

ANNUAL REPORT
OF
PROTIUM FINANCE LIMITED
FINANCIAL YEAR 2024-2025

PROTIUM FINANCE LIMITED ("the Company")

[CIN: U65999MH2019PLC323293]

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PROTIUM FINANCE LIMITED ("Company")

[CIN: U65999MH2019PLC323293]

Board of Directors

Sr. No.	Name of Director	Designation	DIN
1.	Mr. Peeyush Misra	Managing Director & CEO	08422699
2.	Ms. Anuradha Rao	Independent Director	07597195#
3.	Ms. Dakshita Das	Independent Director	07662681
4.	Mr. Parveen Kumar Gupta	Independent Director	02895343
5.	Mr. Sitaram Kunte	Independent Director	02670899
6.	Mr. Pravin Raghavendra	Independent Director	09686944*

Resigned with effect from July 8, 2025

* Appointed with effect from June 26, 2025

Key Managerial Personnel (KMP)

Name of KMP	Designation
Mr. Peeyush Misra	Managing Director & CEO
Mr. Amit Kumar Gupta	Chief Financial Officer
Mrs. Anshu Mohta	Company Secretary

Registered Office

7th Floor, Block B2, Phase – I, Nirlon Knowledge Park (NKP)

Pahadi Village, off. Western Express Highway,

Goregaon (E), Mumbai – 400063.

Website: <https://protium.co.in/>

Statutory Auditors

M/s. S.R. Batliboi & Associates LLP, Chartered Accountants

12th Floor, The Ruby 29 Senapati Bapat Marg

Dadar (West), Mumbai – 400028.

Website srba@srb.in

Debenture Trustee

Axis Trustee Services Limited

Axis House, Bombay Dyeing Mills Compound,

Pandurang Budhkar Marg, Worli, Mumbai - 400 025

Website: www.axistrustee.in

Registrar & Transfer Agents

MUFG Intime India Private Limited

C-101, 247 Park, LBS Marg, Vikhroli (West), Mumbai – 400083

Website: <https://in.mpms.mufg.com/>

BOARD'S REPORT

Dear Members,

Your Directors take pleasure in presenting the Seventh Annual Report on the business and financial operations of your Company together with the audited financial statements for the financial year ended March 31, 2025.

1. Financial Results

A summary of the financial performance of the Company, both on a consolidated and standalone basis in comparison to the previous FY is given below:

₹ in Lakhs

Particulars	Consolidated		Standalone	
	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2025	For the year ended March 31, 2024
Revenue from Operations	104,701.13	72,762.57	99,049.15	69,233.93
Other Income	2,859.79	2,988.97	4,264.60	3,661.83
Total Income	107,560.92	75,751.54	103,313.75	72,895.76
Less: Total expenses	84,966.30	59,900.93	80,765.09	57,199.15
Profit before Tax	22,594.62	15,850.61	22,548.66	15,696.61
Less: Tax Expenses	5,470.74	4,175.48	5,448.00	4,169.48
Profit after Tax	17,123.88	11,675.13	17,100.66	11,527.13
Add: Other Comprehensive Income	(930.89)	(53.29)	(953.09)	(62.50)
Total Comprehensive Income	16,192.99	11,621.84	16,147.57	11,464.63
Earnings Per Share (EPS)				
Basic	11.78	10.66	11.77	10.52
Diluted	11.74	10.66	11.73	10.52
Less: Transfer to Reserves as per Section 45-IC of the RBI Acts	3,420.13	2,305.43	3,420.13	2,305.43
Balance carried to Balance Sheet	12,772.85	9,316.41	12,727.43	9,159.21

The above figures are extracted from the financial statements prepared in accordance with Indian Accounting Standards ("Ind AS") as notified under Sections 129 and 133 of the Companies Act, 2013 ("the Act") read with the Companies (Accounts) Rules, 2014 and other relevant provisions of the Act. The detailed Financial Statements as stated above are available on the Company's website <https://protium.co.in/>.

Financial Performance

Consolidated

Your Company posted total income and net profit of INR 107,560.92 lakhs and INR 17,123.88 lakhs, respectively for the financial year ended March 31, 2025, as against INR 75,751.54 lakhs and INR 11,675.13 lakhs respectively, in the previous financial year.

Standalone

Your Company posted total income and net profit of INR 103,313.75 lakhs and INR 17,100.66 lakhs, respectively for the financial year ended March 31, 2025, as against INR 72,895.76 lakhs and INR 11,527.13 lakhs respectively, in the previous financial year.

2. Dividend

Considering the capital-intensive nature of the business, the business plan of the Company and with a view to plough back the profits, the Board of Directors have not recommended any dividend for the financial year to build a strong base for its long-term growth.

3. Transfer to Reserves

Your Company has transferred INR 3,420.13 lakhs to the Statutory Reserve as required under Section 45-IC of the Reserve Bank of India Act, 1934 (previous year INR 2,305.43 lakhs).

4. State of Company's Affairs

The information on the affairs of the Company has been given as part of the Management Discussion and Analysis section of the Report.

Your Company is Non-Banking Financial Company without accepting or holding public deposits, as defined under Section 45-IA of the Reserve Bank of India Act, 1934 as applicable and is categorized as middle layer (NBFC-ML).

The portfolio of the total loan outstanding of your Company stood at INR 380,187.57 lakhs as on March 31, 2025. Your Company continued to focus on its existing products by deepening and expanding its distribution while augmenting its infrastructure and offerings to effectively deliver credit solutions to its market. Your Company proposes to continue the same in FY2026.

Your Company offers a comprehensive bouquet of products and services to the underserved, which is tailor-made to suit the customers' requirements. Your Company is engaged in providing lending to the business of Micro, Small & Medium Enterprises (MSME) and offers both secured and unsecured loans.

5. Change in nature of business, if any

Your Company carried out the business as mentioned in the Memorandum of Association of the Company during the year under review and there was no change in the nature of business of the Company.

6. Human Resources

Your Company firmly believes that people are its greatest asset which embodies a dynamic blend of youthful energy and seasoned experience, driving the organization forward with capability, passion, and integrity. As of March 31, 2025, it employed 2,039 individuals, with women representing 11% of our team. The average age of employees stands at 33 years, reflecting a vibrant and agile workforce committed to excellence.

7. Details of Subsidiary, Joint Ventures, Associate Companies

During the year under review, your Company has no associate companies within the meaning of Section 2(6) of the Act and has not entered into any joint venture. However, your Company has following two Wholly Owned Subsidiaries ("WOS"):

Name of the WOS	CIN
Protium Business Services Private Limited	U72900MH2021PTC356128
Shibui Technologies Private Limited	U62099KA2023PTC171573

There has been no material change in business of subsidiary companies during the financial year 2024-25. Further, pursuant to Section 129(3) of the Act read with Rule 5(1) of the Companies (Accounts) Rules, 2014, the statement containing the salient features of the financial statements of your Company's Subsidiaries in Form AOC - I is annexed as **Annexure I**.

Highlights of performance of Subsidiary Company(ies)

The total revenue from the operation of Protium Business Services Private Limited during the year under review is INR 5,556.58 lakhs (previous year INR 4,720.28 lakhs) and the Net profit is Rs. INR 31.54 lakhs (previous year INR 6.86 lakhs).

Further, the total revenue from the operation of Shibui Technologies Private Limited during the year under review is INR 155.94 lakhs (previous year INR 33.70 lakhs) and the Net profit is INR 35.89 lakhs (previous year Rs. 4.37 lakhs).

The audited financial statements, including the consolidated financial statements of your Company are available on the website. The Annual Report and audited financial statements of each of its subsidiaries are also available on the website of the Company at <https://protium.co.in/regulatory-disclosure/>.

8. Material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report

The details of changes in the Board of Directors from the end of the financial year up to the date of this report have been duly included herein. Apart from these changes, there have been no material developments or commitments that have significantly impacted the financial position of the Company during this period.

9. Borrowings

During the year under review, your Company met its funding requirements through a diversified mix of borrowings, including Commercial Papers, External Commercial Borrowings (ECBs), securitisation transactions, and borrowings from banks and financial institutions. As of March 31, 2025, the total outstanding borrowings stood at ₹380,187.57 lakhs.

Your Company's overall borrowings remain well within the regulatory ceiling and the aggregate borrowing limits as approved by the Board of Directors and Members from time to time. In view of the Company's future business plans, growth potential, and the anticipated expansion of its loan portfolio, and to meet the requirement of additional funds for the coming years, your Company would continue with the existing borrowing limit to ₹ 8000 crore. Accordingly, necessary resolutions seeking approval of Members to continue the existing borrowing limit forms part of the notice convening the 7th Annual General Meeting ("AGM").

10. Credit Rating

During the year under review, there has been no change to the credit ratings assigned in FY24 which was again reviewed and reaffirmed by the Acuite Ratings & Research Limited as stated below:

Instruments	Nature of Term	Rating granted
Bank Loan Ratings	Long term	ACUITE AA-/ Stable
Non – Convertible Debentures	Long Term	ACUITE AA-/ Stable
Non – Convertible Debentures (MLD)	Long Term	ACUITE PP-MLD AA-/ Stable withdrawn on March 10, 2025
Commercial Paper	Short Term	ACUITE A1+ withdrawn on March 10, 2025

11. Capital Adequacy

The Capital Adequacy Ratio (CAR) of your Company as on March 31, 2025, was 45.68%, which is well above the minimum required to be maintained under RBI SBR Directions 2023.

12. Public Deposits

Your Company is a Non-Deposit taking NBFC and has not accepted any public deposits during the year under review.

13. Capital Structure

a. Authorized Share Capital

As on March 31, 2025, the Authorized Share Capital of the Company is Rs. 1,56,00,93,000/- divided into 15,60,09,300 Equity Shares of Rs. 10/- each.

b. Issued, Subscribed and Paid-up Share Capital

As on March 31, 2025, the Issued, Subscribed and Paid-up Share Capital of your Company stands at INR 145,69,21,410 comprising of 14,56,92,141 Equity Shares of INR 10/- each. The said equity shares of the Company are held in dematerialized mode.

During the year under review, your Company has issued Equity Shares as per details given below:

No. of fully Paid-up Equity Shares issued and subscribed	Date of allotment	Nature of Issue
5,49,811	11.12.2024	Employee Stock Options

c. Protium Finance Employee Stock Option Plan I

In order to develop and implement a long - term incentive program to effectively attract, motivate and retain the best talent from the industry in a competitive environment, your Company has implemented the Protium Finance Employee Stock Option Plan I Scheme. A statement providing the information as required under Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014, is furnished in **Annexure II**.

14. Non-Convertible Debentures

The Market Linked Debentures (ISIN INE003507016) were fully redeemed during the year and have been delisted from the Bombay Stock Exchange (BSE Limited). Further Non-Convertible Debentures with ISIN INE003507024 were partially redeemed on April 25, 2024, and were fully redeemed on April 25, 2025.

As on date of report, there are no outstanding NCDs of the Company .

15. Debenture Trustees

The details of the debenture trustees for the debenture holders of the Company are provided hereunder:

Axis Trustee Services Limited

Address: Axis House, Bombay Dyeing Mills Compound,
Pandurang Budhkar Marg, Worli, Mumbai – 400 025 ,Tel: +91 22 6226 0054,
Email: debenturetrustee@axistrustee.in , Website: www.axistrustee.in

16. Registrar and Share Transfer Agent

The details of registrar and share transfer agent of the Company are provided hereunder:

MUFG Intime India Private Limited (formerly known as Link Intime India Private Limited)

C-101, 247 Park, LBS Marg, Vikhroli (West), Mumbai – 400083

Tel :022 49186000, Email: bonds.helpdesk@linkintime.co.in

Website: <https://in.mpms.mufg.com/>

17. Board and Committee Composition

a. Board Composition

The Company has a professional Board with Executive & Non-Executive Independent Directors who bring the right mix of knowledge, skills, and expertise and help the Company in implementing the best Corporate Governance practices. As on March 31, 2025, the Board of Directors of the Company comprises of following Directors:

Sr. No.	Name of Director	Capacity (i.e. Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	DIN
1	Mr. Peeyush Misra	Managing Director & CEO (Executive Director)	08422699
2	Ms. Anuradha Rao	Independent Director	07597195
3	Ms. Dakshita Das	Independent Director	07662681
4	Mr. Parveen Kumar Gupta	Independent Director	02895343
5	Mr. Sitaram Kunte	Independent Director	02670899

b. Key Managerial Personnel

As on March 31, 2025, pursuant to the provisions of Section 203 of the Companies Act, 2013, the Key Managerial Personnel (KMP) of your Company comprises of the following:

Sr. No.	Name of KMP	Designation
1	Mr. Peeyush Misra	Managing Director & CEO
2	Mr. Amit Kumar Gupta	Chief Financial Officer
3	Mrs. Anshu Mohta	Company Secretary

c. Changes in Directors and Key Managerial Personnel

During the period under review, there were no changes in the Directors or Key Managerial Personnel of the Company.

However, on June 26, 2025, Mr. Pravin Raghavendra was appointed as an Additional Director in the category of Independent Director, not liable to retire by rotation. His appointment is for a term of five (5) consecutive years commencing from June 26, 2025, subject to the approval of the Members at the ensuing Annual General Meeting ("AGM").

Further, Ms. Anuradha Rao resigned from her position as Independent Director with effect from July 8, 2025. The Board places on record its sincere appreciation for the valuable contributions made by her during her tenure with the Company.

As on the date of this report, the composition of Board of the Company comprises of following Directors:

Sr. No.	Name of Director	Capacity (i.e. Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	DIN
1	Mr. Peeyush Misra	Managing Director & CEO (Executive Director)	08422699
2	Ms. Dakshita Das	Independent Director	07662681
3	Mr. Parveen Kumar Gupta	Independent Director	02895343
4	Mr. Sitaram Kunte	Independent Director	02670899
5	Mr. Pravin Raghavendra	Independent Director	09686944*

* Appointed with effect from June 26, 2025

d. Board Committees

Your Board has constituted following committees which supports the Board in fulfilling its fiduciary responsibilities and ensures that the Company adheres to regulatory standards while pursuing sustainable growth:

1. Audit Committee
2. Nomination and Remuneration Committee
3. Risk Management Committee
4. IT Strategy Committee
5. Corporate Social Responsibility Committee
6. Stakeholders Relationship Committee
7. Asset & Liability Committee
8. Customer Service Committee
9. Share Allotment Committee
10. Review Committee of Wilful Defaulters
11. Information Security Committee
12. IT Steering Committee
13. Identification Committee for Wilful Defaulter
14. Fraud Risk Management Committee

The details of the Committee composition along with the details of the Meetings held during the Financial Year 2024-25 are disclosed in the Corporate Governance Report forming part of this report as **Annexure III**.

e. Director liable to retire by rotation

In terms of Section 152 of the Act and the Articles of Association of the Company, Mr. Peeyush Misra, retires by rotation at the ensuing AGM and being eligible offers himself for reappointment. Your Directors' and the Nomination and Remuneration Committee have evaluated the eligibility criteria under RBI guidelines and the Act and have recommended his reappointment in the ensuing AGM.

f. Declaration by Directors

Based on the declarations and confirmations received in terms of the Act, circular(s)/ notification(s)/direction(s) issued by RBI/SEBI and such other applicable laws, none of the Directors of the Board of your Company are disqualified from being appointed as Directors.

All the Directors of the Company have confirmed that they satisfy the 'Fit and Proper' Criteria as prescribed under Chapter XI of Master Direction – Reserve Bank of India (Non-Banking Financial Company –Scale Based Regulation) Directions, 2023, as amended, and that they are not disqualified from being appointed/continuing as Directors in terms of Section 164(2) of the Act.

Pursuant to Section 149(7) of the Act, your Company has received declarations from all the Independent Directors of the Company affirming compliance with criteria of independence as specified under Section 149(6) of the Act. The Independent Directors have also confirmed that they have complied with the Company's Code of Conduct.

The Independent Directors have also confirmed compliance with rule 6 of the Companies (Appointment and Qualifications of Directors) Rules, 2014, as amended, relating to inclusion of their names in the databank of independent directors and compliance of the online proficiency self-assessment test (unless exempted) with the Indian Institute of Corporate Affairs.

The Board is of opinion and confirm, in terms of Rule 8 of the Companies (Accounts) Rules, 2014 that the Independent Directors are persons of high repute, integrity and possess the relevant expertise and experience in their respective fields.

g. Meetings of the Board of Directors of the Company

Five (5) Board Meetings were held during the Financial Year 2024-25. The details of the number of meetings of the Board of Directors of the Company are disclosed in the Corporate Governance Report which is forming part of this report as **Annexure III**. The intervening gap between the meetings was within the period prescribed under the Act.

h. Performance Evaluation

In accordance with the provisions of the Companies Act, your Board undertook a comprehensive annual evaluation of its own performance, as well as that of its Committees, individual Directors, and the Chairman of the Company. A structured questionnaire was developed, focusing on key aspects such as Board composition, effectiveness, governance practices, and strategic oversight. This questionnaire was circulated among all Board members to gather feedback on the functioning and performance of the Board, its Committees, individual Directors, and the Chairman. The responses were compiled and presented to the Nomination and Remuneration Committee and subsequently to the Board for review and discussion.

The Board is pleased to report its satisfaction with the evaluation process. The contributions of individual Directors were duly acknowledged and appreciated. The overall assessment reflected positively on the Board's performance, reaffirming its commitment to strong governance, transparency, accountability, and continuous improvement.

i. Independent Directors Meeting

During the year, a meeting of Independent Directors was held as required under the Act and in compliance with the requirements under Schedule IV of the Act.

All the Independent Directors were present at the meeting held on January 10, 2025. In the meeting, the Independent Directors reviewed performance of the Board as a whole and the Non-Independent Director/Chairman of the Board. They assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board.

The Independent Directors expressed satisfaction over the performance and effectiveness of the Board and the Chairman. They also expressed satisfaction regarding the flow of information between the Management of the Company and the Board.

18. Policy on Appointment and Remuneration of Directors, Key Managerial Personnel and Senior Management

Pursuant to the provisions of Section 178(3) of the Act and Master Direction on RBI Scale Based Regulation, your Company has formulated Compensation Policy which inter alia includes criteria for determining qualifications, positive attributes and independence of Directors, identification of persons who are qualified to become Directors, Key Managerial Personnel and Senior Management. The Compensation Policy is available on the website of the Company at <https://protium.co.in/wp-content/uploads/2025/02/17.-Compensation-Policy.pdf>.

19. Corporate Governance

Your Company is committed to maintaining the highest standards of Corporate Governance and adheres to the Corporate Governance requirements. The report on Corporate Governance of the Company forms part of the Annual Report and is annexed as **Annexure III**.

20. RBI Guidelines

Your Company has complied with all the applicable regulations prescribed by the Reserve Bank of India from time to time. The disclosures required under RBI Guidelines applicable to the Company are stated in the Notes forming part of Financial Statements.

21. Secretarial Standards

Your Company has complied with the applicable Secretarial Standards, relating to Meeting of the Board of Directors (SS-1) and General Meeting (SS-2), issued by the Institute of Company Secretaries of India.

22. Compliance

The Company has implemented a comprehensive and robust legal compliance management system designed to ensure adherence to all applicable laws relevant to its business operations. This system includes automated alerts to designated compliance owners, helping them meet regulatory deadlines and avoid potential penalties or legal risks arising from non-compliance. A consolidated compliance dashboard is presented to the respective functional heads and the Compliance Officer for oversight. Additionally, a quarterly certificate confirming compliance with all applicable laws and regulations along with details of any corrective or preventive actions taken is circulated to the Audit Committee and the Board of Directors for their review.

23. Auditors and Auditors Report

a. Auditors Report

M/s. S.R. Batliboi & Associates LLP, Chartered Accountants (ICAI FRN: 01049W/E300004) has issued an Audit Report dated May 12, 2025, forming part of the Annual Report. There are no qualifications, reservation, adverse remark or disclaimer given by the Statutory Auditor in their Report for the year under review.

No frauds in terms of the provisions of section 143(12) of the Act have been reported by the Statutory Auditors

b. Statutory Auditors

Pursuant to the provisions of Sections 139 and 142 of the Act and Rules made thereunder and in line with guidelines issued by the RBI on appointment of statutory Auditors of NBFCs, the Members appointed M/s. S.R. Batliboi & Associates LLP, as the statutory auditors of the Company from 6th AGM held on August 31, 2024 to the 9th AGM, to be held in the year 2027.

M/s. S.R. Batliboi & Associates LLP have given confirmation to the effect that they are eligible and have not been disqualified in any manner from continuing their appointment as Statutory Auditors of the Company.

c. Cost records and Auditors

Under the provision of Section 148 of the Act, your Company is not required to maintain the Cost records for the services rendered. Hence, the disclosure required under Rule 8 of the Companies (Accounts) Rules, 2014 is not applicable.

d. Secretarial Audit

Under the provision of Section 204 of the Act read with Rule 9 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, M/s. MAKS & CO, Company Secretaries (Registration Number No: P2018UP067700) were appointed as Secretarial Auditors for the Financial Year 2024-25. The Secretarial Audit Report issued by the Secretarial Auditor in Form MR-3 is annexed as **Annexure IV**.

There are no qualification, reservation, adverse remark or disclaimer given by the Secretarial Auditor in their Report for the year under review.

e. Internal Control Systems and their adequacy

The Company has an internal control system, commensurate with the size, scale and complexity of its operations. Testing of such systems forms a part of review by the Internal Audit ("IA") function. The scope and authority of the IA function is defined in the IA Charter in line with the Board approved Risk Based Internal Audit Policy.

The IA function of the Company monitors and evaluates the efficacy and adequacy of the internal control system in the Company to ensure that financial reports are reliable, operations are effective and efficient and activities comply with applicable laws and regulations. Based on the report of the IA function, process owners undertake corrective action, if any, in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Company from time to time.

f. Internal Financial Control

Your Company has a sufficiently staffed finance team working under robust processes, independent internal audit team and quarterly statutory audits. Hence, the Board believes that the Company has established sound IFC commensurate with the nature and size of its business

24. Particulars of contracts or arrangements with related parties

Your Company has a Board approved policy for Related Party Transactions (RPTs) which is available on the website of the Company at <https://protium.co.in/wp-content/uploads/2025/02/5-Related-Party-Transaction-Policy.pdf>.

During the year under review, there were no materially significant related party transactions made by the Company which may have a potential conflict with the interest of the Company at large. Omnibus approval was obtained for related party transactions which are of repetitive nature and entered in the ordinary course of business and at arm's length. All related party transactions were placed before the Audit Committee for review and approval on a quarterly basis.

The disclosure of related party transactions as required under Section 134(3) (h) of the Act in Form AOC 2 is attached to this report as **Annexure V**.

The details of related party transactions with the related parties entered into during the financial year are disclosed in Note No. 46 and Note No 50(d) of the Standalone Financial Statements of the Company for the year ended March 31, 2025.

25. Corporate Social Responsibility (CSR)

In accordance with the requirements of the provisions of Section 135 of the Act, the Company has constituted a Corporate Social Responsibility ("CSR") Committee. The composition and terms of reference of the CSR Committee is disclosed in the report on Corporate Governance of the Company forms part of the Annual Report and is annexed as **Annexure III**.

The Company has also formulated a CSR policy ("CSR Policy") in accordance with the requirements of the Act containing details specified therein. The CSR Policy along with details of the projects approved by the Board are available on the website of the Company at <https://protium.co.in/wp-content/uploads/2023/02/Corporate-Social-Responsibility-Policy.pdf>.

The Company has a strong commitment towards promoting social transformation through education and health care. During the year, the overall CSR spend was INR 183.54 lakhs. The Company has spent INR 8.92 lakhs in excess of its CSR obligations and the excess amount will be set off against the required 2% CSR budget over the next immediate succeeding financial years.

The Company's CSR efforts are well-aligned with its business objectives, regulatory requirements, and social responsibility principles.

The Annual report on activities as required under Companies (Corporate Social Responsibility Policy) Rules, 2014 is enclosed as **Annexure VI** and forms part of this report.

26. Particulars of Loans, Guarantee, Security or Investments

In terms of section 186(11) of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014, as amended, the Company being an NBFC registered with RBI and whose main objects as per its Memorandum of Association is to carry on business of financing industrial enterprises, the Company is exempt from

complying with provisions of section 186 of the Act in respect of loans made, guarantees given, securities provided, or investments made by the Company.

The details of the Investments made by the Company are furnished under Note No 9 of Notes forming part of the Standalone Financial Statements of the Company for the year ended March 31, 2025.

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

During the period under review, there were no significant and material orders passed by the regulators or courts or tribunals that would impact the going concern status of the Company and its future operations.

28. Annual Return

The Annual Return of the Company as on March 31, 2025 in Form MGT-7 as required under Section 92(3) of the Companies Act, 2013 ("the Act") read with Section 134(3) of the Act, shall be hosted on the website of the Company <https://protium.co.in/regulatory-disclosure/>.

29. Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Out-Goings

The provisions of Section 134(3)(m) of the Act, the rules made there under relating to conservation of energy and technology absorption do not apply to your Company as the Company is engaged in providing financial services. Your Company is taking every necessary step to reduce its consumption of energy. Further, your Company has been increasingly using information technology in its operations and promotes conservation of energy and resources. The details of foreign exchange earnings and foreign exchange expenditures are as below:

₹ in Lakhs		
Particulars	FY 2024-25	FY 2023-24
Foreign exchange earnings	-	-
Foreign exchange expenditures	195.15	16.53

30. Risk Management

Your Company follows various strategies in its operational function for mitigating various risks. It acknowledges and identifies that it is prone to certain inherent risks while operating as NBFC-ML. The Risk Management Committee (RMC) of the Board has approved a policy which clearly lays down the process of risk management in the Company, with a view to create an enterprise-wide risk framework. In addition, the policies are periodically reviewed by the Board members.

The established framework is designed to achieve the following objectives across key risk categories:

1. Effective risk identification, measurement, monitoring, reporting and control.
2. A well constituted organizational structure clearly defines roles and responsibilities of individuals involved in risk-taking as well as managing it.

3. Effective management information system that ensures flow of information from operational level to top management and a system to address any exceptions observed.
4. The framework to ensure ongoing training of risk professional and overall PFL employees, review of systems, policies and procedures for risk management and procedure to adopt changes.

Your Company is exposed to the following types of major risks categories:

- Credit Risk
- Liquidity Risk, Interest Rate Risk and Market Risk
- Operational Risk
- IT Security Risk

In addition to the Risk Management Committee, Asset Liability Committee, IT Strategy Committee and Audit Committee are sub-committees constituted by the Board to oversee and control risk related to Liquidity and IT security. We have policies in place to address these risks, which are reviewed annually by senior management and approved by the Board of Directors.

Credit Risk

Credit risk arises from the potential that an obligor is either unwilling to perform on an obligation or its ability to perform such obligation is impaired resulting in economic loss to the organization. The objective of credit risk management is to ensure credit quality of portfolio through an evaluation of the credit process, creditworthiness of customers, new or existing, assessment of the risks involved and ensuring a measured approach to address the risks. Credit risk management includes identification, measuring and monitoring of credit quality of portfolio periodically and taking appropriate action to mitigate excessive buildup of risk.

Operational Risk

Operational risk arises due to the failure of controls or a combined failure of people, systems, and processes. Operational risk incidents can also be triggered due to external events. The activities which the Company undertakes exposes it to various types of operational risks. Your Company has established a robust framework to identify key sources of operational risk, eliminate risk using a combination of robust process design and use of technology, establish control frameworks to ensure adherence to processes and monitor deviations via system checks and exceptions.

Your Company has set up Fraud risk management framework as part of broader operational risk management framework based on recent guidance from regulators

Liquidity Risk, Interest Rate Risk and Market Risk

In order to ensure a sound and robust liquidity risk management system, the Board has framed a liquidity risk management structure / framework which ensures that it maintains sufficient liquidity, including a cushion of unencumbered, high quality liquid assets to withstand a range of stress events, including those involving the loss or impairment of funding sources. Your Company has set up a comprehensive as well as dynamic framework for measuring, monitoring and managing liquidity and interest rate risks of major operators in the financial system, that need to be closely integrated with the Company's business strategy.

A structured Internal Capital Adequacy Assessment Process ("ICAAP") is in place to enhance Board and Senior Management's ability to understand the existence of capital flexibility in line with the defined risk appetite. The ICAAP evaluates capital requirements under different stress scenarios.

IT Risk

The IT Strategy Committee of the Board has framed a framework for managing risk associated with Information Technology, Cyber threats, and Business Continuity. Your Company has a dedicated technology team to build the core system used for origination, underwriting and loan servicing. The technology platform is periodically tested by both internal and external security experts to identify security vulnerabilities and evolving security threats.

31. Business Continuity

Your Company has further strengthened business resilience by enhancing Business Continuity Program and optimizing Disaster Recovery framework to ensure seamless operations. The strategic focus on cybersecurity remained unwavering, Cyber Defense capabilities were advanced to protect digital assets and customer interests.

32. Vigil Mechanism and Whistle Blower Policy

In compliance with the provisions of Section 177(9) of the Act read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, your Company has formulated an effective Vigil Mechanism and Whistle Blower Policy for Directors and employees to report their genuine concerns. The Vigil Mechanism and Whistle Blower Policy* is available on the website of the Company at <https://protium.co.in/wp-content/uploads/2025/02/7.-Whistle-Blower-Policy.pdf>.

The vigil mechanism of the Company is overseen by the Audit Committee and provides adequate safeguard against victimization of employees. During the year under review, two cases under vigil mechanism were reported to the Company and were disposed of with the timeline.

33. Particulars of Employees and Related Information

As per the Companies (Specification of Definitions details) Rules, 2014, as amended, the Company doesn't fall under the category of listed company. Hence, provisions of Section 197(12) of the Act and Rule 5(1) & 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are not applicable to the Company.

34. Director's Responsibility Statement

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

- a. in the preparation of the annual accounts for the financial year ended on March 31, 2025, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- b. the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2025, and of the profit of the Company for the financial year ended on that date.

- c. the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d. the Directors had prepared the annual accounts for the financial year ended on March 31, 2025, on a 'going concern' basis.
- e. the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

35. Code for Prohibition of Insider Trading

Pursuant to SEBI (Prohibition of Insider Trading) Regulation 2015, as amended, your Company has a Board approved Insider Trading Code i.e. Code of Internal Procedures and conduct for prevention of insider trading for its listed Non-Convertible Debentures of the Company. The said code is available on the website of the Company at <https://protium.co.in/wp-content/uploads/2025/05/Insider-Trading-Code-1.pdf>.

36. Management Discussion and Analysis

The report on Management Discussion and Analysis of the Company as per Master Direction on RBI Scale Based Regulation forms part of the Board Report and is annexed as **Annexure VII**.

37. Fraud

The Company confirms its adherence to the RBI regulations regarding fraud. For the financial year 2024-25, the Company reports that there were no instances of fraud detected or reported.

38. Disclosure under the Sexual harassment of women at workplace (prevention, prohibition and redressal) Act, 2013

Your Company has zero tolerance for sexual harassment at workplace and has adopted a policy on Prevention, Prohibition and Redressal of Sexual Harassment at workplace as per the requirement of the Sexual Harassment of Women at workplace (Prevention, Prohibition & Redressal) Act, 2013 ('POSH Act') and Rules made thereunder.

With the objective of providing a safe environment, your Company has constituted Internal Committee under POSH Act to redress complaints received regarding sexual harassment. All employees – permanent, contractual, temporary and trainees are covered under this policy. The policy on Prevention of Sexual Harassment at Workplace is uploaded on the website of the Company which can be accessed at https://protium.co.in/wp-content/uploads/2023/12/POSH-Policy_Final_Dec23_V1.4.pdf.

The summary of complaints received and disposed off during year under review:

Sr. No.	Particulars	No. of cases
1	Number of complaints of sexual harassment received in the year	0

2	Number of complaints disposed off during the year	0
3	Number of cases pending for more than ninety days	0

39. Statement with respect to the compliance of the provisions relating to the Maternity Benefit Act 1961

The Company is in compliance with the provisions relating to the Maternity Benefit Act, 1961 including all applicable amendments and rules framed thereunder

40. Confirmation under Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 on Downstream Investment

Your Company has raised foreign investments and it is owned and controlled by persons resident outside India ("FOCC") as defined under the Foreign Exchange Management Act, 1999, Rules and Regulations issued thereunder including under Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 ("NDI Rules").

During the financial year FY2024-25, your Company didn't make any downstream investment.

41. Transfer of Unclaimed Dividend and Unclaimed Securities

During FY 2024-25, no amount was required to be transferred to the Investor Education and Protection Fund. Further, pursuant to the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("Rules") and Regulation 61A of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, Mr. Amit Kumar Gupta is the Nodal Officer of the Company, for the purpose of verification of claims and co-ordination with the IEPF Authority. The contact details of Persons handling Investor Grievance are available on the website of the Company at <https://protium.co.in/regulatory-disclosure/>.

42. General

Your directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

- a. Issue of equity shares with differential rights as to dividend, voting or otherwise
- b. Issue of bonus shares or preferential issue of shares or rights issue etc.
- c. transfer of unpaid or unclaimed amount to Investor Education and Protection Fund.
- d. Scheme for provision of money for the purchase of its own share by employees or by trustees for the benefit of employees.
- e. The Managing Director of the Company doesn't receive any remuneration or commission from its subsidiary.
- f. 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.
- g. no proceeding for Corporate Insolvency Resolution Process initiated Under the Insolvency and Bankruptcy Code, 2016.

43. Acknowledgements

Your Directors would like to take this opportunity to extend their gratitude to the Company's customers for their trust. They also express their sincere appreciation to the regulatory authorities, bankers, financial institutions, rating agencies, debenture trustees, and other stakeholders for their unwavering support. Additionally, the Directors commend the employees for their dedication and commitment throughout the financial year.

**On behalf of the Board of Directors
For Protium Finance Limited**



**Peeyush Misra
Chairperson of Board
DIN: 08422699**

**Date: August 14, 2025
Place: Lonavala**

ANNEXURE – I TO BOARD'S REPORT

FORM- AOC-I

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

1. **Statement containing salient features of the financial statement of subsidiaries or associate companies or joint ventures**

Part A: Subsidiaries

₹ in Lakhs

Block - 1			
Sr. No.	Particulars	Subsidiary 1	Subsidiary 2
1.	CIN/ any other registration number of subsidiary company	U72900MH2021PTC356128	U62099KA2023PTC171573
2.	Name of the subsidiaries	Protium Business Services Private Limited	Shibui Technologies Private Limited
	Date since when subsidiary was acquired	March 2, 2021	March 24, 2023
3.	Provisions pursuant to which the company has become a subsidiary (Section 2(87)(i)/Section 2(87)(ii))	Section 2(87)(ii)	Section 2(87)(ii)
4.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period.	From April 1, 2024	From April 1, 2024
		To March 31, 2025	To March 31, 2025
5.	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	NA	NA
6.	Share Capital	760.00	1.00
7.	Reserves and Surplus	84.81	39.95
8.	Total Assets	1,428.38	59.21
9.	Total Liabilities	583.57	18.26
10.	Investments	0.00	0.00
11.	Turnover	5,556.58	155.94
12.	Profit before Taxation	42.18	47.99
13.	Provision for Taxation	10.63	12.10
14.	Profit after Taxation	31.54	35.89
15.	Proposed Dividend	-	-
16.	Extent of shareholding (in percentage)	100%	100%

1. Number of subsidiaries which are yet to commence operations - None
2. Number of subsidiaries which have been liquidated or or have ceased to be a subsidiary during the year: Not applicable.

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures- **Not Applicable**

1. Number of associates or joint ventures which are yet to commence operations – None
2. Number of associates or joint ventures which have been liquidated or have ceased to be associate or joint venture during the year: Not applicable.

Notes: The following information shall be furnished at the end of the statement as on March 31, 2025:

**On behalf of the Board of Directors
For Protium Finance Limited**



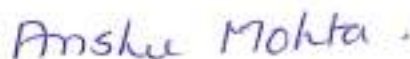
**Peeyush Misra
Managing Director & CEO
DIN: 08422699**



**Parveen Kumar Gupta
Independent Director
DIN: 02895343**



**Amit Kumar Gupta
Chief Financial Officer**



**Anshu Mohta
Company Secretary
Membership No.: A18287**

**Date: August 14, 2025
Place: Lonavala**

ANNEXURE -II TO BOARD'S REPORT

DETAILS OF EMPLOYEE STOCK OPTIONS

As per Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014 following are the particulars of ESOP required to the following information isbe disclosed for the financial year 2024-25 in respect of Protium Finance Employee Stock Option Plan I.

Sr. No	Particulars	Grant 2023	Grant 2025
1.	Options granted	3,033,718	9,97,623
2.	Options vested	1,071,765	0
3.	Options exercised	549,811	0
4.	Total no. of shares arising as a result of exercise of options	549,811	0
5.	Options lapsed	386,252	0
6.	Exercise price	INR 166 per option	INR 480 per option and INR 166 per option
7.	Variation of terms of options	During the year under review, no variation in the terms of options was made.	During the year under review, no variation in the terms of options was made.
8.	Money realized by exercise of options	9,12,68,626	0
9.	Total no. of options in force	Total no. of options in force as on March 31, 2025, are 20,97,655	Total no. of options in force as on March 31, 2025, are 9,97,623
10.	Employee wise details of options granted to:		
(i)	Key managerial personnel	During the year under review, options granted Ms. Anshu Mohta (CS) - 15,060 Mr. Amit Kumar Gupta (CFO) - 2,10,843	During the year under review, options granted Ms. Anshu Mohta (CS) - 5,208 Mr. Amit Kumar Gupta (CFO) - 31,250
(ii)	Any other employee who receives a grant of options in any one year of options amounting to 5% or more of options granted during that year.	Nil	Nil

(iii))	Identified employees who were granted Option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant.	Nil	Nil
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**On behalf of the Board of Directors
For Protium Finance Limited**



**Peeyush Misra
Chairperson of Board
DIN: 08422699**

**Date: August 14, 2025
Place: Lonavala**

ANNEXURE III- TO BOARD'S REPORT

CORPORATE GOVERNANCE REPORT

1. Board of Directors

The Board of the Company is an apex body, which oversees overall functioning, provides strategic direction, guidance, leadership and owns the fiduciary responsibility to ensure that your Company's actions and objectives are aligned in creating long term value for its stakeholders. The Board helps the Company in adhering to high Corporate Governance practices.

The Board of Directors has a mix of Executive and Non-Executive Independent Directors. As on March 31, 2025, the Board comprised of five (5) members including one (1) Managing Director & CEO and four (4) Independent Directors. The Independent Directors include two women directors.

1.1 Composition of the Board

Sr. No.	Name of Director	Director since	Capacity (i.e. Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	DIN	No. of other Director ships	Remuneration (in Rs.)			No. of shares held in and convertible instruments held in the NBFC
						Salary and other compensation	Sitting Fee (In Rs.)	Commission	
1	Mr. Peeyush Misra	15.04.2019	Managing Director & CEO (Executive Director)	08422699	Nil	Nil	Nil	Nil	0
2	Mr. Parveen Kumar Gupta	23.12.2021	Independent Director	02895343	7	Nil	24,00,000	18,00,000	18,564
3	Ms. Anuradha Rao #	29.08.2023	Independent Director	07597195	2	Nil	16,00,000	18,00,000	0
4	Ms. Dakshita Das	16.02.2024	Independent Director	07662681	3	Nil	16,00,000	18,00,000	0
5	Mr. Sitaram Kunte	16.02.2024	Independent Director	02670899	3	Nil	21,00,000	18,00,000	0

Ms. Anuradha Rao resigned as an Independent Director of the Company with effect from July 8, 2025, due to personal reason – family commitment.

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

Current Financial Year- (2024-25)

There is no change in the composition of the Board during the financial year ended March 31, 2025.

Previous Financial Year (2023-24)

Sr. No.	Name of Director/-KMP	Capacity (i.e., Executive/ Non Executive/ Chairman/ Promoter nominee/ Independent)	Nature of change (resignation, appointment)	Effective date
1	Mr. Peeyush Misra	Managing Director & CEO (Executive)	Redesignated as Managing Director & CEO	May 9, 2023
2	Ms. Anuradha Rao	Independent Director	Appointment	August 29, 2023
3	Mr. Peruvemba Ramachandran Seshadri	Independent Director	Resignation *	September 13, 2023
4	Ms. Dakshita Das [^]	Independent Director	Appointment	February 16, 2024
5	Mr. Sitaram Kunte [^]	Independent Director	Appointment	February 16, 2024

* Resigned due to appointment as a Managing Director and CEO in a Bank

[^] Ms. Dakshita Das and Mr. Sitaram Kunte were appointed as independent directors for the first term of five years w.e.f. February 16, 2024, by the Board of Directors and the Shareholders of the Company approved their appointments on the Board at the Annual General Meeting of the Company held on August 31, 2024.

The Board of Directors of the Company met five times during the year. The Board Meetings were held on April 30, 2024, July 31, 2024, October 18, 2024, December 31, 2024, and January 25, 2025. The intervening gap between the two consecutive Board Meetings was within the prescribed period of 120 days as specified under the provisions of Section 173 of the Companies Act, 2013.

The Non-executive Independent directors receive remuneration by way of sitting fees of Rs. 1,00,000/- (One Lakh) for attending each meeting of the Board and/or Committees thereof and commission as decided by the Board from time to time subject to the limits specified under the Act.

During the financial year under review, there were no pecuniary relationship/transactions of any of the Non-Executive Directors with the Company apart from sitting fees for attending various Board/Committee Meetings and commission paid to Independent Directors.

The details of attendance of the Directors in the Board Meetings for the year ended March 31, 2025, are as follows:

Sr. No	Name of the Director	No. of meetings eligible to attend	Meetings attended
1	Mr. Peeyush Misra	5	5
2	Mr. Parveen Kumar Gupta	5	5
3	Ms. Anuradha Rao	5	4
4	Ms. Dakshita Das	5	5
5	Mr. Sitaram Kunte	5	5

Sr. No.	Date of meeting	Total Number of directors as on the date of meeting	Attendance	
			Number of directors attended	% of attendance
1	30.04.2024	5	5	100
2	31.07.2024	5	5	100
3	18.10.2024	5	4	80
4	31.12.2024	5	5	100
5	25.01.2025	5	5	100

1.3 Inter-se Relationship amongst Directors

None of the Director is related to any other Director on the Board of the Company in terms of the provisions of the Act and the Rules framed thereunder.

2. Committees of the Board and their composition

In accordance with the applicable provisions of the Act and the circular(s), notification(s) and directions issued by the Reserve Bank of India and the Company's internal corporate governance requirements, the Board has constituted following Committees to focus on specific terms of reference and ensure expedient resolution on diverse matters. All the recommendations of the committees were accepted by the Board.

The Board has currently constituted the following Committees pursuant to the provisions of the Act and RBI regulations.

Sr. No.	Nature of the Committee	Summarized Terms of Reference
1.	Audit Committee	The Committee is constituted as required under Section 177 of the Act and Paragraph 94.1 of Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 as amended and undertakes all matters prescribed for its working therein.

		<p>The major terms of reference of Audit Committee include oversight of the Company's financial reporting process and disclosure of its financial information, review of financial statements, recommendation for appointment, remuneration and terms of appointment of auditors, review of compliances, systems and controls and approval or any subsequent modification of transactions with related parties.</p>
2.	Nomination and Remuneration Committee	<p>The Committee is constituted as required under Section 178 of the Act, and Paragraph 94.2 of Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 as amended and undertakes all matters prescribed for its working therein.</p> <p>The major terms of reference of the Nomination and Remuneration Committee inter alia, includes formulation of criteria for determining qualifications, positive attributes and independence of a director, recommendation of persons to be appointed to the Board and Senior Management and specifying the manner for effective evaluation of performance of Board, its Committees, Chairperson and individual directors, recommendation of remuneration policy for directors, key managerial personnel and other employees.</p>
3.	Risk Management Committee	<p>The Committee is constituted as required under Paragraph 39 of Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 as amended and undertakes all matters prescribed for its working therein.</p> <p>The major terms of reference of the Committee, inter alia, include, design and implement the risk management and internal control systems in conjunction with existing business processes and systems, to manage the Company's material business risk, establishing policies for the monitoring and evaluation of risk management systems to assess the effectiveness of those systems in minimizing risks that may impact adversely on the business objectives of the Company, monitor the loan portfolio along with risks associated with it and reviewing the appointment, removal and terms of remuneration of the Chief Risk Officer.</p>
4.	IT Strategy Committee	<p>The Committee is constituted as required under Paragraph 6 of Master Direction on Information Technology Governance, Risk, Controls and Assurance Practices dated November 7, 2023, as amended and undertakes all matters prescribed for its working therein.</p> <p>The major terms of reference of IT Strategy Committee, inter alia, includes approving IT strategy and policy documents, to ensure that management has an effective strategic planning process, to ensure that IT strategy is aligned with business strategy, oversight of Information Security Committee and IT Steering Committee, assessing and managing IT and cybersecurity risks and review adequacy and</p>

		effectiveness of the Business Continuity Planning and Disaster Recovery Management etc.
5.	Asset Liability Committee	<p>The Committee is constituted as required under Annex VI of Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 as amended and undertakes all matters prescribed for its working therein.</p> <p>The major terms of reference of Asset Liability Committee, inter alia, includes responsible for ensuring adherence to the limits set by Board as well as for deciding the Business strategy of the Company, on the assets and liabilities side, in line with the Company's budget and decided risk management objectives. Monitoring of rolling forecasts of the Company liquidity position, maturities of the financial assets and cash / cash equivalents, managing market risks, funding and capital planning, profit planning and growth projection forecasting and to analyse 'What if scenario' and preparation of contingency plans, behavioural analysis of the pre-payments of loan assets, formulating Interest rate policy and its framework and maintaining liquidity management.</p>
6.	Corporate Social Responsibility Committee	<p>The Committee is constituted as required under Section 135 of the Act and undertakes all matters prescribed for its working therein.</p> <p>The major terms of reference of Corporate Social Responsibility Committee includes reviewing the CSR Policy and associated frameworks and make appropriate recommendations to the Board, identification of the areas of CSR activities and recommend the amount of expenditure to be incurred, monitoring and ensuring implementation of the projects / programs / activities proposed to be undertaken by the Company, collaborate with such other agency for implementing programs and executing initiatives as per CSR Policy and shall review the performance of such other agency periodically.</p>
7.	Stakeholders Relationship Committee	<p>The Committee is constituted as required under Section 178 of the Act and undertakes all matters prescribed for its working therein.</p> <p>The major terms of reference of Stakeholders Relationship Committee includes resolving the grievances of the security holders, review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent, review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends, timely payment of dividend/ annual reports/statutory notices to the shareholders, ensuring timely payment of interest /annual reports/statutory notices to the debenture holder and to ensure timely redemption of Bonds/debentures of the Company.</p>
8.	Customer Service Committee	The Committee is constituted as required under Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 read with Master Direction -

		<p>Reserve Bank of India (Internal Ombudsman for Regulated Entities) Directions, 2023 as amended and undertakes all matters prescribed for its working therein.</p> <p>The major terms of reference include functioning of the Customer Grievances redressal mechanism under the Fair Practice Code, review of the customer service policies, procedures and standards, grievance redressal including customer complaints and the nature of their resolution, review of awards under Ombudsman scheme and implementation of internal ombudsman policy.</p>
9.	Share Allotment Committee	<p>The Committee is constituted with the purpose to allot shares offered by the Company including allocation of shares under the Employee Stock Option Plan of the Company.</p> <p>The major terms of reference of Share Allotment Committee includes approving allotment of shares offered by the Company including allocation of shares under Protium Finance Employee Stock Option Plans (ESOP) of the Company, authorizing individuals to take necessary steps for allotment of shares including allotment on exercise of ESOPs and other allied activities, and to take on record the valuation reports issued for the allotment.</p>
10.	Review Committee of Wilful Defaulters	<p>The Committee is constituted as required under RBI Master Direction on Treatment of Willful Defaulters and Large Defaulters, dated July 30, 2024, and undertakes all matters prescribed for its working therein.</p> <p>The major terms of reference include reviewing the order passed by Identification Committee after considering written representation, if any forwarded by non-cooperative borrower(s) (Wilful Defaulters) and pass necessary orders upholding/rejecting the order passed by ERG Committee and to carry out such other duties or functions as may be delegated by the Board from time to time or required by the authority.</p>
11.	Information Security Committee	<p>The Committee is constituted as required under Paragraph 24(b) of RBI Master Direction on Information Technology Governance, Risk, Controls and Assurance Practices dated November 7, 2023, as amended and undertakes all matters prescribed for its working therein.</p> <p>The major terms of reference of Information Security Committee include developing information/ cyber security policies, implementation of policies, standards and procedures to ensure that all identified risks are managed within the Company's risk appetite, approving and monitoring information security projects and security awareness initiatives and reviewing cyber incidents, information systems audit observations, monitoring, and mitigation activities.</p>
12.	IT Steering Committee	<p>The Committee is constituted as required under Paragraph 7 of Master Direction on Information Technology Governance, Risk, Controls and Assurance Practices dated November 7, 2023, for the NBFC Sector and undertakes all matters prescribed for its working therein.</p>

		The major terms of reference of IT Steering Committee include assisting the ITSC in strategic IT planning, oversight of IT performance, and aligning IT activities with business needs, overseeing the processes put in place for business continuity and disaster recovery and ensuring implementation of a robust IT architecture meeting statutory and regulatory compliance.
13.	Identification Committee for Wilful Defaulter	<p>The Committee is constituted as required under as per RBI Master Direction on Treatment of Willful Defaulters and Large Defaulters, dated July 30, 2024, and undertakes all matters prescribed for its working therein.</p> <p>The major terms of reference of Identification Committee for Wilful Defaulter include examining the evidence of willful default and to make a proposal to the Review Committee for classification as a wilful defaulter.</p>
14.	Fraud Risk Management Committee	<p>The Committee is constituted as required under RBI Master Directions on Fraud Risk Management in Non-Banking Financial Companies (NBFCs) (including Housing Finance Companies), dated July 15, 2024 and undertakes all matters prescribed for its working therein.</p> <p>The major terms of reference of Fraud Risk Management Committee include overseeing the effectiveness of fraud risk management, reviewing and monitor cases of frauds, root cause analysis of the fraud and suggesting mitigating measures for strengthening the internal controls and risk management framework to minimize the incidence of frauds.</p>

2.1 Audit Committee

The Audit Committee met Four (4) times during the Financial Year under review on April 30, 2024, July 31, 2024, October 18, 2024, and January 25, 2025.

Sr. No.	Name of Director/Member	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of Committee		No. of shares held in the NBFC
				Held	Attended	
1	Mr. Parveen Kumar Gupta*	23.12.2021	Independent Director & Chairperson of Committee	4	4	18,564
2	Mr. Peeyush Misra	23.12.2021	Managing Director & CEO	4	4	0

3	Ms. Anuradha Rao	22.09.2023	Independent Director	4	3	0
4	Mr. Sitaram Kunte#	14.06.2024	Independent Director	3	3	0

* Appointed as the Chairperson of the Audit Committee w.e.f. June 14, 2024

Appointed as a member of the Audit Committee w.e.f. June 14, 2024

2.2 Nomination and Remuneration Committee

The Nomination and Remuneration Committee met twice (2) times during the Financial Year under review on April 30, 2024, and January 8, 2025.

Sr. No.	Name of Director/Member	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of Committee		No. of shares held in the NBFC
				Held	Attended	
1	Ms. Anuradha Rao*	22.09.2023	Independent Director & Chairperson of Committee	2	2	0
2	Mr. Peeyush Misra	23.12.2021	Managing Director & CEO	2	2	0
3	Mr. Parveen Kumar Gupta#	23.12.2021	Independent Director	1	1	18,564
4	Ms. Dakshita Das^	14.06.2024	Independent Director	1	1	0
5	Mr. Sitaram Kunte^	14.06.2024	Independent Director	1	1	0

* Appointed as the Chairperson of the Committee w.e.f. June 14, 2024

Resigned as the member of the Committee w.e.f. June 14, 2024

^ Appointed as a member of the Committee w.e.f. June 14, 2024

2.3 Risk Management Committee

The Risk Management Committee met four (4) times during the Financial Year under review on June 27, 2024, September 24, 2024, October 18, 2024, and January 25, 2025.

