Independent Auditor's Report

To
The Members of
Northern Arc Capital Limited

Report on the Audit of the Consolidated Financial Statements

OPINION

1. We have audited the accompanying consolidated financial statements of Northern Arc Capital Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), its associates as listed in Annexure A, which comprise the Consolidated Balance Sheet as at 31 March 2026, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries and associates the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India of the consolidated state of affairs of the Group and its associates, as at 31 March 2026, and their consolidated profit (including other comprehensive income), consolidated cash flows and the consolidated changes in equity for the year ended on that date.

BASIS FOR OPINION

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group and its associates in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained together with the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 15 of the Other Matter section below is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Inclusion of Default Loss Guarantee credit in calculation of Expected Credit Loss

4. We draw attention to Note 47 (A) of the accompanying consolidated financial statements, which describes that the Holding Company has included the credit enhancements under the Default Loss Guarantee (DLG) arrangements while determining the Expected Credit Loss (ECL) for the year in accordance with Ind AS 109, Financial Instruments pursuant to the amendment issued by the Reserve Bank of India (RBI) in February 2026. Accordingly, the comparative consolidated financial statements for the year ended 31 March 2025 for ECL is strictly not comparable as DLG benefit was excluded in ECL computation following RBI's directions issued to the Holding Company in previous year. Our opinion is not modified in respect of this matter.

Key Audit Matters

5. Key audit matters are those matters that, in our professional judgment and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries and associates, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
1) Impairment of loan asset based on Expected Credit Losses (ECL) (Refer note 3 for material accounting policies and note 7 and 36 for financial disclosures in the accompanying consolidated financial statements.	
As at 31 March 2026, the Holding Company reported gross loans of ₹ 1,280,391.79 lakhs (31 March 2025: ₹1,083,753.97 lakhs) against which provision for expected credit loss of ₹ 31,114.96 lakhs (31 March 2025: ₹ 26,516.19 lakhs) has been recorded in accordance with Ind AS 109 – Financial Instruments. The Holding Company has written off loans of ₹ 69,415.51 lakhs during the current year (31 March 2025: ₹ 60,930.24 lakhs).	
Ind AS 109, Financial Instruments (Ind AS 109) requires the Holding Company to provide for impairment of its loan assets using the expected credit loss ('ECL') approach. The Holding Company has applied a three-stage approach based on changes in credit quality of loan assets which is primarily determined based on number of days past due for each loan asset apart from other factors considered by the management for ascertaining significant increase in credit risk. The ECL is measured at 12-month ECL for Stage 1 loan assets and at lifetime ECL for Stage 2 and Stage 3 loan assets in accordance with the accounting policy adopted by the Holding Company. Significant management judgements and assumptions are involved in measuring ECL with respect to: - determining the criteria for significant increase in credit risk and default risk i.e. staging of loan assets; - factoring in forward-looking information (including macroeconomic factors on a portfolio level); - techniques used to determine probability of default, loss given default and exposure at default; - the basis of providing for post model adjustments which is significantly dependent on the performance of the portfolio. These parameters are derived from the Company's internally developed statistical models, historical data, macro-economic factors. Any change in such models or assumptions could have a material impact on the accompanying Consolidated financial statements. Similarly, the Holding Company is also required to make judgements to identify the loan assets which are non-recoverable and thereby determined to be written off. Further as described in note 47 to the accompanying Consolidated financial statements pursuant to Reserve Bank of India (Non-Banking Financial Companies – Income Recognition, Asset Classification	Our audit procedures were focused on assessing the appropriateness of management's judgment and estimates used in the impairment analysis that included, but were not limited to, the following: • Examined the Board of Director's policy approving methodology for computation of ECL that addresses policies and procedures for assessing and measuring credit risk on the lending exposures of the Holding Company in accordance with the requirements of Ind AS 109. • Involved auditor's specialists and obtained an understanding of the modelling techniques adopted by the Holding Company including the key inputs and assumptions. Since modelling assumptions and parameters are based on historical data, industry benchmarks and macro-economic factors, we assessed whether such historical experience and the industry information was representative of current circumstances and was relevant in view of the recent impairment losses incurred within the portfolios. Further, assessed reasonableness for the macro-economic factors considered for the portfolio segments. • Assessed and tested the design and operating effectiveness of the key controls over the completeness and accuracy of the key inputs and assumptions considered for calculation, recording and monitoring of the impairment loss recognized. Also, evaluated the controls over the modelling process, validation of data and related approvals. • Tested the underlying forecast of future cash flows used in impairment workings with the agreed repayment schedules on a test check basis. • Evaluated the appropriateness of the Company's determination of significant increase in credit risk in accordance with the applicable accounting standard and the basis for classification of exposures into various stages. For a sample of exposures, we also tested the appropriateness of the Holding Company's categorization across various stages by evaluating management's assessment of parameters. • Evaluated the appropriateness of the methodology and policy laid down and

Key audit matter	How our audit addressed the key audit matter
and Provisioning) Amendment Directions, 2026 the Holding Company has considered credit enhancements under Default Loss Guarantee (DLG) arrangements as integral to the contractual terms for computation of ECL as per Ind AS 109 which was excluded in ECL computation for the previous year ended 31 March 2025 following RBI's instructions. This matter has also been considered as fundamental to the users' understanding of the financial statements. Considering the significance of the above matter to the Consolidated financial statements, degree of estimation uncertainty and significant management judgment involved, this area required significant auditor attention to test such complex accounting estimates, and accordingly, this matter has been identified as a key audit matter for the current year audit.	implemented by the Holding Company for the loan portfolio written-off during the year and tested its compliance on a sample basis. • On a sample basis, inspected the co-lending agreements to ensure that the DLG benefit were integral to the contractual terms of the co-lending arrangements and were part of the DLG adjustment in ECL computation. Further, we have verified underlying data used by management in assessing DLG adjustments to Gross ECL. • Evaluated the management's judgements and basis of estimates in relation to post-model adjustments and assessed reasonableness of such additional provisions basis our understanding of the loan portfolio of the Holding Company. • Assessed the appropriateness and adequacy of the related presentation and disclosures in the accompanying Consolidated financial statements in accordance with the applicable accounting standards and related RBI circulars
2) Information Technology("IT") systems and controls for accounting and financial reporting process	
The Holding Company is highly dependent on its IT systems for carrying on its operations which require large volume of transactions to be processed on daily basis and use of multiple software applications at central level. The Holding Company uses various loan management system (LMS) for different loan products for sourcing, processing, recording and management of loan database some of which are integrated with the financial accounting and reporting software. Transfer of data from/to LMS to financial reporting systems are critical for accurate compilation of financial information. As a result, there is a high degree of reliance and dependency on such IT systems for the accounting and financial reporting process of the Company which impacts key financial accounting and reporting items such as loans, interest income, computation of daily DPD, impairment on loans amongst others. Appropriate IT general controls and application controls are required to ensure that such IT systems are able to process the data, as required, completely, accurately and consistently for reliable financial reporting. The Holding Company has put in place IT General Controls and automated IT controls to ensure the integrity, accuracy, completeness, validity and reliability of the information produced by the Holding Company which is used for its financial reporting.	Our key audit procedures with the involvement of our IT specialists included, but were not limited to, the following: • Obtained an understanding of the Holding Company's IT related control environment and conducted risk assessment and identified IT applications, data bases and operating systems that are relevant to our audit. • Tested the design and operating effectiveness of the Holding Company's IT controls over the IT applications as identified above; • Tested controls for segregations of duties around program maintenance, security administration and key business processes. • Tested IT General Controls such as, logical access, change management and aspects of IT operational controls. Tested that request for access to systems were appropriately reviewed and authorized; tested controls around Holding Company's periodic review of access rights; inspected requests of changes to systems for appropriate approval and authorization. • Tested related interfaces, integration, configuration and other application layer controls identified during our audit and report logic for system generated reports relevant to the audit mainly for loans, interest income and impairment of loan assets for evaluating completeness and accuracy

Key audit matter	How our audit addressed the key audit matter
Among other things, the management also uses the information produced by the Holding Company's IT systems for accounting and the preparation and presentation of the consolidated financial statements.	• Where deficiencies were identified, tested compensating controls or performed alternative procedures.
3) Classification and measurement of Loans – Business model assessment and Fair valuation of loans held at fair value through other comprehensive income ("FVTOCI") – (Refer note 3 for material accounting policies and note 7 and 36 for financial disclosures in the accompanying consolidated financial statements. As at 31 March 2026, the Holding Company has loans amounting to ₹ 385,613.25 lakhs (31 March 2025: ₹ 217,633.08 lakhs) that are carried and measured at FVTOCI in accordance with Ind AS 109.	
Financial assets, i.e. loan assets have been classified and measured as per Ind AS 109, Financial Instruments. The assessment as to how an asset should be classified is made on the basis of both the entity's business model for managing the financial asset and the contractual cash flow characteristics of the financial asset. The management has assessed its business model on the basis of its approved credit policies, business plan and history of sale of loan assets wherein certain loans have been held to collect contractual cash flows (solely payments of principal and interest on the amount outstanding) and certain loans are held to collect contractual cash flows and also for sale, and consequently, loans have been classified and measured at 'amortized cost' and 'Fair value through Other Comprehensive Income' (FVTOCI) respectively in accordance with principles of Ind AS 109. In measuring the fair value of loans, valuation methods are used based on inputs that are not directly observable from market information and certain other unobservable inputs. The management has an internal team for arriving at the fair value of aforesaid loans. Such fair value is derived using discounted cash flow models wherein the key assumptions include discount rate, adjustment for credit risk including default risk. Given the subjectivity and degree of complexity involved in ascertaining the business model and the fair valuation of the aforesaid loans, relative significance of these loans to the consolidated financial statements and the nature and extent of audit procedures involved, we determined this to be a key audit matter.	Our audit procedures in relation to the business model and loans measured at FVTOCI included, but were not limited, to the following: • Obtained an understanding of the Business Model Policy Note approved by the Board of Directors of the Holding Company and evaluated whether the identified loans satisfy the conditions of Ind AS 109 for measurement at amortized cost or FVTOCI. • Tested the sale of loan assets made during the year and compared with the management's plan and intent, to validate the management's conclusion for classification and measurement of loans. • Assessed the design and tested the operating effectiveness of internal controls over classification of loans on the basis of management's intent and managements' key internal controls over inputs used in the valuation model. • Involved auditor's specialists and assessed whether the fair valuation methodology adopted by the management is appropriate and tested the reasonableness of the underlying assumptions used such as discount rates, future cash flows, etc to estimate the fair value of the such loans. Also, on test check basis tested the completeness of source data and arithmetical accuracy of the management working. • Assessed the appropriateness and adequacy of the related presentation and disclosures in the accompanying consolidated financial statements in accordance with the applicable accounting standards.

Information other than the Consolidated Financial Statements and Auditor's Report thereon

6. The Holding Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

   Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

   In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

   When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

7. The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group including its associates in accordance with the Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India. The Holding Company's Board of Directors are also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. Further, in terms of the provisions of the Act the respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial statements have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

8. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates are responsible for assessing the ability of the Group and of its associates to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

9. Those respective Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group and of its associates.

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

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

11. As part of an audit in accordance with Standards on Auditing specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

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

14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements

of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

15. We did not audit the financial statements of five subsidiaries, whose financial statements reflect total assets of ₹ 5,614.92 lakhs as at 31 March 2026, total revenues of ₹ 6,529.68 lakhs and net cash outflows amounting to ₹ 270.62 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Holding Company's management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of section 143 of the Act in so far as it relates to the aforesaid subsidiaries, are based solely on the reports of the other auditors.

    Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

16. As required by section 197(16) of the Act, based on our audit and on the consideration of the reports of the other auditors, referred to in paragraph 15, on separate financial statements of the subsidiaries, we report that the Holding Company and subsidiaries incorporated in India whose financial statements have been audited under the Act have paid remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.

17. As required by clause (xxi) of paragraph 3 of Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act based on the consideration of the Order reports issued by us and by the respective other auditors as mentioned in paragraph 15 above, of companies included in the consolidated financial statements for the year ended 31 March 2026 and covered under the Act we report that:

Following are the adverse remarks reported by us and the other auditors in the Order reports of the companies included in the consolidated financial statements for the year ended 31 March 2026 for which such Order reports have been issued:

S No	Name	CIN	Holding Company / subsidiary	Clause number of the CARO report which is qualified or adverse
1.	Northern Arc Capital Limited	L65910TN1989PLC017021	Holding Company	Clause xi (a)
2.	Pragati Finserv Private Limited	U65990TG2021PTC148992	Subsidiary Company	Clause xi (a)

18. As required by section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements and other financial information of the subsidiaries incorporated in India whose financial statements have been audited under the Act, we report, to the extent applicable, that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;

    b) Except for the matters stated in paragraph 18(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;

    c) The consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

    d) In our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015;

    e) On the basis of the written representations received from the directors of the Holding Company, its subsidiaries and associates and taken on record by the Board of Directors of the Holding Company, its subsidiaries and associates respectively, and the reports of the statutory auditors of its subsidiaries, covered under the Act, none of the directors of the Holding Company, its subsidiaries and associates are disqualified as on 31 March 2026 from being appointed as a director in terms of section 164(2) of the Act.

    f) The qualification relating to the maintenance of accounts and other matters connected therewith with respect to the consolidated financial statements are as stated in, paragraph 18 (b) above on reporting under section 143(3)(b) of the Act and paragraph 18 (h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);

    g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, and its subsidiaries covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure B' wherein we have expressed an unmodified opinion; and

    h) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements and other financial information of the subsidiaries incorporated in India whose financial statements have been audited under the Act:

        i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates as detailed in Note 39 to the consolidated financial statements;

        ii. The provision has been made in these consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, on long-term contracts including derivative contracts, as detailed in note 12 to the consolidated financial statements;

        iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiaries covered under the Act, during the year ended 31 March 2026;

        iv. a. The respective managements of the Holding Company and its subsidiaries incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, as disclosed in note 51 (vii) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Holding Company or its subsidiaries to or in any person or entity, including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company, or any such subsidiaries, associates ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

b. The respective managements of the Holding Company and its subsidiaries incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, as disclosed in the note 51 (viii) to the accompanying consolidated financial statements, no funds have been received by the Holding Company or its subsidiaries from any person or entity, including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Holding Company, or any such subsidiaries shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c. Based on such audit procedures performed by us and that performed by the auditors of the subsidiaries as considered reasonable and appropriate in the circumstances, nothing has come to our or other auditors' notice that has caused us or the other auditors to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.

v. The Holding Company, its subsidiaries and associates have not declared or paid any dividend during the year ended 31 March 2026; and

vi. As stated in note 50 to the consolidated financial statements and based on our examination which included test checks and that performed by the respective auditors of the subsidiaries of the Holding Company which are companies incorporated in India and audited under the Act, except for the instances mentioned below, the Holding Company and its subsidiaries, in respect of financial year commencing on 1 April 2025, have used an accounting softwares for maintaining their books of account which have a feature of recording audit trail (edit log) facility and the same have been operated throughout the year for all relevant transactions recorded in the softwares. Further, during the course of our audit we and respective auditors of the above referred subsidiaries, did not come across any instance of audit trail feature being tampered with. Furthermore, except for instances mentioned below the audit trail have been preserved by the Holding Company and above referred subsidiaries as per the statutory requirements for record retention.

Nature of exception noted	Details of Exception
Instances of accounting software for maintaining books of account for which the feature of recording audit trail (edit log) facility was not operated throughout the year for all relevant transactions recorded in the software	The audit trail (edit logs) was enabled at the database level for one of the loan management software to log any direct data changes, used for maintenance of loan records by the Holding Company effective from 02 March 2026.
Instances of accounting software maintained by a third party where we are unable to comment on the audit trail feature at database level	The loan management software for one of the loan product of the Holding Company are used for maintenance of loan records is operated by a third-party software service provider. In the absence of any information on existence of audit trail (edit logs) for any direct changes made at the database level in the 'Independent Service Auditor's Assurance Report on the Description of Controls ('Type 2 report' issued in accordance with attestation standards established by the American Institute of Certified Public Accountants), we are unable to comment on whether audit trail feature with respect to the database of the said software was enabled and operated throughout the year.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Murad D. Daruwalla
Partner
Membership No.: 043334
UDIN: 26043334UJJXIM6460

Place: Mumbai
Date: 08 May 2026

Annexure A

LIST OF ENTITIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS

Subsidiaries:

1. Northern Arc Creditech Solutions Private Limited (formerly Northern Arc Investment Managers Private Limited)
2. Northern Arc Investment Managers Private Limited
3. Northern Arc Securities Private Limited
4. Pragati Finserv Private Limited
5. Northern Arc Employee Welfare Trust
6. Northern Arc Foundation

Associates:

1. Northern Arc Emerging Corporates Bond Trust
2. FinReach Solutions Private Limited (Till 12 May 2025)

Annexure B

To the Independent Auditor's Report of even date to the members of Northern Arc Capital Limited on the consolidated financial statements for the year ended 31 March 2026

Independent Auditor's Report on the internal financial controls with reference to consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the consolidated financial statements of Northern Arc Capital Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), its associates as at and for the year ended 31 March 2026, we have audited the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies, which are companies covered under the Act, as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

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

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

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

5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies as aforesaid.

Meaning of Internal Financial Controls with Reference to Financial Statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

Opinion

8. In our opinion and based on the consideration of the reports of the other auditors on internal financial controls with reference to financial statements of the subsidiary companies, the Holding Company, its subsidiary companies, which are companies covered under the Act, have in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2026, based on the internal financial controls with reference to financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the ICAI.

Other Matter

9. We did not audit the internal financial controls with reference to financial statements insofar as it relates to five subsidiary companies, which are companies covered under the Act, whose financial statements reflect total assets of ₹ 5,614.92 lakhs as at 31 March 2026, total revenues of ₹ 6,529.68 lakhs and net cash outflows amounting to ₹ 270.62 lakhs for the year ended on that date, as considered in the consolidated financial statements. The internal financial controls with reference to financial statements in so far as it relates to such subsidiary companies have been audited by other auditors whose reports have been furnished to us by the management and our report on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements for the Holding Company, its subsidiary companies as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to such subsidiary companies is based solely on the reports of the auditors of such companies. Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on the reports of the other auditors.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Murad D. Daruwalla
Partner
Membership No.: 043334
UDIN: 26043334UJJXIM6460

Place: Mumbai
Date: 08 May 2026

Consolidated Balance Sheet

as at 31 March 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

Particulars	Notes	As at 31 March 2026	As at 31 March 2025
ASSETS			
Financial assets			
Cash and cash equivalents	4	23,052.08	33,026.83
Bank balances other than cash and cash equivalents	5	26,628.81	31,708.44
Derivative financial instruments	12	21,835.82	5,476.55
Trade receivables	6	2,059.69	2,069.13
Loans	7	12,49,276.83	10,57,237.78
Investments	8	2,77,985.39	1,77,715.46
Investment in associates	22	16,305.40	27,440.88
Other financial assets	9	35,851.79	6,878.70
Total financial assets		**16,52,995.81**	**13,41,553.77**
Non-financial assets			
Current tax assets (net)		1,007.37	609.51
Deferred tax assets (net)	32	10,150.65	11,319.20
Property, plant and equipment	10.1	995.64	1,279.68
Right of use asset	10.5	2,247.74	2,711.97
Intangible assets under development	10.2	1,598.90	593.48
Goodwill	10.3	2,340.82	2,340.82
Other intangible assets	10.4	959.61	1,285.34
Other non- financial assets	11	2,163.66	2,113.44
Total Non-financial assets		**21,464.39**	**22,253.44**
Total assets		**16,74,460.20**	**13,63,807.21**
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
Derivative financial instruments	12	-	2,363.48
Trade payables	13		
Total outstanding dues of micro and small enterprises		-	-
Total outstanding dues of creditors other than micro and small enterprises		24,683.95	6,945.54
Debt securities	14	1,39,436.35	1,40,785.32
Borrowings (Other than debt securities)	15	10,86,398.13	8,45,214.61
Other financial liabilities	16	27,633.47	17,971.04
Total financial liabilities		**12,78,151.90**	**10,13,279.99**
Non-financial liabilities			
Provisions	17	2,275.21	1,930.88
Current tax liabilities (net)		80.70	2,832.34
Other non-financial liabilities	18	3,851.74	1,807.67
Total non-financial liabilities		**6,207.65**	**6,570.89**
EQUITY			
Equity share capital	19	16,157.18	16,137.93
Other equity	20	3,73,398.78	3,27,286.94
Equity attributable to the equity holders of the holding company		**3,89,555.96**	**3,43,424.87**
Non-controlling interest (NCI)	21	544.69	531.46
Total equity		**3,90,100.65**	**3,43,956.33**
Total liabilities and equity		**16,74,460.20**	**13,63,807.21**
Summary of material accounting policies	2 and 3		

The notes referred to above form an integral part of consolidated financial statements
As per our report of even date attached

For Walker Chandiok & Co LLP
Chartered Accountants
ICAI Firm Registration no.: 001076N/N500013

For and on behalf of the board of directors of
Northern Arc Capital Limited
CIN: L65910TN1989PLC017021

Murad D. Daruwalla
Partner
ICAI Membership No. 043334

P.S.Jayakumar
Chairman
DIN : 01173236

Ashish Mehrotra
Managing Director and Chief Executive Officer
DIN: 07277318

Atul Tibrewal
Chief Financial Officer

Prakash Panda
Company Secretary
Membership No: A22585

Place : Mumbai
Date : 08 May 2026

Place : Mumbai
Date : 08 May 2026

Consolidated Statement of Profit and Loss

for year ended 31 March 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

Particulars	Notes	Year ended 31 March 2026	Year ended 31 March 2025
Revenue from operations			
Interest income	23	2,43,255.45	2,17,608.94
Fee and commission income	24	9,747.18	9,264.25
Net gain on fair value changes	25	2,635.76	3,165.31
Net gain on derecognition of financial instruments under amortised cost category		13,385.95	4,122.53
Total revenue from operations		**2,69,024.34**	**2,34,161.03**
Other income	26	1,009.03	1,412.70
Total income		**2,70,033.37**	**2,35,573.73**
Expenses			
Finance costs	27	89,482.08	82,835.99
Fees and commission expense		31,364.84	28,852.49
Employee benefits expenses	28	33,081.27	28,467.30
Impairment on financial instruments	29	41,188.20	40,484.89
Depreciation and amortisation	30	1,878.76	1,788.18
Other expenses	31	18,623.39	14,334.86
Total expenses		**2,15,618.54**	**1,96,763.71**
Profit before share of loss of associate and taxes		**54,414.83**	**38,810.02**
Share of loss from associates	22	(858.66)	(201.96)
Profit before tax		**53,556.17**	**38,608.06**
Tax expense	32		
Current tax		13,761.07	16,395.14
Tax related to earlier years		(348.00)	(999.71)
Deferred tax (benefit)		(214.52)	(6,919.18)
Total tax expense		**13,198.55**	**8,476.25**
Profit for the year	**(A)**	**40,357.62**	**30,131.81**
Other comprehensive income			
Items that will not be reclassified to profit or loss in subsequent periods			
Remeasurement (loss) on defined benefit plans		(53.65)	(105.55)
Income tax relating to items that will not be reclassified to profit or loss		13.51	26.57
		(40.14)	**(78.98)**
Items that will be reclassified to profit or loss in subsequent periods			
Fair value (loss) on financial instruments through other comprehensive income (net)		(4,229.61)	(2,908.30)
Income tax relating to items that will be reclassified to profit or loss		1,064.59	732.01
		(3,165.02)	**(2,176.29)**
Net movement on effective portion of cash flow hedges		9,778.04	(901.53)
Income tax relating to items that will be reclassified to profit or loss		(2,461.13)	226.92
		7,316.91	**(674.61)**
Other comprehensive income / (loss) for the year (net of income taxes)	**(B)**	**4,111.75**	**(2,929.88)**
Total comprehensive income for the year (net of income taxes)	**(A+B)**	**44,469.37**	**27,201.93**
Profit for the year attributable to			
Owners of the holding company		40,601.71	30,454.79
Non-controlling Interest	21	(244.09)	(322.98)
Other comprehensive income for the year (net of income taxes)			
Owners of the holding company		4,109.46	(2,926.69)
Non-controlling Interest	21	2.29	(3.19)
Total comprehensive income for the year (net of income taxes)			
Owners of the holding company		44,711.17	27,528.10
Non-controlling Interest	21	(241.80)	(326.17)
Earnings per equity share of ₹ 10 each	33		
Basic (in ₹)		24.99	20.08
Diluted (in ₹)		24.82	20.03
Summary of material accounting policies	2 and 3		

