the ECL results. Further, disclosures to be provided as per RBI circulars with regards to non-performing assets and provisions is also an area of focus. Considering the significance of the above matter to the overall financial statements and extent of management's estimates and judgements involved, it required significant auditor attention. Accordingly, we have identified this as a key audit matter.	• Tested the design and operating effectiveness of key controls over completeness and accuracy of the key inputs and assumptions considered for calculation, recording, monitoring of the impairment loss recognized and staging of assets; • Assessed the critical assumptions and input data used in the estimation of expected credit loss models for specific key credit risk parameters, such as the movement logic between stages, Exposure at default (EAD), probability of default (PD) or loss given default (LGD); • Evaluated the reports and working for the methodology used in the computation of Through The Cycle PD, Point In Time PD and LGD, among others; • Performed test of details over calculation of ECL, in relation to the completeness and accuracy of the data; • Obtained written representations from management and those charged with governance on whether they believe significant assumptions used in calculation of expected credit losses are reasonable; Assessed the appropriateness and adequacy of the related presentation and disclosures of Note 48 "Financial risk management" disclosed in the accompanying financial statements in accordance with the applicable accounting standards and related RBI circulars and Resolution Framework.

Information other than the Consolidated Financial Statements and Auditor's Report thereon

6. The Holding Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Board's Report (including annexures thereto) and Management Discussion and Analysis ("MD&A") (collectively referred to as "other information"), but does not include the consolidated financial statements 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 consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of 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 as required under SA 720 (Revised) 'The Auditor's responsibilities Relating to Other Information'.

Board of Director's Responsibilities for the Consolidated Financial Statements

7. The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, RBI Guidelines and other accounting principles generally accepted in India. The respective Board of Directors of the entities included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of their respective 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

8. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of respective Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so except as disclosed in paragraph 16 wherein the subsidiary company has gone for voluntary liquidation.

9. The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of each company.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

11. As part of an audit in accordance with Standards on Auditing specified under section 143(10) of the Act we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

    - Identify and assess the risks of material misstatement of the consolidated 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 the internal financial controls with reference to the consolidated financial statements and the operating effectiveness of such controls based on our audit;

    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors;

    - Conclude on the appropriateness of the Board of Directors 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 ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern (refer paragraph 16);

    - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and

    - Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the consolidated financial statements, of which we are the independent auditors. For the other entity included in the consolidated financial statements, which have been audited by other auditor, such other auditor remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

13. 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.

14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

15. The consolidated financial statements include the audited interim financial information of a subsidiary, whose financial statements reflect total assets (before consolidation adjustments) of ₹ Nil as at 31 March, 2025, total revenue (before consolidation adjustments) of ₹ 10.41 Million, net profit after tax (before consolidation adjustments) of ₹ 6.56 Million and net cash outflows of ₹ 5.23 Million for the year ended on that date, as considered in the consolidated financial statements, which has been audited by its independent auditor. The independent auditor's report on the financial statements of this entity has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, is based solely on the report of such auditor and the procedures performed by us are as stated in paragraph above.

    Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matter with respect to our reliance on the work done and the report of the other auditor.

16. SBFC Home Finance Private Limited, a wholly owned and non-material subsidiary of SBFC Finance Limited, is into voluntary liquidation proceedings under the Insolvency and Bankruptcy Code, 2016 with effect from January 27, 2025. The subsidiary was incorporated to operate as a Housing Finance Company; however, its application for registration with the Reserve Bank of India (RBI) was not considered, as it would result in layering of NBFCs. Since the subsidiary had not commenced any business or operations since incorporation, and the intended objective was not achieved, the decision for voluntary liquidation was taken.

    Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matter.

17. The consolidated financial statements of the Company for the year ended 31 March 2024 were audited by the predecessor auditor, Suresh Surana & Associates LLP, Chartered Accountants, who have expressed an unmodified opinion on those consolidated financial statements vide their audit report dated April 27, 2024. Accordingly, we do not express any opinion on the figures reported in the consolidated financial statements for the year ended as at March 31, 2024.

Report on Other Legal and Regulatory Requirements

18. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/"CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Holding Company and its subsidiary included in the consolidated financial statements of the Company, we report that there are no qualifications or adverse remarks in these CARO reports.

19. As required by section 143(3) of the Act, based on our audit and on the consideration of report of the other auditor on separate financial statements of a subsidiary, as noted in 'other matters paragraph', we report, to the extent applicable, that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the report of the other auditor, except for the matters stated in paragraph 19(g)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended) ("the Rules");

c) The consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

d) in our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015;

e) On the basis of the written representations received from the directors of the Holding Company, and taken on record by the Board of Directors of the Holding Company incorporated in India, none of the directors of the Holding Company incorporated in India is disqualified as on 31 March 2025 from being appointed as a director in terms of section 164(2) of the Act;

    Further, based on the reports of the statutory auditor of its subsidiary company none of the directors of the Subsidiary Company incorporated in India is disqualified as on January 27, 2025 (refer paragraph 16).

f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in **"Annexure A"** with respect to the Holding Company. Further, as the Subsidiary Company fulfills the conditions of paragraph 9A of the notification No. GSR 464(E) dated 5 June 2015 as amended, reporting under Section143(3)(i) of the Act with respect to the adequacy of internal financial controls over financial reporting of the Subsidiary Company and operating effectiveness of such controls is not applicable for the year; and

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 and based on the consideration of report of the other auditor on the separate financial statements of the subsidiary as noted in other matter paragraph:

    i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group as detailed in Note 47 to the consolidated financial statements;

    ii. The Group has made provision as at 31 March 2025, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

    iii. There are no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary company incorporated in India during the year ended 31 March 2025;

    iv. a. The management has represented that, to the best of its knowledge and belief as disclosed in note 52.13 to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Holding Company to or in any persons or entities, including foreign entities ('the 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 Holding Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

    b. The management, as disclosed in the note 52.13 to the accompanying consolidated financial statements has represented that, to the best of its knowledge and belief, no funds have been received by the Holding Company from any persons or entities, including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Holding Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

    c. Based on such audit procedures performed by us, as considered reasonable and appropriate in the circumstances, nothing has come to our attention that causes us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.

    v. The Holding Company has not declared any dividend during the year ended 31 March 2025. Accordingly, the provision of section 123 of the Act is not applicable; and

    vi. Based on our examination, which included test checks, the Group has used various accounting software for maintaining its books of account which have a feature of recording audit trail (edit log) facility, which have operated throughout the year for all relevant transactions recorded in the software, except in respect of one accounting software where the audit trail feature at the database level (DML logs) was not enabled throughout the year to log any direct data changes. Based on our procedures performed, we did not notice any instance of the audit trail feature being tampered with. In respect of the aforesaid database, in the absence of audit trail for the said period, the question of our commenting on whether the audit trail was tampered with, does not arise. Additionally, the audit trail has been preserved by the Company as per the statutory requirements for record retention.

For M M Nissim & Co LLP
Chartered Accountants
Firm's Registration No: 107122W/W100672

Hiren P Muni
Partner
Membership No. 142067
UDIN: 25142067BMNARS2068

Place: Mumbai
Date: April 26, 2025

Annexure A to the Independent Auditor's Report

Independent Auditor's Report on the internal financial controls with reference to consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

(Referred to in paragraph 19 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

1. In conjunction with our audit of the consolidated financial statements of **SBFC Finance Limited** ('the Holding Company') as at and for the year ended **31 March 2025**, we have audited the internal financial controls with reference to the financial statements of the Holding Company as at that date.

Management's Responsibility for Internal Financial Controls

2. The Holding Company's management is responsible for establishing and maintaining internal financial controls based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Holding Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Holding Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls over financial reporting. 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

6. A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

7. Because of the inherent limitations of internal financial controls over financial reporting 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 over financial reporting to further periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, to the best of our information and according to the explanations given to us, the Holding Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2025, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note

For M M Nissim & Co LLP
Chartered Accountants
Firm's Registration No: 107122W/W100672

Hiren P Muni
Partner
Membership No. 142067
UDIN: 25142067BMNARS2068

Place: Mumbai
Date: April 26, 2025

Consolidated Balance Sheet

as at March 31, 2025

(₹ In Million)

Particulars	Note No.	As at March 31, 2025	As at March 31, 2024
ASSETS			
I. Financial assets			
(a) Cash and cash equivalents	3	2,653.98	2,252.11
(b) Bank balances other than cash and cash equivalents	4	1,639.57	2,617.05
(c) Derivative financial instruments			
(d) Receivables			
(i) Trade receivables	5	148.06	145.80
(e) Loans	6	75,040.94	58,364.91
(f) Investments	7	3,268.29	4,061.10
(g) Other financial assets	8	40.47	70.62
Total Financial Assets		**82,791.31**	**67,511.59**
II. Non-Financial assets			
(a) Current tax assets (net)	9	30.99	60.78
(b) Deferred tax assets (net)		-	-
(c) Property, plant and equipment	10	436.65	379.83
(d) Intangible assets under development	10	5.78	15.27
(e) Goodwill	10	2,603.92	2,603.92
(f) Other intangible assets	10	38.32	14.95
(g) Other non-financial assets	11	50.60	41.51
Total Non-Financial Assets		**3,166.26**	**3,116.26**
TOTAL ASSETS		**85,957.57**	**70,627.85**
LIABILITIES AND EQUITY			
LIABILITIES			
I. Financial Liabilities			
(a) Derivative financial instruments	12	98.45	45.13
(b) Payables	13		
(A) Trade payables			
(i) total outstanding dues of micro enterprises and small enterprises		4.40	7.05
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		90.15	105.52
(B) Other payables			
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		5.41	107.99
(c) Debt securities	14	11,293.74	3,949.59
(d) Borrowings (other than debt securities)	15	41,349.44	36,010.62
(e) Other financial liabilities	16	1,122.88	2,455.23
Total Financial Liabilities		**53,964.47**	**42,681.13**
II. Non-Financial Liabilities			
(a) Current tax liabilities (net)	17	-	-
(b) Provisions	18	2.92	2.26
(c) Deferred tax liabilities (net)	19	8.95	110.05
(d) Other non-financial liabilities	20	80.50	53.75
Total Non-Financial Liabilities		**92.37**	**166.06**
TOTAL LIABILITIES		**54,056.84**	**42,847.19**
EQUITY			
(a) Equity share capital	21	10,851.84	10,718.89
(b) Other equity	22	21,048.89	17,061.77
TOTAL EQUITY		**31,900.73**	**27,780.66**
TOTAL LIABILITIES AND EQUITY		**85,957.57**	**70,627.85**

Corporate Information and Material Accounting Policies 1-2

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

As per our report of even date attached

For **M M Nissim & Co LLP**
Chartered Accountants
Firm's Registration No. 107122W / W100672

Hiren P Muni
Partner
Membership No: 142067

Place: Mumbai
Date: April 26, 2025

For and on behalf of the Board of Directors of SBFC Finance Limited
CIN: L67190MH2008PLC178270

Mr. Neeraj Swaroop
Chairperson & Independent Director
DIN: 00061170

Mr. Aseem Dhru
Managing Director & CEO
DIN: 01761455

Mr. Narayan Barasia
Chief Financial Officer

Ms. Namrata Sajnani
Company Secretary &
Chief Compliance Officer
F10030

Place: Mumbai
Date: April 26, 2025

Consolidated Statement of Profit and Loss

for the year ended March 31, 2025

(₹ In Million)

Particulars	Note No.	For the year ended March 31, 2025	For the year ended March 31, 2024
Revenue from operations			
Interest income	23	11,973.87	9,183.59
Fees and commission income	24	699.14	709.06
Net gain on fair value changes	25	176.95	172.83
Net gain on derecognition of financial instruments under amortised cost category	26	-	2.31
Other operating income	27	211.61	118.61
(I) Total Revenue from operations		**13,061.57**	**10,186.40**
(II) Other income	28	**5.89**	**12.80**
(III) Total Income (I+II)		**13,067.46**	**10,199.20**
Expenses			
Finance costs	29	4,192.44	3,506.37
Impairment on financial instruments	30	737.20	470.26
Employee benefits expense	31	2,532.32	2,171.32
Depreciation and amortisation expense	10	168.08	134.14
Other expenses	32	850.09	755.72
(IV) Total expenses		**8,480.13**	**7,037.81**
(V) Profit before tax (III - IV)		**4,587.33**	**3,161.39**
Tax expense			
- Current tax	33	1,227.25	862.51
- Short/ (excess) provision for tax for earlier years		(12.11)	(88.65)
- Deferred tax charge/ (credit)	34	(80.80)	16.49
(VI) Total tax expense		**1,134.34**	**790.35**
(VII) Profit after tax (V-VI)		**3,452.99**	**2,371.04**
(VIII) Other comprehensive income	35		
(A) Items that will not be reclassified to profit or loss			
- Remeasurement of the defined benefit plans		6.87	0.15
- Income tax relating to the remeasurement of defined benefit plans		(1.73)	(0.04)
(B) Items that will be reclassified to profit or loss			
- The effective portion of gains and loss on hedging instruments in a cash flow hedge		(78.92)	(28.10)
- Income tax relating to items that will be reclassified to profit or loss		19.86	7.07
Other Comprehensive Income		**(53.92)**	**(20.92)**
(IX) Total comprehensive income for the year (VII + VIII)		**3,399.07**	**2,350.12**
Profit for the period/ year attributable to:			
Owners of the Company		3,452.99	2,371.04
Non-controlling interest		-	
Other comprehensive income for the period/ year attributable to:			
Owners of the Company		(53.92)	(20.92)
Non-controlling interest		-	
Total comprehensive income for the period/ year attributable to:			
Owners of the Company		3,399.07	2,350.12
Non-controlling interest		-	
(X) Earnings per equity share (Face value ₹ 10/- per share)			
Basic (₹)	45	3.21	2.35
Diluted (₹)		3.15	2.30

Corporate Information and Material Accounting Policies 1-2

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

As per our report of even date attached

For **M M Nissim & Co LLP**
Chartered Accountants
Firm's Registration No. 107122W / W100672

Hiren P Muni
Partner
Membership No: 142067

Place: Mumbai
Date: April 26, 2025

For and on behalf of the Board of Directors of SBFC Finance Limited
CIN: L67190MH2008PLC178270

Mr. Neeraj Swaroop
Chairperson & Independent Director
DIN: 00061170

Mr. Aseem Dhru
Managing Director & CEO
DIN: 01761455

Mr. Narayan Barasia
Chief Financial Officer

Ms. Namrata Sajnani
Company Secretary &
Chief Compliance Officer
F10030

Place: Mumbai
Date: April 26, 2025

Consolidated statement of Cash Flows

for the year ended March 31, 2025

(₹ In Million)

Particulars	As at March 31, 2025	As at March 31, 2024
Cash flow from Operating activities		
Profit before tax	4,587.33	3,161.39
Adjustments for:		
Depreciation and amortisation expenses	168.08	134.14
Interest income on loans	(11,674.03)	(8,660.66)
Interest received on investments	(128.57)	(306.12)
Interest income on fixed deposits	(171.27)	(216.81)
Fees and commission income	(699.14)	(551.89)
Cash inflow from fees and commission income including other operating income	857.58	591.46
Finance costs on borrowings and debt securities	4,178.55	3,496.37
Finance costs on lease liability	13.05	8.85
Net gain on financial instruments at fair value through profit or loss	(176.95)	(172.83)
Net gain on derecognition of financial instruments under amortised cost	-	(2.31)
Impairment on financial instruments	737.20	470.26
Employee share based payment	238.60	222.22
Net gain on termination of lease liability	(74.88)	(8.10)
Loss on sale/ discard of Property, plant and equipment/ Intangible assets	7.89	1.68
Operational Cash Flows:		
Interest received on loans	11,215.89	8,791.25
Interest received on investments	208.24	292.54
Interest received on fixed deposits	179.02	248.62
Interest paid on borrowings and debt securities	(3,891.03)	(3,423.58)
Operating Profit before working capital changes	**5,575.56**	**4,076.48**
Changes in working capital:		
Increase/ (Decrease) in Derivative Financial Instrument	(18.73)	17.17
Increase/ (Decrease) in payables	(120.60)	91.99
Increase/ (Decrease) in Other financial liabilities	(1,332.35)	(54.60)
Increase/ (Decrease) in Other non-financial liabilities	26.75	18.82
Increase/ (Decrease) in provision	0.66	0.94
(Increase)/ Decrease in trade receivables	(160.70)	(77.08)
(Increase)/ Decrease in loans and advances	(16,955.11)	(14,812.66)
(Increase)/ Decrease in other financial assets	30.15	(29.33)
(Increase)/ Decrease in other non-financial assets	42.70	116.61
Cash flows used in Operating activities	**(12,911.67)**	**(10,651.67)**
Income taxes refund/ (paid) [Refer Note (c) below]	(1,238.42)	(900.01)
Net cash used in Operating activities	**(14,150.09)**	**(11,551.68)**
Cash flow from Investing activities		
Purchase of property, plant and equipment	(90.10)	(110.93)
Purchase of intangible assets (including intangible assets under development)	(27.13)	(7.96)
Proceeds from sale of property, plant and equipment	0.23	0.22
Investment in Security receipts	(257.47)	-
Purchase of Mutual Funds	(33,066.89)	(25,115.55)
Sale of Mutual Funds	32,669.77	24,574.27
Redemption of investment in PTC	571.85	1,986.23
Purchase of investment in Government Securities	-	-
Redemption/ Sale of investment in Government Securities	-	2,769.09
Purchase of investment in T-Bill	(1,050.00)	(2,978.96)
Redemption/ Sale of investment in T-Bill	2,022.82	956.14
Amount Released/ (Retained) in IPO proceeds account	125.84	(125.84)
Placement of fixed deposits	(3,024.78)	(3,439.19)
Maturity/ Redemption of fixed deposits	3,867.77	3,086.16
Net cash generated from Investing activities	**1,741.91**	**1,593.68**

(₹ In Million)

Particulars	As at March 31, 2025	As at March 31, 2024
Cash flow from Financing activities		
Proceeds from issuance of equity share capital including securities premium	441.77	8,277.69
Proceeds from Share Application Money	39.75	-
Transaction cost on issue of shares	0.88	(342.05)
Proceeds from borrowings other than debt securities	20,362.80	13,700.00
Repayment of borrowings other than debt securities	(15,037.34)	(14,703.22)
Proceeds from Debt Securities	8,000.00	3,500.00
Repayment of debt securities	(930.00)	-
Payments for the principal portion of the lease liability	(54.76)	(51.54)
Payments for the interest portion of the lease liability	(13.05)	(8.85)
Net cash generated from Financing activities	**12,810.05**	**10,372.03**
Net increase in cash and cash equivalents	**401.87**	**414.04**
Cash and cash equivalents as at the beginning of the year (Refer Note 3)	2,252.11	1,838.07
Cash and cash equivalents as at the end of the year (Refer Note 3)	**2,653.98**	**2,252.11**
Cash and cash equivalents at the end of the year comprises of:		
Cash on hand	66.81	97.72
Balance with banks		
- In current accounts	731.33	851.60
- In fixed deposit with original maturity of 3 months or less	1,855.00	1,300.00
- Interest accrued but not due	0.84	2.79
Total cash and cash equivalents	**2,653.98**	**2,252.11**

Notes:

(a) The above Cash Flows Statement has been prepared under the Indirect method set out in Indian Accounting Standard (Ind AS) 7 'Statement of Cash Flows'.

(b) Figures in brackets indicate cash outflow.

(c) Income taxes refund/ (paid) is treated as arising from operating activities and is not bifurcated between investing and financing activities.

Corporate Information and Material Accounting Policies 1-2

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

As per our report of even date attached

For **M M Nissim & Co LLP**
Chartered Accountants
Firm's Registration No. 107122W / W100672

Hiren P Muni
Partner
Membership No: 142067

Place: Mumbai
Date: April 26, 2025

For and on behalf of the Board of Directors of SBFC Finance Limited
CIN: L67190MH2008PLC178270

Mr. Neeraj Swaroop
Chairperson & Independent Director
DIN: 00061170

Mr. Aseem Dhru
Managing Director & CEO
DIN: 01761455

Mr. Narayan Barasia
Chief Financial Officer

Ms. Namrata Sajnani
Company Secretary &
Chief Compliance Officer
F10030

Place: Mumbai
Date: April 26, 2025

Consolidated Statement of changes in equity
for the year ended March 31, 2025

Equity Share Capital

(₹ In Million)

Particulars	Amount
Balance as at March 31, 2023	**8,895.72**
Changes in equity share capital due to prior period errors	-
Restated Balance at the beginning of the previous reporting period	8,895.72
Changes in equity share capital during the current year	1,823.17
Balance as at March 31, 2024	**10,718.89**
Changes in equity share capital due to prior period errors	-
Restated Balance at the beginning of the previous reporting period	10,718.89
Changes in equity share capital during the current year	132.95
Balance as at March 31, 2025	**10,851.84**

Other Equity

(₹ In Million)

Particulars	Reserves and Surplus						Other comprehensive income on	Total
	Share application money pending allotment	Statutory Reserve	Securities Premium	Employee Share Option Outstanding	Retained Earnings	Remeasurement gain/ (loss) on defined benefit plans	Effective portion of Cash Flow Hedge	
Balance as at April 1, 2023	**-**	**719.07**	**4,440.18**	**301.51**	**2,909.04**	**7.16**	**-**	**8,376.96**
Changes in accounting policy/prior period errors								**-**
Restated Balance as at April 1, 2023	**-**	**719.07**	**4,440.18**	**301.51**	**2,909.04**	**7.16**	**-**	**8,376.96**
Profit for the year		-	-	-	2,371.04	-	-	**2,371.04**
Other comprehensive income for the year (net of taxes)		-	-	-	-	0.11	(21.03)	**(20.92)**
Total Comprehensive Income for the year	**-**	**-**	**-**	**-**	**2,371.04**	**0.11**	**(21.03)**	**2,350.12**
Issue of share capital		-	6,431.26	-	-	-	-	**6,431.26**
Adjustment on account of treasury shares held through ESOP trust		-	23.26	-	-	-	-	**23.26**
Exercise of stock options outstanding		-	233.84	(233.84)	-	-	-	**-**
Employee share based payment expenses		-	-	222.22	-	-	-	**222.22**
Transfer to statutory reserves from retained earnings		474.21	-	-	(474.21)	-	-	**-**
Share issue expenses (net of taxes)		-	(342.05)	-	-	-	-	**(342.05)**
Balance as at March 31, 2024	**-**	**1,193.28**	**10,786.49**	**289.89**	**4,805.87**	**7.27**	**(21.03)**	**17,061.77**
Changes in accounting policy/prior period errors	-	-	-	-	-	-	-	**-**
Restated Balance as at April 1, 2024	**-**	**1,193.28**	**10,786.49**	**289.89**	**4,805.87**	**7.27**	**(21.03)**	**17,061.77**
Profit for the year		-	-	-	3,452.99	-	-	**3,452.99**
Other comprehensive income for the year (net of taxes)		-	-	-	-	5.14	(59.06)	**(53.92)**
Total Comprehensive Income for the year	**-**	**-**	**-**	**-**	**3,452.99**	**5.14**	**(59.06)**	**3,399.07**
Issue of share capital	-	-	299.71	-	-	-	-	**299.71**
Adjustment on account of treasury shares held through ESOP trust	-	-	9.11	-	-	-	-	**9.11**
Exercise of stock options outstanding	-	-	66.89	(66.89)	-	-	-	**-**
Employee share based payment expenses	-	-	-	238.60	-	-	-	**238.60**
Money received against pending allotment	39.75	-	-	-	-	-	-	**39.75**
Transfer to statutory reserves from retained earnings	-	690.33	-	-	(690.33)	-	-	**-**
Share issue expenses (net of taxes)	-	-	0.88	-	-	-	-	**0.88**
Balance as at March 31, 2025	**39.75**	**1,883.61**	**11,163.08**	**461.60**	**7,568.53**	**12.41**	**(80.09)**	**21,048.89**

Corporate Information and Material Accounting Policies 1-2

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

As per our report of even date attached

For **M M Nissim & Co LLP**
Chartered Accountants
Firm's Registration No. 107122W / W100672

Hiren P Muni
Partner
Membership No: 142067

Place: Mumbai
Date: April 26, 2025

For and on behalf of the Board of Directors of SBFC Finance Limited
CIN: L67190MH2008PLC178270

Mr. Neeraj Swaroop
Chairperson & Independent Director
DIN: 00061170

Mr. Aseem Dhru
Managing Director & CEO
DIN: 01761455

Mr. Narayan Barasia
Chief Financial Officer

Ms. Namrata Sajnani
Company Secretary &
Chief Compliance Officer
F10030

Place: Mumbai
Date: April 26, 2025

Notes forming part of Consolidated Financial Statements
for the year ended March 31, 2025

1. Corporate Information

SBFC Finance Limited ('the Parent Company') is a limited company incorporated in India under the Companies Act, 1956, having its registered office at First Floor, C&B Square, Sangam Complex, Andheri Kurla Road, Chakala, Andheri (East), Mumbai- 400059, Maharashtra. The parent Company is registered with the Reserve Bank of India (RBI) as a Non deposit taking Non-Banking Financial Company ("NBFC") as defined under section 45-IA of the Reserve Bank of India (RBI) Act, 1934. The Company is classified under "Middle Layer" pursuant to Master Direction– Reserve Bank of India (Non-Banking Financial Company- Scale Based Regulation) Directions, 2023.

The registration details are as follows:

Reserve Bank of India Registration no : N-13.01913

Corporate Identity Number (CIN):
L67190MH2008 PLC178270

On December 6, 2022, the Parent Company has incorporated a wholly owned subsidiary with Corporate Identity Number (CIN) U65992MH2022PTC394642 in the name of – SBFC Home Finance Private Limited ('the Subsidiary Company). The Subsidiary has filed an application for registration as housing finance company with the Reserve Bank of India on March 29, 2023.

The Parent Company together with its subsidiary, hereinafter, collectively referred to as the 'Group'.

The Parent Company is in the business of giving loans to Micro Enterprise secured by residential or commercial property. The Parent Company also give loan against gold, which offers superior yields with almost liquid security assets. The Parent Company also gives unsecured personal loans and unsecured business loans.

The consolidated financial statements for the year ended March 31, 2025 were authorised for issue in accordance with a resolution of the board of directors on April 26, 2025.

2. Material accounting policies

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and other accounting principles. The consolidated financial statements have been prepared under the historical cost convention, as modified by the application of fair value measurements required or allowed by relevant Accounting Standards. Accounting policies have been consistently applied to all periods presented, unless otherwise stated.

The consolidated financial statements are presented in Indian Rupees (₹) in Million and all values are rounded to the nearest Rupee in Ten Thousand, except when otherwise indicated.

2.2 Principles of Consolidation

i. The consolidated financial statements incorporate the standalone financial statements of the Parent Company and its subsidiary (from the date control is gained), being the entity that it controls. Control is evidenced where the investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Power is demonstrated through existing rights that give the ability to direct relevant activities, which significantly affect the entity's returns. The standalone financial statements of subsidiary is prepared for the same reporting year as the parent company. Where necessary, adjustments is made to the standalone financial statements of subsidiary to align the accounting policies in line with accounting policies of the Parent Company.

Subsidiary has been consolidated by combining like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiary. Intragroup balances and transactions, and any unrealised income and expenses arising from intragroup transactions, are eliminated in preparing the consolidated financial statements.

Non-controlling interests (NCI):

NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition.

Profit or loss and each component of other comprehensive income are attributed to the equity holders of the parents of the Group and to the non-controlling interest, even if this results in the non-controlling interests have a deficit balance. Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

When the Parent loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any interest retained in the former subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognised in profit or loss.

ii. The consolidated financial statements of the Parent Company includes standalone financial statements of its subsidiary, consolidated in accordance with Ind AS 110 'Consolidated financial statements'.

2.3 Presentation of consolidated financial statements

The consolidated financial statements of the Group are presented as per Schedule III (Division III) of the Companies Act, 2013, applicable to NBFCs as notified by the Ministry of Corporate Affairs (MCA). Financial assets and financial liabilities are generally reported on a gross basis except when, there is an unconditional

legally enforceable right to offset the recognised amounts without being contingent on a future event and the parties intend to settle on a net basis in the following circumstances:

a) The normal course of business

b) The event of default

c) The event of insolvency or bankruptcy of the Group and/ or its counterparties

2.4 Statement of compliance

These Consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (IND AS) as per the Companies (Indian Accounting Standards) Rules, 2015, as amended by the Companies (Indian Accounting Standards) Rules, 2016, notified under Section 133 of the Companies Act, 2013 (the "Act") (as amended), other relevant provisions of the Act, guidelines issued by the Reserve Bank of India as applicable to an NBFCs and other accounting principles generally accepted in India. Any application guidance / clarifications / directions issued by RBI or other regulators are implemented as and when they are issued / applicable, the guidance notes/announcements issued by the Institute of Chartered Accountants of India (ICAI) are also applied except where compliance with other statutory promulgations require a different treatment. Accounting policies have been consistently applied except where a newly issued Ind AS is initially adopted or a revision to an existing Ind AS required a change in the accounting policy hitherto in use. The financial statements were authorised for issue by the Board of Directors (BOD) on April 26, 2025.