Sr. No.	Name of Director/Member	Member of Committee since	Capacity (i.e., Executive/ Non-	Number of Meetings of Committee		No. of shares held
				Held	Attended	

			Executive/ Chairman/ Promoter nominee/ Independent)			in the NBFC
1	Mr. Sitaram Kunte*	14.06.2024	Independent Director & Chairperson of Committee	4	4	0
2	Mr. Peeyush Misra	04.10.2021	Managing Director & CEO	4	4	0
3	Mr. Parveen Kumar Gupta	23.12.2021	Independent Director	4	4	18,564
4	Ms. Anuradha Rao#	22.09.2023	Independent Director	0	0	0

* Appointed as a member and Chairperson of the Committee w.e.f. June 14, 2024

Resigned as a member of the Committee w.e.f. June 14, 2024

2.4 IT Strategy Committee

The IT Strategy Committee met four (4) times during the Financial Year under review on June 28, 2024, September 25, 2024, December 17, 2024, and January 17, 2025.

Sr. No.	Name of Director/Member	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of Committee		No. of shares held in the NBFC
				Held	Attended	
1	Ms. Anuradha Rao*	30.04.2024	Independent Director & Chairperson of Committee	4	3	0
2	Mr. Peeyush Misra	23.12.2021	Managing Director & CEO	4	4	0
3	Mr. Parveen Kumar Gupta	22.09.2023	Independent Director	4	4	18,564
4	Mr. Padmanabhan Balasubramanian#	23.12.2021	Employee	0	0	3,66,156
5	Mr. Dhruvil Shah#	23.12.2021	Employee	0	0	29,284

6	Mr. Vivek Chhikara#	23.12.2021	Employee	0	0	0
7	Mr. Sitaram Kunte^	14.06.2024	Independent Director	4	4	0

* Appointed as a member of Committee w.e.f. April 30, 2024, and Chairperson w.e.f. June 14, 2024

Resigned as the member of Committee w.e.f. April 30, 2024

^ Appointed as a member of the Committee w.e.f. June 14, 2024

2.5 Asset Liability Committee

The Asset Liability Committee met Six (6) times during the Financial Year under review on April 26, 2024, May 25, 2024, July 29, 2024, October 16, 2024, January 22, 2025, and February 14, 2025.

Sr. No.	Name of Director/Member	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of Committee		No. of shares held in the NBFC
				Held	Attended	
1	Mr. Peeyush Misra	23.12.2021	Managing Director & CEO & Chairperson of Committee	6	5	0
2	Mr. Yatin Paliwal	23.12.2021	Employee	6	6	12,982
3	Mr. Padmanabhan Balasubramanian	23.12.2021	Employee	6	6	3,66,156
4	Mr. Amit Garg	23.12.2021	Employee	6	6	3,66,156
5	Mr. Amit Gupta	20.07.2023	Chief Financial Officer	6	6	52,711

Asset Liability Management (ALM) Support Group:

The ALM Support Group comprises of the following

- Mr. Yatin Paliwal – Deputy CFO
- Mr. Anand Agarwal – Director Treasury
- Mr. Jimit Shethwala – Director Treasury

2.6 Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee met twice (2) during the Financial Year under review on November 20, 2024, and December 19, 2024.

Sr. No.	Name of Director/Member	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of Committee		No. of shares held in the NBFC
				Held	Attended	
1	Ms. Anuradha Rao	28.10.2023	Independent Director	2	2	0
2	Mr. Peeyush Misra	28.10.2023	Managing Director & CEO	2	1	0
3	Mr. Parveen Kumar Gupta*	28.10.2023	Independent Director	0	0	18,564
4	Ms. Dakshita Das#	14.06.2024	Independent Director & Chairperson of Committee	2	2	0

* Resigned as the member of the Committee w.e.f. June 14, 2024

Appointed as a member and Chairperson of the Committee w.e.f. June 14, 2024

2.7 Stakeholders Relationship Committee

The Stakeholders Relationship Committee met once (1) during the Financial Year under review on April 30, 2024.

Sr. No.	Name of Director/Member	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of Committee		No. of shares held in the NBFC
				Held	Attended	
1	Ms. Anuradha Rao	20.01.2024	Independent Director	1	1	0
2	Mr. Peeyush Misra	20.01.2024	Managing Director & CEO	1	1	0
3	Mr. Parveen Kumar Gupta*	20.01.2024	Independent Director	1	1	18,564
4	Ms. Dakshita Das#	14.06.2024	Independent Director & Chairperson of Committee	0	0	0

* Resigned as the member of the Committee w.e.f. June 14, 2024

Appointed as a member and Chairperson of the Committee w.e.f. June 14, 2024

2.8 Customer Service Committee

Mr. S. Kalyanram was appointed as Internal Ombudsman of the Company in terms of Master Direction issued by Reserve Bank of India. The Customer Service Committee met thrice (3) during the Financial Year under review on June 28, 2024, October 10, 2024, and January 8, 2025.

Sr. No.	Name of Director/Member	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of Committee		No. of shares held in the NBFC
				Held	Attended	
1	Ms. Dakshita Das*	30.04.2024	Independent Director & Chairperson of Committee	3	3	0
2	Mr. Peeyush Misra	30.04.2024	Managing Director & CEO	3	3	0
3	Mr. Sitaram Kunte	30.04.2024	Independent Director	3	3	0
4	Mr. Parveen Kumar Gupta#	14.06.2024	Independent Director	3	3	18,564

* Appointed as Chairperson of the Committee w.e.f. June 14, 2024

Appointed as a member of the Committee w.e.f. June 14, 2024

2.9 Share Allotment Committee

The Share Allotment Committee met once (1) during the Financial Year under review on December 11, 2024.

Sr. No.	Name of Director/Member	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of Committee		No. of shares held in the NBFC
				Held	Attended	
1	Mr. Peeyush Misra	18.10.2024	Managing Director & CEO & Chairperson of Committee	1	1	0

2	Mr. Parveen Kumar Gupta	18.10.2024	Independent Director	1	1	18,564
3	Mr. Sitaram Kunte	18.10.2024	Independent Director	1	1	0

2.10 Review Committee of Wilful Defaulters

The Review Committee of Wilful Defaulters did not meet during the Financial Year under review.

Sr. No.	Name of Director/Member	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of Committee		No. of shares held in the NBFC
				Held	Attended	
1	Mr. Peeyush Misra	18.10.2024	Managing Director & CEO	0	0	0
2	Ms. Dakshita Das	18.10.2024	Independent Director	0	0	0
3	Ms. Anuradha Rao	18.10.2024	Independent Director	0	0	0

2.11 Information Security Committee

The Information Security Committee met four (4) times during the Financial Year under review on April 16, 2024, August 30, 2024, November 14, 2024, and January 13, 2025.

Sr. No.	Name of Director/Member	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of Committee	
				Held	Attended
1	Mr. Padmanabhan Balasubramanian	31.03.2024	Employee	4	4
2	Mr. Dhruvil Shah	31.03.2024	Employee	4	4
3	Mr. Pranay Pingle	31.03.2024	Employee	4	2
4	Mr. Ravi Bharti	31.03.2024	Employee	4	4
5	Mr. Vivek Chhikara	31.03.2024	Employee	4	4

2.12 IT Steering Committee

The IT Steering Committee met four (4) times during the Financial Year under review on April 17, 2024, August 29, 2024, November 15, 2024, and January 13, 2025.

Sr. No.	Name of Director/Member	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of Committee	
				Held	Attended
1	Mr. Amit Garg	31.03.2024	Employee	4	4
2	Mr. Yogendra Singh	31.03.2024	Employee	4	4
3	Mr. Vivek Chhikara	31.03.2024	Employee	4	4

2.13 Identification Committee for Wilful Defaulter

The Identification Committee for Wilful Defaulter met twice (2) during the Financial Year under review on January 22, 2025, and February 14, 2025.

Sr. No.	Name of Director/Member	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of Committee	
				Held	Attended
1	Mr. Amit Garg	18.10.2024	Employee	2	2
2	Mr. Yogendra Singh	18.10.2024	Employee	2	2
3	Mr. Vivek Chhikara	18.10.2024	Employee	2	2

2.14 Fraud Risk Management Committee

The Fraud Risk Management Committee met once (1) during the Financial Year under review on January 21, 2025.

Sr. No.	Name of Director/Member	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of Committee	
				Held	Attended
1	Mr. Peeyush Misra	18.10.2024	Managing Director & CEO	1	1

2	Mr. Yogendra Singh	18.10.2024	Employee	1	1
3	Mr. Padmanabhan Balasubramanian	18.10.2024	Employee	1	1
4	Mr. Amit Garg	18.10.2024	Employee	1	1
5	Mr. Amit Gupta	18.10.2024	Chief Financial Officer	1	0

3. Details of General Board Meetings

During the Financial year under review, the Company held 1(one) Annual General Meeting. The details are as under:

Sr. no	Type of Meeting (Annual/ Extra Ordinary)	Date and Place	Resolutions passed
1	Annual General Meeting	August 31, 2024, at the Registered Office at 7 th Floor, Block B2, Phase 1 Nirlon Knowledge Park, Pahadi Village, Off. Western Express Highway, Cama Industrial Estate, Goregaon East, Mumbai - 400063	<p>Ordinary resolution was passed for the following:</p> <ol style="list-style-type: none"> 1. Adoption of Annual Financial Statements (Standalone and Consolidated) for the Financial Year 2023-24 and the Reports of the Board of Directors and Auditors 2. Appointment of M/s. S.R. Batliboi & Associates LLP, Chartered Accountants, [FRN No.: 101049W/E300004] as the Statutory Auditors of the Company 3. To Appoint a Director in place of Mr. Peeyush Misra (DIN: 08422699), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013, and being eligible, has offered himself for re-appointment. <p>Special Resolution was passed for the following:</p> <ol style="list-style-type: none"> 4. Appointment of Ms. Dakshita Das (DIN: 07662681) as an Independent Director of the Company 5. Appointment of Mr. Sitaram Kunte (DIN: 02670899) as an Independent Director of the Company

			<p>6. To Approve Borrowing under section 180(1)(c) of the Companies Act, 2013</p> <p>7. Transfer of Loan exposure and / or Creation of charge on the Company's assets, both present and future, to / in favour of lenders</p> <p>8. To approve limits under Section 180(1)(a) for Direct Assignment and Co-lending</p> <p>9. Commission to Non-Executive Independent Directors of the Company</p>
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4. Details of Non-compliance with the requirements of the Companies Act, 2013

The Company has complied with the requirements of Companies Act, 2013, including with respect to compliance with accounting and applicable secretarial standards and there being no default in this connection.

5. Details of Penalties and Strictures

There were no penalties or stricture imposed on the Company by the Reserve Bank or any other statutory authority or regulator.

6. Breach of covenant

The details of breach of covenant during the financial year for the loans are availed or debt securities issued are disclosed in Note No 50(g) of the Standalone Financial Statements of the Company.

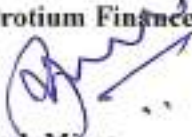
7. Divergence in Asset Classification and Provisioning

The details of divergence in asset classification and provisioning during the financial year are disclosed in Note No 50(h) of the Standalone Financial Statements of the Company.

8. Disclosure pursuant to Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023

Your Company does not lend against collateral of bullion/primary gold/gold coins or for purchase of gold in any form during the financial year 2024-25.

On behalf of the Board of Directors
For Protium Finance Limited



Peeyush Misra
Chairperson of Board
DIN: 08422699

Date: August 14, 2025
Place: Lonavala

ANNEXURE – IV TO BOARD'S REPORT

SECRETARIAL AUDIT REPORT



MAKS & CO.

Company Secretaries

FRN: P2018UP067700

O: 316, Wave Silver Tower, Sector 18, Noida – 201301

E: services@forecoreprofessionals.com

D: +120 120 3175033

MR-3

Secretarial Audit Report

For the Financial Period 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,

Protium Finance Limited

Regd. Office: 7th Floor, Block B2, Phase-I Nirlon Knowledge Park,
Pahadi Village, Off. Western Express Highway, Cama Industrial Estate,
Goregaon East, Maharashtra – 400 063
[CIN: U65999MH2019PLC323293]

We, M/s. MAKS & CO., Company Secretaries [FRN: P2018UP067700] have conducted secretarial audit of the compliance of applicable statutory provisions and adherence to corporate governance practices by Protium Finance Limited [hereinafter referred as '**the Company**'] for financial year ended March 31, 2025 ("**Audit Period**"). The 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.

Limitation of the Auditors

- (i) Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period, complied with the statutory provisions listed hereunder; and
- (ii) Based on the confirmation and explanation wherever required by us, the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

Auditors Responsibility

- (i) Our responsibility is to express the opinion on the compliance with the applicable laws, as per prescribed format, and maintenance of records based on audit. We conducted our audit in accordance with the Guidance Note on Secretarial Audit ("**Guidance Note**") and Auditing Standards issued by the Institute of Company Secretaries of India ("**ICSI**"). The Guidance Note and Auditing Standards require that we comply with statutory and regulatory requirements and also that we plan and perform the audit so as to obtain reasonable assurance about compliance with applicable laws and maintenance of records.
- (ii) Due to the inherent limitations of an audit including internal, financial and operating controls, there is an unavoidable risk that some misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the Standards.
- (iii) 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 Board processes and compliance-mechanism.

The Members are requested to read Secretarial Audit Report ("**Report**") along with our letter dated July 23, 2025 enclosed herewith to this Report as **Annexure – A**.

- I. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial period ended on March 31, 2025 according to the applicable provisions of:
 - i) The Companies Act, 2013 (the 'Act') and the Rules made thereunder read with notification issued by Ministry of Corporate Affairs ("**MCA**");
 - ii) The Securities Contracts (Regulation) Act, 1956 ('**SCRA**') and the Rules made thereunder;
 - iii) The Depositories Act, 1996 and the regulations and byelaws 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, as applicable;
 - v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992:
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (Not applicable to the Company during the audit period);
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (Not applicable to the Company during the audit period);
 - d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (Not applicable to the Company during the audit period);

- e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
 - f) The Securities and Exchange Board of India (Registrars to an issue and share transfer agents) Regulations, 1993 regarding the Companies Act and dealing with clients (Not applicable since the Company is not registered as Registrar to Issue and Share Transfer Agent 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);
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (Not applicable to the Company during the audit period); and
 - i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- vi) Based upon the Management Representation wherever required from the Company, its officers, and compliance reports from the management for systems and mechanism framed by the Company and on examination of the relevant documents and records in pursuance thereof on test-check basis, 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 the following pertinent laws, rules, regulations and guidelines as specifically applicable to the Company: -
- a) The Reserve Bank of India Act, 1934; and
 - b) Master Direction – Reserve Bank of India (Non-Banking Financial Company– Scale Based Regulation) Directions, 2023.

2. 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 (hereinafter referred as 'Secretarial Standards'); and
- ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Listing Agreements entered by the Company with BSE Limited.

3. During the period under review, to the best of our knowledge and belief and according to the information and explanations given to us, the Company has been regular in compliance with the provisions of the Acts, Rules, Regulations and Secretarial Standards and other applicable laws including labour and environmental laws, as applicable to it.

4. We further report that compliance of applicable financial laws including direct and indirect tax laws and maintenance of financial records and books of accounts by the Company has not been reviewed in this audit since the same has been subject to review by the Statutory Auditors and other designated professionals.

5. We further report that:

- i) The Board of Directors of the Company is duly constituted with Executive Directors, Non-Executive Directors and Independent Directors including Women Directors. Further, the changes in the composition of the Board of Directors that took place during the period under review was carried out in compliance with the provisions of the Act.
- ii) Adequate notice is given to all directors to schedule the Board and Committee Meetings. Notice and Agenda with notes to Agenda of Board and Committee Meetings was sent at least seven days in advance of the meeting except in certain cases where meeting was held at shorter notice and a system exists for directors to seek and obtain further information and clarifications on the agenda items before the meetings and for their meaningful participation at the meetings.
- iii) Decisions of Board/Committee were carried through majority. We have been informed that there were no dissenting members' views on any of the matters during the year that were required to be captured and recorded as part of the minutes.
- iv) 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.
- v) We further report that during the period covered under the Audit, the Company has no specific actions having bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines etc.

For M/s. MAKS & CO.,
Company Secretaries
[FRN P2018UP067700]
Peer View No.: 2064/2024

Sd/-
Ankush Agarwal
Partner
Membership No.: F9719
COP No.: 14486
UDIN: F009719G000844993

Date: 23-07-2025
Place: Noida, U.P.

Annexure –A to Secretarial Audit Report dated July 23, 2025

To,

The Members,

Protium Finance Limited

Regd. Office: Nirlon Knowledge Park (NKP) B6,

2nd Floor, Pahadi Village, Off. Western Express Highway,

Goregaon (E), Mumbai, Maharashtra – 400 063

[CIN: U65999MH2019PLC323293]

The Secretarial Audit Report dated July 23, 2025 is to be read with this Letter.

1. The compliance of provisions of all laws, rules, regulations and standards applicable to **Protium Finance Limited** (Erstwhile Growth Source Financial Technologies Limited) [hereinafter referred as '**the Company**'] is the responsibility of the management of the Company. Our examination was limited to the verification of records and procedures on test check basis for the purpose of issue of the Secretarial Audit Report.
2. Maintenance of secretarial and other records of applicable laws is the responsibility of the management of the Company. Our responsibility is to issue Secretarial Audit Report, based on the audit of the relevant records maintained and furnished to us by the Company, along with explanations where so required.
3. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices followed provide a reasonable basis for the purpose of issue of the Secretarial Audit Report.
4. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company as it is taken care in the statutory audit process.
5. We have obtained the management's representation about the compliance of laws, rules and regulations and happening of events, wherever required.
6. This 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 M/s. **MAKS & CO.,**

Company Secretaries

[FRN P2018UP067700]

Peer View No.: 2064/2024

Sd/-

Ankush Agarwal

Partner

Membership No.: F9719

COP No.: 14486

UDIN: F009719G000844993

Date: 23-07-2025

Place: Noida, U.P.

ANNEXURE – V TO BOARD'S REPORT

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 fourth proviso thereto.

Name of the Company: Protium Finance Limited

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

Number of contracts or arrangements or transactions not at arm's length basis: NIL

Block-1	Nil
Corporate identity number (CIN) or foreign company registration number (FCRN) or Limited Liability Partnership number (LLPIN) or Foreign Limited Liability Partnership number (FLLPIN) or Permanent Account Number (PAN)/Passport for individuals or any other registration number	
Name(s) of the related party	
Nature of relationship	
Nature of contracts/ arrangements/ transactions	
Duration of the contracts / arrangements/ transactions	
Salient terms of the contracts or arrangements or transactions including actual / expected contractual amount	
Justification for entering into such contracts or arrangements or transactions	
Date of approval by the Board (DD/MM/YYYY)	
Amount paid as advances, if any	
Date on which the resolution was passed in general meeting as required under first proviso to section 188 (DD/MM/YYYY)	
SRN of MGT-14	

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

Number of material contracts or arrangements or transactions at arm's length basis: 5

Block - 1		
Corporate identity number (CIN) or foreign company registration number (FCRN) or Limited Liability Partnership number (LLPIN) or Foreign Limited Liability Partnership number (FLLPIN) or Permanent Account Number (PAN)/Passport for individuals or any other registration number	U72900MH2021PTC356128	U72900MH2021PTC356128
Name(s) of the related party and nature of relationship:	Protium Business Services Private limited – Subsidiary Company	Protium Business Services Private limited – Subsidiary Company
Nature of contracts/arrangements/transactions:	Sourcing Service Provider	Sharing of cost of all operation and maintenance of common amenities and common services including the infrastructure and manpower cost
Duration of the contracts / arrangements/transactions:	Since 2021 and renewed on October 18, 2024	Effective from April 1, 2024
Salient terms of the contracts or arrangements or transactions including actual / expected contractual amount	Total value of transactions during FY25 is INR 2646.21 lakhs	Total value of transactions during FY25 is INR 1413.33 lakhs
Date(s) of approval by the Board, if any:	April 28, 2021	July 31, 2024
Amount paid as advances, if any:	N.A.	N.A.

Block – 2		
Corporate identity number (CIN) or foreign company registration number (FCRN) or Limited Liability Partnership	U72900MH2021PTC356128	U62099KA2023PTC171573
Name(s) of the related party and nature of relationship:	Protium Business Services Private limited – Subsidiary Company	Shibui Technologies Private Limited – Subsidiary Company
Nature of contracts/arrangements/transactions:	Loan cum Facility Agreement	Software License Distribution Agreement
Duration of the contracts / arrangements/transactions:	Repayable on demand with renewal every year	Ongoing
Salient terms of the contracts or arrangements or transactions including actual / expected contractual amount	<p>Loan of INR 5 crores</p> <p>Total Loan outstanding – INR 351.64 lakhs</p> <p>Interest Income on a/c of Loan – INR 7.81 lakhs</p>	As per the agreement between the parties

Date(s) of approval by the Board, if any:	December 29, 2024	July 20, 2023
Amount paid as advances, if any:	N.A.	N.A.

Block 3	
Corporate identity number (CIN) or foreign company registration number (FCRN) or Limited Liability Partnership	U62099KA2023PTC171573
Name(s) of the related party and nature of relationship:	Shibui Technologies Private Limited – Subsidiary Company
Nature of contracts/arrangements/transactions:	Loan cum Facility Agreement
Duration of the contracts / arrangements/transactions:	Repayable on demand with renewal every year
Salient terms of the contracts or arrangements or transactions including actual / expected contractual amount	<p>Loan INR 1 crore</p> <p>Total Loan outstanding – INR 10.30 lakhs</p> <p>Interest Income on a/c of Loan – INR 1.10 lakhs</p>
Date(s) of approval by the Board, if any:	July 31, 2024
Amount paid as advances, if any:	N.A.

**On behalf of the Board of Directors
For Protium Finance Limited**

Peeyush Misra
Chairperson of Board
DIN: 08422699

Date: August 14, 2025
Place: Lonavala

ANNEXURE – VI TO BOARD'S REPORT

Annual Report on Corporate Social Responsibility (CSR) activities for the financial year 2024-25:

The amounts in this annexure is in Indian Rupees

1. Brief outline on CSR Policy of the Company

The Company through its corporate social responsibility ("CSR") activities intends to participate in the overall development of the society and encourage alignment with Social Development Goals (SDGs) related to gender sensitivity, skill enhancement, entrepreneurship development, research in education, Hygiene & Water etc. The policy lays down the guidelines and mechanism for undertaking socially useful programs for welfare and sustainable development of the community at large. The Company's CSR policy has been framed in accordance with Section 135 of the Companies Act, 2013 and the rules framed thereunder. This Policy covers all the internal dimensions of the CSR structure and further captures and sets out the process of implementation of the CSR related activities.

The Company shall undertake specific CSR projects and programmes, as approved from time to time by the Board in its capacity as the CSR Committee of the Company, within the objects set out under Schedule VII of the Companies Act, 2013.

2. Composition of CSR Committee

Sl. No.	Name of the Director	Designation / Nature of Directorship	Number of Meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Ms. Dakshita Das	Chairperson	2	2
2.	Ms. Anuradha Rao	Member	2	2
3.	Ms. Peeyush Misra	Member	2	1

3. Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company

- Composition of CSR committee: <https://protium.co.in/regulatory-disclosure/>
- CSR Policy: <https://protium.co.in/wp-content/uploads/2023/02/Corporate-Social-Responsibility-Policy.pdf>
- CSR projects: <https://protium.co.in/csr/>

4. Executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable

Not Applicable

5. (a) Average Net profit of the Company as per Section 135(5): INR 873,048,772
 (b) Two percent of average net profit of the company as per Section 135(5): INR 17,460,976
 (c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil
 (d) Amount required to be set off for the financial year, if any: INR 8,92,000
 (e) Total CSR obligation for the financial year [(b)+(c)-(d)]: INR 17,460,976
6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): INR 183,54,342/-
 (b) Amount spent in Administrative Overheads: Nil
 (c) Amount spent on Impact Assessment, if applicable: Not Applicable
 (d) Total amount spent for the Financial Year (a+b+c): INR 183,54,342/-
- (e) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
INR 183,54,342/-	Nil	Nil	Not Applicable		

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

Sl. No.	Particular	Amount (in Rs.)
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	INR 17,460,976/-
(ii)	Total amount spent for the Financial Year	INR 183,54,342/-
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	INR 8,93,366/-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	Nil
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	INR 8,92,000/-

7. Details of Unspent CSR amount for the preceding three financial years: Not Applicable

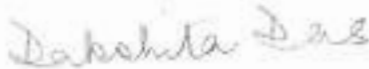
8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No

9. 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

On behalf of the Board of Directors
For Protium Finance Limited



Peeyush Misra
Chairperson of Board
Managing Director & CEO
DIN: 08422699



Dakshita Das
Chairperson of the CSR Committee
DIN: 07662681

Date: August 14, 2025
Place: Lonavala

ANNEXURE VII - TO BOARD'S REPORT

MANAGEMENT DISCUSSION AND ANALYSIS

Protium Finance Limited (PFL) is registered as a Non-Banking Financial Company without accepting or holding public deposits, as defined under Section 45-IA of the Reserve Bank of India Act, 1934 as applicable and is classified as middle layer NBFC based on scale-based regulation. The Company has a diversified lending portfolio across various sectors including MSME Business Loans, Educational Institutional Finance, Machinery and Equipment Finance.

Protium has two wholly owned subsidiaries:

- i. Protium Business Services Private Limited
- ii. Shibui Technologies Private Limited

I. Economic Overview

World Economic Overview:

The International Monetary Fund's January 2025 update paints a picture of a global economy that is steady but underwhelming. Global growth is projected to remain at 3.3 percent in both 2025 and 2026—below the historical average of 3.7 percent. While the overall forecast is largely unchanged from October 2024, this stability masks significant divergence across countries. Inflation is expected to decline to 4.2 percent in 2025 and 3.5 percent in 2026, with advanced economies returning to target levels faster than emerging and developing nations.

Risks to the global outlook are varied and complex. In the short term, Most of the economies face downside risks due to elevated policy uncertainty, trade tensions, and geopolitical instability. Over the medium term, risks are tilted to the downside globally. Disruptions in the disinflation process, fiscal imbalances, and financial instability could derail progress, especially if policy responses are misaligned or delayed.

The forces shaping this outlook are multifaceted. The U.S. economy continues to outperform, with growth projected at 2.7 percent in 2025, driven by strong consumption and investment. China's growth, revised slightly upward to 4.6 percent, remains below expectations due to weak consumer confidence and a sluggish property market. India stands out with solid growth of 6.5 percent, consistent with its potential. Meanwhile, the euro area and Japan are grappling with weak manufacturing and exports, although consumption is beginning to recover. Emerging markets show mixed performance, with some regions improving and others slowing down.

Looking ahead, the global economy faces a precarious path. Protectionist policies, such as new tariffs, could disrupt trade flows and investment, hurting growth across regions. The reciprocal tariff regime announced by the US and the levy of retaliatory tariffs announced by China and some other countries is likely to have a dampening effect on the volume of global trade and output. Imports into the US may be lower. Any increase in US output may take much longer and the volume of exports in the export-dependent countries may go down. These changes may lead to a slowdown in global growth.

The IMF (April 2025) has projected a significant global growth slowdown with the projected growth for 2025 revised downwards to 2.8% from its January 2025 forecast of 3.3%. This is attributed by the IMF primarily to the direct effects of the new trade measures and their indirect effects through trade linkage spillovers, heightened uncertainty, and deteriorating sentiment.

India's Economic Performance:

India's robust economic growth in the first quarter of FY25 has propelled it to become the fifth-largest economy, surpassing the UK. 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.

According to the provisional 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 6.5%. Real GDP is estimated to attain a level of ₹187.97 lakh crore in FY 2024-25, registering a growth rate of 6.5%. Nominal GDP is estimated to attain a level of ₹330.68 lakh crore in the FY 2024-25, against ₹301.23 lakh crore in FY 2023-24, showing a growth rate of 9.8%. Private Final Consumption Expenditure (PFCE) has reported 7.2% growth rate during FY 2024-25 as compared to 5.6% growth rate in the previous financial year, supported by a rebound in rural demand.

A global economic slowdown may negatively impact India's overall exports of goods and services, which account for 22% of its GDP. However, a decrease in goods imports to India may mitigate this impact. The effects may be mitigated by improved private investment with lower interest rates and continued prioritization of infrastructure investment by the government. During its monetary policy review on April 2025, the RBI lowered the repo rate by 25 basis points, to 6%, for the second consecutive time. Further, the RBI lowered the repo rate by 50 basis points to 5.5% in June 2025. Additionally, the RBI has shifted from a neutral to an accommodating position in April 2025 and again shifted back to neutral in June 2025. CPI inflation is predicted to stay at 4% or lower in FY26 after dropping to a 67-month low of 3.3% in March 2025. CPI inflation may be kept within the parameters of the monetary policy target thanks to the decline in global crude prices.

Role of NBFCs in India's Financial Ecosystem:

NBFCs have emerged as a crucial component of India's financial ecosystem over the past two decades. With exposure to both banking and capital markets, they have become an important source of credit for low-income households and businesses that lack collateral or sufficient credit profiles for bank credit. Through a vast network of branches, digitalization, and innovative solutions, NBFCs have expanded their presence among MSMEs and consumers, particularly in financing businesses, vehicles, housing, and gold. The transformative shift in India's financial services landscape over recent years, driven by digital innovations such as neo banking, digital authentication, the proliferation of the Unified Payments Interface (UPI), and rising mobile internet usage, has redefined the dynamics of financial services, particularly credit. This modularization of financial services has empowered NBFCs to design and deliver specialized, accessible financial products to a broader customer base, improving both reach and relevance. Overall, NBFC credit stood at about Rs. 52 trillion in December 2024 and it is set to exceed Rs. 60 trillion in FY2026. Within this, the retail assets, which accounted for 58% of the overall NBFC credit in December 2024, have been the key growth drivers, while other wholesale and infrastructure credit expanded at a stable rate of 10-12% during FY2023-FY2025.

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, categorizing 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.

MSME Sector: Backbone of India's Development Story:

The MSME sector has been a major driver of India's development, contributing significantly to the country's rise as the world's fifth-largest economy. These enterprises employ millions of people and export billions of Make in India products, elevating their role in the Indian economy over the years. With the current transformation in global supply chain networks, MSMEs are set to play a pivotal role in achieving India's goal of becoming an economically self-reliant country under the 'Aatmanirbhar Bharat' initiative. MSME are contributing ~30% to India's GDP, responsible for approximately 50% of countries exports and employing 62% employment in India. Hence, it is crucial to improve MSMEs' access to finance and explore innovative solutions to unlock sources of capital.

Formalization of the MSME Sector:

Regulatory policies and the creation of a public digital infrastructure are pivotal in increasing the formalization of the MSME sector in India. Reforms such as UDYAM registration, GST, e-invoicing, and GeM, along with schemes like ECLGS, PMMY, and CGTMSE, have been undertaken by the Government of India and the RBI to enhance formalization and improve the health of MSMEs. Additionally, the development of a digital stack for MSMEs, comprising Udyog Aadhaar Memorandum (UAM), Account Aggregator (AA), and Open Credit Enablement Network (OCEN), is expected to reduce sourcing costs and improve loan sanction turnaround time. India's Micro, Small, and Medium Enterprises (MSME) sector grew significantly in FY 25, with 6.60 crore MSMEs registered on the Udyam Registration Portal and Udyam Assist Platform, employing 28.64 crore people. The industry contributed 6.11% of India's manufacturing GDP and 24.63% of the GDP from services.

NBFCs: Driving Credit to Unbanked Pockets:

NBFCs have been instrumental in channeling credit to the MSME sector, especially in the vast unbanked regions of the country. With an extensive distribution network and adoption of digital processes, technology-driven data analytics, and unconventional credit underwriting practices, NBFCs have effectively catered to the needs of small businesses. They have introduced personalized products based on the risk profiles and demands of different MSME segments and have forged partnerships with fintech players, banks, and alternative lenders to extend credit and bundled products for businesses. While banks continue to dominate term loan provisions, NBFCs have taken the lead in providing unsecured loans 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.

2. Company Overview

We have witnessed significant growth in recent years, not only in numbers but also in our product offerings. Our tailor-made and flexible financial products cater to the right people at the right time. Protium, born during the COVID-19 period, enjoys the advantage of an insignificant pre-COVID portfolio. Demonstrating our commitment to operational excellence, engineering principles are ingrained extensively across all facets and processes of lending within Protium. Furthermore, our strength is further fortified by a seasoned and accomplished leadership team, possessing profound expertise in the specific segments we serve.

Currently, the Company's physical presence spans over 104 branches in 82 cities across 19 states and UT. The Company focuses broadly on following categories:

- (i) SME Lending.
 - a. Loan against property
 - b. Unsecured business loan
- (ii) Machinery and Equipment Finance,
- (iii) Educational Institutional Finance,
- (iv) Consumer Lending

The Company has continued to focus on diversifying its products and expanded its distribution while augmenting its digital infrastructure and offerings to effectively deliver credit solutions to its market.

The Company recorded 30.98% of growth in Loans and Advances. Whereas loan disbursement showed 10.44% growth during the year. The Company posted total income and net profit of INR 1,075.61 Crores and INR 171.24 Crores, respectively, for the financial year ended March 31, 2025, as against INR 727.63 Crores and INR 116.75 Crores respectively, in the previous financial year. The total income and profit before tax has increased by 41.99% and 42.55% respectively for the Financial Year ended as on March 31, 2025, compared to previous financials.

The Company's business model continues to generate healthy pre-impairment operating profits enabling it to withstand higher credit costs in times of stress. The capital-to-risk weighted asset ratio (CRAR) is 45.68% as on 31 March 2025.

The Company also undertakes lending under co-lending model with banks. Further, the Company has also assigned the pool of certain loans by way of direct assignment transaction during the year. The total principal outstanding of the loans transferred through assignment during the year was 866.46 Crores in FY2024-25 against 389.17 Crores in previous year. During the year ended March 31, 2025, the Company transferred loans amounting to Rs. 1401.15 Crores through co-lending arrangements to the respective participating banks.

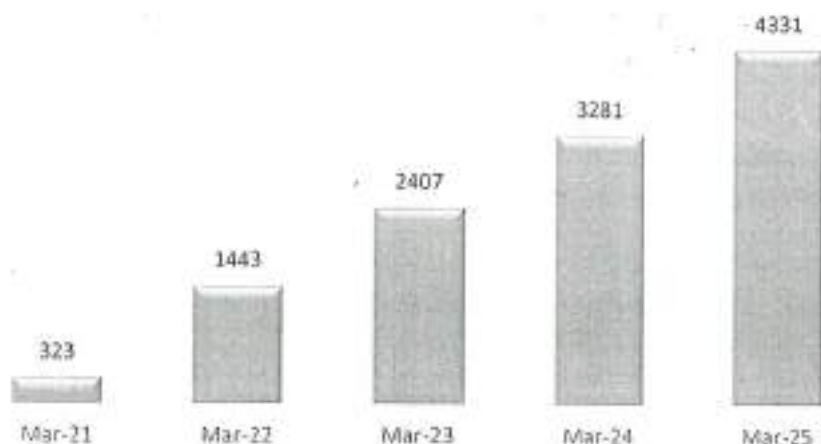
The performance highlights for FY2025 are given below:

The Company has maintained a healthy capital adequacy ratio over the years, well above the levels directed by the RBI. As of 31st March 2025, the overall capital adequacy ratio of the Company was 45.68%. The Company had total borrowings of INR 3,801.88 Crores as on 31 March 2025. All the Company's borrowings are collateralized borrowings (secured against a pool of loan assets) except FD/OD facilities.

Key Parameters:

- Customers base was at **5.36 Lakhs** as on 31 March 2025
- Total income increased by **41.99%**
- Profit before tax increased by **42.55%**
- Profit after tax increased by **46.67%**
- Total Assets increased by **25.64%**
- Gross NPA was at **2.41%** as on 31 March 2025
- Net NPA was at **1.51%** as on 31 March 2025
- Provision coverage ratio on NPA accounts was at **37.99%** and the Total provisions as a % of Gross NPA was **91.53%** as on 31 March 2025
- Leverage of the company is at **1.54** as on 31 March 2025
- **65.09%** of the Company's loan and advances are secured

Gross loans and advances



Technology

Protium's steadfast dedication to technological innovation has enabled improved flexibility and process effectiveness. Technological innovation has always been a key part of Protium's journey, consistently leading to faster customer growth, enhanced customer satisfaction, and simplified back-office processes. The Company's digital capabilities have been crucial in ensuring smooth operations, supporting its people, fulfilling customer needs, and providing uninterrupted business continuity.

Risk Management

To cope with competitive business scenarios involving assets and liabilities, the Company, Protium, maintains a healthy balance between spreads, profitability, and long-term sustainability. Structured actions are taken to manage risks related to asset and liabilities maturity, including credit risk, interest rate risk, liquidity risk, and operational risk. Protium's clear risk governance structure facilitates regular reviews and close supervision, ensuring a responsible business approach. Advanced risk management capabilities are strategically developed, covering risk management principles, policies, strategies, processes, and controls. The Company remains well-prepared for continued growth while complying with RBI's scale-based regulation for NBFCs.

Credit risk: Credit risk is reduced by accurately evaluating borrowers' creditworthiness, using data science and technology capabilities to assess repayment ability, credit history, and relevant factors. Collateral is used to reduce credit risk for financial assets with longer durations.

Liquidity risk: Liquidity risk is carefully monitored, ensuring timely payment obligations and cost-effective management. Protium's strong liquidity management framework ensures adequate liquidity to meet debt service obligations and balance sheet expansion.

Interest rate risk: Interest rate risk is managed with sensitivity analysis on fixed and floating rate assets and liabilities with different maturity profiles. Various factors, such as maturities profile, pricing of borrowings, and macro-economic developments, affect changes in interest rates.

Operational risk: Operational risk, inherent in business activities, is efficiently managed through identification and definition of Key Risk Indicators (KRI)/Key Performance Indicators (KPI). Action plans are formulated based on observed trends, and root cause analysis guides corrective actions for internal processes, systems, and external events.

3. *Asset Liability Management (ALM)*

The Company employs a highly effective risk management system that comprehensively addresses the issues inter-alia, related to interest rate and liquidity risks. Business decisions are governed by a dynamic and integrated risk management process aligned with corporate strategy.

Asset Liability Management (ALM) is seamlessly integrated into the Company's financial management process. This strategic balance sheet management encompasses risks stemming from fluctuations in interest rates, exchange rates, and liquidity positions. Risks are assessed and the asset-liability portfolio is dynamically adjusted to effectively manage potential exposures.

The scope of ALM function can be described as follows:

1. Liquidity risk management
2. Interest Rate risk management
3. Funding and Capital Planning
4. Forecasting and analyzing 'What if' scenario and preparation of contingency plans

4. *Internal Control System*

Internal financial control over financial reporting refers to the policies and procedures of a company that:

Ensure that the records are maintained in a reasonable manner, reflecting the transactions and dispositions of the company's assets accurately and fairly.

Provide reasonable assurance that transactions are recorded as required to allow preparation of financial statement in accordance with accounting principles, and that the company's receipts and expenditures are authorized by the management and director of the company.

Provide reasonable assurance about preventing or detecting unauthorized acquisition, use or disposition of the company's assets that could affect the financial statement significantly.

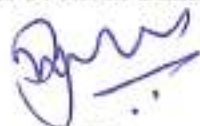
The Company has a strong policy framework for enforcing strict control over business processes and protecting all assets. The Company enhanced controls, revised policies, and improved technology systems to address identified control deficiencies. These actions ensure full compliance with laws and regulations, reliability in financial reporting, and effective management information.

The internal audit function audits key areas based on audit plans, approved by the Audit Committee after risk evaluation. Findings are reviewed by the Committee, leading to remedial actions across functional areas to improve the internal control framework. Our policies follow industry best practices and are periodically reviewed and strengthened to deal with emerging risks.

5. Human Resources

The Company values its people as its greatest assets. With a perfect blend of youth and experience, the organization's success is rooted in the capability, passion, and integrity of its people. As of March 31, 2025, the company employed 1,189 individuals, a significant increase from 1,774 on March 31, 2024. Notably, 73 female employees were onboarded through employee referrals in the past year. Women now constitute 11 % of the people.

**On behalf of the Board of Directors
For Protium Finance Limited**



**Preetish Misra
Chairperson of Board
DIN: 08422699**

**Date: August 14, 2025
Place: Lonavala**

INDEPENDENT AUDITOR'S REPORT

To the Members of Protium Finance Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Protium Finance Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the consolidated Balance sheet as at March 31, 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 material accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2025, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year ended March 31, 2025. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of audit procedures performed by us, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

A. Key audit matters of the Holding Company

Key audit matters	How our audit addressed the key audit matter
(a) Impairment of loans (expected credit losses) (refer note 7 and note 42 to the consolidated financial statements)	
Indian Accounting Standard (Ind AS) 109 Financial Instruments requires the Holding Company to provide for impairment of its loans using the expected credit loss (ECL) approach. ECL involves an estimation of probability weighted loss on financial assets over their life, considering	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> Considered the Holding Company's accounting policies for impairment of loans and assessed compliance with Ind AS 109 and the governance framework approved by the Board of Directors

Key audit matters	How our audit addressed the key audit matter
<p>reasonable and supportable information about past events, current conditions, and forecasts of future economic conditions and other factors which could impact the credit quality of the Holding Company's loans.</p> <p>In the process, a significant degree of judgement and estimates have been applied by the management for:</p> <ul style="list-style-type: none"> • Grouping of borrowers (retail loan portfolio) based on homogeneity for estimating probability of default (PD), loss given default (LGD) and exposure at default (EAD); • Staging of loans (i.e. classification as "significant increase in credit risk" (SICR) or "credit impaired" categories) based on overdue status and/or qualitative assessment; • Application of an appropriate statistical/quantitative model for determining the PD, LGD and EAD estimates; • Determining relevant macro-economic and other factors impacting credit quality of loans. <p>The Holding Company has also recorded a management overlay as part of its ECL, to reflect among other things an increased risk of deterioration in relevant macro-economic factors.</p> <p>In view of the high degree of management's judgement involved in estimation of ECL and the overall significance of the Impairment loss allowance to the consolidated financial statements, it is considered as a key audit matter.</p>	<p>pursuant to applicable Reserve Bank of India guidelines ("the RBI Guidelines").</p> <ul style="list-style-type: none"> • Evaluated the reasonableness of the management estimates by understanding the process of ECL estimation and related assumptions. Tested the internal controls around extraction, validation and computation of the input data used in such estimation. • Assessed the criteria for staging of loans based on their overdue status to check compliance with requirement of Ind AS 109. Tested a sample of performing (stage 1) loans to assess whether any SICR or Impairment indicators were present requiring them to be classified under stage 2 or stage 3. • Involved internal specialist for testing of the ECL estimates, including factors that affect the PD, LGD and EAD considering various forward looking macro-economic and other factors. • Tested assumptions used by the management in respect of post-model adjustments. • Tested the arithmetical accuracy of computation of ECL provision performed by the Holding Company. • Assessed adequacy of disclosures included in the consolidated financial statements in respect of expected credit losses.
<p>(b) IT systems and controls</p> <p>The financial accounting and reporting systems of the Holding Company are fundamentally reliant on IT systems and IT controls to process significant transaction volumes. Automated accounting procedures and IT environment controls, which include IT governance, general IT controls over program development and changes, access to programs and data and IT operations, are required to be designed and to operate effectively to ensure accurate financial reporting.</p> <p>Any gaps in the IT control environment could result in a material misstatement of the financial accounting and reporting records.</p> <p>Therefore, in view of the pervasive nature and complexity of the IT environment, the assessment of the general IT controls and the application controls specific to the accounting and preparation of the financial information is considered to be a key audit matter.</p>	<p>Our audit procedures, assisted by our internal IT experts, on the IT infrastructure and applications relevant to financial reporting included the following:</p> <ul style="list-style-type: none"> • The aspects covered in the assessment of IT general controls comprised: (i) User Access Management; (ii) Program Change Management; (iii) Other related ITGCs - to understand the design and test the operating effectiveness of such controls in respect of information systems that are important to financial reporting ("in-scope applications"). • Tested the changes that were made to the in-scope applications during the audit period to assess changes that have impact on financial reporting. • Tested the Holding Company's periodic review of access rights. We also inspected requests of changes to systems for appropriate approval and authorization. • Tested the configuration of the audit trail feature in the accounting software and maintenance of back-up as per extant regulatory requirements.

Key audit matters	How our audit addressed the key audit matter
	<ul style="list-style-type: none"> Performed tests of controls (including other compensatory controls, wherever applicable) on the IT application controls and IT dependent manual controls in the system. Tested the design and operating effectiveness of compensating controls in case deficiencies were identified and, where necessary, extended the scope of our substantive audit procedures.

Other Information

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the consolidated financial statements and our auditor's report thereon.

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 such other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. When we read the Annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including 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 respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of their respective company(ies) 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 the 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 Directors of the Holding Company, as aforesaid.

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 their respective company(ies) to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of their respective company(ies).

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Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the financial year ended March 31, 2025 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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Other Matters

The consolidated financial statements of the Holding Company for the year ended March 31, 2024, included in these consolidated financial statements, have been audited by the predecessor auditor who expressed an unmodified opinion on those statements on April 30, 2024.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), Issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraph 3(xxi) of the Order.
2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books except that, for the accounting software used by the Holding Company and its subsidiaries for payroll and vendor record maintenance and processing (operated by third-party software service providers), we have not been able to obtain sufficient and appropriate audit evidence that the backup of books maintained in electronic mode was maintained on servers physically located in India on a daily basis, as explained in note 57 to the consolidated financial statements, and the matters stated in the paragraph 2(i)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, as amended;
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;
 - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2025 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies, none of the directors of the Group's companies, incorporated in India, is disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) The modification relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph (b) above on reporting under Section 143(3)(b) of the Act and paragraph 2(i)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, as amended;
 - (g) With respect to the adequacy of the internal financial controls, with reference to the consolidated financial statements, to the extent applicable to the Holding Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report. In our opinion and according to the information and explanation given to us, the said report on internal financial controls is not applicable to the subsidiary companies, which are incorporated in India, basis the exemption available to the subsidiaries under MCA notification no. G.S.R. 583(E) dated June 13, 2017, read with corrigendum dated July 13, 2017 on reporting on internal financial controls with reference to the financial statements;
 - (h) In our opinion, the managerial remuneration for the year ended March 31, 2025 has been paid / provided by the Holding Company and its subsidiaries incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;

- (i) 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, as noted in the 'Other matter' paragraph:
- i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, in its consolidated financial statements – Refer Note 36 to the consolidated financial statements;
 - ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, If any, on long-term contracts including derivative contracts – Refer Note 13 to the consolidated financial statements.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiaries, incorporated in India, during the year ended March 31, 2025.
 - iv. a) The respective managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us that, to the best of its knowledge and belief, as disclosed in the note 50 to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries to or in any other person(s) or entity(ies), including foreign entities ("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 respective Holding Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - b) The respective managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us that, to the best of its knowledge and belief, as disclosed in the note 50 to the consolidated financial statements, no funds have been received by the respective Holding Company or any of such from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries, associate and joint ventures/ joint operations 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 the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.
 - v. No dividend has been declared or paid during the year by the Holding Company and its subsidiaries, incorporated in India.
 - vi. Based on our examination which included test checks, the Holding Company and its subsidiaries have used accounting software for maintaining its books of account which have a feature of recording audit trail (edit log) facility, and the same has operated throughout the year for all relevant transactions recorded in the software except that, in respect of a software used for loan origination, the audit trail was not enabled, and for other software used for general ledger and loan management, the audit trail feature was not enabled for direct changes to database when using certain access rights, and in respect of certain software for payroll and vendor record maintenance and processing (operated by third-party software service providers), in the absence of an appropriate Service Organization Controls report, we are unable to comment on whether the audit trail feature was enabled and operated throughout the year for all relevant transactions recorded in such software or whether there were any instances of the audit trail feature being tampered with, as described in note 57 to the consolidated financial statements. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with, where the audit trail was enabled. Additionally, the audit trail of relevant prior years has been preserved by the Holding Company and its subsidiaries as per the statutory requirements

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for record retention, to the extent it was enabled and recorded in those respective years, as stated in note 57 to the consolidated financial statements.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004



per Amit Lahoti
Partner
Membership Number: 132990

UDIN: 25132990BMORTN9374

Mumbai
May 12, 2025

Annexure 1 referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our Independent Auditor's Report of even date on the Consolidated Financial Statements of Protium Finance Limited

In terms of the information and explanations sought by us and given by the Holding Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that the qualifications or adverse remarks by the respective auditors in their reports on Companies (Auditor's Report) Order, 2020 of the companies included in the Consolidated Financial Statements are:

Sr. No.	Name	CIN	Holding company/ Subsidiary/ associate	Clause number of the CARO report which is unfavorable or adverse
1	Protium Finance Limited	U65999MH2019PLC323293	Holding Company	3(iii)(c) 3(vii)(a)
2	Protium Business Services Private Limited	U72900MH2021PTC356128	Subsidiary Company	3(vii)(a)

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004



per Amit Lahoti
Partner
Membership Number: 132990

UDIN: 25132990BMORTN9374

Mumbai
May 12, 2025

Annexure 2 referred to in paragraph 2(g) under the heading "Report on Other Legal and Regulatory Requirements" of our Independent Auditors' Report of even date on the Consolidated Financial Statements of Protium Finance Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of Protium Finance Limited (hereinafter referred to as the "Holding Company") as of and for the year ended March 31, 2025, we have audited the internal financial controls with reference to consolidated financial statements to the extent applicable to the Holding Company. Pursuant to Ministry of Corporate Affairs (MCA) notification no. G.S.R. 583(E) dated June 13, 2017, read with corrigendum dated July 13, 2017 on reporting on internal financial controls, clause (i) of section 143(3) of the Act is not applicable to the subsidiaries, which are companies incorporated in India.

Management's Responsibility for Internal Financial Controls

The Holding Company's Management is responsible for establishing and maintaining internal financial controls 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 on Audit of Internal Financial Controls Over Financial Reporting 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

Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both, issued by 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 consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial Controls with reference to Consolidated Financial Statements

A company's internal financial controls with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of 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.