The notes referred to above form an integral part of consolidated financial statements
As per our report of even date attached

For Walker Chandiok & Co LLP
Chartered Accountants
ICAI Firm Registration no.: 001076N/N500013

For and on behalf of the board of directors of
Northern Arc Capital Limited
CIN: L65910TN1989PLC017021

Murad D. Daruwalla
Partner
ICAI Membership No. 043334

P.S.Jayakumar
Chairman
DIN : 01173236

Ashish Mehrotra
Managing Director and Chief Executive Officer
DIN: 07277318

Atul Tibrewal
Chief Financial Officer

Prakash Panda
Company Secretary
Membership No: A22585

Place : Mumbai
Date : 08 May 2026

Place : Mumbai
Date : 08 May 2026

Consolidated Statement of Changes in Equity

for the year ended 31 March 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

A. EQUITY SHARE CAPITAL

Particular	Amount
Equity share capital of ₹ 10 each issued, subscribed and fully paid	
Balance as at 01 April 2024	8,938.54
Changes in equity share capital during the year (Refer Note 19)	
Add: Shares issued during the year	7,199.39
Balance as at 31 March 2025	**16,137.93**
Changes in equity share capital during the period (Refer Note 19)	
Add: Shares issued during the year	19.25
Balance as at 31 March 2026	**16,157.18**

B. INSTRUMENTS ENTIRELY EQUITY IN NATURE

Particular	Amount
0.0001% Compulsorily convertible preference shares of ₹ 20 each, issued, subscribed and fully paid	
Balance as at 01 April 2024	8,264.64
Changes in compulsorily convertible preference shares during the year (Refer Note 19)	-
Add: Shares issued during the year	1,953.96
Less: Converted to equity shares	(10,218.60)
Balance as at 31 March 2025	-
Changes in compulsorily convertible preference shares during the year (Refer Note 19)	
Add: Shares issued during the year	-
Less: Converted to equity shares	-
Balance as at 31 March 2026	**-**

Consolidated Statement of Changes in Equity

for the year ended 31 March 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

C. Other Equity

	Other equity									Total attributable to equity holders of the holding company	Total Non-Controling Interest (NCI)	Total
	Reserves and surplus							Other Comprehensive Income (OCI)				
	Statutory Reserve	Capital Redemption Reserve	Capital Reserve	Share application money	Securities Premium	Share based payment reserve	Retained Earnings	Financial Instruments through OCI	Effective portion of cash flow hedge reserve			
Balance as at 01 April 2024	**23,275.90**	**3,467.00**	**3.57**	**83.76**	**86,366.40**	**3,104.69**	**96,035.32**	**3,583.79**	**(1,685.05)**	**2,14,235.38**	602.60	**2,14,837.98**
Profit for the year	-	-	-	-	-	-	30,454.79	-	-	30,454.79	(322.98)	30,131.81
Fair valuation (loss) financial instruments (net)	-	-	-	-	-	-	-	(2,173.09)	(674.62)	(2,847.71)	-	(2,847.71)
Premium received on shares issued during the year	-	-	-	-	88,571.90	(268.94)	-	-	-	88,302.96	-	88,302.96
Shared issued during the period	-	-	-	(83.76)	-	-	-	-	-	(83.76)	-	(83.76)
Transfer to retained earnings	-	-	-	-	-	(97.74)	36.53	-	-	(61.21)	-	(61.21)
Transfer to statutory reserve	6,852.30	-	-	-	-	-	(6,852.30)	-	-	-	-	-
Employee compensation expense during the year	-	-	-	-	-	1,357.92	-	-	-	1,357.92	255.03	1,612.95
Share application money received	-	-	-	38.84	-	-	-	-	-	38.84	-	38.84
Utilisation of share premium	-	-	-	-	(4,031.29)	-	-	-	-	(4,031.29)	-	(4,031.29)
Remeasurement of net defined benefit plan	-	-	-	-	-	-	(78.98)	-	-	(78.98)	(3.19)	(82.17)
Balance as at 31 March 2025	**30,128.20**	**3,467.00**	**3.57**	**38.84**	**1,70,907.01**	**4,095.93**	**1,19,595.36**	**1,410.70**	**(2,359.67)**	**3,27,286.94**	**531.46**	**3,27,818.40**
Change in equity for the year ended 31 March 2026												
Profit for the year	-	-	-	-	-	-	40,601.71	-	-	40,601.71	(244.09)	40,357.62
Fair valuation (loss) / gain of financial instruments (net)	-	-	-	-	-	-	-	(3,165.02)	7,316.91	4,151.89	-	4,151.89
Premium received on shares issued during the period	-	-	-	-	2,824.63	(94.79)	-	-	-	2,729.84	-	2,729.84
Shared issued during the period	-	-	-	(202.26)	-	-	-	-	-	(202.26)	-	(202.26)
Transfer to retained earnings	-	-	-	-	-	(82.80)	82.80	-	-	-	-	-
Transfer to statutory reserve	8,583.06	-	-	-	-	-	(8,583.06)	-	-	-	-	-
Employee compensation expense during the period	-	-	-	-	-	896.09	-	-	-	896.09	255.03	1,151.12

Consolidated Statement of Changes in Equity

for the year ended 31 March 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

	Other equity									Total attributable to equity holders of the holding company	Total Non-Controling Interest (NCI)	Total
	Reserves and surplus							Other Comprehensive Income (OCI)				
	Statutory Reserve	Capital Redemption Reserve	Capital Reserve	Share application money	Securities Premium	Share based payment reserve	Retained Earnings	Financial Instruments through OCI	Effective portion of cash flow hedge reserve			
Share application money received	-	-	-	163.42	-	-	-	-	-	163.42	-	163.42
Utilisation of share premium	-	-	-	-	(2,186.42)	-	-	-	-	(2,186.42)	-	(2,186.42)
Remeasurement of net defined benefit plan	-	-	-	-	-	-	(42.43)	-	-	(42.43)	**2.29**	(40.14)
Balance as at 31 March 2026	**38,711.26**	**3,467.00**	**3.57**	**-**	**1,71,545.22**	**4,814.43**	**1,51,654.38**	**(1,754.32)**	**4,957.24**	**3,73,398.78**	**544.69**	**3,73,943.47**

Summary of material accounting policies 2 and 3

The notes referred to above form an integral part of consolidated financial statements

As per our report of even date attached

For Walker Chandiok & Co LLP
Chartered Accountants
ICAI Firm Registration no.: 001076N/N500013

Murad D. Daruwalla
Partner
ICAI Membership No. 043334

Place : Mumbai
Date : 08 May 2026

For and on behalf of the board of directors of
Northern Arc Capital Limited
CIN: L65910TN1989PLC017021

P.S.Jayakumar
Chairman
DIN : 01173236

Ashish Mehrotra
Managing Director and Chief Executive Officer
DIN: 07277318

Atul Tibrewal
Chief Financial Officer

Prakash Panda
Company Secretary
Membership No: A22585

Place : Mumbai
Date : 08 May 2026

Consolidated Statement of Cash Flows

for the year ended 31 March 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

Particulars	Notes	Year ended 31 March 2026	Year ended 31 March 2025
A Cash flow from operating activities			
Profit before tax		53,556.17	38,608.06
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation and amortisation expenses	30	1,878.76	1,788.65
Unrealised loss on investments		(2,345.24)	1,366.38
Interest income on loans, fixed deposits and investments	23	(2,43,255.45)	(2,17,787.52)
Gain on investments in mutual funds	25	(477.43)	(731.47)
Profit on sale of investments		186.91	(731.75)
Impairment on financial instruments including amounts written off	29	41,188.20	37,852.62
Employee share based payment expenses	28	1,153.54	1,558.91
Gain on account of lease foreclosed		-	(0.78)
Amortisation of discount on commercial papers	27	1,827.31	2,400.31
Share of loss of associate	22	858.66	201.96
Interest on income tax refund	26	(61.00)	(215.10)
Net gain on derecognition of financial instruments under amortised cost category		(13,385.95)	(4,122.53)
Finance costs excluding amortisation of discount on commercial papers	27	87,654.77	80,435.68
Cash used in operations before working capital changes and adjustments		**(71,220.75)**	**(59,376.58)**
Changes in working capital and other changes:			
(Increase) / Decrease in other financial assets		(12,570.92)	5,416.13
Decrease in trade receivables		109.27	1,978.42
(Increase) in loans		(3,52,141.95)	(2,86,906.59)
Decrease in other non-financial assets		1,127.70	528.90
Decrease / (Increase) in other bank balances		5,295.96	(8,952.11)
Increase in other financial liabilities		6,155.86	1,813.58
Increase in other non-financial liabilities		1,793.72	1,357.08
Increase / (Decrease) in trade payables and provisions		18,403.72	(8,789.97)
Cash used in operations before adjustments		**(4,03,047.39)**	**(3,52,931.13)**
Proceeds from de-recognition of financial assets		84,525.08	81,746.19
Interest income received on loans, fixed deposits and investments		2,37,050.67	2,14,482.46
Finance cost paid		(88,034.78)	(82,117.66)
Recovery from written off assets	29	32,024.05	44,712.79
Income tax paid (net)		(16,578.06)	(10,560.17)
Net cash (used in) operating activities		**(1,54,060.43)**	**(1,04,667.53)**

Consolidated Statement of Cash Flows

for the year ended 31 March 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

Particulars	Notes	Year ended 31 March 2026	Year ended 31 March 2025
B Cash flows from investing activities			
Purchase of property, plant and equipment, other intangible assets and intangibles under development		(1,509.35)	(1,807.55)
Purchase of investments		(13,78,780.29)	(3,80,719.16)
Proceeds from sale of investments		12,83,917.56	3,70,436.47
Investment in associate		-	(26,730.49)
Sale of investment in associate		11,250.00	-
Net cash (used in) investing activities		**(85,122.08)**	**(38,820.73)**
C Cash flow from financing activities			
Proceeds from issue of debt securities		75,594.09	87,500.00
Repayment of debt securities		(77,885.41)	(87,181.54)
Proceeds from borrowings (other than debt securities)		7,16,153.13	9,98,902.61
Repayment of borrowings (other than debt securities)		(4,84,197.44)	(9,27,188.99)
Payment of principal portion of lease liabilities		(705.18)	(379.88)
Payment of interest on lease liabilities		(275.26)	(270.80)
Proceeds from issue of equity share capital including securities premium		523.83	87,154.77
Share application money received pending allotment		-	38.84
Net cash flow from financing activities		**2,29,207.76**	**1,58,575.01**
Net (decrease) / increase in cash and cash equivalents		**(9,974.75)**	**15,086.75**
Cash and cash equivalents at the beginning of the year		33,026.83	17,940.08
Cash and cash equivalents at the end of the year		**23,052.08**	**33,026.83**