The Group has adopted the amendments to Ind AS 1 for the first time in the current year as per Companies (Indian Accounting Standards) Amendment Rules, 2023 and applicable from April 1, 2023. The amendments change the requirements in Ind AS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements.

2.5 Financial instruments

(i) Classification of financial instruments

The Group classifies its financial assets into the following measurement categories:

a) Financial assets to be measured at amortised cost

b) Financial assets to be measured at fair value through other comprehensive income

c) Financial assets to be measured at fair value through profit or loss account

The classification depends on the contractual terms of the financial assets' cash flows and the Group's business model for managing financial assets which are explained below:

Business model assessment

The Group determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Group's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

a) How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel

b) The risks that affect the performance of the business model (and the financial assets held within that business model) and the way those risks are managed

c) How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected)

d) The expected frequency, value and timing of sales are also important aspects of the Group's assessment. The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Group's original expectations, the Group does not change the classification of the remaining financial assets held in that business model but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

<u>The Solely Payments of Principal and Interest (SPPI) test</u>

As a second step of its classification process, the Group assesses the contractual terms of financial assets to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/ discount).

In making this assessment, the Group considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss.

The Group classifies its financial liabilities at amortised costs.

(ii) Financial assets measured at amortised cost

These financial assets comprise bank balances, receivables, investments and other financial assets.

These are measured at amortised cost where they have:

a) contractual terms that give rise to cash flows on specified dates, that represent solely payments of principal and interest on the principal amount outstanding; and

b) are held within a business model whose objective is achieved by holding to collect contractual cash flows.

These instruments are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at amortised cost.

(iii) Items at fair value through profit or loss (FVTPL)

Items at fair value through profit or loss comprise:

a) Investments (including equity shares) held for trading;

b) Items specifically designated as FVTPL on initial recognition; and

c) debt instruments with contractual terms that do not represent solely payments of principal and interest.

Financial instruments held at FVTPL are initially recognised at fair value, with transaction costs recognised in the consolidated statement of profit and loss as incurred. Subsequently, they are measured at fair value and any gains or losses are recognised in the consolidated statement of profit and loss as they arise.

(iv) Debt securities and other borrowed funds

After initial measurement, debt issued, and other borrowed funds are subsequently measured at amortised cost. Amortised cost is calculated by taking into account any discount or premium on issue funds, and costs that are an integral part of the EIR.

(v) Reclassification

If the business model under which the Group holds financial assets changes, the financial assets affected are reclassified. The classification and measurement requirements related to the new category apply prospectively from the first day of the first reporting period following the change in business model that result in reclassifying the Group's financial assets. Changes in contractual cash flows are considered under the accounting policy on Modification and derecognition of financial assets described below.

(vi) Recognition and Derecognition of financial assets and liabilities

<u>Recognition:</u>

a) Loans and Advances are initially recognised when the Financial Instruments are transferred to the customers.

b) Investments are initially recognised on the trade date.

c) Debt securities, deposits and borrowings are initially recognised when funds reach the Group.

d) Other Financial assets and liabilities are initially recognised on the trade date, i.e., the date that the Group becomes a party to the contractual provisions of the instrument.

<u>Derecognition of financial assets</u>

a) Financial assets:

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired. The Group also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

The Group has transferred the financial asset if, the Group has transferred its contractual rights to receive cash flows from the financial asset.

A transfer only qualifies for derecognition if either:

i. The Group has transferred substantially all the risks and rewards of the asset, or

ii. The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

The Group considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

When the Group has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Group's continuing involvement, in which case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

b) Financial liabilities:

A financial liability is derecognised when the obligation under the liability is discharged,

cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in the Consolidated Statement of Profit and Loss.

(vii) Impairment of financial assets

Overview of the ECL principles

The Group records allowance for expected credit losses for all loans, other debt financial assets not held at FVTPL, together with financial guarantee contracts, in this section all referred to as 'financial instruments. Equity instruments are not subject to impairment under Ind AS 109.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is the portion of Lifetime ECL that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Both Lifetime ECLs and 12-month ECLs are calculated on either an individual basis or a collective basis.

The Group has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. The Group does the assessment of significant increase in credit risk at a borrower level. If a borrower has various facilities having different past due status, then the highest days past due (DPD) is considered to be applicable for all the facilities of that borrower.

Based on the above, the Group categorises its loans into Stage 1, Stage 2 and Stage 3 as described below:

Stage 1

All exposures where there has not been a significant increase in credit risk since initial recognition or that has low credit risk at the reporting date and that are not credit impaired upon origination are classified under this stage. The Group classifies all standard advances and advances up to 0-30 days default under this category. Stage 1 loans also include facilities where the credit risk has improved, and the loan has been reclassified from Stage 2.

Stage 2

All exposures where there has been a significant increase in credit risk since initial recognition but are not credit impaired are classified under this stage. Financial assets past due for 31-90 days are classified under this stage. The Group uses the below criteria for assessing movement to Stage 2:

a) Financial assets past due between 31-90

b) The Group becomes aware about any deterioration in the financial condition and reputation of the obligor which the management believes may lead to significant deterioration in credit risk

Stage 3

All exposures 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 are classified in this stage. For exposures that have become credit impaired, a lifetime ECL is recognised and interest revenue is calculated by applying the effective interest rate to the amortised cost (net of provision) rather than the gross carrying amount. 90 days Past Due is considered as default for classifying a financial instrument as credit impaired. If an event warrants a provision higher than as mandated under ECL methodology, the Group may classify the financial asset in Stage 3 accordingly.

Non performing Asset classification is done in line with Reserve Bank of India Master Circular on Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances and Clarifications dated November 12, 2021 and dated February 15, 2022.

Credit-impaired financial assets:

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt financial assets carried at FVTOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

a) Significant financial difficulty of the borrower or issuer;

b) A breach of contract such as a default or past due event; or

c) The disappearance of an active market for a security because of financial difficulties.

The mechanics of ECL

The Group calculates ECLs based on probability-weighted scenarios to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to the Group and the cash flows that the Group expects to receive.

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

Probability of Default (PD) – Probability of default ("PD") is defined as the likelihood of default over a particular time horizon. The PD of an obligor is a fundamental risk parameter in credit risk analysis and depends on obligor specific as well as macroeconomic risk factors. The impact of macroeconomic criteria on the PD results in two different PD estimates, through-the-cycle ("TTC") and the point-in-time ("PIT") PD. A TTC PD estimate remains largely unaffected by the economic cycle, while a PIT PD estimate varies with the economic cycle.

Exposure at Default (EAD) – EAD is taken as the gross exposure under a facility upon default of an obligor. The amortized principal and the interest accrued is considered as EAD for the purpose of ECL computation

Loss Given Default (LGD) – The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

Repossessed assets

In Loan Against Property / Mortgage Loan, the collateral on a loan can be repossessed as part of legal process through SARFAESI, arbitration etc. In such scenario, property value assessment to be done based on existing valuation done for NPA cases or fresh valuation done post repossession of the property. Basis the assessment of the valuation, additional provision to be done to the extent of shortfall in the value of asset not covered with the existing ECL provision.

Further, property auction/sale to be conducted for such repossessed assets as per legal process and guidelines basis collection manual. Once the property is sold, based on the actual realization the ECL shortfall or surplus to be accounted for.

If any repossessed asset is not sold for 24 months post repossession, the account should be marked for accelerated provision and account should be fully provided.

(viii) Write-offs

The Group reduces the gross carrying amount of a financial asset when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subjected to write-offs. However, financial assets that are written-off could still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any write-offs/ subsequent recoveries against such loans are debited/ credited in the Consolidated Statement of Profit and Loss under the heading "Impairments on financial instruments".

(ix) Determination of fair value

On initial recognition, all the financial instruments are measured at fair value. For subsequent measurement, the Group measures certain categories of financial instruments (as explained in Note 2.5) at fair value on each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

i. In the principal market for the asset or liability, or

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

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

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

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

Level 1 financial instruments – Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Group has access to at the measurement date. The Group considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.

Level 2 financial instruments – Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market

data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads. In addition, adjustments may be required for the condition or location of the asset or the extent to which it relates to items that are comparable to the valued instrument. However, if such adjustments are based on unobservable inputs which are significant to the entire measurement, the Group will classify the instruments as Level 3.

Level 3 financial instruments – Those that include one or more unobservable input that is significant to the measurement as whole.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Difference between transaction price and fair value at initial recognition

The best evidence of the fair value of a financial instrument at initial recognition is the transaction price (i.e. the fair value of the consideration given or received) unless the fair value of that instrument is evidenced by comparison with other observable current market transactions in the same instrument (i.e. without modification or repackaging) or based on a valuation technique whose variables include only data from observable markets. When such evidence exists, the Group recognises the difference between the transaction price and the fair value in profit or loss on initial recognition (i.e. on day one).

When the transaction price of the instrument differs from the fair value at origination and the fair value is based on a valuation technique using only inputs observable in market transactions, the Group recognises the difference between the transaction price and fair value in net gain on fair value changes. In those cases where fair value is based on models for which some of the inputs are not observable, the difference between the transaction price and the fair value is not recognised at the initial recognition stage.

(x) Derivatives and hedging activity

The Company uses derivative contracts like forward contracts to hedge its risk associated with foreign currency and interest rate fluctuation relating to foreign currency floating rate borrowings. Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain/loss is recognized in the Statement of Profit and Loss immediately unless the derivative is designated and is effective as a hedging instrument, in which event the timing of the recognition in the Statement of Profit and Loss depends on nature and type of the hedge relationship designated.

Cash flow hedges that qualify for hedge accounting

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. 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 net foreign exchange gains in the statement of profit and loss.

The effective portion of change in the fair value of the designated hedging instrument is recognised in the other comprehensive income and accumulated under the heading cash flow hedging reserve. Such amounts are reclassified into the statement of profit and loss when the related hedged items affect profit and loss.

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 the statement of profit and loss when the forecasted transaction ultimately affects profit and loss. Any gain or loss is recognised immediately in the statement of profit and loss when the hedge becomes ineffective.

2.6 Share Capital

The Company has only one class of equity shares. Par value of the equity share is recorded as the share capital and the amount received in excess of par value is classified as share premium. Equity shares issued by the Company are recognised at the proceeds received net of direct issue cost.

Treasury shares represent the consideration paid by the Company, including any directly attributable costs, to repurchase its own ordinary shares. Treasury shares are presented as a deduction from total equity. On cancellation of treasury shares, the amount paid is adjusted against share capital, to the extent of the par value of ordinary shares repurchased, and the balance is adjusted against share premium.

2.7 Revenue from operations

(i) Interest Income

Interest income is recognised by applying (EIR) to the gross carrying amount of financial assets other than credit-impaired assets and financial assets classified as measured at FVTPL, taking into account the amount outstanding and the applicable interest rate. Interest income is recognised on non-performing assets at net of ECL.

Processing fees on loans is collected towards processing of loan and are considered integral part of loan. This is amortised on EIR basis over the contractual life of the loan.

The EIR is computed:

a. As the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset to the gross carrying amount of a financial asset

b. By considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) in estimating the cash flows

c. Including all fees paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Any subsequent changes in the estimation of the future cash flows are recognised in interest income with the corresponding adjustment to the carrying amount of the assets.

Delayed payment interest (penal interest) levied on customers for delay in repayments/ non-payment of contractual cashflows is recognised on realisation.

(ii) Fees & Commission Income

Fees and commissions income that are not integral part of loans and advances and therefore excluded for effective interest calculation, is recognised when the Group satisfies the performance obligation, at transaction price when the consideration received or receivable based on a five-step model as set out below:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Group allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the Group satisfies a performance obligation

Foreclosure charges are collected from loan customers for early payment/ closure of loan and are recognized on realization.

Initial money Deposit charges are collected from customers for document processing, which is non refundable in the nature and are recognized on realization basis

(iii) Net gain on Fair value changes

Any differences between the fair values of financial assets classified as FVTPL held by the Group on the balance sheet date is recognised as an unrealised gain/ loss. In cases there is a net gain in the aggregate, the same is recognised in "Net gains on fair value changes" under Revenue from operations and if there is a net loss the same is disclosed as "Net loss on fair value changes" under Expenses in the Consolidated Statement of Profit and Loss.

Similarly, any realised gain or loss on sale of financial instruments measured at FVTPL and debt instruments measured at FVOCI is recognised in net gain/ loss on fair value changes.

However, Net gain/ loss on derecognition of financial instruments classified as amortised cost is presented separately under the respective head in the Consolidated Statement of Profit and Loss.

(iv) Advertisement income

The Company recognises advertisement income on realisation or when the right to receive the same without any uncertainties of recovery is established.

(v) Loan Processing Fees

Processing fees on loans is collected towards processing of loan, this is amortised on EIR basis over the contractual life of the loan.

(vi) Other Operating Income

The Group recognises income on recoveries of financial assets written off on realisation or when the right to receive the same without any uncertainties of recovery is established.

2.8 Expenses

(i) Finance costs

Finance costs on borrowings is paid towards availing of loan, is amortised on EIR basis over the contractual life of loan.

The EIR in case of a financial liability is computed

a) As the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the gross carrying amount of the amortised cost of a financial liability.

b) By considering all the contractual terms of the financial instrument in estimating the cash flows

c) Including all fees paid between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Any subsequent changes in the estimation of the future cash flows are recognised in interest expense with the corresponding adjustment to the carrying amount of the liability.

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 include fees and commissions payable to advisers and other expenses such as external legal costs, Rating Fee etc, provided these are incremental costs that are directly related to the issue of a financial liability.

(ii) Retirement and other employee benefits

Short term employee benefit

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. These benefits include short term compensated absences such as paid annual leave. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognised as an expense during the period. Benefits such as salaries and wages, etc. and the expected cost of the bonus/ ex-gratia are recognised in the period in which the employee renders the related service.

Post-employment employee benefits

a) Share contribution schemes

All the eligible employees of the Group who have opted to receive benefits under the Provident Fund and Employees State Insurance scheme, defined contribution plans in which both the employee and the parent company contribute monthly at a stipulated rate. The Group has no liability for future benefits other than its annual contribution and recognises such contributions as an expense in the period in which employee renders the related service. If the contribution payable to the scheme for service received before the Balance Sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the Balance Sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

b) Defined Benefit schemes

The Group provides for the gratuity, a defined benefit retirement plan covering all employees. The plan provides for lump sum payments to employees upon death while in employment or on separation from employment after serving for the stipulated years mentioned under 'The Payment of Gratuity Act, 1972'. The present value of the obligation under such defined benefit plan is determined based on actuarial valuation, carried out by an independent actuary at each Balance Sheet date, using the Projected Unit Credit Method, which recognizes each period of service as giving rise to an additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan are based on the market yields on Government Securities as at the Balance Sheet date.

Net interest recognized in profit or loss is calculated by applying the discount rate used to measure the defined benefit obligation to the net defined benefit liability or asset. The actual return on the plan assets above or below the discount rate is recognized as part of re-measurement of net defined liability or asset through other comprehensive income. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, attrition rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The Group fully contributes all ascertained liabilities to The Trustees – "SBFC Finance Private Limited employees group gratuity cash accumulation scheme". Trustees administer contributions made to the trust and contributions are invested in a scheme of insurance with the IRDA approved Insurance Group- Life Insurance Corporation of India.

Re-measurement, comprising of actuarial gains and losses and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit and loss in subsequent periods.

Other employee benefits

Group's liabilities towards compensated absences to employees are accrued on the basis of valuations, as at the Balance Sheet date, carried out by an independent actuary using Projected Unit Credit Method. Actuarial gains and losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognised immediately in the consolidated Statement of Profit and Loss.

The Group presents the Provision for compensated absences under provisions in the Balance Sheet.

Share-based payment arrangements

The stock options granted to employees pursuant to the Group's Stock Options Schemes, are measured at the fair value of the options at the grant date using Black Scholes Model. The fair value of the options determined at grant date is treated as discount and accounted as employee compensation cost over the vesting period on a straight line basis over the period of option, based on the number of grants expected to vest, with corresponding increase in equity. The employee stock option outstanding account is shown under Reserves and Surplus.

The Parent Company has created an Employee Welfare Trust for providing share-based payment to its employees for (a) SBFC Stock Option Policy I 2018 and (b) SBFC Stock Option Policy 2021 – I policies. The Group uses the Trust as a vehicle for distributing shares to employees under the employee remuneration schemes for the above mentioned two policies. The Group allots shares to the Trustee of the Trust, for giving shares to employees. The Group treats Trust as its extension and shares held by the Trust are treated as treasury shares.

(iii) Leases:

In accordance with Ind AS 116 – Leases at the date of commencement of the lease, the Group has recognised a Lease Liability, except for leases with a term of 12 months or less (short-term leases) and low value leases.

The Group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Group uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Group determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. In assessing whether the Group is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group revises the lease term if there is a change in the non-cancellable period of a lease. The discount rate is generally based on the incremental borrowing rate. The Group makes assessment on the expected lease term on lease by lease basis and thereby assesses whether it is reasonably certain that any option to extend or terminate the contract will be exercised. In evaluating the lease term, the Group considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to termination of lease and the importance of the underlying to the Group's operation taking into account the location of the underlying asset and the availability of the suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflect the current economic circumstances.

The right-of-use assets is subsequently measured at cost less accumulated depreciation, accumulated impairment losses, if any, and adjusted for any remeasurement of the lease liability.

The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the consolidated statement of profit and loss.

The Group recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and consolidated statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognises any remaining amount of the re-measurement in consolidated statement of profit and loss.

The Group has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lock in period of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

(iv) Other income and expenses

All Other income and expense are recognized in the period they occur.

(v) Impairment of non-financial assets

The carrying amount of assets is reviewed at each balance sheet date if there is any indication of impairment based on internal/ external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets, net selling price and value in use. 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 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. After impairment, depreciation

is provided on the revised carrying amount of the asset over its remaining useful life.

Goodwill represents the excess of the cost of an acquisition over the fair value of the Company's share of the net identifiable assets of the acquired entity at the date of acquisition. Goodwill is carried at cost less accumulated impairment losses. Impairment loss on goodwill is not reversed. Goodwill is not subject to amortization and tested at least annually for impairment or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount.

(vi) Taxes

Current Tax

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from, or paid to, the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, by the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax assets and liabilities are recognised for temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are only recognised for temporary differences, unused tax losses and unused tax credits if it is probable that future taxable amounts will arise to utilise those temporary differences and losses. 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 realised.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and they relate to income taxes levied by the same tax authority on the same taxable entity.

Goods and services tax/ service tax/ value added taxes paid on acquisition of assets or on incurring expenses:

Expenses and assets are recognised net of the goods and services tax/ service tax/ value added taxes paid, except:

i. When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable

ii. When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

2.9 Cash and cash equivalents

Cash and cash equivalents comprise the net amount of short-term, highly liquid investments that are readily convertible to known amounts of cash (short-term deposits with an original maturity of three months or less) and are subject to an insignificant risk of change in value. They are held for the purposes of meeting short-term cash commitments (rather than for investment or other purposes).

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short- term deposits, as defined above.

2.10 Property, plant and equipment

Property, plant and equipment (PPE) are measured at cost less accumulated depreciation and accumulated impairment, (if any). The total cost of assets comprises its purchase price, freight, duties, taxes and any other incidental expenses directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management. Changes in the expected useful life are accounted for by changing the amortisation period or methodology, as appropriate, and treated as changes in accounting estimates.

Subsequent expenditure related to an item of tangible asset are added to its gross value only if it increases the future benefits of the existing asset, beyond its previously assessed standards of performance and cost can be measured reliably. Other repairs and maintenance costs are expensed off as and when incurred.

Depreciation

Depreciation is calculated using the straight line method to write down the cost of property and equipment to their residual values over their estimated useful lives which is in line with the estimated useful life as specified in Schedule II of the Act except for Leasehold improvements which are amortised on a straight-line basis over the period of lease or 3 years whichever is less. Leasehold improvements include all expenditure incurred on the leasehold premises that have future economic benefits. The estimated useful lives are as prescribed by Schedule II of the Act. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

The estimated useful lives as used by the Group are listed below:

Nature of assets	Useful life in years
Computers	
End user machines	3
Servers and networks	6
Furniture and Fixtures	10
Office equipment	5
Vehicle	8

Property plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in other income/ expense in the consolidated statement of profit and loss in the year the asset is derecognised. The date of disposal of an item of property, plant and equipment is the date the recipient obtains control of that item in accordance with the requirements for determining when a performance obligation is satisfied in Ind AS 115.

2.11 Intangible assets

An intangible asset is recognised only when its cost can be measured reliably, and it is probable that the expected future economic benefits that are attributable to it will flow to the Group.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of an intangible asset comprises its purchase price and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Changes in the expected useful life, or the expected pattern of consumption of future economic benefits embodied in the asset, are accounted for by changing the amortisation period or methodology, as appropriate, which are then treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is presented as a separate line item in the consolidated statement of profit and loss. Amortisation on assets acquired/ sold during the year is recognised on a pro-rata basis to the consolidated Statement of Profit and Loss from/ upto the date of acquisition/ sale.

Amortisation is calculated using the straight–line method to write down the cost of intangible assets to their residual values over their estimated useful lives. Intangible assets comprising of software are amortised on a straight-line basis over a period of 5 years, unless it has a shorter useful life.

Intangible assets with indefinite useful life is tested for impairment at each reporting period.

Gains or losses from derecognition of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the consolidated Statement of Profit and Loss when the asset is derecognised.

2.12 Provisions

Provisions are recognised when the enterprise has a present obligation (legal or constructive) as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

When the effect of the time value of money is material, the enterprise determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. The expense relating to any provision is presented in the consolidated Statement of Profit and Loss net of any reimbursement.

2.13 Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not 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 Group does not recognize a contingent liability but discloses its existence in the consolidated financial statements.

2.14 Commitments

Commitments are future liabilities for contractual expenditure, classified and disclosed as follows:

- estimated amount of contracts remaining to be executed on capital account and not provided for;
- Other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

2.15 Earnings Per Share

The Group reports basic and diluted earnings per share in accordance with Ind AS 33 on Earnings per share. Basic EPS is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividend and attributable taxes) 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 including the treasury shares held by the Company to satisfy the exercise of the share options by the employees. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. In computing the dilutive earnings per share, only potential equity shares that are dilutive and that either reduces the earnings per share or increases loss per share are included.

2.16 Segments

Based on "Management Approach" as defined by Ind AS 108, The Chief Operating Decision Maker (CODM) evaluates the "Operating Segments". Operating segments are reported in a manner consistent with the internal reporting provided to the CODM. The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Group.

2.17 Significant accounting judgements, estimates and assumptions

The preparation of consolidated financial statements in conformity with the Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosure and the disclosure of contingent liabilities, at the end of the reporting period. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised, and future periods are affected. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements are included in the following notes:

2.17.1 Impairment of loans portfolio

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

It has been the Group's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

2.17.2 Share-Based Payments

Estimating fair value for share-based payment transactions requires use of an appropriate valuation model. The Group measures the cost of equity-settled transactions with employees using Black-Scholes Model to determine the fair value of the options on the grant date.

Inputs into the valuation model, includes assumption such as the expected life of the share option, volatility and dividend yield.

Further details used for estimating fair value for share-based payment transactions are disclosed in Note 40.

2.18 Operating Cycle

Based on the nature of products/ activities of the Group and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Group has determined its operating cycle as 12 months.

2.19 Foreign Currency

Foreign currency transactions:

Foreign currency transactions are recorded on initial recognition in the functional currency using the exchange rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date.

Exchange differences arising on the settlement or translation of monetary items are recognised in Consolidated Statement of profit or loss in the year in which they arise.

2.20 Recent Accounting Pronouncements

Ministry of Corporate Affairs ('MCA') notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2025, MCA has not notified any new standards or amendments to the existing standards applicable to the Group.

3 Cash and cash equivalents

(₹ In Million)

Particulars	As at March 31, 2025	As at March 31, 2024
Cash on hand	66.81	97.72
Balances with banks:		
- In current accounts	731.33	851.60
- In fixed deposit with original maturity of 3 months or less	1,855.00	1,300.00
- Interest accrued but not due	0.84	2.79
Total	**2,653.98**	**2,252.11**

4 Bank balances other than cash and cash equivalents

(₹ In Million)

Particulars	As at March 31, 2025	As at March 31, 2024
Balances with banks:		
- In current accounts [Refer Note 4.1]	-	125.84
Fixed deposit with banks:		
- Earmarked balances [Refer Note 4.2]	1,604.07	1,794.05
- Non-Earmarked balances	30.00	683.01
- Interest accrued but not due	5.50	14.15
Total	**1,639.57**	**2,617.05**

4.1 Balance with banks as at March 31, 2024 includes restricted bank balance of INR 125.84 Million with ICICI Bank in which proceeds from IPO have been received. The remaining balance out of this account was paid during the year ended March 2025 to selling shareholders post deduction of expenses incurred in relation to IPO.

4.2 Details of fixed deposits under lien

(₹ In Million)

Particulars	As at March 31, 2025	As at March 31, 2024
Credit enhancement in securitisation transactions	306.50	349.95
In connection with borrowings in the form of term loans from SBI	1,294.90	1,369.03
In connection with Investment in usage of Adhar authentication service	2.67	2.57
In connection with IPO	-	72.50
Total	**1,604.07**	**1,794.05**

5 Trade receivables

(₹ In Million)

Particulars	As at March 31, 2025	As at March 31, 2024
Receivables considered good- Secured	-	-
Receivables considered good- Unsecured	50.39	38.66
Receivables which have significant increase in credit risk	-	-
Receivables credit impaired	-	-
Unbilled Trade receivables	97.67	107.14
	148.06	**145.80**
Less: Expected credit loss	-	-
Total	**148.06**	**145.80**

5.1 No trade or other receivable are due from directors or other officers of the Group either severally or jointly with any other person. Further, no trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

5.2 No expected credit loss provision is required due to the short term nature of these receivables.

5.3 Ageing of Trade receivables

Ageing of Trade receivables as on March 31, 2025: (₹ In Million)

Particulars	Unbilled	Not due	Outstanding for following periods from transaction date					Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables- considered good - Unsecured	97.67	-	49.74	0.65	-	-	-	**148.06**
Total	**97.67**	**-**	**49.74**	**0.65**	**-**	**-**	**-**	**148.06**

Ageing of Trade receivables as on March 31, 2024: (₹ In Million)

Particulars	Unbilled	Not due	Outstanding for following periods from transaction date					Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables- considered good - Unsecured	107.14	-	31.10	3.68	3.88	-	-	**145.80**
Total	**107.14**	**-**	**31.10**	**3.68**	**3.88**	**-**	**-**	**145.80**

6 Loans

(₹ In Million)

Particulars	As at March 31, 2025	As at March 31, 2024
Measured at amortised cost		
Loan against Property	60,703.69	48,061.19
Loan against Gold	15,273.34	10,565.00
Unsecured loan	435.96	832.32
Staff loans	3.79	10.55
Total (A)– Gross	**76,416.78**	**59,469.06**
Impairment Loss Allowance	(1,375.84)	(1,104.15)
Total (A)– Net	**75,040.94**	**58,364.91**
(a) Secured by tangible assets [Refer Note 6.2]	75,977.03	58,627.60
(b) Unsecured	439.75	841.46
Total (B)– Gross	**76,416.78**	**59,469.06**
Impairment Loss Allowance	(1,375.84)	(1,104.15)
Total (B)– Net	**75,040.94**	**58,364.91**
Loans in India		
(i) Public sector	-	-
(ii) Others	76,416.78	59,469.06
Total (C)– Gross	**76,416.78**	**59,469.06**
Impairment Loss Allowance	(1,375.84)	(1,104.15)
Total (C)– Net	**75,040.94**	**58,364.91**
Loans outside India		
(i) Public sector	-	-
(ii) Others	-	-
Total (C)– Gross	**-**	**-**
Impairment Loss Allowance	-	-
Total (C)– Net	**-**	**-**

6.1 The Group's business model is to collect contractual cash flows, being the payment of Principal and Interest and accordingly, the loans are measured at amortized cost.

6.2 Loans granted by the Group are secured or partly secured by one or a combination of the following securities:- Registered/ equitable mortgage of property, Hypothecation of assets including Gold.

6.3 Loans where fraud has been committed and reported for the year is ₹ 3.51 million (March 31, 2024: ₹ Nil)

6.4 The Group has not provided any loans or advances to promoters, directors, KMPs and the related parties.

6.5 The Group has securitised certain term loans and managed servicing of such loan accounts. The carrying value of these assets have not been de-recognised in the books. Refer Note 49 for securitised term loans not derecognised in their entirety.

