24th August, 2026

BSE Limited
1st Floor, New Trading Wing,
Rotunda Building, P.J. Towers,
Dalal Street, Fort,
Mumbai - 400 001
BSE Scrip Code: 544597

National Stock Exchange of India Limited
Exchange Plaza, 5th Floor,
Plot. C/1, G-Block,
Bandra - Kurla Complex, Bandra (East),
Mumbai - 400 051
NSE Symbol: PIRAMALFIN

Dear Sir / Madam,

Sub.: Unaudited Condensed Standalone & Consolidated Interim Financial Statements for the quarter ended 30th June, 2026 (along with comparative information) of the Company, under Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations')

Pursuant to Regulation 30 of the SEBI Listing Regulations, we hereby inform you that the Board of Directors of the Company at its meeting held today, i.e. Monday, 24th August, 2026, inter-alia, approved the Unaudited Condensed Standalone & Consolidated Interim Financial Statements for the quarter ended 30th June, 2026 (along with comparative information) of the Company.

The above information is also available on the website of the Company at www.piramalfinance.com.

We request you to take the same on record.

Thanking you.

Yours faithfully,
For **Piramal Finance Limited**
(Formerly known as Piramal Capital & Housing Finance Limited)

BIPIN SINGH
Digitally signed by BIPIN SINGH
Date: 2026.08.24 11:12:41 +05'30'

Bipin Singh
Company Secretary

Encl.: As above

Singhi & Co.
Chartered Accountants
B2 402B Marathon Innova,4th Floor,
Off Ganpatrao Kadam Marg,
Opp. Peninsula Corporate Park
Lower Parel, Mumbai 400013, India

Lodha & Co. LLP
Chartered Accountants
6, Karim Chambers,
40, Ambalal Doshi Marg
(Hamam Street),
Fort, Mumbai, 400001

Independent Auditors' Review Report on Unaudited Condensed Standalone Interim Financial Statements for the three months ended June 30, 2026 of Piramal Finance Limited (formerly known as Piramal Capital & Housing Finance Limited)

To the Board of Directors of Piramal Finance Limited
(formerly known as Piramal Capital & Housing Finance Limited)

1. We have reviewed the accompanying Unaudited Condensed Standalone Interim Financial Statements of Piramal Finance Limited (formerly known as Piramal Capital & Housing Finance Limited) (the 'Company') for the three months ended June 30, 2026, which comprises the Unaudited Condensed Standalone Interim Balance Sheet as at June 30, 2026, Unaudited Condensed Standalone Interim Statement of Profit and Loss (including Other Comprehensive Income), Unaudited Condensed Standalone Interim Statement of changes in equity and Unaudited Condensed Standalone Interim Statement of Cash Flow for three months ended June 30,2026, including a summary of material accounting policies and other explanatory notes (hereinafter referred to as the "Condensed Interim Unaudited Standalone Financial Statements"). The Unaudited Condensed Standalone Interim Financial Statements have been prepared by the Company to raise capital by way of qualified institutions placement(s), rights issue, preferential allotment or a private placement(s) in accordance with the special resolution approved by the shareholders on August 17, 2026.

2. The preparation of the Unaudited Condensed Standalone Interim Financial Statements is the responsibility of Company's Board of Directors and is in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 'Interim Financial Reporting', prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with relevant rules issued thereunder ('Ind AS 34') and other recognised accounting principles generally accepted in India. Our responsibility is to issue a limited review report on the Unaudited Condensed Standalone Interim Financial Statements based on our review.

Scope of the Review

3. We conducted our review of the Unaudited Condensed Standalone Interim Financial Statements in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. A review of Interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing specified under section 143(10) of the Act, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

SINGHI & CO. ★ Chartered Accountants ★

LODHA & CO. LLP ★ MUMBAI-01 ★ Chartered Accountants

Conclusion

4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Unaudited Condensed Standalone Interim Financial Statements are not prepared in accordance with the recognition and measurement principles laid down in Ind AS 34 prescribed under section 133 of the Act and other accounting principles generally accepted in India.

Restriction on Distribution and Use

5. Our report is intended solely for the use of the Company to include the Unaudited Condensed Standalone Interim Financial Statements in the Preliminary Placement Document/ Placement Document to raise capital by way of qualified institutions placement(s), rights issue, preferential allotment or a private placement(s) in accordance with the special resolution approved by the shareholders on August 17, 2026 and should not be distributed to or used by any other parties. We shall not be liable to the Company or to any other concerned for any claims, liabilities or expenses relating to this assignment. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For Singhi & Co.
Chartered Accountants
Firm's Registration No.: 302049E

Ravi Kapoor
Partner
Membership No.: 040404
UDIN: 26040404PJQHOU3312

SINGHI & CO. ★ Chartered Accountants ★

Place: Mumbai
Date: August 24, 2026

For Lodha & Co. LLP
Chartered Accountants
Firm's Registration No.: 301051E/E300284

R. P. Baradiya
Partner
Membership No.: 044101
UDIN: 26044101TVFASF1121

LODHA & CO. LLP ★ MUMBAI-01 ★ Chartered Accountants

Place: Mumbai
Date: August 24, 2026

Piramal Finance Limited

(formerly known as Piramal Capital & Housing Finance Limited)

Condensed Standalone Interim Balance Sheet

as at June 30, 2026

(Currency : Rs. in Crores)

		Note	As at June 30, 2026 (Unaudited)	As at March 31, 2026 (Audited)
	ASSETS			
1	**Financial assets:**			
(a)	Cash and cash equivalents	3	1,519.28	3,962.45
(b)	Bank balances other than (a) above	4	1,598.87	1,411.14
(c)	Derivative financial instruments		1,284.78	1,191.51
(d)	Receivables			
	(i) Other Receivables	5	56.88	24.04
(e)	Loans	6	90,348.79	84,927.12
(f)	Investments	7	9,750.63	10,494.30
(g)	Other financial assets	8	1,984.41	1,468.14
			106,543.64	103,478.70
2	**Non-financial assets:**			
(a)	Current tax assets (net)	9	511.84	650.04
(b)	Deferred tax assets (net)	10	2,812.10	2,812.10
(c)	Investment property	11	-	-
(d)	Property, plant and equipment	12	162.63	166.76
(e)	Right-of-use assets	12	338.50	330.42
(f)	Intangible assets under development	12	133.99	116.42
(g)	Other intangible assets	12	129.53	141.90
(h)	Asset held for sale		1,371.52	1,371.52
(i)	Other non-financial assets	13	485.84	474.57
			5,945.95	6,063.73
	Total Assets		**112,489.59**	109,542.43
	LIABILITIES AND EQUITY			
	Liabilities			
1	**Financial liabilities:**			
(a)	Payables			
	Trade payables			
	(i) Total outstanding dues of micro enterprises and small enterprises	14	101.11	83.73
	(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	14	484.90	314.33
(b)	Debt securities	15	31,389.80	31,591.97
(c)	Borrowings (other than debt securities)	16	49,583.23	47,003.80
(d)	Subordinated liabilities	17	130.85	127.89
(e)	Other financial liabilities	18	1,064.22	1,198.45
			82,754.11	80,320.17
2	**Non-financial liabilities:**			
(a)	Current tax liabilities (net)	19	285.75	268.31
(b)	Provisions	20	182.26	149.38
(c)	Other non-financial liabilities	21	330.12	369.45
			798.13	787.14
3	**Equity**			
(a)	Equity share capital	22	45.34	45.34
(b)	Equity share capital suspense	22	-	-
(c)	Other equity	23	28,892.01	28,389.78
			28,937.35	28,435.12
	Total Liabilities and Equity		**112,489.59**	109,542.43
	Material accounting policies	2		

The accompanying notes are an integral part of the condensed standalone interim financial statements.

As per our report of even date attached.

For Singhi & Co.
Chartered Accountants
Firm Registration No. 302049E

Ravi Kapoor
Partner
Membership No. 040404

For Lodha & Co. LLP
Chartered Accountants
Firm Registration No: 301051E/E300284

R.P Baradiya
Partner
Membership No.: 044101

For and on behalf of the Board of Directors of Piramal Finance Limited
(formerly known as Piramal Capital & Housing Finance Limited)
CIN - L64910MH1984PLC032639

Anand Piramal
Chairman
DIN: 00286085
(Naples, Italy)

Jairam Sridharan
Managing Director & CEO
DIN: 05165390

Vikash Singhla
Chief Financial Officer

Bipin Singh
Company Secretary

Mumbai, August 24, 2026

LODHA & CO. LLP MUMBAI-01 Chartered Accountants

SINGHI & CO. Chartered Accountants

PIRAMAL FINANCE LIMITED

Piramal Finance Limited
(formerly known as Piramal Capital & Housing Finance Limited)

Condensed Standalone Interim Statement of Profit and Loss
for the quarter ended June 30, 2026

(Currency : Rs. in Crores)

	Note	For the quarter ended June 30, 2026 (Unaudited)	For the quarter ended June 30, 2025 (Unaudited)
Revenue from operations			
Interest income	24 (i)	3,165.00	2,403.99
Dividend Income	24 (ii)	18.33	57.70
Rental income		0.02	0.02
Fees and commission income	25	126.83	114.27
Other operating income	26	99.61	82.06
Total Revenue from operations		**3,409.79**	2,658.04
Other income	27	61.05	49.09
Total Income		**3,470.84**	2,707.13
Expenses			
Finance costs	28	1,710.32	1,468.28
Fees and commission expense	29	2.42	2.27
Net loss on fair value changes	30	20.16	6.25
Net loss on derecognition of financial instruments under amortised cost category	31	173.80	391.47
Impairment allowances/(reversals) on financial instruments	32	273.59	(227.13)
Employee benefits expenses	33	494.81	439.16
Depreciation, amortisation and impairment	12	54.85	55.41
Other expenses	34	319.81	289.26
Total Expenses		**3,049.76**	2,424.97
Profit before tax		**421.08**	282.16
Less: Tax expenses			
Current tax		-	22.21
Reversal of tax expenses – earlier years		(3.61)	0.16
Deferred tax expenses/(credits)		(15.23)	(3.46)
		(18.84)	18.91
Profit for the period		**439.92**	263.25
Other comprehensive income			
Items that will not be reclassified to Statement of profit or loss			
Remeasurement of the defined benefit plan		(9.66)	-
Equity instruments measured through OCI		(1.24)	6.08
Income tax relating to items that will not be reclassified to Statement of profit or loss		2.61	(0.87)
Items that will be reclassified to Statement of profit or loss			
Remeasurement gain/(loss) on hedge accounting		24.70	26.45
Debt instruments measured through OCI		46.18	13.38
Income tax relating to items that will be reclassified to Statement of profit or loss		(17.84)	(9.59)
Other comprehensive income for the period		**44.75**	35.45
Total comprehensive income for the period		**484.67**	298.70
Earnings per equity share (EPS) (Rs.) (face value of Rs. 2 each)			
Basic EPS	35	**19.41**	11.64
Diluted EPS	35	**19.30**	11.55
Material accounting policies	2		

The accompanying notes are an integral part of the condensed standalone interim financial statements.

As per our report of even date attached

For Singhi & Co.
Chartered Accountants
Firm Registration No. 302049E

Ravi Kapoor
Partner
Membership No. 040404

For Lodha & Co. LLP
Chartered Accountants
Firm Registration No: 301051E/E300284

R.P Baradiya
Partner
Membership No.: 044101

For and on behalf of the Board of Directors of Piramal Finance Limited
(formerly known as Piramal Capital & Housing Finance Limited)
CIN - L64910MH1984PLC032639

Anand Piramal
Chairman
DIN: 00286085
(Naples, Italy)

Jairam Sridharan
Managing Director & CEO
DIN: 05165390

Vikash Singhla
Chief Financial Officer

Bipin Singh
Company Secretary

LODHA & CO. LLP MUMBAI-01 Chartered Accountants

SINGHI & CO. Chartered Accountants

PIRAMAL FINANCE LIMITED

Mumbai, August 24, 2026

Piramal Finance Limited

(formerly known as Piramal Capital & Housing Finance Limited)

Condensed Standalone Interim Statement of Cash Flow

for the quarter ended June 30, 2026

(Currency : Rs. in Crores)

		For the quarter ended June 30, 2026 (Unaudited)	For the quarter ended June 30, 2025 (Unaudited)
A.	**Cash flow from operating activities**		
	Profit before tax:	**421.08**	282.16
	Adjustments:		
	Realised gain on sale of treasury investments	(7.13)	(22.04)
	Interest income from fixed deposits	(29.41)	(30.58)
	Employee stock option plan expenses	17.56	17.25
	Dividend income	(18.33)	(57.70)
	Loss/(gain) on fair valuation of investments	(4.81)	127.39
	Gain on pre-termination of lease	(0.13)	(0.41)
	Unrealised loss/(gain) on fair valuation of loans and advances	42.79	(53.17)
	Impairment allowances/(reversals) on financial instruments	273.59	(227.13)
	Interest cost on lease payment	9.82	10.57
	Finance costs expenses	1,700.50	1,457.71
	Finance cost paid	(1,405.30)	(1,098.02)
	Gain on derecognition of financial instruments	(91.53)	(100.23)
	Loss on derecognition of financial instruments	265.33	491.70
	Net gain on sale of property, plant and equipment	(0.18)	(14.17)
	Depreciation, amortisation and impairment	54.85	55.41
	Cash generated from operations before working capital changes	**1,228.70**	838.74
	Decrease / (Increase) in loans	(5,870.77)	(4,440.13)
	Decrease / (Increase) in investments	267.17	(123.51)
	Decrease / (Increase) in other receivables	(32.84)	2.90
	Decrease / (Increase) in other financial assets	(53.91)	(17.93)
	Decrease / (Increase) in other non financial assets	1.85	26.05
	Increase / (Decrease) in trade payables	187.95	4.65
	Increase / (Decrease) in provisions	18.07	9.17
	Increase / (Decrease) in other financial liabilities	(142.89)	(180.62)
	Increase / (Decrease) in other non financial liabilities	(41.40)	(68.25)
	Cash generated from / (used in) operations	**(4,438.07)**	(3,948.93)
	Income taxes refund (net)	159.25	167.39
	Net cash generated from / (used in) operating activities (a)	**(4,278.82)**	(3,781.53)
B	**Cash flow from investing activities**		
	Purchase of property, plant and equipment & other intangible assets	(42.43)	(19.86)
	Proceeds from sale of property, plant and equipment	0.40	19.61
	Investments in subsidiaries	-	(0.10)
	Purchase of treasury investments	(111,420.60)	(164,429.45)
	Sale of treasury investments	111,449.38	163,805.17
	Dividend income	18.33	57.70
	Interest received from fixed deposits	34.16	39.52
	Investment in fixed deposits	(1,513.82)	(3,088.72)
	Redemption from fixed deposits	1,327.28	2,843.32
	Net cash generated from / (used in) investing activities (b)	**(147.30)**	(772.81)
C	**Cash flow from financing activities**		
	Payment of lease liabilities (including interest)	(33.50)	(29.82)
	Borrowings taken during the period	5,913.88	13,223.08
	Borrowings repaid during the period	(3,897.43)	(10,303.27)
	Proceeds from issue of equity shares	-	0.24
	Net cash generated from / (used in) financing activities (c)	**1,982.95**	2,890.23
	Net increase/(decrease) in cash and cash equivalents (a+b+c)	**(2,443.17)**	(1,664.11)

Piramal Finance Limited

(formerly known as Piramal Capital & Housing Finance Limited)

Condensed Standalone Interim Statement of Cash Flow

for the quarter ended June 30, 2026

(Currency : Rs. in Crores)

	For the quarter ended June 30, 2026	For the quarter ended June 30, 2025
Cash and cash equivalents as at beginning of the period	**3,962.45**	4,944.74
Cash and cash equivalents as at end of the period	**1,519.28**	3,280.63
Cash and Cash Equivalents Comprise of:		
Cash on hand *	-	-
Balances with banks in current accounts	1,519.28	2,180.31
Fixed deposits (with original maturity less than 3 months)	-	1,100.32
	1,519.28	3,280.63

**Amount below 0.50 lakhs has been rounded off.*

The condensed standalone interim statement of cash flow has been prepared under the 'Indirect Method' set out in Indian Accounting Standard-7, "Statement of cash flow".

The accompanying notes are an integral part of the condensed standalone interim financial statements.

As per our report of even date attached

For Singhi & Co.
Chartered Accountants
Firm Registration No. 302049E

Ravi Kapoor
Partner
Membership No. 040404

For Lodha & Co. LLP
Chartered Accountants
Firm Registration No: 301051E/E300284

R.P Baradiya
Partner
Membership No : 044101

For and on behalf of the Board of Directors of
Piramal Finance Limited
(formerly known as Piramal Capital & Housing Finance Limited)
CIN - L64910MH1984PLC032639

Anand Piramal
Chairman
DIN: 00286085
(Naples, Italy)

Jairam Sridharan
Managing Director & CEO
DIN: 05165390

Vikash Singhla
Chief Financial Officer

Bipin Singh
Company Secretary

Mumbai, August 24, 2026

SINGHI & CO. ★ Chartered Accountants ★

LODHA & CO. LLP ★ MUMBAI-01 ★ Chartered Accountants

PIRAMAL FINANCE LIMITED ★

Piramal Finance Limited
(formerly known as Piramal Capital & Housing Finance Limited)

Condensed Standalone Interim Statement of changes in equity
for the quarter ended June 30, 2026
(Currency Rs in Crores)

A. Equity Share Capital:	As at June 30, 2026	As at March 31 2026
Balance at the beginning of the year/period	45.34	-
Add Equity shares issued as part of business combination (Refer note 40)	-	45 10
Add Issuance of shares	-	0 24
Balance at the end of the year/period	45.34	45.34
B. Equity share capital suspense:		
Balance at the beginning of the year/period	-	45 10
Less Issuance of shares	-	(45 10)
Balance at the end of the year/period	-	-

C. Other Equity:

Particulars	Reserves and Surplus						Other Comprehensive Income			Total
	Securities Premium	Statutory Reserve	Capital Redemption Reserve	General Reserve	Stock options reserve	Retained Earnings	Debt Instruments Measured through OCI	Equity Instruments Measured through OCI*	Cash flow hedging reserve	
Balance as at March 31, 2025	8,244.15	3,361.64	64.53	5,798.55	114.76	9,267.52	17.33	156.77	(19.99)	27,005.24
Add/(Less) Transfer to statutory reserve	-	308 00	-	-	-	(308 00)	-	-	-	-
Add Profit during the year	-	-	-	-	-	1,540 02	-	-	-	1,540 02
Add/(Less) Other comprehensive income (net of tax)	-	-	-	-	-	(0 82)	(75 63)	34 33	63 70	21 60
Add Share based payment expenses	-	-	-	-	72 27	-	-	-	-	72 27
Add / (Less) Premium on allotment of equity shares under ESOP Scheme	87 29	-	-	-	(87 29)	-	-	-	-	-
(Less) Final dividend paid	-	-	-	-	-	(249 35)	-	-	-	(249 35)
Balance as at March 31, 2026	8,331.44	3,669.64	64.53	5,798.55	99.74	10,249.37	(58.30)	191.10	43.71	28,389.78
Add Profit during the period	-	-	-	-	-	439 92	-	-	-	439 92
Add/(Less) Other comprehensive income (net of tax)	-	-	-	-	-	(7 23)	34 56	(1 06)	18 48	44 75
Add Share based payment expenses	-	-	-	-	17 56	-	-	-	-	17 56
Add / (Less) Premium on allotment of equity shares under ESOP Scheme	14 03	-	-	-	(14 03)	-	-	-	-	-
Balance as at June 30, 2026	8,345.47	3,669.64	64.53	5,798.55	103.27	10,682.06	(23.74)	190.04	62.19	28,892.01

* that will not be reclassified to condensed standalone interim statement of profit or loss

The accompanying notes are an integral part of the condensed standalone interim financial statements

As per our report of even date attached

For Singhi & Co.
Chartered Accountants
Firm Registration No 302049E

Ravi Kapoor
Partner
Membership No 040404

For Lodha & Co. LLP
Chartered Accountants
Firm Registration No 301051E/E300284

R.P Baradiya
Partner
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For and on behalf of the Board of Directors of
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Managing Director & CEO
DIN 05165390

Vikash Singhla
Chief Financial Officer

Bipin Singh
Company Secretary

Mumbai, August 24, 2026

SINGHI & CO. Chartered Accountants

LODHA & CO. LLP MUMBAI-01 Chartered Accountants

PIRAMAL FINANCE LIMITED

1A. GENERAL INFORMATION

Piramal Finance Limited (formerly known as Piramal Capital & Housing Finance Limited (the Company)) was incorporated in India on April 11, 1984 and has been carrying on, as its main business of providing loans to customers for construction or purchase of residential property, loans against property, loans to real estate developers, loans to SMEs, Consumption loans, etc. The Company received its Certificate of Registration (CoR) as a Non Banking Financial Company - Investment and Credit Company (NBFC-ICC) from the Reserve Bank of India (RBI) on April 4, 2025. On the same day, the Company surrendered its CoR as a Housing Finance Company (HFC). The registered office of the Company is in Unit No. 601, 6th Floor, Amiti Building, Piramal Corporate Park, Kamani Junction, Opp. Fire Station, LBS Marg, Kurla West, Mumbai City, 400070.

Refer note 40 with respect to business combination pursuant to Resolution Plan and order passed by Hon'ble National Company Law Tribunal ("NCLT") dated September 10, 2025. From the appointed date i.e. April 1, 2024, as specified in the NCLT order, the parent company i.e. Piramal Enterprises Limited has been merged with the Company with effective date being September 16, 2025. During the previous year, the Company's equity shares were listed on the stock exchanges pursuant to the amalgamation of the transferor company.

The Company is a public limited company and its equity and debts are listed on the Bombay Stock Exchange (BSE India) and the National Stock Exchange (NSE), India.

On August 24, 2026, the Board of Directors of the Company approved the condensed standalone interim financial statements.

1B. Basis of Preparation

i) Statement of compliance and basis of preparation and presentation of condensed standalone interim financial statements

The condensed standalone interim financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) 34 - 'Interim Financial Reporting' and the provisions of the Companies Act, 2013 ('the Act') and relevant amendment rules issued thereafter read with note 40 to the extent effect given in accordance with the accounting treatment prescribed in the resolution plan approved by the National Company Law Tribunal vide their order dated September 10, 2025 as is more fully described in the said note and the guidelines and directives issued by the Reserve Bank of India (RBI) to the extent applicable. The condensed standalone interim financial statements have been prepared for the purpose of proposed fund raising by Company.

The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows". The condensed standalone interim Balance Sheet, condensed standalone interim Statement of Profit and Loss, condensed standalone interim Statement of Cash Flow, condensed standalone interim Statement of Changes in Equity, summary of the material accounting policies information and other explanatory information are together referred as the condensed standalone interim financial statements of the Company.

Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

All amounts included in the condensed standalone interim financial statements are reported in crores of Indian rupees (Rs. in crores) except share and per share data, unless otherwise stated. Due to rounding off, the numbers presented throughout the document may not add up precisely to the totals and percentages may not precisely reflect the absolute figures.

ii) Basis of Accounting

The condensed standalone interim financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting year. The condensed standalone interim financial statements are prepared and presented on going concern basis as the Company shall be able to continue its business for the foreseeable future and no material uncertainty exists that may cast significant doubt on the going concern assumption.

iii) Use of Estimates and Judgements

The preparation of the condensed standalone interim financial statements in conformity with Indian Accounting Standards ("Ind AS") requires the management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the condensed standalone interim financial statements and the reported amounts of revenues and expenses during the year. Accounting estimates could change from period to period. Actual results could differ from those estimates. Revisions to accounting estimates are recognised prospectively. The Management believes that the estimates used in preparation of the condensed standalone interim financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

Following areas entail a high degree of estimate and judgement or complexity in determining the carrying amount of certain assets and liabilities.

1. Business Combination - Note 2 (xx) & note 40
2. Measurement of defined benefit obligations, key actuarial assumptions – Note 2 (vi)
3. Fair Valuation of financial assets and liabilities - Note 2 (xix)
4. Impairment of financial assets – Note 2 (iv)
5. Impairment of non-financial assets – Note 2 (iii)
6. Derivative - Note 2 (iv)
7. Income tax - Note 2 (xii)
8. Evaluation of business Model - Note 2 (iv)
9. Provision and Liabilities – Note 2 (vii)
10. Useful Life of Property, Plant and Equipment (PPE) and Intangible assets - Note 2 (i) & 2 (ii), respectively.
11. Share Based Payments – Note 2 (vi)
12. Effective Interest Rate (EIR) Method – Note 2 (iv)
13. Assets held for sale - Note 2 (v)

SINGHI & CO. Chartered Accountants

LODHA & CO. LLP MUMBAI-01 Chartered Accountants

PIRAMAL FINANCE LIMITED

2. MATERIAL ACCOUNTING POLICIES INFORMATION

i) (a) Property, plant and equipment

All property, plant and equipment ('PPE') (other than freehold land) are stated at cost of acquisition, less accumulated depreciation and accumulated impairment losses, if any, except for fair valued assets on business combination carried out in earlier years. Freehold Land is carried at historical cost. Direct costs are capitalised until the assets are ready for use and includes freight, duties, taxes and expenses incidental to acquisition and installation.
The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.
Subsequent expenditures related to an item of property, plant and equipment are added to its book value only when it is probable that the future economic benefits from the asset will flow to the Company and cost can be reliably measured.
Losses arising from the retirement of, and gains or losses arising from disposal of Property, Plant and Equipment are recognised in the condensed standalone interim Statement of Profit and Loss.

Property, plant and equipment is recognised when it is probable that future economic benefits associated with the item is expected to flow to the Company and the cost of the item can be measured reliably. An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included under other income/expenses in the condensed standalone interim Statement of Profit and Loss when the asset is derecognised.

Depreciation is provided on a pro-rata basis on the straight line method ('SLM') over the estimated useful lives of the assets less their residual values specified in Schedule II of the Companies Act, 2013.
The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Individual property, plant and equipment costing less than Rupees five thousand are depreciated fully in the year of purchase or acquisition.

The estimated useful lives of Property, Plant and Equipment are as stated below:

Building	60 years
Office equipment	1-6 years
Furniture and fixtures	5-10 years
Motor vehicles	8 years (Refer note below)
Plant and Equipment	3-20 years
Leasehold improvements	Amortised on SLM over lease tenure or 5 years whichever is lower
Freehold lands	No Depreciation

The Company has determined the remaining useful life of the PPE, acquired on date of acquisition/business combination, as per the Act. The value of PPE acquired is depreciated/amortised over such remaining useful life determined on straight line method basis which best reflects the usage of asset to the accounting acquirer.

For vehicles given to employee as a perquisite and forming the part of their employment, amortisation is done basis the employment agreement which may vary between 3 to 5 years.
Electrical installation, Computers and Computer servers and network is a part of office equipment.

(b) Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Upon initial recognition, an investment property is measured at cost. Cost of a investment property comprises its purchase price and any directly attributable expenditure, including transaction costs. Subsequent to initial recognition, investment property (other than property represented by the Company's development rights / interest in underlying land) is measured at cost less accumulated depreciation and accumulated impairment losses, if any. An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss on disposal of an investment property is recognised in statement of profit or loss.
The Company does not hold any investment property which is required to be depreciated under Ind AS 40/ Ind AS 16.

ii) Intangible Assets

Intangible assets are stated at acquisition cost except for fair valued assets on business combination carried out in earlier year, net of accumulated amortisation and accumulated impairment losses, if any.
Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the disposal proceeds and the carrying amount of the asset and are recognised as income or expense in the condensed standalone interim Statement of Profit and Loss.

Intangible assets not ready for use on the date of Balance Sheet is disclosed as 'Intangible assets under development'.
Intangible Assets other than Goodwill are amortized on a straight line basis over their finite useful lives over the following period:

Computer Software	1-6 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Individual intangible assets costing less than Rupees five thousand are depreciated fully in the year of purchase or acquisition.
Goodwill on acquisition is included in intangible assets. Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.
Goodwill is carried at cost less accumulated impairment losses.

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ii) **Intangible Assets *(Continued)***

Internally generated software

The Company recognises internally generated intangible assets when it is certain that the future economic benefit attributable to the use of such intangible assets are probable to flow to the Company and the expenditure incurred for development of such intangible assets can be measured reliably. Research costs are treated as revenue expenses and charged off to the condensed standalone interim Statement of Profit and Loss of respective year. The cost of an internally generated intangible asset comprises all directly attributable costs necessary to create, produce, and prepare the asset to be capable of operating in the manner intended by the Company. The intangible assets including those internally generated are amortised using the straight line method over a period of three to six years, basis IT expert confirmation. The useful lives of intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

iii) **Impairment of non financial assets**

The Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. For the purposes of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, the Company estimates the recoverable amount of the asset. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs 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 recognised in the condensed standalone interim Statement of Profit and Loss. If at the Balance Sheet date there is an indication that previously assessed impairment loss no longer exists or may have decreased, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

The fair value less costs of disposal calculation is based valuation techniques based on available data for similar assets or observable market prices less incremental costs of disposing of the asset. The recoverable amount is sensitive to the assumptions and inputs used for the fair valuation as well as the expected future cash-inflows used for valuation purposes.

iv) **Financial instruments**

Recognition and initial measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the 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 recognised immediately in profit or loss.