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Inherent Limitations of Internal Financial Controls with Reference to Consolidated Financial Statements

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

Opinion

In our opinion, the Holding Company has maintained in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2025, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004



per Amit Lahoti
Partner
Membership Number: 132990

UDIN: 25132990BMORTN9374

Mumbai
May 12, 2025


Protium Finance Limited

Consolidated Balance Sheet as at March 31, 2025

(₹ in lakhs)

Particulars	Note No.	As at March 31, 2025	As at March 31, 2024
Assets			
Financial assets			
Cash and cash equivalents	4	84,680.62	90,023.10
Bank balances other than cash and cash equivalents	5	41,955.82	42,454.10
Derivative financial instrument	13	41.52	-
Trade receivables	6	1,026.95	992.23
Loans	7	4,23,566.82	3,23,371.37
Investments	8	51,666.76	26,149.98
Other financial assets	9	35,857.12	23,898.32
		6,38,795.61	5,06,889.10
Non-financial assets			
Current tax assets (net)		658.67	1,418.58
Property plant and equipment	10	2,307.82	3,141.59
Intangible assets under development	11	87.55	111.06
Intangible assets	11	3,207.53	3,271.26
Other non-financial assets	12	4,311.54	2,004.41
		10,573.11	9,946.90
Total assets		6,49,368.72	5,16,836.00
Liabilities			
Financial liabilities			
Derivative financial instrument	13	-	35.04
Trade payables	14	-	-
(i) total outstanding dues of micro enterprises and small enterprises		347.32	916.66
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		479.96	1,481.49
Debt securities	15	2,517.94	10,592.30
Borrowings (other than debt securities)	16	3,77,669.69	2,53,717.86
Other financial liabilities	17	10,824.81	14,209.43
Total financial liabilities		3,91,839.72	2,80,952.78
Non-financial liabilities			
Provisions	18	547.99	333.59
Deferred tax liabilities (net)	19	6,609.68	3,912.41
Other non-financial liabilities	20	4,034.14	3,231.21
		11,191.81	7,477.20
Equity			
Equity share capital	21	14,569.21	14,514.23
Other equity	22	2,31,767.98	2,13,891.78
		2,46,337.19	2,28,406.01
Total liabilities and equity		6,49,368.72	5,16,836.00
Material accounting policies	1-3		
See accompanying notes forming part of the Consolidated financial statement	4-51		

As per our report of even date attached
For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number : 101049W/E300004


per Amlt Lahoti
Partner
Membership No. 132990



Place: Mumbai
Date: 12 May 2025


For and on behalf of the Board of Directors of
Protium Finance Limited


Parvish Misra
Managing Director & CEO
DIN: 08422699


Amit Gupta
Chief Financial Officer

Place: Mumbai
Date: 12 May 2025


Parveen Kumar Gupta
Independent Director
DIN: 02895343


Anshu Mohta
Company Secretary
Membership No. : A18287

Place: Mumbai
Date: 12 May 2025



Protium Finance Limited

Consolidated Statement of Profit and Loss for the year ended March 31, 2025

(₹ in lakhs)

Particulars	Note No.	For the year ended March 31, 2025	For the year ended March 31, 2024
Revenue from operations			
Interest income	23	69,346.55	51,012.54
Fees and commission income	24	9,430.15	5,150.48
Net gain/(loss) on fair value changes	25	3,885.75	64.14
Net gain on derecognition of financial instruments under amortised cost category	26	22,098.68	16,535.41
Total revenue from operations		1,04,701.13	72,762.57
Other income	27	2,859.79	2,988.97
Total income		1,07,560.92	75,751.54
Expenses			
Finance cost	28	30,444.24	18,997.70
Impairment on financial instruments	29	15,200.23	6,791.42
Employee benefits expenses	30	24,891.88	21,414.74
Depreciation and amortisation expenses	31	3,176.78	2,392.83
Other expenses	32	11,253.17	10,304.24
Total expenses		84,966.30	59,900.93
Profit before tax		22,594.62	15,850.61
Tax expenses:			
Prior period tax		(329.78)	-
Current tax		2,790.15	1,493.64
Deferred tax		3,010.37	2,681.84
Profit for the year		17,123.88	11,675.13
Other Comprehensive Income (OCI)			
(i) Items that will not be reclassified to profit or loss			
- Remeasurement gain / (loss) on defined benefit plans		(52.10)	(36.18)
(ii) Income Tax impact thereon		13.11	9.11
Subtotal (a)		(38.99)	(27.07)
(i) Items that will be reclassified to profit or loss			
- The effective portion of gain / (loss) on hedging Instruments		(968.76)	(35.04)
- The effective portion of gain / (loss) on loans - OCI		(223.15)	-
(ii) Income Tax impact thereon		300.00	8.82
Subtotal (b)		(891.91)	(26.22)
Other comprehensive income (a + b)		(930.89)	(53.29)
Total comprehensive income for the year		16,192.99	11,621.84
Profit for the period/year attributable to:			
Owner of the company		17,123.88	11,675.13
Non-controlling interest		-	-
Other Comprehensive Income (OCI) attributable to:			
Owner of the company		(930.89)	(53.29)
Non-controlling interest		-	-
Total Comprehensive Income for the year attributable to:			
Owner of the company		16,192.99	11,621.84
Non-controlling interest		-	-
Earnings per equity share (nominal value of share: ₹10 (Previous year: ₹10))			
Basic (₹)	34	11.78	10.66
Diluted (₹)	34	11.74	10.66
Material accounting policies	1-3		
See accompanying notes forming part of the Consolidated financial statement	4-61		

As per our report of even date attached
For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number 101049W/E300004


per Amit Lahoti
Partner
Membership No. 132990



Place: Mumbai
Date: 12 May 2025

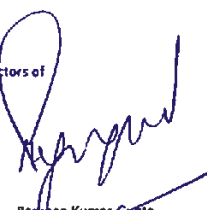
For and on behalf of the Board of Directors of
Protium Finance Limited



Remyush Misra
Managing Director & CEO
DIN: 08422699


Anshu Gupta
Chief Financial Officer

Place: Mumbai
Date: 12 May 2025




Parveen Kumar Gupta
Independent Director
DIN: 02895343


Anshu Mohita
Company Secretary
Membership No.: A18287

Place: Mumbai
Date: 12 May 2025

Protium Finance Limited

Consolidated Statement of Cash Flows for the year ended March 31, 2025

(₹ in lakhs)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Cash flows from operating activities		
Profit before tax	22,594.62	15,850.61
Adjustments:		
Depreciation and amortization	3,176.78	2,392.83
Loss on sale of property, plant and equipment	17.11	46.50
Impairment on financial instrument	15,200.23	6,791.42
Net gain on fair value changes	(3,551.34)	(156.74)
Share based payment expense	825.46	439.66
Operating cash flows before working capital changes	38,262.86	25,364.27
Changes in working capital		
(Increase)/Decrease in loans	(1,15,399.54)	(93,174.52)
(Increase)/Decrease in trade receivables	(57.84)	(688.75)
(Increase)/Decrease in other financial assets	(12,146.91)	(14,531.35)
(Increase)/Decrease in other non-financial assets	(2,306.18)	(669.63)
(Decrease)/Increase in provision	6.22	110.23
(Decrease)/Increase in lease liability	(1,387.49)	(812.44)
(Decrease)/Increase in Trade payables	(1,570.87)	2,005.78
(Decrease)/Increase in Other financial liabilities	(2,952.23)	(17,699.53)
(Decrease)/Increase in Other non-financial liabilities	959.01	(5,531.08)
Cash generated from operations	(96,592.97)	(1,05,627.02)
Income taxes paid (Net of Refund)	(1,700.46)	(1,569.15)
Net cash flow (used in) / generated from operating activities (A)	(98,293.43)	(1,07,196.17)
Cash flows from investing activities		
Purchase of property, plant and equipment	(340.69)	(1,024.08)
Disposal of property, plant and equipment	134.27	78.56
Addition of intangible assets including intangible under development	(1,122.21)	(756.94)
Purchase of investments ²	(21,978.58)	(22,439.61)
Proceeds from redemption of fixed deposits with banks	97,348.62	59,871.67
Placement of fixed deposits with banks	(96,835.31)	(1,00,560.99)
Net cash (used in) / generated from investing activities (B)	(22,793.91)	(64,831.39)
Cash flows from financing activities		
Proceeds from debt securities	-	69,585.29
Repayment of debt securities	(7,475.00)	(33,382.57)
Proceeds from borrowings (other than debt securities)	2,61,542.09	1,73,226.26
Repayment of borrowings (other than debt securities)	(1,39,234.93)	(63,045.16)
Proceeds from issuance of equity share capital	912.70	83,771.12
Share issuance expenses	-	(4.85)
Net cash (used in) / generated from financing activities (C)	1,15,744.86	2,30,150.09
Net (decrease) / increase in cash and cash equivalents (A + B + C)	(5,342.48)	58,122.53
Cash and cash equivalents at the beginning of the year	90,023.10	31,900.57
Cash and cash equivalents at the end of the year	84,680.62	90,023.10
Reconciliation of Cash and cash equivalents with the balance sheet		
Cash on hand	-	-
Balances with banks		
- in current accounts	28,897.67	31,316.85
Deposits with original maturity of less than three months	55,782.95	58,706.25
Cash and cash equivalents in cash flow statement	84,680.62	90,023.10



Protium Finance Limited

Consolidated Statement of Cash Flows for the year ended March 31, 2025

1) Net cash generated from operating activity is determined after adjusting the following

(₹ in lakhs)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Interest received	57,456.31	43,483.60
Interest paid	28,893.45	18,536.66

2) Purchase of investment is after adjustment of proceeds from sale/redemption of investment

3) Changes in liability arising from financing activities :-

(A) Changes in capital and asset structure arising from financing activities and investing activities

The Company does not have any financing activities and investing activities which affect the capital and asset structure of the Company without the use of cash and cash equivalents.

(B) Changes in liability arising from financing activities

(₹ in lakhs)

Particulars	As at 01-04-2024	Cash flows	Change in fair value	Other	As at 31-03-2025
Debt securities	10,592.30	(8,074.36)	-	-	2,517.94
Borrowings (other than debt securities)	2,53,717.86	1,22,906.46	1,045.31	-	3,77,669.63
Total	2,64,310.16	1,14,832.10	1,045.31	-	3,80,187.57

(₹ in lakhs)

Particulars	As at 01-04-2023	Cash flows	Change in fair value	Other	As at 31-03-2024
Debt securities	5,024.26	5,568.04	-	-	10,592.30
Borrowings (other than debt securities)	1,12,901.76	1,40,816.10	-	-	2,53,717.86
Total	1,17,926.02	1,46,384.14	-	-	2,64,310.16

As per our report of even date attached

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number : 101049W/E300004

per Amit Lahoti

Partner

Membership No. 132990



For and on behalf of the Board of Directors of
Protium Finance Limited

Peeyush Misra

Managing Director & CEO

DIN: 08422699

Amit Gupta

Chief Financial Officer

Parveen Kumar Gupta

Independent Director

DIN: 02895343

Anshu Mohita

Anshu Mohita

Company Secretary

Membership No : A18287

Place: Mumbai

Date: 12 May 2025

Place: Mumbai

Date: 12 May 2025

Place: Mumbai

Date: 12 May 2025



Protium Finance Limited

Statement of changes in equity for the year ended March 31, 2025

A. Equity share capital

Particulars	₹ in lakhs	
	As at March 31, 2025	As at March 31, 2024
Balance as at the beginning of the year	14,514.23	9,467.78
Changes in Equity Share Capital due to prior period errors	-	-
Restated balance at the beginning of the current reporting period	14,514.23	9,467.78
Changes in equity share capital during the year	54.98	5,046.45
Balance as at the end of the year	14,569.21	14,514.23

B. Other equity

Particulars	Reserves and Surplus					Other Comprehensive Income		Total
	Securities Premium	Statutory Reserve	Share based payment	Retained earnings	General Reserve	Fair value of loans carried at FVTOCI	Cash flow hedge reserve	
Balance as at April 1, 2024	1,97,780.10	3,855.49	439.66	11,842.75	-	-	(26.22)	2,13,891.78
Profit for the year	-	-	-	17,123.88	-	-	-	17,123.88
Other comprehensive income (net of tax)	-	-	-	(38.99)	-	(166.98)	(724.92)	(930.89)
Total Comprehensive Income	-	-	-	17,084.89	-	(166.98)	(724.92)	16,192.99
Issue of equity instruments	1,149.01	-	-	-	-	-	-	1,149.01
Share issue expenses	-	-	-	-	-	-	-	-
Transfer to statutory reserve	-	3,420.13	-	(3,420.13)	-	-	-	-
Transfer on account of vested options lapsed	-	-	(38.17)	-	38.17	-	-	-
Transfer on account of stock options exercised	0.42	-	(0.42)	-	-	-	-	-
Share based payment during the year	-	-	534.15	-	-	-	-	534.15
Balance as at March 31, 2025	1,98,929.53	7,275.62	935.22	25,507.57	38.17	(166.98)	(751.14)	2,31,767.98

Particulars	Reserves and Surplus					Other Comprehensive Income		Total
	Securities Premium	Statutory Reserve	Share based payment	Retained earnings	General Reserve	Fair value of loans carried at FVTOCI	Cash flow hedge reserve	
Balance as at April 1, 2023	1,19,060.29	1,550.06	-	2,500.04	-	-	-	1,23,110.40
Profit for the year	-	-	-	11,675.13	-	-	-	11,675.13
Other comprehensive income (net of tax)	-	-	-	(27.07)	-	-	(26.22)	(53.29)
Total Comprehensive Income	-	-	-	11,648.13	-	-	(26.22)	11,621.84
Issue of equity instruments	78,724.66	-	-	-	-	-	-	78,724.66
Share issue expenses	(4.85)	-	-	-	-	-	-	(4.85)
Transfer to statutory reserve	-	2,305.43	-	(2,305.43)	-	-	-	-
Share based payment during the year	-	-	439.66	-	-	-	-	439.66
Balance as at March 31, 2024	1,97,780.10	3,855.49	439.66	11,842.75	-	-	(26.22)	2,13,891.78

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number : 101049W/E300004


per Amit Lahoti
Partner
Membership No. 132990





For and on behalf of the Board of Directors of
Protium Finance Limited


Poojush Misra
Managing Director & CEO
DIN: 08422699

Amit Gupta
Chief Financial Officer

Place: Mumbai
Date: 12 May 2025




Parveen Kumar Gupta
Independent Director
DIN: 02895343

Anshu Mohta
Company Secretary
Membership No.: A18287

Place: Mumbai
Date: 12 May 2025

Place: Mumbai
Date: 12 May 2025

Protium Finance Limited

Notes to the Consolidated Financial Statements

1. Corporate information:

Protium Finance Limited (the "Company") was incorporated on March 29, 2019 vide CIN no U65999MH2019PLC323293 as Growth Source Financial Technologies Private Limited. The Company was registered as Non-Banking Financial Company without accepting or holding public deposits, as defined under Section 45-IA of the Reserve Bank of India Act, 1934. The Company together with its subsidiary - Protium Business Services Private Limited and Shibui Technologies Private Limited (collectively, the Group) is primarily engaged in lending activities. The Group is primarily engaged in the business of lending secured and unsecured loans in SME, MSME and Consumer Finance Segments. The registered office of the parent Company is located at Nirlon Knowledge Park (NKP) B2, 7th Floor, Pahadi, Village, Off. Western Express Highway, Goregaon (E), Mumbai, Mumbai City, Maharashtra, India, 400063. Under the scale based regulation the company is categorized as middle layer (NBFC-ML).

The audited Consolidated financial statements were approved by Board of Directors on May 12, 2025. The Group has its debt listed on BSE Limited.

2. Material accounting policy information

2.1 Basis of preparation :

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed in the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and notified under section 133 of the Companies Act, 2013 (the Act) along with other relevant provisions of the Act, the updated Master Direction - Reserve Bank of India (Non-Banking Financial Company - Scale Based Regulation) Directions, 2023 as amended from time to time and other applicable RBI circulars/notifications. The Group uses accrual basis of accounting in preparation of financial statements (other than Statement of Cash Flows) except in case of significant uncertainties. Accounting policies have been consistently applied to all periods presented, unless otherwise stated.

The financial statements have been prepared on a going concern basis, as the Management is satisfied that group shall be able to continue its business for future and no material uncertainty exists that may cast significant doubt on the going concern assumption. In making this assessment, the management has considered a wide range of information relating to present and future conditions, including the future projections, cash flows, and capital resources.

The consolidated financial statements are presented in Indian Rupee (INR), which is also the functional currency of the Group, in denomination of lakhs with rounding off to two decimals as permitted by Schedule III to the Act except where otherwise indicated. The consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments that are measured at fair value.

2.2. Presentation of financial statements

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Division III to Schedule III to the Act applicable for Non Banking Finance Companies ("NBFC"). The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows". The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Division III to Schedule III to the Act, are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified accounting Standards. Any guidance / clarifications / notifications issued by the Reserve Bank of India (RBI) are implemented as and when issued / made applicable.

Financial assets and financial liabilities are generally reported gross in the balance sheet. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognized amounts without being contingent on a future event, the parties also intend to settle on a net basis in all of the following circumstances:

- the normal course of business
- the event of default
- the event of insolvency of bankruptcy of the group/ or its counterparties

2.3. Basis of consolidation

The Group consolidates an entity when it controls it. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Consolidation of the entity begins when the Group obtains control over the entity and ceases when the Group loses control of the entity.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

Profit or loss and each component of OCI are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiary to bring their accounting policies in line with the Group's accounting policies. All intra-group assets, liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

These consolidated financial statements are presented in Indian Rupees ('INR' or '₹') which is also the Group's functional currency.



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Protium Finance Limited

Notes to the Consolidated Financial Statements

2.4 Interest income:

The group calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets. When a financial asset becomes credit-impaired and is, therefore, regarded as 'Stage 3', the Group calculates interest income by applying the EIR to the amortised cost (net of expected credit loss) of the financial asset. If the financial assets cures and is no longer credit-impaired, the Group reverts to calculating interest income on a gross basis.

The EIR is the rate that exactly discounts estimated future cash flows of the financial instrument through the expected life of the financial instrument or, where appropriate, a shorter period, to the net carrying amount. The future cash flows are estimated taking into account all the contractual terms of the instrument.

The calculation of the EIR includes all fees paid or received between parties to the contract that are incremental and directly attributable to the specific lending arrangement, transaction costs, and all other premiums or discounts. For financial assets measured at fair value through profit and loss ("FVTPL"), transaction costs are recognized in the statement of profit and loss at initial recognition.

Interest income is calculated by applying the EIR to the gross carrying amount of non-credit impaired financial assets/liabilities (i.e. at the amortised cost of the financial asset before adjusting for any expected credit loss allowance). For credit-impaired financial assets, interest income is calculated by applying the EIR to the amortised cost of the credit-impaired financial assets (i.e. the gross carrying amount less the allowance for expected credit losses).

Overdue interest and other ancillary charges in respect of loans are recognized upon realisation.

2.5 Recognition of other income:

Revenue generated from the business transactions (other than for those items to which Ind AS 109 Financial Instruments are applicable) is measured at fair value of the consideration to be received or receivable by the Group. Ind AS 115 Revenue from contracts with customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers.

The Group recognises revenue from contracts with customers based on a five step model as set out in Ind 115:

Step 1: Identify contract(s) with a customer;

Step 2: Identify performance obligations in the contract(s);

Step 3: Determine the transaction price,

Step 4: Allocate the transaction price to the performance obligations in the contract(s);

Step 5: Recognise revenue when (or as) the Group satisfies a performance obligation.

2.6 Fees and commission income :

Fees and commission income includes Fees and commission charges other than those that are an integral part of EIR. The group recognises the other fee and commission income under the terms and conditions of the relevant contract /agreement.

2.7 Income on derecognised (assigned) loans :

Gains arising out of direct assignment transactions comprises of the difference between interest on the loan portfolio and the applicable rate at which the direct assignment is entered into with the assignee, also known as the right of excess interest spread (EIS). The future EIS basis the scheduled cash flow on execution of the transaction, discounted at the applicable rate entered into with the assignee is recorded upfront in the statement of profit and loss.

2.8 Net gain on fair value changes :

The Group designates certain financial assets for subsequent measurement at fair value through profit or loss (FVTPL) or fair value through other comprehensive income (FVOCI). The Group recognises gains/loss on fair value change of financial assets measured at FVTPL and realised gains on derecognition of financial asset measured at FVTPL and FVOCI on net basis.

2.9 Expenditures :

(i) Finance costs

Borrowing costs on financial liabilities are recognized using the EIR (refer note no. 2.4).

(ii) Fees and commission expense

Fees and commission expenses which are not directly linked to the sourcing of financial assets, such as commission/incentive incurred on value added services and products distribution, recovery charges, fees paid under guarantee scheme and fees payable for management of portfolio etc., are recognized in the Statement of Profit and Loss on an accrual basis.

(iii) Other expenses

Expenses are recognized on accrual basis net of the goods and services tax, except where credit for the input tax is not statutorily permitted.

2.10 Financial instruments :

2.10.1 Date of recognition

A financial instrument is defined as any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments are measured at amortised cost, unless otherwise specified. All financial instruments are recognized on the date when the Group becomes party to the contractual provisions of the financial instruments along with the certainty of ultimate collection in case of financial assets. For tradable securities, the Group recognises the financial instruments on settlement date.

2.10.2 Initial measurement of financial instruments:

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

2.10.3 Day 1 profit and loss

When the transaction price of the financial 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 / loss 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 deferred and is only recognized in profit or loss when the inputs become observable, or when the instrument is derecognized.

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Notes to the Consolidated Financial Statements

2.10.4 Classification & measurement categories of financial assets and liabilities

The Group determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective. The Group's business model determines whether the cash flows will be generated by collecting contractual cash flows, selling financial assets or by both.

The Group's business model is assessed at portfolio level and not at instrument level, and is based on observable factors such as:

- (i) How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel;
- (ii) The risks that affect the performance of the business model and, in particular, the way those risks are managed;
- (iii) The expected frequency, value and timing of sales are also important aspects of the Group's assessment. The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account.

Solely payment of principal and interest (SPPI) test Subsequent to the assessment to the relevant business model of the financial assets, the Group assesses the contractual terms of financial assets to identify whether the cash flow realised are towards solely payment of principal and interest.

Principal for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset. The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk.

Initial measurement of financial instruments The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments. Financial instruments are initially measured at their fair value.

The Group classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms, measured at either:

Financial assets carried at amortised cost (AC)

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. The changes in carrying value of financial assets is recognized in profit and loss account.

Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The changes in fair value of financial assets is recognized in Other Comprehensive Income.

Financial assets at fair value through profit or loss (FVTPL)

A financial asset which is not classified in any of the above categories are measured at FVTPL. The Group measures all financial assets classified as FVTPL at fair value at each reporting date. The changes in fair value of financial assets is recognized in Profit and loss account.

2.11 Financial assets and liabilities :

2.11.1 Amortized cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial instruments other than purchased or originated credit-impaired financial assets, the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

2.11.2 Financial liabilities

All financial liabilities are measured at amortised cost except loan commitments, financial guarantees, and derivative financial liabilities.

2.11.3 Financial assets and financial liabilities at fair value through profit or loss

Financial assets and financial liabilities in this category are those that are not held for trading and have been either designated by management upon initial recognition or are mandatorily required to be measured at fair value under Ind AS 109. Management only designates an instrument at FVTPL upon initial recognition when one of the following criteria are met. Such designation is determined on an instrument-by-instrument basis.

- The designation eliminates, or significantly reduces, the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognising gains or losses on them on a different basis; or
- The liabilities are part of a group of financial liabilities, which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management or investment strategy; or
- The liabilities containing one or more embedded derivatives, unless they do not significantly modify the cash flows that would otherwise be required by the contract, or it is clear with little or no analysis when a similar instrument is first considered that separation of the embedded derivative(s) is prohibited.

Financial assets and financial liabilities at FVTPL are recorded in the balance sheet at fair value. Changes in fair value are recorded in profit and loss with the exception of movements in fair value of liabilities designated at FVTPL due to changes in the Group's own credit risk. Such changes in fair value are recorded in the credit reserve through OCI and do not get recycled to the profit or loss. Interest earned or incurred on instruments designated at FVTPL is accrued in interest income or finance cost, respectively, using the EIR, taking into account any discount/ premium and qualifying transaction costs being an integral part of instrument. Interest earned on assets mandatorily required to be measured at FVTPL is recorded using contractual interest rate.

2.11.4 Loan commitment

Undrawn loan commitments are commitments under which over the duration of the commitment, the Group is required to provide a loan with pre-specified terms to the customer. Undrawn loan commitments are in the scope of the ECL requirements.

2.11.5 Financial liabilities and equity instruments

Financial instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognized at the proceeds received, net of direct issue costs.



2.12 Reclassification of financial assets:

The Group changes classification of its financial assets only on account of changes in its business model for managing those financial assets. Such reclassifications are given prospective impact as per the principles laid down in Ind AS 109 'Financial Instruments'.

2.13 Derivative financial instruments:

The Group enters into derivative financial instruments to manage its exposure to interest rate risk and foreign exchange rate risk. Derivatives held by the Group are Cross Currency Interest Rate Swaps (CCIRS). Derivative contracts are initially recognized at fair value on the date of entering into contract and are subsequently remeasured to their fair value at each reporting date. The resulting gains/losses are recognized in the Statement of Profit and Loss immediately unless the derivative is designated and is effective as a hedging instrument. For hedging instrument, the timing of the recognition in the Statement of Profit and Loss depends on the nature of the hedge relationship. The Group designates its CCIRS derivatives as cash flow hedges of a recognized liability. The Group recognises derivatives with a positive fair value as a financial asset and derivatives with a negative fair value as a financial liability.

Hedge accounting

The Group makes use of derivative instruments to manage exposures to interest rate risk and foreign currency risk. In order to manage particular risks, the Group applies hedge accounting for transactions that meet specified criteria.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Group's risk management objective and strategy for undertaking hedge, the hedging/economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the Group would assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in cash flows and are assessed on an on-going basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Cash flow hedge

Hedges that meet the criteria for hedge accounting and qualify as cash flow hedges are accounted as follows:

A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognized asset or liability and could affect profit or loss.

For designated and qualifying cash flow hedges, the effective portion of the cumulative gain or loss on the hedging instrument is initially recognized directly in OCI within equity (cash flow hedge reserve). The ineffective portion of the gain or loss on the hedging instrument is recognized immediately as finance cost in the Statement of Profit and Loss.

When the hedged cash flow affects the Statement of Profit and Loss, the effective portion of the gain or loss on the hedging instrument is recorded in the corresponding income or expense line of the Statement of Profit and Loss.

When a hedging instrument expires, is sold, terminated, exercised, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss recognised in OCI is subsequently transferred to the Statement of Profit and Loss on ultimate recognition of the underlying hedged forecast transaction. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in OCI is immediately transferred to the Statement of Profit and Loss.

2.14 Derecognition of financial Instruments:

2.14.1 Derecognition of financial asset

A financial asset (or, where applicable a part of a financial asset or a part of a group of similar financial assets) is derecognized 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, and only if, either

- The Group has transferred the rights to receive cash flows from the financial asset or
- It retains the contractual rights to receive the cash flows of the financial asset, but assumed a contractual obligation to pay the cash flows in full without material delay to third party under pass through arrangement.

A transfer only qualifies for derecognition if either:

- The Group has transferred substantially all the risks and rewards of the asset or
- The Group has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

The Group considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

2.14.2 Derecognition of financial liabilities

A financial liability is derecognized 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, including modified contractual cash flow recognized as new financial liability, is recognized in statement of profit and loss.



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Notes to the Consolidated Financial Statements

2.15 Impairment of financial assets:

The Group records allowance for expected credit losses for all financial assets, other than financial assets held at FVTPL, together with loan commitment and financial guarantee contracts. Equity instruments are not subject to impairment.

General approach

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk (SICR) since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses (12m ECL). The assessment of whether lifetime ECL should be recognized is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of an evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12m ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

The measurement of ECL is a function of the probability of default (PD), loss given default (LGD) (i.e. the magnitude of the loss if there is a default) and the exposure at default (EAD). The assessment of the PD and LGD is based on historical data adjusted by forward-looking information. As for the EAD, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for loan commitments and financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Group's understanding of the specific future financing needs of the customer, and other relevant forward-looking information.

Group categories its financial assets as follows:

Stage 1 assets

Stage 1 assets includes financial instruments that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date. For these assets, 12-month ECL (resulting from default events possible within 12 months from reporting date) are recognized.

Stage 2 assets

Stage 2 Assets includes financial instruments that have had a significant increase in credit risk since initial recognition. For these assets lifetime ECL (resulting from default events possible within 12 months from reporting date) are recognized.

Stage 3 assets:

Stage 3 Assets are considered credit-impaired and the Group recognises the lifetime ECL for these loans. The method is similar to that for Stage 2 assets, with the PD set at 100%.

Purchased or Originated Credit Impaired (POCI) assets

Assets are considered credit-impaired and the Group recognises the lifetime ECL for these loans. The method is similar to that for Stage 2 assets, with the PD set at 100%.

For financial assets, ECL is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate. The Group recognises an impairment loss or reversal of impairment loss in the profit and loss statement with a corresponding adjustment to their carrying amount through a loss allowance account.

The Group does not limit its exposure to credit losses to the contractual notice period, but, instead calculates ECL over a period that reflects the Group's expectations of the customer behavior, its likelihood of default and the Group's future risk mitigation procedures, which could include reducing or cancelling the facilities.

2.16 Collateral valuation:

To mitigate its credit risks on financial assets, the Group seeks to use collateral, where possible. The collateral comes in various forms, such as cash, securities, power of attorney, credit enhancements such as netting agreements. Collateral, unless repossessed, is not recorded on the Group's balance sheet. However, the fair value of collateral affects the calculation of ECLs. It is generally assessed, at a minimum, at inception and re-assessed on a quarterly basis/annual basis.

To the extent possible, the group uses active market data for valuing financial assets held as collateral.

2.17 Write-offs:

Loans and debt securities are written off when the Group has no reasonable expectations of recovering the financial asset (either in its entirety or a portion of it). In such cases, the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. A write-off constitutes a derecognition event. The Group may apply enforcement activities to financial assets written off. Recoveries resulting from the Group's enforcement activities result in impairment gains and are credited to statement of profit and loss.

2.18 Forborne and modified loan:

The Group sometimes makes concessions or modifications to the original terms of loans as a response to the borrower's financial difficulties, rather than taking possession or to otherwise enforce collection of collateral. The Group considers a loan forborne when such concessions or modifications are provided as a result of the borrower's present or expected financial difficulties and the Group would not have agreed to them if the borrower had been financially healthy. Indicators of financial difficulties include defaults on covenants, or significant concerns raised by the Credit Risk Department. Forbearance may involve extending the payment arrangements and the agreement of new loan conditions. Once the terms have been renegotiated, any impairment is measured using the original EIR as calculated before the modification of terms. It is the Group's policy to monitor forborne loans to help ensure that future payments continue to be likely to occur. Derecognition decisions and classification between Stage 2 and Stage 3 are determined on a case by-case basis. If these procedures identify a loss in relation to a loan, it is disclosed and managed as an impaired Stage 3 forborne asset, until it is collected or written off.



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Notes to the Consolidated Financial Statements

2.19 Determination of fair value :

The Group measures financial instruments, such as, derivatives at fair value at each reporting 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;

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

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, maximizing the use of relevant observable inputs and minimising the use of unobservable inputs. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

Fair value measurement under Ind AS 113 are categorised into level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are as follows:

Level 1 Inputs

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 Inputs

Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data for substantially the full term of the asset or liability.

Level 3 Inputs

Those that include one or more unobservable input that is significant to the measurement as whole.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. The Group periodically reviews its valuation techniques including the adopted methodologies and model calibrations.

Therefore, the Group applies various techniques to estimate the credit risk associated with its financial instruments measured at fair value, which include a portfolio-based approach that estimates the expected net exposure per counterparty over the full lifetime of the individual assets, in order to reflect the credit risk of the individual counterparties for non-collateralised financial instruments.

The Group evaluates the levelling at each reporting period on an instrument-by-instrument basis and reclassifies instruments when necessary based on the facts at the end of the reporting period.

2.20 Retirement and other employee benefits :

2.20.1 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 recognized as an expense during the period. Benefits such as salaries and wages, etc. and the expected cost of the bonus/ ex-gratia are recognized in the period in which the employee renders the related service.

2.20.2 Post-employment employee benefits :

(i) Defined benefit plans

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.

Defined benefit plans may be unfunded, or they may be wholly or partly funded by contributions by the Group, into an entity, or fund from which the employee benefits are paid. The Group is liable to make differential payment for any shortfall between defined benefit payments and the contribution made by the Group.

(ii) Defined contribution plans :

Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The Group contributes into following schemes under defined contribution plans:



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Notes to the Consolidated Financial Statements

Superannuation

Defined contribution to superannuation fund is made as per the scheme of the Group.

Provident fund

Each eligible employee and the Group make contribution at a percentage of the basic salary specified under the Employee Provident Funds and Miscellaneous Provisions Act, 1952. The Group recognises contributions payable to the Provident fund scheme as an expenditure when the employees render the related service. The Group has no further obligations under the plan beyond its periodic contributions.

Employees state Insurance

The Group contributes to Employees State Insurance Scheme and recognises such contribution as an expense in the Statement of Profit and Loss in the period when services are rendered by the employees.

(iii) Compensated absences

Privilege leave entitlements are recognized as a liability as per the rules of the Group. The liability for accumulated leaves which can be availed and/or encashed at any time during the tenure of employment is recognized using the projected unit credit method at the actuarially determined value by an appointed actuary. The liability for accumulated leaves which is eligible for encashment within the same calendar year is provided for at prevailing salary rate for the entire unavailed leave balance as at the Balance Sheet date.

Remeasurements on defined benefit plans, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets, 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. Remeasurements are not reclassified to profit or loss in subsequent periods.

2.21 Share based payments

The Group carries out fair value cost assessment of employee stock options on the grant date using Black Scholes model. The cost towards employees of the Group is recognized as employee benefits expenses and that pertaining to employees of subsidiaries are recovered from subsidiaries, over the period in which the service conditions are fulfilled. The cumulative expense/recharge recognized for equity settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has not expired and the Group's best estimate of the number of equity instruments that will ultimately vest. No expense is recognized for grants that do not ultimately vest because of non fulfillment of service conditions. Service conditions are not taken into account while determining the grant date fair value of options, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest.

2.22 Leases :

The Group's leases primarily consists of leases for Building and office premises. The group assesses whether a contract contains a lease, at the inception of a contract. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for a consideration. To assess whether a contract conveys the right to control the use of an identified asset, the group assesses whether (i) the contract involves the use of an identified asset (ii) the group has substantially all of the economic benefits from the use of the asset through out the period of lease and (iii) the group has the right to direct the use of asset.

Measurement and recognition

At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist. At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or at the incremental borrowing rate.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

Short term lease

The Group has elected not to recognise right of use asset and lease liabilities for short term leases of property that has lease term of 12 months or less. The Group recognises lease payment associated with these leases as an expense on a straight line basis over lease term.

Group as a lessee:

For any new contracts entered into on or after April 1, 2019, the Group considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition the Group assesses whether the contract is or contains lease.

2.23 Earnings per share :

Basic earnings per share is computed by dividing the net profit after tax attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding for the year.

Diluted earnings per share reflect the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year. Diluted earnings per share is computed by dividing the net profit after tax attributable to the equity shareholders for the year by weighted average number of equity shares considered for deriving basic earnings per share and weighted average number of equity shares that could have been issued upon conversion of all potential equity shares.

2.24 Impairment of non-financial assets :

The Group assesses at each balance sheet date whether there is any indication that an asset may be impaired based on internal/external factors. If any such indication exists, the Group estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of cash generating unit which the asset belongs to is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the impairment is reversed subject to a maximum carrying value of the asset before impairment.

2.25 Provisions and other contingent liabilities:

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A present obligation that arises from past events, where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. Claims against the Group, where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

Contingent assets are not recognized in the financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognized.



Notes to the Consolidated Financial Statements

2.26 Income tax expenses :

Income tax expense represents the sum of the tax currently payable and deferred tax.

2.26.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period. The group has opted for lower rate of tax under section 115BAA @ 22% plus surcharge of 10% and cess of 4% . Effective tax rate being 25.17%.

2.26.2 Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities

2.26.3 Current and deferred tax for the year

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

2.27 Goods and Service tax input credit :

Goods and Services tax input credit is accounted for in the books for the period in which the supply of goods or service received is accounted and when there is no uncertainty in availing/utilising the credits.

2.28 Cash and cash equivalents :

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less.

2.29 Property, plant and Equipment :

Recognition and measurement

Property, plant and equipment (PPE) is recognized when it is probable that the future economic benefits associated with it will flow to the group and the cost can be measured reliably

PPE are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of assets which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the year till such assets are ready to be put to use. Any trade discounts and rebates are deducted in arriving at the purchase price. Gains or losses arising from derecognition of such assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is derecognized.

Subsequent expenditure

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate only if it is probable that the future economic benefits associated with the item will flow to the Group and that the cost of the item can be reliably measured. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repair and maintenance expenses are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

Depreciation

Depreciation is provided on Straight Line Method ('SLM'), which reflects the management's estimate of the useful life of the respective assets. The estimated useful life used to provide depreciation are as follows:

Particulars	Estimated useful life by the Company	Useful life as per schedule II of the Companies Act, 2013
Computers	3 years	3 years
Office Equipment	5 years	5 years
Furniture and fixtures	5 years	10 years
Servers and networks	5 years	6 years

The useful lives and the method of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate. Changes in the expected useful life are accounted for by changing the amortisation period or methodology, as appropriate, and treated as changes in accounting estimates.

2.30 Intangible assets :

Recognition and measurement

An intangible asset is recognized only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Group. Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition.

Amortisation

Intangible assets are amortised using the straight line method over a period of 5 years, which is the management's estimate of its useful life. The amortisation period and the amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly. Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognized as income or expense in the Statement of Profit and Loss.



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Notes to the Consolidated Financial Statements

2.31 Foreign currency translation :

Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion

Foreign currency monetary items are re-translated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.

Exchange differences

All exchange differences are accounted in the Statement of Profit and Loss or Other Comprehensive Income as permitted under the relevant Ind AS.

3. Critical accounting judgement and key source of estimate uncertainties

The preparation of 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 year. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised. 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 years.

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 statements is included in the following notes:

3.1 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 determines its business model at a level that reflects how financial assets as a whole and not an individual instrument performs; therefore the business model is developed basis a higher level of assessment at portfolio level rather than on granular instrument-level information and is based on observable factors such as:

- (i) How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel.
- (ii) The risks that affect the performance of the business model and, in particular, the way those risks are managed.
- (iii) The expected frequency, value and timing of sales are also essential aspects of the Group's assessment.

At initial recognition of a financial asset, the Group determines whether newly recognized financial assets are part of an existing business model or whether they reflect a new business model. The Group reassesses its business model at each reporting period to determine whether the business model has changed since the previous period. Based on this assessment and future business plans of the Group, the management has measured its financial assets at amortised cost as the asset is held within a business model whose objective is to collect contractual cash flows, and the contractual terms of the financial asset give rise to cash flows that are solely payments of principal and interest.

3.2 Effective Interest rate (EIR) method :

The Group's EIR methodology recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioral life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle including prepayments and penalty interest and charges.

This estimation, by nature requires an element of judgement regarding the expected behavior and life cycle of the instrument, as well expected changes India's base rate and other fee income, expenses that are integral part of the instrument.

3.3 Impairment of financial assets:

The measurement of impairment losses across all categories of financial assets requires judgement. In particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Group's ECL calculations are outputs of models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

- PD calculation includes historical data, assumptions and expectations of future conditions
- The Group's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a life-time expected credit loss and the qualitative assessment
- The segmentation of financial assets when their ECL is assessed on a collective basis
- Development of ECL models, including the various formulas and the choice of inputs
- Determination of correlation between macroeconomic scenarios and, economic inputs, such as GDP levels and collateral values, and the effect on PDs, EAD and LGD
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models

It is Group's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

3.4 Impairment of non-financial assets:

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exist, the group estimates the asset's recoverable amount. An asset's recoverable amount is higher of an asset's fair value less cost of disposal and its value in use. Where the carrying amount exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

3.5 Fair value of financial instruments:

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. Judgements and estimates include considerations of liquidity and model inputs related to items such as credit risk (both own and counterparty), funding value adjustments, correlation and volatility.

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Notes to the Consolidated Financial Statements

3.6 Provisions, contingent liabilities and contingent assets

Provisions are recognized when

- i. Group has a present obligation (legal or constructive) as a result of a past event; and
- ii. it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- iii. a reliable estimate can be made of the amount of the obligation.

These are reviewed at each balance sheet date and adjusted to reflect the current best estimates

Long term provisions are determined by discounting the expected future cash flows specific to the liability. The unwinding of the discount is recognized as a finance cost. A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

Contingent liability is disclosed in case of

- i. a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation, and
- ii. a present obligation arising from past events, when no reliable estimate is possible.

Contingent liabilities are reviewed at each balance sheet date.

Contingent assets :

Contingent assets are not recognized in the financial statements. Contingent asset are disclosed where an inflow of economic benefits is probable.

3.7 Provisions for income taxes :

Significant judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods.

Estimates and judgments are continually evaluated. They are based on historical experience and other factors, including expectation of future events that may have a financial impact on the group and that are believed to be reasonable under the circumstances.



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Notes to the Consolidated Financial Statements

Note "4"

Cash and cash equivalents

('₹ in lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Cash on hand	-	-
Balance with banks	-	-
Current accounts	28,897.67	31,316.85
Bank deposits with original maturity of less than or equal to three months	55,782.95	58,706.25
Total	84,680.62	90,023.10

Note "5"

Bank balances other than cash and cash equivalents

('₹ in lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Bank deposits with original maturity of more than three months	41,955.82	42,454.10
Total	41,955.82	42,454.10

Note: Bank deposits includes deposits under lien aggregating to Rs. 4,091.10 lakhs (as at March 31, 2024 Rs. 4,492.98 lakhs) for liabilities arising out of securitisation transactions and amount includes Rs. 2,001.13 lakhs (as at March 31, 2024 Rs. 10,306.08 lakhs) for liabilities arising out of overdraft facility.

Note "6"

Trade receivables

('₹ in lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Receivables considered good - Secured	-	-
Receivables considered good - Unsecured	1,022.34	1,007.80
Receivables which have significant increase in credit risk	43.30	-
Receivables - credit impaired	-	-
Total	1,065.64	1,007.80
Less: Impairment Loss Allowance	(38.69)	(15.57)
Total	1,026.95	992.23

Trade receivables Aging

As at March 31, 2025

('₹ in lakhs)

Particulars	Current but not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Receivables considered good - Secured	573.02	408.83	9.67	-	-	-	991.52
Receivables which have significant increase in credit risk	-	30.82	-	43.30	-	-	74.12
Total	573.02	439.65	9.67	43.30	-	-	1,065.64
Less: Impairment Loss Allowance	-	-	-	-	-	-	(38.69)
Total	-	-	-	-	-	-	1,026.95

As at March 31, 2024

('₹ in lakhs)

Particulars	Current but not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Receivables considered good - Secured	-	989.62	7.07	11.11	-	-	1,007.80
Receivables which have significant increase in credit risk	-	-	-	-	-	-	-
Total	-	989.62	7.07	11.11	-	-	1,007.80
Less: Impairment Loss Allowance	-	-	-	-	-	-	(15.57)
Total	-	-	-	-	-	-	992.23

6.1 (i) No trade receivables are due from Directors or other officers of the Company either severally or jointly with any other person or debts due by firms including limited liability partnerships (LLPs), private companies respectively in which any director is a partner or a director or a member.

6.1 (ii) No trade receivables are due from related parties.



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Protium Finance Limited

Notes to the Consolidated Financial Statements
Note "7"

Particulars	[% in lakhs]	
	As at March 31, 2025	As at March 31, 2024
(A) Loan portfolio at amortised cost		
(i) Term loans	3,43,498.22	3,28,638.03
at fair value through OCI		
(i) Term loans	89,628.05	-
Total gross loans	4,33,126.27	3,28,638.03
Less : Impairment loss allowance at amortised cost	(9,058.98)	(5,266.66)
at fair value through OCI	(500.47)	-
Total Impairment loss allowance	(9,559.45)	(5,266.66)
Total net loans	4,23,566.82	3,23,371.37
(B) Of the above		
(i) Secured against land, building & machinery	2,81,943.36	2,12,238.91
(ii) Unsecured	1,51,182.91	1,16,399.12
Total gross loans	4,33,126.27	3,28,638.03
Less : Impairment loss allowance		
(i) Secured against land, building & machinery	(3,537.86)	(1,671.72)
(ii) Unsecured	(6,021.59)	(3,594.94)
Total Impairment loss allowance	(9,559.45)	(5,266.66)
Total Net Loans	4,23,566.82	3,23,371.37
Loan portfolio		
(C) Of the above		
Loans in India		
(i) Public Sector		
(ii) Others	4,33,126.27	3,28,638.03
Total gross loans	4,33,126.27	3,28,638.03
Less : Impairment loss allowance		
(i) Public Sector		
(ii) Others	(9,559.45)	(5,266.66)
Total Impairment loss allowance	(9,559.45)	(5,266.66)
Total Net Loans	4,23,566.82	3,23,371.37
Total net loans (a)	4,23,566.82	3,23,371.37
Loans outside India (b)		
Total net loans (a) + (b)	4,23,566.82	3,23,371.37

7.1 Collateral

Loans granted by the Group are secured by any or all of the following as applicable, based on their categorisation:

- Equitable / registered mortgage of property
- Undertaking to create a security.

7.2 The Group has provided no loans in current year to promoters, directors, KMPs and the related parties other than as mentioned in RPT (refer - Note no. 45)

7.3 Unsecured Loans includes unsecured business loans which is guaranteed by Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) and Credit Guarantee Fund for Micro Units (CGFMU) amounting to Rs. 59,790.64 Lakhs (March 31, 2024 Rs. 34,812.38 Lakhs)

7.4 There were no loans given against the collateral of gold jewellery & hence the percentage of such loans to the total outstanding assets (as at March 31, 2024 is Nil)

7.5 In accordance with its accounting policy for business model assessment, the Group has designated certain loans originated from October 1, 2024 at fair value through other comprehensive income ("FVOCI"), which will be held within a business model whose objective will be achieved by both holding these loans to collect contractual cashflows and to sell.



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(₹ in lakhs)

Particulars	As at March 31, 2025				
	Amortised Cost	At Fair Value			Total
		Through Other Comprehensive Income	Through Profit or Loss	Designated through Profit or Loss	
Investment in Debentures	11,537.38	-	-	-	11,537.38
Investment in Commercial Papers	10,347.62	-	-	-	10,347.62
Investment in Pass Through Certificates	8,132.09	-	-	-	8,132.09
Investment in Government Securities	12,920.22	-	-	-	12,920.22
Investment in Mutual Funds	-	-	8,643.91	-	8,643.91
Investment in ULIP	-	-	99.26	-	99.26
Total (A)	42,937.31	-	8,743.17	-	51,680.48
Investment outside India	-	-	-	-	-
Investment in India	42,937.31	-	8,743.17	-	51,680.48
Total (B)	42,937.31	-	8,743.17	-	51,680.48
Less: Impairment loss Allowance (C)	(13.73)	-	-	-	(13.73)
Total (D= A-C)	42,923.58	-	8,743.17	-	51,666.76

(₹ in lakhs)

Particulars	As at March 31, 2024				
	Amortised Cost	At Fair Value			Total
		Through Other Comprehensive Income	Through Profit or Loss	Designated through Profit or Loss	
Investment in Government Securities	25,899.76	-	-	-	25,899.76
Investment in Mutual Funds	-	-	203.19	-	203.19
Investment in ULIP	-	-	47.62	-	47.62
Total (A)	25,899.76	-	250.81	-	26,150.57
Investment outside India	-	-	-	-	-
Investment in India	25,899.76	-	250.81	-	26,150.57
Total (B)	25,899.76	-	250.81	-	26,150.57
Less: Impairment loss Allowance (C)	(0.59)	-	-	-	(0.59)
Total (D= A-C)	25,899.17	-	250.81	-	26,149.98

8.1 Investments measured at amortised cost

(₹ in lakhs)

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
Investment in Debentures	11,537.38	-	-	11,537.38	-	-	-	-
Investment in Commercial Papers	10,347.62	-	-	10,347.62	-	-	-	-
Investment in Pass Through Certificates	8,132.09	-	-	8,132.09	-	-	-	-
Investment in Government Securities	12,920.22	-	-	12,920.22	25,899.76	-	-	25,899.76
Total	42,937.31	-	-	42,937.31	25,899.76	-	-	25,899.76



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Notes to the Consolidated Financial Statements

8.2 An analysis of changes in the gross carrying amount and the corresponding ECLs is, as follows

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	25,899.76	-	-	25,899.76	3,553.99	-	-	3,553.99
New assets originated or purchased	42,937.31	-	-	42,937.31	25,899.76	-	-	25,899.76
Assets derecognised or matured (excluding write)	(25,899.76)	-	-	(25,899.76)	(3,553.99)	-	-	(3,553.99)
Total	42,937.31	-	-	42,937.31	25,899.76	-	-	25,899.76

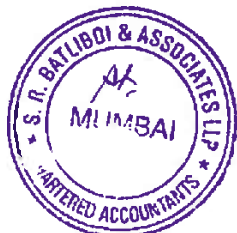
Particulars	As at March 31, 2025				As at March 31, 2024			
	Stage - 1	Stage - 2	Stage - 3	Total	Stage - 1	Stage - 2	Stage - 3	Total
Opening balance in ECL	0.59	-	-	0.59	(0.36)	-	-	(0.36)
New assets originated or purchased	13.73	-	-	13.73	0.59	-	-	0.59
Recoveries	(0.59)	-	-	(0.59)	0.36	-	-	0.36
Total	13.73	-	-	13.73	0.59	-	-	0.59

Note "9"

Other financial assets

Particulars	(₹ in lakhs)	
	As at March 31, 2025	As at March 31, 2024
Security deposits	732.14	673.33
Receivable from assigned and colent portfolio*	33,927.46	18,304.31
Other Receivable	1,524.96	5,050.07
Total	36,184.56	24,027.71
Less: Impairment Loss Allowance	(327.44)	(129.39)
Total Financial Assets	35,857.12	23,898.32

*With respect to assignment and co-lending deals, the Group has created an Excess Interest Spread (EIS) receivable with corresponding credit to Profit and loss for the year, which has been computed by discounting Excess Interest Spread (EIS) to present value with necessary estimate and assumptions.



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Protium Finance Limited

Notes to the Consolidated Financial Statements

Note "10"

Property, plant and equipment

As at March 31, 2025 (₹ in lakhs)										
Description	Gross Block				Depreciation				Net block	
	As at April 01, 2024	Additions	Disposal/ Adjustments	As at March 31, 2025	As at April 01, 2024	Depreciation during the year	Disposal/ Adjustments	As at March 31, 2025	As at April 01, 2024	As at March 31, 2025
Right of Use Assets	2,930.41	945.52	(10.57)	3,865.36	1,015.16	1,438.94	(10.21)	2,443.89	1,915.26	1,421.47
Leasehold Improvements	582.95	41.50	(1.00)	623.45	148.33	186.30	(0.50)	334.13	434.62	289.32
Furniture and fixtures	247.05	40.77	(0.88)	286.94	36.36	31.51	(0.47)	67.40	210.69	219.54
Office equipment	241.63	69.56	(10.60)	300.59	119.44	38.97	(9.53)	148.88	122.19	151.71
Computers	1,146.48	188.86	(339.75)	995.59	687.65	272.51	(190.35)	769.81	458.83	225.78
Total	5,148.51	1,286.21	(362.80)	6,071.93	2,006.94	1,968.25	(211.06)	3,764.11	3,141.59	2,307.82

As at March 31, 2024 (₹ in lakhs)										
Description	Gross Block				Depreciation				Net block	
	As at April 01, 2023	Additions	Disposal/ Adjustments	As at March 31, 2024	As at April 01, 2023	Depreciation during the year	Disposal/ Adjustments	As at March 31, 2024	As at April 01, 2023	As at March 31, 2024
Right of Use Assets	1,221.82	2,322.77	(614.18)	2,930.41	509.15	831.80	(325.79)	1,015.16	712.67	1,915.26
Leasehold Improvements	129.56	553.79	(100.40)	582.95	48.70	164.22	(64.59)	148.33	80.86	434.62
Furniture and fixtures	103.03	235.35	(91.33)	247.05	14.73	29.51	(7.88)	36.36	88.30	210.69
Office equipment	176.60	66.98	(1.95)	241.63	63.97	56.61	(1.14)	119.44	112.63	122.19
Computers	972.55	192.87	(18.94)	1,146.48	406.36	295.25	(13.96)	687.65	566.19	458.83
Total	2,603.55	3,371.76	(826.80)	5,148.51	1,042.91	1,377.38	(413.35)	2,006.94	1,560.65	3,141.59

Note: None of the above assets have been pledged.



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Note "11"

Intangible assets and intangible assets under development

A) Other intangible assets

As at March 31, 2025 (₹ in lakhs)										
Description	Gross Block				Amortization				Net block	
	As at April 01, 2024	Additions	Disposal/ Adjustments	As at March 31, 2025	As at April 01, 2024	Amortization during the year	Disposal/ Adjustments	As at March 31, 2025	As at April 01, 2024	As at March 31, 2025
Softwares	5,615.47	1,145.72	(7.55)	6,753.64	2,344.21	1,208.54	(6.64)	3,546.11	3,271.26	3,207.53
Intangible Others	-	-	-	-	-	-	-	-	-	-
Total	5,615.48	1,145.72	(7.55)	6,753.64	2,344.21	1,208.55	(6.64)	3,546.11	3,271.26	3,207.53

As at March 31, 2024 (₹ in lakhs)										
Description	Gross Block				Amortization				Net block	
	As at April 01, 2023	Additions	Disposal/ Adjustments	As at March 31, 2024	As at April 01, 2023	Amortization during the year	Disposal/ Adjustments	As at March 31, 2024	As at April 01, 2023	As at March 31, 2024
Softwares	4,300.30	1,315.17	-	5,615.47	1,329.72	1,014.49	-	2,344.21	2,970.58	3,271.26
Intangible Others	5.04	-	(5.04)	-	2.31	0.96	(3.27)	-	2.73	-
Total	4,305.35	1,315.17	(5.04)	5,615.47	1,332.03	1,015.46	(3.27)	2,344.21	2,973.31	3,271.26

B) Intangible under development (₹ in lakhs)

Description	As at March 31, 2025	As at April 01, 2024
Intangible under development	87.55	111.06
Total	87.55	111.06

Schedule of ageing of completion of intangible assets under development :

As at March 31, 2025 (₹ in lakhs)					
(i) Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	87.55	-	-	-	87.55

As at March 31, 2024 (₹ in lakhs)					
Description	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	111.06	-	-	-	111.06

Note: There are no projects whose completion is overdue or has exceeded its cost compared to its original plan.