Particulars	Note	As at 31 March 2026	As at 31 March 2025
Notes to Consolidated Statement of Cash Flows			
1 Components of cash and cash equivalents:	4		
Cash on hand		3.22	-
Balances with banks			
- in current accounts		18,981.12	32,886.19
- in deposit accounts free of lien		4,067.74	140.64
		23,052.08	**33,026.83**

2 The above cashflow statement has been prepared under the "indirect method" as set out in the Ind AS-7 on statement of cashflows specified under section 133 of the Companies Act, 2013

Consolidated Statement of Cash Flows

for the year ended 31 March 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

3 NON CASH INVESTING ACTIVITY

Particulars	As at 31 March 2026	As at 31 March 2025
Investing Activity		
Acquisition of right of use assets	286.56	1,064.10
	286.56	**1,064.10**

4 For disclosures relating to changes in liabilities arising from financing activities, refer Note 35A

Summary of material accounting policies 2 and 3

The notes referred to above form an integral part of consolidated financial statements
As per our report of even date attached

For Walker Chandiok & Co LLP
Chartered Accountants
ICAI Firm Registration no.: 001076N/N500013

For and on behalf of the board of directors of
Northern Arc Capital Limited
CIN: L65910TN1989PLC017021

Murad D. Daruwalla
Partner
ICAI Membership No. 043334

P.S.Jayakumar
Chairman
DIN : 01173236

Ashish Mehrotra
Managing Director and Chief Executive Officer
DIN: 07277318

Atul Tibrewal
Chief Financial Officer

Prakash Panda
Company Secretary
Membership No: A22585

Place : Mumbai
Date : 08 May 2026

Place : Mumbai
Date : 08 May 2026

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

1 REPORTING ENTITY

Northern Arc Capital Limited (the "Holding Company", or the "Parent Company") was incorporated on 09 March 1989 and is registered as a non-deposit taking Non-Banking Finance Company (NBFC). The Company has received the Certificate of Registration dated 08 August 2013 in lieu of Certificate of Registration dated 24 June 1999 from the Reserve Bank of India ("RBI") to carry on the business of Non Banking Financial Institution without accepting public deposits ("NBFC-ND"). The Company's registered address is No. 1, Kanagam Village, 10th Floor IITM Research Park, Taramani Chennai TN 600113.

The Holding Company, its subsidiaries and its associates (together known as the "Group") are principally engaged in lending and allied services such as advisory, syndication and portfolio management to provide liquidity and develop access to debt-capital markets for institutions and providing loans for personal, business, education and mortgage purposes to individuals by setting up microfinance institution, online debt trading platforms and alternative investment funds.

Northern Arc Capital Limited ('NACL') has floated Alternate Investment Funds ('AIF'), wherein Northern Arc Invesment Managers Private Limited ('IM') and NACL have also invested. NACL evaluated the existence of control on these AIF in accordance with Ind AS 110 (Consolidated Financial Statements) and consolidated the following AIFs in accordance with Ind AS 110.

Name of the AIF	Nature of interest	Years of consolidation	
Northern Arc Emerging corporates Bond Fund	Associate	Year ended 31 March 2026	Year ended 31 March 2025

The Group structure is as follows:

Entity	Country of Incorporation	Nature of Interest	% of unit holding / equity interest	
			As at 31 March 2026	As at 31 March 2025
Northern Arc Capital Limited (NACL)	India	Parent Company	Not applicable	Not applicable
Northern Arc Investment Managers Private Limited (NAIM)	India	Wholly owned subsidiary	100%	100%
Northern Arc Creditech Solutions Private Limited (formerly Northern Arc Investment Adviser Services Private Limited)	India	Wholly owned subsidiary	100%	100%
Northern Arc Foundation (NAF)	India	Wholly owned subsidiary	100%	100%
Northern Arc Securities Private Limited	India	Wholly owned subsidiary	100%	100%
Pragati Finserv Private Limited	India	Subsidiary	90.10%	90.10%
Northern Arc Employee Welfare Trust*	India	Subsidiary	Not applicable	Not applicable
Finreach Solutions Private Limited**	India	Associate	Not applicable	24.55%
Northern Arc Emerging corporates Bond	India	Associate	29.26%	29.93%

*Northern Arc Capital Limited consolidated this entity based on defacto control with effect from 01 April 2021.

** Upto 12 May 2025

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

2 STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

2.1 Basis of preparation

The Consolidated Financial Statements of the Group comprises of the Consolidated Balance Sheet as at 31 March 2026 and 31 March 2025, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended 31 March 2026 and 31 March 2025 and the notes to the Consolidated Financial Statements. These Statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') as amended from time to time and other relevant provisions of the Act.

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

These Consolidated Financial Statements were authorised for issue by the Holding Company's Board on 08 May 2026.

Details of the Group's accounting policies are disclosed in note 3.

2.2 Presentation of consolidated financial statements

The consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and notified under section 133 of the Companies Act, 2013 (the Act) along with other relevant provisions of the Act, the updated Reserve Bank of India (Non-Banking Financial Companies - Financial statements: Presentation and Disclosures) Directions, 2025 (Updated as on 01 April 2026).

The consolidated financial statements are presented in lakhs of Indian Rupee (₹) which is also the functional currency of the Group. The financial statements have been prepared on a historical cost basis, except for certain financial instruments that are measured at fair value. The financial statements are prepared on a going concern basis, as the Management is satisfied that 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. In making this assessment, the Management has considered a wide range of information relating to present and future conditions, including future projections of profitability, cash flows and capital resources.

The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity, are presented in the format prescribed under Division III of Schedule III of the Act, as amended from time to time, for non banking financial companies ('NBFC') that are required to comply with Ind AS. The statement of cash flows has been presented as per the requirements of Ind AS 7 -Statement of Cash Flows. The Group presents its consolidated balance sheet in order of liquidity. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non–current) is presented separately.

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

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

- The normal course of business
- The event of default
- The event of insolvency or bankruptcy of the company and / or its counterparties.

Derivative assets and liabilities with master netting arrangements (e.g. ISDAs) are only presented net when they satisfy the eligibility of netting for all of the above criteria and not just in the event of default.

2.3 Functional and presentation currency

These consolidated financial statements are presented in Indian Rupees (₹), which is also the functional currency of the Holding Company, its subsidiaries and its associates. All amounts have been rounded-off to the nearest lakhs (two decimals), unless otherwise indicated.

2.4 Use of estimates and judgements

The preparation of the consolidated financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Appropriate changes in estimates are made prospectively as and when the management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the consolidated financial statements.

Information about judgements, estimates and assumptions made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

i) Business model assessment

Classification and measurement of financial assets depends on the results of business model test and the solely payments of principal and interest ('SPPI') test. The Group determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Group monitors financial assets measured at amortised cost or fair value through other comprehensive income or fair value through profit and loss 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 the business model and so a prospective change to the classification of those assets.

ii) Fair value of financial instruments

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

iii) Effective Interest Rate ('EIR') method

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

This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well as expected changes to interest rates and other fee income/ expense that are integral parts of the instrument.

iv) Impairment of financial assets

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

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

a) The Group's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a life time expected credit loss ('LTECL') basis.

b) Development of ECL models, including the various formulas and the choice of inputs.

c) Determination of associations between macroeconomic scenarios and economic inputs, such as consumer spending, lending interest rates and collateral values, and the effect on probability of default ('PD'), exposure at default ('EAD') and loss given default ('LGD').

d) Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into ECL models.

v) Impairment of non financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators. Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

vi) Provisions and other contingent liabilities

The Holding Company operates in a regulatory and legal environment that, by nature, has a heightened element of litigation risk inherent to its operations. As a result, it is involved in various litigation, arbitration and regulatory inspections in the ordinary course of the Group's business.

When the Group can reliably measure the outflow of economic benefits in relation to a specific case including commercial/ contractual arrangements and considers such outflows to be probable, the group records a provision against the case. Where the outflow is considered to be probable, but a reliable estimate cannot be made, a contingent liability is disclosed.

Given the subjectivity and uncertainty of determining the probability and amount of losses, the Group takes into account a number of factors including legal advice, the stage of the matter and historical evidence from similar incidents. Significant judgement is required to conclude on these estimates.

These estimates and judgements are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances. Management believes that the estimates used in preparation of the consolidated financial statements are prudent and reasonable.

vii) Share-based payments

The Group initially measures the cost of cash-settled transactions with employees using a binomial model to determine the fair value of the liability incurred. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. For cash-settled share-based payment transactions, the liability needs to be remeasured at the end of each reporting period up to the date of settlement, with any changes in fair value recognised in the profit or loss. This requires a reassessment of the estimates used at the end of each reporting period. For the measurement of the fair value of equity-settled transactions with employees at the grant date, the Group uses a binomial model for general employee share option

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

plan (GESP).The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in note 41.

viii) Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and other post-employment medical benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

ix) Leases - Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

x) Other assumptions and estimation uncertainties

Information about critical judgements in applying accounting policies, as well as estimates and assumptions that have the most significant effect to the carrying amounts of assets and liabilities within the next financial year are included in the following notes:

a) Measurement of defined benefit obligations: key actuarial assumptions;

b) Estimated useful life of property, plant and equipment and intangible assets;

c) Recognition of deferred taxes;

d) Upfront recognition of Excess Interest Spread (EIS) in relation to assignment transactions.

2.5 Basis of Consolidation

i) Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the parent has power over the entity, is exposed, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns. Subsidiaries are fully consolidated from the date on which the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Where necessary, adjustments are made to the financial statements of subsidiary to bring their accounting policies and accounting period in line with those used by the Group. All intra-group transactions, balances, income and expenses and cash flows are eliminated on consolidation.

ii) Non-controlling interests (NCI)

Non-controlling interest is the equity in a subsidiary not attributable, directly or

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

indirectly, to a parent. Non-controlling interests in the net assets of consolidated subsidiary are identified separately from the Group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the business combination and the non-controlling interests' share of changes in equity since that date. A change in the ownership interest of a subsidiary, without a change of control, is accounted for as an equity transaction

iii) Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any interest retained in the former subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognised in profit or loss.

iv) Change in ownership without loss of control

"A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

a. Derecognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost

b. Derecognises the carrying amount of any non-controlling interests

c. Derecognises the cumulative translation differences recorded in equity

d. Recognises the fair value of the consideration received

e. Recognises the fair value of any investment retained

f. Recognises any surplus or deficit in profit or loss

g. Recognise that distribution of shares of subsidiary to Group in Group's capacity as owners

h. Reclassifies the parent's share of components previously recognised in OCI to profit or loss or transferred directly to retained earnings, if required by other Ind ASs as would be required if the Group had directly disposed of the related assets or liabilities

v) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES

a. Revenue from contract with customers

The Group recognises revenue from contracts with customers (other than financial assets to which Ind AS 109 'Financial instruments' is applicable) based on a comprehensive assessment model as set out in Ind AS 115 'Revenue from contracts with customers'. The Group identifies contract(s) with a customer and its performance obligations under the contract, determines the transaction price and its allocation to the performance obligations in the contract and recognises revenue only on satisfactory completion of performance obligations. Revenue is measured at transaction price i.e. the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to the customer, excluding amounts collected on behalf of third parties. The Group consider the terms of the contract and its customary business practices to determine the transaction price. The Group applies the five-step approach for the recognition of revenue.