6.6 The Group has transferred certain stressed loans to Asset Reconstruction Company during the current year. Refer Note 51 for Disclosure pursuant to RBI notification No. RBI/DOR/2021-22/86 DOR.STR.REC.51 /21.04.048/2021-22 dated September 24, 2021

6.7 Unsecured Loans includes unsecured business loans which is guaranteed by Credit Guarantee Fund Trust for Micro and Small Enterprises amounting to ₹ 0.32 Million (March 31, 2024: ₹ 2.27 Million)

7 Investments

(₹ In Million)

Particulars	As at March 31, 2025	As at March 31, 2024
At amortized cost		
Investment in Treasury Bills (Quoted) [Refer Note 7.1]	1,020.18	2,068.64
Investment in Pass through certificates (PTC) [Refer Note 7.2]	-	575.89
At fair value through profit or loss		
Investment in mutual funds- (Quoted)	1,990.64	1,416.57
Investment in Security receipts (Unquoted)	257.47	-
Total (A)	3,268.29	4,061.10
(i) Investments outside India	-	-
(ii) Investments in India	3,268.29	4,061.10
Total (B)	**3,268.29**	**4,061.10**
Impairment Loss Allowance (C)	-	-
Total – Net (D)= (A)-(C)	**3,268.29**	**4,061.10**

7.1 The Parent Company has invested in Treasury Bills which are sovereign in nature. Hence, the Parent Company has not provided for any impairment allowance on these investments.

7.2 There is no impairment allowance for existing Investment in Pass Through Certificates considering the performance of the underlying loans and the risk cover.

8 Other financial assets

(₹ In Million)

Particulars	As at March 31, 2025	As at March 31, 2024
Unsecured, considered good		
Security deposits	40.40	68.82
Other receivables	0.07	1.80
Total	**40.47**	**70.62**

9 Current tax assets (net)

(₹ In Million)

Particulars	As at March 31, 2025	As at March 31, 2024
Advance income tax [Net of provision for income tax ₹ 1,212.30 Million (March 31, 2024: ₹ 2,038.76 Million)]	30.99	60.78
Total	**30.99**	**60.78**

10 Property, plant and equipment, Other intangible assets, Intangible assets under development, Goodwill

(₹ In Million)

Particulars	Property, plant and equipment							Other intangible assets			Intangible assets under development	Goodwill
	Computers	Furniture and fixtures	Office equipments	Motor car	Leasehold Improvements	Buildings Right-of-use (Refer Note 44.1)	Total	Computer Software	Trademark and Patent	Total	Computer Software	Goodwill (Refer Note 46)
Gross Block:												
Balance as at April 1, 2023	**85.35**	**233.26**	**70.67**	**2.91**	**19.13**	**206.36**	**617.68**	**56.24**	**0.69**	**56.93**	**7.49**	**2,603.92**
Additions	44.08	8.76	22.09	-	36.00	62.60	**173.53**	0.18	-	**0.18**	7.78	-
Reclassification	0.77	(2.52)	2.52	-	(0.77)	-	**-**	-	-	**-**	-	-
Disposals	0.99	4.62	1.97	-	-	8.52	**16.10**	-	-	**-**	-	-
Balance as at March 31, 2024	**129.21**	**234.88**	**93.31**	**2.91**	**54.36**	**260.44**	**775.11**	**56.42**	**0.69**	**57.11**	**15.27**	**2,603.92**
Additions	40.03	6.16	17.71	-	26.20	136.80	**226.90**	34.00	-	**34.00**	27.13	-
Reclassification	(0.70)	(15.58)	(1.06)	-	17.34	-	**-**	-	-	**-**	-	-
Disposals	9.37	7.86	7.80	-	1.58	93.00	**119.61**	-	-	**-**	36.62	-
Balance as at March 31, 2025	**159.17**	**217.60**	**102.16**	**2.91**	**96.32**	**304.24**	**882.40**	**90.42**	**0.69**	**91.11**	**5.78**	**2,603.92**
Depreciation and Amortization:												
As at March 31, 2023	**52.76**	**75.85**	**33.80**	**0.88**	**1.37**	**116.49**	**281.15**	**32.70**	**0.69**	**33.39**	**-**	**-**
Additions	25.93	21.86	15.04	0.36	12.40	49.78	**125.37**	8.77	-	**8.77**	-	-
Reclassification	0.40	(0.55)	0.55	-	(0.40)	-	**-**	-	-	**-**	-	-
Disposals	0.99	2.82	1.87	-	-	5.56	**11.24**	-	-	**-**	-	-
As at March 31, 2024	**78.10**	**94.34**	**47.52**	**1.24**	**13.37**	**160.71**	**395.28**	**41.47**	**0.69**	**42.16**	**-**	**-**
Additions	34.23	21.51	18.06	0.35	28.37	54.90	**157.43**	10.63	-	**10.63**	-	-
Reclassification	(0.70)	(8.69)	(0.11)	-	9.50	-	**-**	-	-	**-**	-	-
Disposals	9.23	3.46	7.21	-	1.21	85.84	**106.95**	-	-	**-**	-	-
Balance as at March 31, 2025	**102.40**	**103.70**	**58.26**	**1.59**	**50.03**	**129.77**	**445.75**	**52.10**	**0.69**	**52.79**	**-**	**-**
Net Block:												
As at March 31, 2024	**51.11**	**140.54**	**45.79**	**1.67**	**40.99**	**99.73**	**379.83**	**14.95**	**-**	**14.95**	**15.27**	**2,603.92**
As at March 31, 2025	**56.77**	**113.90**	**43.90**	**1.32**	**46.29**	**174.47**	**436.65**	**38.32**	**-**	**38.32**	**5.78**	**2,603.92**

10.1 Intangible assets under development ageing schedule:

(₹ In Million)

Intangible assets under development	Amount in Intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at March 31, 2024					
Loan Management System	6.88	7.11	-	-	**13.99**
Others	0.90	0.38	-	-	**1.28**
Total	**7.78**	**7.49**	**-**	**-**	**15.27**
As at March 31, 2025					
Loan Management System	-	-	-	-	**-**
Others	4.89	0.89	-	-	**5.78**
Total	**4.89**	**0.89**	**-**	**-**	**5.78**

10.2 Intangible assets under development, whose completion is overdue compared to its original plan:

(₹ In Million)

Intangible assets under development	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at March 31, 2024					
Loan Management System	13.99	-	-	-	**13.99**
Others	1.28	-	-	-	**1.28**
Total	**15.27**	**-**	**-**	**-**	**15.27**
As at March 31, 2025					
Loan Management System	-	-	-	-	**-**
Others	5.78	-	-	-	**5.78**
Total	**5.78**	**-**	**-**	**-**	**5.78**

10.3 The Parent does not have any intangible asset under development temporarily suspended or has exceeded its cost compared to its original plan.

11 Other non-financial assets

(₹ In Million)

Particulars	As at March 31, 2025	As at March 31, 2024
Prepaid expenses	33.30	24.79
Gratuity asset (net)	0.56	-
Advance to creditors	9.38	12.97
Capital advances	5.24	1.33
Advances to employees	2.12	2.42
Total	**50.60**	**41.51**

12 Derivative financial instruments

(₹ In Million)

Particulars	As at March 31, 2025				As at March 31, 2024			
	Notional Amounts	Fair Value - Assets	Notional Amounts	Fair Value - Liabilities	Notional Amounts	Fair Value - Assets	Notional Amounts	Fair Value - Liabilities
Part I								
Currency derivatives								
Spot and forwards	-	-	9,337.29	98.45	-	-	8,337.39	45.13
Part II								
Included in above (Part I) are derivatives held for hedging and risk management purposes as follows:								
Cash flow hedging:								
- Currency derivatives	-	-	9,337.29	98.45	-	-	8,337.39	45.13

The Company is exposed to certain risks relating to its ongoing business operations. The primary risks managed using derivative instruments are foreign currency risk and interest rate risk. The Company's risk management strategy and how it is applied to manage risk are explained in note 48.4.

13 Payables

(A) Trade payables

(₹ In Million)

Particulars	As at March 31, 2025	As at March 31, 2024
Total outstanding dues of micro enterprises and small enterprises	4.40	7.05
Total outstanding dues of creditors other than micro enterprises and small enterprises	90.15	105.52
Total	**94.55**	**112.57**

Ageing of Trade payables as on March 31, 2025:

(₹ In Million)

Particulars	Unbilled	Not due for payment	Outstanding for following periods from transaction date				
			Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) MSME	4.05	-	0.35	-	-	-	**4.40**
(ii) Others	88.39	-	0.71	1.05	-	-	**90.15**
(iii) Disputed dues – MSME	-	-	-	-	-	-	**-**
(iv) Disputed dues - Others	-	-	-	-	-	-	**-**
Total	**92.44**	**-**	**1.06**	**1.05**	**-**	**-**	**94.55**

Ageing of Trade payables as on March 31, 2024:

(₹ In Million)

Particulars	Unbilled	Not due for payment	Outstanding for following periods from transaction date				
			Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) MSME	4.69	-	2.36	-	-	-	**7.05**
(ii) Others	98.96	-	4.23	1.13	0.55	0.65	**105.52**
(iii) Disputed dues – MSME	-	-	-	-	-	-	**-**
(iv) Disputed dues - Others	-	-	-	-	-	-	**-**
Total	**103.65**	**-**	**6.59**	**1.13**	**0.55**	**0.65**	**112.57**

(B) Other payables

(₹ In Million)

Particulars	As at March 31, 2025	As at March 31, 2024
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	5.41	107.99
Total	**5.41**	**107.99**

14 Debt securities

(₹ In Million)

Particulars	As at March 31, 2025	As at March 31, 2024
At amortized cost		
Secured		
- Listed redeemable Non Convertible Debentures		
Gross amount	11,356.54	3,966.45
Effective interest rate adjustments	(62.80)	(16.86)
Net amount	**11,293.74**	**3,949.59**
Total (A)	**11,293.74**	**3,949.59**
Debt securities in India	11,293.74	3,949.59
Debt securities outside India	-	-
Total (B)	**11,293.74**	**3,949.59**

14.1 No Non Convertible Debentures is guaranteed by directors and/ or others.

14.2 Terms of repayment of privately placed redeemable non convertible debentures:

(₹ In Million)

Tenure (from the date of Balance Sheet)	As at March 31, 2025		As at March 31, 2024	
	Rate of Interest	Amount	Rate of Interest	Amount
Due within 1 years	8.76%	1,000.00	8.57% - 9.37%	930.00
Due within 1 year to 3 years	9.00%	6,000.00	9.00% - 9.37%	3,000.00
Due more than 3 Years	9.00%	4,000.00		
Total		**11,000.00**		**3,930.00**
Interest accrued		356.54		36.45
Effective interest rate adjustments		(62.80)		(16.86)
Net Amount		**11,293.74**		**3,949.59**

14.3 Details of Secured Redeemable Non Convertible Debentures:

(₹ In Million)

Name of Securities	Number	Allotment Date	Redemption Date	As at March 31, 2025	As at March 31, 2024
8.57% Secured Rated Listed Redeemable Non-Convertible Debentures	430	6-Aug-21	6-Aug-24	-	430.00
Secured Rated Listed Redeemable Non Convertible Debenture Series A1 Tranche 1	10,000	27-Feb-24	27-May-25	1,000.00	1,000.00
Secured Rated Listed Redeemable Non Convertible Debenture Series A1 Tranche 2	5,000	27-Feb-24	19-Mar-25	-	500.00
9.00% Secured Rated Listed Redeemable Non Convertible Debenture Series A2	20,000	4-Mar-24	4-Mar-27	2,000.00	2,000.00

Name of Securities	Number	Allotment Date	Redemption Date	As at March 31, 2025	As at March 31, 2024
9.00% Secured Rated Listed Redeemable Non Convertible Debenture Series A3	20,000	13-May-24	13-May-27	2,000.00	-
9.00% Secured Rated Listed Redeemable Non Convertible Debenture Series A4	20,000	18-Jul-24	18-Jul-27	2,000.00	-
9.00% Secured Rated Listed Redeemable Non Convertible Debenture Series A5	40,000	4-Feb-25	4-Feb-30	4,000.00	-
Total				**11,000.00**	**3,930.00**
Interest accrued				356.54	36.45
Effective interest rate adjustments				(62.80)	(16.86)
Total				**11,293.74**	**3,949.59**

14.4 **8.57% Secured Rated Listed Redeemable Non-Convertible Debentures:** Face value of Non Convertible Debentures is ₹ 1.00 Million. These debentures are redeemable at the end of 36 months from the date of allotment. Payment of Interest is yearly and principal repayment at maturity.

Secured Rated Listed Redeemable Non Convertible Debenture Series A1 Tranche 1 Date Of Maturity 27/05/2025 (9.00% - Mar' 25): Face value of Non Convertible Debentures is ₹ 0.10 Million. These debentures are redeemable at the end of 15 months from the date of allotment. Payment of Interest is Monthly and principal repayment at maturity.

Rate Reset Secured Rated Listed Redeemable Non Convertible Debenture Series A1 Tranche 2 Date Of Maturity 19/03/2025 (8.76% - 19 Mar' 25): Face value of Non Convertible Debentures is ₹ 0.10 Million. These debentures are redeemable at the end of 12 months 20 days from the date of allotment. Payment of Interest is Monthly and principal repayment at maturity.

9.00% Rate Reset Secured Rated Listed Redeemable Non Convertible Debenture Series A2 Date Of Maturity 04/03/2027: Face value of Non Convertible Debentures is ₹ 0.10 Million. These debentures are redeemable at the end of 36 months from the date of allotment. Payment of Interest is Yearly and principal repayment at maturity.

9.00% Rate Reset Secured Rated Listed Redeemable Non Convertible Debenture Series A3 Date Of Maturity 13/05/2027: Face value of Non Convertible Debentures is ₹ 0.10 Million. These debentures are redeemable at the end of 36 months from the date of allotment. Payment of Interest is Yearly and principal repayment at maturity.

9.00% Rate Reset Secured Rated Listed Redeemable Non Convertible Debenture Series A4 Date Of Maturity 18/07/2027: Face value of Non Convertible Debentures is ₹ 0.10 Million. These debentures are redeemable at the end of 36 months from the date of allotment. Payment of Interest is Yearly and principal repayment at maturity.

9.00% Rate Reset Secured Rated Listed Redeemable Non Convertible Debenture Series A5 Date Of Maturity 04/02/2030: Face value of Non Convertible Debentures is ₹ 0.10 Million. These debentures are redeemable half yearly in 4 tranches of 1000 Million each starting from August 2028. Payment of Interest is Yearly.

14.5 The debentures are secured by way of first pari passu charge against the book debts, Investment in PTC and loan assets of the Company which are standard. Minimum security cover of 1.1 times is required to be maintained throughout the year.

15 Borrowings (other than debt securities)

(₹ In Million)

Particulars	As at March 31, 2025	As at March 31, 2024
At amortized cost		
Secured		
Term loans		
- Indian rupee loan from banks		
Gross amount	26,430.89	19,775.18
Effective interest rate adjustments	(128.68)	(102.00)
Net amount	**26,302.21**	**19,673.18**
- Indian rupee loan from financial institutions		
Gross amount	3,733.66	5,351.24
Effective interest rate adjustments	(5.36)	(10.81)
Net amount	**3,728.30**	**5,340.43**
- Foreign Currency loan from banks	**9,379.21**	**8,384.04**
Collateralized borrowings	**1,939.72**	**2,612.97**
Total (A)	**41,349.44**	**36,010.62**
Borrowings in India	41,349.44	36,010.62
Borrowings outside India	-	-
Total (B)	**41,349.44**	**36,010.62**

15.1 a) Term loan from banks: These are secured by First Pari Passu charge by way of hypothecation of standard loan receivables of the Company, Investments in PTC and on all other book debts and current assets of the Company. Minimum security cover of 1.1 times is required to be maintained throughout the year.

b) Term loan from financial institutions: These are secured by First Pari Passu charge by way of hypothecation of standard loan receivables of the Company, Investments in PTC and on all other book debts and current assets of the Company.Minimum security cover of 1.1 times is required to be maintained throughout the year.

c) Working capital demand loan from banks: These are secured by First Pari Passu charge by way of hypothecation of standard loan receivables of the Company, Investments in PTC and on all other book debts and current assets of the Company.Minimum security cover of 1.1 times is required to be maintained throughout the year.

d) Foreign Currency loan from banks: These are secured by First Pari Passu charge by way of hypothecation of standard loan receivables of the Company, Investments in PTC and on all other book debts and current assets of the Company. Minimum security cover of 1.1 times is required to be maintained throughout the year.

e) Collateralized borrowings are secured against pool of Loan Assets. Refer Note 49 for more details.

15.2 No term loan and any other borrowing is guaranteed by directors and/ or others.

15.3 The Group has not defaulted in repayment of principal and interest during the year ended March 31, 2025 and year ended March 31, 2024.

15.4 The repayment of borrowings is done monthly and quarterly as per the sanctioned terms.

As at March 31, 2025 (₹ In Million)

Terms of Repayment	Indian rupee loan from banks		Indian rupee loan from financial institutions		Collateralized Borrowings		Foreign Currency loan from banks	
Tenure (from the date of Balance Sheet)	Rate of Interest	Amount	Rate of Interest	Amount	Rate of Interest	Amount	Rate of Interest	Amount
Due within 3 years	7.80% - 10.70%	24,801.88	9.00% - 10.30%	3,714.54	9.00% - 10.15%	749.78	6.09%	7,625.66
Due within 3-5 years	8.22% - 9.90%	1,420.39	-	-	9.00% - 10.15%	423.15	9.39%	1,711.63
Above 5 years	9.25% - 10.05%	142.14	-	-	9.00% - 10.15%	759.85	-	-
Total		**26,364.41**		**3,714.54**		**1,932.78**		**9,337.29**
Interest Accrued		66.48		19.11		6.94		41.92
Effective interest rate adjustments		(128.68)		(5.36)		-		-
Net amount		**26,302.21**		**3,728.30**		**1,939.72**		**9,379.21**

As at March 31, 2024 (₹ In Million)

Terms of Repayment	Indian rupee loan from banks		Indian rupee loan from financial institutions		Collateralized Borrowings		Foreign Currency loan from banks	
Tenure (from the date of Balance Sheet)	Rate of Interest	Amount	Rate of Interest	Amount	Rate of Interest	Amount	Rate of Interest	Amount
Due within 3 years	8.00% - 10.95%	17,368.67	9.15% - 10.25%	5,276.67	9.00% - 10.15%	778.27	6.50%	8,337.39
Due within 3-5 years	9.05% - 9.95%	2,225.61	10.25%	46.67	9.00% - 10.15%	614.59	-	-
Above 5 years	9.95%	166.05	-	-	9.00% - 10.15%	1,211.20	-	-
Total		**19,760.33**		**5,323.34**		**2,604.06**		**8,337.39**
Interest Accrued		14.85		27.90		8.91		46.65
Effective interest rate adjustments		(102.00)		(10.81)		-		-
Net amount		**19,673.18**		**5,340.43**		**2,612.97**		**8,384.04**

16 Other financial liabilities

(₹ In Million)

Particulars	As at March 31, 2025	As at March 31, 2024
Employee benefits payable	244.13	239.92
Lease liabilities [Refer Note 44.2]	174.30	107.02
Book overdraft	433.47	1,753.39
Payable on account of PTC pool	206.57	231.25
Payable to trusts	2.35	2.78
Other liabilities [Refer Note 16.1]	62.06	120.87
Total	**1,122.88**	**2,455.23**

16.1 Other liabilities majorly includes amounts payable to co-origination partners and unapplied receipts.

17 Current tax liabilities (net)

(₹ In Million)

Particulars	As at March 31, 2025	As at March 31, 2024
Provision for tax (net)	-	-
Total	**-**	**-**

18 Provisions

(₹ In Million)

Particulars	As at March 31, 2025	As at March 31, 2024
Provision for employee benefits		
Gratuity (funded) [Refer Note 40]	-	2.26
Provision for loan commitments	2.92	-
Total	**2.92**	**2.26**

19 Deferred tax liabilities (net)

(₹ In Million)

Particulars	As at March 31, 2025	As at March 31, 2024
Deferred tax liabilities		
Depreciation and amortization	492.99	481.63
Unamortized processing fees on term loan	49.54	32.64
Unamortized Incentive	81.34	-
Remeasurement of net defined benefits	1.73	-
Mark to market gain on mutual funds	4.93	1.17
Total Deferred tax liabilities	**630.53**	**515.44**
Deferred tax assets		
Expected credit losses	283.20	228.49
Provision for expenses	5.56	7.47
Transaction cost of Loan assets	265.29	134.30
Deduction u/s 80JJAA	17.36	-
Derivative Financial Instrument	26.93	7.07
Deduction u/s 35D of Income Tax Act, 1961	19.05	25.40
Impact on account of leases	4.19	2.66
Total Deferred tax assets	**621.58**	**405.39**
Deferred tax liabilities (net)	**8.95**	**110.05**

20 Other non-financial liabilities

(₹ In Million)

Particulars	As at March 31, 2025	As at March 31, 2024
Capital creditors	-	5.04
Statutory dues	80.50	48.71
Total	**80.50**	**53.75**

21 Equity share capital

(₹ In Million)

Particulars	As at March 31, 2025		As at March 31, 2024	
	No. of shares	Amount	No. of shares	Amount
Authorized				
Equity Shares of ₹ 10 each	1,30,00,00,000	13,000.00	1,30,00,00,000	13,000.00
	1,30,00,00,000	**13,000.00**	**1,30,00,00,000**	**13,000.00**
Issued, subscribed and fully paid-up (A)				
Equity Shares of ₹ 10 each, fully paid up	1,08,59,99,088	10,859.99	1,07,37,54,986	10,737.55
	1,08,59,99,088	**10,859.99**	**1,07,37,54,986**	**10,737.55**
Treasury shares held through ESOP trust (B)				
Equity Shares of ₹ 10 each, fully paid up	(8,14,500)	(8.15)	(18,66,000)	(18.66)
Equity shares [net of treasury shares] [A + B]	**1,08,51,84,588**	**10,851.84**	**1,07,18,88,986**	**10,718.89**

21.1 Reconciliation of number of shares outstanding at the beginning and end of the reporting period:

(₹ In Million)

Particulars	As at March 31, 2025		As at March 31, 2024	
	No. of shares	Amount	No. of shares	Amount
Equity shares outstanding as at the beginning of the year	1,07,37,54,986	10,737.55	89,70,23,682	8,970.24
Add: Equity shares issued during the year	-	-	13,25,74,610	1,325.74
Add: Equity shares issued upon exercise of options under employee share option plan	1,22,44,102	122.43	4,41,56,694	441.57
Equity shares outstanding as at the end of the year	**1,08,59,99,088**	**10,859.98**	**1,07,37,54,986**	**10,737.55**

Reconciliation of number of treasury shares outstanding at the beginning and end of the reporting period:

(₹ In Million)

Particulars	As at March 31, 2025		As at March 31, 2024	
	No. of shares	Amount	No. of shares	Amount
Equity shares outstanding as at the beginning of the year	18,66,000.00	18.66	74,52,000	74.52
Add: Equity shares issued during the year	-	-	-	-
Add: Equity shares transferred upon exercise of options under employee share option plan	(10,51,500)	(10.52)	(55,86,000)	(55.86)
Equity shares outstanding as at the end of the year	**8,14,500**	**8.14**	**18,66,000**	**18.66**

For details of shares reserved for issue under ESOP of the Company and shares exercised under ESOP, refer note 41.

21.2 Terms and rights attached to equity shares:

The Group has single class equity shares having a par value of ₹ 10 per equity share. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time subject to payment of dividend to preference shareholders if any. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

The holders of equity shares are entitled to dividends, if any, proposed by the Board of Directors and approved by Shareholders at the Annual General Meeting.

21.3 Details of share held by the holding Company:

Particulars	As at March 31, 2025		As at March 31, 2024	
	No. of shares	% of Holding	No. of shares	% of Holding
SBFC Holdings Pte Ltd.	57,91,88,410	53.33%	59,28,13,525	55.21%

21.4 Details of shareholders holding more than five percent shares in the Company:

Particulars	As at March 31, 2025		As at March 31, 2024	
	No. of shares	% of Holding	No. of shares	% of Holding
SBFC Holdings Pte Ltd.	57,91,88,410	53.33%	59,28,13,525	55.21%
SBI Small CAP Fund	9,26,10,336	8.53%	7,75,16,317	7.22%

21.5 Details of shareholding of Promoters of the Parent Company:

Particulars	As at March 31, 2025			As at March 31, 2024		
	No. of shares	% of Holding	% of Change during the year	No. of shares	% of Holding	% of Change during the year
SBFC Holdings Pte. Ltd	57,91,88,410	53.33%	(1.88%)	59,28,13,525	55.21%	(18.04%)
Arpwood Partners Investment Advisors LLP	-	-	(4.20%)	4,51,09,526	4.20%	(9.42%)
Eight 45 Services LLP	-	-	(0.22%)	23,62,153	0.22%	(2.49%)
Arpwood Capital Private Limited	-	-	(1.03%)	1,10,71,022	1.03%	(2.31%)

21.6 There are no bonus shares issued or shares bought back or shares issued for consideration other than cash by the Parent Company during five years immediately preceding the balance sheet date.

21.7 There are no shares reserved for issue under options and contracts/commitments for the sale of shares or disinvestment, including the terms and amounts

21.8 The Parent Company's equity shares have been listed on National Stock Exchange of India Limited ("NSE") and on BSE Limited ("BSE") on 16 August 2023, by completing the Initial Public Offering (IPO) of 179,863,285 equity shares of face value of ₹ 10 each at an issue price of ₹ 57 (employees were issued at ₹ 55) per equity share, consisting of fresh issue of 105,301,883 equity shares and an offer for sale of 74,561,402 equity shares by the selling shareholders. The Company had received an amount of ₹ 5,520.30 million (net off estimated offer expenses ₹ 479.70 million, including pre IPO related estimated expenses) from proceeds of fresh issue of equity shares. Further, the fund raised from Offer for sale were remitted to the selling shareholders (net off estimated offer expenses borne by the selling shareholders). The utilisation of the net proceeds is summarised as below:

(₹ In Million)

Objects of the issue as per prospectus	Amount to be utilised as per prospectus	Utilisation up to March 31, 2025	Unutilised amount up to 31 March 2025
The net proceeds from the fresh issue of shares to be used towards augmenting our Company's capital base to meet our future capital requirements arising out of the growth of our business and assets	5,590.83	5,590.83	-

21.9 10,51,500 equity shares have been transferred from Vistra ITCL (India) Limited, Trustee of SBFC Employee Welfare Trust to eligible employees pursuant to exercise of the outstanding vested options during the year. 1,22,44,102 equity shares have been issued to eligible employees pursuant to exercise of the outstanding vested Options under various SBFC Stock option policies during the year.

22 Other equity

(₹ In Million)

Particulars	As at March 31, 2025	As at March 31, 2024
Statutory reserve u/s 45-IC of the RBI Act, 1934		
Balance as at the beginning of the year	**1,193.28**	**719.07**
Add: Amount transferred from surplus balance in the Statement of Profit and Loss	690.33	474.21
Balance as at the end of the year	**1,883.61**	**1,193.28**
Securities premium		
Balance as at the beginning of the year	**10,786.49**	**4,440.18**
Add: Transfer from employee share option outstanding pursuant to stock options exercised	66.89	233.84
Add: Premium on issue of share capital	299.71	6,431.26
Add: Premium on conversion of shares from partly paid up to fully paid up	-	-
Less: Share issue expenses (net of taxes)	0.88	(342.05)
Add/ (Less): Loan to Employee Welfare Trust	9.11	23.26
Balance as at the end of the year	**11,163.08**	**10,786.49**
Employee share option outstanding		
Balance as at the beginning of the year	**289.89**	**301.51**
Add: Charge for the year	238.60	222.22
Less: Transferred to securities premium pursuant to stock options exercised	(66.89)	(233.84)
Balance as at the end of the year	**461.60**	**289.89**
Retained Earnings		
Surplus in Statement of Profit and Loss as at the beginning of the year	**4,805.87**	**2,909.04**
Add: Profit for the year	3,452.99	2,371.04
Less: Transfer to statutory reserve	(690.33)	(474.21)
Balance as at the end of the year	**7,568.53**	**4,805.87**
Remeasurement gain/ (loss) on defined benefit plans		
Balance as at the beginning of the year	**7.27**	**7.16**
Add: Other comprehensive income for the year (net of taxes)	5.14	0.11
Balance as at the end of the year	**12.41**	**7.27**
Other comprehensive income on cash flow hedge reserve		
Balance as at the beginning of the year	**(21.03)**	**-**
Add: Other comprehensive income for the year (net of taxes)	-	(21.03)
Less: Deletions during the year	(59.06)	-
Balance as at the end of the year	**(80.09)**	**(21.03)**
Share application money pending allotment		
Balance as at the beginning of the year	**-**	**-**
Add: Money received against pending allotment	39.75	-
Balance as at the end of the year	**39.75**	**-**
TOTAL	**21,048.89**	**17,061.77**

Statutory reserve u/s 45-IC of the RBI Act, 1934: As required by section 45-IC of the RBI Act 1934, the Parent 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 statement of profit and loss and before any dividend is declared.