Note "12"

Other non-financial assets

Particulars	(₹ in lakhs)	
	As at March 31, 2025	As at March 31, 2024
GST input credit	2,547.14	684.17
Prepaid expenses	905.71	768.17
Salary Advance	18.56	9.15
Advances with others	374.70	228.60
Others	465.43	314.32
Total	4,311.54	2,004.41

Note "13"

Derivative financial instruments

As at March 31, 2025

Particulars	(₹ in lakhs)		
	Notional amounts	Fair value assets	Fair value liabilities
Cash flow hedge			
- Cross currency and interest rate swap*	77,091.90	41.52	

As at March 31, 2024

Particulars	(₹ in lakhs)		
	Notional amounts	Fair value assets	Fair value liabilities
Cash flow hedge			
- Cross currency and interest rate swap*	27,464.40		35.04

Note : The Group has board approved policy for entering into derivative transactions

*Derivatives comprises of cross currency interest rate swap entered by the Company to hedge foreign currency borrowings. Refer material accounting policy for derivative financial instruments.

Note "14"

Trade payables

Particulars	(₹ in lakhs)	
	As at March 31, 2025	As at March 31, 2024
Trade payables		
Due to micro and small enterprises	347.32	916.66
To others	479.96	1,481.49
Total	827.28	2,398.15

Details of dues to micro, medium and small enterprises

The amounts due to Micro and Small Enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006, has been determined to the extent of information available and compiled by the Group. This has been relied upon by the auditors.



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Disclosure pertaining to Micro and Small Enterprises are as under :

(₹ in lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
(i) The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year,	347.32	916.66
(ii) 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	-	-
(iii) The amount of interest due and payable for the period of delay in making payment (which has 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	-	-
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year, and	-	-
(v) 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	-	-
Total	347.32	916.66

Trade payables ageing schedule :

As at March 31, 2025

(₹ in lakhs)

Particulars	Outstanding for following periods from due date of payment					
	Current but not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	40.35	306.97	-	-	-	347.32
(ii) Others	47.54	429.80	2.62	-	-	479.96
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	87.89	736.77	2.62	-	-	827.28

As at March 31, 2024

(₹ in lakhs)

Particulars	Outstanding for following periods from due date of payment					
	Current but not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	916.66	-	-	-	916.66
(ii) Others	-	1,478.89	-	2.07	0.52	1,481.48
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	-	2,395.55	-	2.07	0.52	2,398.14



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Protium Finance Limited

Notes to the Consolidated Financial Statements

Note "15"

Debt securities			(₹ in lakhs)
Particulars	As at March 31, 2025	As at March 31, 2024	
At amortised cost			
Secured			
(i) Secured			
Listed redeemable non convertible debentures	2,517.94	10,592.30	
(ii) Unsecured	-	-	
Total	2,517.94	10,592.30	
B) Out of above			
Debt securities in India	2,517.94	10,592.30	
Debt securities outside India	-	-	
Total	2,517.94	10,592.30	

Terms of repayment of Non Convertible Debentures (NCDs)

As at March 31, 2025

Series details	Face value per debenture (in lakhs)	Date of allotment	*Balance as at March 31, 2025 (Rs in Lakhs)	Interest rate % per annum	Date of redemption	Redeemable terms
9.79%p.a.p.m.Protium Finance Limited	1.00	17-04-2023	2,517.94	9.79%	25-04-2025	Annual

As at March 31, 2024

Series details	Face value per debenture (in lakhs)	Date of allotment	*Balance as at March 31, 2024 (Rs in Lakhs)	Interest rate % per annum	Date of redemption	Redeemable terms
Protium22-23-A-PPMLD-Sep2024	10.00	22-12-2022	5,564.41	8.93%	22-09-2024	Bullet
9.79%p.a.p.m.Protium Finance Limited	1.00	17-04-2023	5,027.89	9.79%	25-04-2025	Annual

*Balances as at March 31, 2025 is after considering the impact of unamortised processing fees Rs. 0.65 Lakhs (March 31, 2024 Rs. 46.18 Lakhs)

Nature of security :- Debentures are secured by hypothecation of specified term loan receivables

Note "16"

Borrowings (other than debt securities)			(₹ in lakhs)
Particulars	As at March 31, 2025	As at March 31, 2024	
At amortised cost			
(a) Term loans			
(i) From banks	2,43,384.03	1,55,376.55	
(ii) From other parties	82,409.06	59,525.32	
(b) External commercial borrowings	49,976.57	27,665.66	
(c) Loans repayable on demand			
Bank overdraft	1,900.03	11,150.33	
Total (a + b + c)	3,77,669.69	2,53,717.86	
Borrowings in India	3,27,693.12	2,26,052.20	
Borrowings outside India	49,976.57	27,665.66	
Total	3,77,669.69	2,53,717.86	
Secured borrowings	3,77,669.69	2,53,717.86	
Unsecured borrowings	-	-	
Total	3,77,669.69	2,53,717.86	

Disclosure pertaining to stock statement filed with banks or

- a. The group has availed of the facilities (secured borrowings) from the lenders and these loans are secured by an exclusive first charge by way of hypothecation of identified books debts and receivables
b. Quarterly returns or statements of book debts and receivables filed by the group with banks, financial institutions and trustee are in agreement with the book of accounts.



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Protium Finance Limited

Notes to the Consolidated Financial Statements

Note 16(a)(i) Secured term loan from bank :

As at March 31, 2025			(₹ in lakhs)
Repayment Term	Interest range	Residual tenure on balance sheet date	As at March 31, 2025
Monthly	9.14% - 11%	Upto 1 Year	5,373.48
		1 to 3 Years	34,081.95
		3 to 5 Years	21,904.99
		5 to 7 Years	23,511.93
Quarterly	8.09% - 11%	Upto 1 Year	5,080.16
		1 to 3 Years	55,745.57
		3 to 5 Years	79,728.87
		5 to 7 Years	19,584.00
Add: Interest accrued			332.75
Less: EIR impact			(1,959.67)
Total			2,43,384.03

As at March 31, 2024			(₹ in lakhs)
Repayment Term	Interest range	Residual tenure on balance sheet date	As at March 31, 2024
Monthly	8.34% - 11%	Upto 1 Year	7,585.44
		1 to 3 Years	48,653.23
		3 to 5 Years	35,585.22
		5 to 7 Years	12,389.50
Quarterly	8.58% - 10.75%	1 to 3 Years	30,645.05
		3 to 5 Years	21,761.58
Add: Interest accrued			202.31
Less: EIR Impact			(1,445.78)
Total			1,55,376.55

Nature of security

Term loan from bank is secured by hypothecation of specified term loan receivables

Note 16(a)(ii) Secured term loan from other parties

As at March 31, 2025			(₹ in lakhs)
Repayment Term	Interest range	Residual tenure on balance sheet date	As at March 31, 2025
Monthly	9.50% - 10.40%	Upto 1 Year	2,720.91
		1 to 3 Years	14,375.00
Quarterly	9.60% - 9.90%	1 to 3 Years	14,249.64
		3 to 5 Years	33,498.78
Monthly	8.50% - 9.25%*	Upto 1 Year	237.87
		1 to 3 Years	4,676.60
		3 to 5 Years	1,063.10
		5 to 7 Years	-
		7 to 10 Years	7,422.16
		10 to 12 Years	4,143.47
Add: Interest accrued			179.26
Less: EIR impact			(157.74)
Total			82,409.06

As at March 31, 2024			(₹ in lakhs)
Repayment Term	Interest range	Residual tenure on balance sheet date	As at March 31, 2024
Monthly	9.50% - 10.40%	Upto 1 Year	503.26
		1 to 3 Years	23,012.87
Monthly	8.50% - 9.40%*	1 to 3 Years	13,758.38
		5 to 7 Years	3,245.59
		7 to 10 Years	3,455.26
		10 to 12 Years	15,600.88
Add: Interest accrued			190.01
Less: EIR impact			(240.92)
Total			59,525.32

* Pertains to liabilities arising out of Securitizations



Protium Finance Limited

Notes to the Consolidated Financial Statements

Note 16(b) Secured external commercial borrowings

As at March 31, 2025			(₹ in lakhs)
Repayment Term	Interest range	Residual tenure on balance sheet date	As at March 31, 2025
Bullet Annually	9.52% - 10.14%	1 to 3 Years	28,241.86
		3 to 5 Years	21,395.35
Add: Interest accrued			733.80
Less: EIR impact			(394.44)
Total			49,976.57

As at March 31, 2024			(₹ in lakhs)
Repayment Term	Interest range	Residual tenure on balance sheet date	As at March 31, 2024
Bullet	9.62% - 10.14%	1 to 3 Years	27,464.40
Interest accrued			531.98
EIR impact			(330.72)
Total			27,665.66

Note 16(c) Secured bank overdraft :

As at March 31, 2025			(₹ in lakhs)
Repayment Term	Interest range	Residual tenure on balance sheet date	As at March 31, 2025
Bullet	6.25%	Upto 1 Year	1,900.03
Add: Interest accrued			-
Less: EIR impact			-
Total			1,900.03

As at March 31, 2024			(₹ in lakhs)
Repayment Term	Interest range	Residual tenure on balance sheet date	As at March 31, 2024
Bullet	8.05% - 8.31%	Upto 1 Year	11,150.33
Interest accrued			-
EIR impact			-
Total			11,150.33

Nature of security

Term loan from bank is secured by specified bank FD

Note : Average cost of all above borrowing is at March 31, 2025, 9.36% p.a. (March 31, 2024, 9.56% p.a.)



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Protium Finance Limited

Notes to the Consolidated Financial Statements

Note "17"

Other financial liabilities

(₹ in lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Lease liabilities (refer note no 44)	1,514.41	1,946.80
Accrued expenses	4,153.58	1,488.49
Payable towards assigned and colent portfolio	4,840.28	2,511.00
Other payables	316.54	8,263.14
Total	10,824.81	14,209.43

Note "18"

Provisions

(₹ in lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Gratuity	490.56	282.39
Compensated absences	57.43	51.20
Total	547.99	333.59

Note "19"

Deferred tax liabilities (net)

(₹ in lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Deferred tax liabilities (refer note no. 33)	6,609.68	3,912.41

Note "20"

Other non-financial liabilities

(₹ in lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Statutory liabilities	1,271.93	527.47
Advance from customers	2,762.21	2,703.74
Total	4,034.14	3,231.21



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(a) Details of authorised, issued and subscribed share capital

Particulars	As at March 31, 2025		As at March 31, 2024	
	No. of Shares	₹ in lakhs	No. of Shares	₹ in lakhs
Authorized share capital				
Equity shares of ₹ 10 each	15,60,09,300	15,600.93	15,60,09,300	15,600.93
Issued, subscribed and fully paid-up				
Equity shares of ₹ 10 each	14,56,92,141	14,569.21	14,51,42,330	14,514.23
Total	14,56,92,141	14,569.21	14,51,42,330	14,514.23

(a)(i) Reconciliation of equity shares outstanding at the beginning and at the end of the reporting year

Particulars	As at March 31, 2025		As at March 31, 2024	
	No. of Shares	₹ in lakhs	No. of Shares	₹ in lakhs
Equity shares				
At the commencement of the year	14,51,42,330	14,514.23	9,46,77,800	9,467.78
Issued during the year	5,49,811	54.98	5,04,64,530	5,046.45
At the end of the year	14,56,92,141	14,569.21	14,51,42,330	14,514.23

(b) Rights, preferences and restrictions attached to equity shares

The Holding 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 Holding Company share in the Group'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. In the event of liquidation of the Holding Company, the holders of equity shares will be entitled to receive the residual assets of the Holding Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held. Upon show of hands, every member present in person and holding any equity share capital therein, shall have one vote. In respect of such capital, on every resolution placed before the Holding Company.

(c) Equity shares held by holding Company

Particulars	As at March 31, 2025		As at March 31, 2024	
	No. of Shares	₹ in lakhs	No. of Shares	₹ in lakhs
Consilience Capital Management and it's nominee	14,41,44,759	14,414.48	14,41,44,759	14,414.48

(d) Details of shareholder(s) holding more than 5% of equity shares in the group

Particulars	As at March 31, 2025		As at March 31, 2024	
	No. of Shares	% Holding	No. of Shares	% Holding
Consilience Capital Management and it's nominee	14,41,44,759	98.94%	14,41,44,759	99.31%

(e) There are no bonus shares issued or shares issued for consideration other than cash or shares bought back during the year ended March 31, 2025 and March 31, 2024.

(f) There are no shares reserved for issue under options and contracts or commitments for the sale of shares or disinvestment during the year ended March 31, 2025 and March 31, 2024.

(g) Equity shares held by Promoters

Shares held by promoters at the end of the year		As at March 31, 2025		As at March 31, 2024		% Change during the year
S. No.	Promoter Name	No. of Shares	% of total shares	No. of Shares	% of total shares	
1	Consilience Capital Management and it's nominee	14,41,44,759	98.94%	14,41,44,759	99.31%	-0.37%

(h) For Group's objectives, policies and processes for managing capital, refer note -41

(i) Shares reserved for issue under employee stock option plan

Particulars	As at March 31, 2025		As at March 31, 2024	
	No. of Shares		No. of Shares	
Equity shares of Rs. 10 each	30,95,278		29,40,346	



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Note "22"

Other equity

(* in lakhs)		
Particulars	As at March 31, 2025	As at March 31, 2024
Securities premium account ¹	1,98,929.53	1,97,780.10
Share based payment reserve ²	935.22	439.66
Statutory reserve (created under Section 45-IC of the RBI Act, 1934) ³	7,275.62	3,855.49
Retained earnings ⁴	25,507.56	11,842.75
General reserve ⁵	38.17	-
Cash flow hedge reserve ⁶	(918.13)	(26.22)
Total	2,31,767.98	2,13,891.78

1) Securities premium:

Share premium is credited when shares are issued at premium and with the fair value of the stock options which are treated as expense, if any, in respect of shares allotted pursuant to Employee Stock Options Scheme. Share premium can be utilised only for limited purposes such as issuance of bonus shares or adjustment of share issue expenses, net of tax, as permissible under the Companies Act, 2013.

2) Share based payment reserve

Share options outstanding account is created as required by INDAS 102 'Share Based Payments' on the Employee Stock Option Scheme operated by the Company for employees of the Group.

3) Statutory reserve (created under Section 45-IC of the RBI Act, 1934)

Statutory reserve is created as per the terms of section 45 IC(1) of the Reserve Bank of India Act, 1934 by the Holding Company.

4) Retained earnings

Retained earnings represents the surplus in profit and loss account and net amount of appropriations made to/from retained earnings. The Group recognises change on account of remeasurement of the net defined benefit liability (asset) as part of retained earnings with separate disclosure, which comprises of (a) actuarial gains and losses; (b) return on plan assets, excluding amounts included in net interest on the net defined benefit liability (asset); (c) any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability (asset).

5) General reserve

The reserve can be distributed/ utilized by the Company, in accordance with The Companies Act, 2015.

6) 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.



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Protium Finance Limited

Notes to the Consolidated Financial Statements

Note "23"

Revenue from operations

(₹ in lakhs)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
On financial assets measured at amortized cost		
Interest Income on Loans	55,890.30	46,680.29
Interest Income from Investments	2,367.06	1,114.60
Interest on fixed deposits with banks	7,184.67	3,217.65
On financial assets measured at fair value through OCI		
Interest income on loans	3,904.52	-
Total	69,346.55	51,012.54

Note "24"

Fees and commission income

(₹ in lakhs)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Fees and commission Income	7,020.56	3,079.14
Facilitation Fees	2,409.59	2,071.34
Total	9,430.15	5,150.48

24.1 Geographical markets

(₹ in lakhs)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Within India	9,430.15	5,150.48
Outside India	-	-
Total	9,430.15	5,150.48

24.2 Timing of revenue recognition

(₹ in lakhs)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Services transferred at a point in time	9,274.21	5,116.78
Services transferred over time	155.94	33.70
Total	9,430.15	5,150.48

Note "25"

Net gain/(loss) on fair value changes

(₹ in lakhs)

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		
- Investments	533.11	64.14
- Loans	3,352.64	-
Total	3,885.75	64.14
Fair value changes:		
- Realised	386.08	58.77
- Unrealised	3,499.67	5.37
Total	3,885.75	64.14

Note "26"

Net gain on derecognition of financial instruments under amortised cost category

(₹ in lakhs)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Gain on derecognition of financial instruments under amortised cost category	22,038.68	16,535.41
Total	22,038.68	16,535.41

Note "27"

Other income

(₹ in lakhs)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Recovery against written-off financial assets	2,198.01	567.92
Others*	661.78	2,421.05
Total	2,859.79	2,988.97

*Includes interest on income tax refund, marketing income etc.

Note "28"

Finance Cost

(₹ in lakhs)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Measured at amortized cost on financial liabilities		
Interest on borrowings other than debt securities	29,602.79	17,714.98
Interest on debt securities	550.14	1,024.25
Interest on lease liabilities	203.48	181.25
Other finance cost	87.83	77.22
Total	30,444.24	18,997.70



Protium Finance Limited

Notes to the Consolidated Financial Statements

Note "29"

Impairment on financial instruments

(₹ in lakhs)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
On financial instruments measured at amortized cost		
Impairment on financial instruments	4,496.55	2,006.53
Loans written off	9,192.83	4,566.22
Loss on Foreclosure of Loans	1,510.85	218.67
Total	15,200.23	6,791.42

Note "30"

Employee benefits expense

(₹ in lakhs)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Employee benefits expense		
Salaries and wages	22,363.75	19,593.15
Contribution to and provision for		
Provident and other funds	810.99	701.69
Gratuity fund (refer note no. 37)	143.23	110.09
Share based payment (refer note no. 38)	825.46	439.66
Staff welfare expenses	748.45	570.15
Total	24,891.88	21,414.74

Note "31"

Depreciation and amortisation

(₹ in lakhs)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Depreciation on property, plant and equipment	1,968.24	1,377.38
Amortisation on intangible assets	1,208.54	1,015.45
Total	3,176.78	2,392.83

Note "32"

Other expenses

(₹ in lakhs)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Loan Origination and Servicing Costs	3,332.09	4,000.69
IT expenses	1,674.44	1,342.73
Insurance	1,332.08	87.81
Travelling and conveyance	1,196.71	851.90
Legal and professional charges	875.64	1,132.52
Collection Charges	743.04	644.25
Office Expenses	501.53	522.11
Business promotion expenses	227.43	108.83
Rent, rates and taxes	207.13	600.05
Director's fees, allowances, and expenses	186.57	118.94
Electricity charges	185.13	157.46
Corporate Social Responsibility	183.54	67.80
Auditor fees and expenses	162.14	91.55
Printing and stationery	127.01	151.88
Postage and courier	77.44	96.83
Bank Charges	63.24	87.99
Communication Costs	59.70	23.37
Repairs and maintenance	47.88	47.01
Membership & Subscription	42.73	102.57
Loss on Sale / Scrap of Fixed Assets	17.11	45.50
Other expenses	8.17	15.27
Brokerage & Commission	2.42	6.18
Total	11,253.17	10,304.24

Payment to auditors includes:

(₹ in lakhs)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
a) For Statutory audit	96.85	48.08
b) For limited review	32.70	16.35
c) For taxation matters	6.54	7.19
d) For other services (certificates)	21.80	19.93
e) For reimbursement of expenses	4.25	-
Total	162.14	91.55



33 Deferred tax liabilities (net)

33.1 Reconciliation of total tax charge

Particulars	(₹ in lakhs)	
	For the year ended March 31, 2025	For the year ended March 31, 2024
Current tax	2,790.15	1,493.64
Adjustment to tax relating to earlier periods	(329.78)	-
Deferred tax	3,010.37	2,681.84
Total income tax expenses recognised in the current year	5,470.74	4,175.48
Income tax expense recognised in other comprehensive income	313.12	17.92
Income tax expense for the year reconciled to the accounting profit:		
Profit before tax	22,594.62	15,850.61
Income tax rate	25.17%	25.17%
Income tax expense	5,687.07	3,989.60
Tax effect of:		
Effect of Ind AS adjustments (net)	(4,231.45)	(3,264.53)
Impairment of Loans	1,131.64	505.04
Expenses allowed under Income Tax Act, 1961	(1,509.51)	(389.74)
Disallowances under Income Tax Act, 1961	4,392.99	3,335.11
Income tax expense recognised in profit and loss	5,470.74	4,175.48

33.2 The following table shows deferred tax recorded in the balance sheet and changes recorded in the Income tax expense:

As at March 31, 2025		(₹ in lakhs)		
Particulars	Opening balances as on April 01, 2024	Recognised in profit or loss (Expense) / Income	Recognised in other comprehensive Income	Closing balances as on March 31, 2025
Deferred tax asset				
Impairment of financial instruments	1,369.95	1,131.74	-	2,501.68
Disallowances under section 43B of the Income Tax Act, 1961	71.10	(62.66)	13.11	21.55
Fair valuation of derivative financial instrument	8.82	(8.82)	300.00	300.00
Total Deferred tax asset	1,449.86	1,060.26	313.12	2,823.24
Deferred tax liabilities				
Ind AS adjustment (effective interest rate on fee income and expenses, EIS on assignment)	(5,113.91)	(4,318.95)	-	(9,432.87)
Difference between books and tax written down value of fixed assets	(248.36)	248.31	-	(0.05)
Total deferred tax liabilities	(5,362.27)	(4,070.65)	-	(9,432.91)
Total	(3,912.41)	(3,010.39)	313.12	(6,609.68)

As at March 31, 2024		(₹ in lakhs)		
Particulars	Opening balances as on April 01, 2023	Recognised in profit or loss (Expense) / Income	Recognised in other comprehensive Income	Closing balances as on March 31, 2024
Deferred tax asset				
Impairment of financial instruments	864.90	505.04	-	1,369.95
Disallowances under section 43B of the Income Tax Act, 1961	44.78	17.21	9.10	71.10
Fair valuation of derivative financial instrument	-	-	8.82	8.82
Total Deferred tax asset	909.69	522.25	17.92	1,449.86
Deferred tax liabilities				
Ind AS adjustment (effective interest rate on fee income and expenses, EIS on assignment)	(1,761.34)	(3,352.58)	-	(5,113.91)
Difference between books and tax written down value of fixed assets	(396.85)	148.50	-	(248.36)
Total deferred tax liabilities	(2,158.19)	(3,204.08)	-	(5,362.27)
Total	(1,248.50)	(2,681.82)	17.92	(3,912.41)



Protium Finance Limited

Notes to the Consolidated Financial Statements

Note "34"

Earnings per share ('EPS')

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

Diluted earnings per share is calculated by dividing the profit attributable to equity shareholders of the Group with the weighted average number of equity shares outstanding during the year adjusted for assumed conversion of all dilutive potential equity shares.

i. Profit attributable to equity shareholders:

Particulars	(₹ in lakhs)	
	For the year ended March 31, 2025	For the year ended March 31, 2024
Profit/ (loss) after tax as per Statement of Profit and Loss	17,123.88	11,675.13
Net profit attributable to equity shareholders for calculation of Basic EPS	17,123.88	11,675.13
Net profit adjusted for the effects of dilutive potential equity shares for calculation of Diluted EPS	17,123.88	11,675.13

ii. Weighted average number of Shares and earnings per share (EPS)

Particulars	(₹ in lakhs)	
	For the year ended March 31, 2025	For the year ended March 31, 2024
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	14,53,08,026	10,95,68,973
Adjustments for calculation of diluted earnings per share:		
Weighted average number of equity shares and potential equity shares used as the denominator in calculating diluted earnings per share	14,57,63,753	10,95,68,973
Effect of dilution:		
Employee stock options	4,55,727	
Basic earnings per share (₹)	11.78	10.66
Diluted earnings per share (₹)	11.74	10.66



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35. Segment reporting

The Group operates in a single reportable operating segment of providing loans. All other activities revolve around the main business. Further, all activities are carried out within India. As such, there are no separate reportable segments as per Ind AS 108 on 'Segment Reporting'.

36. Contingent liability & commitment:

Particulars	₹ in lakhs	
	As at March 31, 2025	As at March 31, 2024
Contingent liability	-	-
Commitments	-	-
Estimated amount of contracts remaining to be executed on capital account	-	47.45
Undisbursed Loan commitments	19,321.13	10,496.21

Note:

1. There are no pending litigations against the Group.

2. The Group has a process whereby periodically all long-term contracts are assessed for material foreseeable losses. At the year end, the Group has reviewed and ensured that adequate provisions (if any) required under any law / accounting standard / RBI regulation for material foreseeable losses on such long-term contracts has been made in the books of account.

37. Employee benefit:

In accordance terms of the Indian Accounting Standard 19 'Employee Benefits', the requisite disclosures are as follows:

i) Defined contribution plans:

The Company recognized charges of INR 781.85 lakhs (March 31, 2024: INR 672.02 lakh) for Provident fund contributions.

ii) Compensated absences

The actuarially determined liability for compensated absences of accumulated leaves of the employees of the Group is given below:

Particulars	As at March 31, 2025	As at March 31, 2024
Assumptions:		
Discount rate	6.54% - 6.59%	7.17%
Salary escalation rate	5.00%	5.00%
Rate of employee turnover	For service 4 years and below 25.00% (61.00% for subsidiary) p.a. & For service 5 years and above 8.00% p.a.	For service 4 years and below 25.00% p.a. & For service 5 years and above 8.00% p.a.
Actual:		
Present value of unfunded obligations (Rs in lakhs)	57.43	51.20
Expenses recognised in P&L (Rs in lakhs)	10.40	17.07

Discount rate: The discount rate is based on the prevailing market yields of Indian Government Securities as at the balance sheet date for the estimated term of the obligations.

iii) Defined benefit gratuity plans:

Every employee who will complete five years or more of service gets a gratuity on departure at 15 days salary (last drawn) for each completed year of service. The Group recognized charges of INR 162.46 lakhs (March 31, 2024: INR 110.09 lakh) for Gratuity Fund. The same is payable at the time of separation from the Company or retirement, whichever is earlier.

Assumptions	As at March 31, 2025	As at March 31, 2024
Discount rate	6.54% - 6.59%	7.17%
Salary escalation rate	5.00%	5.00%
Rate of return on plan assets	NA	NA
Rate of Employee Turnover	For service 4 years and below 25.00% (61.00% for subsidiary)p.a. & For service 5 years and above 8.00% p.a.	For service 4 years and below 25.00% p.a. & For service 5 years and above 8.00% p.a.
Mortality Rate During Employment	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality 2012-14 (Urban)



57. Employee benefit (continued)

Table showing change in the present value of projected benefit obligation

Particulars	₹ in lakhs	
	As at March 31, 2025	As at March 31, 2024
Present value of Benefit obligation at the beginning of the year (Unfunded)	282.40	136.13
Interest cost	20.25	9.94
Current service cost	142.21	100.15
Liability transferred out/ Divestment	-	-
Actuarial (Gains) on Obligations - Due to Change in Demographic Assumptions	(14.28)	-
Actuarial (Gains) on Obligations - Due to Change in Financial Assumptions	23.42	3.19
Actuarial Losses on Obligations - Due to Experience	42.95	32.99
Benefits paid	(6.39)	-
Present value of obligation as at the end of the year (unfunded)	490.56	282.40

Amount recognized in the Balance Sheet

Particulars	₹ in lakhs	
	As at March 31, 2025	As at March 31, 2024
Present value of benefit obligation at the end of the year	(490.57)	(282.40)
Fair value of plan assets at the end of the year	-	-
Funded Status (Deficit)	(490.57)	(282.40)
Net (liability)/asset recognized in the Balance Sheet	(490.57)	(282.40)

Expenses recognized in the Statement of Profit and Loss

Particulars	₹ in lakhs	
	As at March 31, 2025	As at March 31, 2024
Current service cost	142.21	100.15
Net Interest cost	20.25	9.94
Amount included in employee benefit expenses	162.46	110.09

Expenses recognized in the Other comprehensive Income (OCI)

Particulars	₹ in lakhs	
	As at March 31, 2025	As at March 31, 2024
Actuarial Losses on obligation for the year	52.10	36.18
Net Expense for the year recognized in OCI	52.10	36.18

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors

Balance sheet reconciliation

Particulars	₹ in lakhs	
	As at March 31, 2025	As at March 31, 2024
Opening net liability	282.40	136.13
Expenses recognized in Statement of Profit and Loss	162.46	110.09
Expenses recognized in OCI	52.10	36.18
Net (Liability) Transfer Out	(6.39)	-
Net liability recognized in the Balance Sheet	490.56	282.40

Cash flow projection

Maturity analysis of the benefit payments: from the employer

Particulars	₹ in lakhs	
	As at March 31, 2025	As at March 31, 2024
Projected benefits payable in future years from the date of reporting		
1st Following Year	17.64	3.07
2nd Following Year	28.91	11.42
3rd Following Year	39.01	19.42
4th Following Year	44.51	26.03
5th Following Year	46.18	30.11
Sum of Years 6 to 10	219.83	138.35
Sum of Years 11 and above	587.90	401.45



37. Employee benefit (continued)

Sensitivity analysis

Particulars	(* in lakhs)	
	As at March 31, 2025	As at March 31, 2024
Projected benefit obligation on current assumptions	490.56	282.40
Delta effect of +1% change in rate of discounting	(39.20)	(23.82)
Delta effect of -1% change in rate of discounting	45.29	27.53
Delta effect of +1% change in rate of salary increase	39.80	24.99
Delta effect of -1% change in rate of salary increase	(36.28)	(22.67)
Delta effect of +1% change in rate of employee turnover	(2.65)	(3.59)
Delta effect of -1% change in rate of employee turnover	1.87	3.01

Qualitative disclosures

Gratuity is a defined benefit plan and group is exposed to the following risks:

Interest rate risk: A fall in the discount rate which is linked to the G Sec. Rate will increase the present value of the liability requiring higher provision.

Salary risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

Asset Liability Matching Risk: The plan faces the ALM risk as to the matching cash flow. Group has to manage pay out based on pay as you go basis from own funds.

Mortality risk: Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.



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38. Employee stock option plan

In accordance with the resolution approved by the Shareholders on January 24, 2023, the Group has reserved share, for issue to employees through Protium Finance Employee Stock Option Plan I (ESOP Plan I). Under the terms of ESOP Plan I Company may issue stock option to the employees of the Company each of which is convertible into one equity share

As on March 31, 2025

Grant date	Exercise price (Rs)	Opening ESOP	Options granted during the year	Options expired during the year	Options exercised during the year	Options forfeited during the year	Options outstanding at the end of the year	Exercisable at the end of the year
15-Apr-23	166	20,18,072	-	1,20,482	5,00,255	-	13,97,335	3,08,816
15-May-23	166	9,22,274	-	1,72,398	49,556	-	7,00,320	1,49,955
1-Jan-25	166	-	81,324	-	-	-	81,324	-
1-Jan-25	480	-	8,74,632	-	-	-	8,74,632	-
31-Mar-25	480	-	41,667	-	-	-	41,667	-
Total		29,40,346	9,97,623	2,92,880	5,49,811	-	30,95,278	4,58,771

As on March 31, 2024

Grant date	Exercise price (Rs)	Opening ESOP	Options granted during the year	Options expired during the year	Options exercised during the year	Options forfeited during the year	Options outstanding at the end of the year	Exercisable at the end of the year
15-Apr-23	166	-	20,18,072	-	-	-	20,18,072	-
15-May-23	166	-	10,15,646	93,372	-	-	9,22,274	-
Total		-	30,33,718	93,372	-	-	29,40,346	-

Method used for accounting for share based payment plan

The Group has used the fair value method to account for the compensation cost of stock options to employees. The fair value of options used are estimated on the date of grant using the Black – Scholes Model. The key assumptions used in Black – Scholes Model for calculating fair value as on the date of respective grants are:

Grant date	Employee Type	Risk free Interest rate	Expected life (in years)	Expected volatility	Dividend yield	Price of the underlying share in the market at the time of the option grant (Rs.)*	Options granted	Fair value of options (Rs.)	Weighted average residual life in years	Vesting period (in years)
15-Apr-23	A1	7.05%	3.75	25.00%	0%	166	12,04,820	51.35	1.79	3.00
15-Apr-23	A2	7.05%	4.25	25.00%	0%	166	4,81,927	55.58	2.29	3.00
15-Apr-23	A3	7.07%	5.00	24.00%	0%	166	3,31,325	60.64	3.04	4.00
15-May-23	S1 specified employee	6.96%	4.10	25.00%	0%	166	66,264	54.04	2.22	3.00
15-May-23	S2 specified employee	6.96%	4.70	25.00%	0%	166	1,50,600	58.91	2.82	4.00
15-May-23	S3 specified employee	6.96%	5.50	24.00%	0%	166	1,29,516	63.95	3.62	5.00
15-May-23	S1 Others	6.96%	4.50	25.00%	0%	166	3,08,429	56.33	2.62	4.00
15-May-23	S2 Others	6.96%	5.00	24.00%	0%	166	2,57,225	60.22	3.12	4.00
15-May-23	S3 Others	6.96%	5.50	24.00%	0%	166	1,03,612	63.95	3.62	5.00
01-Jan-25	2025/S1/166	6.63%	4.33	42.83%	0%	166	81,324	101.49	4.09	2.75
01-Jan-25	2025/S2/480	6.65%	4.81	44.85%	0%	480	2,45,466	29.51	4.57	3.75
01-Jan-25	2025/A1/480	6.65%	4.81	44.85%	0%	480	6,29,166	29.51	4.57	3.75
31-Mar-25	2025/A2/480	6.37%	4.63	43.83%	0%	480	41,667	25.90	4.62	3.50

1. The weighted average fair value of options granted during the year was Rs. 35.23 (31 March 2024: Rs 55.70).

2. For the year ended March 31, 2025, the Group has accounted expense of Rs 825.46 Lakhs as employee benefit expenses on the aforesaid employee stock option plan (Previous year Rs. 439.66 lakhs).

* Method of settlement – Equity settled ESOPs



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Protium Finance Limited

Notes to the Consolidated Financial Statements

39. Expenditure towards corporate social responsibility as per section 135 of the companies Act, 2013 (read with schedule VII thereof)

a. Gross amount required to be spent by the Group during the year – Rs 174.61 lakhs (Previous Year Rs 67.48 lakhs)

b. The details of amount spent in respective year towards CSR as follows:

(₹ in lakhs)

Particulars	For the Year ended March 31, 2025	For the year ended March 31, 2024
Construction/ acquisition of asset:		
Amount required to be spent by the Group during the year	-	-
Shortfall of earlier year brought forward	-	-
Amount spent	-	-
Amount unpaid / provision/ Shortfall ¹ carried forward	-	-
On purpose other than above:		
Amount required to be spent by the Group during the year	174.61	67.48
Shortfall of earlier year brought forward	-	-
Amount paid	183.54	67.80
Amount unpaid / provision/ Shortfall/ (Excess) carried forward	(8.92)	-

Notes:

1. The Group has contributed to various CSR initiatives in accordance with the provisions of Section 135 of the Companies Act, 2013. Contributions were made to CSR partners such as Cuddles Foundation, Akshara Foundation, Suryoday Foundation, Swadha Foundation, Indian Dream Foundation, and Youth for Seva. These partnerships focus on key areas such as healthcare, education, skill development and financial literacy. The Group has fully utilized the allocated CSR funds for the year. There is excess amount of Rs 8.92 Lakhs to be carried forward to succeeding years.

2. In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act.

3. There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act.

40. Disclosure pursuant to Ind AS 107 "Financial Instruments: Disclosures"

(a) Current and non-current maturity:

(₹ in lakhs)

Particulars	As at March 31, 2025			As at March 31, 2024		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS						
Financial assets						
Cash and Cash Equivalents	84,680.62	-	84,680.62	90,023.10	-	90,023.10
Bank balances other than cash and cash equivalents	41,955.82	-	41,955.82	42,185.73	268.37	42,454.10
Derivative financial instrument	-	41.52	41.52	-	-	-
Trade Receivables	854.99	171.96	1,026.95	992.23	-	992.23
Loans	1,09,020.20	3,14,546.62	4,23,566.82	97,380.21	2,25,991.16	3,23,371.37
Investments	48,677.96	2,988.80	51,666.76	26,102.45	47.52	26,149.98
Other Financial assets	12,921.76	22,935.36	35,857.12	12,756.01	11,142.31	23,898.32
Sub total	2,98,111.34	3,40,684.25	6,38,795.61	2,69,439.73	2,37,449.36	5,06,889.09
Non-financial assets						
Current tax assets (Net)	-	658.67	658.67	-	1,418.58	1,418.58
Property Plant and Equipment	-	2,307.82	2,307.82	48.43	3,093.16	3,141.59
Intangible Assets under development	-	87.55	87.55	111.06	-	111.06
Intangible Assets	-	3,207.53	3,207.53	-	3,271.26	3,271.26
Other Non Financial assets	3,405.85	905.69	4,311.54	2,004.41	-	2,004.41
Sub total	3,405.85	7,167.26	10,573.12	2,163.90	7,783.00	9,946.90
Total assets	3,01,517.20	3,47,851.51	6,49,368.72	2,71,603.63	2,45,232.36	5,16,835.99
LIABILITIES						
Financial liabilities						
Derivative financial instrument	-	-	-	-	35.04	35.04
Trade Payables	827.28	-	827.28	2,398.15	-	2,398.15
Debt Securities	2,517.94	-	2,517.94	7,032.83	3,559.47	10,592.30
Borrowings (Other than Debt Securities)	1,20,828.86	2,56,840.82	3,77,669.69	84,283.10	1,69,434.76	2,53,717.86
Other financial liabilities	10,298.40	526.41	10,824.81	13,071.60	1,137.83	14,209.43
Sub total	1,34,472.49	2,57,367.23	3,91,839.72	1,06,785.69	1,74,132.05	2,80,917.74
Non-financial liabilities						
Provisions	31.93	516.06	547.99	54.97	278.62	333.59
Deferred Tax Liabilities (net)	-	6,609.68	6,609.68	-	3,912.41	3,912.41
Other non-financial liabilities	3,843.12	191.02	4,034.14	1,256.98	1,974.23	3,231.21
Sub total	3,875.05	7,316.76	11,191.81	1,311.95	6,165.26	7,477.21
Total liabilities	1,38,347.54	2,64,684.00	4,03,031.53	1,08,097.64	1,80,297.31	2,88,394.96



Protium Finance Limited

Notes to the Consolidated Financial Statements

(b) Financing arrangement

The Group had access to the following undrawn borrowing facilities at the end of reporting period

(₹ in lakhs)		
Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Undrawn backup lines	39,300.00	11,000.00

(c) Carrying amount of collateral given

(₹ in lakhs)		
Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Bank balances other than cash equivalent	6,092.23	-
Loan and advances	4,18,245.96	2,51,729.07

* Including interest accrued and reinvested accrued interest of Rs 457.97 lakhs. Further, out of Rs 457.97 lakhs, Rs 191.97 lakhs pertains to the lien marked fixed deposits, liabilities against which was paid in the month of March' 2025 while lien was discharged in the month of Apr' 2025

(d) Financial assets are transferred but not derecognised in their entirety :

(i) Securitisation

(₹ in lakhs)		
Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Carrying amount of assets	23,745.64	38,743.02
Carrying amount of associated Liabilities	17,512.50	36,021.17

(ii) Assignment and Collending

The Group has sold loans (measured at amortised cost and FVOCI) by way of direct bilateral assignment and collending, as a source of finance.

As per the terms of these deals, since substantial risk and rewards related to these assets were transferred to the buyer, the assets have been de recognised from the Group's balance sheet.

The table below summarises the carrying amount of the derecognised financial assets measured at amortised cost and the gain/ (loss) on derecognition, per type of asset

(₹ in lakhs)		
Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Carrying amount of de-recognised financial asset	2,79,172.01	1,71,104.44
Carrying amount of retained asset at amortised cost	52,411.66	46,835.99
Net gain on sale of the de-recognised financial asset at amortised cost*	22,038.68	16,535.41
Net gain on sale of the de-recognised financial asset at FVOCI*	3,352.64	-

* Amount represents net gain on derecognition of financial asset for the year ended March 31, 2025 and March 31, 2024

(e) During the year, the Group has acquired loan portfolio from another NBFC, for a consideration of Rs 35,101.40 lakhs, recognised in the following stages / asset classification as per Ind AS 109:

(₹ in lakhs)	
Stage	Amount
Stage 1	34,909.78
Stage 2	149.19
Stage 3 (PoCI) *	42.43
Total	35,101.40

* Purchased or originated Credit Impaired Loans



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Protium Finance Limited

Notes to the Consolidated Financial Statements

41. Capital

The Group actively manages its capital base to cover risks inherent to its business and meets the capital adequacy requirements of the regulator - Reserve Bank of India. The adequacy of the Group's capital is monitored using, among other measures, the regulations issued by RBI.

(i) Capital management

Objective

The Group's objective is to maintain appropriate levels of capital to support its business strategy taking into account the regulatory, economic and commercial environment. The Group aims to maintain a strong capital base to support the risks inherent to its business and its growth strategy. The Group endeavors to maintain a higher capital base than the mandated regulatory capital at all times.

Planning

The Group's assessment of capital requirement is aligned to its planned growth which forms part of an annual operating plan which is approved by the Board and also a long range strategy. These growth plans are aligned to assessment of risks- which include credit, liquidity and interest rate.

The Group monitors its capital adequacy ratio (CRAR) on a monthly basis through its assets liability management committee (ALCO).

The Group maintains its capital structure in line with the economic conditions and the risk characteristics of its activities and the board reviews the capital position on a regular basis.

Gearing ratio:

(₹ in lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Debt	3,80,187.63	2,64,310.16
Total Equity	2,46,337.19	2,28,406.01
Debt to Equity Ratio (in times)	1.54	1.16

(ii) Regulatory Capital

(₹ in lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Tier I Capital	2,07,495.37	2,03,899.44
Tier II Capital	1,261.10	-
Total Capital	2,08,756.47	2,03,899.44
Total Risk weighted assets	4,56,981.07	3,52,404.18
Tier I CRAR	45.41%	57.86%
Tier II CRAR	0.28%	0.00%
Total capital	45.68%	57.86%



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Protium Finance Limited

Notes to the Consolidated Financial Statements

42. Risk management framework

While risk is inherent in the Group's activities, it is managed through an integrated risk management framework, including ongoing identification, measurement and monitoring, subject to risk limits and other controls.

The Board of Directors are responsible for the overall risk management approach and for approving the risk management strategies and principles.

The risk committee has the overall responsibility for the development of the risk strategy and implementing principles, frameworks, policies and limits. The risk committee is responsible for managing risk decisions and monitoring risk levels and reports to the Board.

The Group's risks are generally categorized in the following risk types:

- a) Credit risk
- b) Liquidity risk
- c) Market risk
- d) Operational risk
- e) Foreign currency risk

a) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's trade receivables and loans. The Group has adopted a policy of dealing with creditworthy counterparties and obtains sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. In case the loans are to be restructured, similar credit assessment process is followed by the Group.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

The Group manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties/Groups (Single Borrowing Limit/Group Borrowing Limit) and for industry concentrations, and by monitoring exposures in relation to such limits.

Credit quality of a customer is assessed based on its credit worthiness and historical dealings with the Group and market intelligence. Outstanding customer receivables are regularly monitored. The credit quality review process aims to allow the group to assess the potential loss as a result of the risks to which it is exposed and take corrective actions.

Financial assets measured on a collective basis

The group splits its exposure into smaller homogeneous portfolios, based on shared credit risk characteristics, as described below in the following order:

- Secured/unsecured i.e. based on whether the loans are secured
- Nature of security i.e. the nature of the security if the loans are determined to be secured
- Nature of loan i.e. based on the nature of loan

Significant increase in credit risk

The group considers an exposure to have significantly increased in credit risk when the borrower crosses 30 DPD but is within 90 DPD.

Impairment assessment

The group considers a financial instrument defaulted and therefore Stage 3 (credit-impaired) for ECL calculations in all cases when the borrower crosses 90 days past due on its contractual payments. Further, the borrower is retained in Stage 3 (credit-impaired) till all the overdue amounts are repaid i.e. borrower becomes 0 days past due on its contractual payments.

Exposure at default

The exposure at default (EAD) represents the gross carrying amount of the financial instruments subject to the impairment calculation.

Loss given default

The credit risk assessment is based on a standardised LGD assessment framework that incorporates the probability of default and subsequent recoveries, discounted.

Current economic data and forward-looking economic forecasts and scenarios are used in order to determine the Ind AS 109 LGD rate. The Group uses own historical data and combines such data with inputs to the Group's ECL models including determining the weights attributable to the multiple scenarios.

Credit quality of assets

i) The table below shows credit quality and maximum exposure to credit risk based on year-end stage classification. The amounts presented are gross of impairment loss allowance.

(₹ in lakhs)

Sr No	Particulars	Loss Allowance measured at 12 month ECL (Stage 1)	Loss Allowance measured at life time ECL	
			Financial Assets for which credit risk has increased significantly and credit not impaired (Stage 2)	Financial Assets for which credit risk has increased significantly and credit impaired (Stage 3)
I	As on March 31, 2025			
	Estimated gross carrying amount at default	4,14,065.80	8,625.45	10,435.03
	Expected credit Loss	(3,349.26)	(2,243.64)	(3,966.55)
	Carrying amount net of Impairment Provision	4,10,716.53	6,381.81	6,468.48
II	As on March 31, 2024			
	Estimated gross carrying amount at default	3,19,724.13	3,511.18	5,402.71
	Expected credit Loss	(1,901.42)	(887.20)	(2,478.03)
	Carrying amount net of Impairment Provision	3,17,822.71	2,623.98	2,924.68
III	As on March 31, 2023			
	Estimated gross carrying amount at default	4,14,065.80	8,625.45	10,435.03
	Expected credit Loss	(3,349.26)	(2,243.64)	(3,966.55)
	Carrying amount net of Impairment Provision	4,10,716.53	6,381.81	6,468.48



Protium Finance Limited

Notes to the Consolidated Financial Statements

42. Risk management framework (continued)

ii.) An analysis of changes in the gross carrying amount and corresponding ECL allowances in relation to loans is as under:

		('₹ in lakhs)				
Sr No	Particulars	Stage 1	Stage 2	Stage 3	PeCI*	Total
I	Gross Carrying amount balance as at March 31, 2023	2,36,787.23	1,898.04	1,576.70	-	2,40,261.97
	New Loans originated during the year	1,72,950.48	2,136.68	2,518.10	-	3,77,605.26
	-Transfers to Stage 1	274.54	(205.49)	(69.05)	-	-
	-Transfers to Stage 2	(2,915.26)	2,915.29	(0.03)	-	-
	-Transfers to Stage 3	(7,367.30)	(1,043.66)	8,410.96	-	-
	-Loans that have been de recognised during the period	(1,60,042.61)	-	-	-	(1,60,042.61)
	Written offs	-	-	(4,566.22)	-	(4,566.22)
	Matured or repaid during the year	(1,19,962.94)	(2,189.67)	(2,467.75)	-	(1,24,620.37)
	Gross Carrying amount balance as at March 31, 2024	3,19,724.13	3,511.19	5,402.71	-	3,28,638.03
II	New Loans originated during the year	5,07,178.42	149.46	-	42.43	5,07,370.11
	-Transfers to Stage 1	635.37	(96.68)	(538.70)	-	(0.00)
	-Transfers to Stage 2	(7,387.97)	7,409.96	(21.99)	-	0.00
	-Transfers to Stage 3	(12,003.07)	(2,489.18)	14,492.25	-	-
	-Loans that have been de recognised during the period	(2,26,760.35)	-	-	-	(2,26,760.35)
	Written offs	-	-	(10,703.68)	(42.43)	(10,746.11)
	Matured or repaid during the year	(1,67,320.72)	140.69	1,804.44	-	(1,65,375.59)
III	Gross Carrying amount balance as at March 31, 2025	4,10,065.80	8,625.45	10,435.03	-	4,33,126.27

No. of loan accounts with principal and / or interest overdue (including loans classified as Significant Increase in Credit Risk (SICR) and credit impaired) as at March 31, 2025 is 1,811 (Stage 1), 2,120 (Stage 2) and 3,387 (Stage 3)

		('₹ in lakhs)				
Sr No	Particulars	Stage 1	Stage 2	Stage 3	PeCI*	Total
I	ECL allowance amount balance as at March 31, 2023	2,115.74	435.85	805.36	-	3,356.95
	New Loans originated during the year	3,912.22	-	-	-	3,912.22
	-Transfers to Stage 1	63.33	(32.26)	(31.07)	-	-
	-Transfers to Stage 2	(583.86)	583.86	-	-	-
	-Transfers to Stage 3	(1,326.58)	(299.07)	1,625.65	-	-
	-Loans that have been de recognised during the period	(944.25)	-	-	-	(944.25)
	Written offs	-	-	(2,968.04)	-	(2,968.04)
	Impact on year end ECL of exposures transferred between stages during the year	(105.37)	296.40	3,493.38	-	3,684.41
	Matured or repaid during the year	(1,129.81)	(97.58)	(447.25)	-	(1,774.63)
	ECL allowance amount balance as at March 31, 2024	1,901.41	887.20	2,478.03	-	5,266.65
II	New Loans originated during the year	6,511.25	30.19	-	42.43	6,583.87
	Transfers to Stage 1	144.36	(6.40)	(137.96)	-	-
	Transfers to Stage 2	(1,135.86)	1,141.35	(5.50)	-	-
	Transfers to Stage 3	(1,838.92)	(710.68)	2,549.59	-	-
	Loans that have been de recognised during the year	(1,811.88)	-	-	-	(1,811.88)
	Written offs	-	-	(9,003.46)	(42.43)	(9,045.90)
	Impact on year end ECL of exposures transferred between stages during the year	886.93	1,654.27	11,506.53	-	14,047.73
	Matured or repaid during the year	(1,308.04)	(752.30)	(3,420.69)	-	(5,481.05)
III	ECL allowance amount balance as at March 31, 2025	3,349.26	2,243.64	3,966.55	-	9,559.44

* Purchased or originated Credit Impaired Loans

Analysis of risk concentration

The following table shows risk concentration of the Group's loans based on risk exposure into smaller homogeneous portfolios based on shared credit risk characteristics as under:

		('₹ in lakhs)	
Particulars		As at March 31, 2025	As at March 31, 2024
Carrying value of Loans			
Loan against property (LAP)		2,40,359.81	1,83,112.88
Business Loan		1,47,710.68	91,132.61
Loan against machinery		27,972.92	17,840.72
Corporate lending		18,605.95	11,285.29
Consumer loan		3,476.91	25,266.53
Total		4,33,126.27	3,28,638.03



42. Risk management framework (continued)

b) Liquidity risk

Liquidity risk arises because of the possibility that the Group 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. 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.