Step 1: Identify contract with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

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

Trade Receivables

A receivable is recognised if an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Recognition of interest income on loans

Under Ind AS 109, interest income is recorded using the effective interest rate (EIR) method for all financial instruments measured at amortised cost. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset.

The EIR (and therefore, the amortised cost of the asset) is calculated by taking into account any fees and costs that are an integral part of the EIR. The Group recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the financial instrument.

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is booked 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 amortised through interest income in the statement of profit and loss.

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

When a financial asset becomes credit-impaired, the Group calculates interest income by applying the effective interest rate to the net amortised cost of the financial asset. If the financial asset cures and is no longer credit-impaired, the Group reverts to calculating interest income on a gross basis.

Revenue recognition for different heads of income is as under:

i. Interest income on deposits

Interest income on deposits is recognised on a time proportionate basis using the effective interest rate.

ii. Fees and commission income

Fees and commission income such as guarantee commission, professional fee, service income etc. are recognised on an accrual basis in accordance with term of the contract with customer.

iii. Other Income

All items of other income is recognized on an accrual basis, when there is no uncertainty in the ultimate realisation / collection.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

b. Financial instruments - initial recognition

Date of recognition

Debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

Initial measurement of financial instruments

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments. Financial instruments are initially measured at their fair value, except in the case of financial assets and financial liabilities recorded at FVTPL, transaction costs are added to, or subtracted from this amount.

Measurement categories of financial assets and liabilities

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

i) Amortised cost

ii) Fair value through other comprehensive income ('FVOCI')

iii) Fair value through profit and loss ('FVTPL')

c. Financial assets and liabilities

A. Financial assets

Business model assessment

The Group determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Group's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

a) How the performance of the business model and the financial assets held within that business model are evaluated and reported to the Group's key management personnel.

b) The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed.

c) How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).

d) The expected frequency, value and timing of sales are also important aspects of the Group's assessment.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Group's original expectations, the Group does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

Sole Payments of Principal and Interest (SPPI) test

As a second step of its classification process, the Group assesses the contractual terms of financial assets to identify whether they meet SPPI test. 'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of financial asset (for example, if there are repayments of principal or amortisation of the premium/ discount). The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Group applies judgement and considers relevant factors such as the period for which the interest rate is set.

In contrast, contractual terms that introduce a more than de minimis exposure to risks or volatility in the contractual cash flows that are

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVTPL.

Accordingly, financial assets are measured as follows:

i. Financial assets carried at amortised cost (AC)

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Bank balances, Loans, Trade receivables and other financial investments that meet the above conditions are measured at amortised cost.

ii. Financial assets at fair value through other comprehensive income (FVOCI)

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

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

A financial asset which is not classified in any of the above categories are measured at FVTPL. Subsequent changes in fair value are recognised in the statement of profit and loss.

The Group records investments in alternative investment funds, mutual funds and treasury bills at FVTPL.

iv. Investment in equity instruments

The Group measures all equity investments at fair value through profit or loss except, for investment in subsidiaries subject to impairment if any at the end of each reporting period. Cost of investment represents amount paid for acquisition of the investment. For investment in associate the Holding Company measures it at cost or in accordance with Ind AS 109, financial instruments.

B. Financial liabilities

i. Initial recognition and measurement

All financial liabilities are measured at amortised cost except for financial guarantees, and derivative financial liabilities. Transaction costs that are directly attributable to the acquisition or issue of financial liability, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition.

ii. Subsequent measurement

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

Debt securities and other borrowed funds

After initial measurement, debt issued and other borrowed funds are subsequently measured at amortised cost. Amortised cost is calculated by taking into account any discount or premium on issue funds, and costs that are an integral part of the instrument.

The Holding Company issues certain non-convertible debentures, the return of which is linked to performance of specified indices over the period of the debenture. Such debentures have a component of an embedded derivative which is fair valued at a reporting date. The resultant 'net unrealised loss or

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

gain' on the fair valuation of these embedded derivatives is recognised in the statement of profit and loss. The debt component of such debentures is measured at amortised cost using yield to maturity basis.

Embedded derivatives

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

d. Derecognition of financial assets and liabilities

A. Derecognition of financial assets due to substantial modification of terms and conditions

The Group derecognises a financial asset when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new financial asset, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognised financial assets are classified as Stage 1 for ECL measurement purposes. If the modification is such that the instrument would no longer meet the SPPI criterion. If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Group records a modification gain or loss, to the extent that an impairment loss has not already been recorded.

B. Derecognition of financial instruments other than due to substantial modification

i. Financial Assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the contractual rights to the cash flows from the financial asset expires or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset in its entirety, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in the statement of profit and loss.

Accordingly, gain on sale or derecognition of assigned portfolio are recorded upfront in the statement of profit and loss as per Ind AS 109. Also, the Group recognises servicing income as a percentage of interest spread over tenure of loan in cases where it retains the obligation to service the transferred financial asset.

"When the Group has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Group's continuing involvement, in which case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration the Group could be required to pay.

ii. Financial Liability

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in the statement of profit and loss.

e Impairment of financial assets

A. Overview of Expected Credit Loss ('ECL') principles

In accordance with Ind AS 109, the Group uses ECL model, for evaluating impairment of financial assets other than those measured at fair value through profit and loss (FVTPL). The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12mECL). The 12mECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. When estimating LTECLs for undrawn loan commitments, the Group estimates the expected portion of the loan commitment that will be drawn down over its expected life. The ECL is then based on the present value of the expected shortfalls in cash flows if the loan is drawn down.

Expected credit losses are measured through a loss allowance at an amount equal to:

i. The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or

ii. Lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

Both LTECLs and 12mECLs are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments

Based on the above, the Group catagorises its financial assets into Stage 1, Stage 2 and Stage 3, as described below:

Stage 1:

When financial assets are first recognised, the Group recognises an allowance based on 12-months ECL. Stage 1 financial assets includes those financial assets where there is no significant increase in credit risk observed and also includes facilities where credit risk has been improved and the financial asset has been reclassified from stage 2 or stage 3.

Stage 2:

When a financial asset has shown a significant increase in credit risk since initial recognition, the Group records an allowance for the life time ECL. Stage 2 financial assets also includes facilities where the credit risk has improved and the loan has been reclassified from stage 3.

Stage 3:

Financial assets are considered credit impaired if they are past due for more than

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

90 days. The Group records an allowance for life time ECL.

B. Calculation of ECLs

The mechanics of ECL calculations are outlined below and the key elements are, as follows:

PD:

Probability of Default ("PD") is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.

EAD:

Exposure at Default ("EAD") is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.

LGD:

Loss Given Default ("LGD") is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

The Group has calculated PD, EAD and LGD to determine impairment loss on the portfolio of financial assets and discounted at an approximation to the EIR. At every reporting date, the above calculated PDs, EAD and LGDs are reviewed and changes in the forward looking estimates are analysed. Impairment losses and releases are accounted for and disclosed separately from modification losses or gains that are accounted for as an adjustment of the financial asset's gross carrying value.

The mechanics of the ECL method are summarised below:

Stage 1:

The 12 months ECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Group calculates the 12 months ECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-months default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by the original EIR.

Stage 2:

When a financial asset has shown a significant increase in credit risk since origination, the Group records an allowance for the LTECLs. The mechanics are similar to those explained above, but PDs and LGDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR.

Significant increase in credit risk

"The Group monitors all financial assets that are subject to the impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk the Group will measure the loss allowance based on lifetime rather than 12mECLs. In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity of the instrument with the risk of a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognised. In making this assessment, the Group considers both quantitative and

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort, based on the Group's historical experience and expert credit assessment including forward looking information.

Stage 3:

For financial assets considered credit-impaired, the Group recognises the lifetime expected credit losses for these financial assets. The method is similar to that for Stage 2 assets, with the PD set at 100%.

Credit-impaired financial assets

"A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Credit-impaired financial assets are referred to as Stage 3 assets. Evidence of credit-impairment includes observable data about the following events:

a. significant financial difficulty of the borrower;

b. a breach of contract such as a default or past due event;

c. the lender of the borrower, for economic or contractual reasons relating to the borrower's financial

d. difficulty, having granted to the borrower a concession that the lender would not otherwise consider;

e. the disappearance of an active market for a security because of financial difficulties; or

f. the purchase of a financial asset at a deep discount that reflects the incurred credit losses.

It may not be possible to identify a single discrete event—instead, the combined effect of several events may have caused financial assets to become credit-impaired. The Group assesses whether debt instruments that are financial assets measured at amortised cost are credit-impaired at each reporting date."A loan is considered credit-impaired when a concession is granted to the borrower due to a deterioration in the borrower's financial condition, unless there is evidence that as a result of granting the concession the risk of not receiving the contractual cash flows has reduced significantly and there are no other indicators of impairment. For financial assets where concessions are contemplated but not granted the asset is deemed credit impaired when there is observable evidence of credit-impairment including meeting the definition of default. The definition of default includes unlikeliness to pay indicators and a back- stop if amounts are overdue for 90 days or more.

Loan commitments

When estimating LTECLs for undrawn loan commitments, the Group estimates the expected portion of the loan commitment that will be drawn down over its expected life. The ECL is then based on the present value of the expected shortfalls in cash flows if the loan is drawn down, based on a probability-weighting of the four scenarios. The expected cash shortfalls are discounted at an approximation to the expected EIR on the loan.

Financial guarantee contracts

The Group's liability under each guarantee is measured at the higher of the amount initially recognised less cumulative amortisation recognised in the statement of profit and loss, and the ECL provision. For this purpose, the Group estimates ECLs based on the present value of the expected payments to reimburse the holder for a credit loss that it incurs. The shortfalls are discounted by the risk-adjusted interest rate relevant to the exposure. The ECLs related to financial guarantee contracts are recognised within Provisions.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

C. Financial assets measured at FVOCI

The ECLs for financial assets measured at FVOCI do not reduce the carrying amount of these financial assets in the balance sheet, which remains at fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortised cost is recognised in OCI as an accumulated impairment amount, with a corresponding charge to profit or loss. The accumulated loss recognised in OCI is recycled to the profit and loss upon derecognition of the assets.

D. Forward looking information

In its ECL models, the Group relies on forward looking macro parameters such as consumer spending and interest rates to estimate the impact on probability of the default at a given point of time. The inputs and models used for calculating ECLs may not always capture all characteristics of the market at the date of the financial statements. To reflect this, qualitative adjustments or overlays are occasionally made as temporary adjustments when such differences are significantly material.

f. Write-offs

The gross carrying amount of a financial asset is written-off when there is no reasonable expectation of recovering the asset. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to impairment on financial instruments in the statement of profit and loss.

g. Determination of fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group has taken into account the characteristics of the asset or liability as if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

The principal or the most advantageous market must be accessible by the Group.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 financial instruments: Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Group has access to at the measurement date. The Group considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date;

Level 2 financial instruments: Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads; and

Level 3 financial instruments –Those that include one or more unobservable input that is significant to the measurement as whole.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. The Group periodically reviews its valuation techniques including the adopted methodologies and model calibrations. However, the base models may not fully capture all factors relevant to the valuation of the Group's financial instruments. Therefore, the Group applies various techniques to estimate the credit risk associated with its financial instruments measured at fair value, which include a portfolio-based approach that estimates the expected net exposure per counterparty over the full lifetime of the individual assets, in order to reflect the credit risk of the individual counterparties for financial instruments.