Employee share option outstanding: The Parent Company has a share option scheme under which options to subscribe for the Parent Company's shares have been granted to certain employees including key management personnel. The share-based payment reserve is used to recognize the value of equity-settled share-based payments provided to employees, as part of their remuneration.

Securities Premium Reserve: Securities premium is used to record the premium on issue of shares. It can be utilised only for limited purposes in accordance with the provisions of the Companies Act, 2013. In case of equity settled share based payment transactions, the difference between fair value on grant date and nominal value share is accounted as securities premium.

Retained Earnings: Retained earnings are the profits that the Group has earned till date, less any transfers to statutory reserve.

Remeasurement gain/ (loss) on defined benefit plans: It represents the gains/ (losses) arising on account of actuarial valuation of defined benefit obligation.

Other comprehensive income on cash flow hedge reserve: It represents the cumulative gains/(losses) arising on revaluation of the derivative instruments designated as cash flow hedges through OCI and underlying hedged items.

23 Interest income

(₹ In Million)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
On Financial Assets measured at Amortized Cost:		
Interest on loans	11,674.03	8,660.66
Interest on Government Securities	-	52.77
Interest on Treasury Bills	116.50	89.67
Interest on investment in Pass Through certificates (PTC)	12.07	163.68
Interest on deposits from banks	171.27	216.81
Total	**11,973.87**	**9,183.59**

24 Fees and commission income

(₹ In Million)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Loan management services fee income	96.67	101.25
Commission Income - Insurance	61.83	-
Prepayment charges, foreclosure charges recovered from the customer	202.64	157.17
Other fee income [Refer Note 24.1]	338.00	450.64
Total	**699.14**	**709.06**

24.1 Fee Income includes Processing Fee on loan against Gold (not subject to EIR), Initial Money Deposit fees and Co-origination fees.

25 Net gain on fair value changes

(₹ In Million)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
On financial instruments designated at fair value through profit or loss:		
Mutual Fund and Government Securities		
(A) Total net gain on fair value changes	176.95	172.83
(B) Fair value changes:		
- Realized	157.37	168.20
- Unrealized	19.58	4.63
Total net gain on fair value changes	**176.95**	**172.83**

26 Net gain on derecognition of financial instruments under amortised cost category

(₹ In Million)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Income on remeasurement of investment in Pass through certificates (PTC)	-	2.31
Total	**-**	**2.31**

27 Other operating income

(₹ In Million)

Particulars	For the year ended March 31, 2025	For the year ended 31 March 2024
Advertisement income	160.70	77.08
Other charges	50.91	41.53
Total	**211.61**	**118.61**

28 Other income

(₹ In Million)

Particulars	For the year ended March 31, 2025	For the year ended 31 March 2024
Interest on income tax refund	-	4.32
Gain on lease termination (net of losses) [Refer Note 44]	1.72	0.55
Gain on sale/ discard of Property, plant and equipment/ Intangible assets	0.02	-
Others [Refer Note 28.1]	4.15	7.93
Total	**5.89**	**12.80**

28.1 Others include recovery from employees & Sundry balance written off.

29 Finance costs (on financial liabilities measured at amortized cost)

(₹ In Million)

Particulars	For the year ended March 31, 2025	For the year ended 31 March 2024
Interest on borrowings	3,493.45	3,432.89
Interest on debt securities	685.10	63.48
Interest on lease liabilities [Refer Note 44.2]	13.05	8.85
Other interest expenses	0.84	1.15
Total	**4,192.44**	**3,506.37**

30 Impairment on financial instruments

(₹ In Million)

Particulars	For the year ended March 31, 2025	For the year ended 31 March 2024
On financial instruments measured at amortised cost		
Impairment on loans*	274.52	269.80
Loans written off (net of recovery)	462.68	200.46
Total	**737.20**	**470.26**

*net of recovery from Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) Scheme ₹ Nil (March 31, 2024 Nil)

31 Employee benefits expense

(₹ In Million)

Particulars	For the year ended March 31, 2025	For the year ended 31 March 2024
Salaries and bonus	2,128.35	1,809.92
Contribution to provident fund and other funds [Refer Note 40(a)]	130.58	106.24
Employee share based payment expenses [Refer Note 41]	238.59	224.43
Staff training and welfare expenses	22.07	19.02
Gratuity expenses [Refer Note 40(b)]	12.73	11.71
Total	**2,532.32**	**2,171.32**

32 Other expenses

(₹ In Million)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Travelling and conveyance	112.03	81.21
Printing and stationery	31.20	27.33
Communication Expenses	26.54	26.94
Business promotion expenses	10.19	14.35
Loss on sale/ discard of Property, plant and equipment/ Intangible assets	5.29	1.68
Repairs and maintenance	22.38	8.90
Office maintenance	118.49	105.74
Legal & professional expenses	184.42	190.97
Director sitting fees	7.30	6.70
Auditors' remuneration	6.86	7.10
Corporate social responsibility expenditure [Refer Note 32.2]	39.92	26.07
Rent [Refer Note 44.4]	58.51	49.36
Rates and taxes	26.69	27.28
Electricity charges	33.14	23.30
Insurance charges	10.43	12.74
IT expenses	123.43	112.71
Balance written off	-	2.51
Bank charges	15.50	18.62
Seminar Expenses	4.82	6.45
Loss on voluntary liquidation of subsidiary company	3.26	-
Miscellaneous expenses	9.69	5.76
Total	**850.09**	**755.72**

33 Income Taxes

33.1 Income Tax recognized in Statement of Profit and Loss

(₹ In Million)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Current tax		
In respect of the current year	1,227.25	862.51
In respect of the earlier year	(3.72)	(88.65)
Deferred tax		
In respect of the current year	(80.80)	16.49
In respect of the earlier year	(8.39)	-
Total Income tax expense recognized in the Statement of Profit and Loss	**1,134.34**	**790.35**

33.2 Reconciliation of income tax expense of the year:

The tax charge shown in the statement of profit and loss differs from the tax charge that would apply if all the profits had been charged at India corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate is as follows:

(₹ In Million)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Profit before income tax expense	4,587.33	3,161.39
Income tax rate	25.168%	25.168%
Tax at statutory income tax rate	1,154.54	795.66
Tax effect of amounts which are non deductible/ not taxable in calculating taxable income		
CSR expense	10.05	6.56

(₹ In Million)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Deduction u/s 80JJAA	(17.36)	(2.27)
Reversal of deferred tax liability on government securities	-	(5.03)
Items on which deferred tax asset (net) was not created	(0.80)	(7.76)
Income tax impact of previous year	(3.91)	(88.65)
Deferred tax impact of previous year	(8.39)	90.93
Other differences	0.21	0.91
Income tax expense	**1,134.34**	**790.35**

34 Deferred tax

The following table shows deferred tax recorded in the Balance sheet and changes recorded in the Income tax expense:

(₹ In Million)

Deferred tax liability (net)	As at April 1, 2024	Recognized in Statement of Profit and Loss	Recognized in Securities Premium	Recognized in OCI	As at March 31, 2025
Deferred tax liability on account of:					
Depreciation and amortization	481.63	11.36	-	-	492.99
Unamortized processing fees on term loan	32.64	16.90	-	-	49.54
Unamortized Incentive	-	81.34	-	-	81.34
Remeasurement of net defined benefits	-	-	-	1.73	1.73
Mark to market gain on mutual funds	1.17	3.76	-	-	4.93
	515.44	**113.36**	**-**	**1.73**	**630.53**
Deferred tax asset on account of:					
Expected credit losses	228.49	54.71	-	-	283.20
Provision for expenses	7.47	(1.91)	-	-	5.56
Transaction cost of Loan assets	134.30	130.98	-	-	265.29
Deduction u/s 80JJAA		17.36	-	-	17.36
Derivative Financial Instrument	7.07	-	-	19.86	26.93
Deduction u/s 35D of Income Tax Act, 1961	25.40	-	(6.33)	-	19.05
Impact on account of leases	2.66	1.53	-	-	4.19
	405.39	**202.67**	**(6.33)**	**19.86**	**621.58**
Deferred tax liability (net) and expense/ credit for the year	**110.05**	**(89.31)**	**6.33**	**(18.13)**	**8.95**

(₹ In Million)

Deferred tax liability (net)	As at April 1, 2023	Recognized in Statement of Profit and Loss	Recognized in Securities Premium	Recognized in OCI	As at March 31, 2024
Deferred tax liability on account of:					
Depreciation and amortization	367.36	114.27	-	-	481.63
Unamortized processing fees on term loan	1.00	31.64	-	-	32.64
Income on sale of investment in PTC	5.03	(5.03)	-	-	-
Investment in government securities measured at amortized cost	0.31	(0.31)	-	-	-
Mark to market gain on mutual funds	32.21	(31.04)	-	-	1.17
	405.91	**109.53**	**-**	**-**	**515.44**
Deferred tax asset on account of:					
Expected credit losses	175.72	52.77	-	-	228.49
Provision for expenses	0.20	7.39	-	-	7.47
Transaction cost of Loan assets	100.22	34.08	-	-	134.30

(₹ In Million)

Deferred tax liability (net)	As at April 1, 2023	Recognized in Statement of Profit and Loss	Recognized in Securities Premium	Recognized in OCI	As at March 31, 2024
Net movement on effective portion of cash flow hedge	-	-	-	7.07	7.07
Deduction u/s 35D of Income Tax Act, 1961	-	-	25.40	-	25.40
Impact on account of leases	3.86	(1.20)	-	-	2.66
	280.00	**93.04**	**25.40**	**7.07**	**405.39**
Deferred tax liability (net) and expense/ credit for the year	**125.91**	**16.49**	**(25.40)**	**(7.07)**	**110.05**

35 Other comprehensive income

(₹ In Million)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Other comprehensive income		
(A) Items that will not be reclassified to profit or loss		
- Remeasurement of defined benefit liability/ asset (net)	6.87	0.15
- Income tax relating to items that will not be reclassified to profit or loss	(1.73)	(0.04)
(B) Items that will be reclassified to profit or loss		
- Changes in the value of forward contracts	(78.92)	(28.10)
- Income tax relating to items that will not be reclassified to profit or loss	19.86	7.07
Other comprehensive income for the year (net of tax)	**(53.92)**	**(20.92)**

36 Expected Credit Loss

36.1 Loan against Property

36.1.1 Credit quality of assets

(₹ In Million)

Particulars	As at March 31, 2025				As at March 31, 2024			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Internal rating grade*								
Performing								
High grade	56,896.37	-	-	**56,896.37**	45,210.97	-	-	**45,210.97**
Medium grade	-	1,878.93	-	**1,878.93**	-	1,533.62	-	**1,533.62**
Non-performing								
Individually impaired	-	-	1,928.39	**1,928.39**	-	-	1,318.01	**1,318.01**
Total #	**56,896.37**	**1,878.93**	**1,928.39**	**60,703.69**	**45,210.97**	**1,533.62**	**1,318.01**	**48,062.60**

36.1.2 An analysis of changes in the gross carrying amount and the corresponding Expected Credit Loss allowances in relation to lending is as follows:

(₹ In Million)

Particulars	As at March 31, 2025				As at March 31, 2024			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**45,210.97**	**1,533.62**	**1,318.01**	**48,062.60**	**32,453.00**	**1,033.73**	**936.14**	**34,422.87**
New assets originated/ Assets derecognized/ repaid (excluding write offs/ recovery)	13,877.42	(153.30)	(636.09)	**13,088.03**	14,033.03	(65.78)	(257.53)	**13,709.72**
Transfers to Stage 1	228.86	(176.93)	(51.93)	**-**	101.90	(64.79)	(37.11)	**-**
Transfers to Stage 2	(1,087.23)	1,127.15	(39.92)	**-**	(753.06)	839.91	(86.85)	**-**
Transfers to Stage 3	(1,321.43)	(426.06)	1,747.49	**-**	(615.89)	(205.30)	821.19	**-**
Amounts written off (net of recovery)	(12.22)	(25.54)	(409.17)	**(446.93)**	(8.01)	(4.15)	(57.83)	**(69.99)**
Gross carrying amount closing balance #	**56,896.37**	**1,878.93**	**1,928.39**	**60,703.69**	**45,210.97**	**1,533.62**	**1,318.01**	**48,062.60**

Gross carrying amount includes staff loan of ₹ NIL (March 31, 2024 : ₹ 1.41 Million)

36.1.3 Reconciliation of Expected Credit Loss (ECL) balance is given below: (₹ In Million)

Particulars	As at March 31, 2025				As at March 31, 2024			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	**277.22**	**104.70**	**565.18**	**947.10**	**211.74**	**101.56**	**349.82**	**663.12**
New assets originated/ Assets derecognized/ repaid (excluding write offs/ recovery)	(41.25)	17.14	684.59	**660.48**	61.81	(15.33)	314.64	**361.12**
Transfers to Stage 1	21.55	(3.20)	(18.35)	**-**	13.05	(0.81)	(12.24)	**-**
Transfers to Stage 2	(6.78)	21.81	(15.03)	**-**	(4.89)	32.06	(27.17)	**-**
Transfers to Stage 3	(8.47)	(12.34)	20.81	**-**	(4.00)	(11.52)	15.52	**-**
Amounts written off (net of recovery)	(0.43)	(4.35)	(392.85)	**(397.63)**	(0.49)	(1.26)	(75.39)	**(77.14)**
ECL allowance - closing balance	**241.84**	**123.76**	**844.35**	**1,209.95**	**277.22**	**104.70**	**565.18**	**947.10**

***Internal rating grades are classified on below basis**

Grade	Classification Basis	Stage
High grade	0-30 DPD	Stage 1
Medium grade	31-90 DPD	Stage 2
Individually impaired	>=91 DPD & Daily NPA	Stage 3

36.2 Loan against Gold

36.2.1 Credit quality of assets (₹ In Million)

Particulars	As at March 31, 2025				As at March 31, 2024			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Internal rating grade*								
Performing								
High grade	14,747.22	-	-	**14,747.22**	9,519.69	-	-	**9,519.69**
Medium grade	-	468.95	-	**468.95**	-	994.25	-	**994.25**
Non-performing								
Individually impaired	-	-	57.17	**57.17**	-	-	51.06	**51.06**
Total	**14,747.22**	**468.95**	**57.17**	**15,273.34**	**9,519.69**	**994.25**	**51.06**	**10,565.00**

36.2.2 An analysis of changes in the gross carrying amount and the corresponding Expected Credit Loss allowances in relation to lending is as follows:

(₹ In Million)

Particulars	As at March 31, 2025				As at March 31, 2024			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**9,519.69**	**994.25**	**51.06**	**10,565.00**	**8,376.57**	**478.66**	**114.22**	**8,969.45**
New assets originated/ Assets derecognized/ repaid (excluding write offs/ recovery)	5,340.99	(600.88)	(22.50)	**4,717.61**	1,223.17	445.64	(66.13)	**1,602.68**
Transfers to Stage 1	0.91	(0.91)	-	**-**	0.01	-	(0.01)	**-**
Transfers to Stage 2	(81.69)	81.69	-	**-**	(71.10)	71.12	(0.02)	**-**
Transfers to Stage 3	(32.10)	(4.88)	36.98	**-**	(8.96)	(0.77)	9.73	**-**
Amounts written off (net of recovery)	(0.58)	(0.32)	(8.37)	**(9.27)**	-	(0.40)	(6.73)	**(7.13)**
Gross carrying amount closing balance	**14,747.22**	**468.95**	**57.17**	**15,273.34**	**9,519.69**	**994.25**	**51.06**	**10,565.00**

36.2.3 Reconciliation of Expected Credit Loss (ECL) balance is given below: (₹ In Million)

Particulars	As at March 31, 2025				As at March 31, 2024			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	**29.99**	**16.72**	**10.64**	**57.35**	**35.25**	**2.54**	**18.33**	**56.12**
New assets originated/ Assets derecognized/ repaid (excluding write offs/ recovery)	(4.63)	(9.07)	8.12	**(5.57)**	(4.92)	13.88	(1.58)	**7.38**
Transfers to Stage 1	0.01	(0.01)	-	**-**	-	-	-	**-**
Transfers to Stage 2	(0.24)	0.24	-	**-**	(0.30)	0.30	-	**-**
Transfers to Stage 3	(0.10)	(0.08)	0.18	**-**	(0.04)	-	0.04	**-**
Amounts written off (net of recovery)	(0.01)	(0.01)	(6.27)	**(6.28)**	0.00	-	(6.15)	**(6.15)**
ECL allowance - closing balance	**25.03**	**7.79**	**12.67**	**45.50**	**29.99**	**16.72**	**10.64**	**57.35**

***Internal rating grades are classified on below basis**

Grade	Classification Basis	Stage
High grade	0-30 DPD	Stage 1
Medium grade	31-90 DPD	Stage 2
Individually impaired	>=91 DPD & Daily NPA	Stage 3

36.3 Unsecured loan

36.3.1 Credit quality of assets (₹ In Million)

Particulars	As at March 31, 2025				As at March 31, 2024			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Internal rating grade*								
Performing								
High grade	303.12	-	-	**303.12**	695.30	-	-	**695.30**
Medium grade	-	30.76	-	**30.76**	-	70.23	-	**70.23**
Non-performing								
Individually impaired	-	-	105.85	**105.85**	-	-	75.93	**75.93**
Total #	**303.12**	**30.76**	**105.85**	**439.73**	**695.30**	**70.23**	**75.93**	**841.46**

36.3.2 An analysis of changes in the gross carrying amount and the corresponding Expected Credit Loss allowances in relation to lending is as follows:

(₹ In Million)

Particulars	As at March 31, 2025				As at March 31, 2024			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**695.30**	**70.23**	**75.93**	**841.46**	**1,402.08**	**86.80**	**106.24**	**1,595.12**
Assets derecognized/ repaid (excluding write offs/ recovery)	(314.98)	(21.44)	(58.83)	**(395.25)**	(538.65)	(36.15)	(55.52)	**(630.32)**
Transfers to Stage 1	10.56	(8.30)	(2.26)	**-**	13.18	(9.96)	(3.22)	**-**
Transfers to Stage 2	(34.19)	35.43	(1.24)	**-**	(73.22)	75.25	(2.03)	**-**
Transfers to Stage 3	(53.26)	(44.32)	97.58	**-**	(66.05)	(18.40)	84.45	**-**
Amounts written off (net of recovery)	(0.31)	(0.84)	(5.33)	**(6.48)**	(42.04)	(27.31)	(53.99)	**(123.34)**
Gross carrying amount closing balance #	**303.12**	**30.76**	**105.85**	**439.73**	**695.30**	**70.23**	**75.93**	**841.46**

Gross carrying amount includes staff loan of ₹ 3.79 Million (March 31, 2024 : ₹ 9.14 Million)

36.3.3 Reconciliation of Expected Credit Loss (ECL) balance is given below: (₹ In Million)

Particulars	As at March 31, 2025				As at March 31, 2024			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	**19.95**	**9.10**	**70.65**	**99.70**	**20.37**	**8.11**	**86.62**	**115.10**
Assets derecognized/ repaid (excluding write offs/ recovery)	(8.42)	9.48	61.64	**62.70**	(0.91)	3.93	57.42	**60.44**
Transfers to Stage 1	2.66	(0.75)	(1.91)	-	3.23	(0.84)	(2.39)	-
Transfers to Stage 2	(0.99)	1.95	(0.96)	-	(1.06)	2.46	(1.40)	-
Transfers to Stage 3	(1.53)	(6.40)	7.93	-	(0.96)	(1.65)	2.61	-
Amounts written off (net of recovery)	(0.04)	(0.34)	(38.70)	**(39.08)**	(0.72)	(2.91)	(72.21)	**(75.84)**
ECL allowance - closing balance	**11.63**	**13.04**	**98.65**	**123.32**	**19.95**	**9.10**	**70.65**	**99.70**

***Internal rating grades are classified on below basis**

Grade	Classification Basis	Stage
High grade	0-30 DPD	Stage 1
Medium grade	31-90 DPD	Stage 2
Individually impaired	>=91 DPD & Daily NPA	Stage 3

37 Change in liabilities arising from financing activities

(₹ In Million)

Particulars	As at April 1, 2024	Cash Flow (Principal Component)	Cash Flow (Interest Component)	Interest Expenses	Amortization of Transaction Costs	Other Non-Cash Changes	As at March 31, 2025
Debt securities	3,949.59	7,070.00	(365.01)	685.10	(45.94)	-	11,293.74
Lease liabilities	107.02	(54.76)	(13.05)	13.05	-	122.04	174.30
Borrowings (other than debt securities)	36,010.62	5,325.46	(3,458.86)	3,493.45	(21.23)	-	41,349.44
Total liabilities from financing activities	**40,067.23**	**12,340.70**	**(3,836.92)**	**4,191.60**	**(67.17)**	**122.04**	**52,817.48**

(₹ In Million)

Particulars	As at April 1, 2023	Cash Flow (Principal Component)	Cash Flow (Interest Component)	Interest Expenses	Amortization of Transaction Costs	Other Non-Cash Changes	As at March 31, 2024
Debt securities	454.03	3,500.00	(51.06)	63.48	(16.86)	-	3,949.59
Lease liabilities	100.90	(51.54)	(8.85)	8.85	-	57.66	107.02
Borrowings (other than debt securities)	36,936.59	(1,003.22)	(3,370.82)	3,432.89	15.18	-	36,010.62
Total liabilities from financing activities	**37,491.52**	**2,445.24**	**(3,430.73)**	**3,505.22**	**(1.68)**	**57.66**	**40,067.23**

38 Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analyzed according to when they are expected to be recovered or settled. They have been classified to mature and/or be repaid within 12 months or after 12 months. With regard to loans and advances to customers, the Parent Company uses the same basis of expected repayment as used for estimating the Effective Interest Rate (EIR).

(₹ In Million)

PARTICULARS	As at March 31, 2025			As at March 31, 2024		
ASSETS	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial Assets						
Cash and cash equivalents	2,653.98	-	**2,653.98**	2,252.11	-	**2,252.11**
Bank Balance	1,333.07	306.50	**1,639.57**	928.91	1,487.25	**2,416.15**
Trade receivables	148.06	-	**148.06**	145.80	-	**145.80**
Loans	25,137.16	49,903.78	**75,040.94**	19,330.12	39,034.79	**58,364.91**
Investments	3,052.66	215.63	**3,268.29**	4,061.10	-	**4,061.10**
Other financial asset	5.25	35.22	**40.47**	21.95	51.51	**73.46**
Non-Financial assets						
Current tax assets (net)	-	30.99	**30.99**	-	-	**-**
Deferred tax assets (net)	-	-	**-**	-	60.78	**60.78**
Property, plant and equipment	-	436.65	**436.65**	-	379.83	**379.83**
Intangible assets under development	-	5.78	**5.78**	-	15.27	**15.27**
Goodwill	-	2,603.92	**2,603.92**	-	2,603.92	**2,603.92**
Other intangible assets	-	38.32	**38.32**	-	14.95	**14.95**
Other non-financial assets	45.36	5.24	50.60	40.18	1.33	41.51
Total Assets	**32,375.54**	**53,582.03**	**85,957.57**	**26,780.17**	**43,649.63**	**70,429.79**
LIABILITIES						**-**
Financial Liabilities						
Derivative financial instruments	98.45	-	**98.45**	45.13	-	**45.13**
Trade payables						
(i) total outstanding dues of micro enterprises and small enterprises	4.40	-	**4.40**	7.05	-	**7.05**
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	90.15	-	**90.15**	105.52	-	**105.52**
Other payables						
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	5.41	-	**5.41**	107.99	-	**107.99**
Debt securities	1,293.74	10,000.00	**11,293.74**	959.66	2,989.93	**3,949.59**
Borrowings (other than debt securities)	15,934.36	25,415.08	**41,349.44**	13,285.83	22,724.79	**36,010.62**
Other financial liabilities	969.84	153.04	**1,122.88**	2,390.39	64.84	**2,455.23**
Non-Financial Liabilities						
Current tax liabilities (net)	-	-	**-**	-	-	**-**
Provisions	2.92	-	**2.92**	2.26	-	**2.26**
Deferred tax liabilities (net)	-	8.95	**8.95**	-	110.05	**110.05**
Other non-financial liabilities	80.50	-	80.50	53.75	-	53.75
Total liabilities	**18,479.77**	**35,577.07**	**54,056.84**	**16,957.58**	**25,889.61**	**42,847.19**
Net	**13,895.77**	**18,004.96**	**31,900.73**	**9,822.60**	**17,760.02**	**27,582.60**

Capital Management

The primary objectives of the Parent Company's capital management policy are to ensure that the Parent Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximize shareholder value. The Parent Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. Capital Management Policy, objectives and processes are under constant review by the Board. For details of Capital to Risk Assets Ratio (CRAR) [Refer Note 53.1]

39 Fair value measurements

Financial instruments by category

(₹ In Million)

Particulars	As at March 31, 2025				As at March 31, 2024			
	Fair value through Profit or Loss	Amortized cost	Fair value through Other Comprehensive Income	Total	Fair value through Profit or Loss	Amortized cost	Fair value through Other Comprehensive Income	Total
Financial Assets								
Investments								
- Mutual funds	1,990.64	-	-	**1,990.64**	1,416.57	-	-	**1,416.57**
- Treasury Bills	-	1,020.18	-	**1,020.18**	-	2,068.64	-	**2,068.64**
- Pass-through certificates	-	-	-	**-**	-	575.89	-	**575.89**
- Security receipts	257.47	-	-	**257.47**	-	-	-	**-**
Trade receivables	-	148.06	-	**148.06**	-	145.80	-	**145.80**
Loans	-	75,040.94	-	**75,040.94**	-	58,364.91	-	**58,364.91**
Cash and cash equivalents	-	2,653.98	-	**2,653.98**	-	2,252.11	-	**2,252.11**
Bank Balances other than cash and cash equivalents	-	1,639.57	-	**1,639.57**	-	2,617.05	-	**2,617.05**
Other financial assets	-	40.47	-	**40.47**	-	70.62	-	**70.62**
Total Financial Assets	**2,248.11**	**80,543.20**	**-**	**82,791.31**	**1,416.57**	**66,095.02**	**-**	**67,511.59**
Financial Liabilities								
Derivative financial instruments	-	-	98.45	**98.45**	-	-	45.13	**45.13**
Trade payables	-	94.55	-	**94.55**	-	112.57	-	**112.57**
Other payables	-	5.41	-	**5.41**	-	107.99	-	**107.99**
Debt securities	-	11,293.74	-	**11,293.74**	-	3,949.59	-	**3,949.59**
Borrowings (other than debt securities)	-	41,349.44	-	**41,349.44**	-	36,010.62	-	**36,010.62**
Other financial liabilities	-	1,122.88	-	**1,122.88**	-	2,455.23	-	**2,455.23**
Total Financial Liabilities	**-**	**53,866.02**	**98.45**	**53,964.47**	**-**	**42,636.00**	**45.13**	**42,681.13**

39.1 Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognized and measured at fair value and (b) measured at amortized cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

(₹ In Million)

Financial assets and liabilities measured at fair value - recurring fair value measurements	Note No.	Carrying Amount	Level 1	Level 2	Level 3	Total
As at March 31, 2025						
Financial assets						
Financial Investments at Fair Value Through Profit or Loss						
Mutual funds	7	1,990.64	1,990.64	-	-	**1,990.64**
Financial Assets at Amortized Cost						
Investment in Treasury Bills	7	1,020.18	1,020.18	-	-	**1,020.18**
Investment in Pass-through Certificates	7	-	-	-	-	**-**
Investment in Security receipts		257.47	257.47	-	-	**257.47**
Cash and cash equivalents	3	2,653.98	2,653.98	-	-	**2,653.98**
Bank Balances other than cash and cash equivalents	4	1,639.57	1,639.57	-	-	**1,639.57**
Trade receivables	5	148.06	-	-	148.06	**148.06**
Loans	6	75,040.94	-	-	77,062.94	**77,062.94**
Other financial assets	8	40.47	-	-	40.47	**40.47**
Total financial assets		**82,791.31**	**7,561.84**	**-**	**77,251.47**	**84,813.31**
Financial liabilities						
Financial Liabilities at Fair value through Other Comprehensive Income						
Derivative financial instruments	12	98.45	-	98.45	-	**98.45**
Financial Liabilities at Amortized Cost						
Trade payables	13	94.55	-	-	94.55	**94.55**
Other payables	13	5.41	-	-	5.41	**5.41**
Debt securities	14	11,293.74	-	-	11,293.74	**11,293.74**
Borrowings (other than debt securities)	15	41,349.44	-	-	41,349.44	**41,349.44**
Other financial liabilities	16	1,122.88	-	-	1,122.88	**1,122.88**
Total financial liabilities		**53,964.47**	**-**	**98.45**	**53,866.02**	**53,964.47**

(₹ In Million)

Financial assets and liabilities measured at fair value - recurring fair value measurements	Note No.	Carrying Amount	Level 1	Level 2	Level 3	Total
As at March 31, 2024						
Financial assets						
Financial Investments at Fair Value Through Profit or Loss						
Mutual funds	7	1,416.57	1,416.57	-	-	**1,416.57**
Financial Assets at Amortized Cost						
Investment in Government Securities	7	2,068.64	2,068.84	-	-	**2,068.84**
Investment in Pass-through Certificates	7	575.89	-	-	575.89	**575.89**
Cash and cash equivalents	3	2,252.11	2,252.11	-	-	**2,252.11**
Bank Balances other than cash and cash equivalents	4	2,617.05	2,617.05	-	-	**2,617.05**
Trade receivables	5	145.80	-	-	145.80	**145.80**
Loans	6	58,364.91	-	-	59,874.07	**59,874.07**
Other financial assets	8	70.62	-	-	70.62	**70.62**
Total financial assets		**67,511.59**	**8,354.57**	**-**	**60,666.38**	**69,020.95**
Financial liabilities						
Financial Liabilities at Fair value through Other Comprehensive Income						
Derivative financial instruments	12	45.13	-	45.13	-	45.13
Financial Liabilities at Amortized Cost						
Trade payables	13	112.57	-	-	112.57	112.57
Other payables	13	107.99	-	-	107.99	107.99
Debt securities	14	36,010.62	-	-	36,010.62	36,010.62
Borrowings (other than debt securities)	15	3,949.59	-	-	3,949.59	3,949.59
Other financial liabilities	16	2,455.23	-	-	2,455.23	2,455.23
Total financial liabilities		**42,681.13**	**-**	**45.13**	**42,636.00**	**42,681.13**

39.2 Valuation technique used to determine fair value

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to Level 3, as described below.