Maturity analysis of assets and liabilities

As at March 31, 2025

('₹ in lakhs)

Particulars	Carrying Amount	Not later than one month	Later than one month and not later than three months	Later than three months and not later than one year	Later than one year and not later than five years	Later than five years
ASSETS						
Financial assets						
Cash and cash equivalents	84,680.62	67,613.03	17,067.59	-	-	-
Bank balances other than cash and cash equivalents	41,955.82	31.34	22,770.53	19,153.95	-	-
Derivative financial instrument	41.52	-	-	-	41.52	-
Trade receivables	1,026.95	833.34	-	21.65	171.96	-
Loans	4,23,566.82	15,128.32	19,489.57	74,402.31	1,98,808.78	1,15,737.84
Investments	51,666.76	8,159.59	19,424.31	21,094.05	2,889.54	99.26
Other financial assets	35,857.12	732.51	2,674.46	9,514.79	19,703.34	3,232.02
Sub total	6,38,795.61	92,498.14	81,426.45	1,24,186.76	2,21,615.14	1,19,069.12
Non-financial assets						
Current tax assets (net)	658.67	-	-	-	658.65	0.02
Property plant and equipment	2,307.82	-	-	-	-	2,307.82
Intangible assets under development	87.55	-	-	-	-	87.55
Intangible assets	3,207.53	-	-	-	-	3,207.53
Other non-financial assets	4,311.54	1,227.61	763.45	1,414.80	-	905.69
Sub total	10,573.12	1,227.61	763.45	1,414.80	658.65	6,508.61
Total assets	6,49,368.72	93,725.75	82,189.90	1,25,601.56	2,22,273.79	1,25,577.73
LIABILITIES						
Financial liabilities						
Trade payables	827.28	827.28	-	-	-	-
Debt securities	2,517.94	2,517.94	-	-	-	-
Borrowings (other than debt securities)	3,77,669.69	10,593.04	22,475.78	87,760.05	2,48,155.68	8,685.14
Other financial liabilities	10,824.81	6,828.98	1,514.57	1,954.85	526.41	-
Sub total	3,91,839.72	20,767.24	23,990.35	89,714.90	2,48,682.09	8,685.14
Non-financial liabilities						
Provisions	547.99	-	-	31.93	124.00	392.06
Deferred tax liabilities (net)	6,609.68	-	-	-	-	6,609.68
Other non-financial liabilities	4,034.14	3,843.12	-	-	-	191.02
Sub total	11,191.81	3,843.12	-	31.93	124.00	7,192.75
Total liabilities	4,03,031.53	24,610.36	23,990.36	89,746.83	2,48,806.09	15,877.89



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As at March 31, 2024

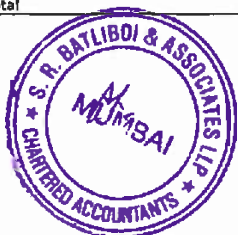
(' in lakhs)

Particulars	Carrying Amount	Not later than one month	Later than one month and not later than three months	Later than three months and not later than one year	Later than one year and not later than five years	Later than five years
ASSETS						
Financial assets						
Cash and Cash Equivalents	90,023.10	77,290.36	12,732.74	-	-	-
Bank balances other than cash and cash equivalents	42,454.10	405.27	22,375.48	19,404.98	268.37	-
Trade Receivables	992.23	992.23	-	-	-	-
Loans	3,23,371.37	14,060.39	18,389.90	64,929.92	1,38,230.97	87,760.19
Investments	26,149.98	17,953.35	7,945.91	203.19	-	47.52
Other Financial assets	23,898.32	1,564.52	9,939.62	7,251.87	10,014.86	1,127.45
Sub total	5,06,889.10	1,12,266.12	65,383.65	91,789.96	1,48,514.19	88,935.17
Non-financial assets						
Current tax assets (Net)	1,418.58	-	-	-	1,418.58	-
Property Plant and Equipment	3,141.59	48.43	-	-	-	3,093.16
Intangible Assets under development	111.06	-	-	111.06	-	-
Intangible Assets	3,271.26	-	-	-	-	3,271.26
Other Non Financial assets	2,004.41	895.01	340.67	768.71	-	-
Sub total	9,946.90	943.46	340.67	879.77	1,418.58	6,364.42
Total assets	5,16,836.01	1,13,209.58	65,724.32	92,669.73	1,49,932.77	95,299.59
LIABILITIES						
Financial liabilities						
Derivative financial instrument	35.04	-	-	-	35.04	-
Trade Payables	2,398.15	2,398.15	-	-	-	-
Debt Securities	10,592.30	3,988.40	2,905.51	138.92	1,535.54	2,023.93
Borrowings (Other than Debt Securities)	2,53,717.86	15,274.42	14,212.37	54,796.31	1,66,378.82	3,055.94
Other financial liabilities	14,209.43	5,752.21	6,027.30	1,292.10	1,137.83	-
Sub total	2,80,952.78	27,413.18	23,145.17	56,227.33	1,69,087.23	5,079.87
Non-financial liabilities						
Provisions	333.59	-	-	54.97	224.98	53.64
Deferred Tax Liabilities (net)	3,912.41	-	-	-	-	3,912.41
Other non-financial liabilities	3,231.21	560.88	153.64	542.46	1,154.87	819.36
Sub total	7,477.20	560.88	153.64	597.43	1,379.85	4,785.41
Total liabilities	2,88,429.98	27,974.06	23,298.82	56,824.77	1,70,467.07	9,865.28

The table below summarises the maturity profile of the undiscounted contractual cashflow of the Group's financial liabilities

(' in lakhs)

Particulars	As at March 31, 2025			As at March 31, 2024		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Debt securities	2,535.36	-	2,535.36	8,624.50	2,535.36	11,159.86
Borrowings (other than debt securities)	1,50,147.49	2,99,584.14	4,49,731.63	1,21,326.76	1,78,684.32	3,00,011.09
Trade payable	827.28	-	827.28	2,398.15	-	2,398.15
Other financial liabilities	10,298.40	526.41	10,824.81	13,071.60	1,137.83	14,209.43
Total	1,63,808.53	3,00,110.55	4,63,919.08	1,45,421.02	1,82,357.51	3,27,778.53



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42 Risk management framework (continued)

c) Market risk

Market Risk is the possibility of loss arising from changes in the value of a financial instrument as a result of changes in market variables such as interest rates, exchange rates and other asset prices. The Group's exposure to market risk is a function of asset liability management and interest rate sensitivity assessment. The Group is exposed to interest rate risk and liquidity risk, if the same is not managed properly. The Group continuously monitors these risks and manages them through appropriate risk limits. The Asset Liability Management Committee ('ALCO') reviews market related trends and risks and adopts various strategies related to assets and liabilities, in line with the Group's risk management framework.

Exposure to interest rate risk

The group's exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

(₹ in lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Financial assets		
Fixed-rate instruments	1,90,126.54	1,32,246.91
Floating-rate instruments	2,35,475.30	1,91,020.68
Sub- Total	4,25,601.84	3,23,267.59
Add: Accrued / Overdue Interest	7,524.42	5,370.44
Less: Unamortized cost / Impairment loss allowance	(9,559.45)	(5,266.66)
Total	4,23,566.82	3,23,371.37
Financial Liabilities		
Fixed-rate instruments	97,494.41	78,399.78
Floating-rate instruments	2,83,916.27	1,86,361.20
Sub- Total	3,81,410.68	2,64,760.98
Add: Accrued interest	1,289.40	1,612.78
Less: Unamortized cost	(2,512.51)	(2,063.60)
Total	3,80,187.57	2,64,310.16

Fair value sensitivity analysis for Floating-rate instruments

The sensitivity analysis below have been determined based on exposure to the interest rates for financial instruments at the end of the reporting period and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period in case of instruments that have floating rates.

If interest rates had been 100 basis points higher or lower and all other variables were constant, the Group's profit before tax would have changed by the following:

Particulars	For the year ended March 31, 2025		For the year ended March 31, 2024	
	100 bps higher	100 bps lower	100 bps higher	100 bps lower
Floating rate loans	2,366.04	(2,366.04)	2,481.72	(2,481.72)
Floating rate borrowings	(2,839.16)	2,839.16	(1,361.38)	1,361.38
Total	(473.12)	473.12	1,120.34	(1,120.34)

d) Operational risk

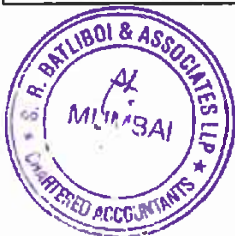
Operational risk is the risk of loss resulting from inadequate or failed internal processes, people or systems, or from external events. The operational risks of the Group are managed through comprehensive internal control systems and procedures. Failure of managing operational risk might lead to legal / regulatory implications due to non-compliance and lead to financial loss due to control failures. While it is not practical to eliminate all the operational risk, the Group has put in place adequate control framework by way of segregation of duties, well defined process, staff training, maker and checker process, authorisation and clear reporting structure. The effectiveness of control framework is assessed by internal by Risk Management committee on a periodic basis.

e) Foreign currency risk

In the normal course of business, the Group does not deal in foreign exchange in the significant way. Any significant foreign exchange borrowings is fully hedged to safeguard against exchange rate risk.

The Group's exposure of foreign currency risk at the end of the reporting period as follow

Particulars	As at March 31, 2025	As at March 31, 2024
Hedged		
Foreign currency borrowings	USD 916.72 Lakhs	USD 330.00 Lakhs
Derivative financial instrument	Rs. 77,091.90 Lakhs	Rs. 27,464.40 Lakhs



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43. Fair value measurement

43.1 Valuation principles

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques:

Level 1 – valuation technique using quoted market price: financial instruments with quoted prices for identical instruments in active markets that group can access at the measurement date.

Level 2 – valuation technique using observable inputs: 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.

Level 3 – valuation technique with significant unobservable inputs: Those that include one or more unobservable input that is significant to the measurement as whole.

43.2 Valuation governance framework

The Group's fair value methodology and the governance over its models includes a number of controls and other procedures to ensure appropriate safeguards are in place to ensure its quality and adequacy. All new product initiatives (including their valuation methodologies) are subject to approvals by various functions of the Group including the risk and finance functions.

Where fair values are determined by reference to externally quoted prices or observable pricing inputs to models, independent price determination or validation is used. For inactive markets, Group sources alternative market information, with greater weight given to information that is considered to be more relevant and reliable.

The responsibility of ongoing measurement resides with the business and product line divisions. However finance department is also responsible for establishing procedures governing valuation and ensuring fair values are in compliance with accounting standards.

43.3 There have been no transfers between levels during the period ended March 31, 2025 and year ended March 31, 2024

43.4 Valuation methodologies adopted Fair values of financial assets, other than those which are subsequently measured at amortised cost, have been arrived at as under:

- Fair values of investments held under FVTPL have been determined under level 1 using quoted market prices of the underlying instruments;
- Fair values of financial instruments designated under amortised cost/FVOCI have been measured under level 3 at fair value based on a discounted cash flow model.

43.5 Fair value of financial instruments measured at amortised cost :

The table below is a comparison, by class, of the carrying amounts and fair values of the Group's financial instruments that are not carried at fair value in the financial statements. This table does not include the fair values of non-financial assets and non-financial liabilities.

As at March 31, 2025

('₹ in lakhs)

Particulars	Carrying Value (Amortised Cost)	Fair value measurement using			Total
		Level 1	Level 2	Level 3*	
Financial Assets					
Trade receivables	1,026.95	-	-	1,026.95	1,026.95
Loans	3,34,439.24	-	-	3,37,288.82	3,37,288.82
Other financial assets	35,124.98	-	-	35,124.98	35,124.98
Investment and financial receivables					
Investment	42,937.31	34,805.22	-	8,132.09	42,937.31
Total financial assets	4,13,528.48	34,805.22	-	3,81,572.84	4,16,378.06
Financial liabilities					
Trade payables	827.28	-	-	827.28	827.28
Debt securities	2,517.94	-	-	2,517.94	2,517.94
Borrowings	3,77,669.69	-	-	3,77,669.69	3,77,669.69
Other financial liabilities	10,824.81	-	-	10,824.81	10,824.81
Total financial liabilities	3,91,839.72	-	-	3,91,839.72	3,91,839.72

As at March 31, 2024

('₹ in lakhs)

Particulars	Carrying Value (Amortised Cost)	Fair value measurement using			Total
		Level 1	Level 2	Level 3*	
Financial Assets					
Trade receivables	992.23	-	-	992.23	992.23
Loans	3,23,371.37	-	-	3,23,371.37	3,23,371.37
Other financial assets	23,224.99	-	-	23,224.99	23,224.99
Investment and financial receivables					
Investment	25,899.76	25,899.76	-	-	25,899.76
Total financial assets	3,73,488.35	25,899.76	-	3,47,588.59	3,73,488.35
Financial liabilities					
Trade payables	2,398.15	-	-	2,398.15	2,398.15
Debt securities	10,592.30	-	-	10,592.30	10,592.30
Borrowings	2,53,717.86	-	-	2,53,717.86	2,53,717.86
Other financial liabilities	14,209.43	-	-	14,209.43	14,209.43
Total financial liabilities	2,80,917.74	-	-	2,80,917.74	2,80,917.74

* The carrying value of assets and liabilities at amortised cost represents a reasonable approximation of fair value.



Protium Finance Limited

Notes to the Consolidated Financial Statements

44. Lease accounting

The Group has entered into leasing arrangements for premises. Right of Use Assets ("ROU") has been included under 'Property, Plant and Equipment' and Lease Liability has been included under 'Other financial liabilities' in the Balance Sheet.

44.1 Following are the changes in the carrying value of right of use assets (ROU):

Particulars	(₹ in lakhs)	
	As at March 31, 2025	As at March 31, 2024
Balance at the beginning of the period	1,915.26	639.32
Addition during the period	945.52	2,396.13
Disposals during the period	(0.36)	(288.39)
Depreciation for the period	(1,438.94)	(831.80)
Balance as at the end of the period	1,421.47	1,915.26

44.2 The following is the movement in lease liabilities:

Particulars	(₹ in lakhs)	
	As at March 31, 2025	As at March 31, 2024
Balance at the beginning of the period	1,946.80	673.19
Addition during the period	922.35	2,347.68
Finance cost accrued during the period	203.48	181.25
Payment of Lease liabilities made during the period	(1,557.98)	(952.28)
Disposal during the period	(0.23)	(303.04)
Balance as at the end of the period	1,514.41	1,946.80

44.3 The table below provides details regarding the contractual maturities of lease liabilities as of march, 2025 on an undiscounted basis:

Particulars	(₹ in lakhs)	
	As at March 31, 2025	As at March 31, 2024
Less than one year	1,075.51	1,036.94
Between one and five years	539.63	1,214.06
More than five years	-	-
Total	1,615.13	2,251.00

44.4 Expenses recognised in the statement of Profit and Loss:

Particulars	(₹ in lakhs)	
	As at March 31, 2025	As at March 31, 2024
Depreciation expense on right-of-use assets (Refer Note 10)	1,438.94	831.80
Interest expense on lease liabilities (Refer Note 25)	203.48	181.25
Expense relating to short-term leases	270.50	388.03
Expense relating to leases of low value assets	-	-

The Group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

44.5 Amount recognised in the statement of Cash flow:

Particulars	(₹ in lakhs)	
	As at March 31, 2025	As at March 31, 2024
Total cash outflow for leases	1,557.98	952.28



45. Disclosure of transactions with related parties as required by Ind AS 24:

a. List of related parties and relationship:

Name of related parties by whom control is exercised	
Ultimate Holding Company	Consilience Capital Management
Key Management Personnel (KMP)	Mr. Peeyush Misra - (Managing Director & CEO) Mr. Peruvemba Ramachandran Seshadri - Independent Director (resigned w.e.f 13.09.2023) Mr. Parveen Kumar Gupta - Independent Director Ms. Anuradha Rao - Independent Director (appointed wef 29.08.2023) Ms. Dakshita Das - Independent Director (appointed wef 16.02.2024) Mr. Sitaram Kunte - Independent Director (appointed wef 16.02.2024)
Key Management Personnel (KMP) in Subsidiary Companies	<u>Protium Business Services Private Limited</u> Mr. Amit Gupta (appointed w.e.f 29.02.2024) - Nominee Director Mr. Yogendra Singh - Director Mr. Amit Garg - Director <u>Shibui Technologies Private Limited</u> Mr. Amit Gupta (appointed w.e.f 29.02.2024) - Nominee Director Mr. Amit Garg (appointed w.e.f 27.06.2024) - Nominee Director Mr. Yogendra Singh (appointed w.e.f 27.06.2024) - Nominee Director Mr. Dhruvil Shah (appointed w.e.f 05.09.2024) - Additional Director Mr. Manish Arvind Dabir (ceased w.e.f 29.06.2024) - Director

b. Transactions with Related Parties:

Nature of transactions	₹ in lakhs	
	For the year ended March 31, 2025	For the year ended March 31, 2024
Investment from ultimate Holding Company		
Consilience Capital Management		83,224.97
Director's fees, allowances, and expenses		
Mr. Parveen Kumar Gupta	42.00	65.40
Ms. Anuradha Rao	34.00	11.99
Ms. Dakshita Das	34.00	-
Mr. Sitaram Kunte	39.00	-
Mr. Peruvemba Ramachandran Seshadri	-	26.16

c. Related parties balance outstanding:

As at March 31, 2025				
Particulars	Holding Company	Subsidiary Companies	KMP of the Group	Entities controlled by KMP of the Group
Investment made by ultimate holding Company in equity shares of the Company				
Consilience Capital Management	2,08,763.00	-	-	-

As at March 31, 2024				
Particulars	Holding Company	Subsidiary Companies	KMP of the Group	Entities controlled by KMP of the Group
Investment made by ultimate holding Company in equity shares of the Company				
Consilience Capital Management	2,08,763.00	-	-	-

Note:

- Name of the related parties and nature of their relationships where control exists have been disclosed irrespective of whether or not there have been transactions with the Group. In other cases, disclosure has been made only when there have been transactions with those parties.
- Related parties as defined under paragraph 9 of the Indian Accounting Standard 24 'Related Party Disclosures' have been identified based on representations made by key managerial personnel and information available with the Company. All above transactions are in the ordinary course of business and on arms length basis.
- The amounts disclosed in the table are the amounts recognised as an expense during the financial year related to KMP. The amounts do not include expense, if any, recognised toward post-employment benefits and other long-term benefits of key managerial personnel. Such expenses are measured based on an actuarial valuation done for each Company in the Group as a whole. Hence, amounts attributable to KMPs are not separately determinable. Director sitting and commission including ineligible GST input.



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Protium Finance Limited

Notes to the Consolidated Financial Statements

46. Additional Information as required by Paragraph 2 of the general instruction of preparation of Consolidated financial statement to Schedule III to the companies Act 2013

For the period ended March 31,2025

(₹ in lakhs)

Name of the entity in the group	Net Assets (Total assets - Total liabilities)		Share in profit or loss		Share in other comprehensive Income		Share in Total comprehensive Income	
	As % of Consolidated net assets	Amount	As % of Consolidated profit or loss	Amount	As % of Consolidated other comprehensive Income	Amount	As % of Consolidated Total comprehensive Income	Amount
Parent								
Protium Finance Limited	100.07%	2,46,507.95	99.86%	17,100.66	102.39%	(953.09)	99.72%	16,147.57
Subsidiaries								
Protium Business Services Private Limited	0.34%	844.81	0.18%	31.54	-2.39%	22.20	0.33%	53.75
Shibui technologies Private Limited	0.02%	40.95	0.21%	35.89	-	-	0.22%	35.89
a) Adjustments arising out of intercompany elimination	-0.43%	(1,056.53)	-0.25%	(44.21)	-	-	-0.27%	(44.21)
b) Non-controlling interests	-	-	-	-	-	-	-	-
Total	100.00%	2,46,337.19	100.00%	17,123.88	100.00%	(930.89)	100.00%	16,192.99

For the period ended March 31,2024

(₹ in lakhs)

Name of the entity in the group	Net Assets (Total assets - Total liabilities)		Share in profit or loss		Share in other comprehensive Income		Share in Total comprehensive Income	
	As % of Consolidated net assets	Amount	As % of Consolidated profit or loss	Amount	As % of Consolidated other comprehensive Income	Amount	As % of Consolidated Total comprehensive Income	Amount
Parent								
Protium Finance Limited	100.09%	2,28,622.23	98.73%	11,527.13	117.27%	(62.50)	98.65%	11,464.63
Subsidiaries								
Protium Business Services Private Limited	0.35%	791.07	0.06%	6.86	-17.27%	9.20	0.14%	16.06
Shibui technologies Private Limited	0.01%	5.07	0.03%	4.37	-	-	0.03%	4.37
a) Adjustments arising out of intercompany elimination	-0.45%	(1,012.35)	1.18%	136.78	-	-	1.18%	136.78
b) Non-controlling interests	-	-	-	-	-	-	-	-
Total	100.00%	2,28,406.01	100.00%	11,675.13	100.00%	(53.29)	100.00%	11,621.84



Notes to the Consolidated Financial Statements

47. There are no prior period items which are impacting Group's current year Profit and Loss

48. Expenditure in foreign currency

(₹ in lakhs)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Processing fees on borrowings	184.21	-
Membership & subscription charges	10.94	16.53
Total	195.15	16.53

49. There is no amount due and payable to micro and small suppliers registered under the Micro, Small and Medium Enterprises Development Act, 2006 at the end of the year other than as disclosed. No interest has been paid/ is payable by the Group during/for the period to these 'Suppliers' other than as disclosed. The above information takes into account only those suppliers who have submitted their registration details or has responded to the inquiries made by the Group for this purpose.

50. Utilisation of Borrowed funds and share premium :

As a part of normal lending business, the Group grants loans and advances on the basis of security/ guarantee provided by the Borrower/ co-borrower and makes investments. These transactions are part of Group's normal non-banking finance business, which is conducted ensuring adherence to all regulatory requirements.

The Group has not advanced or loaned or invested funds (either borrowed funds or any other sources or kind of funds) to any other persons or entities (Intermediaries) with the understanding that the Intermediary shall-

- (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or
- (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

The Group has not received any fund from any persons or entities (Funding Party) with the understanding that the group shall

- (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

51. The Group has not traded or invested in Crypto currency or Virtual Currency during the year ended March 31, 2025 and March 31, 2024.

52. Compliance with number of layers of companies:

The Group 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.

53. Events occurring after balance sheet date - There have been no events after the reporting date that require adjustment in these financial statements.

54. Willful Defaulter:

The Group is not a declared willful defaulter by any bank or financial Institution or other lender, in accordance with the guidelines on willful defaulters issued by the Reserve Bank of India, during the year ended March 31, 2025 and March 31, 2024.

55. Title Deeds of Immovable Properties not held in the name of the Group

The Group does not hold any immovable property as on March 31, 2025 and March 31, 2024. All the lease agreements are duly executed in favor of the Group for properties where the Group is the lessee.

56. The Group has no pending charges or satisfaction of charges, which are required to be registered with Registrar of Companies (ROC)

57. Daily back up: Proper books of account as required by law have been kept by the Group. Back-up of the books of account and papers maintained in electronic mode is maintained on servers physically located in India on a daily basis, except in case of two applications (used for vendor and payroll record maintenance and processing) which are operated by third party service providers, the management is not in possession of an appropriate Service Organization Controls report to determine whether the back-up of books was maintained on servers physically located in India on a daily basis.

Audit trail: The Group uses accounting software which are the General ledger system, Loan origination system, Loan management system, Human resource management system, Payroll processing system, Vendor management and Expense processing system for maintaining its books of account which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software, except that for:

- a. Loan origination system – audit trail feature has not been enabled;
- b. General ledger system and Loan management system – audit trail has not been enabled at database level;
- c. Human resource management system, Payroll processing system (operated by third party service providers) – appropriate Service Organization Controls report not available to determine whether audit trail feature has been enabled and has operated throughout the year, and
- d. Vendor management and Expense processing system (operated by third party service provider) – audit trail has not been enabled at database level and relevant evidence not available in the Service Organization Controls report to determine whether the audit trail feature enabled at the application (front-end) layer was tampered with.

Further, there has been no instance of audit trail feature being tampered with wherever it has been enabled. Additionally, the Group has preserved audit trail in respect of the financial years ended March 31, 2024 and March 31, 2025 to the extent it was enabled and recorded in respect of those years

58. No proceedings have been initiated or are pending against the Group for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.



Protium Finance Limited

Notes to the Consolidated Financial Statements

59. The Group has not entered into any scheme of arrangement.
60. There are no transactions which are not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
61. Previous year figures have been regrouped/re-classified wherever necessary to confirm to current year's classification. The impact of such regrouping/ re-classification are not material to the financial statements.

As per our report of even date attached
For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number : 101049W/E300004


per Amit Lahoti
Partner
Membership No. 132990



Place: Mumbai
Date: 12 May 2025

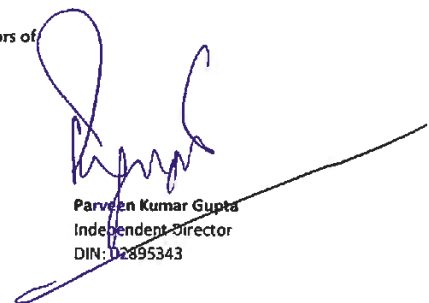
For and on behalf of the Board of Directors of
Protium Finance Limited



Parvash Misra
Managing Director & CEO
DIN: 08422699


Amit Gupta
Chief Financial Officer.

Place: Mumbai
Date: 12 May 2025




Parveen Kumar Gupta
Independent Director
DIN: 02895343


Anshu Mohta
Company Secretary
Membership No.: A18287

Place: Mumbai
Date: 12 May 2025

INDEPENDENT AUDITOR'S REPORT

To the Members of Protium Finance Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Protium Finance Limited ("the Company"), which comprise the Balance sheet as at March 31, 2025, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, its profit including other comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the financial year ended March 31, 2025. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone financial statements.

Key audit matters	How our audit addressed the key audit matter
(a) Impairment of loans (expected credit losses)	(refer note 8 and note 43 to the financial statements)
Indian Accounting Standard (Ind AS) 109 Financial Instruments requires the Company to provide for impairment of its loans using the expected credit loss (ECL) approach. ECL involves an estimation of probability weighted loss on financial assets over their life, considering reasonable and supportable information about past events, current conditions, and forecasts of future economic conditions and other factors which could impact the credit quality of the Company's loans.	Our audit procedures included the following: <ul style="list-style-type: none">• Considered the Company's accounting policies for impairment of loans and assessed compliance with Ind AS 109 and the governance framework approved by the Board of Directors pursuant to applicable Reserve Bank of India guidelines ("the RBI Guidelines").• Evaluated the reasonableness of the management estimates by understanding the process of ECL estimation and related assumptions. Tested the internal controls around extraction, validation and computation of the input data used in such estimation.

Key audit matters	How our audit addressed the key audit matter
<p>In the process, a significant degree of judgement and estimates have been applied by the management for:</p> <ul style="list-style-type: none"> Grouping of borrowers (retail loan portfolio) based on homogeneity for estimating probability of default (PD), loss given default (LGD) and exposure at default (EAD); Staging of loans (i.e. classification as "significant increase in credit risk" (SICR) or "credit impaired" categories) based on overdue status and/or qualitative assessment; Application of an appropriate statistical/quantitative model for determining the PD, LGD and EAD estimates; Determining relevant macro-economic and other factors impacting credit quality of loans; and The Company has also recorded a management overlay as part of its ECL, to reflect among other things an increased risk of deterioration in relevant macro-economic factors. <p>In view of the high degree of management's judgement involved in estimation of ECL and the overall significance of the impairment loss allowance to the standalone financial statements, it is considered as a key audit matter.</p>	<ul style="list-style-type: none"> Assessed the criteria for staging of loans based on their overdue status to check compliance with requirement of Ind AS 109. Tested a sample of performing (stage 1) loans to assess whether any SICR or impairment indicators were present requiring them to be classified under stage 2 or stage 3. Involved internal specialist for testing of the ECL estimates, including factors that affect the PD, LGD and EAD considering various forward looking macro-economic and other factors. Tested assumptions used by the management in respect of post-model adjustments. Tested the arithmetical accuracy of computation of ECL provision performed by the Company. Assessed adequacy of disclosures included in the standalone financial statements in respect of expected credit losses.
(b) IT systems and controls	
<p>The financial accounting and reporting systems of the Company are fundamentally reliant on IT systems and IT controls to process significant transaction volumes. Automated accounting procedures and IT environment controls, which include IT governance, general IT controls over program development and changes, access to programs and data and IT operations, are required to be designed and to operate effectively to ensure accurate financial reporting.</p> <p>Any gaps in the IT control environment could result in a material misstatement of the financial accounting and reporting records.</p> <p>Therefore, in view of the pervasive nature and complexity of the IT environment, the assessment of the general IT controls and the application controls specific to the accounting and preparation of the financial information is considered to be a key audit matter.</p>	<p>Our audit procedures, assisted by our internal IT experts, on the IT infrastructure and applications relevant to financial reporting included the following:</p> <ul style="list-style-type: none"> The aspects covered in the assessment of IT general controls comprised: (i) User Access Management; (ii) Program Change Management; (iii) Other related ITGCs - to understand the design and test the operating effectiveness of such controls in respect of information systems that are important to financial reporting ("in-scope applications"). Tested the changes that were made to the in-scope applications during the audit period to assess changes that have impact on financial reporting. Tested the Company's periodic review of access rights. We also inspected requests of changes to systems for appropriate approval and authorization. Tested the configuration of the audit trail feature in the accounting software and maintenance of back-up as per extant regulatory requirements. Performed tests of controls (including other compensatory controls, wherever applicable) on the IT

Key audit matters	How our audit addressed the key audit matter
	<p>application controls and IT dependent manual controls in the system.</p> <ul style="list-style-type: none">• Tested the design and operating effectiveness of compensating controls in case deficiencies were identified and, where necessary, extended the scope of our substantive audit procedures.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the standalone financial statements and our auditor's report thereon.

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 such other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. When we read the Annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 the 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.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

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

- ▶ Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ▶ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements for the financial year ended March 31, 2025 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

The standalone financial statements of the Company for the year ended March 31, 2024, included in these standalone financial statements, have been audited by the predecessor auditor who expressed an unmodified opinion on those financial statements on April 30, 2024.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (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 that, for the accounting software used by the Company for payroll and vendor record maintenance and processing (operated by third-party software

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service providers), we have not been able to obtain sufficient and appropriate audit evidence that the backup of books maintained in electronic mode was maintained on servers physically located in India on a daily basis, as explained in note 67 to the standalone financial statements, and the matters stated in the paragraph 2(i)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, as amended;

- (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) On the basis of the written representations received from the directors as on March 31, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) The modification relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph (b) above on reporting under Section 143(3)(b) of the Act and paragraph 2(i)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, as amended;
- (g) With respect to the adequacy of the internal financial controls with reference to these standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (h) In our opinion, the managerial remuneration for the year ended March 31, 2025 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements - Refer note 37 to the standalone financial statements;
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts. Refer note 14 to the standalone financial statements;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;
 - iv.
 - a) The management has represented that, to the best of its knowledge and belief, as disclosed in the note 60 to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - b) The management has represented that, to the best of its knowledge and belief, as disclosed in the note 60 to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, 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

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- c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- v. No dividend has been declared or paid during the year by the Company; and
- vi. Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account which have a feature of recording audit trail (edit log) facility, and the same has operated throughout the year for all relevant transactions recorded in the software except that, in respect of a software used for loan origination, the audit trail was not enabled, and for other software used for general ledger and loan management, the audit trail feature was not enabled for direct changes to database when using certain access rights, and in respect of certain software for payroll and vendor record maintenance and processing (operated by third-party software service providers), in the absence of an appropriate Service Organization Controls report, we are unable to comment on whether the audit trail feature was enabled and operated throughout the year for all relevant transactions recorded in such software or whether there were any instances of the audit trail feature being tampered with, as described in note 67 to the standalone financial statements. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with, where the audit trail was enabled. Additionally, the audit trail of relevant prior years has been preserved by the Company as per the statutory requirements for record retention, to the extent it was enabled and recorded in those respective years, as stated in note 67 to the financial statements.

For S. R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration No:101049W/E300004

per Amit Lahoti

Partner

Membership No.: 132990

UDIN: 25132990BMORTM9626

Mumbai

May 12, 2025

Annexure 1 referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our Independent Auditor's Report of even date on the Standalone Financial Statements of Protium Finance Limited ("the Company")

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(B) The Company has maintained proper records showing full particulars of the intangible assets recognized in the standalone financial statements.
- (b) Property, plant and equipment have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) There is no immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), held by the Company and accordingly, the requirement to report on clause 3(i)(c) of the Order is not applicable to the Company.
- (d) The Company has not revalued its property, plant and equipment (including Right of use assets) or intangible assets during the year ended March 31, 2025.
- (e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The Company's nature of business does not require maintenance of inventories and, accordingly, the requirement to report on clause 3(ii)(a) of the Order is not applicable to the Company.
- (b) As disclosed in note 17 to the standalone financial statements, the Company has been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks and financial institutions during the year on the basis of security of current assets of the Company. Based on the records examined by us in the normal course of audit of the standalone financial statements, the quarterly returns/statements filed by the Company with such banks and financial institutions are in agreement with the books of accounts of the Company.
- (iii) (a) The Company's principal business is to give loans and is a registered non-banking financial company ('NBFC'). Accordingly, reporting under clause (iii)(a) is not applicable to the Company.
- (b) During the year the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans, investments and guarantees to companies, firms, limited liability partnerships or any other parties are not prejudicial to the Company's interest.
- (c) In respect of loans and advances in the nature of loans, granted by the Company as part of its business of providing business and other loans to individual and corporate customers, the schedule of repayment of principal and payment of interest has been stipulated by the Company. Having regard to the voluminous nature of loan transactions, it is not practicable to furnish borrower-wise details of amount, due date for repayment or receipt and the extent of delay in this report (as suggested in the Guidance Note on CARO 2020, issued by the Institute of Chartered Accountants of India for reporting under this clause), in respect of loans and advances which were not repaid / paid when they were due or were repaid / paid with a delay, in the normal course of lending business.

Further, except for 3,387 loans classified as credit impaired ('stage 3') with aggregate exposure of principal and interest of Rs.10,442 lakhs, 2,120 loans where credit risk has increased significantly since initial recognition ('stage 2') with aggregate exposure of principal and interest of Rs.8,631 lakhs and 1,811 loans where the credit risk has not increased significantly since initial recognition but have some overdue of up to 30 days ('stage 1') with aggregate exposure of principal and interest of Rs.9,311 lakhs as at March 31, 2025, in respect of which the Company has disclosed staging in note 43 to the standalone financial statements in accordance with Indian Accounting Standards (Ind AS)

and the guidelines issued by the Reserve Bank of India, the parties in respect of 55,880 loans with aggregate exposure of principal and interest of Rs.405,399 lakhs are repaying the principal amounts, as stipulated, and are also regular in payment of interest, as applicable.

- (d) In respect of loans and advances in the nature of loans, as disclosed in note 43 to the standalone financial statements, the total amount outstanding of loans classified as credit impaired ('stage 3') (including loans overdue for more than ninety days) as at March 31, 2025 is Rs.10,442 lakhs (3,387 loans). In such instances, in our opinion, reasonable steps have been taken by the Company for recovery of the overdue amount of principal and interest.
- (e) The Company's principal business is to give loans and is a registered NBFC. Accordingly, reporting under clause (iii)(e) is not applicable.
- (f) As disclosed in note 50 to the standalone financial statements, the Company has granted loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, limited liability partnerships or any other parties. Of these following are the details of the aggregate amount of loans or advances in the nature of loans granted to promoters or related parties as defined in clause (76) of section 2 of the Act:

Particulars	All Parties (Rs. in lakhs)	Related Parties (Rs. in lakhs)
Aggregate amount of loans/ advances in nature of loans - Repayable on demand	361.95	361.95
Percentage of loans/ advances in nature of loans to the total loans	0.08%	0.08%

- (iv) Investments in respect of which provisions of sections 185 and 186 of the Act are applicable have been complied with by the Company. There are no loans, guarantees, and security in respect of which provisions of sections 185 and 186 of the Act are applicable.
- (v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- (vi) The Company is not in the business of sale of any goods or provision of such services as prescribed. Accordingly, the requirement to report on clause 3(vi) of the Order is not applicable to the Company.
- (vii) (a) Undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases. According to the information and explanations given to us and based on audit procedures performed by us, undisputed dues in respect of goods and services tax, provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, cess and other statutory dues which were outstanding, at the year end, for a period of more than six months from the date they became payable, are as follows:

Name of the Statute	Nature of the Dues	Amount (Rs.)	Period to which the amount relates	Due Date	Remarks, if any
Professional Tax	Professional Tax	14,775	Apr 2023 to Sep 2023	Sep 30, 2023	As represented by the Company, the delay in the deposit of professional tax within the stipulated time is due to non-availability of mandatory documents to submit the details on the portal. The Company is making efforts to pay the amount and resolve the matter.
		20,405	Oct 2023 to Mar 2024	Mar 31, 2024	
		7,815	Apr 2024 to Sep 2024	Sep 30, 2024	
		1,801	Nov 2023	Dec 15, 2023	

- (b) There are no dues of goods and services tax, provident fund, employees' state insurance, income tax, sales-tax, service tax, customs duty, excise duty, value added tax, cess, and other statutory dues, as applicable to the Company, which have not been deposited on account of any dispute.

- (viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- (ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- (c) Term loans were applied for the purpose for which the loans were obtained.
- (d) On an overall examination of the standalone financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes during the year by the Company.
- (e) On an overall examination of the standalone financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures during the year.
- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries. The Company does not have any associate or joint venture. Accordingly, the requirement to report on Clause 3(ix)(f) of the Order is not applicable to the Company.
- (x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments). Hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares/ fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) No fraud by the Company or no fraud on the Company has been noticed or reported during the year.
- (b) During the year, no report under sub-section (12) of section 143 of the Act has been filed by us in Form ADT - 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of audit procedures.
- (xii) The Company is not a Nidhi Company as per the provisions of the Act. Therefore, the requirements to report on clause 3(xii)(a), (b) and (c) of the Order are not applicable to the Company.
- (xiii) Transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and the details of such transactions have been disclosed in the notes to the standalone financial statements, as required by the applicable accounting standards.
- (xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.
- (b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
- (xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence the requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- (xvi) (a) The Company has registered as required, under section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934).
- (b) The Company has not conducted any non-banking financial activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.

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- (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company.
- (xvii) The Company has not incurred cash losses in the current or the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- (xix) On the basis of the financial ratios disclosed in note 48 to the standalone financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) (a) In respect of other than 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. This matter has been disclosed in note 40 to the standalone financial statements.
- (b) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of the Act. This matter has been disclosed in note 40 to the standalone financial statements.

For S. R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration No:101049W/E300004



per Amit Lahoti
Partner
Membership No.: 132990

UDIN: 25132990BMORTM9626
Mumbai
May 12, 2025

Annexure 2 referred to in paragraph 2(g) under the heading "Report on Other Legal and Regulatory Requirements" of our Independent Auditor's Report of even date on the Standalone Financial Statements of Protium Finance Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to standalone financial statements of Protium Finance Limited ("the Company") as of March 31, 2025 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting 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 Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by 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 these standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls with Reference to these Standalone Financial Statements

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 financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Standalone Financial Statements

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2025, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For S. R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration No:101049W/E300004



per Amit Lahoti
Partner
Membership No.: 132990

UDIN: 25132990BMORTM9626

Mumbai
May 12, 2025

Protium Finance Limited

Standalone Balance Sheet as at March 31, 2025

(₹ in lakhs)

Particulars	Note No.	As at March 31, 2025	As at March 31, 2024
Assets			
Financial assets			
Cash and cash equivalents	5	84,033.23	89,687.38
Bank balances other than cash and cash equivalents	6	41,955.83	42,454.10
Derivative financial instrument	14	41.52	-
Trade receivables	7	415.06	527.16
Loans	8	424,224.21	323,622.54
Investments	9	52,427.75	26,910.98
Other financial assets	10	35,857.15	23,898.32
Total financial asset		638,954.75	507,100.48
Non-financial assets			
Current tax assets (net)		432.23	1,284.31
Property, plant and equipment	11	2,307.82	3,141.56
Intangible assets under development	12	87.55	111.06
Intangible assets	12	3,207.15	3,270.54
Other non-financial assets	13	4,311.56	2,004.48
Total non-financial assets		10,346.31	9,811.95
Total Assets		649,301.06	516,912.43
Liabilities			
Financial liabilities			
Derivative financial instrument	14	-	35.04
Trade payables	15		
(i) total outstanding dues of micro enterprises and small enterprises		347.32	916.66
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		474.41	1,463.78
Debt securities	16	2,517.94	10,592.30
Borrowings (other than debt securities)	17	377,669.63	253,717.86
Other financial liabilities	18	10,788.22	14,190.78
Total financial liabilities		391,797.52	280,916.42
Non-financial liabilities			
Provisions	19	541.79	312.84
Deferred tax liabilities (net)	20	6,610.68	3,915.89
Other non-financial liabilities	21	3,843.12	3,145.05
Total non-financial liabilities		10,995.59	7,373.78
Equity			
Equity share capital	22	14,569.21	14,514.23
Other equity	23	231,938.74	214,108.00
		246,507.95	228,622.23
Total liabilities and equity		649,301.06	516,912.43
Material accounting policies	2-4		
See accompanying notes forming part of the standalone financial statements	5-71		

As per our report of even date attached
For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number : 101049W/E300004

Amit Lahoti
per Amit Lahoti
Partner
Membership No. 132990



For and on behalf of the Board of Directors of
Protium Finance Limited

Peeyush Misra
Peeyush Misra
Managing Director & CEO
DIN: 08422699

Amit Gupta
Amit Gupta
Chief Financial Officer

Parveen Kumar Gupta
Parveen Kumar Gupta
Independent Director
DIN: 02895343

Anshu Mohita
Anshu Mohita
Company Secretary
Membership No.: A18287

Place: Mumbai
Date: May 12, 2025

Place: Mumbai
Date: May 12, 2025

Place: Mumbai
Date: May 12, 2025



Protium Finance Limited

Standalone Statement of Profit and Loss for the year ended March 31, 2025

		(₹ in lakhs)	
Particulars	Note No.	For the year ended March 31, 2025	For the year ended March 31, 2024
Revenue from operations			
Interest income	24	69,145.52	50,454.41
Fees and commission income	25	3,979.19	2,179.97
Net gain/(loss) on fair value changes	26	3,885.76	64.14
Net gain on derecognition of financial instruments under amortised cost category	27	22,038.68	16,535.41
Total revenue from operations		99,049.15	69,233.93
Other income	28	4,264.60	3,661.83
Total income		103,313.75	72,895.76
Expenses			
Finance costs	29	30,443.14	18,997.70
Impairment on financial instruments	30	15,199.67	6,791.42
Employee benefits expenses	31	20,901.55	17,598.18
Depreciation and amortisation expenses	32	3,176.44	2,392.49
Other expenses	33	11,044.29	11,419.36
Total expenses		80,765.09	57,199.15
Profit before tax		22,548.66	15,696.61
Tax expenses:	34		
Adjustment to tax relating to earlier periods		(329.78)	-
Current tax		2,762.41	1,483.57
Deferred tax		3,015.37	2,685.91
Profit after tax		17,100.66	11,527.13
Other comprehensive income (OCI)			
(i) Items that will not be reclassified to profit or loss			
- Remeasurement gain / (loss) on defined benefit plans		(81.77)	(48.48)
(ii) Income tax impact thereon		20.58	12.20
Subtotal (a)		(61.19)	(36.28)
(i) Items that will be reclassified to profit or loss			
- The effective portion of gain / (loss) on hedging instruments		(968.76)	(35.04)
- The effective portion of gain / (loss) on loans		(223.15)	
(ii) Income Tax impact thereon		300.00	8.82
Subtotal (b)		(891.91)	(26.22)
Other comprehensive income net of tax (a + b)		(953.09)	(62.50)
Total comprehensive income for the year		16,147.57	11,464.63
Earnings per equity share (nominal value of share: ₹10 (Previous year: ₹10))			
Basic	35	11.77	10.52
Diluted	35	11.73	10.52
Material accounting policies	2-4		
See accompanying notes forming part of the standalone financial statements	5-71		

As per our report of even date attached
For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number : 101049W/E300004

per Amit Lahoti
Partner
Membership No. 132990



Place: Mumbai

Place: Mumbai
Date: May 12, 2025

For and on behalf of the Board of Directors of
Protium Finance Limited

Peeyush Misra
Managing Director & CEO
DIN: 08422699

Parveen Kumar Gupta
Independent Director
DIN: 02895343

Amit Gupta
Chief Financial Officer

Anshu Mohta
Company Secretary
Membership No.: A18287

Place: Mumbai
Date: May 12, 2025

Place: Mumbai
Date: May 12, 2025



Protium Finance Limited

Standalone Statement of Cash Flows for the year ended March 31, 2025

(₹ in lakhs)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Cash flows from operating activities		
Profit before tax	22,548.66	15,696.61
Adjustments:		
Depreciation and amortization	3,176.44	2,392.49
Loss on sale of property, plant and equipment	17.11	46.50
Impairment on financial instrument	15,199.67	6,791.42
Net gain on fair value changes	(3,551.35)	(156.74)
Share based payment expense	825.46	439.66
Operating cash flows before working capital changes	38,215.99	25,209.94
Changes in working capital		
(Decrease)/Increase provision	147.18	107.78
(Decrease)/Increase lease liability	(1,388.20)	(812.47)
(Increase)/Decrease in loans	(115,805.77)	(93,037.44)
(Increase)/Decrease in trade receivables	89.54	(231.69)
(Increase)/Decrease in other financial assets	(12,146.76)	(14,531.38)
(Increase)/Decrease in other non-financial assets	(2,307.08)	(678.68)
(Decrease)/Increase in trade payables	(1,558.71)	1,545.89
(Decrease)/Increase in other financial liabilities	(2,970.17)	(17,715.07)
(Decrease)/Increase in other non-financial liabilities	698.07	(5,513.27)
Cash generated from operations	(97,025.91)	(105,656.39)
Income taxes paid	(1,580.54)	(1,480.66)
Net cash flow (used in) / generated from operating activities (A)	(98,606.46)	(107,137.05)
Cash flows from investing activities		
Purchase of property, plant and equipment	(340.69)	(1,048.99)
Disposal of property, plant and equipment	134.27	78.56
Addition of intangible assets including intangible under	(1,121.30)	(756.95)
Purchase of investments ²	(21,978.56)	(22,439.61)
Proceeds on redemption of fixed deposits with banks	97,349.11	59,871.67
Placement of fixed deposits with banks	(96,835.31)	(100,560.99)
Net cash (used in) / generated from investing activities (B)	(22,792.48)	(64,856.31)
Cash flows from financing activities		
Proceeds from debt securities	-	69,585.36
Repayment of debt securities	(7,475.00)	(33,382.57)
Proceeds from borrowings (other than debt securities)	261,542.03	173,226.32
Repayment of borrowings (other than debt securities)	(139,234.93)	(63,045.15)
Proceeds from issuance of Equity share capital	912.68	83,771.11
Share issuance expenses	-	(4.85)
Net cash (used in) / generated from financing activities (C)	115,744.78	230,150.22
Net (decrease) / increase in cash and cash equivalents (A + B + C)	(5,654.16)	58,156.84
Cash and cash equivalents at the beginning of the year	89,687.38	31,530.54
Cash and cash equivalents at the end of the year	84,033.23	89,687.38
Reconciliation of cash and cash equivalents with the balance sheet		
Cash on hand	-	-
Balances with banks		
- in current accounts	28,250.28	30,981.13
Deposits with original maturity of less than three months	55,782.95	58,706.25
Cash and cash equivalents in cash flow statement	84,033.23	89,687.38



Standalone Statement of Cash Flows for the year ended March 31, 2025

1) Net cash generated from operating activity is determined after adjusting the following

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Interest received	57,456.31	43,483.60
Dividend received	-	-
Interest paid	28,893.45	18,536.66

2) Purchase of investment is after adjustment of proceeds from sale/redemption of investment.

3) Changes in liability arising from financing activities :-

(A) Changes in capital and asset structure

The Company does not have any financing activities and investing activities which affect the capital and asset structure of the Company without the use of cash and cash equivalents.

(B) Changes in liability arising from financing activities

(₹ in lakhs)

Particulars	As at April 01, 2024	Cash flows	Change in fair value	Other	As at March 31, 2025
Debt securities	10,592.30	(8,074.36)	-	-	2,517.94
Borrowings (other than debt securities)	253,717.86	122,906.46	1,045.31	-	377,669.63
Total	264,310.16	114,832.10	1,045.31	-	380,187.57

(₹ in lakhs)

Particulars	As at April 01, 2023	Cash flows	Change in fair value	Other	As at March 31, 2024
Debt securities	5,024.26	5,568.04	-	-	10,592.30
Borrowings (other than debt securities)	112,901.76	140,816.10	-	-	253,717.86
Total	117,926.02	146,384.14	-	-	264,310.16

As per our report of even date attached

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number : 101049W/E300004

per Amit Lahoti
Partner
Membership No. 132990



For and on behalf of the Board of Directors of
Protium Finance Limited

Peeyush Misra
Managing Director & CEO
DIN: 08422699

Amit Gupta
Chief Financial Officer

Parveen Kumar Gupta
Independent Director
DIN: 02895343

Anshu Mohta
Company Secretary
Membership No.: A18287

Place: Mumbai
Date: May 12, 2025

Place: Mumbai
Date: May 12, 2025

Place: Mumbai
Date: May 12, 2025



Protium Finance Limited

Statement of changes in equity for the year ended March 31, 2025

A. Equity share capital

Particulars	₹ in lakhs	
	As at March 31, 2025	As at March 31, 2024
Balance as at the beginning of the year	14,514.23	9,467.78
Changes in Equity Share Capital due to prior period errors	-	-
Restated balance at the beginning of the current reporting period	14,514.23	9,467.78
Changes in equity share capital during the year	54.98	5,046.45
Balance as at the end of the year	14,569.21	14,514.23

B. Other equity

Particulars	Reserves and Surplus					Other Comprehensive Income		Total
	Securities Premium	Statutory Reserve	Share based payment	Retained earnings	General Reserve	Fair value of loans carried at FVTOCI	Cash flow hedge reserve	
Balance as at April 1, 2024	197,780.10	3,855.49	439.66	12,058.98	-	-	(26.22)	214,108.01
Profit for the year	-	-	-	17,100.66	-	-	-	17,100.66
Other comprehensive income (net of tax)	-	-	-	(61.19)	-	(166.98)	(724.92)	(953.09)
Total comprehensive income	-	-	-	17,039.47	-	(166.98)	(724.92)	16,147.57
Issue of equity instruments	1,149.01	-	-	-	-	-	-	1,149.01
Share issue expenses	-	-	-	-	-	-	-	-
Transfer to statutory reserve	-	3,420.13	-	(3,420.13)	-	-	-	-
Transfer on account of vested options lapsed	-	-	(38.17)	-	38.17	-	-	-
Transfer on account of stock options exercised	0.42	-	(0.42)	-	-	-	-	-
Share based payment during the year	-	-	534.15	-	-	-	-	534.15
Balance as at March 31, 2025	198,929.53	7,275.62	935.22	25,678.32	38.17	(166.98)	(751.14)	231,938.74

Particulars	Reserves and Surplus					Other Comprehensive Income		Total
	Securities Premium	Statutory Reserve	Share based payment	Retained earnings	General Reserve	Fair value of loans carried at FVTOCI	Cash flow hedge reserve	
Balance as at April 1, 2023	119,060.29	1,550.07	-	2,873.55	-	-	-	123,483.91
Profit for the year	-	-	-	11,527.13	-	-	-	11,527.13
Other comprehensive income (net of tax)	-	-	-	(36.28)	-	-	(26.22)	(62.50)
Total comprehensive income	-	-	-	11,490.85	-	-	(26.22)	11,464.63
Issue of equity instruments	78,724.66	-	-	-	-	-	-	78,724.66
Share issue expenses	(4.85)	-	-	-	-	-	-	(4.85)
Transfer to statutory reserve	-	2,305.43	-	(2,305.43)	-	-	-	-
Share based payment during the year	-	-	439.66	-	-	-	-	439.66
Balance as at March 31, 2024	197,780.10	3,855.50	439.66	12,058.97	-	-	(26.22)	214,108.00

As per our report of even date attached
For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number : 101049W/E300004

per Amit Lahoti
Partner
Membership No. 132990



For and on behalf of the Board of Directors of
Protium Finance Limited

Pooeyush Misra
Managing Director & CEO
DIN: 08422699

Amit Gupta
Chief Financial Officer

Parveen Kumar Gupta
Independent Director
DIN: 02895343

Anshu Mohta
Anshu Mohta
Company Secretary
Membership No.: A18287

Place: Mumbai
Date: May 12, 2025

Place: Mumbai
Date: May 12, 2025

Place: Mumbai
Date: May 12, 2025



PROTIUM FINANCE LIMITED

Notes to the Standalone Financial Statements

1. Corporate information:

Protium Finance Limited (the "Company") was incorporated on March 29, 2019 vide CIN U65999MH2019PLC323293 as Growth Source Financial Technologies Private Limited. The Company was registered as Non-Banking Financial Company without accepting or holding public deposits, as defined under Section 45-IA of the Reserve Bank of India Act, 1934. The Company is primarily engaged in the business of lending secured and unsecured loans in SME, MSME and Consumer Finance Segments. The Company has its registered office at Nirlon Knowledge Park (NKP) B2, 7th Floor, Pahadi, Village, Off. Western Express Highway, Goregaon (E), Mumbai, Mumbai City, Maharashtra, India, 400063. Under the scale based regulation ("SBR") the Company is categorized as middle layer (NBFC-ML).