Classification

The Company classifies its financial assets in the following measurement categories:

a) Those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and

b) Those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

Financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are subsequently measured at fair value through Other Comprehensive Income (FVTOCI):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the 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.

By default, all other financial assets are subsequently measured at fair value through profit and loss (FVTPL).

Debt and other instruments

Subsequent measurement of debt and other instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt and other instruments.

Evaluation of Business Model

Classification and measurement of financial instruments depends on the results of the solely payments of principal and interest on the principal amount outstanding ("SPPI") and the business model test. The Company determines the business model at a level that reflects how the Company's financial instruments are managed together to achieve a business objective.

The Company monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those instruments.

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iv) Financial instruments *(Continued)*

Amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Effective interest rate method

Income is recognised on an effective interest rate basis for financial assets other than those financial assets classified as at FVTPL. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

– the gross carrying amount of the financial asset; or

– the amortised cost of the financial liability.

When calculating the effective interest rate for financial instruments other than purchased or originated credit-impaired ('POCI') assets, the Company estimates future cash flows considering all contractual terms of the financial instrument, but not ECL. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated using estimated future cash flows including ECL.

The calculation of the effective interest rate includes transaction costs and fees that are an integral part of the contract. Transaction costs include incremental costs that are directly attributable to the acquisition of financial asset.

If expectations regarding the cash flows on the financial asset other than POCI assets are revised for reasons other than credit risk, the adjustment is recorded as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income. The adjustment is subsequently amortized through Interest income in the condensed standalone interim statement of profit and loss. In respect of purchased or originated credit impaired assets, such positive or negative adjustment to the carrying amount of the asset is reflected through change in lifetime ECL since initial recognition. Favourable changes in lifetime ECL are recognised as an impairment gain, even if the favourable changes are more than the amount, if any, previously recognised in profit or loss account as impairment losses.

The Company calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets. In case of credit impaired assets, interest income is recorded on receipt basis. If the default is cured and the financial asset is no longer credit-impaired, the Company reverts to calculating interest income on a gross basis.

For financial assets that were credit-impaired on initial recognition, interest income is calculated by applying the credit-adjusted effective interest rate to the amortised cost of the asset. The calculation of interest income does not revert to a gross basis, even if the credit risk of the asset improves.

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

Assets that do not meet the criteria for amortised cost or FVTOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the condensed standalone interim statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income accrued (if any) on financial assets at FVTPL are included as a part of fair value changes except, where interest income recorded on receipt basis will be presented under interest income.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in statement of profit or loss incorporates any dividend or interest earned on the financial asset. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Changes in the fair value of financial assets at FVTPL are recognised in the condensed standalone interim statement of profit and loss.

Fair value through Other Comprehensive Income (FVTOCI)

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVTOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in the condensed standalone interim statement of profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to the statement of profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in interest income using the effective interest rate method.

Equity instruments

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or loss when the Company's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in the condensed standalone interim statement of profit and loss.

Fair value measurement

Fair value measurements under Ind AS are categorised into fair value hierarchy 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 described as follows:

• Level 1 quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access on measurement date.

• Level 2 inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and

• Level 3 where unobservable inputs are used for the valuation of assets or liabilities.

For assets and liabilities that are recognized in the condensed standalone interim Financial Statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by reassessing 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.

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iv) Financial instruments *(Continued)*

Impairment of financial assets

The Company applies the expected credit loss ("ECL") model for recognising impairment loss on financial assets measured at amortised cost, loan commitments and other contractual rights to receive cash or other financial asset.

Wholesale lending:

The expected credit loss is a product of exposure at default, probability of default and loss given default. The Company has devised an internal model to evaluate the probability of default and loss given default based on the parameters set out in Ind AS 109. In line with the same, the financial instruments are classified into Stage 1 – Standard Assets with zero to thirty days past due (DPD), Stage 2 – Significant Credit Deterioration or overdue between 31 to 90 days and Stage 3 – Default Assets with overdue for more than 90 days & restructured NPA. For Stage 1 & Stage 2, PD & LGD are arrived at using parametric scorecard in the internal ECL model.

The ECL calculation is also adjusted using forward looking inputs from anticipated change in future macro-economic conditions to comply with Ind AS 109.

Retail lending:

The Company uses ECL allowance for financial assets measured at amortised cost, which are not individually significant, and comprise of a large number of homogeneous loans that have similar characteristics. The expected credit loss is a product of exposure at default, probability of default and loss given default. Due to lack of sufficient internal data, the Company uses external data from credit bureau agency for potential credit losses and blends same with internal PD data. Further, the estimates from the above sources have been adjusted with forward looking inputs from anticipated change in future macro-economic conditions to comply with Ind AS 109.

The financial instruments are classified into Stage 1 – Standard assets with zero to thirty days past due (DPD), Stage 2 – significant credit deterioration or overdue for more than thirty days to 90 days and Stage 3 – Default assets with overdue for more than 90 days & restructured NPA.

For recognition of impairment loss on other financial assets and risk exposure (including off balance sheet commitments), the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

The measurement of impairment losses under Ind AS 109 across all categories of financial assets in scope requires assumptions, in particular, in 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.

Elements of the ECL calculation that involve assumptions include:

a) The weights assigned to parameters in the scorecards used for calculation of PD and LGD

b) Assessing whether a significant increase in credit risk (SICR) has occurred for an exposure since initial recognition- The Company considers both quantitative and qualitative information and analysis. In doing so, the Company makes judgements about the appropriate indicators used as SICR triggers. The triggers that the Company has determined as appropriate include the 30-day backstop, movement in PD and other qualitative factors.

c) Judgements about the type and number of macro economic scenarios in order to reflect the Company's exposure to credit risk. In assessing the recoverability of loans, investments and investment property, the Company has considered internal and external sources of information, including credit reports, economic forecasts and industry reports up to the date of approval of these financial statements. The Company has performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, the carrying amount of these assets represent the Company's best estimate of the recoverable amounts. As a result of the macro economic uncertainties, the impact may be different from those estimated as on the date of approval of these financial statements and the Company will continue to monitor any changes to the future economic conditions.

d) Additional ECL provision (including management overlay) used in circumstances where management judges that the existing inputs, assumptions and model techniques do not capture all the risk factors relevant to the Company's lending portfolios.

It has been the Company's policy to regularly review its model in the context of actual loss experience, macro economic factors and adjust it when necessary.

Impairment - POCI Financial Assets

POCI financial assets are assets that are credit-impaired on initial recognition. For POCI assets, lifetime ECL are incorporated into the calculation of the effective interest rate on initial recognition. Consequently, POCI assets do not carry an impairment allowance on initial recognition. The amount recognised as a loss allowance subsequent to initial recognition is equal to the changes in lifetime ECL since initial recognition of the asset. A favourable change for such assets create an impairment gain.

Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of financial assets in entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable, is recognised in the condensed standalone interim statement of profit and loss.

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iv) Financial instruments *(Continued)*

Derecognition of financial assets under amortised cost category:

Financial assets are written off when the Company has no reasonable expectations of recovering the financial asset (either in its entirety or a portion of it). This is the case when the Company determines through Management assessment 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/ may assign / sell loan exposure to ARC / Bank / a financial institution for a negotiated consideration. Net loss on derecognition of financial assets measured at amortised cost is calculated as the difference between the gross book value (including impairment) and the proceeds received. The accumulated ECL provision on the financial asset is reversed. Subsequent recoveries resulting from the Company's enforcement activities could result in income recognised under 'other operating income' in the condensed standalone interim statement of profit and loss. The Company has a Board approved policy on Write off and one time settlement of loans as per the applicable RBI regulations.

In accordance with Ind AS 109, in case of substantial renegotiation/modification of the contractual cash flows of a financial asset would lead to the derecognition of the existing financial asset. When the modification of a financial asset results in the derecognition of the existing financial asset and the subsequent recognition of the modified financial asset, the modified asset is considered a 'new' financial asset.

Repossession of collateral assets

The Company provides secured loans to individuals and corporates. In the ordinary course of business, upon borrower default, the Company may take possession of underlying collateral such as properties, vehicles, or other assets. Such repossessed assets are typically disposed of through auctions to recover outstanding dues or may be released back to customers upon settlement. Any surplus funds are returned to the customers/obligors. Repossessed assets are not recognized in the balance sheet unless legal title is transferred to the Company and the asset satisfies the recognition criteria under Ind AS 105 as a non-current asset held for sale. The related loans continue to be classified and provided for in accordance with the Company's Expected Credit Loss (ECL) framework under Ind AS 109.

Reclassification of financial assets and liabilities

After initial recognition of financial assets and liabilities, no re-classification is made except for financial assets where there is a change in the business model for managing those assets. The Company's management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognized gains or losses (including impairment gains or losses) or interest.

Sale of Financial assets measured at Amortised Cost

Entity reclassifies financial assets if the entity changes its business model for managing those financial assets. Such changes are expected to be very infrequent. Such changes are determined by the entity's senior management as a result of external or internal changes and must be significant to the entity's operations and demonstrable to external parties. Accordingly, a change in an entity's business model will occur only when an entity either begins or ceases to perform an activity that is significant to its operations.

The Company may occasionally sell portfolio classified under amortised pool for liquidity management, recovery management in case of stressed pool or for any specific regulatory compliance which will not lead to change in business model.

Further, if the sales are infrequent or insignificant in value, the sale of amortised cost pool will also not lead to change in business model.

Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. For foreign currency denominated financial assets measured at amortised cost or FVTPL, the exchange differences are recognised in profit or loss except for those which are designated as hedging instruments in a hedging relationship.

Classification as debt or equity

Debt and equity 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.

Investments in Alternative Investment Funds (AIF) which falls under RBI Circular

Investment in AIF units are classified as investments at fair value through profit and loss. Pursuant to the requirements of RBI circular dated December 19, 2023 read with clarifications dated March 27, 2024, the Company has measured the AIF investments that are covered under the said RBI circular/clarification net of regulatory provision equivalent to the carrying amount of the investments. There is no subsequent remeasurement of the fair value of the AIF investments. Gains on subsequent reversal of provisions based on realisation/ recoveries are recognised in other operating income.

Excess realisation/ recoveries over the gross carrying value of AIF Investments is recognised as gain under 'Net gain on fair value changes' in condensed standalone interim statement of profit and loss.

Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued are recognised at the proceeds received.

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iv) Financial instruments *(Continued)*

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest rate method or at FVTPL.

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Financial Guarantee Contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument. Financial guarantee contracts issued by the Company are initially measured at their fair values and are subsequently measured at the higher of:

a) The amount of the loss allowance determined in accordance with Ind AS 109; and

b) The amount initially recognised less, where appropriate, cumulative amortisation recognised in accordance with the revenue recognition policies.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in profit and loss.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between the Company and the lender of debt and other instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

Derivatives and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. Resulting gain/loss due to subsequent remeasurement of derivatives is recognised in the condensed standalone interim statement of profit and loss immediately unless the derivative is designated and is effective as a hedging instrument, in which event the timing of the recognition in the condensed standalone interim statement of profit and loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability.

Embedded derivatives

Derivatives embedded in a host contract that is an asset within the scope of Ind AS 109 are not separated. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Derivatives embedded in all other host contract are separated only if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host and are measured at fair value through profit or loss. Embedded derivatives closely related to the host contracts are not separated.

Embedded foreign currency derivatives

Embedded foreign currency derivatives are not separated from the host contract if they are closely related. Such embedded derivatives are closely related to the host contract, if the host contract is not leveraged, does not contain any option feature and requires payments in one of the following currencies:

- the functional currency of any substantial party to that contract,
- the currency in which the price of the related good or service that is acquired or delivered is routinely denominated in commercial transactions around the world,
- a currency that is commonly used in contracts to purchase or sell non-financial items in the economic environment in which the transaction takes place (i.e. relatively liquid and stable currency).

Foreign currency embedded derivatives which do not meet the above criteria are separated and the derivative is accounted for at fair value through profit and loss.

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iv) Financial instruments *(Continued)*

Hedge accounting

The Company designates certain hedging instruments, which include derivatives in respect of foreign currency risk, as either fair value hedges, cash flow hedges, or hedges of net investments in foreign operations. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges. 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.

a) Cash Flow Hedge:

A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability (such as all or some future interest payments on variable rate debt) or a highly probable forecast transaction and could affect profit or loss.

For designated and qualifying cash flow hedges, the effective portion of the cumulative gain or loss on the hedging instrument is initially recognised directly in OCI within equity (cash flow hedge reserve). The ineffective portion of the gain or loss on the hedging instrument is recognised immediately as finance cost in the condensed standalone interim statement of profit and loss.

The amount recognised in the cash flow hedge reserve is reclassified from OCI to profit or loss as a reclassification adjustment in the same period as the hedged cash flows affect profit or loss, and in the same line item in the condensed standalone interim statement of profit and loss.

If the hedging derivative expires or is sold, terminated or exercised, or the hedge no longer meets the criteria for cash flow hedge accounting, or the hedge designation is revoked, then hedge accounting is discontinued prospectively. If the hedged cash flows are no longer expected to occur, then the Company immediately reclassifies the cumulative amount in the hedging reserve from OCI to the condensed standalone interim statement of profit and

b) Fair Value Hedge:

When a derivative is designated as the hedging instrument in a hedge of the change in fair value of a recognised asset or liability or a firm commitment that could affect profit or loss, changes in the fair value of the derivative are recognised immediately in profit or loss. For designated and qualifying fair value hedges, the cumulative change in the fair value of a hedging derivative is recognized in the condensed standalone interim statement of profit and loss in Finance Costs. Meanwhile, the cumulative change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item in the balance sheet and is also recognized in the condensed standalone interim statement of profit and loss in Finance Cost.

If the hedging derivative expires or is sold, terminated or exercised, or the hedge no longer meets the criteria for fair value hedge accounting, or the hedge designation is revoked, then hedge accounting is discontinued prospectively.

On hedge discontinuation, any hedging adjustment made previously to a hedged financial instrument for which the effective interest method is used is amortised to profit or loss by adjusting the effective interest rate of the hedged item from the date on which amortisation begins. If the hedged item is derecognised, then the adjustment is recognised immediately in profit or loss when the item is derecognised.

Offsetting Financial Instruments

Financial Assets and Liabilities are offset and the net amount is reflected in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle the liability simultaneously.

The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or counterparty.

v) Assets held for sale

Assets are classified as held for sale and disposal group if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. Accordingly, the Company's investments in certain associates are classified as 'held for sale'. Such assets classified as held for sale are measured at lower of their carrying amount and fair value less cost to sell. The determination of fair value less costs to sell includes use of management estimates and assumptions. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense. The fair value of the assets held for sale has been estimated using valuation techniques (including income and market approach) which includes unobservable inputs. Assets and Disposal Group that ceases to be classified as held for sale shall be measured at the lower of carrying amount before the asset and Disposal Group was classified as held for sale and its recoverable amount at the date of the subsequent decision not to sell.

Assets classified as held for sale are presented separately in the Balance Sheet under 'non-financial assets'.

There is no reclassification or re-presentation of amounts presented for assets classified as held for sale in the balance sheets for prior periods to reflect the classification in the balance sheet for the latest period presented.

The Company assesses and reassess the criteria for held for sale classification at every balance sheet date as required by Ind AS 105. This classification is continued only if the disposal of the asset is highly probable and the asset or disposal group is available for immediate sale in its present condition. Highly probable criteria is based on the management's actions required to complete the disposal of the asset, management's commitment to the plan to dispose the asset and the disposal expected to be completed generally within one year from the date of the original classification. An extension of the period required to complete the disposal does not preclude the asset or Disposal group from being classified as held for sale if the delay is caused by events or circumstances beyond the Company's control and there is sufficient evidence that the management remains committed to its plan to dispose the asset or disposal group.

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vi) Employee Benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

(ii) Other long-term employee benefit obligations

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss. Long-Term Service Awards are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date.

The Company has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each reporting period using projected unit credit method on the additional amount expected to be paid / availed as a result of the unused entitlement that has accumulated at the reporting period. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

(iii) Post-employment obligations

The Company operates the following post employment schemes:

- Defined Contribution plans such as provident fund, superannuation, pension, employee state insurance scheme
- Defined Benefit plans such as provident fund and Gratuity

In case of Provident fund, contributions are made to a Trust administered by the Company, except in case of certain employees, where the Contributions are made to the Regional Provident Fund Office.

Defined Contribution Plans

The Company's contribution to the Regional Provident Fund office, pension and employee state insurance scheme and other social security schemes in overseas jurisdictions are considered as defined contribution plans, as the Company does not carry any further obligations apart from the contributions made on a monthly basis and are charged as an expense based on the amount of contribution required to be made.

Defined Benefit Plans

The Company contributes to Defined Benefit Plans comprising of Gratuity and Compensated absences.

Gratuity: The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The liability or asset recognised in the balance sheet in respect of defined benefit provident and gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

Except in case of an overseas subsidiary, the present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in other interest expenses under finance cost in the condensed standalone interim statement of profit and loss.

In case of an overseas subsidiary, where pension is classified as a Defined Benefit Scheme, assets are measured using market values and liabilities are measured using a Projected Unit Credit method and discounted using market yields determined by reference to high-quality corporate bonds that are denominated in the currency in which benefits will be paid, and that have terms approximating to the terms of the related obligation. Shortfall, if any, is provided for in the financial statements.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in statement of profit or loss as past service cost.

Bonus Plans - The Company recognises a liability and an expense for bonuses. The Company recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

Employee Share-based payments

The Company operates an equity settled share-based payment arrangement for its employees.

The Company determines the fair value of employee stock options on the grant date using Black Scholes model. The cost towards employees of the Company is recognised in the condensed standalone interim statement of profit and loss as employee benefit expenses on straight line basis over the vesting period, over the period in which the service conditions are fulfilled. The cumulative expense/recharge recognised 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 recognised for grants that do not ultimately vest because of non fulfilment 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.

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vii) Provisions, Contingent Liabilities and Commitments

Provisions are recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent liabilities are 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 or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

Commitments are future liabilities for contractual expenditure. The commitments are classified and disclosed as follows:

i. The estimated amount of contracts remaining to be executed on capital account and not provided for; and

ii. Other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of the Management.

viii) Revenue recognition

Interest income

Interest income from a financial asset (including Lease rental discounting assets) is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate [Refer note 2(iv)] applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Delayed payment interest (penal interest and the like) levied on customers for delay in repayments/ non payment of contractual cashflows is recognised on realisation.

Fees and commission income

Other income includes fees and charges that are not considered integral to the EIR. These are recognised in accordance with Ind AS 115 – Revenue from Contracts with Customers, when the performance obligation is satisfied and it is probable that economic benefits will flow to the Company. This includes login fees, Foreclosure/prepayment charges, arranger fees, etc.

Dividend Income

Dividend income from investments is recognised when the Company's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of dividend income can be measured reliably).

The gain / loss on account of redemption of units of mutual funds is recognised in the period in which redemption occurs.

Net gain/(loss) on fair value changes

The Company designates certain financial instruments for subsequent measurement at fair value through profit or loss (FVTPL) or fair value through other comprehensive income (FVOCI) as per the criteria in Ind AS 109. The Company recognises gains/(losses) on fair value change of financial instruments and realised gains/(losses) on derecognition of financial instruments measured at FVTPL and FVOCI on net basis.

Sale of Services

In contracts involving the rendering of services/development contracts, revenue is recognised at the point in time in which services are rendered. In case of fixed price contracts, the customer pays a fixed amount based on the payment schedule. If the services rendered by the Company exceed the payment, a Contract asset (Unbilled Revenue) is recognised. If the payments exceeds the services rendered, a contract liability (Deferred Revenue) is recognised. If the contracts involve time-based billing, revenue is recognised in the amount to which the Company has a right to invoice.

Penal charges is levied on customers for delay in repayments/ non payment of contractual cashflows is recognised on realisation.

Other operating income

Other operating Income mainly includes reversal of AIF regulatory provisions based on its recovery patterns and recoveries made against loans/investments which were written off earlier.

ix) Foreign Currency Transactions

In preparing the condensed standalone interim financial statement, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at each reporting date's exchange rates are generally recognised in profit or loss. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

x) Exceptional Items

When items of income and expense within profit or loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the enterprise for the period, the nature and amount of such items is disclosed separately as exceptional items.

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xi) Leases

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using incremental borrowing rate. Interest expense on the lease liability is a component of other borrowing cost. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and condensed standalone interim statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in condensed standalone interim statement of profit and loss.

The Company has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

Security Deposits on leases

At initial recognition the carrying value of the refundable deposits is taken at present value of all expected future principal repayments discounted using market rates prevailing at the time of inception. For Interest expenses, the difference between present market value and deposit made is recognised as prepayment and amortised in the condensed standalone interim Statement of Profit and loss over the benefit period on systematic basis. Interest income is recognised at the market rate prevailing at the time of inception.

xii) Taxes on Income

Tax expense for the year, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the year. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the condensed standalone interim financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences and in respect of tax losses to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences and tax losses can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

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 year.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, associates and interest in joint arrangements where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, associates and interest in joint arrangements where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

While determining the tax provisions, the Company assesses whether each uncertain tax position is to be considered separately or together with one or more uncertain tax positions depending upon the nature and circumstances of each uncertain tax position.

The Company uses estimates and judgements based on the relevant rulings in the areas of allocation of revenue, costs, allowances and disallowances which is exercised while determining the provision for income tax. Judgement is required to determine the amount of deferred tax assets that can be recognised, based on the likely timing and level of future taxable profits, together with future tax-planning strategies.

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PIRAMAL FINANCE LIMITED ★

Piramal Finance Limited

(formerly known as Piramal Capital & Housing Finance Limited)

Notes to the Condensed Standalone Interim Financial Statements (Continued)

for the quarter ended June 30, 2026

(Currency : Rs in crores)

xiii) Cash and Cash Equivalents

In the cash flow statement, Cash and cash equivalent comprises cash in hand, demand deposits and time deposits with original maturity of less than three months held with bank and debit balance in cash credit account. Credit balance in cash credit account are shown within borrowings in financial liabilities in the balance sheet.

xiv) Finance Costs

Borrowing costs directly attributable to acquisition or construction of qualifying assets (i.e. those property, plant and equipment which necessarily take a substantial period of time to get ready for their intended use) are capitalised.

Borrowing costs include interest expense calculated using the EIR method. EIR includes interest, amortization of ancillary cost, incurred in connection with the borrowing of funds. Other borrowing costs are recognised as an expense in the period in which they are incurred.

xv) Earnings per share

Basic earnings per share

The basic earnings per share is computed by dividing the net profit attributable to the equity shareholders by weighted average number of equity shares outstanding during the reporting year.

Diluted earnings per share

Number of equity shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share and also weighted average number of equity shares which would have been issued on the conversion of all dilutive potential shares. In computing diluted earnings per share only potential equity shares that are dilutive are included.

xvi) Segment accounting

In accordance with Ind AS 108, Segment Reporting, the Chief Executive Officer and Managing Director is the Company's chief operating decision maker ("CODM"). The Company has identified only one reportable business segment & geographical segment as it deals mainly in lending business within India.

xvii) Dividends

The Company recognises a liability to make cash distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the Companies Act, 2013, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in other equity.

xviii) Securitization and direct assignment (including co-lending)

The Company transfers loans through securitisation and direct assignment (including co-lending) transactions. The transferred loans are de-recognised and gains/losses are accounted for, only if the Company transfers substantially all risks and rewards specified in the underlying assigned loan contract.

In accordance with Ind AS 109, in case of assignment transactions with complete transfer of risks and rewards without any retention of residual interest, gain arising on such assignment transactions is recorded upfront in the condensed standalone interim Statement of Profit and Loss and the corresponding asset is derecognized from the Balance Sheet immediately upon execution of such transaction. Further, the transfer of financial assets qualifies for derecognition in its entirety, the whole of the interest spread at its present value (discounted over the life of the asset) is recognized on the date of derecognition itself as interest only strip receivable (interest strip on assignment) and correspondingly recognized as profit on derecognition of financial asset.

xix) Fair Valuation of financial assets and liabilities

Certain financial assets of the Company are measured at fair value for financial reporting purposes. In estimating the fair value of an asset and liability, the Company uses market observable data to the extent it is available. When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques. In such cases, the Company usually engages third party qualified external valuer to establish the appropriate valuation techniques and inputs to the valuation model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. The Company considers an instrument to be classified as valued using significant unobservable inputs (Level 3 instrument) where more than 10% of the instrument's valuation is determined by unobservable inputs.

xx) Business Combinations and Goodwill

The acquisition method of accounting is used to account for all business combinations except under common control, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a business comprises the:

- fair values of the assets transferred;
- liabilities incurred to the former owners of the acquired business;
- equity interests issued by the Company; and
- fair value of any asset or liability resulting from a contingent consideration arrangement.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Company recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the

- consideration transferred;
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Any impairment loss for goodwill is recognised in the statement of profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

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xx) Business Combinations and Goodwill *(Continued)*

If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised as capital reserve in other equity

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss or other comprehensive income, as appropriate

Common control transactions

Business combinations involving entities that are controlled by the Company are accounted for using the pooling of interests method as per Appendix C of Ind AS 103 and in line with the accounting treatment mentioned in the respective schemes

xxi) Other Expenses

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

xxii) Investments in subsidiaries, associates, and joint arrangements

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity

Associates:

An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies

Joint Arrangements:

Under Ind AS 111 Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. The Company has only joint ventures

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities relating to the arrangement.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement

The Company recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings, if any

Investments in subsidiaries, associate and joint ventures :

Investments in subsidiaries, associate and joint ventures (including those classified as assets held for sale) are measured at cost less accumulated impairment, if any

xxiii) Statement of Cash Flows

Cash flows are reported using indirect method as permitted under Ind AS 7, whereby profit before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments

Cash receipt and payment for borrowings in which the turnover is quick, the amounts are large, and the maturities are short are defined as short term borrowings and shown on net basis in the statement of cash flows. Such items include commercial papers, debt securities, cash credit, overdraft facility, working capital demand loan and triparty repo dealing and settlement. All other borrowings are terms as long term borrowings. Cash flows from deposits are shown on net basis as permitted under Ind AS 7.

Cash flows arising from interest paid and interest and dividends received are classified as cash flows arising from operating activities as permitted under Ind AS 7, since the Company is predominantly into financial services business

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Piramal Finance Limited

(formerly known as Piramal Capital & Housing Finance Limited)

Notes to the Condensed Standalone Interim Financial Statements (Continued)

as at June 30, 2026

(Currency : Rs. in Crores)

		As at June 30, 2026	As at March 31, 2026
3	**Cash and cash equivalents**		
	Cash on hand*	-	-
	Balances with banks in current accounts	1,519.28	2,961.36
	Fixed deposits (with original maturity less than 3 months)	-	1,001.09
	Total	**1,519.28**	3,962.45

*Amount below 0.50 lakhs has been rounded off.

		As at June 30, 2026	As at March 31, 2026
4	**Bank balances other than (a) above**		
	Fixed deposits (with original maturity more than 3 months)	25.35	83.72
	Earmarked balances with banks		
	Earmarked balances with banks*	1,562.03	1,315.56
	Unclaimed dividend Accounts	11.49	11.86
	Total	**1,598.87**	1,411.14

*(i) Deposits with banks offered as security against the borrowings, guarantees and securitised transactions.

(ii) Net of fair valuation loss of Rs. 199.07 crores (March 31, 2026 - Rs. 205.39 crores) on account of value recognised in books for cash collateral for securitised pool created at the time of amalgamation with erstwhile Dewan Housing Finance Corporation Limited ("eDHFL").

		As at June 30, 2026	As at March 31, 2026
5	**Receivables**		
	Other receivables		
	Receivables considered good - Unsecured	56.88	24.04
	Receivables - credit impaired	-	-
	Less: Provision for Other receivables	-	-
	Total	**56.88**	24.04

Piramal Finance Limited
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Notes to the Condensed Standalone Interim Financial Statements (Continued)
as at June 30, 2026

(Currency : Rs. in Crores)

		As at June 30, 2026				As at March 31, 2026			
	6 Loans	At amortised cost	At FVTPL	At FVTOCI	Total	At amortised cost	At FVTPL	At FVTOCI	Total
	Loans in India - Term Loans								
A	(a) Secured by tangible assets	70,438.80	441.77	-	70,880.57	66,536.03	495.69	-	67,031.72
	(b) Secured by intangible assets	94.45	-	-	94.45	94.29	-	-	94.29
	(c) Unsecured	21,433.48	-	-	21,433.48	19,599.37	-	-	19,599.37
	Gross	91,966.73	441.77	-	92,408.50	86,229.69	495.69	-	86,725.38
	Less: Allowance for impairment loss	(2,059.71)	-	-	(2,059.71)	(1,798.26)	-	-	(1,798.26)
	Total	**89,907.02**	**441.77**	-	**90,348.79**	84,431.43	495.69	-	84,927.12
B	Considered good								
	- to Related party	90.82	-	-	90.82	89.33	-	-	89.33
	- to Others	87,850.96	441.77	-	88,292.73	82,729.26	495.69	-	83,224.95
	Less: Allowance for impairment loss	(1,058.19)	-	-	(1,058.19)	(1,024.46)	-	-	(1,024.46)
	Significant increase in Credit Risk	1,950.49	-	-	1,950.49	1,534.79	-	-	1,534.79
	Less: Allowance for impairment loss	(307.38)	-	-	(307.38)	(190.49)	-	-	(190.49)
	Credit impaired	1,947.16	-	-	1,947.16	1,712.58	-	-	1,712.58
	Less: Allowance for impairment loss	(694.14)	-	-	(694.14)	(583.31)	-	-	(583.31)
	Purchased or Originated Credit Impaired Assets (POCI)	127.30	-	-	127.30	163.73	-	-	163.73
	Total	**89,907.02**	**441.77**	-	**90,348.79**	84,431.43	495.69	-	84,927.12
	Loan to Public Sectors				-				-
	Loan to Others				90,348.79				84,927.12
	Total				**90,348.79**				**84,927.12**

Notes:

(a) During the current period and previous year, the Company has sold certain loans classified under amortised cost as part of Direct assignment and certain stressed portfolio classified under amortised cost for liquidity and recovery management strategy of the Company. Such sale of loans will not lead to change in business model as per the Company's board approved policy and management's evaluation of business model.

