

November 17, 2023

**BSE Limited**

Corporate Relationship Department  
25<sup>th</sup> Floor, Phiroze Jeejeebhoy Towers,  
Dalal Street, Fort,  
Mumbai - 400 001.

**BSE Scrip Code: 524000**

**National Stock Exchange of India Limited**

The Listing Department,  
Exchange Plaza,  
Bandra- Kurla Complex, Bandra (East),  
Mumbai - 400 051.

**NSE Symbol: POONAWALLA**

Dear Sir / Madam,

**Subject: Clarification on RBI Circular dated November 16, 2023 w.r.t regulatory measures towards consumer credit and bank credit to NBFCs**

**Reference: - Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations")**

Pursuant to Regulation 30 and other applicable provisions of the SEBI Listing Regulations, please find enclosed a clarification note w.r.t RBI Circular dated November 16, 2023 w.r.t regulatory measures towards consumer credit and bank credit to NBFCs as mentioned in Annexure A.

Kindly take the above intimation on record.

Thanking You,

Yours faithfully,

**For Poonawalla Fincorp Limited**

**Shabnum Zaman  
Company Secretary  
ACS-13918**

**Encl: as above**

**Poonawalla Fincorp Limited**

**CIN: L51504PN1978PLC209007**

**Registered Office:** 201 and 202, 2nd floor, AP81, Koregaon Park Annex, Mundhwa, Pune - 411 036

**T:** +91 20 67808090 | **E:** info@poonawallafincorp.com | **W:** www.poonawallafincorp.com

### Annexure - A

This is with reference to the Circular dated 16<sup>th</sup> November'2023 issued by the Reserve Bank of India with respect to Consumer Credit by Banks/NBFCs and bank credit to NBFCs.

Poonawalla Fincorp Ltd (PFL), part of Cyrus Poonawalla Group has strong capital base with highest credit rating "AAA" from Crisil and Care. The debt equity ratio as on 30<sup>th</sup> September'2023 was 1.4x, amongst the lowest in the NBFC sector. The capital adequacy ratio was 42.2% as on 30<sup>th</sup> September' 2023. Poonawalla Fincorp Ltd has a diversified portfolio of pre-owned car finance, personal loans, loans to professionals, business loans, SME loan against property, supply chain finance, machinery loans, medical equipment loans and consumer loans. PFL targets formal income segment, credit-tested customers with 700+ CIBIL scores.

Based on our initial calculations, the increase in the risk weight from 100% to 125% on the Company's consumer credit exposure shall be marginal and is expected to be around 220 bps. With this the resultant capital adequacy would become ~ 40%, still significantly higher than the regulatory requirement of 15%. As per our long-term plans also, we do not expect our debt equity to go beyond 4x. Given our strong capital adequacy, either on immediate basis or in foreseeable future, we do not expect any impact of the increased risk weights on our growth trajectory and profitability.

PFL enjoys the highest credit rating and has amongst the lowest cost of borrowing. The capital adequacy is amongst the highest in the industry leading to very low leverage. Also, a reasonable portion of the AUM qualifies for priority sector lending. Hence, we do not expect any material impact on the cost of borrowing due to the increase in Risk Weights for Bank Credit to NBFCs.

As on 30<sup>th</sup> September'2023, our secured : unsecured book mix was 46:54. We plan to take the secured book to over 50%. Overall, the Company expects to continue to perform well as per guidance given on both growth and profitability.

**Poonawalla Fincorp Limited**

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