The audited standalone financial statements were approved by Board of Directors on May 12, 2025. The Company has its debt listed on BSE Limited.

2. Material accounting policy information

2.1 Basis of preparation :

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed in the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and notified under section 133 of the Companies Act, 2013 (the Act) along with other relevant provisions of the Act, the updated Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 as amended from time to time and other applicable RBI circulars/notifications. The Company uses accrual basis of accounting in preparation of financial statements (other than Statement of Cash Flows) except in case of significant uncertainties. Accounting policies have been consistently applied to all periods presented, unless otherwise stated.

The financial statements have been prepared on a going concern basis, as the Management is satisfied that company shall be able to continue its business for future and no material uncertainty exists that may cast significant doubt on the going concern going concern assumption. In making this assessment, the management has considered a wide range of information relating to present and future conditions, including the future projections, cash flows, and capital resources.

The standalone financial statements are presented in Indian Rupee (INR), which is also the functional currency of the Company, in denomination of lakhs with rounding off to two decimals as permitted by Schedule III to the Act except where otherwise indicated. The standalone financial statements have been prepared on a historical cost basis, except for certain financial instruments that are measured at fair value.

2.2 Presentation of financial statements

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Division III to Schedule III to the Act applicable for Non Banking Finance Companies ("NBFC"). The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows". The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Division III to Schedule III to the Act, are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified accounting Standards. Any guidance / clarifications / notifications issued by the Reserve Bank of India (RBI) are implemented as and when issued / made applicable.

Financial assets and financial liabilities are generally reported gross in the balance sheet. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognized amounts without being contingent on a future event, the parties also intend to settle on a net basis in all of the following circumstances:

- the normal course of business
- the event of default
- the event of insolvency of bankruptcy of the Company/ or its counterparties

3. Revenue recognition

3.1 Interest income :

The company calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets. When a financial asset becomes credit-impaired and is, therefore, regarded as 'Stage 3', the Company calculates interest income by applying the EIR to the amortised cost (net of expected credit loss) of the financial asset. If the financial assets cures and is no longer credit-impaired, the Company reverts to calculating interest income on a gross basis.

The EIR is the rate that exactly discounts estimated future cash flows of the financial instrument through the expected life of the financial instrument or, where appropriate, a shorter period, to the net carrying amount. The future cash flows are estimated taking into account all the contractual terms of the instrument.

The calculation of the EIR includes all fees paid or received between parties to the contract that are incremental and directly attributable to the specific lending arrangement, transaction costs, and all other premiums or discounts. For financial assets measured at fair value through profit and loss ("FVTPL"), transaction costs are recognized in the statement of profit and loss at initial recognition.

Interest income is calculated by applying the EIR to the gross carrying amount of non-credit impaired financial assets/liabilities (i.e. at the amortised cost of the financial asset before adjusting for any expected credit loss allowance). For credit-impaired financial assets, interest income is calculated by applying the EIR to the amortised cost of the credit-impaired financial assets (i.e. the gross carrying amount less the allowance for expected credit losses)

Overdue interest and other ancillary charges in respect of loans are recognized upon realisation.

3.2 Recognition of other income :

Revenue generated from the business transactions (other than for those items to which Ind AS 109 Financial Instruments are applicable) is measured at fair value of the consideration to be received or receivable by the Company. Ind AS 115 Revenue from contracts with customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers.

The Company recognises revenue from contracts with customers based on a five step model as set out in Ind 115:

- Step 1: Identify contract(s) with a customer;
- Step 2: Identify performance obligations in the contract(s);
- Step 3: Determine the transaction price;
- Step 4: Allocate the transaction price to the performance obligations in the contract(s);
- Step 5: Recognise revenue when (or as) the Company satisfies a performance obligation.



PROTIUM FINANCE LIMITED

Notes to the Standalone Financial Statements

3.3 Fees and commission income :

Fees and commission income includes Fees and commission charges other than those that are an integral part of EIR. The company recognises the other fee and commission income under the terms and conditions of the relevant contract /agreement.

3.4 Income on derecognized (assigned) loans :

Gains arising out of direct assignment transactions comprises of the difference between interest on the loan portfolio and the applicable rate at which the direct assignment is entered into with the assignee, also known as the right of excess interest spread (EIS). The future EIS basis the scheduled cash flow on execution of the transaction, discounted at the applicable rate entered into with the assignee is recorded upfront in the statement of profit and loss.

3.5 Net gain on fair value changes :

The Company designates certain financial assets for subsequent measurement at fair value through profit or loss (FVTPL) or fair value through other comprehensive income (FVOCI). The Company recognises gains/loss on fair value change of financial assets measured at FVTPL and realised gains on derecognition of financial asset measured at FVTPL and FVOCI on net basis.

3.6 Expenditures :

(i) Finance costs

Borrowing costs on financial liabilities are recognized using the EIR [refer note no. 3.1].

(ii) Fees and commission expense

Fees and commission expenses which are not directly linked to the sourcing of financial assets, such as commission/incentive incurred on value added services and products distribution, recovery charges, fees paid under guarantee scheme and fees payable for management of portfolio etc., are recognized in the Statement of Profit and Loss on an accrual basis.

(iii) Other expenses

Expenses are recognized on accrual basis net of the goods and services tax, except where credit for the input tax is not statutorily permitted.

3.7 Financial instruments :

3.7.1 Date of recognition

A financial instrument is defined as any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments are measured at amortised cost, unless otherwise specified. All financial instruments are recognized on the date when the Company becomes party to the contractual provisions of the financial instruments along with the certainty of ultimate collection in case of financial assets. For tradable securities, the Company recognises the financial instruments on settlement date.

3.7.2 Initial measurement of financial instruments:

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

3.7.3 Day 1 profit and loss

When the transaction price of the financial 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 / loss 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 deferred and is only recognized in profit or loss when the inputs become observable, or when the instrument is derecognized.

3.7.4 Classification & measurement categories of financial assets and liabilities

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective. The Company's business model determines whether the cash flows will be generated by collecting contractual cash flows, selling financial assets or by both.

The Company's business model is assessed at portfolio level and not at instrument level, and is based on observable factors such as:

(i) How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel;

(ii) The risks that affect the performance of the business model and, in particular, the way those risks are managed;

(iii) The expected frequency, value and timing of sales are also important aspects of the Company's assessment. The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account.

Solely payment of principal and interest (SPPI) test Subsequent to the assessment to the relevant business model of the financial assets, the Company assesses the contractual terms of financial assets to identify whether the cash flow realised are towards solely payment of principal and interest.

Principal for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset. The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk.

Initial measurement of financial instruments The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments. Financial instruments are initially measured at their fair value.

The Company classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms, measured at either:

Financial assets carried at amortised cost (AC)

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. The changes in carrying value of financial assets is recognized in profit and loss account.

Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The changes in fair value of financial assets is recognized in Other Comprehensive Income.



PROTIUM FINANCE LIMITED

Notes to the Standalone Financial Statements

Financial assets at fair value through profit or loss (FVTPL)

A financial asset which is not classified in any of the above categories are measured at FVTPL. The Company measures all financial assets classified as FVTPL at fair value at each reporting date. The changes in fair value of financial assets is recognized in Profit and loss account.

3.8 Financial assets and liabilities :

3.8.1 Amortized cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial instruments other than purchased or originated credit-impaired financial assets, the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

3.8.2 Financial liabilities

All financial liabilities are measured at amortised cost except loan commitments, financial guarantees, and derivative financial liabilities.

3.8.3 Financial assets and financial liabilities at fair value through profit or loss

Financial assets and financial liabilities in this category are those that are not held for trading and have been either designated by management upon initial recognition or are mandatorily required to be measured at fair value under Ind AS 109. Management only designates an instrument at FVTPL upon initial recognition when one of the following criteria are met. Such designation is determined on an instrument-by-instrument basis.

- The designation eliminates, or significantly reduces, the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognising gains or losses on them on a different basis; or
- The liabilities are part of a group of financial liabilities, which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management or investment strategy; or
- The liabilities containing one or more embedded derivatives, unless they do not significantly modify the cash flows that would otherwise be required by the contract, or it is clear with little or no analysis when a similar instrument is first considered that separation of the embedded derivative(s) is prohibited.

Financial assets and financial liabilities at FVTPL are recorded in the balance sheet at fair value. Changes in fair value are recorded in profit and loss with the exception of movements in fair value of liabilities designated at FVTPL due to changes in the Company's own credit risk. Such changes in fair value are recorded in the credit reserve through OCI and do not get recycled to the profit or loss. Interest earned or incurred on instruments designated at FVTPL is accrued in interest income or finance cost, respectively, using the EIR, taking into account any discount/ premium and qualifying transaction costs being an integral part of instrument. Interest earned on assets mandatorily required to be measured at FVTPL is recorded using contractual interest rate.

3.8.4 Loan commitment

Undrawn loan commitments are commitments under which over the duration of the commitment, the Company is required to provide a loan with pre-specified terms to the customer. Undrawn loan commitments are in the scope of the ECL requirements.

3.8.5 Financial liabilities and equity instruments

Financial instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

3.9 Reclassification of financial assets :

The Company changes classification of its financial assets only on account of changes in its business model for managing those financial assets. Such reclassifications are given prospective impact as per the principles laid down in Ind AS 109 'Financial Instruments'.

3.10 Derivative financial instruments :

The Company enters into derivative financial instruments to manage its exposure to interest rate risk and foreign exchange rate risk. Derivatives held by the Company are Cross Currency Interest Rate Swaps (CCIRS). Derivative contracts are initially recognized at fair value on the date of entering into contract and are subsequently remeasured to their fair value at each reporting date. The resulting gains/losses are recognized in the Statement of Profit and Loss immediately unless the derivative is designated and is effective as a hedging instrument. For hedging instrument, the timing of the recognition in the Statement of Profit and Loss depends on the nature of the hedge relationship. The Company designates its CCIRS derivatives as cash flow hedges of a recognized liability. The Company recognises derivatives with a positive fair value as a financial asset and derivatives with a negative fair value as a financial liability.



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Notes to the Standalone Financial Statements

Hedge accounting

The Company makes use of derivative instruments to manage exposures to interest rate risk and foreign currency risk. In order to manage particular risks, the Company applies hedge accounting for transactions that meet specified criteria.

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging/economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the Company would assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in cash flows and are assessed on an on-going basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Cash flow hedge

Hedges that meet the criteria for hedge accounting and qualify as cash flow hedges are accounted as follows:

A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognized asset or liability and could affect profit or loss.

For designated and qualifying cash flow hedges, the effective portion of the cumulative gain or loss on the hedging instrument is initially recognized directly in OCI within equity (cash flow hedge reserve). The ineffective portion of the gain or loss on the hedging instrument is recognized immediately as finance cost in the Statement of Profit and Loss.

When the hedged cash flow affects the Statement of Profit and Loss, the effective portion of the gain or loss on the hedging instrument is recorded in the corresponding income or expense line of the Statement of Profit and Loss.

When a hedging instrument expires, is sold, terminated, exercised, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss recognised in OCI is subsequently transferred to the Statement of Profit and Loss on ultimate recognition of the underlying hedged forecast transaction. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in OCI is immediately transferred to the Statement of Profit and Loss.

3.11 Derecognition of financial Instruments :

3.11.1 Derecognition of financial asset

A financial asset (or, where applicable a part of a financial asset or a part of a group of similar financial assets) is derecognized 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, and only if, either

- The Company has transferred the rights to receive cash flows from the financial asset or
- It retains the contractual rights to receive the cash flows of the financial asset, but assumed a contractual obligation to pay the cash flows in full without material delay to third party under pass through arrangement.

A transfer only qualifies for derecognition if either:

- The Company has transferred substantially all the risks and rewards of the asset or
- The Company has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

The Company considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

3.11.2 Derecognition of financial liabilities

A financial liability is derecognized 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, including modified contractual cash flow recognized as new financial liability, is recognized in statement of profit and loss.

3.12 Impairment of financial assets :

The Company records allowance for expected credit losses for all financial assets, other than financial assets held at FVTPL, together with loan commitment and financial guarantee contracts. Equity instruments are not subject to impairment.



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PROTIUM FINANCE LIMITED

Notes to the Standalone Financial Statements

General approach

For all other financial instruments, the Company recognises lifetime ECL when there has been a significant increase in credit risk (SICR) since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses (12m ECL). The assessment of whether lifetime ECL should be recognized is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of an evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12m ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

The measurement of ECL is a function of the probability of default (PD), loss given default (LGD) (i.e. the magnitude of the loss if there is a default) and the exposure at default (EAD). The assessment of the PD and LGD is based on historical data adjusted by forward-looking information. As for the EAD, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for loan commitments and financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Company's understanding of the specific future financing needs of the customer, and other relevant forward-looking information.

Company categories its financial assets as follows :

Stage 1 assets

Stage 1 assets includes financial instruments that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date. For these assets, 12-month ECL (resulting from default events possible within 12 months from reporting date) are recognized.

Stage 2 assets

Stage 2 Assets includes financial instruments that have had a significant increase in credit risk since initial recognition. For these assets lifetime ECL (resulting from default events possible within 12 months from reporting date) are recognized.

Stage 3 assets

Stage 3 Assets are considered credit-impaired and the Company recognises the lifetime ECL for these loans. The method is similar to that for Stage 2 assets, with the PD set at 100%.

Purchased or Originated Credit Impaired (POCI) assets

Assets are considered credit-impaired and the Company recognises the lifetime ECL for these loans. The method is similar to that for Stage 2 assets, with the PD set at 100%.

For financial assets, ECL is estimated as the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate. The Company recognises an impairment loss or reversal of impairment loss in the profit and loss statement with a corresponding adjustment to their carrying amount through a loss allowance account.

The Company does not limit its exposure to credit losses to the contractual notice period, but instead calculates ECL over a period that reflects the Company's expectations of the customer behaviour, its likelihood of default and the Company's future risk mitigation procedures, which could include reducing or cancelling the facilities.

3.13 Collateral valuation :

To mitigate its credit risks on financial assets, the Company seeks to use collateral, where possible. The collateral comes in various forms, such as cash, securities, power of attorney, credit enhancements such as netting agreements. Collateral, unless repossessed, is not recorded on the Company's balance sheet. However, the fair value of collateral affects the calculation of ECLs. It is generally assessed, at a minimum, at inception and re-assessed on a quarterly basis/annual basis.

To the extent possible, the company uses active market data for valuing financial assets held as collateral.

3.14 Write-offs :

Loans and debt securities are written off when the Company has no reasonable expectations of recovering the financial asset (either in its entirety or a portion of it). In such cases, the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. A write-off constitutes a derecognition event. The Company may apply enforcement activities to financial assets written off. Recoveries resulting from the Company's enforcement activities result in impairment gains and are credited to statement of profit and loss.

3.15 Forborne and modified loan :

The Company sometimes makes concessions or modifications to the original terms of loans as a response to the borrower's financial difficulties, rather than taking possession or to otherwise enforce collection of collateral. The Company considers a loan forborne when such concessions or modifications are provided as a result of the borrower's present or expected financial difficulties and the Company would not have agreed to them if the borrower had been financially healthy. Indicators of financial difficulties include defaults on covenants, or significant concerns raised by the Credit Risk Department. Forbearance may involve extending the payment arrangements and the agreement of new loan conditions. Once the terms have been renegotiated, any impairment is measured using the original EIR as calculated before the modification of terms. It is the Company's policy to monitor forborne loans to help ensure that future payments continue to be likely to occur. Derecognition decisions and classification between Stage 2 and Stage 3 are determined on a case-by-case basis. If these procedures identify a loss in relation to a loan, it is disclosed and managed as an impaired Stage 3 forborne asset, until it is collected or written off.



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PROTIUM FINANCE LIMITED

Notes to the Standalone Financial Statements

3.16 Determination of fair value :

The Company measures financial instruments, such as, derivatives at fair value at each reporting 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;

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

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, maximizing the use of relevant observable inputs and minimising the use of unobservable inputs. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

Fair value measurement under Ind AS 113 are categorised into level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are as follows :

Level 1 Inputs

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 Inputs

Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data for substantially the full term of the asset or liability.

Level 3 Inputs

Those that include one or more unobservable input that is significant to the measurement as whole.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. The Company periodically reviews its valuation techniques including the adopted methodologies and model calibrations.

Therefore, the Company applies various techniques to estimate the credit risk associated with its financial instruments measured at fair value, which include a portfolio-based approach that estimates the expected net exposure per counterparty over the full lifetime of the individual assets, in order to reflect the credit risk of the individual counterparties for non-collateralised financial instruments.

The Company evaluates the levelling at each reporting period on an instrument-by-instrument basis and reclassifies instruments when necessary based on the facts at the end of the reporting period.

3.17 Investment in subsidiaries and associates :

Investment in subsidiaries and associates are recognized at cost and are not adjusted to fair value at the end of each reporting period as allowed by Ind AS 27 'Separate financial statement'. 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.

3.18 Retirement and other employee benefits :

3.18.1 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 recognized as an expense during the period. Benefits such as salaries and wages, etc. and the expected cost of the bonus/ ex-gratia are recognized in the period in which the employee renders the related service.

3.18.2 Post-employment employee benefits :

(i) Defined benefit plans

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.

Defined benefit plans may be unfunded, or they may be wholly or partly funded by contributions by the Company, into an entity, or fund from which the employee benefits are paid. The Company is liable to make differential payment for any shortfall between defined benefit payments and the contribution made by the Company.



PROTIUM FINANCE LIMITED

Notes to the Standalone Financial Statements

(ii) Defined contribution plans :

Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The Company contributes into following schemes under defined contribution plans:

Superannuation

Defined contribution to superannuation fund is made as per the scheme of the Company.

Provident fund

Each eligible employee and the Company make contribution at a percentage of the basic salary specified under the Employee Provident Funds and Miscellaneous Provisions Act, 1952. The Company recognises contributions payable to the Provident fund scheme as an expenditure when the employees render the related service. The Company has no further obligations under the plan beyond its periodic contributions.

Employees state insurance

The Company contributes to Employees State Insurance Scheme and recognises such contribution as an expense in the Statement of Profit and Loss in the period when services are rendered by the employees.

(iii) Compensated absences

Privilege leave entitlements are recognized as a liability as per the rules of the Company. The liability for accumulated leaves which can be availed and/or encashed at any time during the tenure of employment is recognized using the projected unit credit method at the actuarially determined value by an appointed actuary. The liability for accumulated leaves which is eligible for encashment within the same calendar year is provided for at prevailing salary rate for the entire unavailed leave balance as at the Balance Sheet date.

Remeasurements on defined benefit plans, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets, 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. Remeasurements are not reclassified to profit or loss in subsequent periods

3.19 Share based payments

The Company carries out fair value cost assessment of employee stock options on the grant date using Black Scholes model. The cost towards employees of the Company is recognized as employee benefits expenses and that pertaining to employees of subsidiaries are recovered from subsidiaries, over the period in which the service conditions are fulfilled. The cumulative expense/recharge recognized for equity settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has not expired and the Company's best estimate of the number of equity instruments that will ultimately vest. No expense is recognized for grants that do not ultimately vest because of non fulfillment of service conditions. Service conditions are not taken into account while determining the grant date fair value of options, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest

3.20 Leases :

The Company's leases primarily consists of leases for Building and office premises .The company assesses whether a contract contains a lease , at the inception of a contract. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for a consideration. To assess whether a contract conveys the right to control the use of an identified asset, the company assesses whether (i) the contract involves the use of an identified asset (ii) the company has substantially all of the economic benefits from the use of the asset through out the period of lease and (iii) the company has the right to direct the use of asset.

Measurement and recognition

At lease commencement date, the Company recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist. At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or at the incremental borrowing rate.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

Short term lease

The Company has elected not to recognise right of use asset and lease liabilities for short term leases of property that has lease term of 12 months or less. The Company recognises lease payment associated with these leases as an expense on a straight line basis over lease term.

Company as a lessee:

For any new contracts entered into on or after April 1, 2019, the Company considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition the Company assesses whether the contract is or contains lease.

3.21 Earnings per share :

Basic earnings per share is computed by dividing the net profit after tax attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding for the year.

Diluted earnings per share reflect the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year. Diluted earnings per share is computed by dividing the net profit after tax attributable to the equity shareholders for the year by weighted average number of equity shares considered for deriving basic earnings per share and weighted average number of equity shares that could have been issued upon conversion of all potential equity shares.



PROTIUM FINANCE LIMITED

Notes to the Standalone Financial Statements

3.22 Impairment of non-financial assets :

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired based on internal/external factors. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of cash generating unit which the asset belongs to is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the impairment is reversed subject to a maximum carrying value of the asset before impairment.

3.23 Provisions and other contingent liabilities :

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A present obligation that arises from past events, where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Claims against the Company, where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

Contingent assets are not recognized in the financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognized.

3.24 Income tax expenses :

Income tax expense represents the sum of the tax currently payable and deferred tax.

3.25.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period. The company has opted for lower rate of tax under section 115BAA @ 22% plus surcharge of 10% and cess of 4%. Effective tax rate being 25.17%.

3.25.2 Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3.25.3 Current and deferred tax for the year

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

3.26 Goods and Service tax input credit :

Goods and Services tax input credit is accounted for in the books for the period in which the supply of goods or service received is accounted and when there is no uncertainty in availing/utilising the credits.

3.27 Cash and cash equivalents :

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less.

3.28 Property, plant and Equipment :

Recognition and measurement

Property, plant and equipment (PPE) is recognized when it is probable that the future economic benefits associated with it will flow to the company and the cost can be measured reliably.

PPE are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of assets which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the year till such assets are ready to be put to use. Any trade discounts and rebates are deducted in arriving at the purchase price. Gains or losses arising from derecognition of such assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is derecognized.

Subsequent expenditure

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate only if it is probable that the future economic benefits associated with the item will flow to the Company and that the cost of the item can be reliably measured. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repair and maintenance expenses are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.



PROTIUM FINANCE LIMITED

Notes to the Standalone Financial Statements

Depreciation

Depreciation is provided on Straight Line Method ('SLM'), which reflects the management's estimate of the useful life of the respective assets. The estimated useful life used to provide depreciation are as follows:

Particulars	Estimated useful life by the Company	Useful life as per schedule II of the Companies Act, 2013
Computers	3 years	3 years
Office Equipment	5 years	5 years
Furniture and fixtures	10 years	10 years
Software and other intangibles	5 years	6 years

The useful lives and the method of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate. Changes in the expected useful life are accounted for by changing the amortisation period or methodology, as appropriate, and treated as changes in accounting estimates.

3.29 Intangible assets :

Recognition and measurement

An intangible asset is recognized only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Company. Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition.

Amortisation

Intangible assets are amortised using the straight line method over a period of 5 years, which is the management's estimate of its useful life. The amortisation period and the amortisation method are reviewed at least as at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly. Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognized as income or expense in the Statement of Profit and Loss.

3.30 Foreign currency translation :

Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion

Foreign currency monetary items are re-translated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.

Exchange differences

All exchange differences are accounted in the Statement of Profit and Loss or Other Comprehensive Income as permitted under the relevant Ind AS.

4. Critical accounting judgement and key source of estimates uncertainties

The preparation of 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 year. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised. 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 years.

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 statements is included in the following notes:

4.1 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 determines its business model at a level that reflects how financial assets as a whole and not an individual instrument performs; therefore the business model is developed basis a higher level of assessment at portfolio level rather than on granular instrument-level information and is based on observable factors such as:

- 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.
- The risks that affect the performance of the business model and, in particular, the way those risks are managed.
- The expected frequency, value and timing of sales are also essential aspects of the Company's assessment.

At initial recognition of a financial asset, the Company determines whether newly recognized financial assets are part of an existing business model or whether they reflect a new business model. The Company reassesses its business model at each reporting period to determine whether the business model has changed since the previous period. Based on this assessment and future business plans of the Company, the management has measured its financial assets at amortised cost as the asset is held within a business model whose objective is to collect contractual cash flows, and the contractual terms of the financial asset give rise to cash flows that are solely payments of principal and interest.



PROTIUM FINANCE LIMITED

Notes to the Standalone Financial Statements

4.2 Effective Interest Rate (EIR) Method :

The Company's EIR methodology recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioral life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle including prepayments and penalty interest and charges.

This estimation, by nature requires an element of judgement regarding the expected behavior and life cycle of the instrument, as well expected changes India's base rate and other fee income, expenses that are integral part of the instrument.

4.3 Impairment of Financial assets :

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Company's ECL calculations are outputs of models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

- PD calculation includes historical data, assumptions and expectations of future conditions
- The Company's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a life-time expected credit loss and the qualitative assessment
- The segmentation of financial assets when their ECL is assessed on a collective basis
- Development of ECL models, including the various formulas and the choice of inputs
- Determination of correlation between macroeconomic scenarios and, economic inputs, such as GDP levels and collateral values, and the effect on PDs, EAD and LGD
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models

It is Company's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

4.4 Impairment of Non-Financial assets :

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exist, the company estimates the asset's recoverable amount. An asset's recoverable amount is higher of an asset's fair value less cost of disposal and its value in use. Where the carrying amount exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

4.5 Fair value of financial instruments :

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. Judgements and estimates include considerations of liquidity and model inputs related to items such as credit risk (both own and counterparty), funding value adjustments, correlation and volatility.

4.6 Provisions, contingent liabilities and contingent assets :

Provisions are recognized when

- i. Company has a present obligation (legal or constructive) as a result of a past event; and
- ii. it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- iii. a reliable estimate can be made of the amount of the obligation.

These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Long term provisions are determined by discounting the expected future cash flows specific to the liability. The unwinding of the discount is recognized as a finance cost. A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognises any impairment loss on the assets associated with that contract.

Contingent liability is disclosed in case of

- i. a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation; and
- ii. a present obligation arising from past events, when no reliable estimate is possible.

Contingent liabilities are reviewed at each balance sheet date.

Contingent assets :

Contingent assets are not recognized in the financial statements. Contingent asset are disclosed where an inflow of economic benefits is probable.

4.7 Provisions for Income Taxes :

Significant judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods.

Estimates and judgments are continually evaluated. They are based on historical experience and other factors, including expectation of future events that may have a financial impact on the company and that are believed to be reasonable under the circumstances.



Protium Finance Limited

Notes to the Standalone Financial Statements

Note "5"

Cash and cash equivalents

Particulars	(₹ in lakhs)	
	As at March 31, 2025	As at March 31, 2024
Cash on hand	-	-
Balance with banks	-	-
Current accounts	28,250.28	30,981.13
Bank deposits with original maturity of less than or equal to three months	55,782.95	58,706.25
Total	84,033.23	89,687.38

Note "6"

Bank balances other than cash and cash equivalents

Particulars	(₹ in lakhs)	
	As at March 31, 2025	As at March 31, 2024
Bank deposits with original maturity of more than three months	41,955.83	42,454.10
Total	41,955.83	42,454.10

Note: Bank deposits includes deposits under lien aggregating to Rs. 4,091.10 lakhs (as at March 31, 2024 Rs. 4,492.98 lakhs) for liabilities arising out of securitisation transactions and amount includes Rs. 2,001.13 lakhs (as at March 31, 2024 Rs. 10,306.08 lakhs) for liabilities arising out of overdraft facility.

Note "7"

Trade receivables

Particulars	(₹ in lakhs)	
	As at March 31, 2025	As at March 31, 2024
Receivables considered good - Secured	-	-
Receivables considered good - Unsecured	409.89	542.73
Receivables which have significant increase in credit risk	43.30	-
Receivables - credit impaired	-	-
Total	453.19	542.73
Less: Impairment loss allowance	(38.13)	(15.57)
Total	415.06	527.16

Trade receivables ageing :

As at March 31, 2025

Particulars	Current but not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	more than 3 years	
Receivables considered good - Secured	100.86	268.55	9.67	-	-	-	379.08
Receivables which have significant increase in credit risk	-	30.82	-	43.30	-	-	74.12
Total	100.86	299.37	9.67	43.30	-	-	453.20
Less: Impairment loss allowance							(38.13)
Total							415.07

As at March 31, 2024

Particulars	Current but not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	more than 3 years	
Receivables considered good - Secured	-	524.56	7.06	11.11	-	-	542.73
Receivables which have significant increase in credit risk	-	-	-	-	-	-	-
Total	-	524.56	7.06	11.11	-	-	542.73
Less: Impairment loss allowance							(15.57)
Total							527.16

7.1 (i) No trade receivables are due from Directors or other officers of the Company either severally or jointly with any other person or debts due by firms including limited liability partnerships (LLPs), private companies respectively in which any director is a partner or a director or a member.

7.1 (ii) No trade receivables are due from related parties.



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Protium Finance Limited

Notes to the Standalone Financial Statements

Note "8"

Loans

(₹ in lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
(A) Loan portfolio		
at amortised cost		
(i) Term loans	343,731.63	328,889.20
(ii) Loans and advances to related parties	361.95	-
at fair value through OCI		
(i) Term loans	89,690.08	-
Total gross loans	433,783.66	328,889.20
Less : Impairment loss allowance		
at amortised cost	(9,058.98)	(5,266.66)
at fair value through OCI	(500.47)	-
Total impairment loss allowance	(9,559.45)	(5,266.66)
Total net loans	424,224.21	323,622.54
(B) Of the above		
(i) Secured against land, building & machinery	282,136.35	212,483.36
(ii) Unsecured	151,647.31	116,405.84
Total gross loans	433,783.66	328,889.20
Less : Impairment loss allowance		
(i) Secured against land, building & machinery	(3,536.41)	(1,671.72)
(ii) Unsecured	(6,023.04)	(3,594.94)
Total impairment loss allowance	(9,559.45)	(5,266.66)
Total net loans	424,224.21	323,622.54
(C) Of the above		
Loans in India		
(i) Public Sector	-	-
(ii) Others	433,783.66	328,889.20
Total gross loans	433,783.66	328,889.20
Less : Impairment loss allowance		
(i) Public Sector	-	-
(ii) Others	(9,559.45)	(5,266.66)
Total impairment loss allowance	(9,559.45)	(5,266.66)
Total net loans (a)	424,224.21	323,622.54
Loans outside India (b)	-	-
Total net loans (a) + (b)	424,224.21	323,622.54

8.1 Collateral:

Loans granted by the Company are secured by any or all of the following as applicable, based on their categorisation:

- Equitable / registered mortgage of property.
- Undertaking to create a security.

8.2 The Company has provided no loans in current year to promoters, directors, KMPs and the related parties other than as mentioned in RPT (refer - Note no. 46)

8.3 Unsecured Loans includes unsecured business loans which is guaranteed by Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) and Credit Guarantee Fund for Micro Units (CGFMU) amounting to Rs. 59,790.64 Lakhs (March 31, 2024 Rs. 34,812.38 Lakhs)

8.4 There were no loans given against the collateral of gold jewellery & hence the percentage of such loans to the total outstanding assets (as at March 31, 2024 is Nil).

8.5 In accordance with its accounting policy for business model assessment, the Company has designated certain loans originated from October 1, 2024 at fair value through other comprehensive income ("FVOCI"), which will be held within a business model whose objective will be achieved by both holding these loans to collect contractual cashflows and to sell.



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Protium Finance Limited

Notes to the Standalone Financial Statements

Note "9"
Investments

As at March 31, 2025

(₹ in lakhs)

Particulars	At Amortised Cost	At Fair Value				At cost	Total
		Through Other Comprehensive Income	Through Profit or Loss	Designated through Profit or Loss	Subtotal		
Investment in Debentures	11,537.38	-	-	-	-	-	11,537.38
Investment in Commercial Papers	10,347.62	-	-	-	-	-	10,347.62
Investment in Pass Through Certificates	8,132.09	-	-	-	-	-	8,132.09
Investment in Subsidiaries	-	-	-	-	-	760.00	760.00
- Protium Business Services Private Limited (76,00,000 equity shares of Rs. 10 each, fully paid-up for capital infusion)	-	-	-	-	-	-	-
- Shibui Technologies Private Limited (10,000 equity shares of Rs. 10 each, fully paid-up for capital infusion)	-	-	-	-	-	1.00	1.00
Investment in Government Securities	12,920.22	-	-	-	-	-	12,920.22
Investment in Mutual Funds	-	-	8,643.91	-	8,643.91	-	8,643.91
Investment in ULIP	-	-	99.26	-	99.26	-	99.26
Total (A)	42,937.31	-	8,743.17	-	8,743.17	761.00	52,441.48
Investment outside India	-	-	-	-	-	-	-
Investment in India	42,937.31	-	8,743.17	-	8,743.17	761.00	52,441.48
Total (B)	42,937.31	-	8,743.17	-	8,743.17	761.00	52,441.48
Less: Impairment loss Allowance (C)	(13.73)	-	-	-	-	-	(13.73)
Total (D= A-C)	42,923.58	-	8,743.17	-	8,743.17	761.00	52,427.75

As at March 31, 2024

(₹ in lakhs)

Particulars	At Amortised Cost	At Fair Value				At cost	Total
		Through Other Comprehensive Income	Through Profit or Loss	Designated through Profit or Loss	Subtotal		
Investment in Subsidiaries	-	-	-	-	-	760.00	760.00
- Protium Business Services Private Limited (76,00,000 equity shares of Rs. 10 each, fully paid-up for capital infusion)	-	-	-	-	-	-	-
- Shibui Technologies Private Limited (10,000 equity shares of Rs. 10 each, fully paid-up for capital infusion)	-	-	-	-	-	1.00	1.00
Investment in Government Securities	25,899.76	-	-	-	-	-	25,899.76
Investment in Mutual Funds	-	-	203.19	-	203.19	-	203.19
Investment in ULIP	-	-	47.62	-	47.62	-	47.62
Total (A)	25,899.76	-	250.81	-	250.81	761.00	26,911.57
Investment outside India	-	-	-	-	-	-	-
Investment in India	25,899.76	-	250.81	-	250.81	761.00	26,911.57
Total (B)	25,899.76	-	250.81	-	250.81	761.00	26,911.57
Less: Impairment loss Allowance (C)	(0.59)	-	-	-	-	-	(0.59)
Total (D= A-C)	25,899.17	-	250.81	-	250.81	761.00	26,910.98



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9.1 Investments measured at amortised cost

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
Investment in Debentures	11,537.38	-	-	11,537.38	-	-	-	-
Investment in Commercial Papers	10,347.62	-	-	10,347.62	-	-	-	-
Investment in Pass Through Certificates	8,132.09	-	-	8,132.09	-	-	-	-
Investment in Government Securities	12,920.22	-	-	12,920.22	25,899.76	-	-	25,899.76
Total	42,937.31	-	-	42,937.31	25,899.76	-	-	25,899.76

9.2 An analysis of changes in the gross carrying amount and the corresponding ECLs is, as follows

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	25,899.76	-	-	25,899.76	3,553.99	-	-	3,553.99
New assets originated or purchased	42,937.31	-	-	42,937.31	25,899.76	-	-	25,899.76
Assets derognised or matured (excluding write-offs)	(25,899.76)	-	-	(25,899.76)	(3,553.99)	-	-	(3,553.99)
Transfer to stage 1	-	-	-	-	-	-	-	-
Total	42,937.31	-	-	42,937.31	25,899.76	-	-	25,899.76

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
Opening balance in ECL	0.59	-	-	0.59	(0.36)	-	-	(0.36)
New assets originated or purchased	13.73	-	-	13.73	0.59	-	-	0.59
Transfer to stage 2	-	-	-	-	-	-	-	-
Unwind of discount (recognised in interest income)	-	-	-	-	-	-	-	-
Changes to model and inputs used for ECL	-	-	-	-	-	-	-	-
Recoveries	(0.59)	-	-	(0.59)	0.36	-	-	0.36
Total	13.73	-	-	13.73	0.59	-	-	0.59

9.3 Details of subsidiaries

a. Protium Business Services Private Limited ("PBS") - PBS is primarily engaged in the business of sourcing and origination of leads for lending opportunities to consumer or business lending. The Company was granted a certificate of registration to act as Corporate Agent (Composite) under sub-section (1) of section 42D of the Insurance Act, 1938 by the Insurance Regulatory and Development Authority of India on January 25, 2024. It is wholly owned subsidiary of the Company.

b. Shibul Technologies Private Limited ("STPL") - STPL is primarily engaged in the business of providing Information Technology related solutions. It is wholly owned subsidiary of the Company.

Note "10"

Other financial assets

('₹ in lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Security deposits	732.14	673.33
Receivable from assigned and colent portfolio*	33,927.46	19,123.09
Other receivable	1,524.99	4,231.29
Total	36,184.59	24,027.71
Less: Impairment loss allowance	(327.44)	(129.39)
Total other financial assets	35,857.15	23,898.32

*With respect to assignment and co-lending deals, the Company has created an Excess Interest Spread (EIS) receivable with corresponding credit to Profit and loss for the year, which has been computed by discounting Excess Interest Spread (EIS) to present value with necessary estimate and assumptions.



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Description	Gross Block			Depreciation			Net block	
	As at April 01, 2024	Additions	Disposal/ Adjustments	As at March 31, 2025	As at April 01, 2024	Depreciation for the year	Disposal/ Adjustments	As at March 31, 2025
Right of Use Assets	2,930.41	945.52	(10.57)	3,865.36	1,015.16	1,438.94	(10.21)	2,443.89
Leasehold Improvements	582.95	41.50	(1.00)	623.45	148.33	186.30	(0.50)	334.13
Furniture and fixtures	247.05	40.77	(0.88)	286.94	36.35	31.52	(0.47)	67.40
Office equipments	241.63	69.56	(10.60)	300.59	119.44	38.97	(9.53)	148.88
Computers	1,146.48	188.86	(339.75)	995.59	687.65	272.51	(190.35)	769.81
Total	5,148.52	1,286.21	(362.80)	6,071.93	2,006.93	1,968.24	(211.06)	3,764.11

Description	Gross Block			Depreciation			Net block	
	As at April 01, 2023	Additions	Disposal/ Adjustments	As at March 31, 2024	As at April 01, 2023	Depreciation for the year	Disposal/ Adjustments	As at March 31, 2024
Right of Use Assets	1,221.82	2,322.77	(614.18)	2,930.41	509.15	831.80	(325.79)	1,015.16
Leasehold Improvements	129.56	553.79	(100.40)	582.95	48.70	164.22	(64.59)	148.33
Furniture and fixtures	103.03	235.35	(91.33)	247.05	14.73	29.50	(7.88)	36.35
Office equipments	176.60	66.98	(1.95)	241.63	63.97	56.61	(1.14)	119.44
Computers	972.55	192.87	(18.94)	1,146.48	406.36	295.25	(13.96)	687.65
Total	2,603.56	3,371.76	(826.80)	5,148.52	1,042.91	1,377.37	(413.35)	2,006.93

Note: None of the above assets have been pledged.



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Protium Finance Limited

Notes to the Standalone Financial Statements

Note "12"

Intangible assets and Intangible assets under development

As at March 31, 2025

Description	Gross Block			Amortization			Net block	
	As at April 01, 2024	Additions	Disposal/ Adjustments	As at March 31, 2025	As at April 01, 2024	Amortization for the year	Disposal/ Adjustments	As at March 31, 2025
A) Other Intangible assets								
Softwares	5,613.77	1,145.72	(7.55)	6,751.94	2,343.23	1,208.20	(6.64)	3,207.15
Intangible Others	-	-	-	-	-	-	-	-
Total	5,613.77	1,145.72	(7.55)	6,751.94	2,343.23	1,208.20	(6.64)	3,207.15

As at March 31, 2024

Description	Gross Block			Amortization			Net block	
	As at April 01, 2023	Additions	Disposal/ Adjustments	As at March 31, 2024	As at April 01, 2023	Amortization for the year	Disposal/ Adjustments	As at March 31, 2024
Softwares	4,298.60	1,315.17	-	5,613.77	1,329.08	1,014.15	-	2,969.52
Intangible Others	5.04	-	(5.04)	-	2.31	0.96	(3.27)	2.73
Total	4,303.64	1,315.17	(5.04)	5,613.77	1,331.39	1,015.11	(3.27)	2,972.25

B) Intangible under development

(₹ in lakhs)

Description	As at March 31, 2025	As at March 31, 2024
Intangible under development	87.55	111.06
Total	87.55	111.06

Schedule of ageing of completion of Intangible assets under development :

(₹ in lakhs)

(i) Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Project in process	87.55	-	-	-	87.55

As at March 31, 2024

(i) Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Project in process	111.06	-	-	-	111.06

Note: There are no projects whose completion is overdue or has exceeded its cost compared to its original plan.



Notes to the Standalone Financial Statements

Note "13"

Other non-financial assets

(₹ in lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
GST input credit	2,547.13	684.17
Prepaid expenses	905.71	768.17
Salary advance	18.57	8.95
Advances with vendors	374.70	228.60
Others	465.45	314.55
Total	4,311.56	2,004.44

Note "14"

Derivative financial instruments :

As at March 31, 2025

(₹ in lakhs)

Particulars	Notional amounts	Fair value assets	Fair value liabilities
Cash flow hedge			
- Cross currency and Interest rate swap*	77,091.90	41.52	-

As at March 31, 2024

(₹ in lakhs)

Particulars	Notional amounts	Fair value assets	Fair value liabilities
Cash flow hedge			
- Cross currency and Interest rate swap*	27,464.40	-	35.04

Note : The Company has board approved policy for entering into derivative transactions.

*Derivatives comprises of cross currency interest rate swap entered by the Company to hedge foreign currency borrowings. Refer material accounting policy for derivative financial instruments.



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Notes to the Standalone Financial Statements

Note "15"

Trade payables

(₹ in lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Trade payables		
Due to micro and small enterprises	347.32	916.66
To others	474.41	1,463.78
Total	821.73	2,380.44

Details of dues to micro, medium and small enterprises

The amounts due to Micro and Small Enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006, has been determined to the extent of information available and compiled by the Company. This has been relied upon by the auditors.

Disclosure pertaining to Micro and Small Enterprises are as under :

(₹ in lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
(i) The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year;	347.32	916.66
(ii) 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	-	-
(iii) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium	-	-
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
(v) 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	-	-
Total	347.32	916.66

Trade Payables ageing schedule :

As at March 31, 2025

(₹ in lakhs)

Particulars	Outstanding for following periods from due date of payment					
	Current but not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	40.35	306.97	-	-	-	347.32
(ii) Others	47.54	424.25	2.62	-	-	474.41
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	87.89	731.22	-	-	-	821.73

As at March 31, 2024

(₹ in lakhs)

Particulars	Outstanding for following periods from due date of payment					
	Current but not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	916.66	-	-	-	916.66
(ii) Others	-	1,461.19	-	2.07	0.52	1,463.78
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	-	2,377.85	-	2.07	0.52	2,380.44



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Note "16"

Debt securities

(₹ in lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
A) At amortised cost		
(i) Secured		
Listed redeemable non convertible debentures	2,517.94	10,592.30
(ii) Unsecured	-	-
Total	2,517.94	10,592.30
B) Out of above		
Debt securities in India	2,517.94	10,592.30
Debt securities outside India	-	-
Total	2,517.94	10,592.30

Terms of repayment of Non Convertible Debentures (NCDs)

As at March 31, 2025

Series details	Face value per debenture (in lakhs)	Date of allotment	*Balance as at March 31, 2025 (Rs in Lakhs)	Interest rate % per annum	Date of redemption	Redeemable terms
9.79%p.a.p.m.Protium Finance Limited	1.00	17-04-2023	2,517.94	9.79%	25-04-2025	Annual

As at March 31, 2024

Series details	Face value per debenture (in lakhs)	Date of allotment	*Balance as at March 31, 2024 (Rs in Lakhs)	Interest rate % per annum	Date of redemption	Redeemable terms
Protium22-23-A-PPMLD-Sep2024	10.00	22-12-2022	5,564.41	8.93%	22-09-2024	Bullet
9.79%p.a.p.m.Protium Finance Limited	1.00	17-04-2023	5,027.89	9.79%	25-04-2025	Annual

*Balances as at March 31, 2025 is after considering the impact of unamortised processing fees Rs. 0.65 Lakhs (March 31, 2024 Rs. 46.18 Lakhs)

Nature of security :- Debentures are secured by hypothecation of specified term loan receivables

Note "17"

Borrowings (Other than debt securities)

(₹ in lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
At Amortised cost		
(a) Term loans		
(i) From banks	243,383.99	155,376.55
(ii) From other parties	82,409.05	59,525.32
(b) External commercial borrowings	49,976.56	27,665.66
(c) Loans repayable on demand		
Bank overdraft	1,900.03	11,150.33
Total (a + b)	377,669.63	253,717.86
Borrowings in India	327,693.07	226,052.20
Borrowings outside India	49,976.56	27,665.66
Total	377,669.63	253,717.86
Secured borrowings	377,669.63	253,717.86
Unsecured borrowings	-	-
Total	377,669.63	253,717.86

Disclosure pertaining to stock statement filed with banks or financial institutions

- a. The company has availed of the facilities (secured borrowings) from the lenders and these loans are secured by an exclusive first charge by way of hypothecation of identified books debts and receivables.
- b. Quarterly returns or statements of book debts and receivables filed by the company with banks, financial institutions and trustee are in agreement with the book of accounts.



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Notes to the Standalone Financial Statements

Note 17(a)(i) Secured term loan from bank :

As at March 31, 2025			(₹ in lakhs)
Repayment Term	Interest range	Residual tenure	Amount
Monthly	9.14% - 11%	Upto 1 Year	5,373.48
		1 to 3 Years	34,081.95
		3 to 5 Years	21,904.99
		5 to 7 Years	23,511.90
Quarterly	8.09% - 11%	Upto 1 Year	5,080.16
		1 to 3 Years	55,745.57
		3 to 5 Years	79,728.86
		5 to 7 Years	19,584.00
Add: Interest accrued			332.75
Less: EIR impact			(1,959.67)
Total			243,383.99

As at March 31, 2024			(₹ in lakhs)
Repayment Term	Interest range	Residual tenure	Amount
Monthly	8.34% - 11%	Upto 1 Year	7,585.44
		1 to 3 Years	48,653.23
		3 to 5 Years	35,585.22
		5 to 7 Years	12,389.50
Quarterly	8.58% - 10.75%	1 to 3 Years	30,645.05
		3 to 5 Years	21,761.58
Add: Interest accrued			202.31
Less: EIR impact			(1,445.78)
Total			155,376.55

Nature of security

Term loan from bank is secured by hypothecation of specified term loan receivables

Note 17(a)(ii) Secured term loan from other parties

As at March 31, 2025			(₹ in lakhs)
Repayment Term	Interest range	Residual tenure	Amount
Monthly	9.50% - 10.40%	Upto 1 Year	2,720.91
		1 to 3 Years	14,375.00
Quarterly	9.60% - 9.90%	1 to 3 Years	14,249.64
		3 to 5 Years	33,498.78
Monthly	8.50% - 9.25%*	Upto 1 Year	237.87
		1 to 3 Years	4,676.60
		3 to 5 Years	1,063.10
		7 to 10 Years	7,422.16
		10 to 12 Years	4,143.47
Add: Interest accrued			179.26
Less: EIR impact			(157.74)
Total			82,409.05

As at March 31, 2024			(₹ in lakhs)
Repayment Term	Interest range	Residual tenure	Amount
Monthly	9.50% - 10.40%	Upto 1 Year	503.26
		1 to 3 Years	23,012.87
Monthly	8.50% - 9.40%*	1 to 3 Years	13,758.38
		5 to 7 Years	3,245.59
		7 to 10 Years	3,455.26
		10 to 12 Years	15,600.88
Add: Interest accrued			190.01
Less: EIR impact			(240.92)
Total			59,525.32

* Pertains to liabilities arising out of Securitizations



Notes to the Standalone Financial Statements

Note 17(b) Secured external commercial borrowings

As at March 31, 2025			(₹ in lakhs)
Repayment Term	Interest range	Residual tenure	Amount
Bullet	9.52% - 10.14%	1 to 3 Years	28,241.86
Annually		3 to 5 Years	21,395.35
Add: Interest accrued			733.80
Less: EIR impact			(394.45)
Total			49,976.56

As at March 31, 2024			(₹ in lakhs)
Repayment Term	Interest range	Residual tenure	Amount
Bullet	9.62% - 10.14%	1 to 3 Years	27,464.40
Add: Interest accrued			531.98
Less: EIR impact			(330.72)
Total			27,665.66

Note 17(c) Secured bank overdraft :

As at March 31, 2025			(₹ in lakhs)
Repayment Term	Interest range	Residual tenure	Amount
Bullet	6.25%	Upto 1 Year	1,900.03
Add: Interest accrued			-
Less: EIR impact			-
Total			1,900.03

As at March 31, 2024			(₹ in lakhs)
Repayment Term	Interest range	Residual tenure	Amount
Bullet	8.05% - 8.31%	Upto 1 Year	11,150.33
Add: Interest accrued			-
Less: EIR impact			-
Total			11,150.33

Nature of security

Term loan from bank is secured by specified bank FD

Note : Average cost of all above borrowing is at March 31, 2025, 9.36% p.a. (March 31, 2024, 9.56% p.a.)



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Note "18"

Other financial liabilities

(₹ in lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Lease liabilities (refer note no.45)	1,514.41	1,946.80
Accrued expenses	4,116.95	1,469.81
Payable towards assigned and colent portfolio	4,840.28	2,511.00
Other payables	316.58	8,263.17
Total	10,788.22	14,190.78

Note "19"

Provisions

(₹ in lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
External commercial borrowings		
Gratuity	486.79	268.25
Compensated absences	55.00	44.59
Total	541.79	312.84

Note "20"

Deferred tax liabilities (net)

(₹ in lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Deferred tax liabilities (refer note no. 34)	6,610.68	3,915.89

Note "21"

Other non-financial liabilities

(₹ in lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Statutory liabilities	1,080.94	441.31
Advance from customers	2,762.18	2,703.74
Total	3,843.12	3,145.05



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Notes to the Standalone Financial Statements

Note "22"

Equity share capital

(a) Details of authorised, issued and subscribed share capital

Particulars	As at March 31, 2025		As at March 31, 2024	
	No. of Shares	₹ in lakhs	No. of Shares	₹ in lakhs
Authorized share capital				
Equity shares of ₹ 10 each	156,009,300	15,600.93	156,009,300	15,600.93
Issued, subscribed and fully paid-up				
Equity shares of ₹ 10 each	145,692,141	14,569.21	145,142,330	14,514.23
Total	145,692,141	14,569.21	145,142,330	14,514.23

(a)(i) Reconciliation of equity shares outstanding at the beginning and at the end of the reporting year

Particulars	As at March 31, 2025		As at March 31, 2024	
	No. of Shares	₹ in lakhs	No. of Shares	₹ in lakhs
Equity shares				
At the commencement of the year	145,142,330	14,514.23	94,677,800	9,467.78
Issued during the year	549,811	54.98	50,464,530	5,046.45
At the end of the year	145,692,141	14,569.21	145,142,330	14,514.23

(b) Rights, preferences and restrictions 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. 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. Upon show of hands, every member present in person and holding any equity share capital therein, shall have one vote, in respect of such capital, on every resolution placed before the Company.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Equity shares held by holding company

Particulars	As at March 31, 2025		As at March 31, 2024	
	No. of Shares	₹ in lakhs	No. of Shares	₹ in lakhs
Consilience Capital Management	144,144,759	14,414.48	144,144,759	14,414.48

(d) Details of shareholder(s) holding more than 5% of equity shares in the Company

Particulars	As at March 31, 2025		As at March 31, 2024	
	No. of Shares	% Holding	No. of Shares	% Holding
Consilience Capital Management	144,144,759	98.94%	144,144,759.00	99.31%

(e) There are no bonus shares issued or shares issued for consideration other than cash or shares bought back during the year ended March 31, 2025 and March 31, 2024.

(f) There are no shares reserved for issue under options and contracts or commitments for the sale of shares or disinvestment during the year ended March 31, 2025 and March 31, 2024.