(b) The Company holds collateral and other credit enhancements against certain of its credit exposures. The loans are collateralised against mortgage of property including development rights, pledge of shares, hypothecation of assets, corporate guarantees, hypothecation over receivables from funded project or other projects of the borrower or escrow account undertaking to create security.

(c) FVTPL loan includes Rs. 258.80 crores (March 31, 2026 - Rs. 257.30 crores) pertaining to restructured account which has been considered as NPA for regulatory purpose.

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PIRAMAL FINANCE LIMITED ★

Piramal Finance Limited

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Notes to the Condensed Standalone Interim Financial Statements (Continued)

as at June 30, 2026

(Currency : Rs. in Crores)

7 Investments	As at June 30, 2026					As at March 31, 2026				
	At amortised cost	At FVTPL	At FVTOCI	At Cost	Total	At amortised cost	At FVTPL	At FVTOCI	At Cost	Total
Investments within India										
Equity investment in subsidiaries:										
Piramal Investment Advisory Services Private Limited	-	-	-	2.70	2.70	-	-	-	2.70	2.70
Origin AI Studios Limited (formerly known as Piramal Payment Services Limited)	-	-	-	7.00	7.00	-	-	-	7.00	7.00
DHFL Investments Limited	-	-	-	1,020.74	1,020.74	-	-	-	1,020.74	1,020.74
Piramal Agastya Offices Private Limited	-	-	-	212.92	212.92	-	-	-	212.92	212.92
Piramal Fund Management Limited [e]	-	-	-	339.14	339.14	-	-	-	339.14	339.14
Piramal Corporate Tower Private Limited	-	-	-	304.16	304.16	-	-	-	304.16	304.16
PFL Employee ESOP Trust	-	-	-	-	-	-	-	-	0.00	0.00
Piramal Alternatives Private Limited	-	-	-	209.00	209.00	-	-	-	209.00	209.00
Piramal Alternatives Trust	-	-	-	1,253.91	1,253.91	-	-	-	1,607.15	1,607.15
Preference Shares investment in subsidiaries:										
Piramal Agastya Offices Private Limited	-	-	-	23.00	23.00	-	-	-	23.00	23.00
Equity Shares investment in Joint Venture:										
Paladin Consultancy Private Limited	-	-	-	72.50	72.50	-	-	-	72.50	72.50
India Resurgence Asset Management Business Private Limited	-	-	-	20.00	20.00	-	-	-	20.00	20.00
Preference Shares in Joint venture:										
Paladin Consultancy Private Limited	-	2.57	-	-	2.57	-	2.57	-	-	2.57
Redeemable Non Convertible Debentures in Joint Venture										
India Resurgence Asset Management Business Private Limited	12.82	-	-	-	12.82	13.21	-	-	-	13.21
Equity Instruments (Other than subsidiaries)	-	0.16	1.19	-	1.35	-	0.16	1.17	-	1.33
Preference Shares (Other than subsidiaries)	-	53.88	321.15	-	375.03	-	53.88	310.21	-	364.09
Project Receivables	-	369.00	-	-	369.00	-	369.00	-	-	369.00
Alternative Investment Funds (net of regulatory provisions) [c]	-	452.16	-	-	452.16	-	463.17	-	-	463.17
Security Receipts [a]	-	1,897.14	-	-	1,897.14	-	2,201.48	-	-	2,201.48
Optionally Convertible Debentures	-	38.24	-	-	38.24	-	44.47	-	-	44.47
Government Securities [d]	202.51	-	2,672.81	-	2,875.32	201.62	-	2,649.86	-	2,851.48
Redeemable Non Convertible Debentures	467.88	-	-	-	467.88	508.55	-	-	-	508.55
Investment in Mutual Funds [b]	-	57.30	-	-	57.30	-	56.61	-	-	56.61
Pass Through certificates	84.01	-	-	-	84.01	90.13	-	-	-	90.13
Gross	767.22	2,870.45	2,995.15	3,465.07	10,097.89	813.51	3,191.34	2,961.24	3,818.31	10,784.40
Less: Allowance for impairment loss	(75.63)	-	-	(271.63)	(347.26)	(18.47)	-	-	(271.63)	(290.10)
Total	**691.59**	**2,870.45**	**2,995.15**	**3,193.44**	**9,750.63**	795.04	3,191.34	2,961.24	3,546.68	10,494.30

(a) The Company has provision of Rs. 396.94 crores (March 31, 2026 - Rs. 535.40 crores) on security receipts based on risk assessment and regulatory requirements

(b) As on June 30, 2026, investment in mutual funds amounting to Rs. 56.29 crores (March 31, 2026 - Rs. 55.58 crores) are lien marked against securitisation deals

(c) Investment in Alternative Investment Funds is net of regulatory provisions of Rs. 1,096.89 crores as of June 30, 2026 (March 31, 2026 - Rs. 1,096.89 crores)

(d) Government securities of Rs 8 crores (March 31, 2026 - Rs. 8 crores) are pledged for availing lending/investment under triparty repo dealing and settlement (TREPs) facilities

(e) The Company is carrying impairment provision of Rs. 271.63 crores (March 31, 2026 - Rs. 271.63 crores) towards investments in equity shares of the subsidiary

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Notes to the Condensed Standalone Interim Financial Statements (Continued)

as at June 30, 2026

(Currency : Rs. in Crores)

		As at June 30, 2026	As at March 31, 2026
8	**Other financial assets**		
	Security deposits	252.61	211.46
	Excess interest spread on assignments	872.27	854.77
	Receivable from related parties	550.60	105.74
	Other receivables*	373.97	361.21
	Less: Provision for Other Financial Assets**	(65.04)	(65.04)
	Total	**1,984.41**	1,468.14

* includes receivable on account of securitisation transactions.

** Includes impairment provision on security deposits of Rs. 61.00 crores (March 31, 2026 - Rs. 61.00 crores) and on other financial assets Rs. 4.04 crores (March 31, 2026 Rs. 4.04 crores).

9	**Current tax assets (Net)**		
	Advance tax & tax deducted at source (net of Provision of Rs. 1,724.69 crores, March 31, 2026 Rs. 1,738.61 crores)	511.84	650.04
	Total	**511.84**	650.04
10	**Deferred tax assets (net)**		
	Deferred tax assets	3,268.70	3,261.99
	Deferred tax liabilities	(456.60)	(449.89)
	Total	**2,812.10**	2,812.10

As at June 30, 2026, the Company has accumulated unabsorbed tax losses amounting upto Rs. 23,879.58 crores (March 31, 2026 - Rs. 24,281.44 crores) (including assessed carried forward tax losses of Rs. 23,879.58 crores (March 31, 2026 - Rs. 24,281.44 crores)), which give rise to potential deferred tax assets (DTA) amounting upto to Rs. 6,010.49 crores (March 31, 2026 - Rs. 6,111.64 crores) on such carried forward losses within the time period allowed under the applicable tax laws. In accordance with the principles of prudence and based on a detailed assessment of projected future taxable income over the next five years, the Company has recognised deferred tax assets on carried forward losses to the extent of Rs. 2,162.25 crores (March 31, 2026 - Rs. 2,135.63 crores) which is dependent upon achievement of business plan as considered in the underlying future business projections. Expiry date of above unabsorbed tax losses on which deferred tax assets is not recognised is between financial year 2029-30 to financial year 2031-32

11	**Investment property**		
	Gross carrying amount	1,335.31	1,335.31
	Less: Allowance for impairment loss	(1,335.31)	(1,335.31)
	Total	-	-

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Notes to the Condensed Standalone Interim Financial Statements (Continued)

as at June 30, 2026

(Currency : Rs. in Crores)

12 Property, plant and equipment, Intangible Assets and Intangibles assets under development & Right to Use Assets

Particulars	Gross Block				Depreciation / Amortisation				Net Block
	Opening As at April 1, 2026	Additions during the period	Deduction/ write offs/ adjustments	As at June 30, 2026 (A)	Opening As at April 1, 2026	Charge for the period	Deduction/ write offs/ adjustments	As at June 30, 2026 (B)	As at June 30, 2026 (A-B)
Tangible Assets									
Freehold Lands	**0.89**	-	0.04	**0.85**	-	-	-	-	**0.85**
Buildings	**7.69**	-	0.02	**7.67**	**1.23**	0.06	0.00	**1.29**	**6.38**
Office Equipments	**192.40**	6.56	0.29	**198.67**	**124.10**	6.61	0.21	**130.50**	**68.17**
Furniture & Fixtures	**71.50**	1.33	0.03	**72.80**	**34.23**	1.77	0.02	**35.98**	**36.82**
Motor Vehicles	**11.27**	-	0.15	**11.12**	**5.98**	0.29	0.05	**6.22**	**4.90**
Leasehold Improvements	**101.56**	1.65	0.09	**103.12**	**53.01**	4.69	0.09	**57.61**	**45.51**
Plant and equipments	-			-	-			-	-
Total (I)	**385.31**	**9.54**	**0.62**	**394.23**	**218.55**	**13.42**	**0.37**	**231.60**	**162.63**
Other Intangible Assets									
Computer softwares	**127.85**	4.30	-	**132.15**	**75.39**	7.14	-	**82.53**	**49.62**
Internally generated softwares	**179.94**	-	-	**179.94**	**90.50**	9.53	-	**100.03**	**79.91**
Total (II)	**307.79**	**4.30**	-	**312.09**	**165.89**	**16.67**	-	**182.56**	**129.53**
Right to Use Assets - Premises (III)	**589.45**	34.55	3.17	**620.83**	**259.03**	24.76	1.46	**282.33**	**338.50**
Intangibles assets under development (IV)	**116.42**	21.87	4.30	**133.99**	-			-	**133.99**
Grand Total (I+II+III+IV)	**1,398.97**	**70.26**	**8.09**	**1,461.14**	**643.47**	**54.85**	**1.83**	**696.49**	**764.65**

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PIRAMAL FINANCE LIMITED

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as at March 31, 2026

(Currency : Rs. in Crores)

12 Property, plant and equipment, Intangible Assets and Intangibles assets under development & Right to Use Assets *(Continued)*

Particulars	Gross Block				Depreciation / Amortisation				Net Block
	Opening As at April 1, 2025	Additions during the year	Deduction/ write offs/ adjustments	As at March 31, 2026 (A)	Opening As at April 1, 2025	Charge for the year	Deduction/ write offs/ adjustments	As at March 31, 2026 (B)	As at March 31, 2026 (A-B)
Tangible Assets									
Freehold Lands	**1.09**	-	0.20	**0.89**	-	-	-	-	**0.89**
Buildings	**41.56**	-	33.87	**7.69**	**3.41**	0.90	3.08	**1.23**	**6.46**
Office Equipments	**181.21**	11.51	0.32	**192.40**	**93.13**	30.75	(0.22)	**124.10**	**68.30**
Furniture & Fixtures	**67.17**	5.20	0.87	**71.50**	**29.64**	6.15	1.56	**34.23**	**37.27**
Motor Vehicles	**9.60**	2.32	0.65	**11.27**	**5.16**	1.20	0.38	**5.98**	**5.29**
Leasehold Improvements	**95.15**	6.82	0.41	**101.56**	**33.00**	18.13	(1.88)	**53.01**	**48.55**
Plant and equipments	**28.05**	-	28.05	-	**27.05**	-	27.05	-	-
Total (I)	**423.83**	**25.85**	**64.37**	**385.31**	**191.40**	**57.13**	**29.97**	**218.55**	**166.76**
Other Intangible Assets									
Computer softwares	**158.86**	1.69	32.70	**127.85**	**72.69**	33.15	30.45	**75.39**	**52.46**
Internally generated softwares	**179.94**	-	-	**179.94**	**52.27**	38.23	-	**90.50**	**89.44**
Total (II)	**338.80**	**1.69**	**32.70**	**307.79**	**124.96**	**71.38**	**30.45**	**165.89**	**141.90**
Right to Use Assets - Premises (III)	**555.72**	63.29	29.56	**589.45**	**171.60**	94.33	6.90	**259.03**	**330.42**
Intangibles assets under development (IV)	**42.64**	75.47	1.69	**116.42**	-	-	-	-	**116.42**
Grand Total (I+II+III+IV)	**1,360.99**	**166.30**	**128.32**	**1,398.97**	**487.96**	**222.84**	**67.32**	**643.47**	**755.50**

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Notes to the Condensed Standalone Interim Financial Statements (Continued)

as at June 30, 2026

(Currency : Rs. in Crores)

		As at June 30, 2026	As at March 31, 2026
13	**Other non-financial assets**		
	Capital advance	26.07	12.95
	Goods and service tax credit receivable	342.34	370.41
	Prepaid expenses	44.44	44.66
	Advance for expenses	68.82	46.29
	Advance processing fees paid	138.16	134.25
	Less: Provision for doubtful advances	(133.99)	(133.99)
	Total	**485.84**	474.57
14	**Trade payables**		
(i)	Total outstanding dues of micro enterprises and small enterprises	101.11	83.73
	Total	**101.11**	83.73
(ii)	Total outstanding dues of creditors other than micro enterprises and small enterprises	484.90	314.33
	Total	**484.90**	314.33

PIRAMAL FINANCE LIMITED

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(Currency : Rs. in Crores)

		As at June 30, 2026	As at March 31, 2026
15	**Debt Securities**		
	Debt securities in India, unless otherwise specified		
	Measured at amortised cost		
	Redeemable Non Convertible Debentures (secured)	26,306.90	26,505.03
	Foreign Currency Bonds (secured) (from outside India)	4,393.88	4,311.86
	Commercial Paper (unsecured)	689.02	775.08
	Total	**31,389.80**	31,591.97
16	**Borrowings (Other than Debt Securities)**		
	Borrowings in India, unless otherwise specified		
	Measured at amortised cost		
	Term Loans (secured)		
	- From banks*	27,544.27	25,861.56
	- From Others	4,625.77	4,161.60
	- Foreign Currency ECB loans (from outside India)	11,970.18	11,610.80
	Securitised Borrowings (Secured)	5,342.99	5,169.82
	Working capital demand loan (secured)		
	- From banks	100.02	200.02
	Total	**49,583.23**	47,003.80

* including Term loan from Banks in Foreign currency of 50 Million USD (March 31, 2026 - 50 Million USD)

17	**Subordinated Liabilities**		
	Subordinated Liabilities in India		
	Measured at amortised cost		
	Redeemable Non Convertible Debentures (unsecured)	130.85	127.89
	Total	**130.85**	127.89

Piramal Finance Limited

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Notes to the Condensed Standalone Interim Financial Statements (Continued)

as at June 30, 2026

(Currency : Rs. in Crores)

		As at June 30, 2026	As at March 31, 2026
18	**Other financial liabilities**		
	Lease liability	394.38	385.35
	Payable to employees	80.24	162.68
	Unclaimed dividend	11.49	11.86
	Security and other deposits received	105.22	110.73
	Amounts payable on Securitised Loans	288.83	332.80
	Others*	184.06	195.03
	Total	**1,064.22**	1,198.45
	** includes liability towards sold portfolio etc.*		
19	**Current tax liabilities (net)**		
	Net provision for tax (net of advance tax of Rs. 5,637.99 crores, March 31, 2026 Rs. 5,638.94 crores)	285.75	268.31
	Total	**285.75**	268.31
20	**Provisions**		
	Provision for Employee Benefits		
	Gratuity	65.53	52.71
	Compensated absences	85.12	70.21
	Others	0.18	0.18
	Allowance for impairment on commitments	31.43	26.28
	Total	**182.26**	149.38
21	**Other non-financial liabilities**		
	Statutory dues payable	75.31	140.40
	Capital creditors	9.23	7.16
	Advance received from customers	245.58	221.89
	Total	**330.12**	369.45

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as at June 30, 2026

(Currency : Rs in Crores)

		As at June 30, 2026	As at March 31, 2026
22	**Equity Share Capital**		
	Authorized share capital:		
	1,46,49,69,50,120 equity shares of Rs 2 each	29,299.39	29,299.39
	19,25,00,000 Non-Convertible Redeemable Cumulative Preference Shares of Rs 100 each	1,925.00	1,925.00
	10,50,00,000 unclassified shares of Rs 2 each	21.00	21.00
	Total	**31,245.39**	31,245.39
	Issued, subscribed and fully paid up equity share capital*:		
	Balance at the beginning of the year/period	45.34	-
	Add: Equity shares issued as part of business combination (Refer note 40)	-	45.10
	Add: Issuance of Shares	-	0.24
	Total	**45.34**	45.34

*Issued Capital: 22,67,02,273 equity shares of Rs. 2 each (March 31, 2026 - 22,67,02,273 equity shares of Rs 10 each). Subscribed and Paid up capital: 22,66,77,700 equity shares of Rs 2 each (March 31, 2026 - 22,66,77,700 equity shares of Rs 10 each). There is difference in issued and paid-up share capital of the Company since 24,573 equity Shares have been kept in abeyance, under Rights Issue of PEL (now merged with PFL) in February 2018.

		As at June 30, 2026	As at March 31, 2026
	Equity share capital suspense		
	Balance at the beginning of the year/period	-	45.10
	Less: Issuance of shares (Refer note 40)	-	(45.10)
	Balance at the end of the year/period	-	-
23	**Other equity**		
	Securities Premium	8,345.47	8,331.44
	Cash flow hedging reserve	62.19	43.71
	Statutory reserve fund	3,669.64	3,669.64
	Debt Instruments Measure through OCI	(23.74)	(58.30)
	Equity Instruments Measure through OCI	190.04	191.10
	Capital Redemption Reserve	64.53	64.53
	General Reserve	5,798.55	5,798.55
	Stock options reserve	103.27	99.74
	Retained earnings	10,682.06	10,249.37
	Total	**28,892.01**	28,389.78

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for the quarter ended June 30, 2026

(Currency : Rs. in Crores)

		For the quarter ended June 30, 2026	For the quarter ended June 30, 2025
24 (i)	**Interest income**		
	Interest income on financial assets measured at amortised cost:		
	- on investments	50.17	64.75
	- on loans and advances	2,944.40	2,252.37
	Interest income- on investments measured at FVTOCI	45.75	35.23
	Interest income on deposits	29.41	30.58
	Interest income on investments measured at cost	95.27	21.06
	Total	**3,165.00**	2,403.99
24 (ii)	**Dividend Income**		
	Dividend income from equity shares*	18.31	57.68
	Dividend income from mutual fund units	0.02	0.02
	Total	**18.33**	57.70
	*includes dividend from a subsidiary and associates (Refer note 39)		
25	**Fees and commission income**		
	Fees and commission income	126.83	114.27
	Total	**126.83**	114.27
26	**Other operating income**		
	Recovery from written off accounts	99.61	82.06
	Total	**99.61**	82.06
27	**Other income**		
	Other non-operating income	21.12	29.94
	Net gain on de-recognition of property, plant and equipments & Other intangible assets	0.18	14.17
	Interest on income tax refund	39.75	4.98
	Total	**61.05**	49.09
28	**Finance costs**		
	Interest expense on financial liabilities measured at amortised cost:		
	Interest on deposits	-	1.78
	Interest on borrowings	1,054.07	674.81
	Interest on debt securities	641.84	778.08
	Interest on subordinated liabilities	2.96	3.04
	Other interest expenses*	11.45	10.57
	Total	**1,710.32**	1,468.28

* includes interest cost on lease liability, ineffective portion of derivative instrument taken for borrowings and "Net interest on defined benefit liability".

		For the quarter ended June 30, 2026	For the quarter ended June 30, 2025
29	**Fees and commission expense**		
	Other borrowing cost	2.42	2.27
	Total	**2.42**	2.27
30	**Net loss on fair value changes**		
	(a) (Gain)/Loss on investments measured at fair value		
	Realised	34.28	(29.75)
	Unrealised	(46.22)	135.10
	(b) (Gain)/Loss on loans and advances measured at fair value		
	Realised	(10.69)	(45.93)
	Unrealised	42.79	(53.17)
	Total	**20.16**	6.25

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for the quarter ended June 30, 2026

(Currency : Rs. in Crores)

		For the quarter ended June 30, 2026	For the quarter ended June 30, 2025
31	**Net loss on derecognition of financial instruments under amortised cost category**		
	Loss on derecognition of financial assets*	265.33	491.70
	(Gain) on derecognition of financial assets**	(91.53)	(100.23)
	Total	**173.80**	391.47

* Consists of loss arising from sale of loans and advances, transfer of loan book as part of direct assignments, one-time settlements and technical write offs, where the Company has no reasonable expectations of recovering the financial asset. The Company may apply enforcement activities to financial assets written off.

** Gain on derecognition of financial assets is primarily on account of transfer of loan book as part of direct assignment and co-lending.

		For the quarter ended June 30, 2026	For the quarter ended June 30, 2025
32	**Impairment allowances/(reversals) on financial instruments**		
	Measured at Amortised Cost		
	Loans	209.13	(229.23)
	Investments	59.74	7.96
	Commitments	4.72	(7.50)
	Others	-	1.64
	Total	**273.59**	(227.13)
33	**Employee benefits expenses**		
	Salaries and wages	411.32	368.19
	Contribution to provident and other funds	21.84	19.35
	Provision for leave encashment	18.28	8.81
	Staff welfare expenses	19.94	20.97
	Provision for gratuity	5.87	4.59
	Share based payment expenses	17.56	17.25
	Total	**494.81**	439.16
34	**Other expenses**		
	Insurance Expenses	0.27	0.38
	Corporate social responsibility expenses	12.44	3.54
	Director's Commission	0.69	0.98
	Rent	11.99	10.66
	IT professional expenses	34.12	45.44
	Rates and taxes, excluding taxes on income	1.93	1.32
	Travelling and conveyance	17.82	22.95
	Legal and professional fees	136.25	108.94
	Royalty (Refer note 39)	33.75	19.39
	Electricity expense	4.88	4.80
	Repairs and maintenance	11.50	11.51
	Business promotion and advertisement expenses	8.47	14.92
	Postage and communication	7.14	7.23
	Printing and stationery	2.62	2.91
	Membership & subscription charges	22.12	19.69
	Other expenses	13.82	14.60
	Total	**319.81**	289.26

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PIRAMAL FINANCE LIMITED ★

(Currency : Rs. in Crores)

35 Earnings per share (EPS)

Basic and diluted EPS is computed in accordance with Ind AS 33 'Earnings Per Share':

The computation of earnings per share is set out below:

Description	For the quarter ended June 30, 2026	For the quarter ended June 30, 2025 *
(a) Basic and diluted EPS for the period		
Net profit attributable to equity shareholders (A)	439.92	263.25
Weighted average number of equity shares outstanding during the period for calculation of Basic EPS (B) (in nos.)	226,677,700	226,123,854
Weighted average number of equity shares outstanding during the period for calculation of Diluted EPS (C) (in nos.)	227,931,537	227,904,297
Basic EPS of face value of Rs. 2 (A/B) (in Rs.)	19.41	11.64
Diluted EPS of face value of Rs. 2 (A/C) (in Rs.)	19.30	11.55
(b) Weighted average number of shares used in calculation of basic and diluted earnings per share		
Weighted Average Number of Equity Shares for calculating Basic EPS (in nos.)	226,677,700	226,123,854
Effect of dilution: right shares reserved for erstwhile CCD holders and right shares held in abeyance	24,573	24,573
Effect of dilution: Employee stock option	1,229,264	1,755,870
Weighted average number of equity shares outstanding during the period for calculation of EPS	227,931,537	227,904,297

* Refer note 22 and note 40.

36 Contingent liabilities

Particulars	As at June 30, 2026	As at March 31, 2026
Claim against the Company not acknowledged as debt		
Dues towards Income Tax	1,043.77	1,043.77
Dues towards Goods and Services Tax	13.61	13.61
Dues towards Sales tax	9.76	9.76
Dues towards Central / State Excise / Service Tax / Customs	54.93	54.93
Stamp duty	9.37	9.37
Claims against the Company not acknowledged as debts - Legal cases	15.52	14.12
Guarantees provided by bank on behalf of Company	0.25	0.25

(i) The Company has also reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial statements.

(ii) Vide Demand dated June 5, 1984, the Government has asked for payment to the credit of the Drugs Prices Equalisation Account, the difference between the common sale price and the retention price on production of Vitamin 'A' Palmitate (Oily Form) from January 28, 1981 to March 31, 1985 which was not accepted by the Company. The Company was legally advised that the demand is untenable.

37 Capital & other commitments

Particulars	As at June 30, 2026	As at March 31, 2026
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances):		
- Related party (refer note 39)	203.01	224.17
- Others	4.28	10.14
(b) Undisbursed loan commitments including cancellable commitments	9,101.47	8,086.25
(c) For Other Commitments towards investments		
- Related party (refer note 39)	1,519.12	1,553.69

38 Segment reporting

The chief operational decision maker monitors its principle business segment i.e. 'lending and investing' for the purpose of making decision about resource allocation and performance assessment. The Company is operating in a single reportable and geographical segment in accordance with Ind AS 108 - Operating Segments as notified u/s 133 of the Companies Act, 2013 and accordingly there are no separate reportable segments.

Further, no clients individually accounted for more than 10% of the revenue in quarter ended June 30, 2026 and financial year ended March 31, 2026.