Quoted prices in an active market (Level 1): This level of hierarchy includes financial assets that are measured by reference to quoted prices (adjusted/unadjusted) for identical assets. This category consists of quoted mutual fund units and government securities.

Valuation techniques with observable inputs (Level 2): This level of hierarchy includes financial assets, measured using inputs other than quoted prices included within Level 1 that are observable for the asset, either directly (i.e.; as prices) or indirectly (i.e.; derived from prices). This category includes derivative financial instruments.

Valuation techniques with significant unobservable inputs (Level 3): This level of hierarchy includes financial assets measured using inputs that are not based on observable market data. Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. This category includes investment in Pass-through Certificates.

There has been no transfer between level 1, level 2 and level 3 for the year ended March 31, 2025 and March 31, 2024.

The carrying amounts of trade receivables, trade payables and cash and cash equivalents are considered to be the same as their fair values, due to their short-term nature.

The fair value of Loan approximates the carrying amount.

For financial assets and liabilities measured at fair value, the carrying amounts approximates the fair values.

40 Employee Benefits

(a) Defined Contribution plans

Provident Fund

The Parent Company makes Provident Fund contributions to defined contribution retirement benefit plans for eligible employees. Under the schemes, the Parent Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions as specified under the law are paid to the Employee Provident Fund Organization (Government).

The parent Company recognized expense as contribution to provident fund amounting to ₹ 119.30 Million (March 31, 2024: ₹ 95.78 Million) in the statement of profit and loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

(b) Defined benefit plans

Gratuity Fund

Characteristics of defined benefit plan

The Parent Company has a defined benefit gratuity plan in India (funded). The Parent Company's defined benefit gratuity plan is a final salary plan for employees, which requires contributions to be made to SBFC Finance Private Limited employees group gratuity cash accumulation scheme.

Risks associated with defined benefit plan

Gratuity is a defined benefit plan and Parent Company is exposed to the following risks:

A. Actuarial Risk: It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:

Adverse Salary Growth Experience: Salary hikes that are higher than the assumed salary escalation will result into an increase in Obligation at a rate that is higher than expected.

Variability in mortality rates: If actual mortality rates are higher than assumed mortality rate assumption than the Gratuity Benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cashflow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

Variability in withdrawal rates: If actual withdrawal rates are higher than assumed withdrawal rate assumption than the Gratuity Benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

B. Investment Risk: For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

C. Liquidity Risk: Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign/ retire from the Parent Company there can be strain on the cashflows.

D. Market Risk: Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate/ government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

E. Legislative Risk: Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/regulation. The government may amend the Payment of Gratuity Act thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the Defined Benefit Obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

During the year ended March 31, 2025 and March 31, 2024, there were no plan amendments, curtailments and settlements.

The Life Insurance Corporation is managing the Gratuity Plan and the contributions to it is done as guided by rule 103 of Income Tax Rules, 1962.

Other Post Retirement Benefit Plan

The details of the Parent Company's post-retirement benefit plans for its employees including whole-time directors are given below which is as certified by the actuary and relied upon by the auditors.

(c) Code on Social Security

The Indian parliament has approved Code on Social Security, 2020 ("the Code") which would impact the contributions by the Company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on 13 November 2020 and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

(₹ In Million)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Change in the Benefit Obligations:		
Liability at the beginning of the year	42.87	31.26
Current service cost	13.13	12.05
Interest cost	2.91	2.18
Benefits paid	(4.13)	(2.15)
Actuarial gains - due to change in financials assumptions	0.99	0.37
Actuarial gains - due to change in demographic assumptions	(6.37)	-
Actuarial losses - due to experience adjustments	(1.88)	(0.84)
Liability at the end of the year	**47.52**	**42.87**
Fair value of plan assets:		
Fair value of plan assets at the beginning of the year	40.61	29.94
Interest income	3.31	2.52
Actual return on plan assets	(0.39)	(0.32)
Contributions	8.68	10.62
Benefits paid	(4.13)	(2.15)
Fair value of plan assets at the end of the year	**48.08**	**40.61**
Actual return on plan assets:		
Expected return on plan assets	-	-
Actuarial loss on plan assets	-	-
Actual return on plan assets	(0.39)	(0.32)
Reconciliation of the Liability Recognized in the Balance Sheet:		
Opening net Liability/ (Asset)	2.26	1.32
Transfer in obligation	-	-
Expense recognized in Profit and Loss	12.73	11.71
Expense recognized in Other Comprehensive Income	(6.87)	(0.15)
Contribution by the Company	(8.67)	(10.62)
Benefits paid by the Company / Insurance Companies	-	-
Amount recognized in the Balance Sheet under Liabilities/ (Assets) as on March 31, 2025: (₹ 0.56 Million) (March 31, 2024: ₹ 2.26 Million) [Refer Note 11 and Note 18]	**(0.56)**	**2.26**

(₹ In Million)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Expense Recognized in the Statement of Profit and Loss:		
Current service cost	13.13	12.05
Interest cost (net)	(0.40)	(0.34)
Expense recognized in the Statement of Profit and Loss	**12.73**	**11.71**

(₹ In Million)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Expense Recognized in the Statement of Other Comprehensive Income:		
Due to change in financial assumptions	0.99	0.37
Due to change in demographic assumptions	(6.37)	-
Due to experience adjustments	(1.88)	(0.84)
Return on plan assets, excluding interest income	0.39	0.32
Net (Income)/ Expense for the year recognized in Statement of Other Comprehensive Income	**(6.87)**	**(0.15)**

Amount Recognized in the Balance Sheet: (₹ In Million)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Liability at the end of the year	47.52	42.87
Fair Value of Plan Assets at the end of the year	48.08	40.61
Amount recognized in the Balance Sheet	(0.56)	2.26
Experience Adjustment :		
On Plan Liabilities	-	-
On Plan Assets	-	-
Estimated contribution for next year	(0.56)	2.26

Investment Pattern: % Invested

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Policy of Insurance	100%	100%
Total	**100%**	**100%**

Based on the above allocation and the prevailing yields on these assets, the long term estimate of the expected rate of return on fund assets has been arrived at March 31, 2025: % (March 31, 2024: 7.20%)

Principal Assumptions: (% p.a.)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Discount rate	6.55%	7.20%
Return on plan assets	6.55%	7.20%
Salary escalation	7.50%	7.50%
Withdrawal Rate (as per age band)		
25 & Below	20.00%	20.00%
25 to 35	40.00%	20.00%
35 to 45	40.00%	20.00%
45 to 55	20.00%	10.00%
55 & Above	0.00%	5.00%

The estimate of future salary increase, considered in the actuarial valuation takes account of inflation, seniority, promotion and other relevant factors.

Sensitivity Analysis:

(₹ In Million)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Projected Benefit Obligation on Current Assumptions		
Delta Effect of +0.50% Change in Rate of Discounting	46.76	41.67
Delta Effect of -0.50% Change in Rate of Discounting	48.32	44.14
Delta Effect of +0.50% Change in Rate of Salary Gowth	48.10	43.81
Delta Effect of -0.50% Change in Rate of Salary Growth	46.96	41.91
Delta Effect of +10% Change in Withdrawal Rate	46.47	42.15
Delta Effect of -10% Change in Withdrawal Rate	48.68	43.62

The sensitivity analysis have been performed by varying a single parameter while keeping all other parameters unchanged.

The sensitivity analysis presented above fails to focus on the inter-relationship between underlying parameters. Hence, the results may vary if two or more variables are changed simultaneously.

Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognized in the balance sheet.

Maturity Analysis of the Benefit Payments from the Fund:

(₹ In Million)

Projected Benefits Payable in Future Years From the Date of Reporting	For the year ended March 31, 2025	For the year ended March 31, 2024
1st Following Year	11.27	4.83
2nd Following Year	9.33	4.60
3rd Following Year	8.31	4.88
4th Following Year	7.91	5.54
5th Following Year	4.52	6.44
Sum of Years 6 to 10	14.86	22.72

41 Employee Stock Option

In accordance with resolution approved by the shareholders, the Parent Company has reserved shares, for issue to employees through ESOP Scheme. On the approval of Nomination and Remuneration Committee (NRC), each ESOP scheme is issued. The NRC has approved below stock option schemes. Under the term of the schemes, the Parent Company may issue stock options to employees and directors of the Company, each of which is convertible into one equity share.

Employee Stock Option Plans

A summary of the general terms of grants under stock options plans are as under: -

Particulars	SBFC Stock Option Policy I 2018		SBFC Stock Option Policy II 2018		SBFC Stock Option Policy 2021- I		SBFC Stock Option Policy 2021- II		SBFC STOCK OPTION POLICY 2021 - III - Special Grant		SBFC Stock Option Policy 2021- IV		SBFC Stock Option Policy 2021- V		SBFC Stock Option Policy 2023- I		SBFC Stock Option Policy 2023- II		SBFC Stock Option Policy 2023- III	
Number of options under the Plan	1,08,40,000		4,05,60,000		30,25,000		63,75,000		29,75,000		1,42,91,666		1,05,00,000		60,00,000		2,03,00,000		48,00,000	
Exercise Price (in ₹)	12.50		12.50		19.00		40.00		40.00		21.45		40.00		55.00		55.00		INR 87.33 and INR 84.67	
Fair Value of options as at Grant Date (in ₹)	(Refer fair value table below)		4.58		6.60		11-Jan-22 : 2.60; 21-Apr-22 : 13.27; 19-Nov-22: 13.36		11-Jan-22 : 3.80; 21-Apr-22 : 16.40; 19-Nov-22:: 16.33		7.60		3.80		24-Feb-23: 11.85; 26-Apr-23: 19.01; 12-Jul-23: 19.55		24.17		19-Apr-24: 24.42; 24-Oct-24: 19.79	
Maximum Term of Options Granted	Refer Note 41.1		Refer Note 41.3		Refer Note 41.1		Refer Note 41.2		Refer Note 41.2		Refer Note 41.2		Refer Note 41.2		Refer Note 41.1		Refer Note 41.1		Refer Note 41.4	
Method of Settlement	Equity settled		Equity settled		Equity settled		Equity settled		Equity settled		Equity settled		Equity settled		Equity settled		Equity settled		Equity settled	
Grant Date	1 Oct 18 to 26 May 21		1-Oct-18		30-Oct-21		11-Jan-22, 21-Apr-22 & 19-Nov-22		11-Jan-22, 21-Apr-22 & 19-Nov-22		23-Dec-21		23-Dec-21		24-Feb-23; 26-Apr-23 & 12-Jul-23		12-Jul-23		19-Apr-24 & 24-Oct-24	
Vesting requirements (No of months from Grant Date & Vesting schedule)	**(Refer vesting schedule below)**	**Months**	**Vesting Schedule**	**Months**	**Vesting Schedule**	**Months**	**Vesting Schedule**	**Months**	**Vesting Schedule**	**Months**	**Vesting Schedule**	**Months**	**Vesting Schedule**	**Months**	**Vesting Schedule**	**Months**	**Vesting Schedule**	**Months**	**Vesting Schedule**	
		12	50%	12	25.0%	12	25.00%	24	25.00%	24	25.000%	24	25.000%	12	25.00%	27	12.50%	12	25.00%	
		24	25%	15	5.0%	15	6.25%	27	6.25%	27	9.375%	27	9.375%	15	6.25%	30	12.50%	15	6.25%	
		30	25%	18	5.0%	18	6.25%	30	6.25%	30	9.375%	30	9.375%	18	6.25%	33	12.50%	18	6.25%	
				21	7.5%	21	6.25%	33	6.25%	33	9.375%	33	9.375%	21	6.25%	36	12.50%	21	6.25%	
				24	7.5%	24	6.25%	36	6.25%	36	9.375%	36	9.375%	24	6.25%	39	12.50%	24	6.25%	
				27	10.0%	27	6.25%	39	6.25%	39	9.375%	39	9.375%	27	6.25%	42	12.50%	27	6.25%	
				30	10.0%	30	6.25%	42	6.25%	42	9.375%	42	9.375%	30	6.25%	45	12.50%	30	6.25%	
				33	15.0%	33	6.25%	45	6.25%	45	9.375%	45	9.375%	33	6.25%	48	12.50%	33	6.25%	
				36	15.0%	36	6.25%	48	6.25%	48	9.375%	48	9.375%	36	6.25%			36	6.25%	
						39	6.25%	51	6.25%					39	6.25%			39	6.25%	
						42	6.25%	54	6.25%					42	6.25%			42	6.25%	
						45	6.25%	57	6.25%					45	6.25%			45	6.25%	
						48	6.25%	60	6.25%					48	6.25%			48	6.25%	

Fair value as at Grant Date for SBFC Stock Option Policy I 2018:

Grant Date	1-Oct-18	1-Oct-18	24-Dec-18	24-Dec-18	15-Mar-19	29-May-19	15-Feb-20	30-Mar-20	23-Dec-20	26-May-21
Fair Value of options as at Grant Date (in ₹)	3.61	3.55	3.31	3.24	3.13	4.07	4.30	4.52	3.95	8.90

Vesting schedule for SBFC Stock Option Policy I 2018:

Grant Date	1-Oct-18	1-Oct-18	24-Dec-18	24-Dec-18	15-Mar-19	29-May-19	15-Feb-20	30-Mar-20	23-Dec-20	26-May-21
12 months	17.5%	25.0%	17.5%	25.0%	25.0%	25.0%	17.5%	25.0%	25.0%	25.0%
15 months	7.5%	5.0%	7.5%	5.0%	5.0%	5.0%	7.5%	5.0%	5.0%	5.0%
18 months	7.5%	5.0%	7.5%	5.0%	5.0%	5.0%	7.5%	5.0%	5.0%	5.0%
21 months	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%
24 months	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%
27 months	7.5%	10.0%	7.5%	10.0%	10.0%	10.0%	7.5%	10.0%	10.0%	10.0%
30 months	7.5%	10.0%	7.5%	10.0%	10.0%	10.0%	7.5%	10.0%	10.0%	10.0%
33 months	7.5%	15.0%	7.5%	15.0%	15.0%	15.0%	7.5%	15.0%	15.0%	15.0%
36 months	10.0%	15.0%	10.0%	15.0%	15.0%	15.0%	10.0%	15.0%	15.0%	15.0%
39 months	10.0%	-	10.0%	-	-	-	10.0%	-	-	-
42 months	10.0%	-	10.0%	-	-	-	10.0%	-	-	-

41.1 If Vesting prior to IPO then upto 6 months from date of IPO, If Vesting after IPO then upto 6 months from date of Vesting

41.2 If Vesting prior to IPO then within 12 months from the date of the IPO, If Vesting after IPO then within 12 months from the date of the vesting

41.3 If Vesting prior to IPO then 24 months from date of IPO, If Vesting after IPO then 6 months from date of Vesting

41.4 Upto 6 months from date of Vesting

41.5 Method used for accounting for shared based payment plan:

The Parent Company uses fair value to account for the compensation cost of stock options to employees of the Parent Company.

41.6 Fair value methodology:

The fair value of options have been estimated on the dates of each grant using the Black-Scholes model. The shares of Parent Company are not listed on any stock exchange. Accordingly, the Parent Company had considered the volatility of the Parent Company's stock price based on historical volatility of similar listed enterprises. The various assumptions considered in the pricing model for the stock options granted by the Parent Company are:

Particulars	SBFC Stock Option Policy I 2018	SBFC Stock Option Policy II 2018	SBFC Stock Option Policy 2021- I	SBFC Stock Option Policy 2021- II	SBFC STOCK OPTION POLICY 2021 - III - Special Grant	SBFC Stock Option Policy 2021- IV	SBFC Stock Option Policy 2021- V	SBFC Stock Option Policy 2023- I	SBFC Stock Option Policy 2023- II	SBFC Stock Option Policy 2023- III
Dividend yield	(Refer table below)	-	-	-	-	-	-	-	-	-
Expected volatility		20.00%	49.18%	45.67%	46.78%	48.77%	48.77%	54.83%	53.66%	33.28%
Risk free interest rate		8.00%	4.55%	5.45%	5.85%	5.07%	5.07%	7.42%	7.24%	7.26%
Expected life of the option		5 years	3 years 6 months	5 years	6 years	5 years	5 years	4 years 6 months	4 years 6 months	4 years 6 months

Fair value methodology for SBFC Stock Option Policy I 2018:

Grant Date	1-Oct-18	1-Oct-18	24-Dec-18	24-Dec-18	15-Mar-19	29-May-19	15-Feb-20	30-Mar-20	23-Dec-20	26-May-21
Dividend yield	-	-	-	-	-	-	-	-	-	-
Expected volatility	20.00%	20.00%	20.00%	20.00%	20.00%	36.45%	37.43%	43.92%	49.24%	52.61%
Risk free interest rate	8%	7.87%	7.08%	7.07%	7.06%	6.34%	5.43%	5.11%	4.33%	4.50%
Expected life of the option	4 years	3 years 6 months	4 years	3 years 6 months	3 years 6 months	3 years 6 months	4 years	3 years 6 months	3 years 6 months	3 years 6 months

41.7 Option Movement during the year ended March 31, 2025

Particulars	SBFC Stock Option Policy I 2018	SBFC Stock Option Policy II 2018	SBFC Stock Option Policy 2021- I	SBFC Stock Option Policy 2021- II	SBFC Stock Option Policy 2021 - III - Special Grant	SBFC Stock Option Policy 2021- IV	SBFC Stock Option Policy 2021- V	SBFC Stock Option Policy 2023- I	SBFC Stock Option Policy 2023- II	SBFC Stock Option Policy 2023- III	Weighted average exercise price (₹)
Exercise Price per Share	12.50	12.50	19.00	40.00	40.00	21.45	40.00	55.00	55.00	87.28	-
No. of options outstanding at April 1, 2024	54,000	-	11,80,000	35,18,114	24,29,625	1,27,60,417	89,25,000	50,40,004	2,03,00,000	-	42.16
Options granted during the year	-	-	-	-	-	-	-	-	-	48,74,000	87.28
Options exercised during the year	54,000	-	9,97,500	13,00,580	6,39,181	50,08,461	36,09,375	16,86,505	-	-	33.23
Options forfeited/ lapsed during the year	-	-	77,500	2,09,987	30,028	-	-	4,61,125	-	2,74,000	57.33
Number of options outstanding at March 31, 2025	**-**	**-**	**1,05,000**	**20,07,547**	**17,60,416**	**77,51,956**	**53,15,625**	**28,92,374**	**2,03,00,000**	**46,00,000**	**49.38**

Option Movement during the year ended March 31, 2024

Particulars	SBFC Stock Option Policy I 2018	SBFC Stock Option Policy II 2018	SBFC Stock Option Policy 2021- I	SBFC Stock Option Policy 2021- II	SBFC Stock Option Policy 2021 - III - Special Grant	SBFC Stock Option Policy 2021- IV	SBFC Stock Option Policy 2021- V	SBFC Stock Option Policy 2023- I	SBFC Stock Option Policy 2023- II	Weighted average exercise price (₹)
Exercise Price per Share	12.50	12.50	19.00	40.00	40.00	21.45	40.00	55.00	55.00	-
No. of options outstanding at April 1, 2023	**42,87,500**	**3,80,60,000**	**27,63,000**	**61,25,250**	**29,25,500**	**1,42,91,666**	**1,05,00,000**	**57,30,000**	**-**	**23.45**
Options granted during the year	-	-	-	-	-	-	-	1,40,000	2,03,00,000	55.00
Options exercised during the year	(41,56,000)	(3,80,60,000)	(14,30,000)	(23,15,574)	(3,29,875)	(15,31,249)	(15,75,000)	(3,44,996)	-	15.59
Options forfeited/ lapsed during the year	(77,500)	-	(1,53,000)	(2,91,562)	(1,66,000)	-	-	(4,85,000)	-	41.65
Number of options outstanding at March 31, 2024	**54,000**	**-**	**11,80,000**	**35,18,114**	**24,29,625**	**1,27,60,417**	**89,25,000**	**50,40,004**	**2,03,00,000**	**42.16**

41.8 The following table summarizes information about stock option plans:-

Policy Name	Exercise Price (₹)	Year ended March 31, 2025		Year ended March 31, 2024	
		Numbers	Weighted Average Remaining Life (Months)*	Numbers	Weighted Average Remaining Life (Months)*
SBFC Stock Option Policy I 2018	12.50	-	-	54,000	1.46
SBFC Stock Option Policy II 2018	12.50	-	-	-	-
SBFC Stock Option Policy 2021- I	19.00	1,05,000	-	11,80,000	3.30
SBFC Stock Option Policy 2021- II	40.00	20,07,547	4.35	35,18,114	8.53
SBFC Stock Option Policy 2021 - III - Special Grant	40.00	17,60,416	9.92	24,29,625	12.04
SBFC Stock Option Policy 2021- IV	21.45	77,51,956	3.04	1,27,60,417	7.67
SBFC Stock Option Policy 2021- V	40.00	53,15,625	3.25	89,25,000	7.67
SBFC Stock Option Policy 2023- I	55.00	28,92,374	10.48	50,40,004	11.54
SBFC Stock Option Policy 2023- II	55.00	2,03,00,000	17.14	2,03,00,000	15.36
SBFC Stock Option Policy 2023- III	87.28	46,00,000	15.59	-	-

Notes:-

*Weighted Average Remaining life represents the life for vesting. Exercise period life is in addition to the vesting life.

During the year 2018-19 & 2021-22, the Company has provided loan to the Employee welfare trust for purchase of shares issued by the Company. These shares will be vested to the employee and will be settled through issue of own equity instrument.

The charge under employee benefit expense for the year ended March 31, 2025 amounted to ₹ 238.59 Million (March 31, 2024: ₹ 224.43 Million)

42 Segment Information

The Company operates mainly in the business segment of fund based financing activity. All other activities revolve around the main business. Further, all activities are carried out within India. During the current year, the Company has obtained Certificate of Registration dated November 25, 2024 from IRDAI to act as a 'Corporate Agent (Composite)' under the Insurance Act, 1938. The Company will now be able to solicit insurance products to its customers as a Corporate Agent. As such, there are no separate reportable segments as per the provisions of Ind AS 108 on 'Operating Segments'.

43 Related party disclosures

(a) Key management personnel of the Company

Key management personnel are those individuals who have the authority and responsibility for planning and exercising power to directly or indirectly control the activities of the Company and its employees. The Company includes the members of the Board of Directors which include independent directors (and its sub-committees) and Executive Committee to be key management personnel for the purposes of Ind AS 24 Related Party Disclosures.

Sr No	Name of Key Management Personnel	Designation
1	Mr. Aseem Dhru	Managing Director & CEO
2	Mr. Neeraj Swaroop	Independent Director and Chairperson
3	Mr. Rajesh Mannalal Agrawal	Independent Director
4	Ms. Surekha Marandi	Independent Director (w.e.f. September 23, 2022)
5	Mr. Ravi Venkatraman	Independent Director (w.e.f. February 21, 2024)
6	Mr. Koni Uttam Nayak	Independent Director (w.e.f. March 26, 2024)
7	Mr. Arjun Sakhuja	Nominee Director (upto March 29, 2024)
8	Mr. John Mescall	Non-Executive Nominee Director
9	Mr. Jonathan Tadeusz Tatur	Non-Executive Nominee Director
10	Mr. Amol Krishna Jain	Director (upto February 21, 2024)
11	Mr. Mahesh Dayani	Additional & Executive Director (w.e.f February 28, 2025)
12	Mr. Narayan Barasia	Chief Financial Officer
13	Ms. Namrata Sajnani	Company Secretary (w.e.f. August 8, 2024)
14	Mr. Jay Mistry	Company Secretary (upto August 7. 2024)

(b) Related parties where control exists:

1	Holding Company	SBFC Holdings Pte. Limited
2	Entities in which KMP Exercise Significant Influence	Arpwood Partners Investment Advisors LLP (upto February 21, 2024)
		Arpwood Capital Private Limited (upto February 21, 2024)
		Arpwood Consultants LLP (upto February 21, 2024)
		Eight45 Services LLP (upto February 21, 2024)
3	Post-employment benefit plan	SBFC Finance Private Limited Employees GGCA Scheme
4	Controlled Employee Welfare trust	SBFC Employee Welfare Trust

(c) Related party transactions

(₹ In Million)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Key Management Personnel		
Sitting Fees:		
Mr. Neeraj Swaroop	1.90	2.80
Mr. Rajesh Mannalal Agrawal	0.50	1.00
Ms. Surekha Marandi	1.60	2.60
Mr. Ravi Venkatraman	2.00	0.30
Mr. Uttam Koni Nayak	1.30	-
Remuneration to KMPs:		
Mr. Aseem Dhru	64.10	58.23
Mr. Mahesh Dayani	2.31	-
Mr. Narayan Barasia	29.24	25.03
Ms. Namrata Sajnani	2.92	-
Mr. Jay Mistry	0.83	2.58
Employee Share Based Payment:		
Mr. Aseem Dhru	67.61	69.10
Mr. Mahesh Dayani	3.87	-
Mr. Narayan Barasia	33.16	28.48
Ms. Namrata Sajnani	0.09	-
Mr. Jay Mistry	(0.24)	0.25
ESOP Exercise through ESOP trust:		
Mr. Narayan Barasia	-	8.88
Share Application money pending allotment		
Mr. Aseem Dhru	32.17	-
Issue of Equity Share Capital:		
Mr. Aseem Dhru	117.97	338.00
Mr. Narayan Barasia	29.78	26.47
Mr. Jay Mistry	0.13	1.41

(₹ In Million)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Controlled Employee Welfare trust		
Loan repaid:		
Trustee of Employee welfare Trust	19.63	79.12
Post-employment benefit plan		
Gratuity:		
SBFC Finance Private Limited Employees GGCA Scheme	8.68	10.62

Related party balances (₹ In Million)

Particulars	As at March 31, 2025	As at March 31, 2024
Loan given		
Trustee of Employee welfare trust	12.76	32.39

44 Leases

44.1 The changes in the carrying value of right of use assets are as follows: (₹ In Million)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Balance as at beginning of the year	**99.73**	**89.87**
Impact of restatments	-	-
Addition during the year	136.80	62.60
Deletion/ Termination during the year	(93.00)	(8.52)
Depreciation charge for the year	(54.90)	(49.78)
Depreciation on deletion/ termination	85.84	5.56
Balance as at end of the year	**174.47**	**99.73**

44.2 The following is the movement in lease liabilities: (₹ In Million)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Balance as at beginning of the year	**107.02**	**100.90**
Addition during the year	128.72	60.11
Deletion/ Termination during the year	(6.68)	(2.45)
Finance cost accrued during the year	13.05	8.85
Payment made during the year	(67.81)	(60.39)
Balance as at end of the year	**174.30**	**107.02**

44.3 Contractual maturities of lease liabilities on an undiscounted basis:

Maturity Profile of Lease liabilities: (₹ In Million)

Lease Liabilities	Less than 1 year	1 year to 3 years	3 years to 5 years	5 years and above	Total
March 31, 2025	69.67	71.46	50.86	30.71	**222.71**
March 31, 2024	55.97	62.72	1.37	0.75	**120.81**

44.4 Impact of Ind AS 116 in the Statement of Profit and Loss:

(i) Rental expense recorded for short-term leases for the year ended March 31, 2025 was ₹ 58.51 Million (March 31, 2024: ₹ 49.36 Million)

(ii) The aggregate depreciation on Right to use assets has been included under depreciation and amortisation expense in the Statement of Profit and Loss.