(g) Equity shares held by promoters

Shares held by promoters at the end of the year		As at March 31, 2025		As at March 31, 2024		% Change during the year
S. No.	Promoter Name	No. of Shares	% of total shares	No. of Shares	% of total shares	
1	Consilience Capital Management	144,144,759	98.94%	144,144,759	99.31%	-0.37%

(h) For company's objectives, policies and processes for managing capital, refer note –

(i) Shares reserved for issue under employee stock option plan

Particulars	As at March 31, 2025	As at March 31, 2024
	No. of Shares	No. of Shares
Equity shares of Rs. 10 each	3,095,278	2,940,346



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Notes to the Standalone Financial Statements

Note "23"

Other Equity

Particulars	(₹ in lakhs)	
	As at March 31, 2025	As at March 31, 2024
Securities premium account ¹	198,929.53	197,780.10
Share based payment reserve ²	935.22	439.66
Statutory reserve (created under Section 45-IC of the RBI Act, 1934) ³	7,275.63	3,855.49
Retained earnings ⁴	25,678.32	12,058.98
General reserve ⁵	38.17	-
Cash flow hedge reserve ⁶	(918.13)	(26.22)
Total	231,938.74	214,108.00

1) Securities premium:

Share premium is credited when shares are issued at premium and with the fair value of the stock options which are treated as expense, if any, in respect of shares allotted pursuant to Employee Stock Options Scheme. Share premium can be utilised only for limited purposes such as issuance of bonus shares or adjustment of share issue expenses, net of tax, as permissible under the Companies Act, 2013.

2) Share based payment reserve

Share based payment reserve is created as required by Ind AS 102 'Share Based Payments' on the Employee Stock Option Scheme operated by the Company for employees of the company.

3) Statutory reserve (created under Section 45-IC of the RBI Act, 1934)

Statutory reserve is created as per the terms of section 45 IC(1) of the Reserve Bank of India Act, 1934.

4) Retained earnings

Retained earnings represents the surplus in profit and loss account and net amount of appropriations made to/from retained earnings. The Company recognises change on account of remeasurement of the net defined benefit liability (asset) as part of retained earnings with separate disclosure, which comprises of (a) actuarial gains and losses; (b) return on plan assets, excluding amounts included in net interest on the net defined benefit liability (asset); (c) any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability (asset).

5) General reserve

The reserve can be distributed/ utilized by the Company, in accordance with The Companies Act, 2015.

6) 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.



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Notes to the Standalone Financial Statements

Note "24"

Revenue from operations

(₹ in lakhs)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
On financial assets measured at amortized cost		
Interest income on loans	55,705.77	46,160.97
Interest income from investments	2,367.06	1,114.60
Interest on fixed deposits with banks	7,168.17	3,178.84
On financial assets measured at fair value through OCI		
Interest income on loans	3,904.52	-
Total	69,145.52	50,454.41

Note "25"

Fees and commission income

(₹ in lakhs)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Fees and commission income	3,979.19	2,179.97
Total	3,979.19	2,179.97

25.1 Geographical markets

(₹ in lakhs)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Within India	3,979.19	2,179.97
Outside India	-	-
Total	3,979.19	2,179.97

25.2 Timing of revenue recognition

(₹ in lakhs)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Services transferred at a point in time	3,979.19	2,179.97
Services transferred over time	-	-
Total	3,979.19	2,179.97

Note "26"

Net gain/(loss) on fair value changes

(₹ in lakhs)

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		
- Investments	533.12	64.14
- Loans	3,352.64	-
Total	3,885.76	64.14
Fair value changes:		
- Realised	386.08	58.77
- Unrealised	3,499.68	5.37
Total	3,885.76	64.14

Note "27"

Net gain on derecognition of financial instruments

(₹ in lakhs)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Gain on derecognition of financial instruments under amortised cost category	22,038.68	16,535.41
Total	22,038.68	16,535.41

Note "28"

Other income

(₹ in lakhs)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Recovery against written-off financial assets	2,198.01	567.92
Income from support services	1,413.33	675.26
Others*	653.26	2,418.65
Total	4,264.60	3,661.83

*Includes interest on income tax refund, marketing income etc.

Note "29"

Finance Costs

(₹ in lakhs)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Measured at amortized cost on financial liabilities		
Interest on borrowings other than debt securities	29,601.69	17,714.98
Interest on debt securities	550.14	1,024.25
Interest on lease liabilities	203.48	181.25
Other finance cost	87.83	77.22
Total	30,443.14	18,997.70



Notes to the Standalone Financial Statements

Note "30"

Impairment of financial instruments

(₹ in lakhs)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
On financial instruments measured at amortized cost		
Impairment on financial assets	1,495.99	2,006.53
Loans written off	9,192.83	4,566.22
Loss on Foreclosure of Loans	1,510.85	218.67
Total	15,199.67	6,791.42

Note "31"

Employee benefits expenses

(₹ in lakhs)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Salaries and wages	18,662.77	16,029.24
Contribution to and provision for:		
Provident and other funds	541.75	468.46
Gratuity fund (refer note no. 38)	123.75	90.71
Share based payment (refer note no. 38)	825.46	439.66
Staff welfare expenses	748.32	570.11
Total	20,901.55	17,598.18

Note "32"

Depreciation and amortisation

(₹ in lakhs)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Depreciation on property, plant and equipment	1,968.24	1,377.38
Amortisation of intangible assets	1,208.20	1,015.11
Total	3,176.44	2,392.49

Note "33"

Other expenses

(₹ in lakhs)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Loan Origination and Servicing Costs	3,332.09	5,360.71
IT expenses	1,614.20	1,316.02
Insurance	1,332.08	87.81
Travelling and conveyance	1,196.31	851.90
Legal and professional charges	752.52	924.21
Collection Charges	743.05	644.25
Office Expenses	501.06	522.02
Business promotion expenses	227.34	108.84
Rent, rates and taxes	201.89	598.61
Director's fees, allowances, and expenses	186.57	118.94
Electricity charges	185.13	157.46
Corporate Social Responsibility (refer note 40)	183.54	67.80
Auditor fees and expenses	147.04	88.49
Printing and stationery	127.01	151.83
Postage and courier	77.44	96.84
Bank Charges	63.23	87.97
Communication Costs	59.70	23.37
Repairs and maintenance	47.88	47.01
Membership & Subscription	42.61	102.57
Loss on sale / scrap of fixed assets	17.11	46.50
Other expenses	4.07	10.03
Brokerage & commission	2.42	6.18
Total	11,044.29	11,419.36

Payment to auditors includes:

(₹ in lakhs)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
a) For statutory audit	81.75	45.98
b) For limited review	32.70	16.35
c) For taxation matters	6.54	6.54
d) For other services (certificates)	21.80	19.62
e) For reimbursement of expenses	4.25	-
Total	147.04	88.49



Protium Finance Limited

Notes to the Standalone Financial Statements

34 Deferred tax liabilities (net)

34.1 Reconciliation of total tax charge

Particulars	For the year ended	
	March 31, 2025	March 31, 2024
Current tax	2,762.41	1,483.57
Adjustment to tax relating to earlier periods	(329.78)	-
Deferred tax	3,015.37	2,685.91
Total income tax expenses recognised in the current year	5,448.00	4,169.48
Income tax expense recognised in other comprehensive income	320.59	21.02
Income tax expense for the year reconciled to the accounting profit:		
Profit before tax	22,548.66	15,696.61
Income tax rate	25.17%	25.17%
Income tax expense	5,675.50	3,950.84
Tax effect of:		
Effect of Ind AS adjustments (net)	(4,231.45)	(3,264.53)
Impairment of Loans	1,131.64	505.04
Expenses allowed under Income Tax Act, 1961	(1,509.51)	(389.74)
Disallowances under Income Tax Act, 1961	4,381.82	3,367.88
Income tax expense recognised in profit and loss	5,448.00	4,169.48

34.2 The following table shows deferred tax recorded in the balance sheet and changes recorded in the Income tax expense:

As at March 31, 2025				
Particulars	For the year ended			
	Opening balances as on April 1, 2024	Recognised in profit or loss (Expense) / Income	Recognised in other comprehensive income	Closing balances as on March 31, 2025
Deferred tax asset				
Impairment of financial instruments	1,369.95	1,131.63	-	2,501.58
Disallowances under section 43B of the Income Tax Act, 1961	67.52	(67.52)	20.58	20.58
Fair valuation of derivative financials instrument	8.82	(8.82)	300.00	300.00
Total Deferred tax asset	1,446.28	1,055.29	320.59	2,822.17
Deferred tax liabilities				
Ind AS adjustment (effective interest rate on fee income and expenses, EIS on assignment)	(5,113.92)	(4,033.41)	-	(9,147.33)
Difference between books and tax written down value of fixed assets	(248.26)	(37.27)	-	(285.52)
Total deferred tax liabilities	(5,362.17)	(4,070.68)	-	(9,432.85)
Net deferred tax liabilities	(3,915.89)	(3,015.39)	320.59	(6,610.68)

As at March 31, 2024				
Particulars	For the year ended			
	Opening balances as on April 1, 2023	Recognised in profit or loss (Expense) / Income	Recognised in other comprehensive income	Closing balances as on March 31, 2024
Deferred tax asset				
Impairment of financial instruments	864.90	505.04	-	1,369.95
Ind AS adjustment (effective interest rate on fee income and expenses, EIS on assignment)	42.16	25.36	12.20	67.52
Disallowances under section 43B of the Income Tax Act, 1961	-	-	8.82	8.82
Total Deferred tax asset	907.06	530.40	21.02	1,446.28
Deferred tax liabilities				
Ind AS adjustment (effective interest rate on fee income and expenses, EIS on assignment)	(1,761.33)	(3,352.59)	-	(5,113.92)
Difference between books and tax written down value of fixed assets	(396.74)	148.48	-	(248.26)
Total deferred tax liabilities	(2,158.07)	(3,204.11)	-	(5,362.17)
Net deferred tax liabilities	(1,251.00)	(2,673.71)	21.02	(3,915.89)



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Protium Finance Limited

Notes to the Standalone Financial Statements

Note "35"

Earnings per share ('EPS')

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

Diluted earnings per share is calculated by dividing the profit attributable to equity shareholders of the Company with the weighted average number of equity shares outstanding during the year adjusted for assumed conversion of all dilutive potential equity shares.

i. Profit attributable to Equity shareholders:

Particulars	(₹ in lakhs)	
	For the year ended March 31, 2025	For the year ended March 31, 2024
Profit/ (loss) after tax as per Statement of Profit and Loss	17,100.66	11,527.13
Net profit attributable to equity shareholders for calculation of Basic EPS	17,100.66	11,527.13
Net profit adjusted for the effects of dilutive potential equity shares for calculation of Diluted EPS	17,100.66	11,527.13

ii. Weighted Average Number of Shares and Earnings per share (EPS)

Particulars		
	For the year ended March 31, 2025	For the year ended March 31, 2024
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	145,308,026	109,568,973
Adjustments for calculation of diluted earnings per share:		
Weighted average number of equity shares and potential equity shares used as the denominator in calculating diluted earnings per share	145,763,753	109,568,973
Effect of dilution :		
Employee stock options	455,727	-
Basic earnings per share	11.77	10.52
Diluted earnings per share*	11.73	10.52



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Protium Finance Limited

Notes to the Standalone Financial Statements

36. Segment reporting

The Company operates in a single reportable operating segment of providing loans. All other activities revolve around the main business. Further, all activities are carried out within India. As such, there are no separate reportable segments as per Ind AS 108 on 'Segment Reporting'.

37. Contingent Liability & Commitment:

(₹ in lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Contingent Liability	-	-
Commitments		
Estimated amount of contracts remaining to be executed on capital account	-	47.45
Undisbursed loan commitments	19,321.13	10,498.21

Note:

- There are no pending litigations against the Company.
- The Company has a process whereby periodically all long-term contracts are assessed for material foreseeable losses. At the year end, the Company has reviewed and ensured that adequate provisions (if any) required under any law / accounting standard / RBI regulation for material foreseeable losses on such long-term contracts has been made in the books of account.

38. Employee Benefit:

In accordance terms of the Indian Accounting Standard 19 'Employee Benefits', the requisite disclosures are as follows:

i) Defined Contribution Plans:

The Company recognized charges of Rs 534.60 lakhs (March 31, 2024: Rs 462.78 lakh) for Provident fund contributions.

ii) Compensated absences

The actuarially determined liability for compensated absences of accumulated leaves of the employees of the Company is given below:

Particulars	As at March 31, 2025	As at March 31, 2024
Assumptions:		
Discount rate	6.59%	7.17%
Salary escalation rate	5.00%	5.00%
Rate of Employee Turnover	For service 4 years and below 25.00% p.a. & For service 5 years and above 8.00% p.a	For service 4 years and below 25.00% p.a. & For service 5 years and above 8.00% p.a
Actual :		
Present value of unfunded obligations (Rs in lakhs)	55.00	44.59
Expenses recognised in P&L (Rs in lakhs)	10.40	17.07

Discount rate: The discount rate is based on the prevailing market yields of Indian Government Securities as at the balance sheet date for the estimated term of the obligations.

iii) Defined Benefit Gratuity Plans:

Every employee who will complete five years or more of service gets a gratuity on departure at 15 days salary (last drawn) for each completed year of service. The Company recognized charges of INR 142.98 lakhs (March 31, 2024: INR 90.71 lakh) for Gratuity Fund. The same is payable at the time of separation from the Company or retirement, whichever is earlier.

Assumptions	As at March 31, 2025	As at March 31, 2024
Discount rate	6.59%	7.17%
Salary escalation rate	5.00%	5.00%
Rate of return on plan assets	NA	NA
Rate of Employee Turnover	For service 4 years and below 25.00% p.a. & For service 5 years and above 8.00% p.a	For service 4 years and below 25.00% p.a. & For service 5 years and above 8.00% p.a
Mortality Rate During Employment	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality 2012-14 (Urban)



38. Employee Benefit (Continued)

Table showing change in the present value of projected benefit obligation

(₹ in lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Present value of Benefit obligation at the beginning of the year (Unfunded)	268.25	129.06
Interest cost	19.23	9.42
Current service cost	123.75	81.29
Actuarial (Gains) on Obligations - Due to Change in Financial Assumptions	23.20	3.09
Actuarial Losses on Obligations - Due to Experience	58.57	45.39
Benefits paid	(6.22)	-
Present value of obligation as at the end of the year (Unfunded)	486.79	268.25

Amount recognized in the Balance Sheet

(₹ in lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Present value of benefit obligation at the end of the year	(486.79)	(268.25)
Fair value of plan assets at the end of the year		
Funded Status (Deficit)	(486.79)	(268.25)
Net (Liability)/Asset Recognized in the Balance Sheet	(486.79)	(268.25)

Expenses recognized in the Statement of Profit and Loss

(₹ in lakhs)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Current service cost	123.75	81.29
Net Interest cost	19.23	9.42
Amount included in employee benefit expenses	142.98	90.71

Expenses recognized in the Other comprehensive income (OCI)

(₹ in lakhs)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Actuarial Losses on obligation for the year	81.77	48.48
Net Expense for the year recognized in OCI	81.77	48.48

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors

Balance sheet reconciliation

(₹ in lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Opening net liability	268.25	129.06
Expenses recognized in Statement of Profit and Loss	142.98	90.71
Expenses recognized in OCI	81.77	48.48
Net (Liability) Transfer Out	(6.22)	-
Net liability recognized in the Balance Sheet	486.79	268.25

Cash Flow Projection

Maturity analysis of the benefit payments:

(₹ in lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Projected benefits payable in future years from the date of reporting		
1st Following Year	17.55	3.02
2nd Following Year	28.74	11.38
3rd Following Year	38.79	19.12
4th Following Year	44.19	25.39
5th Following Year	45.81	28.40
Sum of Years 6 to 10	218.18	130.61
Sum of Years 11 and above	582.15	374.08



38. Employee Benefit (Continued)

Sensitivity analysis

Particulars	(₹ in lakhs)	
	As at March 31, 2025	As at March 31, 2024
Projected benefit obligation on current assumptions	486.79	268.26
Delta effect of +1% change in rate of discounting	(38.85)	(22.38)
Delta effect of -1% change in rate of discounting	44.89	25.83
Delta effect of +1% change in rate of salary increase	39.39	23.27
Delta effect of -1% change in rate of salary increase	(35.92)	(21.19)
Delta effect of +1% change in rate of employee turnover	(2.50)	(3.17)
Delta effect of -1% change in rate of employee turnover	1.72	2.63

Qualitative disclosures

Gratuity is a defined benefit plan and company is exposed to the Following Risks:

Interest rate risk: A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision.

Salary risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

Asset Liability Matching Risk: The plan faces the ALM risk as to the matching cash flow. Company has to manage pay-out based on pay as you go basis from own funds.

Mortality risk: Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.



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39 Employee stock option plan

In accordance with the resolution approved by the Shareholders on January 24, 2023, the Company has reserved share, for issue to employees through Protium Finance Employee Stock Option Plan I (ESOP Plan I). Under the terms of ESOP Plan I Company may issue stock option to the employees of the Company each of which is convertible into one equity share.

As on March 31, 2025

Grant date	Exercise price (Rs)	Opening ESOP	Options granted during the year	Options expired during the year	Options exercised during the year	Options forfeited during the year	Options outstanding at the end of the year	exercisable at the end of the year
15-Apr-23	166	2,018,072	-	120,482	500,255	-	1,397,335	308,816
15-May-23	166	922,274	-	172,398	49,556	-	700,320	149,955
1-Jan-25	166	-	81,324	-	-	-	81,324	-
1-Jan-25	480	-	874,632	-	-	-	874,632	-
31-Mar-25	480	-	41,667	-	-	-	41,667	-
Total		2,940,346	997,623	292,880	549,811	-	3,095,278	458,771

As on March 31, 2024

Grant date	Exercise price (Rs)	Opening ESOP	Options granted during the year	Options expired during the year	Options exercised during the year	Options forfeited during the year	Options outstanding at the end of the year	exercisable at the end of the year
15-Apr-23	166	-	2,018,072	-	-	-	2,018,072	-
15-May-23	166	-	1,015,646	93,372	-	-	922,274	-
Total		-	3,033,718	93,372	-	-	2,940,346	-

Method used for accounting for share based payment plan

The Company has used the fair value method to account for the compensation cost of stock options to employees. The fair value of options used are estimated on the date of grant using the Black – Scholes Model. The key assumptions used in Black – Scholes Model for calculating fair value as on the date of respective grants are:

Grant date	Employee Type	Risk Free interest rate	Expected life(In years)	Expected volatility	Dividend yield	Price of the underlying share in the market at the time of the option grant (Rs)*	Options granted	Fair value of options	Weighted average residual life in years	Vesting period(In years)
15-Apr-23	A1	7.05%	3.75	25.00%	0%	166	1,204,820	51.35	1.79	3.00
15-Apr-23	A2	7.05%	4.25	25.00%	0%	166	481,927	55.58	2.29	3.00
15-Apr-23	A3	7.07%	5.00	24.00%	0%	166	331,325	60.64	3.04	4.00
15-May-23	S1 specified employee	6.96%	4.10	25.00%	0%	166	66,264	54.04	2.22	3.00
15-May-23	S2 specified employee	6.96%	4.70	25.00%	0%	166	150,600	58.91	2.82	4.00
15-May-23	S3 specified employee	6.96%	5.50	24.00%	0%	166	129,516	63.95	3.62	5.00
15-May-23	S1 Others	6.96%	4.50	25.00%	0%	166	308,429	56.33	2.62	4.00
15-May-23	S2 Others	6.96%	5.00	24.00%	0%	166	257,225	60.22	3.12	4.00
15-May-23	S3 Others	6.96%	5.50	24.00%	0%	166	103,612	63.95	3.62	5.00
01-Jan-25	2025/S1/166	6.63%	4.33	42.83%	0%	166	81,324	101.49	4.09	2.75
01-Jan-25	2025/S2/480	6.65%	4.81	44.85%	0%	480	245,466	29.51	4.57	3.75
01-Jan-25	2025/A1/480	6.65%	4.81	44.85%	0%	480	629,166	29.51	4.57	3.75
31-Mar-25	2025/A2/480	6.37%	4.63	43.83%	0%	480	41,667	25.90	4.62	3.50

1.The weighted average fair value of options granted during the year was Rs 35.23 (31 March 2024: Rs 55.70).

2. For the year ended March 31, 2025, the Company has accounted expense of Rs 825.46 Lakhs as employee benefit expenses on the aforesaid employee stock option plan (Previous year Rs. 439.66

* Method of settlement - Equity settled ESOPs



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40. Expenditure towards corporate social responsibility as per Section 135 of the Companies Act, 2013 (read with schedule VII thereof)

a. Gross amount required to be spent by the Company during the year – Rs. 174.61 lakhs (Previous Year Rs. 67.48 lakhs).

b. The details of amount spent in respective year towards CSR as follows:

Particulars	For the Year ended March 31, 2025		For the Year ended March 31, 2024	
Construction/ acquisition of asset:				
Amount required to be spent by the company during the year	-	-	-	-
Shortfall of earlier year brought forward.	-	-	-	-
Amount spent	-	-	-	-
Amount unpaid / provision/ Shortfall ¹ carried forward	-	-	-	-
On purpose other than above:				
Amount required to be spent by the company during the year	174.61	67.48	-	-
Shortfall of earlier year brought forward.	-	-	-	-
Amount paid	183.54	67.80	-	-
Amount unpaid / provision/ Shortfall/ (Excess) carried forward	(8.92)	-	-	-

Notes:

1. The Company has contributed to various CSR initiatives in accordance with the provisions of Section 135 of the Companies Act, 2013. Contributions were made to CSR partners such as Cuddles Foundation, Akshara Foundation, Suryoday Foundation, Swadha Foundation, Indian Dream Foundation, and Youth for Seva. These partnerships focus on key areas such as healthcare, education, skill development and financial literacy. The Company has fully utilized the allocated CSR funds for the year. There is excess amount of Rs. 8.92 Lakhs to be carried forward to succeeding years.

2. In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act.

3. There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act.

41. Disclosure pursuant to Ind AS 107 "Financial Instruments: Disclosures"

(a) Current and Non-current maturity:

Particulars	As at March 31, 2025			As at March 31, 2024		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS						
Financial assets						
Cash and Cash Equivalents	84,033.23	-	84,033.23	89,687.38	-	89,687.38
Bank balances other than cash and cash equivalents	41,955.83	-	41,955.83	42,185.73	268.37	42,454.10
Derivative financial instrument	-	41.52	41.52	-	-	-
Trade Receivables	415.06	-	415.06	527.16	-	527.16
Loans	109,677.60	314,546.61	424,224.21	97,631.38	225,991.16	323,622.54
Investments	48,677.95	3,749.80	52,427.75	26,102.45	808.53	26,910.98
Other Financial assets	12,921.77	22,935.38	35,857.15	12,756.01	11,142.31	23,898.32
Sub total	297,681.44	341,273.31	638,954.75	268,890.12	238,210.37	507,100.48
Non-financial assets						
Current tax assets (Net)	-	432.23	432.23	-	1,284.31	1,284.31
Property Plant and Equipment	-	2,307.82	2,307.82	-	3,141.56	3,141.56
Capital work-in-progress	-	-	-	-	-	-
Intangible Assets under development	-	87.55	87.55	111.06	-	111.06
Intangible Assets	-	3,207.15	3,207.15	-	3,270.54	3,270.54
Other Non Financial assets	3,405.85	905.71	4,311.56	2,004.48	-	2,004.48
Sub total	3,405.85	6,940.46	10,346.30	2,115.54	7,696.41	9,811.96
Total assets	301,087.30	348,213.77	649,301.06	271,005.66	245,906.78	516,912.44
LIABILITIES						
Financial liabilities						
Derivative financial instrument	-	-	-	-	35.04	35.04
Trade Payables	821.73	-	821.73	2,380.44	-	2,380.44
Debt Securities	2,517.94	-	2,517.94	8,122.39	2,469.91	10,592.30
Borrowings (Other than Debt Securities)	120,828.86	256,840.76	377,669.63	101,193.54	152,524.32	253,717.86
Other financial liabilities	10,261.77	526.44	10,788.22	13,052.92	1,137.86	14,190.78
Sub total	134,430.31	257,367.20	391,797.51	124,749.29	156,132.09	280,916.42
Non-financial liabilities						
Provisions	27.14	514.65	541.79	44.59	268.25	312.84
Deferred Tax Liabilities (net)	-	6,610.68	6,610.68	-	3,915.89	3,915.89
Other non-financial liabilities	3,843.12	-	3,843.12	1,256.98	1,888.07	3,145.05
Sub total	3,870.26	7,125.33	10,995.59	1,301.57	6,072.21	7,373.78
Total liabilities	138,300.57	264,492.54	402,793.10	126,050.86	162,204.30	288,290.20

(b) Financing arrangement

The company had access to the following undrawn borrowing facilities at the end of reporting period

Particulars	As at	
	March 31, 2025	March 31, 2024
Undrawn backup lines	39,300.00	11,000.00

(c) Carrying amount of collateral given

Particulars	As at	
	March 31, 2025	March 31, 2024
Cash and cash equivalent	-	-
Bank balances other than cash equivalent*	6,092.23	-
Investments	-	-
Loan and advances	418,245.96	251,729.07

* Including interest accrued and reinvested accrued interest of Rs 457.97 lakhs. Further, out of Rs 457.97 lakhs, Rs 191.97 lakhs pertains to the lien marked fixed deposits, liabilities against which was paid in the month of March' 2025 while lien was discharged in the month of Apr' 2025.



Protium Finance Limited

Notes to the Standalone Financial Statements

- (d) Financial assets are transferred but not derecognised in their entirety :
(i) Securitisation

Particulars	(₹ in lakhs)	
	As at March 31, 2025	As at March 31, 2024
Carrying amount of assets	23,745.64	38,743.02
Carrying amount of associated Liabilities	17,512.50	36,021.17

(ii) Assignment and Colending

The Company has sold loans (measured at amortised cost and FVOCI) by way of direct bilateral assignment and colending, as a source of finance.

As per the terms of these deals, since substantial risk and rewards related to these assets were transferred to the buyer, the assets have been de-recognised from the Company's balance sheet.

The table below summarises the carrying amount of the derecognised financial assets measured at amortised cost and the gain/ (loss) on derecognition, per type of asset.

Particulars	(₹ in lakhs)	
	For the year ended March 31, 2025	For the year ended March 31, 2024
Carrying amount of de-recognised financial asset	279,172.01	171,104.44
Carrying amount of retained asset at amortised cost	52,411.66	46,835.99
Net gain on sale of the de-recognised financial asset at amortised cost *	22,038.68	16,535.41
Net gain on sale of the de-recognised financial asset at FVOCI*	3,352.64	-

* Amount represents net gain on derecognition of financial asset for the year ended March 31, 2025 and March 31, 2024

- (e) During the year, the Company has acquired loan portfolio from another NBFC, for a consideration of Rs.35,101.40 lakhs, recognised in the following stages / asset classification as per Ind AS 109:

(₹ in lakhs)	
Stage	Amount
Stage 1	34,909.78
Stage 2	149.19
Stage 3 (PoCI) *	42.43
Total	35,101.40

* Purchased or originated Credit Impaired Loans



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Protium Finance Limited

Notes to the Standalone Financial Statements

42. Capital

The Company actively manages its capital base to cover risks inherent to its business and meets the capital adequacy requirements of the regulator - Reserve Bank of India. The adequacy of the Company's capital is monitored using, among other measures, the regulations issued by RBI.

(i) Capital management

Objective

The Company's objective is to maintain appropriate levels of capital to support its business strategy taking into account the regulatory, economic and commercial environment. The Company aims to maintain a strong capital base to support the risks inherent to its business and its growth strategy. The Company endeavors to maintain a higher capital base than the mandated regulatory capital at all times.

Planning

The Company's assessment of capital requirement is aligned to its planned growth which forms part of an annual operating plan which is approved by the Board and also a long range strategy. These growth plans are aligned to assessment of risks- which include credit, liquidity and interest rate.

The Company monitors its capital adequacy ratio (CRAR) on a monthly basis through its assets liability management committee (ALCO).

The Company maintains its capital structure in line with the economic conditions and the risk characteristics of its activities and the board reviews the capital position on a regular basis.

Gearing ratio:

(₹ in lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Debt	380,187.57	264,310.16
Total equity	246,507.95	228,622.23
Debt to equity ratio (in times)	1.54	1.16

(ii) Regulatory capital

(₹ in lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Tier I capital	207,495.37	203,899.44
Tier II capital	1,261.10	-
Total capital	208,756.47	203,899.44
Total risk weighted assets	456,981.07	352,404.18
Tier I CRAR	45.41%	57.86%
Tier II CRAR	0.28%	0.00%
Total capital	45.68%	57.86%



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43. Risk Management framework

While risk is inherent in the Company's activities, it is managed through an integrated risk management framework, including ongoing identification, measurement and monitoring, subject to risk limits and other controls.

The board of directors are responsible for the overall risk management approach and for approving the risk management strategies and principles.

The risk committee has the overall responsibility for the development of the risk strategy and implementing principles, frameworks, policies and limits. The risk committee is responsible for managing risk decisions and monitoring risk levels and reports to the Board.

The Company's risks are generally categorized in the following risk types:

- a) Credit risk
- b) Liquidity risk
- c) Market risk
- d) Operational risk
- e) Foreign currency risk

a) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's trade receivables and Loans. The Company has adopted a policy of dealing with creditworthy counterparties and obtains sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. In case the loans are to be restructured, similar credit assessment process is followed by the Company.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

The Company manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties/Groups (Single Borrowing Limit/Group Borrowing Limit) and for industry concentrations, and by monitoring exposures in relation to such limits.

Credit quality of a customer is assessed based on its credit worthiness and historical dealings with the Company and market intelligence. Outstanding customer receivables are regularly monitored. The credit quality review process aims to allow the Company to assess the potential loss as a result of the risks to which it is exposed and take corrective actions.

Financial assets measured on a collective basis

The company splits its exposure into smaller homogeneous portfolios, based on shared credit risk characteristics, as described below in the following order:

- Secured/unsecured i.e. based on whether the loans are secured
- Nature of security i.e. the nature of the security if the loans are determined to be secured
- Nature of loan i.e. based on the nature of loan

Significant increase in credit risk

The company considers an exposure to have significantly increased in credit risk when the borrower crosses 30 DPD but is within 90 DPD.

Impairment assessment

The company considers a financial instrument defaulted and therefore Stage 3 (credit-impaired) for ECL calculations in all cases when the borrower crosses 90 days past due on its contractual payments. Further, the borrower is retained in Stage 3 (credit-impaired) till all the overdue amounts are repaid i.e borrower becomes 0 days past due on its contractual payments.

Exposure at default

The exposure at default (EAD) represents the gross carrying amount of the financial instruments subject to the impairment calculation.

Loss given default

The credit risk assessment is based on a standardised LGD assessment framework that incorporates the probability of default and subsequent recoveries, discounted.

Current economic data and forward-looking economic forecasts and scenarios are used in order to determine the Ind AS 109 LGD rate. The company uses own historical data and combines such data with inputs to the Company's ECL models including determining the weights attributable to the multiple scenarios.

Credit quality of assets

i) The table below shows credit quality and maximum exposure to credit risk based on year-end stage classification. The amounts presented are gross of Impairment loss allowance.

Sr No	Particulars	Loss Allowance measured at 12 month ECL (Stage 1)	Loss Allowance measured at life time ECL	
			Financial Assets for which credit risk has increased significantly and credit not impaired (Stage 2)	
			Financial Assets for which credit risk has increased significantly and credit impaired (Stage 3)	
I	As on March 31, 2025			
	Estimated gross carrying amount at default	414,710.68	8,631.01	10,441.97
	Expected credit Loss	(3,349.26)	(2,243.64)	(3,966.55)
	Carrying amount net of Impairment Provision	411,361.41	6,387.37	6,475.43
II	As on March 31, 2024			
	Estimated gross carrying amount at default	319,964.57	3,516.39	5,408.23
	Expected credit Loss	(1,901.42)	(887.20)	(2,478.03)
	Carrying amount net of Impairment Provision	318,063.15	2,629.19	2,930.20



43. Risk management framework (continued)

ii) An analysis of changes in the gross carrying amount and corresponding ECL allowances in relations to loans is as under:

(₹ in lakhs)						
Sr No	Particulars	Stage 1	Stage 2	Stage 3	PoCI*	Total
I	Gross Carrying amount balance as at April 01, 2023	237,160.19	1,901.08	1,588.94	-	240,650.21
	New Loans originated during the year	377,760.53	-	-	-	377,760.53
	Transfers to Stage 1	266.83	(201.42)	(65.41)	-	-
	Transfers to Stage 2	(5,053.06)	5,053.06	-	-	-
	Transfers to Stage 3	(9,885.89)	(1,043.66)	10,929.55	-	-
	Loans that have been de recognised during the year	(160,042.62)	-	-	-	(160,042.62)
	Written offs	-	-	(4,566.22)	-	(4,566.22)
	Remeasurement of net exposure	-	-	-	-	-
	Matured or repaid during the year	(120,241.41)	(2,192.67)	(2,478.63)	-	(124,912.71)
II	Gross Carrying amount balance as at March 31, 2024	319,964.57	3,516.39	5,408.23	-	328,889.19
	New Loans originated during the year	507,539.42	149.46	-	42.43	507,731.31
	Transfers to Stage 1	635.37	(96.68)	(538.70)	-	-
	Transfers to Stage 2	(11,542.49)	11,564.47	(21.99)	-	-
	Transfers to Stage 3	(16,425.27)	(2,489.18)	18,914.45	-	-
	Loans that have been de recognised during the year	(226,760.35)	-	-	-	(226,760.35)
	Written offs	-	-	(10,661.25)	(42.43)	(10,703.68)
	Remeasurement of net exposure	-	-	-	-	-
	Matured or repaid during the year	(158,700.58)	(4,013.45)	(2,616.34)	-	(165,330.37)
III	Gross Carrying amount balance as at March 31, 2025	414,710.68	8,631.01	10,484.41	-	433,826.09

No. of loan accounts with principal and / or interest overdue (including loans classified as Significant Increase in Credit Risk (SICR) and credit impaired) as at March 31, 2025 is 1,811 (Stage 1), 2,120 (Stage 2) and 3,387 (Stage 3).

(₹ in lakhs)						
Sr No	Particulars	Stage 1	Stage 2	Stage 3	PoCI*	Total
I	ECL allowance balance as at April 01, 2023	2,115.74	435.85	805.36	-	3,356.95
	New Loans originated during the year	3,912.22	-	-	-	3,912.22
	Transfers to Stage 1	63.33	(32.26)	(31.07)	-	-
	Transfers to Stage 2	(583.86)	583.86	-	-	-
	Transfers to Stage 3	(1,326.58)	(299.07)	1,625.65	-	-
	Loans that have been de recognised during the year	(944.25)	-	-	-	(944.25)
	Written offs	-	-	(2,968.04)	-	(2,968.04)
	Impact on year end ECL of exposures transferred between stages during the year	(105.37)	296.40	3,493.38	-	3,684.41
	Matured or repaid during the year	(1,229.81)	(97.58)	(447.25)	-	(1,774.64)
II	ECL allowance amount balance as at March 31, 2024	1,901.42	887.20	2,478.03	-	5,266.65
	New Loans originated during the year	6,511.25	30.19	-	42.43	6,583.88
	Transfers to Stage 1	144.36	(6.40)	(137.96)	-	-
	Transfers to Stage 2	(1,135.86)	1,141.35	(5.50)	-	-
	Transfers to Stage 3	(1,838.92)	(710.68)	2,549.59	-	-
	Loans that have been de recognised during the year	(1,811.88)	-	-	-	(1,811.88)
	Written offs	-	-	(9,003.46)	(42.43)	(9,045.90)
	Impact on year end ECL of exposures transferred between stages during the year	886.93	1,654.27	11,506.53	-	14,047.73
	Matured or repaid during the year	(1,308.04)	(752.30)	(3,420.69)	-	(5,481.05)
III	ECL allowance amount balance as at March 31, 2025	3,349.27	2,243.64	3,966.55	-	9,559.44

* Purchased or originated Credit Impaired Loans

Analysis of risk concentration

The following table shows risk concentration of the Company's loans basis risk exposure into smaller homogeneous portfolios, based on shared credit risk characteristics as under:

(₹ in lakhs)		
Particulars	As at March 31, 2025	As at March 31, 2024
Carrying value of Loans		
Loan against property (LAP)	240,510.60	183,128.28
Business Loan	147,805.92	91,368.38
Loan against machinery	28,005.70	17,840.72
Corporate Lending	13,615.38	11,285.29
Consumer loan	3,484.11	25,266.52
Loan to subsidiaries	361.95	-
Total	433,783.66	328,889.20



43. Risk Management framework (continued)

b) Liquidity risk

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. 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.

Maturity analysis of assets and liabilities

As at March 31, 2025

As at March 31, 2025						
Particulars	Carrying amount	Not later than one month	Later than one month and not later than three months	Later than three months and not later than one year	Later than one year and not later than five years	Later than five years
ASSETS						
Financial assets						
Cash and cash equivalents	84,033.23	66,965.65	17,067.59	-	-	-
Bank balances other than cash and cash equivalents	41,955.83	31.34	22,770.53	19,153.96	-	-
Derivative financial instrument	41.52	-	-	-	41.52	-
Trade receivables	415.06	393.41	-	21.65	-	-
Loans	424,224.21	15,785.72	19,489.57	74,402.31	198,808.78	115,737.83
Investments	52,427.75	8,159.59	19,424.31	21,094.05	2,889.54	860.26
Other financial assets	35,857.15	732.51	2,674.46	9,514.79	19,703.34	3,232.04
Sub total	638,954.75	92,068.22	81,426.45	124,186.77	221,443.18	119,830.13
Non-financial assets						
Current tax assets (net)	432.23	-	-	-	432.23	-
Property, plant and equipment	2,307.82	-	-	-	-	2,307.82
Intangible assets under development	87.55	-	-	-	-	87.55
Intangible assets	3,207.15	-	-	-	-	3,207.15
Other non-financial assets	4,311.56	1,227.61	763.45	1,414.80	-	905.71
Sub total	10,346.31	1,227.61	763.45	1,414.80	432.23	6,595.78
Total assets	649,301.06	93,295.83	82,189.90	125,601.57	221,875.41	126,425.91
LIABILITIES						
Financial liabilities						
Trade payables	821.73	821.73	-	-	-	-
Debt securities	2,517.94	2,517.94	-	-	-	-
Borrowings (other than debt securities)	377,669.63	10,593.04	22,475.78	87,760.05	248,155.68	8,685.08
Other financial liabilities	10,788.22	6,792.35	1,514.57	1,954.85	526.44	-
Sub total	391,797.52	20,725.06	23,990.35	89,714.90	248,682.12	8,685.08
Non-financial liabilities						
Provisions	541.79	-	-	27.14	122.58	392.07
Deferred tax liabilities (net)	6,610.68	-	-	-	-	6,610.68
Other non-financial liabilities	3,843.12	3,843.12	-	-	-	-
Sub total	10,995.59	3,843.12	-	27.14	122.58	7,002.75
Total liabilities	402,793.11	24,568.18	23,990.35	89,742.04	248,804.70	15,687.83

As at March 31, 2024						
Particulars	Carrying Amount	Not later than one month	Later than one month and not later than three months	Later than three months and not later than one year	Later than one year and not later than five years	Later than five years
ASSETS						
Financial assets						
Cash and cash equivalents	89,687.38	76,954.64	12,732.75	-	-	-
Bank balances other than cash and cash equivalents	42,454.10	405.27	22,375.48	19,404.98	268.37	-
Trade receivables	527.16	527.16	-	-	-	-
Loans	323,622.54	14,311.56	18,389.90	64,929.92	138,230.97	87,760.19
Investments	26,911.06	17,953.35	7,945.91	203.19	-	808.60
Other financial assets	23,898.28	1,564.52	3,939.62	7,251.87	10,014.86	1,127.41
Sub total	507,100.52	111,716.50	65,383.66	91,789.96	148,514.19	89,696.21
Non-financial assets						
Current tax assets (net)	1,284.31	-	-	-	1,284.31	-
Property, plant and equipment	3,141.56	48.43	-	-	-	3,093.13
Intangible assets under development	111.06	-	-	111.06	-	-
Intangible assets	3,270.54	-	-	-	-	3,270.54
Other non-financial assets	2,004.48	895.10	340.67	768.71	-	-
Sub total	9,811.94	943.53	340.67	879.77	1,284.31	6,363.67
Total assets	516,912.46	112,660.02	65,724.33	92,669.73	149,798.50	96,059.88
LIABILITIES						
Financial liabilities						
Derivative financial instrument	35.04	-	-	-	35.04	-
Trade payables	2,380.44	2,380.44	-	-	-	-
Debt securities	10,592.30	3,988.40	2,905.51	138.92	1,535.54	2,023.93
Borrowings (other than debt securities)	253,717.86	15,274.42	14,212.37	54,796.31	166,378.82	3,055.94
Other financial liabilities	14,190.78	5,733.52	6,027.30	1,292.10	1,137.86	-
Sub total	280,916.42	27,376.78	23,145.17	56,227.33	169,087.26	5,079.87
Non-financial liabilities						
Provisions	312.84	-	-	44.59	214.60	53.65
Deferred tax liabilities (net)	3,915.89	-	-	-	-	3,915.89
Other non-financial liabilities	3,145.05	560.88	153.64	542.46	1,154.87	733.20
Sub total	7,373.78	560.88	153.64	587.05	1,369.47	4,702.74
Total liabilities	288,290.20	27,937.66	23,298.81	56,814.39	170,456.72	9,782.61



The table below summarises the maturity profile of the undiscounted contractual cashflow of the Company's financial liabilities

(₹ in lakhs)

Particulars	As at March 31, 2025			As at March 31, 2024		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Debt securities	2,535.36	-	2,535.36	8,624.50	2,535.36	11,159.86
Borrowings (other than debt securities)	150,147.49	299,584.14	449,731.63	121,326.76	178,684.32	300,011.09
Trade payables	821.73	-	821.73	2,380.44	-	2,380.44
Other financial liabilities	10,261.77	526.44	10,788.22	13,052.92	1,137.86	14,190.78
Total	163,766.35	300,110.58	463,876.94	145,384.62	182,357.54	327,742.16

c) Market risk (interest rate risk)

Market Risk is the possibility of loss arising from changes in the value of a financial instrument as a result of changes in market variables such as interest rates, exchange rates and other asset prices. The Company's exposure to market risk is a function of asset liability management and interest rate sensitivity assessment. The Company is exposed to interest rate risk and liquidity risk, if the same is not managed properly. The Company continuously monitors these risks and manages them through appropriate risk limits. The Asset Liability Management Committee ('ALCO') reviews market related trends and risks and adopts various strategies related to assets and liabilities, in line with the Company's risk management framework.

Exposure to interest rate risk

The group's exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

(₹ in lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Financial assets		
Fixed-rate instruments	190,257.57	132,253.62
Floating-rate instruments	236,001.67	191,265.14
Sub-Total	426,259.24	323,518.76
Add: Accrued / Overdue Interest	7,524.42	5,370.44
Less: Unamortized cost / Impairment loss allowance	(9,559.45)	(5,266.66)
Total	424,224.21	323,622.54
Financial Liabilities		
Fixed-rate instruments	97,494.41	78,399.78
Floating-rate instruments	283,916.27	186,361.20
Sub-Total	381,410.68	264,760.98
Add: Accrued Interest	1,289.40	1,612.78
Less: Unamortized cost	(2,512.51)	(2,063.60)
Total	380,187.57	264,310.16

Fair value sensitivity analysis for Floating-rate instruments

The sensitivity analysis below have been determined based on exposure to the interest rates for financial instruments at the end of the reporting period and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period in case of instruments that have floating rates.

If interest rates had been 100 basis points higher or lower and all other variables were constant, the Company's profit before tax would have changed by the following:

(₹ in lakhs)

Particulars	For the year ended March 31, 2025		For the year ended March 31, 2024	
	100 bps higher	100 bps lower	100 bps higher	100 bps lower
Floating rate loans	2,366.04	(2,366.04)	2,481.72	(2,481.72)
Floating rate borrowings	(2,839.16)	2,839.16	(1,361.38)	1,361.38
	(473.12)	473.12	1,120.34	(1,120.34)

d) Operational risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people or systems, or from external events. The operational risks of the Group are managed through comprehensive internal control systems and procedures. Failure of managing operational risk might lead to legal / regulatory implications due to non-compliance and lead to financial loss due to control failures. While it is not practical to eliminate all the operational risk, the Group has put in place adequate control framework by way of segregation of duties, well defined process, staff training, maker and checker process, authorisation and clear reporting structure. The effectiveness of control framework is assessed by Internal by Risk Management committee on a periodic basis.

e) Foreign currency risk

In the normal course of business, the company does not deal in foreign exchange in the significant way. Any significant foreign exchange borrowings is fully hedged to safeguard against exchange rate risk.

The company's exposure of foreign currency risk at the end of the reporting period as follow

Particulars	As at March 31, 2025	As at March 31, 2024
Hedged		
Foreign currency borrowings	USD 916.72 Lakhs	USD 330.00 Lakhs
Derivative financial instrument	Rs. 77,091.90 Lakhs	Rs. 27,464.40 Lakhs



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44. Fair Value measurement

44.1 Valuation principles

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques:

Level 1 – valuation technique using quoted market price: financial instruments with quoted prices for identical instruments in active markets that company can access at the measurement date.

Level 2 – valuation technique using observable inputs: 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.

Level 3 – valuation technique with significant unobservable inputs: Those that include one or more unobservable input that is significant to the measurement as whole.

44.2 Valuation governance framework

The Company's fair value methodology and the governance over its models includes a number of controls and other procedures to ensure appropriate safeguards are in place to ensure its quality and adequacy. All new product initiatives (including their valuation methodologies) are subject to approvals by various functions of the Company including the risk and finance functions.

Where fair values are determined by reference to externally quoted prices or observable pricing inputs to models, independent price determination or validation is used. For inactive markets, Company sources alternative market information, with greater weight given to information that is considered to be more relevant and reliable.

The responsibility of ongoing measurement resides with the business and product line divisions. However finance department is also responsible for establishing procedures governing valuation and ensuring fair values are in compliance with accounting standards.

44.3 There have been no transfers between levels during the period ended March 31, 2025 and year ended March 31, 2024.

44.4 Valuation methodologies adopted Fair values of financial assets, other than those which are subsequently measured at amortised cost, have been arrived at as under:

- Fair values of investments held under FVTPL have been determined under level 1 using quoted market prices of the underlying instruments;
- Fair values of financial instruments designated under amortised cost/FVOCI have been measured under level 3 at fair value based on a discounted cash flow model.

44.5 Fair value of financial instruments measured at amortised cost :

The table below is a comparison, by class, of the carrying amounts and fair values of the Company's financial instruments that are not carried at fair value in the financial statements. This table does not include the fair values of non-financial assets and non-financial liabilities

As at March 31, 2025

(₹ in lakhs)

Particulars	Carrying Value (Amortised Cost)	Fair value measurement using			Total
		Level 1	Level 2	Level 3*	
Financial assets					
Trade receivables	415.06	-	-	415.06	415.06
Loans	335,034.60	-	-	337,884.18	337,884.18
Other financial assets	35,125.01	-	-	35,125.01	35,125.01
Investment and financial receivables					
Investment	42,937.31	34,805.22	-	8,132.09	42,937.31
Total financial assets	413,511.98	34,805.22	-	381,556.34	416,361.56
Financial liabilities					
Trade payables	821.73	-	-	821.73	821.73
Debt Securities	2,517.94	-	-	2,517.94	2,517.94
Borrowings	377,669.63	-	-	377,669.63	377,669.63
Other financial liabilities	10,788.22	-	-	10,788.22	10,788.22
Total financial liabilities	391,797.52	-	-	391,797.52	391,797.52

As at March 31, 2024

(₹ in lakhs)

Particulars	Carrying Value (Amortised Cost)	Fair value measurement using			Total
		Level 1	Level 2	Level 3*	
Financial assets					
Trade Receivables	527.16	-	-	527.16	527.16
Loans	323,622.54	-	-	323,622.54	323,622.54
Other financial assets	23,224.99	-	-	23,224.99	23,224.99
Investment and financial receivables					
Investment	25,899.76	25,899.76	-	-	25,899.76
Total financial assets	373,274.45	25,899.76	-	347,374.69	373,274.45
Financial Liabilities					
Trade payables	2,380.44	-	-	2,380.44	2,380.44
Debt securities	10,592.30	-	-	10,592.30	10,592.30
Borrowings	253,717.86	-	-	253,717.86	253,717.86
Other financial liabilities	14,190.78	-	-	14,190.78	14,190.78
Total Financial Liabilities	280,881.38	-	-	280,881.38	280,881.38

* The carrying value of assets and liabilities at amortised cost represents a reasonable approximation of fair value.



Protium Finance Limited

Notes to the Standalone Financial Statements

45. Lease accounting

The Company has entered into leasing arrangements for premises. Right of use assets ("ROU") has been included under 'Property, plant and equipment' and lease liability has been included under 'Other financial liabilities' in the Balance sheet.

45.1 Following are the changes in the carrying value of right of use assets (ROU):

(₹ in lakhs)		
Particulars	As at March 31, 2025	As at March 31, 2024
Balance at the beginning of the year	1,915.23	639.32
Addition during the year	945.52	2,396.10
Disposals during the year	(0.36)	(288.39)
Depreciation for the year	(1,438.94)	(831.80)
Balance as at the end of the year	1,421.45	1,915.23

45.2 The following is the movement in lease liabilities:

(₹ in lakhs)		
Particulars	As at March 31, 2025	As at March 31, 2024
Balance at the beginning of the year	1,946.80	673.19
Addition during the year	922.35	2,347.68
Finance cost accrued during the year	203.48	181.25
Payment of lease liabilities made during the year	(1,557.98)	(952.28)
Disposal during the period	(0.23)	(303.04)
Balance as at the end of the year	1,514.41	1,946.80

45.3 The table below provides details regarding the contractual maturities of lease liabilities as of March 31, 2025 on an undiscounted basis:

(₹ in lakhs)		
Particulars	As at March 31, 2025	As at March 31, 2024
Less than one year	1,075.51	1,036.94
Between one and five years	539.63	1,214.06
More than five years	-	-
Total	1,615.13	2,251.00

45.4 Expenses recognised in the statement of Profit and Loss:

(₹ in lakhs)		
Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Depreciation expense on right-of-use assets	1,438.94	831.80
Interest expense on lease liabilities	203.48	181.25
Expense relating to short-term leases	270.50	388.03
Expense relating to leases of low value assets	-	-

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

45.5 Amount recognised in the statement of Cash flow:

(₹ in lakhs)		
Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Total cash outflow for leases	1,557.98	952.28



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Protium Finance Limited

Notes to the Standalone Financial Statements

46. Disclosure of transactions with related parties as required by Ind AS 24:

a. List of related parties and relationship:

<u>Name of related parties by whom control is exercised</u>	
Holding company	Consilience Capital Management
Subsidiaries	Protium Business Services Private Limited Shibui Technologies Private Limited (Incorporated on March 24, 2023)
Key Management Personnel (KMP)	Mr. Peeyush Misra - (Managing Director & CEO) Mr. Peruvemba Ramachandran Seshadri - Independent Director (resigned w.e.f. 13-09-2023) Mr. Parveen Kumar Gupta - Independent Director Ms. Anuradha Rao - Independent Director (appointed wef 29-08-2023) Ms. Dakshita Das - Independent Director (appointed wef 16.02.2024) Mr. Sitaram Kunte - Independent Director (appointed wef 16.02.2024)

b. Transactions with Related Parties:

(₹ in lakhs)

Nature of transactions	For the year ended March 31, 2025	For the year ended March 31, 2024
Investment from holding company		
Consilience Capital Management	-	83,224.97
Loan to subsidiary companies		
Protium Business Services Private Limited	350.00	-
Shibui Technologies Private Limited	75.00	-
Loan repaid by subsidiary companies		
Protium Business Services Private Limited	-	-
Shibui Technologies Private Limited	65.00	-
Commission to subsidiary		
Protium Business Services Private Limited	-	1,742.27
Interest income from subsidiary		
Protium Business Services Private Limited	7.81	-
Shibui Technologies Private Limited	1.10	-
Director's fees, allowances, and expenses		
Mr. Parveen Kumar Gupta	42.00	65.40
Ms. Anuradha Rao	34.00	11.99
Ms. Dakshita Das	34.00	-
Mr. Sitaram Kunte	39.00	-
Mr. Peruvemba Ramachandran Seshadri	-	26.16
Fees received on behalf of subsidiary		
Protium Business Services Private Limited	2,646.21	2,071.34
Cross charge		
Protium Business Services Private Limited	1,413.33	675.26
Other reimbursement		
Protium Business Services Private Limited	0.60	-



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c. Related parties balance outstanding :

As at March 31, 2025

(₹ in lakhs)

Particulars	Holding Company	Subsidiary Companies	KMP of the Group	Entities controlled by KMP of the Group
Investment made by holding company in equity shares of the Company				
Consilience Capital Management	2,08,763.00	-	-	-
Investments in Subsidiary Companies				
Protium Business Services Private Limited	-	760.00	-	-
Shibui Technologies Private Limited	-	1.00	-	-
Loans given including accrued interest				
Protium Business Services Private Limited	-	351.64	-	-
Shibui Technologies Private Limited	-	10.30	-	-

As at March 31, 2024

(₹ in lakhs)

Particulars	Holding Company	Subsidiary Companies	KMP of the Group	Entities controlled by KMP of the Group
Investment made by holding company in equity shares of the Company				
Consilience Capital Management	2,08,763.00	-	-	-
Investments in Subsidiary Companies				
Protium Business Services Private Limited	-	760.00	-	-
Shibui Technologies Private Limited	-	1.00	-	-

Note:

1. Name of the related parties and nature of their relationships where control exists have been disclosed irrespective of whether or not there have been transactions with the company. In other cases, disclosure has been made only when there have been transactions with those parties.
2. Related parties as defined under paragraph 9 of the Indian Accounting Standard-24 'Related Party Disclosures' have been identified based on representations made by key managerial personnel and information available with the Company. All above transactions are in the ordinary course of business and on arms length basis.
3. The amounts disclosed in the table are the amounts recognised as an expense during the financial year related to KMP. The amounts do not include expense, if any, recognised toward post-employment benefits and other long-term benefits of key managerial personnel. Such expenses are measured based on an actuarial valuation done for each Company in the Group as a whole. Hence, amounts attributable to KMPs are not separately determinable. Director sitting and commission including ineligible GST input for FY 2023-24.
4. The Company has given loan to its subsidiaries for working capital requirement. The loan has been utilized by the subsidiaries for the purpose it was obtained. The loan is unsecured, repayable on demand and carries interest rates at the rate of 12% per annum.
6. Services rendered to subsidiary
The Group has entered into contract with subsidiary for reimbursement of common service charges on the same terms as applicable to third parties in an arm's length transaction and in the ordinary course of business.