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PIRAMAL FINANCE LIMITED ★

39 Information in accordance with the requirements of Indian Accounting Standard 24 on Related Party Disclosures.
List of Related Parties

A. Subsidiaries (including step down subsidiaries)
DHFL Investments Limited ("DIL")
Origin AI Studios Limited (formerly known as Piramal Payment Services Limited)
Piramal Agastya Offices Private Limited (formerly known as PRL Agastya Private Limited)
Piramal Investment Advisory Services Private Limited *
DHFL Advisory & Investments Private Limited *
DHFL Holdings Limited *
Piramal Finance Sales & Services Private Limited *
Piramal Securities Limited *
Piramal Systems & Technologies Private Limited *
PEL Finhold Private Limited *
Piramal Alternatives Private Limited ("PAPL")
Piramal Fund Management Limited ("PFML") (formerly known as Piramal Fund Management Private Limited)
Piramal Corporate Tower Private Limited
Piramal Investment Opportunities Fund
Indiareit Investment Management Co. $$
Piramal Technologies SA @ (liquidated w.e.f October 27, 2025)
Piramal Alternatives Trust ("PAT")
PEL Employee ESOP Trust (formerly known as Piramal Phytocare Limited Senior Employees Option Trust)
Piramal Alternatives India Access Fund ^ (liquidated w.e.f May 21, 2026)
Piramal Alternatives India Credit Opportunities Fund - II ^

@ held through Piramal Investment Advisory Services Private Limited
$$ held through PFML
^ held through PAPL & PAT
* Amalgamated with Piramal Investment Advisory Services Private Limited w.e.f. November 18, 2025

B. Joint Ventures:
Paladin Consultancy Private Limited (formerly known as India Resurgence ARC Private Limited)
India Resurgence Asset Management Business Private Limited
Pramerica Life Insurance Limited (Joint Venture of DIL)
India Resurgence Fund - Scheme - 2 (Joint Venture of PAT)
India Resurgence Fund - Scheme - 4 (Joint Venture of PAT)
India Resurgence Fund - Scheme - 2 Fund 2 (Joint Venture of PAT)
Asset Resurgence Mauritius Manager (Joint Venture of PFML)
Piramal Structured Credit Opportunities Fund (Joint Venture of PAT & PAPL)

C. Associates:
Shriram General Insurance Company Limited
Shriram Life Insurance Company Limited (upto March 30, 2026)
DHFL Venture Trustee Company Private Limited (Associate of DIL)

D. Key Management Personnel
Mr. Ajay G. Piramal - Chairman and Non-Executive Director (upto September 24, 2025)
Dr. (Mrs.) Swati A. Piramal - Vice Chairman and Non-Executive Director (upto September 24, 2025)
Mr. Anand Piramal - Chairman (w.e.f. September 24, 2025) and Executive Director (w.e.f. August 01, 2025)
Mr. Jairam Sridharan - Chief Executive Officer and Managing Director
Mr. Vikash Singhla - Chief Financial Officer
Mr. Bipin Singh - Company Secretary (w.e.f. September 24, 2025)
Ms. Urmila Rao - Company Secretary (upto September 24, 2025)

E. Non Executive/Independent Directors
Mr. Kunal Bahl - Independent Director
Mr. Suhail Nathani - Independent Director
Mr. Puneet Dalmia - Independent Director (upto September 23, 2025)
Mr. Gautam Doshi - Independent Director (upto March 27, 2026)
Ms. Shikha Sharma - Non-Executive Director (w.e.f. September 24, 2025)
Mr. Rajiv Mehrishi - Independent Director (w.e.f. September 24, 2025)
Mr. Asheet Mehta - Independent Director (w.e.f. September 24, 2025)
Ms. Anjali Bansal - Independent Director (w.e.f. September 24, 2025)

F. Promoter group entities and other related parties having transaction during the period
Piramal Corporate Services Private Limited
Piramal Pharma Limited
Piramal Foundation for Educational Leadership
Piramal Foundation
Kaivalya Education Foundation
Taking India Forward Foundation
Piramal Trusteeship Services Private Limited
Social Worth Technologies Limited (formerly known as Social Worth Technologies Private Limited) (upto May 04, 2026)
PEL PF Trust (formerly known as Staff Provident Fund of Piramal Healthcare Limited) (Employee Benefit Trusts)
Analog Legalhub Technology Private Limited
Gullak Technologies Private Limited
Kwick Living (I) Private Limited
Dotpe Private Limited
MoEngage India Private Limited

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PIRAMAL FINANCE LIMITED ★

Piramal Finance Limited
(formerly known as Piramal Capital & Housing Finance Limited)

Notes to the Condensed Standalone Interim Financial Statements (Continued)
For the quarter ended June 30, 2026

(Currency: Rs in crores)

39 Information in accordance with the requirements of Indian Accounting Standard 24 on Related Party Disclosures.

G. Details of transactions with related parties for the quarter ended June 30, 2026

Details of Transactions	Subsidiaries (including step down subsidiaries)		Joint Ventures		Associates		Other Related Parties		Total	
	June 30, 2026	June 30, 2025	June 30, 2026	June 30, 2025	June 30, 2026	June 30, 2025	June 30, 2026	June 30, 2025	June 30, 2026	June 30, 2025
Rent expenses (including CAM & Reimbursements)										
- Piramal Corporate Tower Private Limited	3.72	3.98	-	-	-	-	-	-	3.72	3.98
- Piramal Agastya Offices Private Limited	10.90	9.31	-	-	-	-	-	-	10.90	9.31
- Piramal Pharma Limited	-	-	-	-	-	-	0.17	0.17	0.17	0.17
TOTAL	14.62	13.29	-	-	-	-	0.17	0.17	14.79	13.46
Royalty Expenses										
- Piramal Corporate Services Private Limited	-	-	-	-	-	-	30.96	17.79	30.96	17.79
TOTAL	-	-	-	-	-	-	30.96	17.79	30.96	17.79
Insurance Premium paid										
- Pramerica Life Insurance Limited	-	-	0.39	0.31	-	-	-	-	0.39	0.31
TOTAL	-	-	0.39	0.31	-	-	-	-	0.39	0.31
Rendering of Services										
- Piramal Pharma Limited	-	-	-	-	-	-	-	6.78	-	6.78
TOTAL	-	-	-	-	-	-	-	6.78	-	6.78
Donation given										
- Taking India Forward Foundation	-	-	-	-	-	-	-	1.50	-	1.50
TOTAL	-	-	-	-	-	-	-	1.50	-	1.50
Corporate social responsibility expenses										
- Piramal Foundation for Educational Leadership	-	-	-	-	-	-	9.00	-	9.00	-
- Piramal Foundation	-	-	-	-	-	-	2.10	1.15	2.10	1.15
- Kaivalya Education Foundation	-	-	-	-	-	-	1.34	2.39	1.34	2.39
TOTAL	-	-	-	-	-	-	12.44	3.54	12.44	3.54
Contribution to Funds										
- PEL PF Trust	-	-	-	-	-	-	-	3.16	-	3.16
TOTAL	-	-	-	-	-	-	-	3.16	-	3.16
Interest expense										
- Pramerica Life Insurance Limited	-	-	0.38	0.40	-	-	-	-	0.38	0.40
- Analog Legalhub Technology Private Limited	-	-	-	-	-	-	-	0.01	-	0.01
TOTAL	-	-	0.38	0.40	-	-	-	0.01	0.38	0.41
Purchase of goods or services										
- Piramal Pharma Limited	-	-	-	-	-	-	-	0.00	-	0.00
- Piramal Trusteeship Services Private Limited	-	-	-	-	-	-	0.01	0.02	0.01	0.02
- Piramal Alternatives Private Limited	2.82	-	-	-	-	-	-	-	2.82	-
- Analog Legalhub Technology Private Limited	-	-	-	-	-	-	0.46	0.08	0.46	0.08
- Social Worth Technologies Limited	-	-	-	-	-	-	1.06	1.11	1.06	1.11
- Gullak Technologies Private Limited	-	-	-	-	-	-	0.00	0.00	0.00	0.00
- Kwick Living (I) Private Limited	-	-	-	-	-	-	0.08	0.04	0.08	0.04
- Dotpe Private Limited	-	-	-	-	-	-	-	0.04	-	0.04
- MoEngage India Private Limited	-	-	-	-	-	-	1.20	-	1.20	-
TOTAL	2.82	-	-	-	-	-	2.81	1.29	5.63	1.29
Reimbursement of expenses paid										
- Piramal Foundation for Educational Leadership	-	-	-	-	-	-	-	0.08	-	0.08
- Piramal Corporate Services Private Limited	-	-	-	-	-	-	1.68	1.67	1.68	1.67
TOTAL	-	-	-	-	-	-	1.68	1.75	1.68	1.75
Reimbursement of expenses received										
- Piramal Corporate Tower Private Limited	0.03	0.03	-	-	-	-	-	-	0.03	0.03
- PEL Finhold Private Limited	-	0.00	-	-	-	-	-	-	-	0.00
- Piramal Systems & Technologies Private Limited	-	0.00	-	-	-	-	-	-	-	0.00
- Piramal Investment Advisory Services Private Limited	0.00	0.00	-	-	-	-	-	-	0.00	0.00
- Piramal Securities Limited	-	0.00	-	-	-	-	-	-	-	0.00
- Origin AI Studios Limited	0.00	0.00	-	-	-	-	-	-	0.00	0.00
- Piramal Agastya Offices Private Limited	0.01	0.04	-	-	-	-	-	-	0.01	0.04
- Piramal Finance Sales & Services Private Limited	-	0.00	-	-	-	-	-	-	-	0.00
- DHFL Holding Limited	-	0.00	-	-	-	-	-	-	-	0.00
- DHFL Advisory and Investments Private Limited	-	0.00	-	-	-	-	-	-	-	0.00
- DHFL Investments Limited	0.00	0.00	-	-	-	-	-	-	0.00	0.00
TOTAL	0.04	0.07	-	-	-	-	-	-	0.04	0.07
Income on Loans/Investments (net of expenses)										
- India Resurgence Asset Management Business Private Limited	-	-	0.36	0.36	-	-	-	-	0.36	0.36
- Piramal Corporate Tower Private Limited	0.12	2.62	-	-	-	-	-	-	0.12	2.62
- Piramal Investment Advisory Services Private Limited	-	0.93	-	-	-	-	-	-	-	0.93
- Piramal Agastya Offices Private Limited	1.79	4.14	-	-	-	-	-	-	1.79	4.14
- Piramal Alternatives Trust	94.83	20.47	-	-	-	-	-	-	94.83	20.47
TOTAL	96.74	28.16	0.36	0.36	-	-	-	-	97.10	28.52
Insurance Commission Income										
- Pramerica Life Insurance Limited	-	-	40.65	41.87	-	-	-	-	40.65	41.87
TOTAL	-	-	40.65	41.87			-	-	40.65	41.87

SINGHI & CO. Chartered Accountants

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PIRAMAL FINANCE LIMITED

Piramal Finance Limited
(formerly known as Piramal Capital & Housing Finance Limited)

Notes to the Condensed Standalone Interim Financial Statements (Continued)
For the quarter ended June 30, 2026

(Currency : Rs in crores)

39 Information in accordance with the requirements of Indian Accounting Standard 24 on Related Party Disclosures.

G. Details of transactions with related parties for the quarter ended June 30, 2026

Details of Transactions	Subsidiaries (including step down subsidiaries)		Joint Ventures		Associates		Other Related Parties		Total	
	June 30, 2026	June 30, 2025	June 30, 2026	June 30, 2025	June 30, 2026	June 30, 2025	June 30, 2026	June 30, 2025	June 30, 2026	June 30, 2025
Advertisement & Marketing Income										
- Pramerica Life Insurance Limited	-	-	9.00	-	-	-	-	-	9.00	-
TOTAL	-	-	**9.00**	-			-	-	**9.00**	-
Lease Rent Income (including reimbursement)										
- Piramal Fund Management Limited	0.02	0.02	-	-	-	-	-	-	0.02	0.02
- Pramerica Life Insurance Limited	-	-	0.03	0.01	-	-	-	-	0.03	0.01
TOTAL	**0.02**	**0.02**	**0.03**	**0.01**	-	-	-	-	**0.05**	**0.03**
Dividend Income										
- Shriram General Insurance Company Limited	-	-	-	-	18.31	14.85	-	-	18.31	14.85
- Paladin Consultancy Private Limited	-	-	-	42.83	-	-	-	-	-	42.83
TOTAL	-	-	-	**42.83**	**18.31**	**14.85**	-	-	**18.31**	**57.68**
Investments (Net of redemption)										
- Paladin Consultancy Private Limited	-	-	-	(1.01)	-	-	-	-	-	(1.01)
- Piramal Alternatives Trust	(353.24)	169.08	-	-	-	-	-	-	(353.24)	169.08
- DHFL Investments Limited	-	0.10	-	-	-	-	-	-	-	0.10
TOTAL	**(353.24)**	**169.18**	-	**(1.01)**	-	-	-	-	**(353.24)**	**168.17**
First Loss Default Guarantee (FLDG) Recovery (net of recovery from customer)										
- Social Worth Technologies Limited	-	-	-	-	-	-	0.58	1.24	0.58	1.24
TOTAL	-	-	-	-	-	-	**0.58**	**1.24**	**0.58**	**1.24**
Dividend Paid										
- PFL Employee ESOP Trust	-	0.88	-	-	-	-	-	-	-	0.88
TOTAL	-	**0.88**	-	-	-	-	-	-	-	**0.88**
Security deposit paid										
- Pramerica Life Insurance Limited	-	-	-	0.07	-	-	-	-	-	0.07
TOTAL	-	-	-	**0.07**	-	-	-	-	-	**0.07**
Issue of Shares										
- PFL Employee ESOP Trust	-	0.24	-	-	-	-	-	-	-	0.24
TOTAL	-	**0.24**	-	-	-	-	-	-	-	**0.24**
Expenditure incurred for intangible assets under development										
- Piramal Foundation for Educational Leadership	-	-	-	-	-	-	21.15	8.57	21.15	8.57
TOTAL	-	-	-	-	-	-	**21.15**	**8.57**	**21.15**	**8.57**

All the above figures are excluding GST except premium paid

Dividend paid to promoter and promoter group Rs Nil in current period (June 30, 2025 - Rs 115.82 crores)

H. Compensation paid to Directors, Key Managerial Personnel and it's relatives

The compensation of directors and other members of key managerial personnel and its relatives are as follows

Particulars	June 30, 2026	June 30, 2025
1 Short term employee benefits (including reimbursement of expenses)	13.79	8.89
2 Post employment benefits #	0.11	0.38
3 Share based payment *	4.06	1.34
4 Sitting fees paid to non-executive / independent directors	0.14	0.17
5 Commission to non-executive/independent directors	0.63	0.90
6 Professional Fees Paid to non-executive directors	0.30	-
TOTAL	**19.03**	**11.68**

I. Other transactions with Directors, Key Managerial Personnel and it's relatives

Other transactions with directors and other members of key managerial personnel and its relatives are as follows

Particulars	June 30, 2026	June 30, 2025
1 Loan given	0.03	-
2 Loan repaid	0.26	-
3 Processing Fees/ Interest Income	0.00	-
4 Loan (O/s) (including accrued interest)	-	-

Dividend paid to Key Managerial Personnel and its relatives is Rs Nil for current period (June 30, 2025 - Rs 0.28 crores)

Expenses towards gratuity, pension, leave encashment and leave travel allowance provisions are determined actuarially on overall Company basis at the end of each year and, accordingly, have not been considered in the above information

*Nil (June 30, 2025 - Nil) ESOPs have been granted by the Company to Key managerial personnel during the period. During the period ending June 30, 2026, Nil (June 30, 2025 - 1,19,102) options have been exercised

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PIRAMAL FINANCE LIMITED

39 Information in accordance with the requirements of Indian Accounting Standard 24 on Related Party Disclosures.

J. Details of balances with related parties as on June 30, 2026

	Subsidiaries (including step down subsidiaries)		Joint Ventures		Associates		Other Related Parties		Total	
	June 30, 2026	March 31, 2026	June 30, 2026	March 31, 2026	June 30, 2026	March 31, 2026	June 30, 2026	March 31, 2026	June 30, 2026	March 31, 2026
Net Payable (includes provision for expenses)										
- Analog Legalhub Technology Private Limited	-	-	-	-	-	-	0.19	0.07	0.19	0.07
- Social Worth Technologies Limited	-	-	-	-	-	-	-	2.66	-	2.66
- Piramal Corporate Services Private Limited	-	-	-	-	-	-	35.44	1.55	35.44	1.55
- Piramal Foundation for Educational Leadership	-	-	-	-	-	-	0.01	0.04	0.01	0.04
- Piramal Corporate Tower Private Limited	0.10	0.12	-	-	-	-	-	-	0.10	0.12
- Piramal Pharma Limited	-	-	-	-	-	-	0.19	0.98	0.19	0.98
- Piramal Agastya Offices Private Limited	0.15	0.11	-	-	-	-	-	-	0.15	0.11
- PEL PF Trust	-	-	-	-	-	-	-	0.00	-	0.00
- Non Executive/Independent Directors/KMPs	-	-	-	-	-	-	3.65	3.02	3.65	3.02
- Gullak Technologies Private Limited	-	-	-	-	-	-	0.01	0.00	0.01	0.00
- MoEngage India Private Limited	-	-	-	-	-	-	1.64	0.65	1.64	0.65
- Piramal Trusteeship Services Private Limited							0.00	-	0.00	-
- Kwick Living (I) Private Limited	-	-	-	-	-	-	0.08	0.07	0.08	0.07
TOTAL	**0.25**	**0.23**	-	-	-	-	**41.21**	**9.04**	**41.46**	**9.27**
Net Receivables (including unbilled revenue)										
- Pramerica Life Insurance Limited	-	-	36.40	9.40	-	-	-	-	36.40	9.40
- DHFL Investments Limited	0.00	-	-	-	-	-	-	-	0.00	-
- Origin AI Studios Limited	0.00	-	-	-	-	-	-	-	0.00	-
- Piramal Alternatives Trust	550.60	105.74	-	-	-	-	-	-	550.60	105.74
TOTAL	**550.60**	**105.74**	**36.40**	**9.40**	-	-	-	-	**587.00**	**115.14**
Intangible assets under development (including capital advances)										
- Piramal Foundation for Educational Leadership	-	-	-	-	-	-	136.99	115.83	136.99	115.83
TOTAL	-	-	-	-	-	-	**136.99**	**115.83**	**136.99**	**115.83**
NCD Outstanding (including interest accrued)										
- Pramerica Life Insurance Limited	-	-	23.00	22.62	-	-	-	-	23.00	22.62
TOTAL	-	-	**23.00**	**22.62**	-	-	-	-	**23.00**	**22.62**
Inter corporate deposits receivable (including interest accrued)										
- Piramal Agastya Offices Private Limited	84.67	83.07	-	-	-	-	-	-	84.67	83.07
- Piramal Corporate Tower Private Limited	6.15	6.03	-	-	-	-	-	-	6.15	6.03
TOTAL	**90.82**	**89.10**	-	-	-	-	-	-	**90.82**	**89.10**
Security Deposits receivable										
- Piramal Corporate Tower Private Limited	7.90	7.90	-	-	-	-	-	-	7.90	7.90
- Piramal Agastya Offices Private Limited	16.30	16.30	-	-	-	-	-	-	16.30	16.30
TOTAL	**24.20**	**24.20**	-	-	-	-	-	-	**24.20**	**24.20**
Commitments										
- Piramal Foundation for Educational Leadership	-	-	-	-	-	-	203.01	224.17	203.01	224.17
- Piramal Alternatives Trust	1,519.12	1,553.69	-	-	-	-	-	-	1,519.12	1,553.69
TOTAL	**1,519.12**	**1,553.69**	-	-	-	-	**203.01**	**224.17**	**1,722.13**	**1,777.86**
Investments (Refer note 7)										
- DHFL Investments Limited	1,020.74	1,020.74	-	-	-	-	-	-	1,020.74	1,020.74
- Social Worth Technologies Limited	-	-	-	-	-	-	-	311.38	-	311.38
- Piramal Agastya Offices Private Limited	235.92	235.92	-	-	-	-	-	-	235.92	235.92
- Origin AI Studios Limited	7.00	7.00	-	-	-	-	-	-	7.00	7.00
- Piramal Fund Management Limited	339.14	339.14	-	-	-	-	-	-	339.14	339.14
- Piramal Investment Advisory Services Private Limited	2.70	2.70	-	-	-	-	-	-	2.70	2.70
- PFL Employee ESOP Trust	0.00	0.00	-	-	-	-	-	-	0.00	0.00
- Piramal Alternatives Private Limited	209.00	209.00	-	-	-	-	-	-	209.00	209.00
- Piramal Corporate Tower Private Limited	304.16	304.16	-	-	-	-	-	-	304.16	304.16
- Piramal Alternatives Trust	1,253.91	1,607.15	-	-	-	-	-	-	1,253.91	1,607.15
- Paladin Consultancy Private Limited	-	-	75.07	75.07	-	-	-	-	75.07	75.07
- India Resurgence Asset Management Business Private Limited	-	-	32.82	33.21	-	-	-	-	32.82	33.21
- Shriram General Insurance Company Limited	-	-	-	-	1,371.52	1,371.52	-	-	1,371.52	1,371.52
TOTAL	**3,372.57**	**3,725.81**	**107.89**	**108.28**	**1,371.52**	**1,371.52**	-	**311.38**	**4,851.98**	**5,516.99**

Notes:

(i) The merger between Piramal Enterprises Limited (Transferor Company) and the Company (Transferee Company) has been accounted for as a common control business combination in accordance with Appendix C of Ind AS 103. Accordingly, the comparative financial information has been restated as if the merger had occurred from the beginning of the comparative period. However, inter-company transactions and balances between the Transferor and Transferee Companies during the comparative period have not been disclosed as related party transactions, in line with paragraph 11 of Appendix C to Ind AS 103.

(ii) Remuneration to Key Managerial Personnel (KMP) has been disclosed for the Transferee Company (which is the continuing entity post-merger) and paid by Transferee as well as Transferor Company

(iii) All the transactions are at Arm's Length and there are no non cash transactions

(iv) All outstanding balances are unsecured and are repayable in cash

(v) Social Worth Technologies Limited has lien marked fixed deposit in favour of the Company amounting to Rs Nil (March 31, 2026 - Rs 10.50 crores) as FLDG cover against future delinquencies

SINGHI & CO. Chartered Accountants

LODHA & CO. LLP MUMBAI-01 Chartered Accountants

PIRAMAL FINANCE LIMITED

(Currency : Rs. in Crores)

40 Composite Scheme of Arrangement

The Board of Directors of the Company, in its meeting dated May 8, 2024, approved the Composite Scheme of Arrangement amongst the Company (hereinafter referred to as the "Transferee Company") and its holding company, Piramal Enterprises Limited ('PEL') (hereinafter referred to as the "Transferor Company") and their respective shareholders and creditors under Sections 230 to 232 read with Section 52 and Section 66 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder ('Scheme'). The Scheme was subsequently modified by the Committee of Directors (Administration, Authorisation & Finance) of the Company at its meetings held on October 26, 2024 and April 9, 2025. The appointed date of the Scheme is April 1, 2024.

RBI approval on Scheme was received on April 8, 2025 and the Company on April 10, 2025 has filed Application with the National Company Law Tribunal, Mumbai Bench.

The Hon'ble NCLT vide its Order dated September 10, 2025 has sanctioned the Scheme. Upon receipt of all requisite approvals, PEL and the Company have filed the relevant Forms with the Register of Companies on September 16, 2025. Accordingly, the Scheme has become effective on September 16, 2025 ("Effective Date").

The amalgamation has been accounted with principles of 'reverse acquisition' as stated in Ind AS 103, Business Combinations ('Ind AS 103'), read with 'Pooling of Interest Method' as laid down in Appendix C (Business Combinations of Entities under Common Control) of Ind AS 103, notified under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as specified in the scheme w.e.f. Appointment date. Accordingly, comparative figures for the quarter ended June 30, 2026 have been restated to reflect the aforementioned scheme.

In accordance with the scheme, the Company has taken over following assets, liabilities at their book value from "Transferor Company":

Consideration

The face value of new equity shares issued by the Transferee Company to the shareholders of the Transferor Company pursuant to scheme has been credited to the Equity Share Capital Account of the Transferee Company;

As per the terms of the approved scheme, the Transferee Company has issued to the shareholders of the Transferor Company, in consideration of the amalgamation, 1 (one) equity share having face value INR 2/- (Indian Rupees Two only) of the Transferee Company for each equity share held by the shareholders of the Transferor Company. 22,54,77,700 equity Shares of the Company has been allotted to shareholder of PEL as on Record date in accordance with the share exchange ratio (i.e. 1:1) as per scheme. The same was disclosed as "Equity share capital suspense" till the date of issuance of equity shares. During the previous year, the Company's equity shares were listed on the stock exchanges pursuant to the amalgamation of the transferor company.

Earnings per share has been computed considering weighted average number of share of Transferor company since the appointed date is April 1, 2024.

SINGHI & CO. ★ Chartered Accountants ★

LODHA & CO. LLP ★ MUMBAI-01 ★ Chartered Accountants

PIRAMAL FINANCE LIMITED ★

Piramal Finance Limited
(formerly known as Piramal Capital & Housing Finance Limited)

Notes to the Condensed Standalone Interim Financial Statements (Continued)
for the quarter ended June 30, 2026

(Currency : Rs. in Crores)

41 Previous years/period figures have been regrouped or reclassified wherever necessary, to conform to current period's presentation which are not considered to be material to the Condensed Standalone Interim Financial Statements.
Further, as stated in note 40, comparative figures for quarter ended the June 30, 2025 have been restated to reflect the in scheme therein.

The accompanying notes are an integral part of the condensed standalone interim financial statements.

For and on behalf of the Board of Directors of
Piramal Finance Limited
(formerly known as Piramal Capital & Housing Finance Limited)
CIN - L64910MH1984PLC032639

Anand Piramal
Chairman
DIN: 00286085
(Naples, Italy)

Jairam Sridharan
Managing Director & CEO
DIN: 05165390

Vikash Singhla
Chief Financial Officer

Bipin Singh
Company Secretary

Mumbai, August 24, 2026

Singhi & Co.
Chartered Accountants
B2 402B Marathon Innova,4th Floor,
Off Ganpatrao Kadam Marg,
Opp. Peninsula Corporate Park
Lower Parel, Mumbai 400013, India

Lodha & Co. LLP
Chartered Accountants
6, Karim Chambers,
40, Ambalal Doshi Marg
(Hamam Street),
Fort, Mumbai, 400001

Independent Auditors' Review Report on Unaudited Condensed Consolidated Interim Financial Statements for the three months ended June 30, 2026 of Piramal Finance Limited (formerly known as Piramal Capital & Housing Finance Limited)

To the Board of Directors of Piramal Finance Limited
(formerly known as Piramal Capital & Housing Finance Limited)

1. We have reviewed the accompanying Unaudited Condensed Consolidated Interim Financial Statements of Piramal Finance Limited (formerly known as Piramal Capital & Housing Finance Limited) ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), its associate and joint ventures which comprises the Unaudited Condensed Consolidated Interim Balance Sheet as at June 30, 2026, Unaudited Condensed Consolidated Interim Statement of Profit and Loss (including Other Comprehensive Income), Unaudited Condensed Consolidated Interim Statement of changes in equity and Unaudited Condensed Consolidated Interim Statement of Cash Flow for the three months ended June 30, 2026 including a summary of material accounting policies and other explanatory information (hereinafter referred to as the "Unaudited Condensed Consolidated Interim Financial Statements"). The Unaudited Condensed Consolidated Interim Financial Statements have been prepared by the Holding Company to raise capital by way of qualified institutions placement(s), rights issue, preferential allotment or a private placement(s) in accordance with the special resolution approved by the shareholders on August 17, 2026.

2. The preparation of Unaudited Condensed Consolidated Interim Financial Statements is the responsibility of the Holding Company's Management and has been prepared by the Holding Company's management in accordance with the recognition and measurement principles laid down in Indian Accounting Standard ("Ind AS") 34 "Interim Financial Reporting", prescribed under section 133 of the Companies Act, 2013 (the 'Act'), and other accounting principles generally accepted in India. Our responsibility is to issue a limited review report on the Unaudited Condensed Consolidated Interim Financial Statements based on our review.

Scope of the Review

3. We conducted our review of the Unaudited Condensed Consolidated Interim Financial Statements in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing specified under section 143(10) of the Companies Act, 2013, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

4. Based on our review conducted as above and upon consideration of the review reports of the other auditors on separate interim financial information of the subsidiaries, associate and joint ventures as referred to in paragraph 5 and 6 below nothing has come to our attention that causes us to believe that the accompanying Unaudited Condensed Consolidated Interim Financial Statements, prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under section 133 of the Act, and other accounting principles generally accepted in India.

SINGHI & CO. * Chartered Accountants *

LODHA & CO. LLP * MUMBAI-01 * Chartered Accountants

Other Matters

5. (a) We did not review the interim financial information of two subsidiaries whose financial information reflects total assets of Rs. 2,818.36 crores as of June 30, 2026 and total revenue of Rs. 96.16 crores, total net profit after tax and total comprehensive income of Rs. 95.80 crores for the three months ended June 30, 2026, and net cash outflows of Rs. 4.21 crores for the three months ended June 30, 2026 as considered in the Condensed Interim Unaudited Consolidated Financial Statements. The Unaudited Condensed Consolidated Interim Financial Statements also includes the Group's share of net profit after tax of Rs. 16.55 crores and total comprehensive income of Rs. 171.67 crores, for the three months ended June 30, 2026, in respect of a joint venture of one of the Subsidiary Company, whose interim financial information has not been reviewed by us. These interim financial information has been reviewed by other auditors whose review report has been furnished to us by the management, and our conclusion in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and a joint venture is based solely on the review reports of such other auditors.

(b) The Unaudited Condensed Consolidated Interim Financial Statements includes the interim financial information of two subsidiaries whose financial information reflects total assets of Rs. 1,741.04 crores as of June 30, 2026 and total revenue of Rs. 50.52 crores, total net profit after tax of Rs. 1.30 crores and total comprehensive income of Rs. 1.30 crores for the three months ended June 30, 2026, and net cash inflows of Rs. 4.90 crores for the three months ended June 30, 2026 as considered in the Unaudited Condensed Consolidated Interim Financial Statements, reviewed by one of the current joint auditors (Lodha & Co. LLP). The said review report has been furnished to Singhi & Co. and has been relied upon by them for the purpose of review of the Unaudited Condensed Consolidated Interim Financial Statements.

(c) The Unaudited Condensed Consolidated Interim Financial Statements includes the financial information of nine subsidiaries, whose financial information reflects total assets of Rs. 581.11 crores as of June 30, 2026 and total revenue of Rs. 12.20 crores and total net profit after tax of Rs. 7.20 crores and total comprehensive income of Rs. 7.17 crores for the three months ended June 30, 2026 and net cash outflows of Rs. 6.93 crores for the three months ended June 30, 2026 as considered in the Unaudited Condensed Consolidated Interim Financial Statements. The Unaudited Condensed Consolidated Interim Financial Statements includes the Group's share of net profit after tax of Rs. 82.32 crores and total comprehensive income of Rs. 82.32 crores for the three months ended June 30, 2026, in respect of seven joint ventures and one associate. The interim financial information of the aforesaid nine subsidiaries, seven joint ventures and one associate have not been reviewed by their auditors and have been furnished to us by the Company's management. Our conclusion on the Unaudited Condensed Consolidated Interim Financial Statements, in so far as it relates to the amounts and disclosures included in respect of the above subsidiaries, joint ventures and an associate are based on management certified financial information. According to the information and explanations given to us by the management, these interim financial information of these entities are not material to the Group.