(iii) The aggregate interest on Lease liabilities has been included under Finance costs in the Statement of Profit and Loss.

45 In accordance with Ind AS 33- Earnings per Share, the computation of earnings per share is set out below:

Particulars			For the year ended March 31, 2025	For the year ended March 31, 2024
Net Profit after tax as per Statement of Profit and Loss	(A)	₹ in Million	3,452.99	2,371.04
Weighted average number of equity shares for calculating Basic EPS	(B)	Nos.	1,07,72,03,019	1,01,06,91,659
Add: Equity shares for no consideration arising on grant of stock options under ESOP		Nos.	1,90,11,349	2,21,84,168
Weighted average number of equity shares for calculating Diluted EPS	(C)	Nos.	1,09,62,14,368	1,03,28,75,827
Basic earnings per equity share (in ₹) (Face value of ₹ 10 per share)	(A)/(B)	₹ per share	3.21	2.35
Diluted earnings per equity share (in ₹) (Face value of ₹ 10 per share)	(A)/(C)	₹ per share	3.15	2.30

46 As on the date of balance sheet, there were no internal or external indications exists that require management to assess the recoverability amount of the asset. Therefore, the Group believes no impairment of assets is required as per Ind AS 36 "Impairment of Assets".

The Parent Company has carried impairment testing by discounting the projected future cash flows and has enough head room against the carrying amount of ₹ 2,603.92 Million. Considering the head room that the Company has, there is no need for impairment. Therefore, there is no Impairment of Goodwill in the books as on March 31, 2025 and March 31, 2024.

47 Contingent Liabilities and other commitments to the extent not provided for:

(₹ In Million)

Particulars	As at March 31, 2025	As at March 31, 2024
(a) Contingent liabilities		
Claims against the Company not acknowledged as Debts	24.40	13.89
(b) Capital commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	10.23	14.92
Commitments related to loans sanctioned but undrawn	721.98	-
Other Commitments	-	-

47.1 The Company's pending litigations comprise of claims against the Company by the customers and proceedings pending with other authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable, in the financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial statements.

48 Risk Disclosures

The Parent Company's risk is managed through an integrated risk management framework, including ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Parent Company's continuing profitability and each individual within the Parent Company is accountable for the risk exposures relating to his or her responsibilities. The Parent Company is exposed to credit risk, liquidity risk, interest rate risk and price risk.

It is the Parent Company's policy to ensure that a robust risk awareness is embedded in its organizational risk culture.

48.1 Credit risk

Credit risk is the risk that the Parent Company will incur a loss because its customers or counterparties fail to discharge their contractual obligations. The Parent Company manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties.

48.1.1 Impairment assessment

During the current year, the Parent Company has made refinement in the ECL model and said changes have been updated in the ECL policy which is duly approved by the audit committee. However, there is no material impact on the financial statements of the Group.

Exposure at Default

EAD is taken as the gross exposure under a facility upon default of an obligor. The amortized principal and the interest accrued is considered as EAD for the purpose of ECL computation

The advances have been bifurcated into following three stages:

Stage 1

All exposures where there has not been a significant increase in credit risk since initial recognition or that has low credit risk at the reporting date and that are not credit impaired upon origination are classified under this stage. The Parent Company classifies all standard advances and advances up to 0-29 days default under this category. Stage 1 loans also include facilities where the credit risk has improved, and the loan has been reclassified from Stage 2.

Stage 2

All exposures where there has been a significant increase in credit risk since initial recognition but are not credit impaired are classified under this stage. Financial assets past due for 30-89 days are classified under this stage. The Parent Company uses the below criteria for assessing movement to Stage 2:

a) Financial assets past due between 30-89

b) The Parent Company becomes aware about any deterioration in the financial condition and reputation of the obligor which the management believes may lead to significant deterioration in credit risk

Stage 3

All exposures 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 are classified in this stage. For exposures that have become credit impaired, a lifetime ECL is recognised and interest revenue is calculated by applying the effective interest rate to the amortised cost (net of provision) rather than the gross carrying amount. 90 days Past Due is considered as default for classifying a financial instrument as credit impaired. If an event warrants a provision higher than as mandated under ECL methodology, the Parent Company may classify the financial asset in Stage 3 accordingly.

Non performing Asset classification is done in line with Reserve Bank of India Master Circular on Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances and Clarifications dated November 12, 2021 and dated February 15, 2022."

Significant increase in credit risk

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss.

The Parent Company has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. The Parent Company does the assessment of significant increase in credit risk at a borrower level. If a borrower has various facilities having different past due status, then the highest days past due (DPD) is considered to be applicable for all the facilities of that borrower.

PD estimation process

Probability of default ("PD") is defined as the likelihood of default over a particular time horizon. The PD of an obligor is a fundamental risk parameter in credit risk analysis and depends on obligor specific as well as macroeconomic risk factors. The impact of macroeconomic criteria on the PD results in two different PD estimates, through-the-cycle ("TTC") and the point-in-time ("PIT") PD. A TTC PD estimate remains largely unaffected by the economic cycle, while a PIT PD estimate varies with the economic cycle.

Loss given default

The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

48.1.2 Analysis of risk concentration

48.1.3 Collateral and other credit enhancements

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Parent Company has Guidelines in place covering the acceptability and valuation of each type of collateral. The Parent Company also adheres to the RBI guidelines in respect of maintenance of adequate Loan to Value Ratios.

The main types of collateral for loans are Registered / equitable mortgage of property, Hypothecation of assets including Gold. Management monitors the market value of collateral and requests additional collateral in accordance with the underlying agreement.

In case of defaults by customers, where the Parent Company is unable to recover the dues, the Parent Company through a legal process enforces the security and recover the dues.

48.2 Liquidity risk and funding management

Liquidity risk is defined as the risk that the Parent Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Parent Company might be unable to meet its payment obligations when they fall due as a result of mismatches in the timing of the cash flows under both normal and stress circumstances. Such scenarios could occur when funding needed for illiquid asset positions is not available to the Parent Company on acceptable terms. To limit this risk, management has arranged for diversified funding sources and adopted a policy of managing assets with liquidity in mind and monitoring future cash flows and liquidity on a daily basis.

Liquidity risk is managed in accordance with our Asset Liability Management Policy. This policy is framed as per the current regulatory guidelines and is approved by the Board of Directors. The Asset Liability Management Policy is reviewed periodically to incorporate changes as required by regulatory stipulation or to realign the policy with changes in the economic landscape. The Parent Company also maintains LCR in accordance with RBI guidelines and board approved Liquidity risk framework. The Asset Liability Committee (ALCO) of the Parent Company formulates and reviews strategies, LCR and provides guidance for management of liquidity risk within the framework laid out in the Asset Liability Management Policy.

Analysis of financial assets and liabilities by remaining contractual maturities is provided in **Note 38**

Maturity Profile of financial liabilities:

The table below summarises the maturity profile of the Parent Company's financial liabilities on discounted basis.

(₹ In Million)

March 31, 2025	Less than 1 year	1 year to 3 years	3 years to 5 years	5 years and above	Total
Derivative financial instruments	98.45	-	-	-	**98.45**
Trade Payables	94.55	-	-	-	**94.55**
Other Payables	5.41	-	-	-	**5.41**
Debt securities	1,293.74	10,000.00	-	-	**11,293.74**
Borrowings other than debt securities	15,705.13	20,430.44	3,147.48	127.85	**39,410.90**
Collateralized borrowings	229.24	527.49	423.15	759.85	**1,939.72**
Other financial liabilities	1,003.10	55.93	39.81	24.04	**1,122.87**
Total	**18,429.61**	**31,013.86**	**3,610.44**	**911.73**	**53,965.64**

(₹ In Million)

March 31, 2024	Less than 1 year	1 year to 3 years	3 years to 5 years	5 years and above	Total
Derivative financial instruments	45.13	-	-	-	**45.13**
Trade Payables	112.57	-	-	-	**112.57**
Other Payables	107.99	-	-	-	**107.99**
Debt securities	959.66	2,989.93	-	-	**3,949.59**
Borrowings other than debt securities	13,053.91	17,907.78	2,270.07	165.89	**33,397.65**
Collateralized borrowings	231.92	555.25	614.59	1,211.21	**2,612.97**
Other financial liabilities*	2,348.21	-	-	-	**2,348.21**
Total	**16,859.39**	**21,452.96**	**2,884.66**	**1,377.10**	**42,574.11**

48.3 Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments.

The core business of the Parent Company is providing loan against property, loan against gold and personal loans. The Parent Company borrows through various financial instruments to finance its core lending activity. These activities expose the Parent Company to interest rate risk.

Interest rate risk is measured through earnings at risk from an earnings perspective and through duration of equity from an economic value perspective. Further, exposure to fluctuations in interest rates is also measured by way of gap analysis, providing a static view of the maturity and re-pricing characteristic of Balance sheet positions. An interest rate sensitivity gap report is prepared by classifying all rate sensitive assets and rate sensitive liabilities into various time period categories according to contracted/ behavioural maturities or anticipated re-pricing date. The difference in the amount of rate sensitive assets and rate sensitive liabilities maturing or being re-priced in any time period category, gives an indication of the extent of exposure to the risk of potential changes in the margins on new or re-priced assets and liabilities. The interest rate risk is monitored on a quarterly basis.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates (all other variables being considered as constant) of the Parent Company's statement of profit and loss and equity.

(₹ In Million)

For the year ended	Hypothetical Increase / (decrease) in basis points	Impact in profit or loss		Impact in equity	
For the year ended March 31, 2025					
Borrowings (₹)	25/ (25)	74.30	(74.30)	55.60	(55.60)
	50/ (50)	148.60	(148.60)	111.20	(111.20)
Loans (₹)	25/ (25)	132.22	(132.22)	98.94	(98.94)
	50/ (50)	264.43	(264.43)	197.88	(197.88)
Investments in PTC (₹)	-	-	-	-	-
	-	-	-	-	-
For the year ended March 31, 2024					
Borrowings (₹)	25/ (25)	(55.10)	55.10	(41.23)	41.23
	50/ (50)	(110.19)	110.19	(82.46)	82.46
Loans (₹)	25/ (25)	101.19	(101.19)	75.72	(75.72)
	50/ (50)	202.39	(202.39)	151.45	(151.45)
Investments in PTC (₹)	25/ (25)	3.67	(3.67)	2.75	(2.75)
	50/ (50)	7.33	(7.33)	5.49	(5.49)

48.4 Foreign Currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign currency rates. The Parent Company is mainly exposed to changes in USD. The below table demonstrates the sensitivity to a 5% increase or decrease in the respective foreign currency rates against INR, with all other variables held constant. The sensitivity analysis is prepared on the net unhedged exposure of the Parent Company as at the reporting date. 5% represents management's assessment of reasonably possible change in foreign exchange rate.The Parent's exposure to the risk of changes in foreign exchange rates relates primarily to the foreign currency borrowings from banks and vendor payments. The Parent Company has hedged its foreign currency exposure arising from bank borrowings through forward contracts in such a manner that it has fixed determinate outflows in its functional currency and as such there would be no significant impact of movement in foreign currency rates on the Group.

As of balance sheet date, Company's net foreign currency exposure expressed in INR that is not hedged is ₹ Nil (March 31, 2024 - NIL)

(₹ In Million)

Foreign Currency	Hypothetical Increase / (decrease) by %	Impact in profit or loss		Impact in equity	
For the year ended March 31, 2025					
Currency Sensitivity - USD	5/ (5)	-	-	-	-
For the year ended March 31, 2024					
Currency Sensitivity - USD	5/ (5)	-	-	-	-

49 Transferred financial assets that are not derecognized in their entirety

The Parent Company has entered into securitization arrangements to transfer the part of its portfolio of Loan against property. The terms of the arrangement included over collateralization of the assets of the Parent Company through lien on Fixed deposits. Since the Parent Company had retained significant risk in the transfer of the portfolio, the asset is retained in the books. Consequently, the amount received as sale consideration is shown as Collateralized borrowings in the financial statements.

(₹ In Million)

Securitisations	As at March 31, 2025	As at March 31, 2024
Carrying amount of transferred assets measured at amortised cost	2,275.74	2,951.40
Carrying amount of associated liabilities	1,939.72	2,612.97
Fair value of assets	2,293.38	2,976.41
Fair value of associated liabilities	1,939.72	2,612.97

50 Disclosure pursuant to Reserve Bank of India notification RBI/2021-22/31 DOR.STR. REC.11/21.04.048/2021-22 dated May 5, 2021 read with Notification no.RBI/2020-21/16 DOR. No.BP.BC/3/21.04.048/2020-21 dated August 6, 2020.

(₹ In Million)

Type of Borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of September 30, 2024 (A)	Of (A), aggregate debt that slipped into NPA during the half year	Of (A) amount written off during the half year	Of (A) amount paid by the borrowers during the half year	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of March 31, 2025
Personal Loans #	25.29	0.22	-	1.11	24.19
Corporate persons*	-	-	-	-	-
Of which MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	**25.29**	**0.22**	**-**	**1.11**	**24.19**

* As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

This represents Salaried customers.

(₹ In Million)

Type of Borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of March 31, 2024 (A)	Of (A), aggregate debt that slipped into NPA during the half year	Of (A) amount written off during the half year	Of (A) amount paid by the borrowers during the half year	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of September 30, 2024
Personal Loans #	36.31	3.75	0.75	10.27	25.29
Corporate persons*	-	-	-	-	-
Of which MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	**36.31**	**3.75**	**0.75**	**10.27**	**25.29**

* As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

This represents Salaried customers.

(₹ In Million)

Type of Borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of September 30, 2023 (A)	Of (A), aggregate debt that slipped into NPA during the half year	Of (A) amount written off during the half year	Of (A) amount paid by the borrowers during the half year	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of March 31, 2024
Personal Loans #	38.20	0.87	0.86	1.02	36.31
Corporate persons*	-	-	-	-	-
Of which MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	**38.20**	**0.87**	**0.86**	**1.02**	**36.31**

* As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

This represents Salaried customers.

(₹ In Million)

Type of Borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of March 31, 2023 (A)	Of (A), aggregate debt that slipped into NPA during the half year	Of (A) amount written off during the half year	Of (A) amount paid by the borrowers during the half year	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of September 30, 2023
Personal Loans #	44.84	-	1.13	5.51	38.20
Corporate persons*	-	-	-	-	-
Of which MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	**44.84**	**-**	**1.13**	**5.51**	**38.20**

* As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

This represents Salaried customers.

51 Disclosure pursuant to RBI notification No. RBI/DOR/2021-22/86 DOR.STR.REC.51 /21.04.048/2021-22 dated September 24, 2021

Details of stressed loans transferred during the year ended March 31, 2025

(₹ in million)

Particulars	To ARCs
No. of accounts	894
Aggregate principal outstanding of loans transferred	764.88
Weighted average residual tenor of the loans transferred	10.69
Net book value of loans transferred (at the time of transfer)	404.87
Aggregate consideration	420.40
Additional consideration realized in respect of accounts transferred in earlier years	-

52 Following are the additional disclosures required as per Schedule III to the Companies Act, 2013 vide Notification dated March 24, 2021:

52.1 Relationship with Struck off Companies:

To the best of the abilities, the Company has not identified any relationship with Company except mentioned below which has been struck off by the respective Registrar of Companies and such information is available vide public notice (Form No. STK-7) u/s 248 of the Act.

(₹ In Million)

Sr No	Name of Struck off Company	Nature of transaction	As at March 31, 2025	As at March 31, 2024	Relationship with the struck off Company, if any, to be disclosed
1	Fulgent Interior Private Limited	Loan given	1.14	1.28	Borrower
2	S S Institute of Technical Studies Private Limited	Loan given	2.39	2.41	Borrower

52.2 Registration of charges or satisfaction with Registrar of Companies (ROC):

There was no delay in filing form for charge creation/modification/satisfaction for the year ended March 31, 2025 and year ended March 31, 2024.

52.3 The Parent Company has borrowings from banks and financial institutions on the basis of security of current assets and the quarterly returns filed by the Company with the banks and financial institutions are in accordance with the unaudited books of account of the Company for the respective quarters for the current year.

(₹ In Million)

Quarter ended	Nature of current Assets/ Liabilities where differences were observed	Amount as per books of account	Amount disclosed as per quarterly return/ statement	Difference	Reasons for material variance
Mar-25	Total Borrowings	50,766.25	50,767.42	(1.17)	Note-1

Note 1: The difference is arising on account of restatment of ECB Liability on spot rate as on reporting date. Provisonal quarterly statement have been submitted to lenders. The Company is in process of submission of updated quarterly statement.

(₹ In Million)

Quarter ended	Nature of current Assets/ Liabilities where differences were observed	Amount as per books of account	Amount disclosed as per quarterly return/ statement	Difference	Reasons for material variance
Mar-24	Loan against Property Receivable	48,588.56	48,652.10	(63.54)	Note-1

Note 1: Provisonal quarterly statement have been submitted to lenders. The Parent Company is in process of submission of updated quarterly statement.

52.4 The Parent Company has taken borrowings from banks and financial institutions and utilised them for the specific purpose for which they were taken as at the Balance sheet date. Unutilised funds as at March 31, 2025 are held by the Parent Company in the form of bank balances, debt mutual funds and short term fixed deposits till the time the utilisation is made subsequently.

52.5 Details of Benami Property held:

No proceedings have been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder, as at March 31, 2025 and March 31, 2024.

52.6 Wilful Defaulter:

The Company is not a declared wilful defaulter by any bank or financial Institution or other lender, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India, during the year ended March 31, 2025 and March 31, 2024.

52.7 Compliance with number of layers of companies:

The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

52.8 Undisclosed Income:

There have been no transactions which have not been recorded in the books of accounts, that have been surrendered or disclosed as income during the year ended March 31, 2025 and March 31, 2024, in the tax assessments under the Income Tax Act, 1961. There have been no previously unrecorded income and related assets which were to be properly recorded in the books of account during the year ended March 31, 2025 and March 31, 2024.

52.9 Details of Crypto Currency or Virtual Currency:

The Company has not traded or invested in Crypto currency or Virtual Currency during the year ended March 31, 2025 and March 31, 2024.

52.10 Title Deeds of Immovable Properties not held in the name of the Company:

The Company does not hold any immovable property as on March 31, 2025 and March 31, 2024. All the lease agreements are duly executed in favour of the Company for properties where the Company is the lessee.

52.11 Revaluation of Property, plant and equipment and Intangible assets

There is no revaluation of Property, plant and equipment and other intangible assets during the year ended March 31, 2025 and March 31, 2024.

52.12 Utilisation of Borrowed funds and share premium:

As a part of normal lending business, the Parent Company grants loans and advances on the basis of security/ guarantee provided by the Borrower/ co-borrower and makes investments. These transactions are part of Parent Company's normal non-banking finance business, which is conducted ensuring adherence to all regulatory requirements.

52.13 (a) Other than the transactions described above, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Parent Company to or in any other persons or entities, including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Parent Company (Ultimate Beneficiaries).

(b) The Parent Company has also not received any fund from any parties (Funding Party) with the understanding that the Parent Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

53 Additional information as required under Schedule III, to the Companies Act, 2013, of enterprises consolidated as Subsidiary Company, as at March 31, 2025:

Name of the Parent Company - SBFC Finance Limited

Name of the Indian Subsidiary Company - SBFC Home Finance Private Limited (₹ In Million)

	Net Assets (i.e. Total Assets minus Total Liabilities		Share in Profit or (Loss)		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
Name of the Entities in the Group	As a % of consolidated net assets	Amount	As a % of consolidated profit or loss	Amount	As a % of consolidated other comprehensive income	Amount	As a % of consolidated other Comprehensive Income	Amount
Parent								
SBFC Finance Limited	100.00%	31,901.30	101.55%	3,451.67	100.00%	(53.92)	99.96%	3,397.75
Subsidiary								
SBFC Home Finance Private Limited	0.67%	215.02	0.19%	6.56	0.00%	-	0.19%	6.56
Non Controlling Interest	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Inter-company eliminations	(0.68%)	(215.59)	(1.74%)	(59.16)	0.00%	-	(0.15%)	(5.24)
	99.99%	**31,900.73**	**100.00%**	**3,399.07**	**100.00%**	**(53.92)**	**100.00%**	**3,399.07**

Salient Features of Financial Statements of Subsidiary Companies Act, 2013 (Pursuant to firstproviso to sub-section (3) of section 129:

Part "A": Subsidiary

(₹ In Million)

Sr. No.	Name of the Subsidiary Company	Reporting Currency	Share Capital	Other Equity	Total Assets	Total Liabilities	Investments	Turnover / Total Income	Profit before tax	Profit after tax	% of Shareholding
1	(Alongwith % of Holding) SBFC Home Finance Limited	INR	-	-	-	-	-	-	-	-	-

Notes

Name of subsidiaries which are yet to commence operations: SBFC Home Finance Private Limited

Name of subsidiaries which have been liquidated or sold during the year: None

On December 6, 2022, the Parent Company has incorporated a wholly owned subsidiary, namely SBFC Home Finance Private Limited ("Subsidiary"), with Corporate Identification Number U65992MH2022PTC394642. The Subsidiary has made an application to the RBI for obtaining a Certificate of Registration to operate as a 'Housing Finance Company' on March 29, 2023. In order to meet the minimum net owned funds requirement of the Subsidiary under Paragraph 5.1 of the Master Directions – Non Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, on January 18, 2024 the Subsidiary had made a rights issue of equity shares during the year where 20,996,640 equity shares were offered to the Company and the remaining 8 nominee shareholders were offered 420 equity shares each. Further all the nominee shareholders renounced their shares in the favor of the Company. The Board of Directors of Subsidiary approved the allotment of 21,000,000 equity shares of ₹ 10 each, aggregating to ₹ 210,000,000 shares on rights basis. The said equity shares so allotted, shall rank pari passu with the existing equity shares issued.

Part "B": Associates and Joint Ventures

The Parent Company doesn't have any Associates and Joint Ventures

54 Balances of certain trade receivables, advances given and trade payables are subject to confirmation / reconciliation, if any. The management does not expect any material difference affecting the financial statements on such reconciliation / adjustments.

55 Previous Year Figures

Previous year's figures have been regrouped and reclassified wherever necessary to conform to current year classification/ presentation.

For **M M Nissim & Co LLP**
Chartered Accountants
Firm's Registration No. 107122W / W100672

Hiren P Muni
Partner
Membership No: 142067

Place: Mumbai
Date: April 26, 2025

For and on behalf of the Board of Directors of SBFC Finance Limited
CIN: L67190MH2008PLC178270

Mr. Neeraj Swaroop
Chairperson & Independent Director
DIN: 00061170

Mr. Aseem Dhru
Managing Director & CEO
DIN: 01761455

Mr. Narayan Barasia
Chief Financial Officer

Ms. Namrata Sajnani
Company Secretary &
Chief Compliance Officer
F10030

Place: Mumbai
Date: April 26, 2025

NOTICE is hereby given that the Eighteenth (18th) Annual General Meeting ('AGM') of the members of SBFC Finance Limited will be held on Monday, 14th July, 2025 at 02:30 pm (IST) through Video Conferencing ('VC') or Other Audio-Visual Means ('OAVM'), to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the year ended March 31, 2025, together with the reports of the Board of Directors and the Auditors thereon.

2. To receive, consider and adopt the Audited Consolidated Financial Statements of the Company for the year ended March 31, 2025, together with the report of the Auditors thereon.

3. To appoint a Director in place of Mr. John Mescall (DIN: 08385575), who retires by rotation, and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

4. Appointment of M/s Parikh & Associates, Company Secretaries as Secretarial Auditors of the Company

To consider and, if thought fit, to pass the following resolution as an **ORDINARY RESOLUTION:**

"RESOLVED THAT pursuant to the provisions of Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable laws or statutory provisions, if any, as amended from time to time, M/s Parikh & Associates, Practising Company Secretaries (Firm Registration Number: P1988MH009800) be and are hereby appointed as Secretarial Auditors of the Company for a period of five consecutive years from FY 2025-26 to FY 2029-30, as per the terms and conditions of appointment, including remuneration as determined by the Board of Directors (including any Committee thereof);

RESOLVED FURTHER THAT the Board of Directors (including any Committee thereof), be and is hereby authorized to do all such acts, deeds, matters and things and to take all such steps as may be required in this connection including seeking all necessary approvals and to settle any questions, difficulties or doubts that may arise in this regard and further to execute all necessary documents, applications, returns and writings as may be necessary, proper, desirable or expedient."

5. Appointment of Mr. Leroy James Langeveld (DIN: 11068486), as Non-Executive Nominee Director of the Company

To consider and, if thought fit, to pass the following resolution as an **ORDINARY RESOLUTION:**

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and 160 of the Companies Act, 2013 ('the Act') read with the Companies (Appointment and Qualifications of Directors) Rules, 2014 ('the Rules'), Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 ('RBI Master Direction') and all other applicable provisions of the Act, Rules, SEBI Listing Regulations and RBI Master Direction and such other laws as may be applicable (including any statutory modification(s) or amendment(s) thereto or reenactment(s) thereof for the time being in force), and pursuant to the Articles of Association of the Company, the Nomination and Remuneration Policy, Fit and Proper Policy of the Company, Mr. Leroy James Langeveld (DIN: 11068486), who was appointed as an Additional Director (Non-Executive Nominee Director, Nominee on behalf of SBFC Holdings Pte. Ltd, Promoter) w.e.f. April 26, 2025 and who holds such office, up to the date of forthcoming Annual General Meeting of the Company in terms of Section 161 of the Act and who is eligible for appointment and has consented to act as a Director of the Company and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Non-Executive Nominee Director of the Company, liable to retire by rotation;

RESOLVED FURTHER THAT the approval of the Members be accorded to the Board of Directors of the Company (including any Committee thereof), to do all such acts, deeds, matters and things and to take all such steps as may be required in this connection including seeking all necessary approvals and to settle any questions, difficulties or doubts that may arise in this regard and further to execute all necessary documents, applications, returns and writings as may be necessary, proper, desirable or expedient."

6. Amendments to SBFC Stock Option Policy I 2018

To consider and, if thought fit, to pass the following resolution as a **SPECIAL RESOLUTION:**

"RESOLVED THAT pursuant to Section 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') read with Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014 notified thereunder, pursuant to the applicable provisions of the Act, the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Foreign Exchange Management Act, 1999 (including any statutory modification(s) or amendment(s) thereto and re-enactment(s) thereof for the time being in force), (collectively referred herein as the 'Applicable Laws') and such other approvals, permissions and sanctions of any/ various authority(ies) as may be required and such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the 'Board') or a duly constituted committee thereof, and pursuant to the provisions contained in the Memorandum of Association and the Articles of Association of the Company, the consent of the Members of the Company, be and is hereby accorded for amending the SBFC Stock Option Policy I 2018 ('ESOP 2018-I Policy') as per the details set out in the Explanatory Statement attached hereto, which shall be applicable to the Employees Stock Options not yet granted;

RESOLVED FURTHER THAT it is hereby noted that the proposed amendments to the ESOP 2018-I Policy are not prejudicial to the interests of Employees;

RESOLVED FURTHER THAT the Board of Directors of the Company (which term shall be deemed to include the Nomination and Remuneration Committee or any other Committee of the Board of Directors duly authorised by the Board, to exercise its powers including powers conferred by this Resolution), be and is hereby authorized to do all such acts, deeds, matters and things, including to settle all questions, difficulties or doubts that may arise in relation to finalisation and execute such documents /deeds / writings / papers / agreements as may be required and implementation of ESOP 2018-I Policy to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this Resolution."