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

h. Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency of the Group, at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction. For each entity in the Group, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognized in profit or loss.

i. Property, plant and equipment

i. Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

iii. Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the written down value method, and is generally recognised in the statement of profit and loss.

The Group follows estimated useful lives which are given under Part C of the Schedule II of the Companies Act, 2013. The estimated useful lives of items of property, plant and

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

equipment for the current and comparative periods are as follows:

Asset category	Estimated Useful life
Plant and machinery	15 years
Furniture and fittings	10 years
Office equipment's	5 years
Computers and accessories	3 years
Servers	6 years

Leasehold improvements are depreciated over the remaining period of lease or estimated useful life of the assets, whichever is lower.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed of).

Property plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in other income / expense in the statement of profit and loss in the year the asset is derecognised. The date of disposal of an item of property, plant and equipment is the date the recipient obtains control of that item in accordance with the requirements for determining when a performance obligation is satisfied in Ind AS 115.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate

j. Intangible assets

i. Intangible assets

Intangible assets including those acquired by the Group are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

iii. Internally generated: Research and development

Expenditure on research activities is recognised in profit or loss as incurred. Developing expenditure is capitalised as part of the cost of the resulting intangible asset only if the expenditure can be measured reliably, the product is technically and commercially feasible, future economic benefits are probable, and the Holding Company intends to and has sufficient resources to complete development and to use the asset. Otherwise, it is recognised in profit or loss as incurred. Subsequent to initial recognition, the asset is measured at cost less accumulated amortisation and any accumulated impairment losses. During the period of development, the asset is tested for impairment annually.

iv. Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight line method, and is included in depreciation and amortisation in Statement of Profit and Loss.

Asset category	Estimated Useful life
Computer softwares	5 years

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

v. Derecognition

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss. when the asset is derecognised

k. Employee benefits

i. Post-employment benefits

Defined contribution plan

The Group's contribution to provident fund are considered as defined contribution plan and are charged as an expense as they fall due based on the amount of contribution required to be made and when the services are rendered by the employees.

Defined benefit plans

Gratuity

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

ii. Other long-term employee benefits

Compensated absences

The employees can carry forward a portion of the unutilised accrued compensated absences and utilise it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Group records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

iii. Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognized during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the year in which the employee renders the related service. The cost of such compensated absences is accounted as under :

(a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and

(b) in case of non-accumulating compensated absences, when the absences occur.

iv. Share based payment

The grant date fair value of equity settled share based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as expense is based on the estimate of the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market vesting conditions at the vesting date.

Equity Settled Plan:

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. Further details are given in Note 41.

That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of profit and loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, 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. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the grant date fair value of the unmodified award, provided the original vesting terms of the award are met. An additional expense, measured as at the date of modification, is recognised for any

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

l. Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

m. Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a duration of 12 months or less.

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

The Group recognises right-of-use assets at the commencement date of the lease (i.e.the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group determines the lease term as the initial period agreed in the lease agreement, together with both periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. In assessing whether the Group is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group revises the lease term if there is a change in the initial period agreed in the lease agreement.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

n. Taxes

i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The group shall reflect the effect of uncertainty for each uncertain tax treatment by using either most likely method or expected value method, depending on which method predicts better resolution of the treatment.

ii. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Group recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefit ts in the form of availability of set off against future income tax liability.

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

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

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

iii. Goods and services tax /value added taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the goods and services tax/value added taxes paid, except:

a. When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable

b. When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

o. Borrowing cost

Borrowing costs are interest and other costs incurred in connection with the borrowings of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalized as part of the cost of the asset. Other borrowings costs are recognized as an expense in the statement of profit and loss account on an accrual basis using the Effective Interest Rate Method.

p. Cash and cash equivalents

Cash and cash equivalents comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

q. Segment reporting- Identification of segments:

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the Group's Chief Operating Decision Maker (CODM) to make decisions for which discrete financial information is available. Based on the management approach as defined in Ind AS 108, the CODM evaluates the Group's performance and allocates resources based on an analysis of various performance indicators by business segments and geographic segments.

r. Earnings per share

The Group reports basic and diluted earnings per equity share in accordance with Ind AS 33, Earnings Per Share. Basic earnings per equity share is computed by dividing net profit / loss after tax attributable to the equity share holders for the year by the weighted average number of equity shares outstanding during the year. Diluted earnings per equity share is computed and disclosed by dividing the net profit/ loss after tax attributable to the equity share holders for

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

the year after giving impact of dilutive potential equity shares for the year by the weighted average number of equity shares and dilutive potential equity shares outstanding during the year, except where the results are anti-dilutive.

s. Cash flow statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non–cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, financing and investing activities of the Group are segregated. Cash flows in foreign currencies are accounted at the actual rates of exchange prevailing at the dates of the transactions.

t. Derivative financial instruments

The Group enters into derivative financial instruments to manage its exposure to interest rate risk and foreign exchange rate risk. Derivatives held include foreign exchange forward contracts, interest rate swaps and cross currency interest rate swaps.

Derivatives are initially recognised at fair value on the date when a derivative contract is entered into and are subsequently remeasured to their fair value at each balance sheet date. The resulting gain/loss 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 statement of profit and loss depends on the nature of the hedge relationship. The Group designates certain derivatives as hedges of highly probable forecast transactions (cash flow hedges). 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.

u. Hedge accounting policy

The Group makes use of derivative instruments to manage exposures to interest rate and foreign currency. In order to manage particular risks, the Group applies hedge accounting for transactions that meet specific 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 fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or 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.

Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

(i) Fair value hedges

The change in the fair value of a hedging instrument is recognised in the statement of profit and loss as finance costs. The 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 and is also recognised in the statement of profit and loss as finance costs.

For fair value hedges relating to items carried at amortised cost, any adjustment to carrying value is amortised through profit or loss over the remaining term of the hedge using the EIR method. EIR amortisation may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

If the hedged item is derecognised, the unamortised fair value is recognised immediately in profit or loss.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in profit or loss.

The Group has an interest rate swap that is used as a hedge for the exposure of changes in the fair value of its 8.25% fixed rate secured loan. See Note 45 for more details.

(ii) Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the Effective portion of cash flow hedges, while any ineffective portion is recognised immediately in the statement of profit and loss. The Effective portion of cash flow hedges is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

The Group uses forward currency contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments, as well as forward commodity contracts for its exposure to volatility in the commodity prices. The ineffective portion relating to foreign currency contracts is recognised in finance costs and the ineffective portion relating to commodity contracts is recognised in other income or expenses. Refer to Note 47 for more details.

The Group designates only the spot element of a forward contract as a hedging instrument. The forward element is recognised in OCI.

The amounts accumulated in OCI are accounted for, depending on the nature of the underlying hedged transaction. If the hedged transaction subsequently results in the recognition of a non-financial item, the amount accumulated in equity is removed from the separate component of equity and included in the initial cost or other carrying amount of the hedged asset or liability. This is not a reclassification adjustment and will not be recognised in OCI for the period. This also applies where the hedged forecast transaction of a non-financial asset or non-financial liability subsequently becomes a firm commitment for which fair value hedge accounting is applied.

For any other cash flow hedges, the amount accumulated in OCI is reclassified to profit or loss as reclassification adjustment in the same period or periods during which the hedged cash flows affect profit or loss.

If cash flow hedge accounting is discontinued, the amount that has been accumulated in OCI must remain in accumulated OCI if the hedged future cash flows are still expected to occur. Otherwise, the amount will be immediately reclassified to profit or loss as a reclassification adjustment. After discontinuation, once the hedged cash flow occurs, any amount remaining in accumulated OCI must be accounted for depending on the nature of the underlying transaction as described above.

v. New and amended standards

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as amended from time to time. During the year ended 31 March 2026, MCA has notified following new standards or amendments to the existing standards:

i) Lack of exchangeability - Amendments to Ind AS 21

MCA via notification dated 7 May 2025, announced amendments to Ind AS 21, The Effects of Changes in Foreign Exchange Rates, to specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

Note: The amendments to Ind AS 21 relating to lack of exchangeability, notified by MCA on 7 May 2025, are not applicable to the Group, as it does not have any transactions involving non-exchangeable currencies. Accordingly, there is no impact on the financial statements.

ii) Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants - Amendments to Ind AS 1

MCA via notification dated 13 August 2025 announced amendments to Ind AS 1, Presentation of Financial Statements, which elaborate on guidance set out in Ind AS 1 by:

- clarifying that the right to defer settlement of a liability for at least 12 months after the reporting period;

a) must have substance, and b) must exist at the end of the reporting period;

- stating that management's expectations around whether the settlement of a liability would be deferred or not, does not impact the classification of the liability;

- including requirements for liabilities that can be settled using an entity's own instruments; and

- stating that at the reporting date, the entity does not consider covenants that will need to be complied with in the future when considering the classification of the debt as current or non-current

In addition, an entity is required to disclose when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

Note: The amendments to Ind AS 1 relating to classification of liabilities as current or non-current and non-current liabilities with covenants, notified by MCA on 13 August 2025, are not applicable to the Company as it presents its balance sheet in order of liquidity as per Division III of Schedule III to the Companies Act, 2013. Accordingly, there is no impact on the financial statements.

iii) Supplier Finance Arrangements - Amendments to Ind AS 7 and Ind AS 107

MCA via notification dated 13 August 2025 announced amendments to Ind AS 7, Statement of Cash Flows and Ind AS 107, Financial Instruments: Disclosures which introduced disclosure requirements with the objective to enable users of financial statements to assess how supplier finance arrangements affect an entity's liabilities, cashflows and exposure to liquidity risk. Note: The amendments to Ind AS 7 and Ind AS 107 relating to supplier finance arrangements, notified by MCA on 13 August 2025, are not applicable to the Group as it does not have any such arrangements. Accordingly, there is no impact on the financial statements.

Note: The amendments to Ind AS 7 and Ind AS 107 relating to supplier finance arrangements, notified by MCA on 13 August 2025, are not applicable to the Group as it does not have any such arrangements. Accordingly, there is no impact on the financial statements.

iv) International Tax Reform - Pillar Two Model Rules - Amendments to Ind AS 12

MCA via notification dated 13 August 2025 announced amendments to Ind AS 12, Income Taxes, which includes:

- a temporary exception to the recognition and disclosure of deferred taxes arising from the implementation of the Pillar Two model rules; and

- additional disclosure requirements targeted at a reporting entity's exposure to income taxes in periods in which the Pillar Two Model legislation is enacted or substantively enacted but not yet in effect.

Note: The amendments to Ind AS 12 relating to Pillar Two Model Rules, notified by MCA on 13 August 2025, are not applicable to the Group. Accordingly, there is no impact on the financial statements.

w. Key amendments applicable from next financial year

Classification of Liabilities as Current or Non current and Non-current Liabilities with Covenants - Amendments to Ind AS 1

Paragraph 74 of Ind AS 1 currently effective for the year ended 31 March 2026 requires the entity not to classify the liability as current, if there is a breach of a material covenant of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, however, the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

MCA vide notification dated 13 August 2025, has introduced amendment under Paragraph 74 of Ind AS 1 which requires the entity to classify the liability as current under the aforementioned situation because, at the end of the reporting period, it does not have the right to defer its settlement for at least twelve months after that date. Such amendment has been made effective for annual reporting periods beginning on or after 01 April 2026 retrospectively in accordance with Ind AS 8.

This amendment is not expected to have a material impact on the consolidated financial Statements

x. Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

At the acquisition date, the identifiable assets acquired, and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

- Liabilities or equity instruments related to share based payment arrangements of the acquiree or share – based payments arrangements of the Holding Company entered into to replace share-based payment arrangements of the acquiree are measured

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

in accordance with Ind AS 102 Share-based Payments at the acquisition date

- Assets that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

- Reacquired rights are measured at a value determined on the basis of the remaining contractual term of the related contract. Such valuation does not consider potential renewal of the reacquired right.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

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

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

y. Investment in 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.