6. (a) We did not review the interim financial information of two subsidiaries whose financial information reflects total revenue of Rs. 20.99 crores, total net profit after tax and total comprehensive income of Rs. 20.36 crores for the three months ended June 30, 2025, and net cash inflow of Rs. 0.07 crores for the three months ended June 30, 2025 as considered in the Unaudited Condensed Consolidated Interim Financial Statements. The Unaudited Condensed Consolidated Interim Financial Statements also includes the Group's share of net gain after tax of ₹ 8.67 crores and total comprehensive incomen of Rs. 6.35 crores, for the three months ended June 30, 2025, in respect of a joint venture of one of the Subsidiary Company, whose interim financial information has not been reviewed by us.

SINGHI & CO. ★ Chartered Accountants ★

LODHA & CO. LLP ★ MUMBAI-01 ★ Chartered Accountants

These interim financial information has been reviewed by other auditors whose review report has been furnished to us by the management, and our conclusion in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and a joint venture is based solely on the review reports of such other auditors.

(b) The Unaudited Condensed Consolidated Interim Financial Statements includes the interim financial information of two subsidiaries whose financial information reflects total revenue of Rs. 44.27 crores, total net loss after tax and total comprehensive loss of Rs. 12.72 crores for the three months ended June 30, 2025, and net cash inflow of Rs. 3.57 crores for the three months ended June 30, 2025 as considered in the Unaudited Condensed Consolidated Interim Financial Statements, reviewed by one of the current joint auditors (Lodha & Co. LLP). The said review report has been furnished to Singhi & Co. and has been relied upon by them for the purpose of review of the Unaudited Condensed Consolidated Interim Financial Statements.

(c) The Unaudited Condensed Consolidated Interim Financial Statements includes the unaudited financial information of sixteen subsidiaries, whose financial information reflects total revenue of Rs. 18.01 crores and total net profit after tax of Rs. 4.20 crores and total comprehensive income of Rs. 4.30 crores for the three month ended June 30, 2025 and net cash outflow of Rs. 3.95 crores for the three months ended June 30, 2025 as considered in the Unaudited Condensed Consolidated Interim Financial Statements. The Unaudited Condensed Consolidated Interim Financial Statements includes the Group's share of net profit after tax of Rs. 69.69 crores and total comprehensive income of Rs. 69.65 crores for the three months ended June 30, 2025, in respect of seven joint ventures and one associate. The interim financial information of the aforesaid sixteen subsidiaries, seven joint ventures and one associate have not been reviewed by their auditors and have been furnished to us by the Company's management. Our conclusion on the Unaudited Condensed Consolidated Interim Financial Statements, in so far as it relates to the amounts and disclosures included in respect of the above subsidiaries, joint ventures and an associate are based on management certified financial information. According to the information and explanations given to us by the management, these interim financial information of these entities are not material to the Group.

7. The following paragraph is given by another firm of Chartered Accountants vide their review report dated July 15, 2026 and July 24, 2025 on unaudited special purpose financial information of Pramerica Life Insurance Limited('PLIL'), the joint venture of subsidiary Company:

The actuarial valuation of liabilities for life policies in force is the responsibility of the Company's appointed actuary ('the Appointed Actuary'). The actuarial valuation of liabilities for policies in force as at June 30, 2026 and June 30, 2025 has been duly certified by the Appointed Actuary. The Appointed Actuary has also certified that the assumptions for such valuation are in accordance with the guidelines and norms issued by the Insurance Regulatory and Development Authority of India (IRDAI) and the Institute of Actuaries of India in concurrence with IRDAI. We have relied upon the Appointed Actuary's certificate in this regard.

The valuation of liability of embedded derivatives in insurance contracts as at June 30, 2026 and June 30, 2025 has been duly certified by the Appointed Actuary. We have relied upon the Appointed Actuary's certificate in this regard.

Our conclusion is not modified in respect of the above matters referred to in paragraphs 5 to 7.

SINGHI & CO. ★ Chartered Accountants ★

LODHA & CO. LLP ★ MUMBAI-01 ★ Chartered Accountants

Restriction on Distribution and Use

8. Our report is intended solely for the use of the Holding Company to include the Unaudited Condensed Consolidated Interim Financial Statements in the Preliminary Placement Document/ Placement Document to raise capital by way of qualified institutions placement(s), rights issue, preferential allotment or a private placement(s) in accordance with the special resolution approved by the shareholders on August 17, 2026 and should not be distributed to or used by any other parties. We shall not be liable to the Holding Company or to any other concerned for any claims, liabilities or expenses relating to this assignment. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For Singhi & Co.
Chartered Accountants
Firm's Registration No.: 302049E

Ravi Kapoor
Partner
Membership No.: 040404
UDIN: 26040404GUVHNZ5428

Place: Mumbai
Date: August 24, 2026

SINGHI & CO. Chartered Accountants

For Lodha & Co. LLP
Chartered Accountants
Firm's Registration No.: 301051E/E300284

R.P. Baradiya
Partner
Membership No.: 044101
UDIN: 26044101IXNNVX3669

Place: Mumbai
Date: August 24, 2026

LODHA & CO. LLP MUMBAI-01 Chartered Accountants

Piramal Finance Limited

(formerly known as Piramal Capital & Housing Finance Limited)

Condensed Consolidated Interim Balance Sheet

as at June 30, 2026

(Currency Rs in Crores)

		Note	As at June 30, 2026 (Unaudited)	As at March 31, 2026 (Audited)
	ASSETS			
1	**Financial assets:**			
(a)	Cash and cash equivalents	*3*	1,673 72	4,123 12
(b)	Bank balances other than (a) above	*4*	1,636 24	1,444 82
(c)	Derivative financial instruments		1,284 78	1,191 51
(d)	Receivables			
	(i) Trade receivables	*5*	8 94	12 98
	(ii) Other receivables	*6*	56 88	24 04
(e)	Loans	*7*	90,257 97	84,838 02
(f)	Investments	*8*	9,714 43	9,813 83
(g)	Other financial assets	*9*	1,411 57	1,340 50
			1,06,044.53	1,02,788 82
2	**Non-financial assets:**			
(a)	Current tax assets (net)	*10*	527 03	663 40
(b)	Deferred tax assets (net)	*11*	2,766 47	2,767 39
(c)	Investment property	*12(i)*	1,824 39	1,832 05
(d)	Property, plant and equipment	*12(ii)*	164 26	168 63
(e)	Right-of-use assets	*12(ii)*	205 99	207 23
(f)	Intangible assets under development	*12(ii)*	133 99	116 42
(g)	Goodwill	*12(ii)*	2 00	2 00
(h)	Other intangible assets	*12(ii)*	129 53	141 90
(i)	Asset held for sale		1,371 52	1,371 52
(j)	Other non-financial assets	*13*	500 04	487 11
			7,625.22	7,757 65
	Total Assets		**1,13,669.75**	1,10,546 47
	LIABILITIES AND EQUITY			
	Liabilities			
1	**Financial liabilities:**			
(a)	Payables			
	Trade payables			
	(i) Total outstanding dues of micro enterprises and small enterprises	*14*	101 64	84 76
	(ii) Total outstanding dues of creditors other than micro enterprises	*14*	502 78	342 36
(b)	Debt securities	*15*	31,389 80	31,591 97
(c)	Borrowings (other than debt securities)	*16*	50,842 09	48,269 35
(d)	Subordinated debt liabilities	*17*	130 85	127 89
(e)	Other financial liabilities	*18*	991 42	1,137 20
			83,958.58	81,553 53
2	**Non-financial liabilities:**			
(a)	Current tax liabilities (net)	*19*	285 75	268 31
(b)	Provisions	*20*	187 54	154 35
(c)	Other non-financial liabilities	*21*	331 71	378 81
			805.00	801 47
3	**Equity**			
(a)	Equity share capital	*22*	45 25	45 22
(b)	Equity share capital suspense	*22*	-	-
(c)	Other equity	*23*	28,780 27	28,103 44
(d)	Non-Controlling Interest		80 65	42 81
			28,906.17	28,191 47
	Total Liabilities and Equity		**1,13,669.75**	1,10,546 47
	Material accounting policies	*2*		

The accompanying notes are an integral part of the condensed consolidated interim financial statements

As per our report of even date attached

For Singhi & Co.
Chartered Accountants
Firm Registration No 302049E

Ravi Kapoor
Partner
Membership No 040404

SINGHI & CO. Chartered Accountants

Mumbai, August 24, 2026

For Lodha & Co. LLP
Chartered Accountants
Firm Registration No 301051E/E300284

R.P Baradiya
Partner
Membership No 044101

LODHA & CO. LLP MUMBAI-01 Chartered Accountants

For and on behalf of the Board of Directors of
Piramal Finance Limited
(formerly known as Piramal Capital & Housing Finance Limited)
CIN - L64910MH1984PLC032639

Anand Piramal
Chairman
DIN 00286085
(Naples, Italy)

Jairam Sridharan
Managing Director & CEO
DIN 05165390

Vikash Singhla
Chief Financial Officer

Bipin Singh
Company Secretary

PIRAMAL FINANCE LIMITED

Piramal Finance Limited
(formerly known as Piramal Capital & Housing Finance Limited)

Condensed Consolidated Interim Statement of Profit and Loss
for the quarter ended June 30, 2026
(Currency Rs in Crores)

	Note	For the quarter ended June 30, 2026 (Unaudited)	For the quarter ended June 30, 2025 (Unaudited)
Revenue from operations			
Interest income	24	3,085 48	2,393 43
Dividend Income	25	18 33	14 88
Rental income	26	35 88	31 73
Fees and commission income	27	126 83	114 27
Net gain on fair value changes	33	-	3 42
Sale of services	28	2 14	2 88
Other operating income	29	99 61	82 06
Total Revenue from operations		**3,368.27**	2,642 67
Other income	30	61 27	50 86
Total Income		**3,429.54**	2,693 53
Expenses			
Finance costs	31	1,733 86	1,491 71
Fees and commission expense	32	2 42	2 27
Net loss on fair value changes	33	12 35	-
Net loss on derecognition of financial instruments under amortised cost category	34	173 80	391 47
Impairment allowances/(reversals) on financial instruments	35	273 59	(226 83)
Employee benefits expenses	36	504 16	450 84
Depreciation, amortisation and impairment	12(i) & (ii)	56 03	57 10
Other expenses	37	329 21	304 30
Total Expenses		**3,085.42**	2,470 86
Profit/(loss) before share of net profit of associates and joint ventures and tax		**344.12**	222 67
Add Share of net profit of associates and joint ventures		98 87	78 36
Profit after share of net profit of associates and joint ventures before tax		**442.99**	301 03
Less: Tax expenses			
Current tax		0 03	23 24
Reversal of tax expenses – earlier years		(3 61)	0 16
Deferred tax expenses/(credits)		(14 41)	1 26
		(17.99)	24 66
Profit for the period		**460.98**	276 37
Other comprehensive income for the period			
Items that will not be reclassified to Statement of profit or loss			
Remeasurement of the defined benefit plan		(9 66)	-
Equity instruments measured through OCI		(0 83)	5 98
Income tax relating to items that will not be reclassified to Statement of profit or loss		2 51	(0 84)
Items that will be reclassified to Statement of profit or loss			
Share of other comprehensive income of associates and joint ventures accounted for using the equity method		155 12	(2 36)
Remeasurement gain/(loss) on hedge accounting		24 70	26 45
Debt instruments measured through OCI		46 18	13 38
Exchange differences on translation of financial statements of foreign operations		(0 03)	0 11
Income tax relating to items that will be reclassified to Statement of profit or loss		(17 84)	(9 59)
Other comprehensive income for the period		**200.15**	33 13
Total comprehensive income for the period		**661.13**	309 50
Net Profit attributable to:			
Owners of the Company		**459.12**	276 37
Non-Controlling Interest		**1.86**	-
Other Comprehensive Income attributable to:			
Owners of the Company		**200.15**	33 13
Non-Controlling Interest		-	-
Total Comprehensive Income attributable to:			
Owners of the Company		**659.27**	309 50
Non-Controlling Interest		**1.86**	-
Earnings per equity share (EPS) (Rs.) (face value of Rs. 2 each)			
Basic EPS		**20.38**	12 22
Diluted EPS		**20.27**	12 13
Material accounting policies	2		

The accompanying notes are an integral part of the condensed consolidated interim financial statements

As per our report of even date attached

For Singhi & Co.
Chartered Accountants
Firm Registration No 302049E

Ravi Kapoor
Partner
Membership No 040404

Mumbai August 24, 2026

For Lodha & Co. LLP
Chartered Accountants
Firm Registration No 301051E/E300284

R.P Baradiya
Partner
Membership No 044101

For and on behalf of the Board of Directors of
Piramal Finance Limited
(formerly known as Piramal Capital & Housing Finance Limited)
CIN - L64910MH1984PLC032639

Anand Piramal
Chairman
DIN 00286085
(Naples, Italy)

Jairam Sridharan
Managing Director & CEO
DIN 05165390

Vikash Singhla
Chief Financial Officer

Bipin Singh
Company Secretary

Piramal Finance Limited

(formerly known as Piramal Capital & Housing Finance Limited)

Condensed Consolidated Interim Statement of Cash Flow

for the quarter ended June 30, 2026

(Currency : Rs. in Crores)

		For the quarter ended June 30, 2026	For the quarter ended June 30, 2025
A.	**Cash flow from operating activities**		
	Profit before tax	**442.99**	301.03
	Adjustments:		
	Interest income from fixed deposits	(31.14)	(30.77)
	Unrealised (gain) / loss on fair valuation of loans and advances	42.79	(53.17)
	Net (gain) / loss on fair valuation of investments	(10.94)	120.28
	Realised gain on sale of treasury investments	(8.81)	(24.60)
	Gain on pre-termination of lease	(0.13)	(0.41)
	Employee stock option plan expenses	17.56	17.25
	Dividend income	(18.33)	(14.88)
	Loss on derecognition of financial instruments	265.33	491.70
	Gain on derecognition of financial instruments	(91.53)	(100.23)
	Impairment allowances/(reversals) on financial instruments	273.59	(226.83)
	Interest cost on lease payment	7.62	7.81
	Finance costs expenses	1,726.24	1,483.90
	Finance cost paid	(1,347.52)	(1,120.19)
	Net Gain on sale of property, plant and equipment	(0.18)	(14.17)
	Depreciation, amortisation and impairment	56.03	57.10
	Cash generated from operations before working capital changes	**1,323.57**	893.82
	Decrease / (Increase) in trade and other receivables	(28.80)	(4.34)
	Decrease / (Increase) in loans	(5,970.84)	(4,443.41)
	Decrease / (Increase) in investments	1,132.63	(152.99)
	Decrease / (Increase) in other financial assets	(29.60)	(31.76)
	Decrease / (Increase) in other non financial assets	(0.58)	22.69
	Increase / (Decrease) in trade payables	177.30	14.12
	Increase / (Decrease) in provisions	18.38	10.68
	Increase / (Decrease) in other financial liabilities	(146.46)	(179.92)
	Increase / (Decrease) in other non financial liabilities	(49.17)	(64.30)
	Cash generated from / (used in) operations	**(3,573.57)**	(3,935.41)
	Income taxes refund (net)	157.39	163.95
	Net cash generated from / (used in) operating activities (a)	**(3,416.18)**	(3,771.46)
B	**Cash flow from investing activities**		
	Purchase of property, plant and equipment, intangible assets, investment property & intangible assets under development	(43.78)	(19.21)
	Proceeds from sale of property, plant and equipment	0.40	19.61
	Purchase of treasury investments	(1,12,033.36)	(1,64,468.72)
	Sale of treasury investments	1,11,504.37	1,63,868.08
	Investment in joint ventures (net of redemptions)	(248.06)	2.13
	Dividend income	18.33	14.88
	Interest received from fixed deposits	35.62	39.00
	Investment in fixed deposits	(1,513.98)	(3,091.70)
	Redemption from fixed deposits	1,342.10	2,846.21
	Net cash generated from / (used in) investing activities (b)	**(938.36)**	(789.72)
C	**Cash flow from financing activities**		
	Payment of lease liabilities (including interest)	(21.12)	(8.71)
	Borrowings taken during the period	5,388.12	13,223.07
	Borrowings repaid during the period	(3,461.89)	(10,317.70)
	Proceeds / Movements of equity shares	0.03	0.10
	Net cash generated from / (used in) financing activities (c)	**1,905.14**	2,896.76
	Net increase/(decrease) in cash and cash equivalents (a+b+c)	**(2,449.40)**	(1,664.42)
	Cash and cash equivalents as at beginning of the period	**4,123.12**	4,991.84
	Cash and cash equivalents as at end of the period	**1,673.72**	3,327.42

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LODHA & CO. LLP MUMBAI-01 Chartered Accountants

PIRAMAL FINANCE LIMITED

Piramal Finance Limited

(formerly known as Piramal Capital & Housing Finance Limited)

Condensed Consolidated Interim Statement of Cash Flow

for the quarter ended June 30, 2026

(Currency : Rs. in Crores)

	For the quarter ended June 30, 2026	For the quarter ended June 30, 2025
Cash and Cash Equivalents Comprise of:		
Cash on hand	0.02	0.03
Balances with banks in current accounts	1,673.70	2,227.07
Fixed deposits (with original maturity less than 3 months)	-	1,100.32
	1,673.72	3,327.42

The condensed consolidated interim statement of cash flow has been prepared under the 'Indirect Method' set out in Indian Accounting Standard-7, "Statement of cash flow".

The accompanying notes are an integral part of the condensed consolidated interim financial statements.

As per our report of even date attached

For Singhi & Co.
Chartered Accountants
Firm Registration No. 302049E

Ravi Kapoor
Partner
Membership No. 040404

For Lodha & Co. LLP
Chartered Accountants
Firm Registration No: 301051E/E300284

R.P Baradiya
Partner
Membership No.: 044101

For and on behalf of the Board of Directors of Piramal Finance Limited
(formerly known as Piramal Capital & Housing Finance Limited)
CIN - L64910MH1984PLC032639

Anand Piramal
Chairman
DIN: 00286085
(Naples, Italy)

Jairam Sridharan
Managing Director & CEO
DIN: 05165390

Vikash Singhla
Chief Financial Officer

Bipin Singh
Company Secretary

Mumbai, August 24, 2026

PIRAMAL FINANCE LIMITED

LODHA & CO. LLP MUMBAI-01 Chartered Accountants

SINGHI & CO. Chartered Accountants

Piramal Finance Limited
(formerly known as Piramal Capital & Housing Finance Limited)

Condensed Consolidated Interim Statement of changes in equity
for the quarter ended June 30, 2026

(Currency: Rs in Crores)

		As at June 30, 2026	As at March 31, 2026
A.	**Equity Share Capital:**		
	Balance at the beginning of the year/period	45 22	-
	Add Equity shares issued as part of business combination (Refer note 42)	-	45 10
	Add Issuance of Shares (Refer note 22)	-	0 24
	Add /(Less) Treasury shares (Refer note 22)	0 03	(0 12)
	Balance at the end of the year/period	**45.25**	45 22
B.	**Equity share capital suspense:**		
	Balance at the beginning of the year/period	-	45 08
	Less Issuance of shares	-	(45 08)
	Balance at the end of the year/period	-	-

C. **Other Equity:**

Particulars	Reserves and Surplus								Other Comprehensive Income				Non controlling Interest ("NCI")	Total
	Stock options reserve	Amalgamation Adjustment Reserve	Statutory Reserve	Capital Redemption Reserve	General Reserve	Capital Reserve	Securities Premium	Retained Earnings	Foreign Currency Translation Reserve	Debt Instruments Measured through OCI	Equity Instruments Measured through OCI*	Cash flow hedging reserve		
Balance as at March 31, 2025	**114.76**	**(919.18)**	**3,361.64**	**64.55**	**5,799.64**	-	**8,244.15**	**10,158.46**	**72.05**	**17.33**	**157.45**	**(19.99)**	-	**27,050.86**
Add Change in proportion held by NCI	-	-	-	-	-	-		-	-	-	-	-	40 98	40 98
Add Profit during the year	-	-	-	-	-	-	-	1,504 31	-	-	-	-	-	1,504 31
Add Profit attributable to NCI	-	-	-	-	-	-	-	-	-	-	-	-	1 83	1 83
Add/(Less) Other comprehensive income (net of tax)	-	-	-	-	-	-	-	(301 29)	2 65	(75 63)	33 91	63 70		(276 66)
Add Share based payment expenses	72 29	-	-	-	-	-		-	-	-	-	-		72 29
Add / (less) Premium on allotment of equity shares under ESOP Scheme	(87 29)	-	-	-	-	-	87 29	-	-	-	-	-	-	-
(Less) Final dividend paid	-	-	-	-	-	-	-	(249 35)	-	-	-	-	-	(249 35)
Add / (less) Transfer to statutory reserve	-	-	308 00	-	-	-	-	(308 00)	-	-	-	-	-	-
Less Transfer to retained earnings	-	-	-	-	-	-	-	4 96	(4 96)	-	-	-	-	-
Add Adjustments pursuant to business combinations	-	-	-	-	-	2 00		-	-	-	-	-	-	2 00
Balance as at March 31, 2026	**99.76**	**(919.18)**	**3,669.64**	**64.55**	**5,799.64**	**2.00**	**8,331.44**	**10,809.08**	**69.74**	**(58.30)**	**191.36**	**43.71**	**42.81**	**28,146.25**
Add Change in proportion held by NCI	-	-	-	-	-	-		-	-	-	-	-	35 98	35 98
Add Profit during the period	-	-	-	-	-	-	-	459 12	-	-	-	-	-	459 12
Add Profit attributable to NCI	-	-	-	-	-	-	-	-	-	-	-	-	1 86	1 86
Add/(Less) Other comprehensive income (net of tax)	-	-	-	-	-	-	-	147 37	(0 03)	34 56	(0 23)	18 48	-	200 15
Add Share based payment expenses	17 56	-	-	-	-	-		-	-	-	-	-		17 56
Add / (less) Premium on allotment of equity shares under ESOP	(14 03)	-	-	-	-	-	14 03	-	-	-	-	-	-	-
Balance as at June 30, 2026	**103.29**	**(919.18)**	**3,669.64**	**64.55**	**5,799.64**	**2.00**	**8,345.47**	**11,415.57**	**69.71**	**(23.74)**	**191.13**	**62.19**	**80.65**	**28,860.92**

* that will not be reclassified to condensed consolidated interim statement of profit or loss

The accompanying notes are an integral part of the condensed consolidated interim financial statements

As per our report of even date attached

For Singhi & Co.
Chartered Accountants
Firm Registration No 302049E

Ravi Kapoor
Partner
Membership No 040404

Mumbai, August 24, 2026

SINGHI & CO. Chartered Accountants

LODHA & CO. LLP MUMBAI-01 Chartered Accountants

For Lodha & Co. LLP
Chartered Accountants
Firm Registration No 301051E/E300284

R.P Baradiya
Partner
Membership No 044101

PIRAMAL FINANCE LIMITED

Anand Piramal
Chairman
DIN 00286085
(Naples, Italy)

Vikash Singhla
Chief Financial Officer

For and on behalf of the Board of Directors of
Piramal Finance Limited
(formerly known as Piramal Capital & Housing Finance Limited)
CIN - L64910MH1984PLC032639

Jairam Sridharan
Managing Director & CEO
DIN 05165390

Bipin Singh
Company Secretary

Piramal Finance Limited

(formerly known as Piramal Capital & Housing Finance Limited)

Notes to the Condensed Consolidated Interim Financial Statements

for the quarter ended June 30, 2026

(Currency : Rs. in Crores)

1A. GENERAL INFORMATION

Piramal Finance Limited (formerly known as Piramal Capital & Housing Finance Limited (the Holding Company)) was incorporated in India on April 11, 1984. The Holding Company and its subsidiaries (together referred to as "the Group") and its associate and joint venture has been carrying on, as its main business of providing loans to customers for construction or purchase of residential property, loans against property, loans to real estate developers, loans to SMEs, Consumption loans etc., leasing, investing and alternative business activities.The Holding Company received its Certificate of Registration (CoR) as a Non-Banking Financial Company - Investment and Credit Company (NBFC-ICC) from the Reserve Bank of India (RBI) on April 4, 2025. On the same day, the Company surrendered its CoR as a Housing Finance Company (HFC). Further, the name of the Holding Company has been changed from 'Piramal Capital & Housing Finance Limited' to 'Piramal Finance Limited' effective from March 22, 2025. The registered office of the Holding Company is in Unit No. 601, 6th Floor, Amiti Building, Piramal Corporate Park, Kamani Junction, Opp. Fire Station, LBS Marg, Kurla West, Mumbai City, 400070.

Refer note 42 with respect to business combination pursuant to Resolution Plan and order passed by Hon'ble National Company Law Tribunal ("NCLT") dated September 10, 2025. From the appointed date i.e. April 1, 2024, as specified in the NCLT order, the parent company i.e. Piramal Enterprises Limited has been merged with the Company with effective date being September 16, 2025. During the previous year, the Company's equity shares were listed on the stock exchanges pursuant to the amalgamation of the transferor company.

The Holding Company is a public limited company and its equity and debts are listed on the Bombay Stock Exchange (BSE India) and the National Stock Exchange (NSE), India.

On August 24 2026, the Board of Directors of the Holding Company approved the condensed consolidated interim financial statements.

1B. Basis of Preparation

i) Statement of compliance and basis of preparation and presentation of condensed consolidated interim financial statements

The condensed consolidated interim financial statements have been prepared in accordance with the recognition and measurement principals of Indian Accounting Standards (Ind AS) 34 - 'Interim Financial Reporting' and the provisions of the Companies Act, 2013 ('the Act') and relevant amendment rules issued thereafter read with note 42 to the extent effect given in accordance with the accounting treatment prescribed in the resolution plan approved by the National Company Law Tribunal vide their order dated September 10, 2025 as is more fully described in the said note and the guidelines and directives issued by the Reserve Bank of India (RBI) to the extent applicable. The condensed consolidated interim financial statements have been prepared for the purpose of proposed fund raising by Holding Company.

The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows". The condensed consolidated interim Balance Sheet, condensed consolidated interim Statement of Profit and Loss, condensed consolidated interim Statement of Cash Flow, condensed consolidated interim Statement of Changes in Equity, summary of the material accounting policies information and other explanatory information are together referred as the condensed consolidated interim financial statements of the Group.

Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

All amounts included in the condensed consolidated interim financial statements are reported in crores of Indian rupees (Rs. in crores) except share and per share data, unless otherwise stated. Due to rounding off, the numbers presented throughout the document may not add up precisely to the totals and percentages may not precisely reflect the absolute figures.

ii) Basis of Accounting

The condensed consolidated interim financial statements have been prepared on the historical cost basis except for certain financial instruments and plan assets of defined benefit plans that are measured at fair values at the end of each reporting period. The condensed consolidated interim financial statements are prepared and presented on going concern basis as the Group shall be able to continue its business for the foreseeable future and no material uncertainty exists that may cast significant doubt on the going concern assumption.

iii) Use of Estimates and Judgements

The preparation of the condensed consolidated interim financial statements in conformity with Indian Accounting Standards ("Ind AS") requires the management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the condensed consolidated interim financial statements and the reported amounts of revenues and expenses during the year. Accounting estimates could change from period to period. Actual results could differ from those estimates. Revisions to accounting estimates are recognised prospectively. The Management believes that the estimates used in preparation of the condensed consolidated interim financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

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Following areas entail a high degree of estimate and judgement or complexity in determining the carrying amount of certain assets and liabilities.
1. Business Combination - Note 2 (xx) & note 42
2. Measurement of defined benefit obligations; key actuarial assumptions – Note 2 (vi)
3. Fair Valuation of financial assets and liabilities - Note 2 (xix)
4. Impairment of financial assets – Note 2 (iv)
5. Impairment of non financial assets – Note 2 (iii)
6. Derivative - Note 2 (iv)
7. Income tax - Note 2 (xii) & note 11
8. Evaluation of business Model - Note 2 (iv)
9. Provision and Liabilities - Note 2(vii)
10. Useful Life / Impairment of Property, Plant and Equipment (PPE), investment property and Intangible assets - Note 2 (i) & 2 (ii) and note 12
11. Share Based Payments – Note 2 (vi)
12. Effective Interest Rate (EIR) Method – Note 2 (iv)
13. Assets held for sale - Note 2 (v)

iv) Principles of consolidation and equity accounting

(a) Subsidiaries:

Subsidiaries are entities (including Structured entities) over which the Group has control. Control is achieved when the Group has power over the investee, is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to use its power to affect its returns. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group.

The Group combines the condensed consolidated interim financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the condensed consolidated interim statement of profit and loss, condensed consolidated interim statement of changes in equity and condensed consolidated interim balance sheet respectively.

(b) Associates:

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. Under Ind AS 28, Investments in associates are accounted for using the equity method of accounting as mentioned below, after initially being recognised at cost. Wherever necessary, adjustments are made to financial statements of associates to bring there accounting policies in line with those used by the other members of Group.

(c) Joint Arrangements:

Under Ind AS 111 Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement.

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities relating to the arrangement.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement.

Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The Group recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the condensed consolidated interim financial statements under the appropriate headings.

Interests in joint ventures are accounted for using the equity method as mentioned below, after initially being recognised at cost in the condensed consolidated interim balance sheet.

(d) Equity method:

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of post acquisition profits or losses of the investee in consolidated profit and loss, and the group's share of consolidated other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates or joint ventures are recognised as a reduction in the carrying amount of the investment.