7. Amendments to SBFC Stock Option Policy 2021 – I

To consider and, if thought fit, to pass the following resolution as a **SPECIAL RESOLUTION:**

"RESOLVED THAT pursuant to Section 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') read with Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014 notified thereunder, pursuant to the applicable provisions of the Act, the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Foreign Exchange Management Act, 1999 (including any statutory modification(s) or amendment(s) thereto and re-enactment(s) thereof for the time being in force), (collectively referred herein as the 'Applicable Laws') and such other approvals, permissions and sanctions of any/ various authority(ies) as may be required and such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the 'Board') or a duly constituted committee thereof, and pursuant to the provisions contained in the Memorandum of Association and the Articles of Association of the Company, the consent of the Members of the Company, be and is hereby accorded for amending the SBFC Stock Option Policy 2021-I ('ESOP 2021-I Policy') as per the details set out in the Explanatory Statement attached hereto, which shall be applicable to the Employees Stock Options not yet granted;

RESOLVED FURTHER THAT it is hereby noted that the proposed amendments to the ESOP 2021-I Policy are not prejudicial to the interests of Employees;

RESOLVED FURTHER THAT the Board of Directors of the Company which term shall be deemed to include the Nomination and Remuneration Committee or any other Committee of the Board of Directors duly authorised by the Board, to exercise its powers including powers conferred by this Resolution), be and is hereby authorized to do all such acts, deeds, matters and things, including to settle all questions, difficulties or doubts that may arise in relation to finalisation and execute such documents /deeds / writings / papers / agreements as may be required and implementation of ESOP 2021-I Policy to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this Resolution."

8. Issuance of debt securities including but not limited to Non-Convertible Debentures or such other debt securities

To consider and, if thought fit, to pass the following resolution as a **SPECIAL RESOLUTION:**

"RESOLVED THAT in supersession of the resolution passed by the members at the Annual General Meeting held on June 28, 2024 and pursuant to the provisions of Sections 42, 71 of the Companies Act, 2013 ('the Act'), read with Rule 14 of Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies

(Share Capital and Debentures) Rules, 2014, SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the directions issued by the Reserve Bank of India ('RBI'), the provisions of the Memorandum of Association and Articles of Association of the Company, the approval of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the 'Board' which term shall be deemed to include any Committee constituted/which may be constituted by the Board of Directors or any other person(s) for the time being authorized by the Board of Directors to exercise powers conferred on the Board of Directors by this Resolution) to offer / invite / issue / reissue / allot to eligible persons, Non- Convertible Debentures ('NCDs') including but not limited to Subordinated/Perpetual NCDs/Green Debt Securities, any other type of Bond, whether secured and/or unsecured, listed or unlisted, redeemable, up to an amount of ₹ 3,000 crore (Three thousand crore), on a private placement basis, in one or more tranches, on such terms and conditions as the Board may deem fit and depending on the prevailing market conditions, during the period of one year from the date of passing this Resolution, within the overall borrowing limits of the Company, as approved by the members from time to time;

RESOLVED FURTHER THAT the Board of Directors of the Company (including any Committee thereof), be and are hereby severally authorized to do all such acts, deeds and things and give such directions as may be deemed necessary or expedient to give effect to the above Resolution, including determining the terms and conditions of the NCDs and / or Bonds and to delegate all or any powers under this resolution to Officer(s) of the Company."

By order of the Board of Directors
For SBFC Finance Limited

Namrata Sajnani
Company Secretary & Chief Compliance Officer
ICSI Membership No.: F10030

Registered Office:
103, 1st Floor, C&B Square,
Sangam Complex, Andheri Kurla Road, Village Chakala,
Andheri (East) Mumbai 400 059
Tel: +91-22-67875300
E-mail: complianceofficer@sbfc.com
Website: www.sbfc.com
CIN: L67190MH2008PLC178270

Place: Mumbai
Date: June 6, 2025

NOTES:

1. The explanatory statement pursuant to Section 102 of the Companies Act, 2013 ('the Act') setting out the material facts and reasons for the proposed resolutions is annexed to the Notice of the AGM. Further, the relevant details with respect to 'Director seeking appointment and re-appointment at this AGM' are also provided as Annexure A. [Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India].

2. The Ministry of Corporate Affairs ("MCA") permitted holding of the AGM through VC/OAVM, without physical presence of the Members at a common venue. In compliance with the MCA Circulars, AGM of the Company is being held through VC/OAVM. The Registered Office of the Company shall be deemed to be the venue for the AGM. [General Circular Nos. 14/2020 dated April 8, 2020 and 17/2020 dated April 13, 2020, in relation to "Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013", General Circular Nos. 20/2020 dated May 5, 2020 and subsequent circulars issued in this regard, the latest being 09/2024 dated September 19, 2024 in relation to "Clarification on holding of AGM through VC/OAVM, collectively referred to as "MCA Circulars"].

3. The attendance of the members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.

   Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxy(ies) by the Members will not be available for this AGM and hence the Proxy Form, Attendance Slip and route map of AGM are not annexed to this Notice.

4. In compliance with the provisions of Section 108 of the Act and Rule 20 of the Companies (Management and Administration) Rules, 2014 and any amendments thereto, Secretarial Standard-2 Regulation 44 of the SEBI Listing Regulations and MCA Circulars, the facility for remote e-voting along with participating at the AGM through VC/OAVM and e-voting during the AGM is being provided by KFin Technologies Limited ('KFintech'), the Registrar and Transfer Agent ('RTA') of the Company.

5. The Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Act, and relevant documents referred to in this Notice or Explanatory Statement will be available electronically for inspection by the Members from the date of dispatch of this Notice up to the date of AGM before as well as during the AGM. Members seeking to inspect such documents can send an e-mail to complianceofficer@sbfc.com from their registered e-mail addresses mentioning their name, folio number/ DP ID and Client ID and PAN.

6. The Company has appointed Ms. Jigyasa N. Ved (Membership No. FCS 6488) or failing her Mr. Mitesh Dhabliwala (Membership No. FCS 8331) of M/s Parikh & Associates, Practising Company Secretaries, as the Scrutinizer for scrutinizing the entire voting process i.e., remote e-voting and e-voting during the AGM to ensure that the process is carried out in a fair and transparent manner.

7. Corporates/Institutional members (i.e. other than Individuals, HUF, NRIs, etc.) are required to send scanned certified true copy (PDF/JPG Format) of the Board Resolution/Authority Letter, etc. authorizing its representative(s) to vote on its behalf, to the Scrutinizer at e-mail ID: cs@parikhassociates.com with a copy marked to evoting@kfintech.com and to the Company at complianceofficer@sbfc.com.

Electronic Dispatch of Annual Report and Process for Registration of Email Id:

8. Pursuant to the provisions of MCA circulars and SEBI circulars, this Notice along with the Annual Report of the Company are being sent through electronic mode to those members whose email addresses are registered with the Company/KFintech/National Securities Depository Limited ('NSDL') and/or Central Depository Services (India) Limited ('CDSL') (collectively referred to as 'Depositories') and whose names appear in the Register of Members/List of Beneficial Owners as received from the Depositories.

   Members can request for hard copy of the Annual Report & AGM notice by sending a request at complianceofficer@sbfc.com and einward.ris@kfintech.com.

9. Members may note that this Notice along with the Annual Report of the Company are available on the website of the Company at https://www.sbfc.com/investors, website of KFin at https://evoting.kfintech.com website of the stock exchanges i.e., BSE Limited at https://www.bseindia.com/ and the National Stock Exchange of India Limited at https://www.nseindia.com/.

10. To support the 'Green Initiative', members who have not yet registered their e-mail address are requested to register the same with their Depository Participants ('DP') in case the shares are held in dematerialized form and with the Company/KFintech in case the shares are held in physical form.

Procedure for Remote E-Voting and E-Voting during the AGM:

11. Members are requested to attend and participate at the ensuing AGM through VC / OAVM and cast their vote either through remote e-voting facility or through e-voting facility to be provided during AGM.

12. The remote e-Voting period commences on **Thursday, 10th July, 2025 from 9.00 a.m. (IST) and ends on Sunday, 13th July, 2025 at 5.00 p.m. (IST).** During this period, members of the Company holding shares either in physical form or in demat form, as on **Monday, 7th July, 2025 ('Cut-off date')** may cast their vote by remote e-voting. The remote e-voting module shall be disabled by KFintech for voting thereafter. Once the vote on a resolution is cast by a member, the member shall not be allowed to change it subsequently.

13. The facility of e-voting during the AGM will be available to those members who have not cast their vote by remote e-voting. Members, who cast their vote by remote e-voting, may attend the AGM through VC/ OAVM, but will not be entitled to cast their vote once again on the resolutions. If a member cast votes by both modes i.e. voting at AGM and remote e-voting, voting done through remote e-voting shall prevail and vote at the AGM shall be treated as invalid.

14. In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, Regulation 44 of the SEBI Listing Regulations and SEBI circular SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated December 9, 2020, members are provided with the facility to cast their vote electronically, through the e-voting services provided by KFintech, on all the resolutions set forth in this Notice.

15. Individual demat account holders would be able to cast their vote without having to register again with the e-voting service provider ('ESP') thereby not only facilitating seamless authentication but also ease and convenience of participating in e-voting process. Members are advised to update their mobile number and e-mail ID with their DPs to access e-voting facility.

16. The voting rights of members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the Cut-off date i.e., Monday, 7th July, 2025.

17. Any person holding shares in physical form and non-individual shareholders, holding shares as on the Cut-off date, may obtain the login ID and password by sending a request at evoting@kfintech.com. In case they are already registered with KFintech for remote e-Voting, they can use their existing user ID and password for voting.

18. The process and manner for remote e-voting and joining and voting at the AGM are explained below:

    A) Access to Depositories e-voting system in case of individual members holding shares in demat mode;

    B) Access to KFintech e-voting system in case of members holding shares in physical mode and non-individual members in demat mode;

    C) Access to join the AGM on KFintech system to participate and vote during the AGM.

A) Access to Depositories e-voting system in case of individual members holding shares in demat mode:

Type of Members	Login Method
Individual members holding shares of the Company in demat mode with NSDL	**1. User already registered under IDeAS facility:** i. Visit the e-services website of NSDL at https://eservices.nsdl.com either on a personal computer or on a mobile. ii. On the e-services home page click on the "Beneficial Owner" icon under 'Login' under IDeAS section. iii. On the new page, enter user ID and password. After successful authentication, please click on 'Access to e-Voting' iv. Click on the Company name i.e., 'SBFC Finance Limited' or ESP, i.e., Kfin. v. Members will be re-directed to Kfin's website for casting the vote during the remote e-voting period. **2. User not registered under IDeAS facility:** i. Visit https://eservices.nsdl.com for registering. ii. Select 'Register Online for IDeAS' or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp Proceed with completing the required fields. iii. After registration, visit https://www.evoting.nsdl.com/ iv. Once the home page of e-voting is launched, click on the icon 'Login' which is available under 'Shareholder/Member' section. A new screen will open. v. Members will have to enter their user ID (i.e. sixteen-digit demat account number held with NSDL), password/OTP and a verification code as shown on the screen. vi. After successful authentication, members will be requested to select the name of the Company i.e., SBFC Finance Limited or ESP i.e., KFin after which the members will be redirected to Kfin's website for casting the vote during the remote e-voting period. vii. Members can also download the NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience. NSDL Mobile App is available on App Store Google Play
Individual members holding shares of the Company in demat mode with CDSL	**1. User who have already opted for Easi/Easiest:** i. Members are requested to visit https://web.cdslindia.com/myeasitoken/home/login or www.cdslindia.com ii. Click on 'New System Myeasi'. iii. Members are requested to login with their registered user ID and password. iv. Members will be able to view the e-voting menu. The menu will have links of KFin's website, which will redirect them to e-voting page of KFin to cast their vote without any further authentication. **2. User not registered under Easi/Easiest:** i. Visit https://web.cdslindia.com/myeasitoken/home/login for registering. ii. Proceed to complete registration using the DP ID, Client ID (BO ID), etc. iii. After successful registration, please follow the steps given in point no. 1 above to cast your vote. **3. Alternatively, by directly accessing the e-voting website of CDSL** i. Visit www.cdslindia.com ii. Members are required to provide their demat account number and PAN number. System will authenticate user by sending OTP on their registered mobile & email ID as recorded in the demat account. iii. After successful authentication, members will be provided link for selecting the name of the Company i.e., SBFC Finance Limited or for selecting ESP i.e., KFin. iv. Members will be re-directed to the e-voting page of KFin to cast their vote without any further authentication.
Individual members login through their demat accounts/ website of Depository Participant	i. Members can also login using the login credentials of their demat account through their DP registered with NSDL/CDSL for e-voting facility. ii. Once logged-in, members will be able to see e-voting option. After clicking on e-voting option, members will be redirected to NSDL/CDSL website after successful authentication, wherein members will be able to see e-voting feature. iii. Click on options available against the Company's name i.e., SBFC Finance Limited or ESP i.e., KFin, and members will be redirected to e-voting website of KFin for casting vote during the remote e-voting period without any further authentication.

Important note: Members who are unable to retrieve user ID/password are advised to use 'Forgot user ID' and 'Forgot Password' option available at respective websites.

Helpdesk for individual members holding shares of the Company in demat mode for any technical issues related to login through NSDL/CDSL:

Login type	Helpdesk details
Securities held with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.com or contact at 022-4886 7000
Securities held with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 1800 210 99 11

B) Access to KFintech e-voting system in case of members holding shares in physical mode and non-individual members in demat mode:

1) Members whose email IDs are registered with the Company/DP(s), will receive an email from KFintech which will include details of E-Voting Event Number (EVEN), user ID and password. The following process shall be followed:

   i. Launch internet browser by typing the URL: https://evoting.kfintech.com/

   ii. Enter the login credentials (i.e. user ID and password). Members holding shares in physical mode: user ID will be EVEN, followed by folio number. Members holding shares in demat account: user ID will be DP ID and Client ID. However, if members are already registered with KFintech for e-voting, they can use their existing user ID and password for voting purpose.

   iii. After entering these details appropriately, click on 'LOGIN'.

   iv. Members will be required to mandatorily change their password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,$, etc.,). The system will prompt to change the password and update the contact details like mobile number, email ID etc. on first login. Members may also enter a secret question and answer of their choice to retrieve the password (if required). It is strongly recommended that members should not share their password with any other person and take utmost care to keep their password confidential.

   v. Members are required to login again with their new credentials.

   vi. On successful login, the system will prompt to select the 'EVEN' i.e., 'SBFC Finance' and click on 'Submit'.

   vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off date under 'FOR/AGAINST' or alternatively, members may partially enter any number in 'FOR' and partially 'AGAINST' but the total number in 'FOR/AGAINST' taken together shall not exceed the total shareholding as mentioned herein above. Members may also choose the option 'ABSTAIN'. If the member does not indicate either 'FOR' or 'AGAINST' it will be treated as 'ABSTAIN' and the shares held will not be counted under either head.

   viii. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/ demat accounts.

   ix. Voting has to be done for each item of the Notice separately. In case members do not desire to cast their vote on any specific item, it will be treated as abstained.

   x. Members may then cast their vote by selecting an appropriate option and click on 'Submit'.

   xi. A confirmation box will be displayed. Click 'OK' to confirm else 'CANCEL' to modify. Once members have voted on the resolution(s), they will not be allowed to modify their vote. During the voting period, members can login any number of times till they have voted on the resolution(s).

   xii. Corporates/Institutional members (i.e. other than Individuals, HUF, NRIs, etc.) are required to send scanned certified true copy (PDF/JPG Format) of the Board Resolution/Authority Letter, etc. authorizing its representative(s) to vote on its behalf, to the Scrutinizer at e-mail ID: cs@parikhassociates.com with a copy marked to evoting@kfintech.com and to the Company at complianceofficer@sbfc.com. They may also upload the same in the e-voting module in their login page. The scanned image of the above mentioned documents should be in the naming format 'Corporate Name_EVEN'.

   xiii. If you have forgotten your password, you can reset your password by using 'Forgot Password' available on https://evoting.kfintech.com and following the password reset options provided therein or contact KFINTECH at toll free no.: 1800-309-4001.

2) Members whose email IDs are not registered with the Company/DP(s), and consequently the Annual Report, Notice of AGM and e-voting instructions cannot be serviced, will have to follow the following process:

   i. In case shares are held in demat mode, please provide DP Id.-Client Id. (DP Id + Client Id), name, client master or copy of Consolidated Account Statement, self-attested scan copy of PAN card and Aadhar to evoting@kfintech.com.

   If you are an individual shareholder holding securities in demat mode, please refer to the login method explained at Note 18(A) i.e. Login method for e-Voting for individual shareholders holding shares in demat mode.

   If you are a non-individual shareholder holding securities in demat mode, please refer to the login method explained at Note 18(B) i.e. Login method for e-Voting for non-individual shareholders holding shares in demat mode.

   ii. In case shares are held in physical mode, please provide Folio No., name of shareholder, scan copy of the share certificate (front and back), self-attested scanned copy of PAN card and Aadhar by email to evoting@kfintech.com.

   If you are an individual shareholder holding securities in physical mode, please refer to the login method explained at Note 18(B) i.e. Login method for e-Voting for individual shareholders holding shares in physical mode.

   iii. Alternatively, shareholder may send a request to evoting@kfintech.com for procuring user id and password for e-Voting by providing above mentioned documents. After receiving the e-voting instructions, please follow steps explained at Note 18 to cast your vote by electronic means.

C) Access to join the AGM on KFintech system to participate and vote during the AGM:

1) Member will be provided with a facility to attend the AGM through **VC/OAVM** platform provided by KFintech. Members may access the same at https://emeetings.kfintech.com/ by using the e-voting login credentials provided in the email received from the Company/ KFintech. After logging in, click on the 'Video Conference' tab and select the 'EVEN' of the Company. Click on the video symbol and accept the meeting etiquettes to join the meeting. Please note that the members who do not have the user ID and password for e-voting or have forgotten their user ID and password may retrieve the same by following the remote e-voting instructions mentioned above.

2) Facility for joining this AGM though VC/OAVM shall be open at least 15 minutes before the commencement of the AGM.

3) Members are encouraged to join the AGM through their laptops/desktops with Google Chrome (preferred browser), Safari, Internet Explorer, Microsoft Edge, Mozilla Firefox 22.

4) Members will be required to grant access to the webcam to enable VC/OAVM. Further, members connecting from their mobile devices/tablets/laptop connecting via mobile hotspot may experience audio/video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

5) Members who have not cast their vote through remote e-voting shall be eligible to cast their vote through e-voting system available during the AGM. E-voting during the AGM is integrated with the VC/OAVM platform. The members may click on the voting icon displayed on the screen to cast their votes.

6) Facility of joining the AGM through VC/OAVM shall be available for atleast 2,000 members on first come first served basis.

7) Institutional Members are encouraged to attend and vote at the AGM through VC/OAVM.

8) In case of any query and/or assistance required, relating to attending the AGM through VC/OAVM mode, members may refer to the Help & Frequently Asked Questions ("FAQs") and 'AGM VC/OAVM' user manual available at the download Section of https://evoting.kfintech.com or contact Mr. Mohammed Shanoor, Assistant Manager, KFintech at the email ID evoting@kfintech.com or on phone No.: 040-6716 2222 or call KFintech's toll free No.: 1800 309 4001 for any further clarifications / technical assistance that may be required.

General:

19. A member can opt for only single mode of voting i.e., through remote e-voting or voting at the AGM. If a member cast votes by both modes, then voting done through remote e-voting shall prevail and vote at the AGM shall be treated as invalid.

20. Members holding shares as on the Cut-off date i.e., 7th July, 2025 and who would like to speak or express their views or ask questions during the AGM may register themselves as speakers at https://emeetings.kfintech.com by clicking on 'Speaker Registration' during the period from 9th July, 2025 (9:00 a.m. IST) up to 10th July, 2025 (5:00 p.m. IST). Those members who have registered themselves as a speaker will only be allowed to speak / express their views / ask questions during the AGM. The Company reserves the right to restrict the number of questions and number of speakers, as appropriate for smooth conduct of the AGM.

    Alternatively, members holding shares as on the Cut-off date may also visit https://emeetings.kfintech.com and click on the tab 'Post Your Queries' and post their queries / views /questions in the window provided, by mentioning their name, demat account number / folio number, email ID and mobile number. The window will open from 9th July, 2025 (9:00 a.m. IST) upto 10th July, 2025 (5:00 p.m. IST).

21. Members whose names appear in the Register of Members / list of Beneficial Owners as on the Cut-off date, are entitled to vote on the resolutions set forth in this Notice. A person who is not a member as on the Cut-off date should treat this Notice for information purposes only. Once the vote on a resolution(s) is cast by the member, the member shall not be allowed to change it subsequently.

22. In case a person has become a member of the Company after dispatch of AGM Notice but on or before the Cut-off date for e-voting, they may obtain the user ID and password in the manner as mentioned below:

    i) If the mobile number of the member is registered against Folio No./ DP ID Client ID, the member may send SMS: MYEPWD E-Voting Event Number + Folio No. or DP ID Client ID to 9212993399.

    Example for NSDL: MYEPWD <SPACE> IN12345612345678

    Example for CDSL: MYEPWD <SPACE> 1402345612345678

    Example for Physical: MYEPWD <SPACE> XXXX1234567890

    ii) If e-mail address or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of https://evoting.kfintech.com/ the member may click 'Forgot Password' and enter Folio No. or DP ID Client ID and PAN to generate a password.

    iii) Member may send an e-mail request to evoting@kfintech.com. After due verification of the request, User ID and password will be sent to the Member. Once the password is received/retrieved by the shareholder, you may kindly follow the instructions as mentioned under Note No. 18A above and cast vote by remote e-voting.

    iv) In case e-mail ID of a Member is not registered with the Depository Participant(s)/ Company/ KFintech, then such Member is requested to register/update their e-mail addresses with the Depository Participant (in case of Shares held in dematerialised form) and with KFintech in case shares held in physical form.

23. Members who may require any technical assistance or support before or during the AGM are requested to contact KFintech at toll free number 1-800-309-4001 or write to them at evoting@kfintech.com.

24. Members to intimate change in their details:

    Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail ID, telephone/mobile no., PAN, mandates, choice of nominations, bank details viz., name of the bank and branch details, bank account, MICR code, IFSC code, etc.

    a. For shares held in electronic mode: to their DPs

    b. For shares held in physical mode: to the Company/RTA in prescribed Form ISR-1 and other forms. [SEBI Master Circular No. SEBI/HO/MIRSD/SECFATF/P/CIR/2023/169 dated October 12, 2023]

    The facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. [Section 72 of the Act].

    If a Member desires to opt out or cancel the earlier nomination and record a fresh nomination, he/she may submit the same in Form ISR-3 or SH-14 as the case may be. The said forms can be downloaded from the KFintech's website https://ris.kfintech.com/#. Members are requested to submit the said details to their DP in case the shares are held by them in dematerialized form and to RTA in case the shares are held in physical form.

Declaration of Voting Results:

25. The scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and submit, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairperson of the Company or the person authorized by him, who shall countersign the same. The results will be announced within the time stipulated under the applicable laws.

26. The results declared along with the scrutinizer's report, will be hosted on the website of the Company at https://www.sbfc.com/investors and on the website of KFintech at https://evoting.kfintech.com/ immediately after the declaration of the result by the Chairperson or a person authorised by him in writing. The Company shall simultaneously forward the results to National Stock Exchange of India Limited and BSE Limited, where the shares of the Company are listed.

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013

Item No. 4:

The Board of Directors at its meeting held on 26th April, 2025 based on the recommendation of Audit Committee, after evaluating and considering various factors such as industry experience, competency of the audit team, independence, etc., had approved the appointment of M/s Parikh & Associates, Practising Company Secretaries (Firm Registration Number: P1988MH009800), a peer reviewed firm as the Secretarial Auditors of the Company for a period of five consecutive years from FY 2025-26 to FY 2029-30, subject to approval of the members.

The appointment of Secretarial Auditors shall be in terms of the amended Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') vide SEBI Notification dated December 12, 2024 and provisions of Section 204 of the Companies Act, 2013 ('the Act') and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

M/s Parikh & Associates is a well-known firm of Practising Company Secretaries founded in 1987 and based in Mumbai. Renowned for its commitment to quality and precision, the firm has been Peer Reviewed and Quality Reviewed by the Institute of Company Secretaries of India (ICSI), ensuring the highest standards in professional practices. Parikh & Associates has a team of 35 members including 10 partners and focused on providing comprehensive professional services in corporate law, SEBI regulations, FEMA compliance, and allied fields, delivering strategic solutions to ensure regulatory adherence and operational efficiency. The firm provides its services to various prominent companies and their expertise has earned the trust of industry leaders across sectors like banking, manufacturing, pharmaceuticals, and public utilities.

M/s Parikh & Associates have been associated with the Company as the Secretarial Auditors since FY24, consistently demonstrating their expertise and proficiency in conducting secretarial audits for the Company till date.

M/s Parikh & Associates have consented to their appointment as the Secretarial Auditors of the Company and have confirmed that they fulfill the criteria pursuant to Regulation 24A of SEBI Listing Regulations and have not incurred any of disqualifications in terms of the Act, SEBI Listing Regulations.

Terms and Conditions of appointment:

a) Term of appointment: 5(Five) consecutive years commencing from FY 2025-26 to FY 2029-30

b) Proposed fees:

    The proposed fees to be paid to M/s Parikh & Associates, for FY 2025-26 is ₹ 200,000/- (Rupees Two Lakhs only) plus out of pocket expenses and applicable taxes. For subsequent years, the Board of Directors shall decide the fees based on the recommendations of the Audit Committee. The proposed fee is based on knowledge, expertise, industry experience, time and efforts required to be put in by the secretarial auditor, which is in line with the industry benchmark. The proposed fee is exclusive of costs for other permitted services which could be availed by the Company from M/s Parikh & Associates.

c) Basis of recommendation for appointment:

    The Audit Committee at its meeting held on April 26, 2025 had recommended the appointment and proposed fees of M/s Parikh & Associates, Company Secretaries as the Secretarial Auditor of the Company and subsequently the Board of Directors had approved the appointment and proposed fees (subject to approval of members) taking into account the eligibility, experience, expertise of the firm in the field.

In view of the aforesaid, the Board recommends the ordinary resolution set forth in Item No. 4 for approval of the members.

None of the Directors, Key Managerial Personnel and their relatives, are concerned/interested, financially or otherwise, in the said resolution.

Item No. 5:

Basis the recommendation of Nomination and Remuneration Committee and subject to approval of the Members, Mr. Leroy James Langeveld was appointed as an Additional Director (Non-Executive Nominee Director, Nominee on behalf of SBFC Holdings Pte. Ltd, Promoter) of the Company by the Board of Directors with effect from April 26, 2025 to hold office up to the date of the next Annual General Meeting of the Company pursuant to section 161 of the Companies Act, 2013 ('the Act'), and thereafter, subject to the approval of the Members of the Company, as a Non-Executive Nominee Director of the Company, liable to retire by rotation.

The Company has received a notice in writing from a member under Section 160 of the Act, proposing his candidature for the office of Director of the Company in terms of Section 160(1) of the Act, which has been duly reviewed by the Board of Directors.

Brief profile of Mr. Leroy James Langeveld is as follows:

Mr. Langeveld currently holds the position of Assistant General Counsel at The Clermont Group. He has been associated with The Clermont Group since 2018. He brings a strong academic foundation, having graduated with First Class Honors in both Bachelor of Laws and Bachelor of Management Studies (Accounting) from the University of Waikato, New Zealand, in 2007. He has been admitted to practice law in New York Bar and High Court of New Zealand. Throughout his career, he has worked with leading law firms and global investment groups, bringing a strong commercial and legal perspective to his work.

Disclosures and details of terms and conditions of appointment of Mr. Leroy James Langeveld as stipulated under Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India is provided in Annexure A to this Explanatory Statement and should be taken and read as part hereof.

The core skill sets/expertise as identified by the Board to be collectively possessed by the Board of Directors of the Company in the context of the Company's business inter alia, include business & financial experience, risk management, information technology, governance oversight, consumer insights and building strategy, investor relations. Mr. Langeveld brings a strong skill set encompassing financial experience, Legal and Compliance and Corporate Governance, Strategy, Risk Management and Investor relations.

Mr. Langeveld is not disqualified from being appointed as Director in terms of section 164 of the Act and has given his consent to act as a Director. He is not debarred from holding the office of Director pursuant to any Order issued by the Securities and Exchange Board of India (SEBI) or any other authority. Mr. Langeveld satisfies the criteria of 'fit and proper' as prescribed by the Reserve Bank of India ('RBI') vide Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 and Insurance Regulatory and Development Authority of India (Registration of Corporate Agents) Regulations, 2015.

The Board is of the view that Mr. Langeveld's qualifications, skillsets and relevant expertise will be of immense benefit and value to the Company and pursuant to the recommendation of the Nomination and Remuneration Committee, recommends his appointment as set forth in item no. 5 for approval of Members of the Company.

Save and except Mr. Leroy James Langeveld, and his relatives to the extent of their shareholding interest, if any, in the Company, none of the other Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out in this Notice.

Item No. 6 and 7 :

The Company introduced the SBFC Stock Option Policy I 2018 ("ESOP 2018-I Policy") in 2018, effective September 29, 2018, and SBFC Stock Option Policy 2021- I ("ESOP 2021-I Policy") in 2021, effective October 20, 2021. Both these Policies are administered through the SBFC Employee Welfare Trust ('Trust') and were last amended in October, 2022.