The considerations made in determining whether significant influence are similar to those necessary to determine control over the subsidiaries.

The Group's investments in its associate are accounted for using the equity method. Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment individually.

The statement of profit and loss reflects the Group's share of the results of operations of the associate. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate.

If an entity's share of losses of an associate or exceeds its interest in the associate (which includes any long-term interest that, in substance, form part of the Group's net investment in the associate), the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the Group's share of profit or loss of an associate is shown on the face of the statement of profit and loss outside operating profit.

The financial statements of the associate are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the loss as 'Share of profit of an associate in the statement of profit and loss.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

4 CASH AND CASH EQUIVALENTS

Particulars	As at 31 March 2026	As at 31 March 2025
Measured at amortised cost:		
Cash on hand	3.22	-
Cheques on hand	-	-
Balance with banks		
- In current accounts	18,981.12	32,886.19
- In deposits with original maturity of less than three months	4,067.74	140.64
	23,052.08	**33,026.83**

Notes

4A Represents short-term deposits made for original maturity less than three months, depending on the immediate cash requirements of the Company, and earns interest at the respective short-term deposit rates.

4.1 The Group have undrawn committed borrowing facilities of ₹ 78,319.37 lakhs as at 31 March 2026 (as at 31 March 2025: ₹ 1,20,892 lakhs).

4.2 For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:

Particulars	As at 31 March 2026	As at 31 March 2025
Cash on hand	3.22	-
Cheques on hand	-	-
Balances with banks		
- In current accounts	18,981.12	32,886.19
- In deposits with original maturity of less than three months	4,067.74	140.64
	23,052.08	**33,026.83**

5 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

Particulars	As at 31 March 2026	As at 31 March 2025
Measured at amortised cost:		
- In deposit accounts with bank with original maturity more than 3 months (Refer Note 5.1 below)	12,932.70	5,377.50
In earmarked accounts:		
- In unpaid dividend account	0.22	0.22
- Deposit with banks to the extent held as margin money or security against the borrowings, guarantees, other commitments (Refer Note 5.1 and Note 5.2).	13,695.89	26,330.72
	26,628.81	**31,708.44**

Note:

5.1 As at 31 March 2026, deposit with bank includes deposits amounting to ₹ 6,731.93 lakhs (31 March 2025 : ₹ 3,950.81 lakhs) representing amount received from customers as cash collateral for the loans provided by the Holding Company.

5.2 As at 31 March 2026, deposits amounting to ₹ 5,088.58 lakhs (31 March 2025: ₹ 1,796.70 lakhs) have been provided as credit enhancement for securitisation transactions.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

6 TRADE RECEIVABLES

Particulars	As at 31 March 2026	As at 31 March 2025
Unsecured		
a) Considered good	2,068.23	2,075.80
b) Trade receivables which have significant increase in credit risk	-	-
	2,068.23	2,075.80
Allowance for expected credit loss		
a) Considered good	(8.54)	(6.67)
b) Trade receivables which have significant increase in credit risk	-	-
	2,059.69	**2,069.13**

Notes:

(i) There are no trade receivables due against the related parties of the group.

(ii) No trade receivable are due from directors or other officers of the group either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

(iii) There are no disputed trade receivables as on 31 March 2026 and 31 March 2025.

iv) The ageing schedule of Trade receivables is as follows:

As at 31 March 2026

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed trade receivables – considered good	763.44	1,219.57	72.09	2.47	2.29	8.37	2,068.23
(ii) Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed trade Receivables – considered good	-	-	-	-	-	-	-
(v) Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed trade Receivables – credit impaired	-	-	-	-	-	-	-
Total	**763.44**	**1,219.57**	**72.09**	**2.47**	**2.29**	**8.37**	**2,068.23**

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

As at 31 March 2025

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed trade receivables – considered good	925.74	1,134.75	0.75	8.82	5.74	-	2,075.80
(ii) Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed trade receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed trade receivables – considered good	-	-	-	-	-	-	-
(v) Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed trade receivables – credit impaired	-	-	-	-	-	-	-
Total	**925.74**	**1,134.75**	**0.75**	**8.82**	**5.74**	**-**	**2,075.80**

v) Analysis of changes in the gross carrying amount of trade receivables and the corresponding ECL allowance in relation to trade receivables

Changes in gross carrying amount

Particulars	As at 31 March 2026				As at 31 March 2025			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
As at the beginning of the year	**2,075.80**	**-**	**-**	**2,075.80**	**2,526.91**	**18.01**	**-**	**2,544.92**
New assets originated	1,128.18	-	-	1,128.18	965.12	-	-	965.12
Asset derecognised or repaid (excluding write off)	(1,135.75)	-	-	(1,135.75)	(1,416.23)	(18.01)	-	(1,434.24)
Transfer to stage 1	-	-	-	-	-	-	-	-
Transfer to stage 2	-	-	-	-	-	-	-	-
Transfer to stage 3	-	-	-	-	-	-	-	-
Write offs	-	-	-	-	-	-	-	-
As at the end of the year	**2,068.23**	**-**	**-**	**2,068.23**	**2,075.80**	**-**	**-**	**2,075.80**

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

Reconciliation of ECL Balance

Particulars	As at 31 March 2026				As at 31 March 2025			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
As at the beginning of the year	**6.67**	**-**	**-**	**6.67**	**7.51**	**2.47**	**-**	**9.98**
New assets originated	8.45	-	-	8.45	6.55	-	-	6.55
Asset derecognised or repaid (excluding write off)	(6.58)	-	-	(6.58)	(7.39)	(2.47)	-	(9.86)
Transfer to stage 1	-	-	-	-	-	-	-	-
Transfer to stage 2	-	-	-	-	-	-	-	-
Transfer to stage 3	-	-	-	-	-	-	-	-
Write offs	-	-	-	-	-	-	-	-
As at the end of the year	**8.54**	**-**	**-**	**8.54**	**6.67**	**-**	**-**	**6.67**

7 LOANS

	As at 31 March 2026			As at 31 March 2025		
	At amortised cost	At fair value through other comprehensive income	Total	At amortised cost	At fair value through other comprehensive income	Total
A. Based on nature						
Gross term loans	8,69,592.25	3,85,613.25	12,55,205.50	8,32,838.78	2,17,633.08	10,50,471.86
Less : Impairment loss allowance	(30,692.10)	-	(30,692.10)	(26,087.13)	-	(26,087.13)
Net term loans	**8,38,900.15**	**3,85,613.25**	**12,24,513.40**	**8,06,751.65**	**2,17,633.08**	**10,24,384.73**
Gross structured cash credit	25,186.29	-	25,186.29	33,282.11	-	33,282.11
Less : Impairment loss allowance	(422.86)	-	(422.86)	(429.06)	-	(429.06)
Net structured cash credit	**24,763.43**	**-**	**24,763.43**	**32,853.05**	**-**	**32,853.05**
Net loans	**8,63,663.58**	**3,85,613.25**	**12,49,276.83**	**8,39,604.70**	**2,17,633.08**	**10,57,237.78**
B. Based on Security						
(i) Secured by tangible assets *	5,77,268.47	6,019.46	5,83,287.93	5,78,003.64	24,821.90	6,02,825.54
(ii) Unsecured	3,17,510.07	3,79,593.79	6,97,103.86	2,88,117.25	1,92,811.18	4,80,928.43
Gross Loans	**8,94,778.54**	**3,85,613.25**	**12,80,391.79**	**8,66,120.89**	**2,17,633.08**	**10,83,753.97**
Less: Impairment loss allowance	(31,114.96)	-	(31,114.96)	(26,516.19)	-	(26,516.19)
Net Loans	**8,63,663.58**	**3,85,613.25**	**12,49,276.83**	**8,39,604.70**	**2,17,633.08**	**10,57,237.78**

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

	As at 31 March 2026			As at 31 March 2025		
	At amortised cost	At fair value through other comprehensive income	Total	At amortised cost	At fair value through other comprehensive income	Total
C. Based on region						
(I) Loans in India						
(i) Public Sector	-	-	-	-	-	-
(ii) Others	8,94,778.54	3,85,613.25	12,80,391.79	8,66,120.89	2,17,633.08	10,83,753.97
Gross Loans in India	**8,94,778.54**	**3,85,613.25**	**12,80,391.79**	**8,66,120.89**	**2,17,633.08**	**10,83,753.97**
Less: Impairment loss allowance	(31,114.96)	-	(31,114.96)	(26,516.19)	-	(26,516.19)
	8,63,663.58	**3,85,613.25**	**12,49,276.83**	**8,39,604.70**	**2,17,633.08**	**10,57,237.78**
(II) Loans outside India						
Loans outside India	-	-	-	-	-	-
Total (I) and (II)	**8,63,663.58**	**3,85,613.25**	**12,49,276.83**	**8,39,604.70**	**2,17,633.08**	**10,57,237.78**

* Term loans are secured by way of hypothecation of underlying loan receivables or hypothecation of automobile assets or pledge of equitable mortgage of property.

Notes:

(i) During the current and previous year, there was no change in the business model under which the Group holds financial assets. Further, there are no loan assets that are held at FVTPL or designated as FVTPL.

(ii) The Group has not granted any loans or advances to promoters, directors, key mangerial personels, and other related parties.

(iii) Also refer note 37 on credit risk under financial risk management objectives and policies.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

8. INVESTMENTS

	As at 31 March 2026				As at 31 March 2025			
	At amortised cost	At fair value through other comprehensive income	At Fair value through profit and loss	Total	At amortised cost	At fair value through other comprehensive income	At Fair value through profit and loss	Total
Investment in debentures (quoted)								
Non-convertible redeemable debentures	-	1,07,619.73	9.84	1,07,629.57	-	78,457.28	-	78,457.28
Investment in debentures (unquoted)								
Non-convertible redeemable debentures	-	44,353.91	-	44,353.91	-	36,052.87	-	36,052.87
Investment in Commercial papers (quoted)								
Commercial papers	-	28,139.55	-	28,139.55	-	25,519.11	-	25,519.11
Portfolio management service	-	25,332.66	-	25,332.66	-	-	-	-
Investment in pass-through certificates (unquoted)								
Investment in pass-through certificates	-	47,006.08	-	47,006.08	-	14,597.89	-	14,597.89
Investment in alternate investment funds (unquoted)								
Alternative investment funds	-	-	13,471.59	13,471.59	-	-	10,655.43	10,655.43
Investment in other approved securities (quoted)								
Investment in goverment securities	7,363.93	-	-	7,363.93	10,486.71	-	-	10,486.71
Investment in mutual funds (quoted)								
Investment in mutual funds	-	-	779.36	779.36	-	-	1,945.22	1,945.22
Other investments								
FinReach Solutions Private Limited	-	-	593.38	593.38	-	-	-	-
Investment in security receipts	-	-	3,314.40	3,314.40				
Share warrants	-	-	0.96	0.96	-	-	0.95	0.95
Sub total	**7,363.93**	**2,52,451.93**	**18,169.53**	**2,77,985.39**	**10,486.71**	**1,54,627.15**	**12,601.60**	**1,77,715.46**
Less: Impairment loss allowance for Investments	-	-	-	-	-	-	-	-
Total Investments	**7,363.93**	**2,52,451.93**	**18,169.53**	**2,77,985.39**	**10,486.71**	**1,54,627.15**	**12,601.60**	**1,77,715.46**
(i) Investments outside India	-	-	-	-	-	-	-	-
(ii) Investments in India	7,363.93	2,52,451.93	18,169.53	2,77,985.39	10,486.71	1,54,627.15	12,601.60	1,77,715.46
Total Investments	**7,363.93**	**2,52,451.93**	**18,169.53**	**2,77,985.39**	**10,486.71**	**1,54,627.15**	**12,601.60**	**1,77,715.46**

Notes:

a) During the current and previous year, there was no change in the business model under which the group holds financial assets.

b) Also refer Note 37 (i) on Credit Risk under financial risk management objectives and policies.

c) The Group has disposed off the shareholdings in FinReach Solutions Private Limited (FinReach) on 12 May 2025. Post dilution, the shareholding in FinReach has reduced from 24.55 % to 11.16%. Consequently, FinReach ceases to be an associate of the Group and the investments are valued at the FVTPL.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

9 OTHER FINANCIAL ASSETS

Particulars	As at 31 March 2026	As at 31 March 2025
Considered good		
Unsecured - amortised cost:		
Security deposits	654.13	635.21
Advances to employees	354.39	332.78
AIF application money pending allotment	-	1,500.00
Other receivables (Refer note below)	21,368.43	1,560.09
Excess interest spread on derecognition of financial assets (Refer Note 9.1)	13,622.27	3,084.36
Less: Impairment loss allowance	(147.43)	(233.74)
	35,851.79	**6,878.70**

Note: Other receivables include amounts receivable from payment aggregators towards collections pending remittance and amounts receivable from the administrator in respect of an assignment transaction in Holding Company.