Unrealised gains on transactions between the group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities.

Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The carrying amount of equity accounted investments are tested for impairment.

The Group does not apply equity method of accounting to associates that meet the criteria to be classified as held for sale under Ind AS 105. Such investments in associates are accounted for using the requirements of Ind AS 105 until disposal of the investment. Refer Note 2 (v) below for accounting policies with respect to Assets held for sale.

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(e) Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in loss of control as transactions with equity owners of the group. A change in the ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

i) **(a) Property, plant and equipment**

All property, plant and equipment ('PPE') (other than freehold land) are stated at cost of acquisition, less accumulated depreciation and accumulated impairment losses, if any, except for fair valued assets on business combination carried out in earlier years. Freehold Land is carried at historical cost. Direct costs are capitalised until the assets are ready for use and includes freight, duties, taxes and expenses incidental to acquisition and installation.

The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to consolidated profit or loss during the reporting period in which they are incurred.

Subsequent expenditures related to an item of property, plant and equipment are added to its book value only when it is probable that the future economic benefits from the asset will flow to the Group and cost can be reliably measured.

Losses arising from the retirement of, and gains or losses arising from disposal of Property, Plant and Equipment are recognised in the condensed

Property, plant and equipment is recognised when it is probable that future economic benefits associated with the item is expected to flow to the Group and the cost of the item can be measured reliably. An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included under other income/expenses in the condensed consolidated interim Statement of Profit and Loss when the asset is derecognised.

Depreciation is provided on a pro-rata basis on the straight line method ('SLM') over the estimated useful lives of the assets less their residual values specified in Schedule II of the Companies Act, 2013.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Individual property, plant and equipment costing less than Rupees five thousand are depreciated fully in the year of purchase or acquisition.

The estimated useful lives of property, plant and equipment are as stated below:

Building	60 years
Office equipment	1-6 years
Furniture and fixtures	5-10 years
Motor vehicle	8 years (Refer note below)
Plant and Equipment	3-20 years
Leasehold improvements	Amortised on SLM over lease tenure or 5 years whichever is lower
Freehold Land	No Depreciation

The Group has determined the remaining useful life of the PPE acquired on date of acquisition, as per Companies Act 2013. The value of PPE acquired is depreciated/amortised over such remaining useful life determined on straight line method basis which best reflects the usage of asset to the accounting acquirer.

For vehicles given to employee as a perquisite and forming the part of their employment, amortisation is done basis the employment agreement which may vary between 3 to 5 years.

Electrical installation, Computers and Computer servers and network is a part of office equipment.

(b) Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes) but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties (other than property represented by the Group's development rights / interest in underlying land) are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

Cost includes cost of land (including development rights and land under agreements to purchase), internal development costs, external development charges, construction costs, overheads and development/ construction materials.

The Group depreciates building component of investment property over 60 years from the date of original purchase.

Though the Group measures investment property using cost based measurement, the fair value of investment property. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer applying a valuation model recommended by the International Valuation Standards Committee.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in statement of profit and loss in the period of derecognition.

ii) **Intangible Assets**

Intangible assets are stated at acquisition cost except for fair valued assets on business combination carried out in earlier year, net of accumulated amortisation and accumulated impairment losses, if any.

Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the disposal proceeds and the carrying amount of the asset and are recognised as income or expense in the condensed consolidated interim Statement of Profit and Loss.

Intangible assets not ready for use on the date of condensed consolidated interim balance sheet is disclosed as 'Intangible assets under development'.

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Intangible Assets other than Goodwill are amortized on a straight line basis over their finite useful lives over the following period:

Computer Software	1-6 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Individual intangible assets costing less than Rupees five thousand are depreciated fully in the year of purchase or acquisition.
Goodwill on acquisition is included in intangible assets. Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Goodwill is carried at cost less accumulated impairment losses.

Internally generated software

The Group recognises internally generated intangible assets when it is certain that the future economic benefit attributable to the use of such intangible assets are probable to flow to the Group and the expenditure incurred for development of such intangible assets can be measured reliably. Research costs are treated as revenue expenses and charged off to the Consolidated Statement of Profit and Loss of respective year. The cost of an internally generated intangible asset comprises all directly attributable costs necessary to create, produce, and prepare the asset to be capable of operating in the manner intended by the Group. The intangible assets including those internally generated are amortised using the straight line method over a period of three to six years, basis IT expert confirmation. The useful lives of intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

iii) Impairment of non financial assets

The Group assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. For the purposes of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, the Group estimates the recoverable amount of the asset. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs 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 recognised in the condensed consolidated interim Profit and Loss. If at the Balance Sheet date there is an indication that previously assessed impairment loss no longer exists or may have decreased, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.
The fair value less costs of disposal calculation is based valuation techniques based on available data for similar assets or observable market prices less incremental costs of disposing of the asset. The recoverable amount is sensitive to the assumptions and inputs used for the fair valuation as well as the expected future cash-inflows used for valuation purposes.

iv) Financial instruments

Recognition and initial measurement

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the 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 recognised immediately in profit or

Classification

The Group classifies its financial assets in the following measurement categories:
a) Those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
b) Those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.
For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.
The Group reclassifies debt investments when and only when its business model for managing those assets changes.

Financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:
- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are subsequently measured at fair value through Other Comprehensive Income (FVTOCI):
- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the 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.

By default, all other financial assets are subsequently measured at fair value through profit and loss (FVTPL).

<u>Debt and other instruments</u>

Subsequent measurement of debt and other instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt and other instruments.

Evaluation of Business Model
Classification and measurement of financial instruments depends on the results of the solely payments of principal and interest on the principal amount outstanding ("SPPI") and the business model test. The Group determines the business model at a level that reflects how the Group's financial instruments are managed together to achieve a business objective.

The Group monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Group's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those instruments.

Amortised cost
Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in condensed consolidated interim statement of profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Effective interest rate method
Income is recognised on an effective interest rate basis for financial assets other than those financial assets classified as at FVTPL. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:
– the gross carrying amount of the financial asset; or
– the amortised cost of the financial liability.

When calculating the effective interest rate for financial instruments other than purchased or originated credit-impaired ('POCI') assets, the Group estimates future cash flows considering all contractual terms of the financial instrument, but not ECL. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated using estimated future cash flows including ECL.

The calculation of the effective interest rate includes transaction costs and fees that are an integral part of the contract. Transaction costs include incremental costs that are directly attributable to the acquisition of financial asset.

If expectations regarding the cash flows on the financial asset other than purchase or originated credit impaired are revised for reasons other than credit risk, the adjustment is recorded as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income. The adjustment is subsequently amortized through Interest income in the consolidated statement of profit and loss. In respect of purchased or originated credit impaired assets, such positive or negative adjustment to the carrying amount of the asset is reflected through change in lifetime ECL since initial recognition. Favourable changes in lifetime ECL are recognised as an impairment gain, even if the favourable changes are more than the amount, if any, previously recognised in profit or loss account as impairment losses.

The Group calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets. In case of credit impaired assets, interest income is recorded on receipt basis. If the default is cured and the financial asset is no longer credit-impaired, the Group reverts to calculating interest income on a gross basis.

For financial assets that were credit-impaired on initial recognition, interest income is calculated by applying the credit-adjusted effective interest rate to the amortised cost of the asset. The calculation of interest income does not revert to a gross basis, even if the credit risk of the asset improves.

Financial assets at fair value through profit or loss (FVTPL)
Assets that do not meet the criteria for amortised cost or FVTOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the consolidated statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income accrued (if any) on financial assets at FVTPL are included as a part of fair value changes except, where interest income recorded on receipt basis will be presented under interest income.
Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in consolidated statement of profit or loss incorporates any dividend or interest earned on the financial asset. Dividend on financial assets at FVTPL is recognised when the Group's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Changes in the fair value of financial assets at FVTPL are recognised in the consolidated statement of profit and loss.

Fair value through Other Comprehensive Income (FVTOCI):
Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVTOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in the consolidated statement of profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to the consolidated statement of profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in interest income using the effective interest rate method.

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Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or loss when the Group's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in the condensed consolidated interim statement of profit and loss.

Fair value measurement

Fair value measurements under Ind AS are categorised into fair value hierarchy 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 described as follows:

• Level 1 quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access on measurement date.

• Level 2 inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and

• Level 3 where unobservable inputs are used for the valuation of assets or liabilities.

For assets and liabilities that are recognized in the condensed consolidated interim financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing 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.

Impairment of financial assets

The Group applies the expected credit loss ("ECL") model for recognising impairment loss on financial assets measured at amortised cost, loan commitments, trade and other receivables and other contractual rights to receive cash or other financial asset.

Wholesale lending

The expected credit loss is a product of exposure at default, probability of default and loss given default. The Group has devised an internal model to evaluate the probability of default and loss given default based on the parameters set out in Ind AS 109. In line with the same, the financial instruments are classified into Stage 1 – Standard assets with zero to thirty days past due (DPD), Stage 2 – significant credit deterioration or overdue between 31 to 90 days or standard OTR cases and Stage 3 – Default assets with overdue for more than 90 days & restructured NPA. For Stage 1 & Stage 2, PD & LGD are arrived at using parametric scorecard in the internal ECL model.

The ECL calculation is also adjusted using forward looking inputs from anticipated change in future macro-economic conditions to comply with Ind AS 109.

Retail lending

The Group uses ECL allowance for financial assets measured at amortised cost, which are not individually significant, and comprise of a large number of homogeneous loans that have similar characteristics. The expected credit loss is a product of exposure at default, probability of default and loss given default. Due to lack of sufficient internal data, the Group uses external data from credit bureau agency for potential credit losses and blends same with internal PD data. Further, the estimates from the above sources have been adjusted with forward looking inputs from anticipated change in future macro-economic conditions to comply with Ind AS 109.

The financial instruments are classified into Stage 1 – Standard assets with zero to thirty days past due (DPD), Stage 2 – significant credit deterioration or overdue for more than thirty days to 90 days and Stage 3 – Default assets with overdue for more than 90 days and restructured NPA.

For recognition of impairment loss on other financial assets and risk exposure (including off balance sheet commitments), the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

The measurement of impairment losses under Ind AS 109 across all categories of financial assets in scope requires assumptions, in particular, in 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. Elements of the ECL calculation that involve assumptions include:

a) The weights assigned to parameters in the scorecards used for calculation of PD and LGD

b) Assessing whether a significant increase in credit risk (SICR) has occurred for an exposure since initial recognition- The Group considers both quantitative and qualitative information and analysis. In doing so, the Group makes judgements about the appropriate indicators used as SICR triggers. The triggers that the Group has determined as appropriate include the 30-day backstop, movement in PD and other qualitative factors.

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c) Judgements about the type and number of macro economic scenarios in order to reflect the Group's exposure to credit risk. In assessing the recoverability of loans, investments and investment property, the Group has considered internal and external sources of information, including credit reports, economic forecasts and industry reports up to the date of approval of these financial statements. The Group has performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, the carrying amount of these assets represent the Group's best estimate of the recoverable amounts. As a result of the macro economic uncertainties, the impact may be different from those estimated as on the date of approval of these financial statements and the Group will continue to monitor any changes to the future economic conditions.
d) Additional ECL provision (including management overlay) used in circumstances where management judges that the existing inputs, assumptions and model techniques do not capture all the risk factors relevant to the Group's lending portfolios.

It has been the Group's policy to regularly review its model in the context of actual loss experience, macro economic factors and adjust it when necessary.

Impairment - POCI Financial Assets
POCI financial assets are assets that are credit-impaired on initial recognition. For POCI assets, lifetime ECL are incorporated into the calculation of the effective interest rate on initial recognition. Consequently, POCI assets do not carry an impairment allowance on initial recognition. The amount recognised as a loss allowance subsequent to initial recognition is equal to the changes in lifetime ECL since initial recognition of the asset. A favourable change for such assets create an impairment gain.

Impairment - Trade receivables
For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115, the Group always measures the loss allowance at an amount equal to lifetime expected credit losses.
Further, for the purpose of measuring lifetime expected credit loss ("ECL") allowance for trade receivables, the Group has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward looking information.

Derecognition of financial assets
The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.
On derecognition of financial assets in entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable, is recognised in the consolidated statement of profit and loss.

Derecognition of financial assets under amortised cost category:
Financial assets are written off when the Group has no reasonable expectations of recovering the financial asset (either in its entirety or a portion of it). This is the case when the Group determines through Management assessment 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/ may assign / sell loan exposure to ARC / Bank / a financial institution for a negotiated consideration. Net loss on derecognition of financial assets measured at amortised cost is calculated as the difference between the gross book value (including impairment) and the proceeds received. The accumulated ECL provision on the financial asset is reversed. Subsequent recoveries resulting from the Group's enforcement activities could result in income recognised under 'other operating income' in the statement of profit and loss. The Group has a Board approved policy on Write off and one time settlement of loans as per the applicable RBI regulations.
In accordance with Ind AS 109, in case of substantial renegotiation/modification of the contractual cash flows of a financial asset would lead to the derecognition of the existing financial asset. When the modification of a financial asset results in the derecognition of the existing financial asset and the subsequent recognition of the modified financial asset, the modified asset is considered a 'new' financial asset.

Repossession of collateral assets
The Holding company provides secured loans to individuals and corporates. In the ordinary course of business, upon borrower default, the Holding company may take possession of underlying collateral such as properties, vehicles, or other assets. Such repossessed assets are typically disposed of through auctions to recover outstanding dues or may be released back to customers upon settlement. Any surplus funds are returned to the customers/obligors. Repossessed assets are not recognized in the balance sheet unless legal title is transferred to the holding company and the asset satisfies the recognition criteria under Ind AS 105 as a non-current asset held for sale. The related loans continue to be classified and provided for in accordance with the Group's Expected Credit Loss (ECL) framework under Ind AS 109.

Reclassification of financial assets and liabilities
After initial recognition of financial assets and liabilities, no re-classification is made except for financial assets where there is a change in the business model for managing those assets. The Group's management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognized gains or losses (including impairment gains or losses) or interest.

Sale of Financial assets measured at Amortised Cost
Group reclassifies financial assets if the Group changes its business model for managing those financial assets. Such changes are expected to be very infrequent. Such changes are determined by the Group's senior management as a result of external or internal changes and must be significant to the Group's operations and demonstrable to external parties. Accordingly, a change in a Group's business model will occur only when the Group either begins or ceases to perform an activity that is significant to its operations.

The Group may occasionally sale portfolio classified under amortised pool for liquidity management, recovery management in case of stressed pool or for any specific regulatory compliance which will not lead to change in business model.
Further, if the sales are infrequent or insignificant in value, the sale of amortised cost pool will also not lead to change in business model.

Foreign exchange gains and losses
The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. For foreign currency denominated financial assets measured at amortised cost or FVTPL, the exchange differences are recognised in consolidated statement of profit or loss except for those which are designated as hedging instruments in a hedging relationship.

Classification as debt or equity
Debt and equity 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.

Investments in Alternative Investment Funds (AIF) which falls under RBI Circular
Investment in AIF units are classified as investments at fair value through profit and loss. Pursuant to the requirements of RBI circular dated December 19, 2023 read with clarifications dated March 27, 2024, the Group has measured the AIF investments that are covered under the said RBI circular/clarification net of regulatory provision equivalent to the carrying amount of the investments. There is no subsequent remeasurement of the fair value of the AIF investments. Gains on subsequent reversal of provisions based on realisation/ recoveries are recognised in other operating income (Refer note 29).
Excess realisation/ recoveries over the gross carrying value of AIF Investments is recognised as gain under 'Net gain on fair value changes' in consolidated statement of profit and loss.

Equity Instruments
An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued are recognised at the proceeds received.

Financial liabilities
All financial liabilities are subsequently measured at amortised cost using the effective interest rate method or at FVTPL.

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Group as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Financial Guarantee Contracts
A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument. Financial guarantee contracts issued by the Group are initially measured at their fair values and are subsequently measured at the higher of:
a) The amount of the loss allowance determined in accordance with Ind AS 109; and
b) The amount initially recognised less, where appropriate, cumulative amortisation recognised in accordance with the revenue recognition policies.

Foreign exchange gains and losses
For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in profit and loss.

Derecognition of financial liabilities
The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. An exchange between the Group and the lender of debt and other instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

Derivatives and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. Resulting gain/loss due to subsequent remeasurement of derivatives is recognised in the statement of profit and loss immediately unless the derivative is designated and is effective as a hedging instrument, in which event the timing of the recognition in the consolidated statement of profit and loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability.

Embedded derivatives
Derivatives embedded in a host contract that is an asset within the scope of Ind AS 109 are not separated. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

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Derivatives embedded in all other host contract are separated only if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host and are measured at fair value through profit or loss. Embedded derivatives closely related to the host contracts are not separated.

Embedded foreign currency derivatives

Embedded foreign currency derivatives are not separated from the host contract if they are closely related. Such embedded derivatives are closely related to the host contract, if the host contract is not leveraged, does not contain any option feature and requires payments in one of the following currencies:

- the functional currency of any substantial party to that contract,
- the currency in which the price of the related good or service that is acquired or delivered is routinely denominated in commercial transactions around the world,
- a currency that is commonly used in contracts to purchase or sell non-financial items in the economic environment in which the transaction takes place (i.e. relatively liquid and stable currency)

Foreign currency embedded derivatives which do not meet the above criteria are separated and the derivative is accounted for at fair value through profit and loss.

Hedge accounting

The Group designates certain hedging instruments, which include derivatives in respect of foreign currency risk, as either fair value hedges, cash flow hedges, or hedges of net investments in foreign operations. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges. 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.

a) Cash Flow Hedge:

A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability (such as all or some future interest payments on variable rate debt) or a highly probable forecast transaction and could affect profit or loss.

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

The amount recognised in the cash flow hedge reserve is reclassified from OCI to profit or loss as a reclassification adjustment in the same period as the hedged cash flows affect profit or loss, and in the same line item in the consolidated statement of profit or loss.

If the hedging derivative expires or is sold, terminated or exercised, or the hedge no longer meets the criteria for cash flow hedge accounting, or the hedge designation is revoked, then hedge accounting is discontinued prospectively. If the hedged cash flows are no longer expected to occur, then the Group immediately reclassifies the cumulative amount in the hedging reserve from OCI to the consolidated statement of profit or loss.

b) Fair Value Hedge:

When a derivative is designated as the hedging instrument in a hedge of the change in fair value of a recognised asset or liability or a firm commitment that could affect profit or loss, changes in the fair value of the derivative are recognised immediately in profit or loss. For designated and qualifying fair value hedges, the cumulative change in the fair value of a hedging derivative is recognized in the consolidated statement of profit and loss in Finance Costs. Meanwhile, the cumulative change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item in the balance sheet and is also recognized in the consolidated statement of profit and loss in Finance Cost.

If the hedging derivative expires or is sold, terminated or exercised, or the hedge no longer meets the criteria for fair value hedge accounting, or the hedge designation is revoked, then hedge accounting is discontinued prospectively.

On hedge discontinuation, any hedging adjustment made previously to a hedged financial instrument for which the effective interest method is used is amortised to profit or loss by adjusting the effective interest rate of the hedged item from the date on which amortisation begins. If the hedged item is derecognised, then the adjustment is recognised immediately in profit or loss when the item is derecognised.

Investment in Subsidiaries and Associates

Investment in subsidiaries and associates are recognized and carried at cost. Where the carrying amount of an investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is transferred to the consolidated Statement of Profit and Loss. On disposal of investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Profit and Loss.

Offsetting Financial Instruments

Financial Assets and Liabilities are offset and the net amount is reflected in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle the liability simultaneously.

The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or counterparty.

v) Assets held for sale

Assets are classified as held for sale and disposal group if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. Accordingly, the Group's investments in certain associates are classified as 'held for sale'. Such assets are generally measured at the lower of their carrying amount and fair value less costs to sell. Losses on initial classification as held for sale and subsequent gains and losses on re-measurement are recognised in profit or loss.

Once classified as held-for-sale, assets and liabilities are no longer amortised or depreciated. The determination of fair value less costs to sell includes use of management estimates and assumptions. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense. The fair value of the assets held for sale has been estimated using valuation techniques (including income and market approach) which includes unobservable inputs. Assets and Disposal Group that ceases to be classified as held for sale shall be measured at the lower of carrying amount before the asset and Disposal Group was classified as held for sale and its recoverable amount at the date of the subsequent decision not to sell.

Assets classified as held for sale are presented separately in the Balance Sheet under 'non-financial assets'.

There is no reclassification or re-presentation of amounts presented for assets classified as held for sale in the balance sheets for prior periods to reflect the classification in the balance sheet for the latest period presented.

The Group assesses and reassess the criteria for held for sale classification at every balance sheet date as required by Ind AS 105. This classification is continued only if the disposal of the asset is highly probable and the asset or disposal group is available for immediate sale in its present condition. Highly probable criteria is based on the management's actions required to complete the disposal of the asset, management's commitment to the plan to dispose the asset and the disposal expected to be completed generally within one year from the date of the original classification. An extension of the period required to complete the disposal does not preclude the asset or Disposal group from being classified as held for sale if the delay is caused by events or circumstances beyond the Group's control and there is sufficient evidence that the management remains committed to its plan to dispose the asset or disposal group.

vi) Employee Benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

(ii) Other long-term employee benefit obligations

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss. Long-Term Service Awards are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date.

The Group has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each reporting period using projected unit credit method on the additional amount expected to be paid / availed as a result of the unused entitlement that has accumulated at the reporting period. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

(iii) Post-employment obligations

The Group operates the following post employment schemes:

- Defined Contribution plans such as provident fund, superannuation, pension, employee state insurance scheme
- Defined Benefit plans such as provident fund and Gratuity

In case of Provident fund, contributions are made to a Trust administered by the Group, except in case of certain employees, where the Contributions are made to the Regional Provident Fund Office.

Defined Contribution Plans

The Group's contribution to the Regional Provident Fund office, pension and employee state insurance scheme and other social security schemes in overseas jurisdictions are considered as defined contribution plans, as the Group does not carry any further obligations apart from the contributions made on a monthly basis and are charged as an expense based on the amount of contribution required to be made.

Defined Benefit Plans

The Group contributes to Defined Benefit Plans comprising of Gratuity and Compensated absences.

Gratuity: The Group provides for gratuity, a defined benefit plan (the "Gratuity Plan") in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The liability or asset recognised in the balance sheet in respect of defined benefit provident and gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

Except in case of an overseas subsidiary, the present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

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The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in other interest expenses under finance cost in the consolidated statement of profit and loss.

In case of an overseas subsidiary, where pension is classified as a Defined Benefit Scheme, assets are measured using market values and liabilities are measured using a Projected Unit Credit method and discounted using market yields determined by reference to high-quality corporate bonds that are denominated in the currency in which benefits will be paid, and that have terms approximating to the terms of the related obligation. Shortfall, if any, is provided for in the financial statements.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the consolidated statement of changes in equity and in the condensed consolidated interim balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in statement of profit or loss as past service cost.

Bonus Plans - The Group recognises a liability and an expense for bonuses. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

Employee Share-based payments

The Group operates an equity settled share-based payment arrangement for its employees.

The Group determines the fair value of employee stock options on the grant date using Black Scholes model. The cost towards employees of the Group is recognised in the consolidated statement of profit and loss as employee benefit expenses on straight line basis over the vesting period, over the period in which the service conditions are fulfilled. The cumulative expense/recharge recognised 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 recognised for grants that do not ultimately vest because of non fulfilment 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.

vii) Provisions, Contingent Liabilities and Commitments

Provisions are recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent liabilities are 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 or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

Commitments are future liabilities for contractual expenditure. The commitments are classified and disclosed as follows:

i. The estimated amount of contracts remaining to be executed on capital account and not provided for; and

ii. Other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of the Management.

viii) Revenue recognition

Interest income

Interest income from a financial asset (including Lease rental discounting assets) is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate [Refer note 2(iv)] applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Delayed payment interest (penal interest and the like) levied on customers for delay in repayments/ non payment of contractual cashflows is recognised on realisation.

Fees and commission income

Fees and commission income includes fees and charges that are not considered integral to the EIR. These are recognised in accordance with Ind AS 115 – Revenue from Contracts with Customers, when the performance obligation is satisfied and it is probable that economic benefits will flow to the Group. This includes login fees, Foreclosure/prepayment charges, arranger fees, etc.

Dividend Income

Dividend income from investments is recognised when the Group's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of dividend income can be measured reliably).

Net gain/(loss) on fair value changes

The Group designates certain financial instruments for subsequent measurement at fair value through profit or loss (FVTPL) or fair value through other comprehensive income (FVOCI) as per the criteria in Ind AS 109. The Group recognises gains/(losses) on fair value change of financial instruments and realised gains/(losses) on derecognition of financial instruments measured at FVTPL and FVOCI on net basis.

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for the quarter ended June 30, 2026

(Currency : Rs. in Crores)

Sale of Services

In contracts involving the rendering of services/development contracts, revenue is recognised at the point in time in which services are rendered. In case of fixed price contracts, the customer pays a fixed amount based on the payment schedule. If the services rendered by the Group exceed the payment, a Contract asset (Unbilled Revenue) is recognised. If the payments exceeds the services rendered, a contract liability (Deferred Revenue) is recognised. If the contracts involve time-based billing, revenue is recognised in the amount to which the Group has a right to invoice.

Penal charges is levied on customers for delay in repayments/ non payment of contractual cashflows is recognised on realisation.

Other operating income

Other operating income includes recoveries made against loans / investments which were written off earlier, reversals of AIF regulatory provisions based on recoveries and net gain from sale of associate.

ix) Foreign Currency Transactions

In preparing the financial statement, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at each reporting date's exchange rates are generally recognised in profit or loss. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

For the purpose of presenting condensed consolidated interim financial statements, the assets and liabilities of the Group's foreign operations that have a functional currency other than presentation currency i.e. Indian Rupees are translated using exchange rates prevailing at the reporting date. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognized in other comprehensive income and held in foreign currency translation reserve (FCTR), a component of equity, except to the extent that the translation difference is allocated to non-controlling interest. When a foreign operation is disposed off, the relevant amount recognized in FCTR is transferred to the statement of income as part of the profit or loss on disposal. Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the exchange rate prevailing at the reporting date.

Foreign currency differences arising from translation of intergroup receivables or payables relating to foreign operations, the settlement of which is neither planned nor likely in the foreseeable future, are considered to form part of net investment in foreign operation and are recognized in FCTR.

Exchange differences on monetary items are recognised in consolidated statement of profit or loss in the period in which they arise.

x) Exceptional Items

When items of income and expense within profit or loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the enterprise for the period, the nature and amount of such items is disclosed separately as exceptional

xi) Leases

The Group recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment.

The Group measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using incremental borrowing rate. Interest expense on the lease liability is a component of other borrowing cost. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Group is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The Group recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and consolidated statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognises any remaining amount of the re-measurement in consolidated statement of profit and loss.

The Group has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

Security Deposits on leases

At initial recognition the carrying value of the refundable deposits is taken at present value of all expected future principal repayments discounted using market rates prevailing at the time of inception. For Interest expenses, the difference between present market value and deposit made is recognised as prepayment and amortised in the Statement of Profit and loss over the benefit period on systematic basis. Interest income is recognised at the market rate prevailing at the time of inception.

xii) Taxes on Income

Tax expense for the year, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the year. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961.

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Deferred tax is recognised 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 recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences and in respect of tax losses to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences and tax losses can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

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 year.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, associates and interest in joint arrangements where the group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, associates and interest in joint arrangements where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

While determining the tax provisions, the Group assesses whether each uncertain tax position is to be considered separately or together with one or more uncertain tax positions depending upon the nature and circumstances of each uncertain tax position.

The Group uses estimates and judgements based on the relevant rulings in the areas of allocation of revenue, costs, allowances and disallowances which is exercised while determining the provision for income tax. Judgement is required to determine the amount of deferred tax assets that can be recognised, based on the likely timing and level of future taxable profits, together with future tax-planning strategies.

xiii) Cash and Cash Equivalents

In the cash flow statement, Cash and cash equivalent comprises cash in hand, demand deposits and time deposits with original maturity of less than three months held with bank and debit balance in cash credit account. Credit balance in cash credit account are shown within borrowings in financial liabilities in the condensed consolidated interim balance sheet.

xiv) Finance Costs

Borrowing costs directly attributable to acquisition or construction of qualifying assets (i.e. those fixed assets which necessarily take a substantial period of time to get ready for their intended use) are capitalised.

Borrowing costs include interest expense calculated using the EIR method. EIR includes interest, amortization of ancillary cost, incurred in connection with the borrowing of funds. Other borrowing costs are recognised as an expense in the period in which they are incurred.

xv) Earnings per share

Basic earnings per share

The basic earnings per share is computed by dividing the net profit attributable to the equity shareholders by weighted average number of equity shares outstanding during the reporting year.