The objectives and purpose of both the Policies are, inter alia, to attract and retain appropriate human capital in the employment of the Company, motivate the employees of the Company with incentives and reward opportunities, align the interests of the employees with those of the Company and its Members, and to create a sense of ownership and participation amongst the employees, thereby promoting their welfare.

As a beneficial measure towards the Eligible Employees, based on the recommendation of the Nomination and Remuneration Committee, at its meeting held on April 24 2025, the Board of Directors of the Company, at its meeting held on April 26, 2025, has approved of certain amendments to both the Policies pertaining to clauses related to definition of Eligible Employee, Exercise Period, Relevant Date, SBFC Trust Deed, Vesting Period, Vesting Schedule, and Exercise Price, subject to the approval of the Members of the Company.

As per Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014, the Company may, by way of a Special Resolution, vary the terms of the Employees Stock Options not yet granted by the employees provided that such variation is not prejudicial to the interests of the Option holders.

As per Regulation 7 of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 as amended from time to time, the company may by special resolution of its shareholders vary the terms of the schemes offered pursuant to an earlier resolution of the general body but not yet exercised by the employees, if such variation is not prejudicial to the interests of the employees.

Further, as per Clauses 12.3 and 13.3 of ESOP 2018-I Policy and ESOP 2021-I Policy respectively, the Company may, by a Special Resolution in a General Meeting, vary the terms of the Policies, provided such variation is not prejudicial to the interest of the Employees. The Members to note that the proposed amendments to the ESOP 2018-I Policy and ESOP 2021-I Policy would be applicable to the Employee Stock Options not yet granted and hence any variation in the ESOP 2018-I Policy and ESOP 2021-I Policy will not be considered as prejudicial to the interest of the Employees.

The approval of the Members is being sought by way of a Special Resolution under Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014, Regulation 7 of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as also Clauses 12.3 and Clause 13.3 and other provisions of the Policies, for the amendment of the existing ESOP 2018-I Policy and ESOP 2021-I Policy, respectively.

The other terms and conditions of the ESOP Policies apart from the ones mentioned in comparative statement below shall continue to remain the same and it will not affect any earlier options granted under the Plan.

The information as required under Regulation 6 read with Part C of the Schedule I to the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, is as detailed below:

a. Brief Description of ESOP 2018-I Policy and ESOP 2021-I Policy:

The ESOP 2018-I Policy and ESOP 2021-I Policy (hereinafter together referred to as 'Policies') shall be implemented through the SBFC Employee Welfare Trust, a trust set up by the Company for implementation of ESOP policies approved by the Board, as amended from time to time, for the benefit of the Eligible Employees (hereinafter referred to as the 'Trust').

The Polices shall apply to Employees as designated by the Company who is exclusively working in India or outside India including a Director of the Company, whether a Whole-time Director (as defined under relevant provisions of the Companies Act, 2013) or not, including a Non-Executive Director who is not a promoter or member of the promoter group (but at all times excluding an Independent Director of the Company or an Employee who is a promoter or a person belonging to the promoter group or a Director who either himself or through his relative or through any body corporate, directly or indirectly, holds more than ten percent of the outstanding equity shares of the Company).

The Nomination & Remuneration Committee ('NRC') shall act as Compensation Committee for the Policies. The Policies shall be operated and administered by the Trustees of the Trust or the NRC. The NRC shall have the authority to vary the terms of the Policies in accordance with the Companies Act, 2013 ('the Act'), the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and all the Applicable Laws, subject to approval of shareholders of the Company.

The objectives of the Policies are:

i. To provide means to enable the Company to attract and retain appropriate human capital in the employment of the Company;

ii. To motivate the Eligible Employees of the Company with incentives and reward opportunities;

iii. To achieve sustained growth of the Company and the creation of shareholder value by aligning the interests of the Eligible Employees with the long-term interests of the Company; and

iv. To create a sense of ownership and participation amongst the Eligible Employees.

b. The total number of options, shares or benefits, as the case may be, to be offered and granted under the Policies:

The total Stock Options that can be granted under ESOP 2018-I Policy were 1,08,40,000 (One Crore Eight Lakh Forty Thousand) out of which 1,04,23,000 Stock Options has already been granted and exercised and now up to 4,17,000 Stock Options remain to be offered or granted under the Policy.

The total Stock Options that can be granted under ESOP 2021-I Policy were 30,25,000 (Thirty Lakh Twenty-Five Thousand) out of which 25,32,500 Stock Options has already been granted and exercised and now up to 4,92,500 Stock Options remain to be offered or granted under the Policy.

A Grant made shall be subject to adjustment, by the Company, at its discretion as to number and price of Options or Shares, as the case may be, in the event of 'Change in Capital Structure' or a 'Corporate Action' as defined under the Policies.

c. Identification of classes of employees entitled to participate and be beneficiaries in the Policies:

Following classes of Employees are eligible to participate in the Policies:

i. an employee as designated by the Company, who is exclusively working in India or outside India; or

ii. a director of the Company, whether a whole-time director (as defined under relevant provisions of the Act) or not, including a non-executive director who is not a promoter or member of the promoter group, but at all times excluding:

a. an independent director of the Company; or

b. an employee who is a promoter or a person belonging to the promoter group; or

c. a director who either himself or through his relative or through any body corporate, directly or indirectly, holds more than ten percent of the outstanding equity shares of the Company.

Provided, however, a contractual employee can also be designated by the Company as an Eligible Employee.

d. Requirements of vesting and period of vesting under the Policies:

The Options would vest not earlier than 15 months and not later than 48 months from the date of Grant of Options. The Nomination and Remuneration Committee ('NRC') may, make the vesting of any or all of the Options awarded to an employee conditional upon the fulfilment of such performance criteria whether of the Employee and/ or any team or group of which he is a part and/ or of the Company, as may be determined by the NRC or determine a vesting schedule other than that specified herein above for any Employee or class of Employees. Subject to the grant letter, unless the NRC provides otherwise, the vesting of options granted under the Policies shall be suspended during any authorized or unauthorized leave of absence for such period as may be determined by the NRC as per its discretion and such decision in this regard shall be final and binding on the Grantees. Further, NRC shall be entitled in its absolute discretion, to vary or alter the vesting schedule from Grantee to Grantee or class thereof, as it may deem fit, subject to fulfillment of minimum vesting period.

e. Maximum period within which the options / benefits shall be vested under the Policies:

The maximum period within which the Options shall be vested under the Policies shall be as mentioned in point no. (d) above.

f. Exercise price, purchase price or pricing formula under the Policies:

Under the Policies the Exercise Price of the Vested Option shall be determined based on the average closing price of immediate five trading days of the Relevant Date in case of grant as defined in the Policies.

g. Exercise period/offer period and process of exercise/acceptance of offer under the Policies:

The Exercise Period shall commence from the date of vesting and will expire on completion of 15 months from the date of vesting under the Policies.

The process of exercise/acceptance of offer shall be as per the Grant Letter or as may be determined by the NRC.

Options vested shall have to be mandatorily exercised within the Exercise Period and the Options shall lapse if not exercised within the Exercise Period.

h. The appraisal process for determining the eligibility of employees for the Policies:

The NRC shall have the right and discretion to identify Eligible Employees. The decision of the NRC with respect to the eligibility of an Employee for Options and the terms and conditions of such Options, shall be final and is not subject to challenge.

i. Maximum number of options, shares, as the case may be, to be offered and issued per employee and in aggregate, if any, under the Policies:

Under the Policies there is no limit of offer or issue of number of options or shares per employee. However, in a year no single employee will be offered or issued more than 1% of the issued capital. The maximum no. of options or shares to be offered or issued in aggregate under the Policies shall not exceed the limits specified in point no. (b) above.

j. Maximum quantum of benefits to be provided per employee under the Policies:

The maximum quantum of benefits underlying the stock options granted to an employee can be construed to be an amount equal to the appreciation in the value of the Company's equity shares determined as on the date of exercise of stock options, on the basis of difference between the stock option Exercise Price and the Market Price of the equity shares on the exercise date.

k. Whether the Policies are to be implemented and administered directly by the Company or through a Trust:

The Policies are to be administered through the SBFC Employee Welfare Trust, a trust set up by the Company for implementation of ESOP policies approved by the Board, as amended from time to time, for the benefit of the Eligible Employees. The Policies shall be operated and administered by the Trustee(s) of the Trust or the NRC.

l. Whether the Policies involves new issue of shares by the Company or secondary acquisition by the Trust or both:

Clause 4.6 of both the Policies involves secondary acquisition by the Trust, however neither the Company intends to issue any new shares to the Trust nor the Trust intends to buy any further shares through secondary acquisition.

m. The amount of loan to be provided for implementation of the Policies by the Company to the Trust, its tenure, utilization, repayment terms, etc.:

Clause 4.5 of the Policies authorizes the Trust to borrow funds from the Company or other permissible sources, in accordance with applicable laws, for the purpose of implementing the Policies. While the Company has extended loans to the Trust in the past, no new loan is currently proposed to be extended to the Trust.

n. Maximum percentage of secondary acquisition (subject to limits specified under the regulations) that can be made by the Trust for the purposes of the Policies:

The maximum percentage of secondary acquisition that can be made by the Trust for the purposes of the Policies shall not exceed 5 (five) percentage of the paid-up equity capital of the Company as at the end of the financial year immediately prior to the year in which the shareholders' approval is obtained for such secondary acquisition (as specified under the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ('SEBI SBEB Regulations'). However, currently there is no intention for the Trust to undertake any further secondary acquisition.

o. A statement to the effect that the Company shall conform to the accounting policies specified in regulation 15 of the SEBI SBEB Regulations:

The Company shall confirm to the applicable Accounting Standards and Policies as applicable to the Company and specified in Regulation 15 of the SEBI SBEB Regulations from time to time.

p. The method which the Company shall use to value its Options:

The Company shall use the Fair Value Method for valuation of the Stock Options as prescribed under the Accounting Standards, as applicable and notified by appropriate authorities from time to time.

q. Declaration:

The following declaration required under the SEBI SBEB Regulations is not applicable since the Company will adopt fair value method for valuation of Stock Options:

'In case the company opts for expensing of share based employee benefits using the intrinsic value, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value, shall be disclosed in the Directors' report and the impact of this difference on profits and on earnings per share ('EPS') of the company shall also be disclosed in the Directors' report.'

r. Period of lock-in:

The equity shares allotted upon exercise of Stock Options under the Policies are not subject to any lock in period.

s. Terms & conditions for buyback, if any, of specified securities covered under the SEBI SBEB Regulations:

None.

t. Rationale for the variation of the ESOP Plan

The Policies have been amended to incorporate changes to certain provisions, including but not limited to those relating to Eligible Employee, Exercise Period, Relevant Date, Vesting Period and Schedule, and Exercise Price. These amendments have been undertaken to align the provisions with the Company's other existing ESOP Policies, thereby facilitating uniformity and ensuring ease in the administration of the ESOP framework. A detailed comparative statement of the proposed amendments is provided below for reference.

Comparative Statement of clauses to be amended In ESOP 2018-I Policy:

Sr. No	Relevant Clause	Original Clause	Revised Clause
1.	2.1.9 (Definitions)	**"Eligible Employee" / "Employee" means** (i) an employee as designated by the Company, who is exclusively working in India or outside India; or (ii) a director of the Company, whether a whole-time director (as defined under relevant provisions of the Act) or not; including a non-executive director who is not a promoter or member of the promoter group, but at all times excluding an independent director of the Company; or (iii) an employee as defined in clauses (i) or (ii) of a group company including Subsidiary or its associate company, in India or outside India, or of a Holding Company of the company, but shall not include an employee who is a promoter or a person belonging to the promoter group; or a director who either himself or through his relative or through any body corporate, directly or indirectly, holds more than ten percent of the outstanding equity shares of the Company. Provided however, a contractual employee can also be designated by the Company as an Eligible Employee.	**"Eligible Employee" / "Employee" means** (i) an employee as designated by the Company, who is exclusively working in India or outside India; or (ii) a director of the Company, whether a whole-time director (as defined under relevant provisions of the Act) or not, including a non-executive director who is not a promoter or member of the promoter group, but at all times excluding: a. an independent director of the Company; or b. an employee who is a promoter or a person belonging to the promoter group; or c. a director who either himself or through his relative or through any body corporate, directly or indirectly, holds more than ten percent of the outstanding equity shares of the Company. Provided, however, a contractual employee can also be designated by the Company as an Eligible Employee.
2.	2.1.13 (Definitions)	**Exercise Period** shall mean (a) in case of Options vested prior to an IPO within 6 (Six) months from the date of the IPO and commencing from the date of vesting; (b) in case of Options vested after IPO, within 6 months from the date of the vesting; (c) in case of termination of Employment of a Grantee, the period mentioned in Clause 8 of this Policy and (d) In case of Clause 11.3, such period as the NRC / Board may determine	**Exercise Period** shall mean (a) within 15 (Fifteen) months from the date of the vesting; (b) in case of termination of Employment of a Grantee, the period mentioned in Clause 8 of this Policy; and (c) in case of Clause 11.3, such period as the NRC / Board may determine
3.	2.1.24 (Definitions)	**"Relevant Date"** means (a) in the case of grant, the date of the meeting of the Nomination and Remuneration Committee on which the grant is to be made/is made and (b) in the case of exercise, the date on which notice of exercise is given to the company or to the trust by the Eligible Employee.	**"Relevant Date"** means (a) in the case of grant, the date of the meeting of the Nomination and Remuneration Committee in which the grant is to be made/ is made and (b) in the case of exercise, the date on which notice of exercise is given to the Company by the Grantee.

Sr. No	Relevant Clause	Original Clause	Revised Clause
4.	**2.1.26** (Definitions)	**"SBFC Trust Deed" or "Trust Deed"** means indenture of the Trust Deed dated October 15, 2022, between the Company and Vistra ITCL (India) Limited.	**"SBFC Trust Deed" or "Trust Deed"** means the indenture of the Trust Deed dated October 15, 2022, between the Company and Vistra ITCL (India) Limited and as amended from time to time.
5.	**6.1** (vesting of option)	The Options granted under this policy shall vest only after 12 (Twelve) months from the date of the Grant, and in the manner set out in Clause 6.2 below. Provided that in the event of death or Permanent Incapacity of an Eligible Employee, the minimum vesting period of one year shall not be applicable, and in such instances, the options shall vest in terms of Clause 8.1 of this Policy, on the date of the death or Permanent Incapacity.	The Options granted under this policy shall vest from the 15th (Fifteenth) month from the date of the Grant, in the manner set out in Clause 6.2 below. Provided that in the event of death or Permanent Incapacity of an Eligible Employee, the minimum vesting period of one year shall not be applicable, and in such instances, the options shall vest in terms of Clause 8.1 of this Policy, on the date of the death or Permanent Incapacity.
6.	**6.2.1** (Vesting Period and Schedule)	Subject to Clause 8 and Clause 11.3 of this Policy, unless otherwise stated in the Grant Letter, the Options shall equally vest over a period of 48 (Forty-Eight) months from the date of Grant, on a quarterly basis. For the purpose of calculating the time duration for vesting under this Clause 6.2, continued and uninterrupted employment of the Grantee shall be taken into consideration.	Subject to Clause 8 and Clause 11.3 of this Policy, the Options shall vest from the 15th (Fifteenth) month to over a period of 48 (Forty Eight) months from the date of Grant, as per the schedule below. For the purpose of calculating the time duration for vesting under this Clause 6.2, continued and uninterrupted employment of the Grantee shall be taken into consideration
			Number of month from Grant Date — **% Vesting** 15 months — 8.33% 18 months — 8.33% 21 months — 8.33% 24 months — 8.33% 27 months — 8.33% 30 months — 8.33% 33 months — 8.33% 36 months — 8.33% 39 months — 8.33% 42 months — 8.33% 45 months — 8.33% 48 months — 8.37%
7.	**6.2.4** (Vesting Period and Schedule)	NIL	**This sub-clause has been added** Subject to the Grant Letter, unless the NRC provides otherwise, the Vesting of Options granted hereunder shall be suspended during any authorized or unauthorized leave of absence for such period as may be determined by the NRC as per its discretion, and such a decision in this regard shall be final and binding on the Grantees.

Sr. No	Relevant Clause	Original Clause	Revised Clause
8.	**7.2** (Exercise Price)	**Exercise Price:** Unless otherwise stated in the Grant Letter, the Exercise Price of the vested option shall be INR 12.50 (Indian Rupees Twelve and Fifty Paise) per vested Option.	**Exercise Price:** The Exercise Price of the vested option shall be determined based on the average closing price of immediate five trading days of the Relevant Date in case of grant.

Comparative Statement of clauses to be amended In ESOP 2021-I Policy:

Sr. No	Relevant Clause	Original Clause	Revised Clause
1.	**2.1.9** (Definitions)	**"Eligible Employee" / "Employee" means** (i) an employee as designated by the Company, who is exclusively working in India or outside India; or (ii) a director of the Company, whether a whole-time director (as defined under relevant provisions of the Act) or not; including a non-executive director who is not a promoter or member of the promoter group, but at all times excluding an independent director of the Company; or (iii) an employee as defined in clauses (i) or (ii) of a group company including Subsidiary or its associate company, in India or outside India, or of a Holding Company of the company, but shall not include an employee who is a promoter or a person belonging to the promoter group; or a director who either himself or through his relative or through any body corporate, directly or indirectly, holds more than ten percent of the outstanding equity shares of the Company. Provided however, a contractual employee can also be designated by the Company as an Eligible Employee.	**"Eligible Employee" / "Employee" means** (i) an employee as designated by the Company, who is exclusively working in India or outside India; or (ii) a director of the Company, whether a whole-time director (as defined under relevant provisions of the Act) or not, including a non-executive director who is not a promoter or member of the promoter group, but at all times excluding: a. an independent director of the Company; or b. an employee who is a promoter or a person belonging to the promoter group; or c. a director who either himself or through his relative or through any body corporate, directly or indirectly, holds more than ten percent of the outstanding equity shares of the Company. Provided, however, a contractual employee can also be designated by the Company as an Eligible Employee.
2.	**2.1.13** (Definitions)	**Exercise Period** shall mean (a) in case of Options vested prior to an IPO within 6 (Six) months from the date of the IPO and commencing from the date of vesting; (b) in case of Options vested after IPO, within 6 months from the date of the vesting; (c) in case of termination of Employment of a Grantee, the period mentioned in Clause 8 of this Policy and (d) In case of Clause 12.3, such period as the NRC / Board may determine.	**Exercise Period** shall mean (a) within 15 (Fifteen) months from the date of the vesting; (b) in case of termination of Employment of a Grantee, the period mentioned in Clause 8 of this Policy; and (c) in case of Clause 12.3, such period as the NRC / Board may determine.
3.	**2.1.24** (Definitions)	**"Relevant Date"** means (a) in the case of grant, the date of the meeting of the Nomination and Remuneration Committee on which the grant is to be made/is made and (b) in the case of exercise, the date on which notice of exercise is given to the company or to the trust by the Employee.	**"Relevant Date"** means (a) in the case of grant, the date of the meeting of the Nomination and Remuneration Committee in which the grant is to be made/ is made and (b) in the case of exercise, the date on which notice of exercise is given to the Company by the Grantee.

Sr. No	Relevant Clause	Original Clause	Revised Clause
4.	2.1.26 (Definitions)	**"SBFC Trust Deed"** or **"Trust Deed"** means indenture of the Trust Deed dated October 15, 2022, between the Company and Vistra ITCL (India) Limited.	**"SBFC Trust Deed"** or **"Trust Deed"** means the indenture of the Trust Deed dated October 15, 2022, between the Company and Vistra ITCL (India) Limited and as amended from time to time.
5.	6.1 (vesting of option)	The Options granted under this policy shall vest only after 12 (Twelve) months from the date of the Grant, and in the manner set out in Clause 6.2 below. Provided that in the event of death or Permanent Incapacity of an Eligible Employee, the minimum vesting period of one year shall not be applicable, and in such instances, the options shall vest in terms of Clause 8.1 of this Policy, on the date of the death or Permanent Incapacity.	The Options granted under this policy shall vest from the 15th (Fifteenth) month from the date of the Grant, in the manner set out in Clause 6.2 below. Provided that in the event of death or Permanent Incapacity of an Eligible Employee, the minimum vesting period of one year shall not be applicable, and in such instances, the options shall vest in terms of Clause 8.1 of this Policy, on the date of the death or Permanent Incapacity.
6.	6.2.1 (Vesting Period and Schedule)	Subject to Clause 8 and Clause 12.3 of this Policy, unless otherwise stated in the Grant Letter, the Options shall equally vest over a period of 48 (Forty-Eight) months from the date of Grant, on a quarterly basis. For the purpose of calculating the time duration for vesting under this Clause 6.2, continued and uninterrupted employment of the Grantee shall be taken into consideration.	Subject to Clause 8 and Clause 12.3 of this Policy, the Options shall vest from the 15th (Fifteenth) month to over a period of 48 (Forty Eight) months from the date of Grant, as per the schedule below. For the purpose of calculating the time duration for vesting under this Clause 6.2, continued and uninterrupted employment of the Grantee shall be taken into consideration **Number of month from Grant Date** / **% Vesting** 15 months: 8.33% 18 months: 8.33% 21 months: 8.33% 24 months: 8.33% 27 months: 8.33% 30 months: 8.33% 33 months: 8.33% 36 months: 8.33% 39 months: 8.33% 42 months: 8.33% 45 months: 8.33% 48 months: 8.37%
7.	7.2 (Exercise Price)	**Exercise Price:** Unless otherwise stated in the Grant Letter, the Exercise Price of the vested option shall be INR 19/- (Indian Rupees Nineteen Only) per vested Option.	**Exercise Price:** The Exercise Price of the vested option shall be determined based on the average closing price of immediate five trading days of the Relevant Date in case of grant.

All relevant documents and papers referred to in this Notice and Explanatory Statement shall be available for electronic inspection without any fee by the Members, as provided in Note No. 5 of the Notes to this Notice.

None of the Directors or key managerial personnel of the Company or their relatives are concerned or interested, directly or indirectly, financially, or otherwise, in these resolutions, except to the extent of their respective shareholding, if any, in the Company or to the extent they are granted any employee stock options under the ESOP 2018-I Policy and/or ESOP 2021-I Policy, in accordance with the applicable law.

The Board of Directors recommends passing of the Special Resolutions as set out in item nos. 6 and 7 of this Notice.

Item No. 8:

The Company, in the ordinary course of its business, is required to borrow from time to time, by way of loans, external commercial borrowings, issue of non-convertible debentures (secured or unsecured) and/or other instruments. The inter-mix of borrowings by the Company depends upon the market conditions, cost of funds, tenor, etc.

In terms of Section 42 of the Companies Act, 2013 ('Act') read with Rules framed thereunder including the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended from time to time, read with the SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended from time to time, other applicable SEBI regulations, circulars and guidelines, the directions issued by the Reserve Bank of India ('RBI'), a company offering or making an invitation to subscribe to NCDs (including Bonds) on a private placement basis, is required to obtain prior approval of the members by way of a special resolution.

Members of the Company have approved similar proposal at its last Annual General Meeting (AGM) by way of a special resolution i.e., at 17th AGM. The resolution passed by the members at its 17th AGM had authorized the Company to issue NCDs within the overall borrowing limit for a period of one year from the date of its last AGM.

Accordingly, it is proposed to seek fresh approval of members by way of another special resolution to authorize the Board to borrow by issue of NCDs on private placement basis, in the ordinary course of its business, for a period of one year commencing from the date of AGM. Further, the amount to be raised by such issue of NCDs will be within the overall outstanding borrowing limit of ₹ 10,000 crore approved by the members of the Company under section 180(1)(c) of the Act.

The debentures would be issued either at face value or at a discount or at a premium, with coupon rate and/or on zero coupon basis, in such manner as may be permissible under the Act, RBI Guidelines and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The issue price and rate of interest depends, inter alia, on the market rates, tenor and security offered. In case of secured NCDs, security would primarily be by way of charge on any one or more asset of the Company.

Accordingly, the approval of the members is being sought by way of a special resolution under Section 42 and other applicable provisions, if any, of the Act and the Rules framed thereunder to offer / invite / issue / reissue / allot up to such number of NCDs including but not limited to Subordinated / Perpetual NCDs/ Green debt securities, any other type of Bond, whether secured and/or unsecured, listed or unlisted, redeemable, up to an amount of ₹ 3,000 crore (Three thousand crore), on a private placement basis, in one or more tranches, on such terms and conditions as the Board may deem fit and depending on the prevailing market conditions, during a period of one year from the date of passing of resolution set out at Item No. 8 of this Notice, within the overall borrowing limits of the Company, as approved by the members from time to time.

Further, it is proposed to grant authority to the Board of Directors (hereinafter referred to as the 'Board' the term shall be deemed to include any committee constituted / which may be constituted by the Board of Directors or any other person(s) for the time being authorized by the Board of Directors to exercise powers conferred on the Board of Directors) to delegate or determine the terms of issue of NCDs.

In view of the aforesaid, the Board recommends the special resolution set forth in Item No. 8 for approval of the members.

None of the Directors, Key Managerial Personnel and their relatives, other than to the extent of their shareholding in the Company, are concerned/interested, financially or otherwise, in the said resolution.

Annexure A

Information pursuant to Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard-2 for seeking appointment/reappointment at the 18th AGM of the Company:

Name of Director	Mr. John Mescall	Mr. Leroy James Langeveld
Director Identification Number (DIN)	08385575	11068486
Nationality	Irish	New Zealand
Date of Birth/ (Age)	April 25, 1981 (44 years)	February 23, 1984 (41 years)
Qualifications	1. CFA Level II 2. Institute of Chartered Accountant of Ireland-Qualified Chartered Accountant 3. University of Limerick – Honours degree in law and accounting	As stated in explanatory statement
Date of first appointment on the Board	May 29, 2019	April 26, 2025
Capacity/Position	Non-Executive Nominee Director	Non-Executive Nominee Director
Brief resume, including experience, expertise in specific functional areas, skills & capabilities	Mr. John Mescall is a Non-Executive Nominee Director of our Company and managing director of Clermont Group. He holds a bachelor's degree in law and accounting from the University of Limerick, Ireland. He has been associated with our Company since May 29, 2019. Prior to joining the Clermont Group, he was associated with Ernst and Young, Ireland as a manager in the assurance department of its financial services group. The core skill sets/expertise as identified by the Board to be collectively possessed by the Board of Directors of the Company in the context of the Company's business inter alia, include business & financial experience, risk management, information technology, governance oversight, consumer insights and building strategy, investor relations. Mr. Mescall brings a strong skill set encompassing Consumer Insights, Corporate Governance, Building Strategy, Risk Management and Investor relations.	As stated in explanatory statement
Remuneration	He is not entitled to any remuneration.	He is not entitled to any remuneration.
Directorships held in other Indian companies as on date of this notice	SBFC Home Finance Private Limited (under Voluntary Liquidation process)	Nil
Chairpersonship/ membership on the committees of the Company and other Indian companies as on date of this notice	**Membership:** **SBFC Finance Limited** • Audit Committee • Nomination and Remuneration Committee • Risk Management Committee • Corporate Social Responsibility Committee • Stakeholders Relationship Committee	Nil
Listed entities from which the Director has resigned in the past three years	Nil	Nil
Number of equity shares held in the Company by such Director or as a beneficial owner as on March 31, 2025	Nil	Nil
Terms and conditions of appointment/re-appointment	Re-appointment in terms of Section 152(6) of the Companies Act, 2013	Appointed as a Director liable to retire by rotation.
Details of last drawn remuneration (including sitting fees and commission) from the Company	NA	NA
Number of meetings of the Board attended during FY2024-25	Five out of Five meetings	NA
Relationship with other Directors/ Key Managerial Personnel/ Manager	Mr. Mescall is not related, directly or indirectly, to any Director/ KMP of the Company. The Company does not have any Manager.	Mr. Langeveld is not related, directly or indirectly, to any Director/ KMP of the Company. The Company does not have any Manager.

By order of the Board of Directors
For SBFC Finance Limited

Namrata Sajnani
Company Secretary & Chief Compliance Officer
ICSI Membership No.: F10030

Registered Office:
103, 1st Floor, C&B Square,
Sangam Complex, Andheri Kurla Road, Village Chakala,
Andheri (East) Mumbai 400 059
Tel: +91-22-67875300
E-mail: complianceofficer@sbfc.com
Website: www.sbfc.com
CIN: L67190MH2008PLC178270

Place: Mumbai
Date : June 6, 2025

SBFC

SBFC Finance Limited
1st Floor, C & B Square, Sangam Complex, Andheri Kurla Road,
Village Chakala, Andheri East, Mumbai - 400059

1800-102-8012 customercare@sbfc.com www.sbfc.com