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47. Rating assigned by the credit rating agencies during the year :

(₹ in lakhs)

Instrument	Credit Rating Agency	As at March 31, 2025			As at March 31, 2024		
		Rating Amount	Date	Rating	Rating Amount	Date	Rating
Bank loan ratings	Acuite Ratings & Research Limited	350,000.00	10-Mar-25	ACUITE AA- (Outlook : Stable)	200,000.00	09-Jan-24	ACUITE AA- (Outlook : Stable)
Non convertible debentures	Acuite Ratings & Research Limited	-	-	-	7,500.00	09-Jan-24	ACUITE AA- (Outlook : Stable)
Non convertible debentures	Acuite Ratings & Research Limited	15,000.00	10-Mar-25	ACUITE AA- (Outlook : Stable)	15,000.00	09-Jan-24	ACUITE AA- (Outlook : Stable)
Commercial paper	Acuite Ratings & Research Limited	-	-	NA	10,000.00	09-Jan-24	ACUITE A1+
Pass through certificates – Consilience BL 2208 (Series A1 Investor)	India Ratings & Research Private Limited	-	-	NA	601.00	12-Jan-24	IND AA SO (Structured Obligations) / Stable
Pass through certificates – Turiya -BL 2211 (Series A1 Investor)	India Ratings & Research Private Limited	-	-	NA	794.10	15-Jan-24	IND AA SO (Structured Obligations) / Stable
Pass through certificates – Turiya BL - 2302 (Series A1 Investor)	India Ratings & Research Private Limited	-	-	NA	854.50	18-Mar-24	IND AA + SO (Structured Obligations) / Stable
Pass through certificates – Turiya BL 230602	India Ratings & Research Private Limited	-	-	NA	3,124.20	31-Jul-23	IND AA SO (Structured Obligations) / Stable
Pass through certificates – Turiya BL - 230703	India Ratings & Research Private Limited	696.90	21-Oct-24	IND AA(SO)/Stable	2,197.30	30-Aug-23	IND AA SO (Structured Obligations) / Stable
Pass through certificates – Turiya BL 230501	India Ratings & Research Private Limited	-	-	NA	3,110.00	31-May-23	IND AA SO (Structured Obligations) / Stable
Pass through certificates – Turiya BL-2304	Care Ratings Limited	3,155.00	10-Jun-24	CARE AA (SO)	6,846.00	10-Jul-23	CARE AA SO (Structured Obligations)
Pass through certificates – Turiya EDI-230801	Care Ratings Limited	-	-	NA	3,504.00	22-Dec-23	CARE AA SO (Structured Obligations)
Pass through certificates – Turiya EDI - 230601	Care Ratings Limited	2,255.00	19-Jul-24	CARE AA+ (SO)	5,189.00	4-Aug-23	CARE AA+ SO (Structured Obligations)
Pass through certificates – Turiya LAP - 230701	ICRA Limited	2,502.00	27-Nov-24	[ICRA] AAA(SO)	6,824.00	20-Nov-23	ICRA AA+ SO (Structured Obligations)
Pass through certificates – Turiya LAP - 230802	ICRA Limited	1,325.00	27-Nov-24	[ICRA] AAA(SO)	3,121.00	20-Dec-23	ICRA AA+ SO (Structured Obligations)
Pass through certificates – Turiya LAP - 2401	ICRA Limited	1,577.00	17-Jan-25	[ICRA] AAA(SO)	2,949.00	14-Mar-24	ICRA AA+ SO (Structured Obligations)
Pass through certificates – Turiya BL - 2310	ICRA Limited	2,971.00	19-Dec-24	[ICRA] AA+(SO)	5,135.00	23-Jan-24	ICRA AA SO (Structured Obligations)
Pass through certificates – Turiya BL-2311	India Ratings & Research Private Limited	2,313.10	17-Dec-24	IND AA- (SO)/Stable	7,250.00	24-Nov-23	IND AA - SO (Structured Obligations) / Stable
Pass through certificates – Turiya BL-231201	India Ratings & Research Private Limited	979.50	4-Feb-25	IND AA(SO)/Stable	3,124.00	26-Dec-23	IND AA - SO (Structured Obligations) / Stable
Pass through certificates – TURIYA BL - 240902	India Ratings & Research Private Limited	4,062.80	28-Jan-25	IND AA(SO)/Stable	-	-	-
Pass through certificates – Turiya LAP 241001	ICRA Limited	4,291.00	12-Mar-25	[ICRA] AA+(SO)	-	-	-



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a. Analytical ratios

Particulars	As at March 31, 2025	As at March 31, 2024
Risk weighted assets (Rs in Lakhs)	456,981.07	352,404.18
Net owned funds (Tier I Capital) (Rs in Lakhs)	207,495.38	203,899.44
Tier II capital (Rs in Lakhs)	1,261.10	-
CRAR (%)	45.68%	57.86%
Variance in CRAR (%)	-12.18%	-1.76%
CRAR Tier I capital (%)	45.41%	57.86%
Variance in CRAR Tier I capital (%)	-12.45%	-1.53%
CRAR Tier II capital (%)	0.28%	0.00%
Variance in CRAR Tier II capital (%)	0.28%	-0.23%
Amount of subordinated debt raised as Tier II capital	-	-
Amount raised by issue of perpetual debt Instruments	-	-
Liquidity coverage ratio (%)	210.14%	330.96%
Variance in liquidity coverage ratio (%)	-120.81%	224.43%

b. Disclosure on risk exposure in derivatives

Qualitative disclosure

Details for qualitative disclosure are part of accounting policy as per financial statements. (Refer note No. 3.10 & 43)

Quantitative disclosures

(₹ in lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
	Cross currency interest rate derivatives	Cross currency interest rate derivatives
Derivatives (notional principal amount)		
For hedging	77,091.90	27,464.40
Marked to market position		
a) Asset (+)	41.52	-
b) Liability (-)	-	(35.04)
Credit exposure	77,091.90	27,464.40
Unhedged exposures	-	-

Forward rate agreement / cross currency interest rate swaps

(₹ in lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
(i) The notional principal of swap agreements	77,091.90	27,464.40
(ii) Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	41.52	-
(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	41.52	(35.04)

*Concentration of credit risk arising from swap with banks.

Exchange traded interest rate (IR) derivatives

The Company has not traded in exchange traded interest rate derivative in for the financial year March,31 2025 (March,31 2024 - Nil).

c. Disclosure on exposure to real estate sector

(₹ in lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
(i) Residential mortgages - Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	139,202.73	105,992.56
(ii) Commercial real estate - Lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure shall also include non-fund based limits	99,503.48	86,205.74
(iii) Investments in mortgage backed securities (MBS) and other securitised exposures - a. Residential b. Commercial real estate	- -	- -
(iv) Indirect exposure	-	-
Total exposure to real estate sector	238,706.21	192,198.30

*Amount outstanding is including undrawn amount



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48. Disclosure pursuant to Master Direction – Reserve Bank of India (Non-Banking Financial Company - Scale Based Regulation) Directions, 2023 (Continued)

d. Disclosure on investments

Particulars	₹ in lakhs	
	As at March 31, 2025	As at March 31, 2024
(1) Value of investments		
(i) Gross value of investments		
(a) In India	52,441.48	26,911.57
(b) Outside India,	-	-
(ii) Provision for depreciation		
(a) In India	13.73	0.59
(b) Outside India,	-	-
(iii) net Value of investments		
(a) In India	52,427.75	26,910.98
(b) Outside India,	-	-
Closing balance	52,427.75	26,910.98
(2) Movement of provisions held towards depreciation on investments		
(i) Opening balance	0.59	0.36
(ii) Add : Provisions made during the	-	-
(iii) Less : Write-off / write-back of	13.14	0.23
Closing balance	13.73	0.59

e. Asset liability management:

Maturity pattern of certain items of assets and liabilities

As at March 31, 2025												₹ in lakhs
Particulars	1 - 7 Days	8 - 14 Days	15- 30 Days	Over 1 month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total	
Liabilities												
Borrowings (other than debt securities)	3,050.05	314.99	5,541.62	8,611.33	13,655.04	29,195.45	54,064.60	137,044.62	39,368.29	8,685.05	299,531.06	
Debt securities	-	-	2,517.94	-	-	-	-	-	-	-	2,517.94	
Foreign currency liabilities	-	-	1,686.40	209.40	-	1,500.00	3,000.00	48,396.47	23,346.29	-	78,138.57	
Assets												
Loans	14,185.70	1,600.02	-	9,534.02	9,955.55	26,801.40	47,600.92	137,901.13	60,907.64	115,737.83	424,224.21	
Investments	3,998.59	-	4,161.01	14,688.32	4,735.99	12,781.57	8,312.47	2,889.54	-	860.26	52,427.75	

As at March 31, 2024												₹ in lakhs
Particulars	1 - 7 Days	8 - 14 Days	15- 30 Days	Over 1 month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total	
Liabilities												
Borrowings (other than debt securities)	1,185.42	405.32	14,582.02	4,998.14	12,119.74	22,965.91	44,405.01	97,225.66	23,085.11	5,079.87	226,052.20	
Debt securities	-	-	2,558.08	-	-	5,564.31	-	2,469.91	-	-	10,592.30	
Foreign currency liabilities	-	-	531.98	-	-	-	-	27,133.68	-	-	27,665.66	
Assets												
Loans	12,826.04	1,485.51	0.01	9,032.89	9,357.01	25,001.05	39,928.87	93,460.04	44,770.93	87,760.19	323,622.54	
Investments	4,497.39	3,992.43	9,463.53	7,945.91	-	203.19	-	-	-	808.52	26,910.98	

- a) Overdue Receivable for non-performing loans and advances have been slotted in respective time bucket category as per instructions contained in Appendix 1 of Guidelines for Assets Liabilities Management (ALM) system in NBFC.
- b) Classification of asset and Liabilities under maturity bucket is based on some estimates and assumptions and derived from internal MIS prepared by the company followed consistently.



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49. Disclosure pursuant to Master Direction – Reserve Bank of India (Non-Banking Financial Company - Scale Based Regulation) Directions, 2023

a. Funding concentration based on significant counterparty (borrowings)

As at	No of significant counterparties*	Amount in lakhs	% of total deposits	% of total liabilities
March 31, 2025	24	341,181.67	NA	84.70%
March 31, 2024	18	197,292.93	NA	67.53%

*Significant counterparties are defined as - A single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the Company's total liabilities.

b.i Top 20 large deposits – not applicable

b.ii Top 10 borrowings

(₹ in lakhs)			
Sr No.	Name of the instrument	As at March 31, 2025	As at March 31, 2024
1	Total borrowings outstanding	380,187.57	264,310.16
2	Total amount of top 10 borrowings	243,765.45	159,369.82
3	Percentage of amount of top 10 borrowings to total borrowing outstanding	64.12%	60.30%

c. Funding Concentration based on significant instrument/product

Sr No.	Name of the instrument	As at March 31, 2025		As at March 31, 2024	
		Amount in lakhs	% of Total Liabilities	Amount in lakhs	% of Total Liabilities
1	Term loan	308,280.54	76.54%	178,880.70	62.05%
2	External commercial borrowings	49,976.56	12.41%	27,665.66	9.60%
3	Working capital / short term facilities	1,900.03	0.47%	11,150.33	3.87%
4	Non convertible debentures	2,517.94	0.63%	10,592.30	3.67%
5	Pass through certificates – securitization	17,512.50	4.35%	36,021.17	12.49%
	Total	380,187.57	94.39%	264,310.16	91.68%

d. Stock Ratios

(₹ in lakhs)			
Sr No.	Particulars	As at March 31, 2025	As at March 31, 2024
1	Commercial papers to total liabilities	NA	NA
2	Commercial papers to total assets	NA	NA
3	Commercial papers to total public fund	NA	NA
4	NCDs (original maturity < 1 year) to total liabilities	NA	NA
5	NCDs (original maturity < 1 year) to total assets	NA	NA
6	NCDs (original maturity < 1 year) to total public funds	NA	NA
7	Other short term liabilities to total liabilities	34.34%	43.72%
8	Other short term liabilities to total assets	21.64%	24.39%
9	Other short term liabilities to total public funds	36.38%	47.69%

e. Institutional set-up for liquidity risk management:

The Company has an Asset Liability Management Committee (ALCO), a management level committee to handle liquidity risk management. The ALCO meetings are held at periodic intervals which oversees the liquidity risk management. The Board has the overall responsibility for management of liquidity risk. The 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. The ALCO consisting of the Company's top management is responsible for ensuring adherence to the risk tolerance/limits set by the Board as well as implementing the liquidity risk management strategy of the Company.

The Company also has a funding strategy that provides effective diversification in the sources and tenure of funding. It maintains an ongoing presence in its chosen funding markets and strong relationships with fund providers to promote effective diversification of funding sources. The Company regularly gauges its capacity to raise funds quickly from each source. There is no over-reliance on a single source of funding.

The Company has appropriate internal controls, systems and procedures to ensure adherence to liquidity risk management policies and procedure.



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Notes to the Standalone Financial Statements

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

f. Disclosure on liquidity coverage ratio

Disclosure in pursuant of para 89 of (Master Direction – Reserve Bank of India Non-Banking Financial Company - Scale Based Regulation) Directions, 2023. NBFCs with assets more than Rs 5,000 crores, required to maintain Liquidity coverage ratio (LCR) as mentioned therein.

As on 31st December 2023, our Company has crossed Rs 5,000 Cr 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 1st January 2024 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).

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)

HQLA is considered as per RBI guidelines.

(₹ in lakhs)

Sr. No.	Particulars	Q1 FY 2024-25		Q2 FY 2024-25		Q3 FY 2024-25		Q4 FY 2024-25	
		Total unweighted value (average)	Total weighted value (average)	Total unweighted value (average)	Total weighted value (average)	Total unweighted value (average)	Total weighted value (average)	Total unweighted value (average)	Total weighted value (average)
High quality liquid assets									
1	High Quality Liquid Assets								
	Assets to be included as HQLA without any haircut								
	(i) Cash on hand	-	-	-	-	-	-	-	-
	(ii) Bank balance	6,305.05	6,305.05	6,390.43	6,390.43	8,441.28	8,441.28	21,008.96	21,008.96
	(iii) Government securities	20,439.56	20,439.56	13,880.43	13,880.43	15,663.04	15,663.04	14,205.56	14,205.56
	Total HQLA	26,744.61	26,744.61	20,270.86	20,270.86	24,104.32	24,104.32	35,214.52	35,214.52
Cash outflows									
2	Deposits (for deposit taking companies)	-	-	-	-	-	-	-	-
3	Unsecured wholesale funding	8,819.06	10,141.91	11,126.89	12,795.92	10,702.01	12,307.31	12,649.26	14,546.65
4	Secured wholesale funding	24,206.69	27,837.70	26,000.70	29,900.80	27,581.67	31,718.92	30,536.53	35,117.01
5	Additional requirements, of which	-	-	-	-	-	-	-	-
	a Outflows related to derivative exposures and other collateral requirements	-	-	-	-	-	-	-	-
	b Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
	c Credit and liquidity facilities	-	-	-	-	-	-	-	-
6	Other contractual funding obligations	11,173.12	12,849.08	13,276.94	15,268.48	13,284.23	15,276.87	15,100.73	17,365.84
7	Other contingent funding obligations	-	-	-	-	-	-	-	-
8	Total cash outflows	44,198.86	50,828.69	50,404.52	57,965.20	51,567.91	59,303.09	58,286.52	67,029.50
Cash Inflows									
9	Secured lending	-	-	-	-	-	-	-	-
10	Inflows from fully performing exposures	9,116.94	6,837.71	9,116.94	6,837.71	8,837.80	6,628.35	11,315.35	8,486.51
11	Other cash inflows	74,852.41	56,139.31	65,699.42	49,274.57	106,595.09	79,946.32	82,194.38	61,645.79
12	Total cash inflows	83,969.35	62,977.02	74,816.37	56,112.28	115,432.89	86,574.67	93,509.73	70,132.30
		Total adjusted value		Total adjusted value		Total adjusted value		Total adjusted value	
13	Total HQLA		26,744.61		20,270.86		24,104.32		35,214.52
14	Total net cash outflows		12,707.17		14,491.30		14,825.77		16,757.37
15	Liquidity coverage ratio (%)		210.47%		139.88%		162.58%		210.14%



Notes to the Standalone Financial Statements

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

HQLA is considered as per RBI guidelines.

(₹ in lakhs)

Sr. No.	Particulars	Q4 FY 2023-24	
		Total unweighted value (average)	Total weighted value (average)
High quality liquid assets			
1	High Quality Liquid Assets		
	Assets to be included as HQLA without any haircut		
	(i) Cash on hand	-	-
	(ii) Bank balance	8,743.41	8,743.41
	(iii) Government securities	39,192.31	39,192.31
	Total HQLA	47,935.72	47,935.72
Cash outflows			
2	Deposits (for deposit taking companies)	-	-
3	Unsecured wholesale funding	11,789.74	13,558.21
4	Secured wholesale funding	26,007.63	29,908.77
5	Additional requirements, of which	-	-
a	Outflows related to derivative exposures and other collateral requirements	-	-
b	Outflows related to loss of funding on debt products	-	-
c	Credit and liquidity facilities	-	-
6	Other contractual funding obligations	12,581.70	14,468.95
7	Other contingent funding obligations	-	-
8	Total cash outflows	50,379.07	57,935.93
Cash inflows			
9	Secured lending		
10	Inflows from fully performing exposures	9,101.23	6,825.93
11	Other cash inflows	84,587.37	63,440.52
12	Total cash inflows	93,688.60	70,266.45
	Total adjusted value		
13	Total HQLA		47,935.72
14	Total net cash outflows		14,483.98
15	Liquidity coverage ratio (%)		330.96%



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50. Disclosure pursuant to Master Direction – Reserve Bank of India (Non-Banking Financial Company - Scale Based Regulation) Directions, 2023

a. Sectoral exposure

(₹ in lakhs)

Sectors	As at March 31, 2025			As at March 31, 2024		
	Total Exposure (includes on balance sheet and off- balance sheet exposure)	Gross NPAs	% of gross NPAs to total exposure in that sector	Total exposure (includes on balance sheet and off- balance sheet exposure)	Gross NPAs	% of gross NPAs to total exposure in that sector
1. Agriculture and Allied Activities	-	-	-	-	-	-
2. Industry						
Food & beverages	20,208.51	601.17	2.97%	17,343.87	154.89	0.89%
Textiles	16,871.32	548.83	3.25%	13,021.73	185.28	1.42%
Others	109,314.00	2,248.48	2.06%	83,917.53	1,143.52	1.36%
Total of industries	146,393.83	3,398.48	2.32%	114,283.13	1,483.69	1.30%
3. Services						
Education/Professional	14,962.00	11.12	0.07%	79,598.29	1,736.60	2.18%
Retail trade	83,533.00	2,373.39	2.84%	97,614.10	1,542.46	1.58%
Others	131,335.00	2,086.86	1.59%	13,807.27	-	0.00%
Total of services	229,830.00	4,471.37	1.95%	191,019.66	3,279.06	1.72%
4. Personal Loans						
Retail loans	76,881.11	2,572.12	3.35%	34,084.63	645.49	1.89%
Total of personal loans	76,881.11	2,572.12	3.35%	34,084.63	645.49	1.89%
Grand total	453,104.94	10,441.97	2.30%	339,387.42	5,408.24	1.59%

b. Intra-group exposures:

(₹ in lakhs)

S. No.	Particulars	As at March 31, 2025	As at March 31, 2024
1	Total amount of Intra-group exposures	361.95	-
2	Total amount of top 20 intra-group exposures	361.95	-
3	Percentage of intra-group exposures to total exposure of the NBFC on borrowers/customers	0.08%	-

c. Unhedged foreign currency exposure - NIL

d. Related party disclosures

(₹ in lakhs)

Nature of transaction	For the year ended March 31, 2025							Maximum outstanding during the year
	Holding company	Subsidiary company	Associates / Joint ventures	Key managerial personnel (KMP)	Relative of KMPs	Others	Total	
Advances*	-	361.95	-	-	-	-	361.95	401.95
Investment*	-	761.00	-	-	-	-	761.00	761.00
Interest received	-	8.91	-	-	-	-	8.91	NA
Services provided	-	1,413.33	-	-	-	-	1,413.33	NA
Services received	-	-	-	-	-	-	-	NA
Remuneration	-	-	-	353.78	-	-	353.78	353.78
Fees received on behalf of	-	2,646.21	-	-	-	-	2,646.21	NA
Other reimbursement	-	0.60	-	-	-	-	0.60	NA
Equity infusion	-	-	-	-	-	-	-	NA

(₹ in lakhs)

Nature of transaction	For the year ended March 31, 2024							Maximum outstanding during the year
	Holding company	Subsidiary company	Associates / Joint ventures	Key managerial personnel (KMP)	Relative of KMPs	Others	Total	
Advances*	-	-	-	-	-	-	-	-
Investment*	-	761.00	-	-	-	-	761.00	761.00
Interest paid	-	-	-	-	-	-	-	NA
Interest received	-	-	-	-	-	-	-	NA
Services provided	-	675.26	-	-	-	-	675.26	NA
Services received	-	1,742.27	-	-	-	-	1,742.27	NA
Remuneration	-	-	-	351.23	-	-	351.23	NA
Fees received on behalf of	-	2,071.34	-	-	-	-	2,071.34	NA
Other reimbursement	-	-	-	-	-	-	-	NA
Equity infusion	83,224.97	-	-	-	-	-	83,224.97	NA

The outstanding at the year end and the maximum during the year.



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e. Disclosures of complaint

Sr. No	Particulars	As at March 31, 2025	As at March 31, 2024
	Complaints received by the NBFC from its customers:		
1.	Number of complaints pending at beginning of the year	0	2
2.	Number of complaints received during the year	23	11
3.	Number of complaints disposed during the year	20	13
3.1	Of which, number of complaints rejected by the NBFC	0	0
4.	Number of complaints pending at the end of the year	3	0
	Maintainable complaints received by the NBFC from Office of Ombudsman:		
5.*	Number of maintainable complaints received by the NBFC from Office of Ombudsman	46**	79*
5.1.	Of 5, number of complaints resolved in favour of the NBFC by Office of Ombudsman	42	75
5.2	Of 5, number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman	0	1
5.3	Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC	0	0
6.*	Number of Awards unimplemented within the stipulated time (other than those appealed)	0	0

** Out of 46 complaints received from office of ombudsman, 42 complaints have been closed by RBI and 4 are pending for closure however, the Company has submitted the response within the timeline.

* Out of 79 complaints received from office of ombudsman during the previous year, 76 complaints have been closed by RBI and 3 are pending for closure however, the Company has submitted the response within the timeline. These complaints have been closed by RBI during the FY 2024-25 in favour of the Company.

Note: Maintainable complaints refer to complaints on the grounds specifically mentioned in Integrated Ombudsman Scheme, 2021 (Previously The Ombudsman Scheme for Non-Banking Financial Companies, 2018) and covered within the ambit of the Scheme.

* It shall only be applicable to NBFCs which are included under The Reserve Bank - Integrated Ombudsman Scheme, 2021.

f) Top five grounds of complaints received by the NBFCs from customers *

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
As at March 31, 2025					
Service Related	1	60	13%	5	-
Behavior Related	-	3	200%	1	-
Refund Related	-	6	100%	1	-
Third Party	1	-	-100%	-	-
Others	1	-	-100%	-	-
Total	3	69	-23%	7	-
As at March 31, 2024					
Service Related	2	53	29%	1	-
Behavior Related	-	1	0%	-	-
Refund Related	-	9	125%	-	-
Third Party	-	17	-41%	1	-
Others	-	10	11%	1	-
Total	2	90	7%	3	-

* Note: These complaints include the complaints received by the NBFC from the office of Ombudsman.

g) Breach of covenant

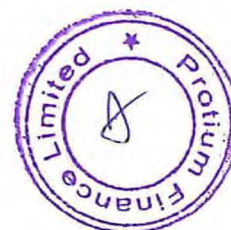
There is no breach of covenant of loan availed or debt securities issued.

h) Divergence in asset classification and provisioning

The disclosures for divergence in assets classification and provisioning as per Master Direction - Reserve Bank of India (Non-Banking Financial Company - Scale Based Regulation) Directions, 2023 is not applicable, as the Company has not received any communications from the RBI for divergence in asset classification.



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Protium Finance Limited

Notes to the Standalone Financial Statements

51. Disclosure pursuant to Master Direction – Reserve Bank of India (Non-Banking Financial Company - Scale Based Regulation) Directions, 2023

a. Registration obtained from other financial sector regulators

The Company is registered with the Reserve Bank of India ('RBI') as a non-deposit taking, Non Banking Finance Company ('NBFC'), vide certificate number N-13.02374. The Company has been classified as an Investment and Credit Company vide certificate number N-13.02374.

The Company got converted to Public Limited Company on April 12, 2022.

The Company has changed the name from Growth Source Financial Technologies Limited to Protium Finance Limited on June 01, 2022.

b. Disclosure of penalties imposed by RBI and other regulators - Nil

c. Exposure to Capital Market

(₹ in lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
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;	-	203.19
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;	-	-
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;	-	-
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;	-	-
Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
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;	-	-
Bridge loans to companies against expected equity flows / issues;	-	-
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	-	-
Financing to stockbrokers for margin trading	-	-
All exposures to Alternative Investment Funds:		
(i) Category I	-	-
(ii) Category II	-	-
(iii) Category III	-	-
Others	-	-
Total Exposure to Capital Market	-	203.19

d. Provisions and Contingencies

(₹ in lakhs)

Sr. No.	Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account	For the year ended March 31, 2025	For the year ended March 31, 2024
i	Provision for depreciation on Investment	13.14	0.23
ii	Provision towards NPA	1,488.52	1,672.67
iii	Provision made towards Income tax	2,762.41	1,483.57
iv	Other Provision and Contingencies (with details)		
(a)	Provision for Leave Encashment	10.41	17.07
(b)	Provision for Gratuity	218.54	139.19
(c)	Provision for Standard Assets	2,804.28	237.04
(d)	Provision for other financial assets	198.05	68.96
(e)	Provision for trade receivables	22.56	14.07



Protium Finance Limited

Notes to the Standalone Financial Statements

51. Disclosure pursuant to Master Direction – Reserve Bank of India (Non-Banking Financial Company - Scale Based Regulation) Directions, 2023

e. Concentration of Advances

(₹ in lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Total advances to twenty largest borrowers*	18,455.68	13,721.31
Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	4.33%	3.16%

* Only principal outstanding

f. Concentration of exposures

(₹ in lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Total Exposure to twenty largest borrowers/customers	18,596.49	13,823.59
Percentage of Exposures to twenty largest borrowers/customers to Total Exposure of the NBFC on borrowers/customers	4.29%	3.19%

g. Concentration of NPAs

(₹ in lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Total exposure to top four NPA Accounts	758.36	655.89

h. Sector-wise NPAs

Sector	Percentage of NPAs to Total Advances in that sector as at March 31, 2025	Percentage of NPAs to Total Advances in that sector as at March 31, 2024
(i) Agriculture & allied activities	-	-
(ii) MSME	0.78%	0.45%
(iii) Services	1.03%	1.00%
(iv) Unsecured personal loans	0.59%	0.20%
(v) Others	0.00%	0.00%



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51. Disclosure pursuant to Master Direction – Reserve Bank of India (Non-Banking Financial Company - Scale Based Regulation) Directions, 2023

i. Movement of NPAs

(₹ in lakhs)

Sr. No.	Particulars	As at March 31, 2025	As at March 31, 2024
i	Net NPAs to net advances (%)	1.51%	0.91%
ii	Movement of NPAs (Gross)		
	a) Opening Balance	5,408.23	1,588.94
	b) Additions during the year	18,956.88	10,929.55
	c) Reductions during the year	(13,880.70)	(7,110.26)
	d) Closing balance	10,484.41	5,408.23
iii	Movement of Net NPAs		
	a) Opening Balance	2,930.20	783.58
	b) Additions during the year	4,900.75	5,810.52
	c) Reductions during the year	(1,313.09)	(3,663.90)
	d) Closing balance	6,517.86	2,930.20
iv	Movement of provisions for NPAs (excluding provisions on standard assets)		
	a) Opening Balance	2,478.03	805.36
	b) Additions during the year	14,056.13	5,119.03
	c) Reductions during the year	(12,567.61)	(3,446.36)
	d) Closing balance	3,966.55	2,478.03

j. Information on instances of fraud:

Instances of fraud for the year ended March 31, 2025

(₹ in lakhs)

Sr. No.	Particulars	As at March 31, 2025	As at March 31, 2024
i	Nature of Fraud	Nil	Fraud committed by customer
ii	No. of Cases	-	1
iii	Amount of fraud	-	41.59
iv	Recovery	-	-
v	Amount written-off/Provided	-	41.59

k. The Company has exposure to real estate sector as on March 31, 2025 and March 31, 2024. Disclosure pertaining to real estate exposure is mentioned in Note 48(c).

l. Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the Company

(₹ in lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the Company	-	-

m. Details of financing of parent company products

The Company doesn't have any financing of parent company products during current year or previous year.

n. Overseas assets

The Company does not have any joint ventures and subsidiaries abroad.

o. Off-balance sheet SPVs sponsored

The Company does not have any off-balance sheet SPVs sponsored.

p. Registration obtained from other financial sector regulators

Regulator	Registration number
Receivables Exchange of India Limited (RXIL), TReDs platform	PR0067664
BSE Limited (Indian stock exchange)	974469 INE003507016

r. The disclosures given in the above notes pursuant to RBI Notifications are only to the extent they are applicable to the Company.

s. The Company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

t. There has been no draw down from reserve during the year ended March 31, 2025 and March 31, 2024



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52. Disclosures pursuant to Master Direction – Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021 issued by the Reserve Bank of India ("RBI") vide their Notification No. RBI/DOR/2021-22/86 Master Direction DOR. STR.REC.51/21.04.048/2021-22 dated September 24, 2021 (the "Notification")

a. Details of transfer through assignment in respect of loan not in default during the year ended March 31, 2025*

Particulars	To Bank/ NBFC
Aggregate principal outstanding of loans transferred through assignment (₹ in lakhs)	86,645.62
Aggregate consideration received (₹ in lakhs)	86,645.62
Weighted average maturity of Loans (in years)	6.31
Weighted average Holding period of Loans (in years)	0.81
Weighted Average Residual Tenor of Loans sold (in years)	5.50
Retention of Beneficial economic interest (in %)	13.20%
Coverage of Tangible security Coverage (in %) **	194.06%
Rating-wise distribution of rated loans	NA

b. Details of transfer through assignment in respect of loan not in default during the year ended March 31, 2024*

Particulars	To Bank/ NBFC
Aggregate principal outstanding of loans transferred through assignment (₹ in lakhs)	33,107.93
Aggregate consideration received (₹ in lakhs)	33,107.93
Weighted average maturity of Loans (in years)	9.18
Weighted average Holding period of Loans (in years)	1.07
Weighted Average Residual Tenor of Loans sold (in years)	8.11
Retention of Beneficial economic interest (in %)	14.93%
Coverage of Tangible security Coverage (in %) **	197.11%
Rating-wise distribution of rated loans	NA

* The above table does not include loans transferred by the Company through Co-Lending arrangement.

** For the computation of coverage of tangible Security ratio, the Company has considered only the secured loans.

c. Details of loan acquired through assignment in respect of loan not in default during the year ended March 31, 2025

Particulars	From Bank/ NBFC
Aggregate principal outstanding of loans acquired (₹ in lakhs)	36,892.19
Aggregate consideration paid (₹ in lakhs)	35,058.97
Weighted Average Residual Tenor of Loans sold (in years)	1.87
Coverage of Tangible security Coverage (in %)	NA
Rating-wise distribution of rated loans	NA

d. Details of loan acquired through assignment in respect of loan not in default during the year ended March 31, 2024 Nil

e. Details of stressed loans including special mention account transferred during the year ended March 31, 2025

Particulars	To permitted transferees
No. of accounts	30,187
Aggregate principal outstanding of loans transferred through assignment (₹ in lakhs)	5,210.96
Weighted Average Residual Tenor of Loans sold (in years)	0.06
Net book value of loans transferred (at the time of transfer)	-
Aggregate consideration (₹ in lakhs)	165.68
Additional consideration realized in respect of accounts transferred in earlier years	-

f. Details of stressed loans transferred during the year ended March 31, 2024 Nil

g. Details of stressed loans acquired during the year ended March 31, 2025

Particulars	From Bank/ NBFC
Aggregate principal outstanding of loans acquired	4,280.74
Aggregate consideration paid	42.43
Weighted average residual tenor of loans acquired	1.16

h. Details of loans acquired during the year March 31, 2024 Nil



(This space has been left blank intentionally)



53. Disclosure pursuant to Master Direction – Reserve Bank of India (Non-Banking Financial Company - Scale Based Regulation) Directions, 2023

The following tables set forth, for the periods indicated, details of loan assets subjected to restructuring as on March 31, 2025:-

(₹ in lakhs)

Sr. No.	Type of Restructuring Asset Classification		Others				
			Standard	Sub-Standard	Doubtful	Loss	Total
1	Restructured Accounts as on April 01, 2024 (opening figures)	No. of borrowers	-	1	-	-	1
		Amount outstanding	-	25.73	-	-	25.73
		Provision there-on	-	16.72	-	-	16.72
2	Fresh Restructuring during the period	No. of borrowers	-	3	-	-	3
		Amount outstanding	-	141.43	-	-	141.43
		Provision there-on	-	45.90	-	-	45.90
3	Upgradations to restructured standard category during the period	No. of borrowers	-	(1)	-	-	(1)
		Amount outstanding	-	(31.55)	-	-	(31.55)
		Provision there-on	-	(7.28)	-	-	(7.28)
4	Restructured standard advances which cease to attract higher provisioning and/or additional risk weight at the end of the period and hence need not be shown as restructured standard advances at the beginning of the next period	No. of borrowers	(1)	-	-	-	(1)
		Amount outstanding	(25.73)	-	-	-	(25.73)
		Provision there-on	(16.72)	-	-	-	(16.72)
5	Downgradations of restructured accounts during the period	No. of borrowers	-	-	-	-	-
		Amount outstanding	-	-	-	-	-
		Provision there-on	-	-	-	-	-
6	Write-offs of restructured accounts during the period **	No. of borrowers	-	-	-	-	-
		Amount outstanding	-	-	-	-	-
		Provision there-on	-	-	-	-	-
7	Restructured Accounts as on March 31, 2025 (closing figures)*	No. of borrowers	-	3	-	-	3
		Amount outstanding	-	128.75	-	-	128.75
		Provision there-on	-	39.49	-	-	39.49

The following tables set forth, for the periods indicated, details of loan assets subjected to restructuring as on March 31, 2024:-

(₹ in lakhs)

Sr. No.	Type of Restructuring Asset Classification		Others				
			Standard	Sub-Standard	Doubtful	Loss	Total
1	Restructured Accounts as on April 01, 2023 (opening figures)	No. of borrowers	1	-	-	-	1
		Amount outstanding	6.40	-	-	-	6.40
		Provision there-on	0.60	-	-	-	0.60
2	Fresh Restructuring during the period	No. of borrowers	-	1	-	-	1
		Amount outstanding	-	25.73	-	-	25.73
		Provision there-on	-	16.72	-	-	16.72
3	Upgradations to restructured standard category during the period	No. of borrowers	-	-	-	-	-
		Amount outstanding	-	-	-	-	-
		Provision there-on	-	-	-	-	-
4	Restructured standard advances which cease to attract higher provisioning and/or additional risk weight at the end of the period and hence need not be shown as restructured standard advances at the beginning of the next period	No. of borrowers	(1)	-	-	-	(1)
		Amount outstanding	(6.40)	-	-	-	(6.40)
		Provision there-on	(0.60)	-	-	-	(0.60)
5	Downgradations of restructured accounts during the period	No. of borrowers	-	-	-	-	-
		Amount outstanding	-	-	-	-	-
		Provision there-on	-	-	-	-	-
6	Write-offs of restructured accounts during the period **	No. of borrowers	-	-	-	-	-
		Amount outstanding	-	-	-	-	-
		Provision there-on	-	-	-	-	-
7	Restructured Accounts as on March 31, 2024 (closing figures)*	No. of borrowers	-	1	-	-	1
		Amount outstanding	-	25.73	-	-	25.73
		Provision there-on	-	16.72	-	-	16.72

* The outstanding amount and number of borrowers as at March 31, 2025 and March 31, 2024 are after considering recoveries during the year.

** Partial repayments in existing restructured accounts are disclosed under "Write-offs of restructured accounts".

For the purpose of arithmetical accuracy as required by Master Direction – Reserve Bank of India (Non-Banking Financial Company - Scale Based Regulation) Directions, 2023 movement in provisions in the existing restructured account as compared to opening balance is disclosed under write-off/sale/recovery/ (for any change in provision) during the year.

Since the disclosure of restructured advance account pertains to section "Others", the first two sections, namely, "Under CDR Mechanism" and "Under SME Debt Restructuring Mechanism" as per format prescribed in the guidelines are not included above.



54. Disclosure pursuant to RBI Notification No. RBI/DOR/2021-22/85 DOR.STR.REC.53/21.04.177/2021-22 dated September 24, 2021

(₹ in lakhs)

Sr. No.	Particulars	As at March 31, 2025	As at March 31, 2024
1	No of SPEs holding assets for securitisation transactions originated by the originator (only the SPVs relating to outstanding securitization exposures to be reported here)	11	15
2	Total amount of securitised assets as per books of the SPEs	23,745.64	38,880.03
3	Total amount of exposures retained by the originator to comply with MRR as on the date of balance sheet	6,950.91	8,198.48
	a) Off-balance sheet exposures	-	-
	• First loss	-	-
	• Others	-	-
	b) On-balance sheet exposures	-	-
	• First loss	3,634.26	4,345.83
	• Others	3,316.65	3,852.65
4	Amount of exposures to securitisation transactions other than MRR	456.73	811.52
	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	456.73	811.52
	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*	8,800.63	57,083.70
6	Form and quantum (outstanding value) of services provided by way of liquidity support, post-securitisation asset servicing, etc.	Post securitization asset Servicing: Rs. 23,745.64 Service fees - Rs. 1 Lakh per transaction	Post securitization asset Servicing: Rs. 38,880.03 Service fees - Rs. 1 Lakh per transaction
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.		
	(a) Opening outstanding	4,345.83	1,666.15
	(b) Cumulative amount paid during the year	582.36	3,606.52
	(c) Cumulative repayment received during the year	1,293.92	926.84
	(d) Outstanding amount	3,634.26	4,345.83
8	Average default rate of portfolios observed in the past. Please provide breakup separately for each asset class i.e. RMBS, Vehicle Loans etc.	1.48%	1.03%
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.	Nil	Nil
10	Investor complaints (a) Directly/Indirectly received and; (b) Complaints outstanding	There is no investor complaints received directly / in-directly. Also, complaints outstanding is NIL.	There is no investor complaints received directly / in-directly. Also, complaints outstanding is NIL.

* There is no gain/loss on sale on account of securitisation



55. Disclosure pursuant to RBI Notification No. DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020

As at March 31, 2025

(₹ in lakhs)

Asset classification as per RBI norms	Asset classification as per Ind AS 109	Gross carrying amount as per Ind AS	Loss allowances (provisions) as required under Ind AS 109	Net carrying amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7) = (4)-(6)
Performing assets						
Standard	Stage 1	414,710.68	3,307.58	411,403.09	1,658.84	1,648.74
	Stage 2	8,631.01	2,243.64	6,387.37	34.52	2,209.11
	Stage 3	-	-	-	-	-
Subtotal		423,341.69	5,551.22	417,790.47	1,693.37	3,857.85
Non-performing assets (NPA)						
Substandard	Stage 3	-	-	-	-	-
	Stage 3	9,150.54	3,617.95	12,768.48	915.05	2,702.89
Doubtful - up to 1 year	Stage 3	1,157.55	308.90	1,466.46	231.51	77.39
Doubtful - 1 to 3 years	Stage 3	133.88	39.70	173.58	40.17	(0.47)
Doubtful - More than 3 years	Stage 3	-	-	-	-	-
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		10,441.97	3,966.55	14,408.52	1,186.73	2,779.82
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	19,321.13	41.68	-	-	41.68
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		19,321.13	41.68	-	-	41.68
Total	Stage 1	434,031.81	3,349.26	430,682.54	1,658.84	1,690.42
	Stage 2	8,631.01	2,243.64	6,387.37	34.52	2,209.11
	Stage 3	10,441.97	3,966.55	6,475.43	1,186.73	2,779.82
		453,104.79	9,559.45	443,545.34	2,880.10	6,679.35

As at March 31, 2024

(₹ in lakhs)

Asset classification as per RBI norms	Asset classification as per Ind AS 109	Gross carrying amount as per Ind AS	Loss allowances (provisions) as required under Ind AS 109	Net carrying amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7) = (4)-(6)
Performing assets						
Standard	Stage 1	319,964.57	1,870.75	318,093.82	1,279.86	590.89
	Stage 2	3,516.39	887.20	2,629.19	14.07	873.13
	Stage 3	-	-	-	-	-
Subtotal		323,480.96	2,757.95	320,723.01	1,293.92	1,464.03
Non-performing assets (NPA)						
Substandard	Stage 3	5,408.23	2,478.03	2,930.20	1,352.06	1,125.97
Doubtful - up to 1 year	Stage 3	-	-	-	-	-
Doubtful - 1 to 3 years	Stage 3	-	-	-	-	-
Doubtful - More than 3 years	Stage 3	-	-	-	-	-
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		5,408.23	2,478.03	2,930.20	1,352.06	1,125.97
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	10,483.52	30.67	10,452.85	-	30.67
	Stage 2	-	-	-	-	-
	Stage 3	14.69	-	14.69	-	-
Subtotal		10,498.21	30.67	10,467.54	-	30.67
Total	Stage 1	330,448.09	1,901.42	328,546.67	1,279.86	621.56
	Stage 2	3,516.39	887.20	2,629.19	14.07	873.13
	Stage 3	5,422.92	2,478.03	2,944.89	1,352.06	1,125.97
		339,387.40	5,266.65	334,120.75	2,645.98	2,620.67

Since the total impairment allowances under Ind AS 109 is higher than the total provisioning required under IRACP (including standard asset provisioning) as at March 31, 2025, no amount is required to be transferred to 'Impairment Reserve'. The gross carrying amount of asset as per Ind AS 109 and Loss allowances (Provisions) thereon includes interest accrual on net carrying value of stage-3 assets as permitted under Ind AS 109. While, the provisions required as per IRACP norms does not include any such interest as interest accrual on NPAs is not permitted under IRACP norms.



56. Disclosure pursuant to Master Direction – Reserve Bank of India (Non-Banking Financial Company - Scale Based Regulation) Directions, 2023

Liabilities side :

56.1 Loans and advances availed by the non- banking financial company inclusive of interest accrued thereon but not paid

Particulars	(₹ in lakhs)	
	As at March 31, 2025	As at March 31, 2024
(a) Debentures :		
- Secured	2,517.94	10,592.30
- Unsecured	-	-
(b) Deferred credits	-	-
(c) Term loans	308,280.54	178,880.70
(d) Inter-corporate loans and borrowing	-	-
(e) Commercial paper	-	-
(f) Other Loans		
i. Pass through certificates – securitization	17,512.50	36,021.17
ii. External commercial borrowings	49,976.56	27,665.66
iii. Cash credit from bank	1,900.03	11,150.33

Assets side :

56.2 Break-up of loans and advances including bills receivables :

Particulars	(₹ in lakhs)	
	As at March 31, 2025	As at March 31, 2024
(a) Secured	282,136.35	212,483.36
(b) Unsecured	151,647.31	116,405.84
TOTAL	433,783.66	328,889.20

Loans and advances (net of provisions for Non performing asset) includes Loans, Finance Lease, Tax receivables and other advances

56.3 Break-up of leased assets and stock on hire and other assets counting towards operational activities

Particulars	(₹ in lakhs)	
	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) Financial lease	-	-
(b) Operating lease	-	-
(iii) Other loans		
(a) Loans where assets have been repossessed	-	-
(b) Loans other than (a) above	-	-

56.4 Break-up of investments

Particulars	(₹ in lakhs)	
	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	8,643.91	203.19
(iv) Government securities	12,920.22	25,899.76
(v) Others	-	-
2. Unquoted :		
(i) Shares : (a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and bonds	11,537.38	-
(iii) Units of mutual funds	-	-
(iv) Government securities	-	-
(v) Others	10,347.62	-
Long term investments :		
1. Quoted :		
(i) Shares : (a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government securities	-	-
(v) Others	99.26	47.62
2. Unquoted :		
(i) Shares : (a) Equity	761.00	761.00
(b) Preference	-	-
(ii) Debentures and bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government securities	-	-
(v) Others	8,132.09	-



56. Disclosure pursuant to Master Direction – Reserve Bank of India (Non-Banking Financial Company - Scale Based Regulation) Directions, 2023 (Continued)

56.5 Borrower group-wise classification of assets financed as in (2) and (3) above :

(₹ in lakhs)

Particulars	Amount net of provisions		
	Secured	Unsecured	Total as on March 31, 2025
1. Related parties			
(a) Subsidiaries	-	360.50	360.50
(b) Companies in the same group	-	-	-
(c) Other related parties	-	-	-
2. Other than related parties	278,599.94	145,263.77	423,863.71
Total	278,599.94	145,624.27	424,224.21

(₹ in lakhs)

Particulars	Amount net of provisions		
	Secured	Unsecured	Total as on March 31, 2024
1. Related parties			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	-	-
(c) Other related parties	-	-	-
2. Other than related parties	210,811.64	112,810.90	323,622.54
Total	210,811.64	112,810.90	323,622.54

56.6 Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):

(₹ in lakhs)

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	761.00	761.00	761.00	761.00
(b) Companies in the same group	-	-	-	-
(c) Other related parties	-	-	-	-
2. Other than related parties	51,666.75	51,666.75	26,150.57	26,149.98
Total	52,427.75	52,427.75	26,911.57	26,910.98

56.7 Other information

(₹ in lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
(i) Gross Non-Performing Assets		
(a) Related parties	-	-
(b) Other than related parties	10,441.97	5,408.23
(ii) Net Non-Performing Assets		
(a) Related parties	-	-
(b) Other than related parties	6,475.43	2,930.20
(iii) Assets acquired in satisfaction of debt	-	-



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Protium Finance Limited

Notes to the Standalone Financial Statements

57. There are no prior period items which are impacting Company's current year Profit and Loss.

58. Expenditure in foreign currency

(₹ in lakhs)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Processing fees on borrowings	184.21	-
Membership & subscription charges	10.94	16.53
Total	195.15	16.53

59. There is no amount due and payable to micro and small suppliers registered under the Micro, Small and Medium Enterprises Development Act, 2006 at the end of the year other than as disclosed. No interest has been paid/ is payable by the Company during/for the period to these 'Suppliers' other than as disclosed. The above information takes into account only those suppliers who have submitted their registration details or has responded to the inquiries made by the Company for this purpose.

60. 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.

The Company has not advanced or loaned or invested funds (either borrowed funds or any other sources or kind of funds) to any other persons or entities (Intermediaries) with the understanding that the Intermediary shall-

- (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
- (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

The company has not received any fund from any persons or entities (Funding Party) with the understanding that the company shall

- (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

61. The Company has not traded or invested in Crypto currency or Virtual Currency during the year ended March 31, 2025 and March 31, 2024

62. 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.

63. Events occurring after balance sheet date - There have been no events after the reporting date that require adjustment in these financial statements.

64. Willful defaulter:

The Company is not a declared willful defaulter by any bank or financial Institution or other lender, in accordance with the guidelines on willful defaulters issued by the Reserve Bank of India, during the year ended March 31, 2025 and March 31, 2024.

65. 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 favor of the Company for properties where the Company is the lessee.

66. The Company has no pending charges or satisfaction of charges, which are required to be registered with Registrar of Companies (ROC).

67. Daily back up: Proper books of account as required by law have been kept by the Company. Back-up of the books of account and papers maintained in electronic mode is maintained on servers physically located in India on a daily basis, except in case of two applications (used for vendor and payroll record maintenance and processing) which are operated by third party service providers, the management is not in possession of an appropriate Service Organization Controls report to determine whether the back-up of books was maintained on servers physically located in India on a daily basis.

Audit trail: The Company uses accounting software which are the General ledger system, Loan origination system, Loan management system, Human resource management system, Payroll processing system, Vendor management and Expense processing system for maintaining its books of account which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software, except that for:

- a. Loan origination system – audit trail feature has not been enabled;
- b. General ledger system and Loan management system – audit trail has not been enabled at database level;
- c. Human resource management system, Payroll processing system (operated by third party service providers) – appropriate Service Organization Controls report not available to determine whether audit trail feature has been enabled and has operated throughout the year; and
- d. Vendor management and Expense processing system (operated by third party service provider) – audit trail has not been enabled at database level and relevant evidence not available in the Service Organization Controls report to determine whether the audit trail feature enabled at the application (front-end) layer was tampered with.

Further, there has been no instance of audit trail feature being tampered with wherever it has been enabled. Additionally, the Company has preserved audit trail in respect of the financial years ended March 31, 2024 and March 31, 2025 to the extent it was enabled and recorded in respect of those years.



Protium Finance Limited

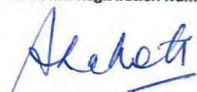
Notes to the Standalone Financial Statements

68. No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
69. The company has not entered into any scheme of arrangement.
70. There are no transactions which are not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
71. Previous year figures have been regrouped/re-classified wherever necessary to confirm to current year's classification. The impact of such regrouping/ re-classification are not material to the Financial Statements.

As per our report of even date attached

For S.R. Batliboi & Associates LLP
Chartered Accountants

ICAI Firm Registration Number : 101049W/E300004


per Amit Lahoti
Partner
Membership No. 132990



For and on behalf of the Board of Directors of
Protium Finance Limited


Preetish Misra
Managing Director & CEO
DIN: 08422699


Amit Gupta
Chief Financial Officer


Parveen Kumar Gupta
Independent Director
DIN: 02895343


Anshu Mohita
Company Secretary
Membership No.: A18287

Place: Mumbai
Date: May 12, 2025

Place: Mumbai
Date: May 12, 2025

Place: Mumbai
Date: May 12, 2025