Diluted earnings per share

Number of equity shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share and also weighted average number of equity shares which would have been issued on the conversion of all dilutive potential shares. In computing diluted earnings per share only potential equity shares that are dilutive are included.

xvi) Segment accounting

In accordance with Ind AS 108, Segment Reporting, the Chief Executive Officer and Managing Director is the Group's chief operating decision maker ("CODM"). The Group has identified only one reportable business segment & geographical segment as it deals mainly in lending business within India.

xvii) Dividends

The Group recognises a liability to make cash distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the Companies Act, 2013, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in other equity.

xviii) Securitization and direct assignment (including co-lending)

The Group transfers loans through securitisation and direct assignment (including co-lending) transactions. The transferred loans are de-recognised and gains/losses are accounted for, only if the Group transfers substantially all risks and rewards specified in the underlying assigned loan contract.

In accordance with Ind AS 109, in case of assignment transactions with complete transfer of risks and rewards without any retention of residual interest, gain arising on such assignment transactions is recorded upfront in the Consolidated Statement of Profit and Loss and the corresponding asset is derecognized from the condensed consolidated interim balance sheet immediately upon execution of such transaction. Further, the transfer of financial assets qualifies for derecognition in its entirety, the whole of the interest spread at its present value (discounted over the life of the asset) is recognized on the date of derecognition itself as interest only strip receivable (interest strip on assignment) and correspondingly recognized as profit on derecognition of financial asset.

xix) Fair Valuation of financial assets and liabilities

Certain financial assets of the Group are measured at fair value for financial reporting purposes. In estimating the fair value of an asset and liability, the Group uses market observable data to the extent it is available. When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques. In such cases, the Group usually engages third party qualified external valuer to establish the appropriate valuation techniques and inputs to the valuation model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities. The Group considers an instrument to be classified as valued using significant unobservable inputs (Level 3 instrument) where more than 10% of the instrument's valuation is determined by unobservable inputs.

xx) Business Combinations and Goodwill

The acquisition method of accounting is used to account for all business combinations except under common control, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a business comprises the:

- fair values of the assets transferred;
- liabilities incurred to the former owners of the acquired business;
- equity interests issued by the Group; and
- fair value of any asset or liability resulting from a contingent consideration arrangement.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the

- consideration transferred;
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

Over the fair value of the net identifiable assets acquired is recorded as goodwill. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Any impairment loss for goodwill is recognised in the consolidated statement of profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised as capital reserve in other equity.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss or other comprehensive income, as appropriate.

Common control transactions

Business combinations involving entities that are controlled by the Group are accounted for using the pooling of interests method as per Appendix C of Ind AS 103 and in line with the accounting treatment mentioned in the respective scheme.

xxi) Other Expenses

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

xxii) Statement of Cash Flows

Cash flows are reported using indirect method as permitted under Ind AS 7, whereby profit before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments.

Cash receipt and payment for borrowings in which the turnover is quick, the amounts are large, and the maturities are short are defined as short term borrowings and shown on net basis in the statement of cash flows. Such items include commercial papers, debt securities, cash credit, overdraft facility, working capital demand loan and triparty repo dealing and settlement. All other borrowings are terms as long term borrowings.

Cash flows from deposits are shown on net basis as permitted under Ind AS 7.

Cash flows arising from interest paid and interest and dividends received are classified as cash flows arising from operating activities as permitted under Ind AS 7, since the Group is predominantly into financial services business.

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(Currency : Rs. in Crores)

		As at June 30, 2026	As at March 31, 2026
3	**Cash and cash equivalents**		
	Cash on hand	0.02	0.02
	Balances with banks in current accounts	1,673.70	3,122.01
	Fixed deposits (with original maturity less than 3 months)	-	1,001.09
	Total	**1,673.72**	4,123.12
4	**Bank balances other than Cash and cash equivalents**		
	Fixed deposits (with original maturity more than 3 months)	43.71	98.63
	Earmarked balances with banks (refer note 1 & 2 below)	1,581.04	1,334.33
	Unclaimed dividend Accounts	11.49	11.86
	Total	**1,636.24**	1,444.82

Notes:

1.Deposits with banks offered as security against the borrowings, guarantees and securitised transactions.

2.Net of fair valuation loss of Rs. 199.07 crores (March 31, 2026 - Rs. 205.39 crores) on account of value recognised in books for cash collateral for securitised pool created at the time of amalgamation with erstwhile Dewan Housing Finance Corporation Limited ("eDHFL").

		As at June 30, 2026	As at March 31, 2026
5	**Trade Receivables**		
	Trade Receivables considered good - secured	-	-
	Trade Receivables considered good - Unsecured	8.94	12.98
	Trade Receivables - credit impaired	-	-
	Less: Provision for trade receivables	-	-
	Total	**8.94**	12.98
6	**Other Receivables**		
	Receivables considered good - Unsecured	56.88	24.04
	Receivables - credit impaired	-	-
	Less: Provision for other receivables	-	-
	Total	**56.88**	24.04

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(Currency : Rs. in Crores)

7 **Loans**	As at June 30, 2026				As at March 31, 2026			
	At amortised cost	**At FVTPL**	**At FVOCI**	**Total**	At amortised cost	At FVTPL	At FVOCI	Total
Loans in India - Term Loans								
A (a) Secured by tangible assets	70,438.80	441.77	-	70,880.57	66,536.03	495.69	-	67,031.72
(b) Secured by intangible assets	94.45	-	-	94.45	94.29	-	-	94.29
(c) Unsecured	21,342.66	-	-	21,342.66	19,510.27	-	-	19,510.27
Gross	91,875.91	441.77	-	92,317.68	86,140.59	495.69	-	86,636.28
Less: Allowance for impairment loss	(2,059.71)	-	-	(2,059.71)	(1,798.26)	-	-	(1,798.26)
Total	**89,816.20**	**441.77**	-	**90,257.97**	84,342.33	495.69	-	84,838.02
B Considered good								
- to Related party	-	-	-	-	0.23	-	-	0.23
- to Others	87,850.96	441.77	-	88,292.73	82,729.26	495.69	-	83,224.95
Less: Allowance for impairment loss	(1,058.19)	-	-	(1,058.19)	(1,024.46)	-	-	(1,024.46)
Significant increase in Credit Risk	1,950.49	-	-	1,950.49	1,534.79	-	-	1,534.79
Less: Allowance for impairment loss	(307.38)	-	-	(307.38)	(190.49)	-	-	(190.49)
Credit impaired	1,947.16	-	-	1,947.16	1,712.58	-	-	1,712.58
Less: Allowance for impairment loss	(694.14)	-	-	(694.14)	(583.31)	-	-	(583.31)
Purchased or Originated Credit Impaired Assets (POCI)	127.30	-	-	127.30	163.73	-	-	163.73
	89,816.20	**441.77**	-	**90,257.97**	**84,342.33**	**495.69**	-	**84,838.02**
Loan to Public Sectors				-				-
Loan to Others				90,257.97				84,838.02
Total				**90,257.97**				**84,838.02**

Notes:

1. During the current period and previous year, the Group has sold certain loans classified under amortised cost as part of Direct assignment and certain stressed portfolio classified under amortised cost for liquidity and recovery management strategy of the Group. Such sale of loans will not lead to change in business model as per the Group's board approved policy and management's evaluation of business model.

2. The Group holds collateral and other credit enhancements against certain of its credit exposures. The loans are collateralised against mortgage of property including development rights, pledge of shares, hypothecation of assets, corporate guarantees, hypothecation over receivables from funded project or other projects of the borrower or escrow account undertaking to create security.

3. FVTPL loan includes Rs. 258.80 crores (March 31, 2026 - Rs. 257.30 crores) pertaining to restructured account which has been considered as NPA for regulatory purpose.

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as at June 30, 2026

(Currency : Rs. in Crores)

8 Investments	As at June 30, 2026					As at March 31, 2026				
	At amortised cost	At FVTPL	At FVOCI	At Cost	Total	At amortised cost	At FVTPL	At FVOCI	At Cost	Total
Investments within India:										
Investments accounted for using the equity method:										
Equity Investment in Associate:										
DHFL Venture Trustee Company Private Limited	-	-	-	0.04	0.04	-	-	-	0.04	0.04
Equity Investment in Joint Ventures:										
Pramerica Life Insurance Limited	-	-	-	807.94	807.94	-	-	-	636.28	636.28
Paladin Consultancy Private Limited (formerly known as India Resurgence ARC Private Limited)	-	-	-	65.09	65.09	-	-	-	64.66	64.66
India Resurgence Asset Management Business Private Limited	-	-	-	19.19	19.19	-	-	-	21.07	21.07
Piramal Structured Credit Opportunities Fund	-	-	-	203.50	203.50	-	-	-	292.76	292.76
India Resurgence Fund - Scheme 4	-	-	-	26.38	26.38	-	-	-	25.39	25.39
India Resurgence Fund Scheme 2	-	-	-	541.93	541.93	-	-	-	707.07	707.07
India Resurgence Fund Scheme 2 Fund 2	-	-	-	242.16	242.16	-	-	-	231.83	231.83
Equity Instruments	-	301.12	1.98	-	303.10	-	301.12	1.81	-	302.93
Preference Shares	-	56.45	321.15	-	377.60	-	56.45	310.21	-	366.66
Project Receivables	-	369.00	-	-	369.00	-	369.00	-	-	369.00
Alternative Investment Funds (net of regulatory provisions) (1)	-	434.60	-	-	434.60	-	449.06	-	-	449.06
Security Receipts (4)	-	1,897.14	-	-	1,897.14	-	2,201.48	-	-	2,201.48
Optionally Convertible Debentures	-	215.24	-	-	215.24	-	368.15	-	-	368.15
Government Securities/Redeemable Bonds (2)	202.51	-	2,672.81	-	2,875.32	201.62	-	2,649.86	-	2,851.48
Redeemable Non Convertible Debentures	471.97	78.39	-	-	550.36	516.75	77.62	-	-	594.37
Investment in Mutual Funds (3)	-	740.15	-	-	740.15	-	224.05	-	-	224.05
Pass Through certificates	84.01	-	-	-	84.01	90.13	-	-	-	90.13
Investments outside India:										
Asset Resurgence Mauritius Manager	-	-	-	37.31	37.31	-	-	-	35.89	35.89
Gross	**758.49**	**4,092.09**	**2,995.94**	**1,943.54**	**9,790.06**	808.50	4,046.93	2,961.88	2,014.99	9,832.30
Less: Allowance for impairment loss	(75.63)	-	-	-	(75.63)	(18.47)	-	-	-	(18.47)
Total	**682.86**	**4,092.09**	**2,995.94**	**1,943.54**	**9,714.43**	790.03	4,046.93	2,961.88	2,014.99	9,813.83

Notes:

1 Investment in Alternative Investment Funds is net of regulatory provisions of Rs. 1,096.89 crores as of June 30, 2026 (March 31, 2026 - Rs. 1,096.89 crores)

2 Government securities of Rs. 8 crores (March 31, 2026 - Rs 8 crores) are pledged for availing lending/investment under triparty repo dealing and settlement (TREPs) facilities

3 As on June 30, 2026, investment in mutual funds amounting to Rs. 56.29 crores (March 31, 2026 - Rs. 55.58 crores) are lien marked against securitisation deals.

4 The Group has provision of Rs. 396.94 crores (March 31, 2026 - Rs. 535.40 crores) on security receipts based on risk assessment and regulatory requirements

5 Investments in Redeemable Non-Convertible Debentures and Preference Shares include investments in Joint ventures

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as at June 30, 2026

(Currency : Rs. in Crores)

		As at June 30, 2026	As at March 31, 2026
9	**Other financial assets**		
	Security deposits	231.42	191.02
	Excess interest spread on assignments	872.27	854.77
	Other receivables (refer note 1 below)	374.41	361.24
	Less: Provision for Other Financial Assets (refer note 2 below)	(66.53)	(66.53)
	Total	**1,411.57**	**1,340.50**

Notes:

1. Other receivables includes receivables on account of securitisation transactions.
2. Provision for other financial assets includes impairment provision on security deposits of Rs.62.49 crores (March 31, 2026: Rs. 62.49 crores) and on other financial assets Rs.4.04 crores (March 31, 2026: Rs. 4.04 crores).

10	**Current tax assets (Net)**		
	Advance tax & tax deducted at source (net of Provision of Rs. 1,631.05 crores, March 31, 2026: Rs.1,752.07 crores)	527.03	663.40
	Total	**527.03**	**663.40**

11	**Deferred tax assets (net)**		
	Deferred tax assets	2,853.67	3,220.94
	Deferred tax liabilities	(87.20)	(453.55)
	Total	**2,766.47**	**2,767.39**

As at June 30, 2026, the Holding Company has accumulated unabsorbed tax losses amounting upto Rs. 23,879.58 crores (March 31, 2026 - Rs. 24,281.44 crores) (including assessed carried forward tax losses of Rs. 23,879.58 crores (March 31, 2026 - Rs. 24,281.44 crores)), which give rise to potential deferred tax assets (DTA) amounting upto to Rs. 6,010.49 crores (March 31, 2026 - Rs. 6,111.64 crores) on such carried forward losses within the time period allowed under the applicable tax laws. In accordance with the principles of prudence and based on a detailed assessment of projected future taxable income over the next five years, the Holding Company has recognised deferred tax assets on carried forward losses to the extent of Rs. 2,162.25 crores (March 31, 2026 - Rs. 2,135.63 crores) which is dependent upon achievement of business plan as considered in the underlying future business projections. Expiry date of above unabsorbed tax losses on which deferred tax assets is not recognised is between financial year 2029-30 to financial year 2031-32

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(Currency : Rs. in Crores)

12(i) Investment property & Investment property under construction

Particulars	Gross Block				Depreciation / Amortisation					Net Block
	Opening As at April 1, 2026	Additions during the period	Deduction/ write offs/ adjustments	As at June 30, 2026 (A)	Opening As at April 1, 2026	Impairment	Charge for the period	Deduction/ write offs/ adjustments	As at June 30, 2026 (B)	As at June 30, 2026 (A-B)
Tangible Assets										
Buildings	1,481.17	-	-	**1,481.17**	155.47	-	8.90	-	**164.37**	**1,316.80**
Land	1,776.62	-	-	**1,776.62**	1,335.31	-		-	**1,335.31**	**441.31**
Furniture and fixtures	7.63	-	-	**7.63**	5.38	-	0.18	-	**5.56**	**2.07**
Plant and machinery	39.37	0.70		**40.07**	20.37	-	0.67	-	**21.04**	**19.03**
Total (I)	**3,304.79**	**0.70**	-	**3,305.49**	**1,516.53**	-	**9.75**	-	**1,526.28**	**1,779.21**
Investment property under construction (II)	**43.79**	1.39	-	**45.18**	-	-	-	-	-	**45.18**
Grand Total (I+II)	**3,348.58**	**2.09**	-	**3,350.67**	**1,516.53**	-	**9.75**	-	**1,526.28**	**1,824.39**

Particulars	Gross Block				Depreciation / Amortisation					Net Block
	Opening As at April 1, 2025	Additions during the year	Deduction/ write offs/ adjustments	As at March 31, 2026 (A)	Opening As at April 1, 2025	Impairment	Charge for the year	Deduction/ write offs/ adjustments	As at March 31, 2026 (B)	As at March 31, 2026 (A-B)
Tangible Assets										
Buildings	**1,481.17**	-	-	**1,481.17**	**119.50**	-	35.97	-	**155.47**	**1,325.70**
Land	**1,776.62**	-	-	**1,776.62**	**660.31**	675.00	-	-	**1,335.31**	**441.31**
Furniture and fixtures	**7.63**	-	-	**7.63**	**4.61**	-	0.77	-	**5.38**	**2.25**
Plant and machinery	**38.17**	1.26	0.06	**39.37**	**17.53**	-	2.90	0.06	**20.37**	**19.00**
Total (I)	**3,303.59**	1.26	0.06	**3,304.79**	**801.95**	675.00	39.64	0.06	**1,516.53**	**1,788.26**
Investment property under construction (II)	**29.12**	14.67	-	**43.79**	-	-	-	-	-	**43.79**
Grand Total (I+II)	**3,332.71**	**15.93**	**0.06**	**3,348.58**	**801.95**	**675.00**	**39.64**	**0.06**	**1,516.53**	**1,832.05**

Piramal Finance Limited
(formerly known as Piramal Capital & Housing Finance Limited)

Notes to the Condensed Consolidated Interim Financial Statements (Continued)
as at June 30, 2026

(Currency : Rs. in Crores)

12(ii) Property, plant and equipment, Intangible Assets and Intangibles Assets under development

Particulars	Gross Block				Depreciation / Amortisation				Net Block
	Opening As at April 1, 2026	Additions during the period	Deduction/ write offs/ adjustments	As at June 30, 2026 (A)	Opening As at April 1, 2026	Charge for the period	Deduction/ write offs/ adjustments	As at June 30, 2026 (B)	As at June 30, 2026 (A-B)
Tangible Assets									
Freehold Land	**0.89**		0.04	0.85	-	-	-	-	**0.85**
Buildings	**7.69**		0.02	7.67	**1.23**	0.06	0.00	**1.29**	**6.38**
Office Equipments	**196.22**	6.59	0.36	202.45	**126.82**	6.76	0.30	**133.28**	**69.17**
Furniture and Fixtures	**72.20**	1.33	0.31	73.22	**34.64**	1.78	0.29	**36.13**	**37.09**
Motor vehicles	**12.05**	-	0.73	11.32	**6.76**	0.29	0.63	**6.42**	**4.90**
Leasehold Improvements	**103.00**	1.65	0.09	104.56	**53.97**	4.81	0.09	**58.69**	**45.87**
Plant and equipments	**0.05**	-	-	0.05	**0.05**	0.00	-	**0.05**	**0.00**
Total (I)	**392.10**	**9.57**	**1.55**	**400.12**	**223.47**	**13.70**	**1.31**	**235.86**	**164.26**
Intangible Asset									
Goodwill on consolidation (II)	**2.00**			**2.00**	-	-	-	-	**2.00**
Other Intangible Assets									
Computer softwares	**127.85**	4.30		**132.15**	**75.39**	7.14		**82.53**	**49.62**
Internally generated softwares	**179.94**	-	-	**179.94**	**90.50**	9.53		**100.03**	**79.91**
Total (III)	**307.79**	**4.30**	-	**312.09**	**165.89**	**16.67**	-	**182.56**	**129.53**
Right to Use Assets - Premises (IV)	**396.39**	34.55	17.18	**413.76**	**189.16**	15.91	(2.70)	**207.77**	**205.99**
Intangibles Assets under development (V)	**116.42**	21.87	4.30	**133.99**	-	-	-	-	**133.99**
Grand Total (I+II+III+IV+V)	**1,214.70**	**70.29**	**23.03**	**1,261.96**	**578.52**	**46.28**	**(1.39)**	**626.19**	**635.77**

Piramal Finance Limited
(formerly known as Piramal Capital & Housing Finance Limited)

Notes to the Condensed Consolidated Interim Financial Statements (Continued)
as at June 30, 2026

(Currency : Rs. in Crores)

12(ii) Property, plant and equipment, Intangible Assets and Intangibles Assets under development

Particulars	Gross Block				Depreciation / Amortisation				Net Block
	Opening As at April 1, 2025	Additions during the year	Deduction/ write offs/ adjustments	As at March 31, 2026 (A)	Opening As at April 1, 2025	Charge for the year	Deduction/ write offs/ adjustments	As at March 31, 2026 (B)	As at March 31, 2026 (A-B)
Tangible Assets									
Freehold Land	**1.09**	-	0.20	**0.89**	-	-	-	-	**0.89**
Buildings	**41.56**	-	33.87	**7.69**	3.41	0.90	3.08	**1.23**	**6.46**
Office Equipments	**184.93**	12.07	0.78	**196.22**	96.03	31.07	0.28	**126.82**	**69.40**
Furniture and Fixtures	**67.74**	5.21	0.75	**72.20**	29.88	6.19	1.43	**34.64**	**37.56**
Motor vehicles	**10.59**	2.32	0.86	**12.05**	6.12	1.23	0.59	**6.76**	**5.29**
Leasehold Improvements	**97.68**	6.82	1.50	**103.00**	34.56	18.59	(0.82)	**53.97**	**49.03**
Plant and equipments	**28.09**	-	28.04	**0.05**	27.09	0.00	27.04	**0.05**	**0.00**
Total (I)	**431.68**	**26.42**	**66.00**	**392.10**	**197.09**	**57.98**	**31.60**	**223.47**	**168.63**
Intangible Assets									
Goodwill on Consolidation (II)	**2.00**	-	-	**2.00**	-	-	-	-	**2.00**
Other Intangible Assets									
Computer softwares	**158.92**	1.69	32.76	**127.85**	**72.75**	33.15	30.51	**75.39**	**52.46**
Internally generated softwares	**179.94**	-	-	**179.94**	**52.27**	38.23	-	**90.50**	**89.44**
Total (III)	**338.86**	**1.69**	**32.76**	**307.79**	**125.02**	**71.38**	**30.51**	**165.89**	**141.90**
Right to Use Assets (IV)	**424.24**	24.46	52.31	**396.39**	137.28	58.80	6.92	**189.16**	**207.23**
Intangibles Assets under development (V)	**42.64**	75.47	1.69	**116.42**	-	-	-	-	**116.42**
Grand Total (I+II+III+IV+V)	**1,239.42**	**128.04**	**152.76**	**1,214.70**	**459.39**	**188.16**	**69.03**	**578.52**	**636.18**

SINGHI & CO. ★ Chartered Accountants ★

LODHA & CO. LLP ★ MUMBAI-01 ★ Chartered Accountants

PIRAMAL FINANCE LIMITED ★

Piramal Finance Limited

(formerly known as Piramal Capital & Housing Finance Limited)

Notes to the Condensed Consolidated Interim Financial Statements (Continued)

as at June 30, 2026

(Currency : Rs. in Crores)

		As at June 30, 2026	As at March 31, 2026
13	**Other non-financial assets**		
	Capital advance	26.07	13.72
	Goods and service tax credit receivable	345.59	373.86
	Prepaid expenses	45.11	45.11
	Advance for expenses	69.85	47.00
	Advance processing fees paid	138.16	134.25
	Less: Provision for doubtful advances	(133.99)	(133.99)
	Accrual of rent equalisation expenses	9.25	7.16
	Total	**500.04**	487.11
14	**Trade payables**		
	(i) Total outstanding dues of micro enterprises and small enterprises	101.64	84.76
	Total	**101.64**	**84.76**
	(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	502.78	342.36
	Total	**502.78**	**342.36**

Piramal Finance Limited

(formerly known as Piramal Capital & Housing Finance Limited)

Notes to the Condensed Consolidated Interim Financial Statements (Continued)

as at June 30, 2026

(Currency : Rs. in Crores)

		As at June 30, 2026	As at March 31, 2026
15	**Debt Securities**		
	Debt securities in India, unless otherwise specified		
	Measured at amortised cost		
	Redeemable Non Convertible Debentures (secured)	26,306.90	26,505.03
	Foreign Currency Bonds (secured) (from outside India)	4,393.88	4,311.86
	Commercial Paper (unsecured)	689.02	775.08
	Total	**31,389.80**	**31,591.97**
16	**Borrowings (Other than Debt Securities)**		
	Borrowings in India, unless otherwise specified		
	Measured at amortised cost		
	Term Loans (secured)		
	-From banks *	28,803.13	27,127.11
	-From others	4,625.77	4,161.60
	-Foreign Currency ECB loans (from outside India)	11,970.18	11,610.80
	Securitised Borrowings (Secured)	5,342.99	5,169.82
	Working capital demand loan (secured)		
	-From banks	100.02	200.02
	Total	**50,842.09**	**48,269.35**

* including Term loan from Banks in Foreign currency of 50 Million USD (March 31, 2026: 50 Million USD).

17	**Subordinated Debt Liabilities**		
	Subordinated Liabilities in India		
	Measured at amortised cost		
	Redeemable Non Convertible Debentures (unsecured)	130.85	127.89
	Total	**130.85**	**127.89**

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PIRAMAL FINANCE LIMITED

Piramal Finance Limited

(formerly known as Piramal Capital & Housing Finance Limited)

Notes to the Condensed Consolidated Interim Financial Statements (Continued)

as at June 30, 2026

(Currency : Rs. in Crores)

		As at June 30, 2026	As at March 31, 2026
18	**Other financial liabilities**		
	Lease liability	245.69	244.64
	Payable to employees	93.41	181.59
	Unclaimed dividend	11.49	11.86
	Security and other deposits received	158.38	161.63
	Amounts payable on Securitised Loans	288.83	332.80
	Others*	193.62	204.68
	Total	**991.42**	**1,137.20**
	** includes liability towards sold portfolio etc.*		
19	**Current tax liabilities (net)**		
	Net provision for tax (net of advance tax of Rs. 5,637.99 crores, March 31, 2026: Rs.5,638.94 crores)	285.75	268.31
	Total	**285.75**	**268.31**
20	**Provisions**		
	Provision for Employee Benefits		
	Gratuity	68.27	55.31
	Compensated absences	87.66	72.58
	Others	0.18	0.18
	Allowance for impairment on commitments	31.43	26.28
	Total	**187.54**	**154.35**
21	**Other non-financial liabilities**		
	Statutory dues payable	76.90	149.76
	Capital creditors	9.23	7.16
	Advance received from customers	245.58	221.89
		331.71	**378.81**

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PIRAMAL FINANCE LIMITED ★

Piramal Finance Limited

(formerly known as Piramal Capital & Housing Finance Limited)

Notes to the Condensed Consolidated Interim Financial Statements (Continued)

as at June 30, 2026

(Currency : Rs in Crores)

		As at June 30, 2026	As at March 31, 2026
22	**Equity Share Capital**		
	Authorized share capital:		
	1,46,49,69,50,120 equity shares of Rs 2 each	29,299 39	29,299 39
	19,25,00,000 Non-Convertible Redeemable Cumulative Preference Shares of Rs 100 each	1,925 00	1,925 00
	10,50,00,000 unclassified shares of Rs 2 each	21 00	21 00
	Total	**31,245.39**	**31,245.39**
	Issued, subscribed and fully paid up equity share capital: *		
	Balance at the beginning of the period	45 22	-
	Add: Equity shares issued as part of business combination (Refer note 42)	-	45 10
	Add: Issuance of Shares	-	0 24
	Add/(Less): Movements in treasury shares	0 03	(0 12)
	Total	45 25	45 22

*Issued Capital: 22,67,02,273 equity shares of Rs 2 each (March 31, 2026 - 22,67,02,273 equity shares of Rs 10 each) Subscribed and Paid up capital: 22,66,77,700 equity shares of Rs 2 each (March 31, 2026 - 22,66,77,700 equity shares of Rs 10 each). There is difference in issued and paid-up share capital of the Holding Company since 24,573 equity shares have been kept in abeyance, under Rights Issue of PEL (now merged with PFL) in February 2018

	Equity share capital suspense		
	Balance at the beginning of the period	-	45 08
	Less: Movement due to issuance of shares	-	(45 08)
		-	-
23	**Other equity**		
	Capital Reserve	2 00	2 00
	Securities Premium	8,345 47	8,331 44
	Cash flow hedging reserve	62 19	43 71
	Statutory reserve fund	3,669 64	3,669 64
	Amalgamation Adjustment Reserve	(919 18)	(919 18)
	Debt Instruments Measure through OCI	(23 74)	(58 30)
	Equity Instruments Measure through OCI	191 13	191 36
	Capital Redemption Reserve	64 55	64 55
	General Reserve	5,799 64	5,799 64
	Foreign Currency Translation Reserve	69 71	69 74
	Stock Options Reserve	103 29	99 76
	Retained Earnings	11,415 57	10,809 08
	Total	**28,780.27**	**28,103.44**

Piramal Finance Limited

(formerly known as Piramal Capital & Housing Finance Limited)

Notes to the Condensed Consolidated Interim Financial Statements (Continued)

for the quarter ended June 30, 2026

(Currency : Rs. in Crores)

		For the quarter ended June 30, 2026	For the quarter ended June 30, 2025
24	**Interest income**		
	Interest income on financial assets measured at amortised cost:		
	- on investments	50.17	74.39
	- on loans and advances	2,942.48	2,246.12
	Interest income on investments measured at FVTPL	15.94	6.92
	Interest income on investments measured at FVTOCI	45.75	35.23
	Interest income on deposits	31.14	30.77
	Total	**3,085.48**	2,393.43
25	**Dividend Income**		
	Dividend income from equity shares*	18.31	14.85
	Dividend income from mutual fund units	0.02	0.03
	Total	**18.33**	14.88
	*includes dividend from related parties (Refer note 41)		
26	**Rental income**		
	Rental and other related revenues	35.88	31.73
	Total	**35.88**	31.73
27	**Fees and commission income**		
	Fees and commission income	126.83	114.27
	Total	**126.83**	114.27
28	**Sale of services**		
	Professional services	2.14	2.88
	Total	**2.14**	2.88
29	**Other operating income**		
	Recovery from written off accounts	99.61	82.06
	Total	**99.61**	82.06
30	**Other income**		
	Other non-operating income	21.29	31.71
	Net gain on de-recognition of property, plant and equipments & other intangible assets	0.18	14.17
	Interest on income tax refund	39.80	4.98
	Total	**61.27**	50.86

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PIRAMAL FINANCE LIMITED

Piramal Finance Limited

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Notes to the Condensed Consolidated Interim Financial Statements (Continued)

for the quarter ended June 30, 2026

(Currency : Rs. in Crores)

		For the quarter ended June 30, 2026	For the quarter ended June 30, 2025
31	**Finance costs**		
	Interest expense on financial liabilities measured at amortised cost:		
	Interest on deposits	-	1.78
	Interest on borrowings	1,078.58	699.28
	Interest on debt securities	641.84	778.08
	Interest on subordinated liabilities	2.96	3.04
	Other interest expenses*	10.48	9.53
	Total	**1,733.86**	1,491.71

* includes interest cost on lease liability, ineffective portion of derivative instrument taken for borrowings and "Net interest on defined benefit liability".

32	**Fees and commission expense**		
	Other borrowing cost	2.42	2.27
	Total	**2.42**	2.27
33	**Net (gain)/loss on fair value changes**		
	(a) (Gain)/Loss on investments measured at fair value		
	Realised	33.99	(32.31)
	Unrealised	(53.74)	127.99
	(b) (Gain)/Loss on loans and advances measured at fair value		
	Realised	(10.69)	(45.93)
	Unrealised	42.79	(53.17)
	Total	**12.35**	(3.42)
34	**Net loss on derecognition of financial instruments under amortised cost category**		
	Loss on derecognition of financial assets*	265.33	491.70
	(Gain) on derecognition of financial assets**	(91.53)	(100.23)
	Total	**173.80**	391.47

* Consists of loss arising from sale of loans and advances, transfer of loan book as part of direct assignments, one-time settlements and technical write offs, where the Group has no reasonable expectations of recovering the financial asset. The Group may apply enforcement activities to financial assets written off.

** Gain on derecognition of financial assets is primarily on account of transfer of loan book as part of direct assignment and co-lending.

35	**Impairment allowances/(reversals) on financial instruments**		
	Measured at Amortised Cost		
	Loans	209.13	(228.93)
	Investments	59.74	7.96
	Commitments	4.72	(7.50)
	Others	-	1.64
	Total	**273.59**	(226.83)
36	**Employee benefits expenses**		
	Salaries and wages	420.19	379.00
	Contribution to provident and other funds	22.08	19.69
	Provision for leave encashment	18.30	9.03
	Staff welfare expenses	20.02	21.12
	Provision for gratuity	6.01	4.75
	Share based payment expenses	17.56	17.25
	Total	**504.16**	450.84

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PIRAMAL FINANCE LIMITED

Piramal Finance Limited

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Notes to the Condensed Consolidated Interim Financial Statements (Continued)

for the quarter ended June 30, 2026

(Currency : Rs. in Crores)

		For the quarter ended June 30, 2026	For the quarter ended June 30, 2025
37	**Other expenses**		
	Corporate social responsibility expenses	12.44	3.54
	Director's commission	0.69	0.98
	Rent	10.37	9.35
	Rates and taxes, excluding taxes on income	3.92	3.20
	IT professional expenses	34.12	45.44
	Travelling and conveyance	18.09	23.23
	Legal and professional fees	136.70	115.39
	Royalty (Refer note 41)	33.96	19.59
	Electricity expense	7.58	7.19
	Repairs and maintenance	15.49	14.78
	Business promotion and advertisement expenses	8.48	14.94
	Postage and communication	7.17	7.27
	Printing and stationery	2.62	2.91
	Membership and subscription charges	22.18	19.90
	Insurance expenses	0.52	0.51
	Other expenses	14.88	16.08
	Total	**329.21**	304.30

(Currency : Rs. in Crores)

38 Earnings per share (EPS)

Basic and diluted EPS is computed in accordance with Ind AS 33 'Earnings Per Share'.

The computation of earnings per share is set out below:

Description	For the quarter ended June 30, 2026	For the quarter ended June 30, 2025
(a) Basic and diluted EPS		
Net profit attributable to equity shareholders (A)	460.98	276.37
Weighted average number of equity shares outstanding during the period for calculation of Basic EPS (B) (in nos)	22,62,18,644	22,61,15,183
Weighted average number of equity shares outstanding during the period for calculation of Diluted EPS (C) (in nos)	22,74,72,481	22,78,95,626
Basic EPS of face value of Rs. 2 (A/B) (in Rs.)	20.38	12.22
Diluted EPS of face value of Rs. 2 (A/C) (in Rs.)	20.27	12.13
(b) Weighted average number of shares used in calculation of basic and diluted earnings per share		
Weighted Average Number of Equity Shares for calculating Basic EPS (in nos.)	22,62,18,644	22,61,15,183
Effect of dilution: right shares reserved for erstwhile CCD holders and right shares held in abeyance	24,573	24,573
Effect of dilution: Employee stock option and treasury shares	12,29,264	17,55,870
Weighted average number of equity shares outstanding during the period for calculation of EPS	22,74,72,481	22,78,95,626

Refer note 22 and note 42.

39 (a) Contingent liabilities

Particulars	As at June 30, 2026	As at March 31,2026
Dues towards Income Tax	1,046.73	1,046.73
Dues towards Goods and Services Tax	14.12	14.12
Dues towards Sales tax	9.76	9.76
Dues towards Central / State Excise / Service Tax / Customs	55.00	55.00
Stamp duty	9.37	9.37
Claims against the Group not acknowledged as debts - Legal Cases	15.52	14.12
Guarantees provided by bank on behalf of Group	0.25	0.25
Partly paid investment	-	-
Claims, other than against policies, not acknowledged as debts by the Insurer (Gross Value of Litigated Claims Rs.0.61 crores (March 31, 2026: Rs.0.61 crores) and Provision held Rs. 0.31 crores (March 31, 2026 - Rs. 0.28 crores))	0.15	0.17
Statutory demands/liabilities in dispute, not provided for	27.37	27.22
Statutory Bonus (retrospective amendment stayed by Karnataka and Kerala High Courts)	0.41	0.41
Others – Insurance claims in Legal Matters net of provision and reinsurance (Gross Value of Litigated Claims Rs. 77.21 crores (March 31, 2026 - Rs. 72.29 crores), out of which reinsured claims Rs. 18.88 crores (March 31, 2026 - Rs. 19.89 crores) and Provision held Rs. 20.54 crores (March 31, 2026 - Rs. 19.60 crores))	18.90	16.40

(i) The Group has also reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable, in its financial statements. The Group does not expect the outcome of these proceedings to have a materially adverse effect on its financial statements.

(ii) Vide Demand dated June 5, 1984, the Government has asked for payment to the credit of the Drugs Prices Equalisation Account, the difference between the common sale price and the retention price on production of Vitamin 'A' Palmitate (Oily Form) from January 28, 1981 to March 31, 1985 which was not accepted by the Holding Company. The Holding Company was legally advised that the demand is untenable.

39 (b) Capital and other commitments

Particulars	As at June 30, 2026	As at March 31,2026
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances):		
- Related party (refer note 41)	203.01	224.17
- Others	33.43	27.14
(b) Undisbursed loan commitments including cancellable commitments	9,101.47	8,086.25
(c) For Other Commitments towards investments		
- Related party (refer note 41)	928.68	918.16
- Others	593.81	635.54

40 Segment reporting

The chief operational decision maker monitors its principle business segment i.e. 'lending and investing' for the purpose of making decision about resource allocation and performance assessment. The Group is operating in a single reportable and geographical segment in accordance with Ind AS 108 - Operating Segments as notified under section 133 of the Companies Act, 2013 and accordingly there are no separate reportable segments.

Further, there were no clients individually accounted for more than 10% of the revenues during the quarter ended June 30, 2026 and for the financial year ended March 31, 2026.

SINGHI & CO. Chartered Accountants

LODHA & CO. LLP MUMBAI-01 Chartered Accountants

PIRAMAL FINANCE LIMITED

Piramal Finance Limited

(formerly known as Piramal Capital & Housing Finance Limited)

Notes to the Condensed Consolidated Interim Financial Statements (Continued)

for the quarter ended June 30, 2026

(Currency: Rs. in Crores)

41 Information in accordance with the requirements of Indian Accounting Standard 24 on Related Party Disclosures.

List of Related Parties

A. Joint Ventures:

Paladin Consultancy Private Limited (formerly known as India Resurgence ARC Private Limited)
India Resurgence Asset Management Business Private Limited
Pramerica Life Insurance Limited
India Resurgence Fund - Scheme - 2
India Resurgence Fund - Scheme - 4
India Resurgence Fund - Scheme - 2 Fund 2
Asset Resurgence Mauritius Manager
Piramal Structured Credit Opportunities Fund

B. Associates:

Shriram General Insurance Company Limited
Shriram Life Insurance Company Limited (upto March 30, 2026)
DHFL Venture Trustee Company Private Limited

C. Key Management Personnel

Mr. Ajay G. Piramal - Chairman and Non-Executive Director (upto September 24, 2025)
Dr. (Mrs.) Swati A. Piramal - Vice Chairman and Non-Executive Director (upto September 24, 2025)
Mr. Anand Piramal - Chairman (w.e.f. September 24, 2025) and Executive Director (w.e.f. August 01, 2025)
Mr. Jairam Sridharan - Chief Executive Officer and Managing Director
Mr. Vikash Singhla - Chief Financial Officer
Mr. Bipin Singh - Company Secretary (w.e.f. September 24, 2025)
Ms. Urmila Rao - Company Secretary (upto September 24, 2025)

D. Non Executive/Independent Directors

Mr. Kunal Bahl - Independent Director
Mr. Suhail Nathani - Independent Director
Mr. Puneet Dalmia - Independent Director (upto September 23, 2025)
Mr. Gautam Doshi - Independent Director (upto March 27, 2026)
Ms. Shikha Sharma - Non-Executive Director (w.e.f. September 24, 2025)
Mr. Rajiv Mehrishi - Independent Director (w.e.f. September 24, 2025)
Mr. Asheet Mehta - Independent Director (w.e.f. September 24, 2025)
Ms. Anjali Bansal - Independent Director (w.e.f. September 24, 2025)

E. Promoter group entities and other related parties having transaction during the period

Piramal Corporate Services Private Limited
Piramal Pharma Limited
Piramal Foundation for Educational Leadership
Piramal Foundation
Kaivalya Education Foundation
Taking India Forward Foundation
Piramal Trusteeship Services Private Limited
Social Worth Technologies Limited (formerly known as Social Worth Technologies Private Limited) (upto May 04, 2026)
PEL PF Trust (formerly known as Staff Provident Fund of Piramal Healthcare Limited) (Employee Benefit Trusts)
Analog Legalhub Technology Private Limited
Gullak Technologies Private Limited
Kwick Living (I) Private Limited
Dotpe Private Limited
MoEngage India Private Limited
Gliders Buildcon Realtors Private Limited
PEPL Developers Private Limited (formerly Piramal Estates Private Limited)
Piramal Real Estate Private Limited
PRL Developers Private Limited

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LODHA & CO. LLP ★ MUMBAI-01 ★ Chartered Accountants

PIRAMAL FINANCE LIMITED ★

Piramal Finance Limited
(formerly known as Piramal Capital & Housing Finance Limited)

Notes to the Condensed Consolidated Interim Financial Statements (Continued)
for the quarter ended June 30, 2026

(Currency Rs in Crores)

41 Information in accordance with the requirements of Indian Accounting Standard 24 on Related Party Disclosures.

F. Details of transactions with related parties for the quarter ended June 30, 2026

Details of Transactions	Joint Ventures		Associates		Other Related Parties		Total	
	June 30, 2026	June 30, 2025	June 30, 2026	June 30, 2025	June 30, 2026	June 30, 2025	June 30, 2026	June 30, 2025
Rent expenses (including CAM & Reimbursements)								
- Piramal Pharma Limited	-	-	-	-	0.59	0.58	0.59	0.58
TOTAL	-	-	-	-	0.59	0.58	0.59	0.58
Royalty Expenses								
- Piramal Corporate Services Private Limited	-	-	-	-	31.17	17.98	31.17	17.98
TOTAL	-	-	-	-	31.17	17.98	31.17	17.98
Insurance Premium Paid								
- Pramerica Life Insurance Limited	0.39	0.31	-	-	-	-	0.39	0.31
TOTAL	0.39	0.31	-	-	-	-	0.39	0.31
Rendering of Services								
- Piramal Pharma Limited	-	-	-	-	-	6.78	-	6.78
- Piramal Structured Credit Opportunities Fund	1.39	2.14				-	1.39	2.14
TOTAL	1.39	2.14	-	-	-	6.78	1.39	8.92
Donation given								
- Taking India Forward Foundation	-	-	-	-	-	1.50	-	1.50
TOTAL	-	-	-	-	-	1.50	-	1.50
Corporate social responsibility expenses								
- Piramal Foundation for Educational Leadership	-	-	-	-	9.00	-	9.00	-
- Piramal Foundation	-	-	-	-	2.10	1.15	2.10	1.15
- Kaivalya Education Foundation	-	-	-	-	1.34	2.39	1.34	2.39
TOTAL	-	-	-	-	12.44	3.54	12.44	3.54
Contribution to Funds								
- PEL PF Trust	-	-	-	-	-	3.16	-	3.16
TOTAL	-	-	-	-	-	3.16	-	3.16
Interest expense								
- Pramerica Life Insurance Limited	0.38	0.40	-	-	-	-	0.38	0.40
- Analog Legalhub Technology Private Limited	-	-	-	-	-	0.01	-	0.01
TOTAL	0.38	0.40	-	-	-	0.01	0.38	0.41
Purchase of goods or services								
- Piramal Pharma Limited	-	-	-	-	-	0.00	-	0.00
- Piramal Trusteeship Services Private Limited	-	-	-	-	0.01	0.02	0.01	0.02
- Analog Legalhub Technology Private Limited	-	-	-	-	0.46	0.08	0.46	0.08
- Social Worth Technologies Limited	-	-	-	-	1.06	1.11	1.06	1.11
- Gullak Technologies Private Limited	-	-	-	-	0.00	0.00	0.00	0.00
- Kwick Living (I) Private Limited	-	-	-	-	0.08	0.04	0.08	0.04
- Dotpe Private Limited	-	-	-	-	-	0.04	-	0.04
- MoEngage India Private Limited	-	-	-	-	1.20	-	1.20	-
- PEPL Developers Private Limited	-	-	-	-	1.24	1.14	1.24	1.14
TOTAL	-	-	-	-	4.05	2.43	4.05	2.43
Reimbursement of expenses paid								
- Piramal Foundation for Educational Leadership	-	-	-	-	-	0.08	-	0.08
- Piramal Corporate Services Private Limited	-	-	-	-	1.68	1.67	1.68	1.67
TOTAL	-	-	-	-	1.68	1.75	1.68	1.75
Reimbursement of expenses received								
- Piramal Structured Credit Opportunities Fund	0.04	0.22	-	-	-	-	0.04	0.22
TOTAL	0.04	0.22	-	-	-	-	0.04	0.22
Income on Loans/Investments (net of expenses)								
- India Resurgence Asset Management Business Private Limited	0.36	0.36	-	-	-	-	0.36	0.36
- India Resurgence Fund - Scheme - 2	61.52	2.13	-	-	-	-	61.52	2.13
- India Resurgence Fund - Scheme - 2 Fund 2	1.71	0.03	-	-	-	-	1.71	0.03
- Piramal Structured Credit Opportunities Fund	17.22	6.66	-	-	-	-	17.22	6.66
TOTAL	80.81	9.18	-	-	-	-	80.81	9.18
Insurance Commission Income								
- Pramerica Life Insurance Limited	40.65	41.87	-	-	-	-	40.65	41.87
TOTAL	40.65	41.87			-	-	40.65	41.87
Advertisement & Marketing Income								
- Pramerica Life Insurance Limited	9.00	-	-	-	-	-	9.00	-
TOTAL	9.00	-			-	-	9.00	-

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PIRAMAL FINANCE LIMITED

Piramal Finance Limited

(formerly known as Piramal Capital & Housing Finance Limited)

Notes to the Condensed Consolidated Interim Financial Statements (Continued)

for the quarter ended June 30, 2026

(Currency Rs in Crores)

41 Information in accordance with the requirements of Indian Accounting Standard 24 on Related Party Disclosures.

F. Details of transactions with related parties for the quarter ended June 30, 2026

Details of Transactions	Joint Ventures		Associates		Other Related Parties		Total	
	June 30, 2026	June 30, 2025	June 30, 2026	June 30, 2025	June 30, 2026	June 30, 2025	June 30, 2026	June 30, 2025
Lease Rent Income (including reimbursement)								
- Pramerica Life Insurance Limited	0.03	0.01	-	-	-	-	0.03	0.01
- India Resurgence Asset Management Business Private Limited	0.86	0.83	-	-	-	-	0.86	0.83
- PEPL Developers Private Limited	-	-	-	-	-	0.40	-	0.40
- PRL Developers Private Limited	-	-	-	-	0.51	0.39	0.51	0.39
- Gliders Buildcon Realtors Private Limited	-	-	-	-	1.53	0.71	1.53	0.71
- Piramal Corporate Services Private Limited	-	-	-	-	0.07	-	0.07	-
- Piramal Real Estate Private Limited	-	-	-	-	0.04	-	0.04	-
- Piramal Pharma Limited	-	-	-	-	1.62	1.50	1.62	1.50
TOTAL	**0.89**	**0.84**	-	-	**3.77**	**3.00**	**4.66**	**3.84**
Dividend Income								
- Shriram General Insurance Company Limited	-	-	18.31	14.85	-	-	18.31	14.85
- Paladin Consultancy Private Limited	-	42.83	-	-	-	-	-	42.83
TOTAL	-	**42.83**	**18.31**	**14.85**	-	-	**18.31**	**57.68**
Investments (Net of redemption)								
- Paladin Consultancy Private Limited	-	(1.01)	-	-	-	-	-	(1.01)
- Piramal Structured Credit Opportunities Fund	(87.32)	(2.18)	-	-	-	-	(87.32)	(2.18)
- India Resurgence Fund - Scheme - 2 Fund 2	(30.63)	(3.08)	-	-	-	-	(30.63)	(3.08)
- India Resurgence Fund - Scheme - 2	(148.98)	(0.66)	-	-	-	-	(148.98)	(0.66)
TOTAL	**(266.93)**	**(6.93)**	-	-	-	-	**(266.93)**	**(6.93)**
First Loss Default Guarantee (FLDG) Recovery (net of recovery from customer)								
- Social Worth Technologies Limited	-	-	-	-	0.58	1.24	0.58	1.24
TOTAL	-	-	-	-	**0.58**	**1.24**	**0.58**	**1.24**
Security deposit paid								
- Pramerica Life Insurance Limited	-	0.07	-	-	-	-	-	0.07
TOTAL	-	**0.07**	-	-	-	-	-	**0.07**
Expenditure incurred for intangible assets under development								
- Piramal Foundation for Educational Leadership	-	-	-	-	21.15	8.57	21.15	8.57
TOTAL	-	-	-	-	**21.15**	**8.57**	**21.15**	**8.57**

All the above figures are excluding GST except premium paid

Dividend paid to promoter and promoter group Rs Nil in current period (June 30, 2025 - Rs 115.82 crores)

G. Compensation paid to Directors, Key Managerial Personnel and it's relatives

The compensation of directors and other members of key managerial personnel and its relatives are as follows

Particulars	June 30, 2026	June 30, 2025
1 Short term employee benefits (including reimbursement of expenses)	13.79	8.89
2 Post employment benefits #	0.11	0.38
3 Share based payment *	4.06	1.34
4 Sitting fees paid to non-executive / independent directors	0.14	0.17
5 Commission to non-executive/independent directors	0.63	0.90
6 Professional Fees Paid to non-executive directors	0.30	-
TOTAL	**19.03**	**11.68**

H. Other transactions and balances with Directors, Key Managerial Personnel and it's relatives

(a) Other transactions with directors and other members of key managerial personnel and its relatives are as follows

Particulars	June 30, 2026	June 30, 2025
1 Loan given	0.03	-
2 Loan repaid	0.26	-
3 Processing Fees/ Interest Income	0.00	-

(b) Details of balances with directors and other members of key managerial personnel and its relatives are as follows

Particulars	June 30, 2026	March 31, 2026
1 Loan (O/s) (including accrued interest)	-	0.23

Dividend paid to Key Managerial Personnel and its relatives is Rs Nil for current period (June 30, 2025 - Rs 0.28 crores)

Expenses towards gratuity, pension, leave encashment and leave travel allowance provisions are determined actuarially on overall Holding Company basis at the end of each year and, accordingly, have not been considered in the above information

*Nil (June 30, 2025 - Nil) ESOPs have been granted by the Holding Company to Key managerial personnel during the period. During the period ending June 30, 2026, Nil (June 30, 2025 - 1,19,102) options have been exercised

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PIRAMAL FINANCE LIMITED

Piramal Finance Limited
(formerly known as Piramal Capital & Housing Finance Limited)

Notes to the Condensed Consolidated Interim Financial Statements (Continued)
for the quarter ended June 30, 2026

(Currency Rs in Crores)

41 Information in accordance with the requirements of Indian Accounting Standard 24 on Related Party Disclosures.

I. Details of balances with related parties as on June 30, 2026

	Joint Ventures		Associates		Other Related Parties		Total	
Net Payable (includes provision for expenses)	June 30, 2026	March 31, 2026	June 30, 2026	March 31, 2026	June 30, 2026	March 31, 2026	June 30, 2026	March 31, 2026
- Analog Legalhub Technology Private Limited	-	-	-	-	0.19	0.07	0.19	0.07
- Social Worth Technologies Limited	-	-	-	-	-	2.66	-	2.66
- Piramal Corporate Services Private Limited	-	-	-	-	35.56	1.60	35.56	1.60
- Piramal Foundation for Educational Leadership	-	-	-	-	0.01	0.04	0.01	0.04
- Piramal Pharma Limited	-	-	-	-	0.19	0.98	0.19	0.98
- PEL PF Trust	-	-	-	-	-	0.00	-	0.00
- Non Executive/Independent Directors/KMPs	-	-	-	-	3.65	3.02	3.65	3.02
- Gullak Technologies Private Limited	-	-	-	-	0.01	0.00	0.01	0.00
- MoEngage India Private Limited	-	-	-	-	1.64	0.65	1.64	0.65
- Piramal Trusteeship Services Private Limited					0.00	-	0.00	-
- Kwick Living (I) Private Limited	-	-	-	-	0.08	0.07	0.08	0.07
- India Resurgence Asset Management Business Private Limited	-		-	-	1.51	-	1.51	-
- PEPL Developers Private Limited	-	-	-	-	0.20	-	0.20	-
TOTAL	-	-	-	-	**43.04**	**9.09**	**43.04**	**9.09**
Net Receivables (including unbilled revenue)								
- Pramerica Life Insurance Limited	36.40	9.40	-	-	-	-	36.40	9.40
- Piramal Pharma Limited	-	-	-	-	0.82	0.74	0.82	0.74
- Piramal Structured Credit Opportunities Fund	1.51	0.25	-	-	-	-	1.51	0.25
- India Resurgence Asset Management Business Private Limited	0.02	0.03	-	-	-	-	0.02	0.03
- Gliders Buildcon Realtors Private Limited	-	-	-	-	0.04	0.05	0.04	0.05
- PRL Developers Private Limited	-	-	-	-	0.01	-	0.01	-
TOTAL	**37.93**	**9.68**	-	-	**0.87**	**0.79**	**38.80**	**10.47**
Intangible assets under development (including capital advances)								
- Piramal Foundation for Educational Leadership	-	-	-	-	136.99	115.83	136.99	115.83
TOTAL	-	-	-	-	**136.99**	**115.83**	**136.99**	**115.83**
NCD Outstanding (including interest accrued)								
- Pramerica Life Insurance Limited	23.00	22.62	-	-	-	-	23.00	22.62
TOTAL	**23.00**	**22.62**	-	-	-	-	**23.00**	**22.62**
Security Deposits receivable								
- Piramal Pharma Limited	-	-	-	-	0.51	0.51	0.51	0.51
TOTAL	-	-	-	-	**0.51**	**0.51**	**0.51**	**0.51**
Commitments								
- Piramal Foundation for Educational Leadership	-	-	-	-	203.01	224.17	203.01	224.17
- India Resurgence Fund Scheme 4	477.16	477.15	-	-	-	-	477.16	477.15
- India Resurgence Fund - Scheme - 2 Fund 2	451.52	441.01	-	-	-	-	451.52	441.01
TOTAL	**928.68**	**918.16**	-	-	**203.01**	**224.17**	**1,131.69**	**1,142.33**

Refer note 8 for investment in associates & joint ventures

The Group has investment of Rs 1,371.52 crores (March 31, 2026 - Rs 1,371.52 crores) in Shriram General Insurance Company Limited which is classified as "assets held for sale"

Notes:

(i) The merger between Piramal Enterprises Limited (Transferor Company) and Piramal Finance Limited (Transferee Company) has been accounted for as a common control business combination in accordance with Appendix C of Ind AS 103. Accordingly, the comparative financial information has been restated as if the merger had occurred from the beginning of the comparative period. However, inter-company transactions and balances between the Transferor and Transferee Companies during the comparative period have not been disclosed as related party transactions, in line with paragraph 11 of Appendix C to Ind AS 103.

(ii) Remuneration to Key Managerial Personnel (KMP) has been disclosed for the Transferee Company (which is the continuing entity post-merger) and paid by Transferee as well as Transferor Company.

(iii) All the transactions are at Arm's Length and there are no non cash transactions.

(iv) All outstanding balances are unsecured and are repayable in cash.

(v) Social Worth Technologies Limited has lien marked fixed deposit in favour of the Company amounting to Rs Nil (March 31, 2026 - Rs 10.50 crores) as FLDG cover against future delinquencies.

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PIRAMAL FINANCE LIMITED

(Currency : Rs. in Crores)

42 Composite Scheme of Arrangement

The Board of Directors of the Company, in its meeting dated May 8, 2024, approved the Composite Scheme of Arrangement amongst the Company (hereinafter referred to as the "Transferee Company") and its holding company, Piramal Enterprises Limited ('PEL') (hereinafter referred to as the "Transferor Company") and their respective shareholders and creditors under Sections 230 to 232 read with Section 52 and Section 66 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder ('Scheme'). The Scheme was subsequently modified by the Committee of Directors (Administration, Authorisation & Finance) of the Company at its meetings held on October 26, 2024 and April 9, 2025. The appointed date of the Scheme is April 1, 2024.

RBI approval on Scheme was received on April 8, 2025 and the Company on April 10, 2025 has filed Application with the National Company Law Tribunal, Mumbai Bench.

The Hon'ble NCLT vide its Order dated September 10, 2025 has sanctioned the Scheme. Upon receipt of all requisite approvals, PEL and the Company have filed the relevant Forms with the Register of Companies on September 16, 2025. Accordingly, the Scheme has become effective on September 16, 2025 ("Effective Date").

The amalgamation has been accounted with principles of 'reverse acquisition' as stated in Ind AS 103, Business Combinations ('Ind AS 103'), read with 'Pooling of Interest Method' as laid down in Appendix C (Business Combinations of Entities under Common Control) of Ind AS 103, notified under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as specified in the scheme w.e.f. Appointment date. Accordingly, comparative figures for the quarter ended June 30, 2026 have been restated to reflect the aforementioned scheme.

In accordance with the scheme, the Company has taken over the following assets, liabilities at their book value from the "Transferor Company":

Consideration

The face value of new equity shares issued by the Transferee Company to the shareholders of the Transferor Company pursuant to scheme has been credited to the Equity Share Capital Account of the Transferee Company;

As per the terms of the approved scheme, the Transferee Company has issued to the shareholders of the Transferor Company, in consideration of the amalgamation, 1 (one) equity share having face value INR 2/- (Indian Rupees Two only) of the Transferee Company for each equity share held by the shareholders of the Transferor Company. 22,54,77,700 equity Shares of the Company has been allotted to shareholder of PEL as on Record date in accordance with the share exchange ratio (i.e. 1:1) as per scheme. The same was disclosed as "Equity share capital suspense" till the date of issuance of equity shares. During the previous year, the Company's equity shares were listed on the stock exchanges pursuant to the amalgamation of the transferor company.

Earnings per share has been computed considering weighted average number of share of Transferor company since the appointed date is April 1, 2024.

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PIRAMAL FINANCE LIMITED

Piramal Finance Limited

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Notes to the Condensed Consolidated Interim Financial Statements (Continued)

for the quarter ended June 30, 2026

(Currency : Rs. in Crores)

43 Previous years/period figures have been regrouped or reclassified wherever necessary, to conform to current period's presentation which are not considered to be material to the Condensed Consolidated Interim Financial Statements.

Further, as stated in note 42, comparative figures for quarter ended the June 30, 2025 have been restated to reflect the in scheme therein.

The accompanying notes are an integral part of the condensed consolidated interim financial statements.

For and on behalf of the Board of Directors of
Piramal Finance Limited
(formerly known as Piramal Capital & Housing Finance Limited)
CIN - L64910MH1984PLC032639

Anand Piramal
Chairman
DIN: 00286085
(Naples, Italy)

Jairam Sridharan
Managing Director & CEO
DIN: 05165390

Vikash Singhla
Chief Financial Officer

Bipin Singh
Company Secretary

Mumbai, August 24, 2026

PIRAMAL FINANCE LIMITED

SINGHI & CO. Chartered Accountants

LODHA & CO. LLP MUMBAI-01 Chartered Accountants