9.1 Analysis of changes in the gross carrying amount and the corresponding ECL allowance in relation to excess interest spread (EIS) on derecognition of financial assets

Changes in gross carrying amount

Particulars	As at 31 March 2026				As at 31 March 2025			
Gross carrying amount - EIS	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
As at the beginning of the year	**2,844.36**	**69.37**	**170.63**	**3,084.36**	**3,043.99**	**26.94**	**53.46**	**3,124.39**
New assets originated	11,030.98	24.17	34.50	11,089.65	2,609.10	67.05	130.84	2,806.99
Asset derecognised or repaid (excluding write offs)	(324.57)	(62.37)	(164.80)	(551.74)	(2,808.73)	(24.62)	(13.67)	(2,847.02)
Transfer to stage 1	-	-	-	-	-	-	-	-
Transfer to stage 2	-	-	-	-	-	-	-	-
Transfer to stage 3	-	-	-	-	-	-	-	-
Write offs	-	-	-	-	-	-	-	-
As at the end of the year	**13,550.77**	**31.17**	**40.33**	**13,622.27**	**2,844.36**	**69.37**	**170.63**	**3,084.36**

Reconciliation of ECL Balance

Particulars	As at 31 March 2026				As at 31 March 2025			
Impairment loss allowance - EIS	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
As at the beginning of the year	**41.66**	**21.45**	**170.63**	**233.74**	**18.28**	**11.80**	**53.62**	**83.70**
New assets originated	100.91	10.06	22.42	133.39	40.99	20.63	130.84	192.46
Asset derecognised or repaid (excluding write offs)	(34.37)	(18.49)	(166.84)	(219.70)	(17.61)	(10.98)	(13.83)	(42.42)
Transfer to stage 1	-	-	-	-	-	-	-	-
Transfer to stage 2	-	-	-	-	-	-	-	-
Transfer to stage 3	-	-	-	-	-	-	-	-
Write offs	-	-	-	-	-	-	-	-
As at the end of the year	**108.20**	**13.02**	**26.21**	**147.43**	**41.66**	**21.45**	**170.63**	**233.74**

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

10.1 Property, plant and equipment

Particulars	Plant and machinery	Furniture and fittings	Computers and accessories	Office equipments	Servers	Leasehold improvements	Total
Gross Block							
As at 1 April 2024	**6.51**	**407.09**	**1,335.52**	**280.78**	**0.19**	**226.20**	**2,256.29**
Additions	-	144.15	263.43	44.64	-	738.97	1,191.19
Disposals	-	-	-	(0.10)	-	(1.78)	(1.88)
As at 31 March 2025	**6.51**	**551.24**	**1,598.95**	**325.32**	**0.19**	**963.39**	**3,445.60**
Additions	-	47.71	154.82	170.72	-	-	373.25
Disposals	-	(12.42)	(121.97)	(145.21)	-	-	(279.60)
As at 31 March 2026	**6.51**	**586.53**	**1,631.80**	**350.83**	**0.19**	**963.39**	**3,539.25**
Accumulated depreciation							
As at 1 April 2024	**6.49**	**114.14**	**1,100.07**	**220.04**	**0.19**	**149.14**	**1,590.07**
Depreciation for the year	0.02	132.07	324.38	60.21	-	59.17	575.85
As at 31 March 2025	**6.51**	**246.21**	**1,424.45**	**280.25**	**0.19**	**208.31**	**2,165.92**
Depreciation for the year	-	102.08	231.18	156.39	-	167.02	656.67
Reversal on disposal of assets	-	(12.42)	(121.93)	(144.63)	-	-	(278.98)
As at 31 March 2026	**6.51**	**335.87**	**1,533.70**	**292.01**	**0.19**	**375.33**	**2,543.61**
Net block							
As at 31 March 2025	**-**	**305.03**	**174.50**	**45.07**	**-**	**755.08**	**1,279.68**
As at 31 March 2026	**-**	**250.66**	**98.10**	**58.82**	**-**	**588.06**	**995.64**

10.2 Intangible assets under development

Particulars	Software	Total
As at 1 April 2024	**231.13**	**231.13**
Add: Additions	975.05	975.05
Less: Capitalised during the year	(612.70)	(612.70)
As at 31 March 2025	**593.48**	**593.48**
Add: Additions	1,064.89	1,064.89
Less: Transferred during the year	(59.47)	(59.47)
As at 31 March 2026	**1,598.90**	**1,598.90**

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

10.2iAgeing of Intangible assets under development

As at 31 March 2026

Intangible assets under development	Amount in intangible assets under development for a period of				
	Less than 1 year	1-2 Years	2-3 years	more than 3 years	Total
Projects in Progress	955.03	563.59	80.28	-	1,598.90

As at 31 March 2025

Intangible assets under development	Amount in intangible assets under development for a period of				
	Less than 1 year	1-2 Years	2-3 years	more than 3 years	Total
Projects in Progress	513.21	80.27	-	-	593.48

10.2 ii As at 31 March 2026 and 31 March 2025, there were no projects whose completion is overdue or has exceeded its cost compared to its original plan

10.3 Goodwill

Particulars	Goodwill	Total
Gross Block		
As at 1 April 2024	**2,496.41**	**2,496.41**
Additions	-	-
Disposals	-	-
As at 31 March 2025	**2,496.41**	**2,496.41**
Additions	-	-
Disposals	-	-
As at 31 March 2026	**2,496.41**	**2,496.41**
Impairment		
As at 1 April 2024	**148.64**	**148.64**
Impairment for the year	6.95	6.95
As at 31 March 2025	**155.59**	**155.59**
Impairment for the year	-	-
As at 31 March 2026	**155.59**	**155.59**
Net Block		
As at 31 March 2025	**2,340.82**	**2,340.82**
As at 31 March 2026	**2,340.82**	**2,340.82**

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

10.4 Other Intangible assets

Particulars	Softwares	Total
Gross Block		
As at 1 April 2024	**3,153.72**	**3,153.72**
Additions	616.76	616.76
As at 31 March 2025	**3,770.48**	**3,770.48**
Additions	208.61	208.61
Disposals	(110.47)	(110.47)
As at 31 March 2026	**3,868.62**	**3,868.62**
Accumulated amortisation		
As at 1 April 2024	**1,974.46**	**1,974.46**
Amortisation for the year	510.68	510.68
As at 31 March 2025	**2,485.14**	**2,485.14**
Amortisation for the year	471.30	471.30
Reversal on disposal of assets	(47.43)	**(47.43)**
As at 31 March 2026	**2,909.01**	**2,909.01**
Net Block		
As at 31 March 2025	**1,285.34**	**1,285.34**
As at 31 March 2026	**959.61**	**959.61**

10.5 Right of use asset

The details of right of use asset held by the Group is as follows:

Particulars	Buildings	Total
Gross Block		
As at 1 April 2024	3,299.76	3,299.76
Additions	1,948.02	1,948.02
Disposals	(6.15)	(6.15)
As at 31 March 2025	**5,241.63**	**5,241.63**
Additions	286.56	286.56
As at 2026	**5,528.19**	**5,528.19**
Accumulated depreciation		
As at 1 April 2024	1,827.53	1,827.53
Depreciation for the year	702.13	702.13
As at 31 March 2025	**2,529.66**	**2,529.66**
Depreciation for the year	750.79	750.79
As at 31 March 2026	**3,280.45**	**3,280.45**
Net Block		
As at 31 March 2025	**2,711.97**	**2,711.97**
As at 31 March 2026	**2,247.74**	**2,247.74**

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

11 OTHER NON- FINANCIAL ASSETS

Particulars	As at 31 March 2026	As at 31 March 2025
Considered good, unsecured		
Prepaid expenses	1,001.35	929.67
Balances with government authorities	302.40	292.20
Advances to vendors	685.89	475.08
Other advances*	174.02	416.49
	2,163.66	**2,113.44**

* Other advances includes ₹ 99.11 lacs (₹ 416.49 lacs as at 31 March 2025) related to various expenses incurred in connection with initial public offer of equity shares of the Holding Company, recoverable from investors as part of the agreement.

12 DERIVATIVE FINANCIAL INSTRUMENTS

Particulars	As at 31 March 2026		As at 31 March 2025	
	Notional amount	Fair value of assets	Notional amount	Fair value of assets
Part I				
Asset				
(i) Currency derivatives (Refer Note 45) - measured at FVTOCI				
- Cross currency interest rate swaps	2,03,084.79	16,225.00	92,039.27	5,184.09
- Forward contract	1,29,742.70	5,610.82	-	-
	3,32,827.49	**21,835.82**	**92,039.27**	**5,184.09**
(ii) Interest rate derivatives (Refer note 45) - measured at FVTPL				
- Overnight indexed swaps	-	-	59,325.00	292.46
	3,32,827.49	**21,835.82**	**1,51,364.27**	**5,476.55**
Liability				
(i) Currency derivatives (Refer note 45) - measured at FVTOCI				
- Cross currency interest rate swaps	-	-	26,121.00	995.91
- Forward contract	-	-	1,650.95	1,367.57
	-	**-**	**27,771.95**	**2,363.48**
Part-II				

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

Particulars	As at 31 March 2026		As at 31 March 2025	
	Notional amount	Fair value of assets	Notional amount	Fair value of assets
Included in the above (Part-I) are derivatives held for hedging and risk management purposes as follows:				
Asset				
Cash flow Hedging				
- Cross currency interest rate swaps	2,03,084.79	16,225.00	92,039.27	5,184.09
- Forward contract	1,29,742.70	5,610.82	-	-
-Fair value hedging	-	-	59,325.00	292.46
- Overnight indexed swaps				
	3,32,827.49	**21,835.82**	**1,51,364.27**	**5,476.55**
Liability				
-Cash flow hedging				
- Cross currency swaps	-	-	26,121.00	995.91
- Forward contract	-	-	1,650.95	1,367.57
	-	**-**	**27,771.95**	**2,363.48**

The notional amounts in the above table refers to the foreign currency borrowing on which the Group has hedged the risk of foreign currency fluctuations and interest rate fluctuations. The Group has entered into derivative contracts with scheduled banks. Derivatives are fair valued using inputs that are directly or indirectly observable in market place. There have been no transfer between between Level 1 and Level 2 during the year. The Asset Liability Management Committee periodically monitors and reviews the risks involved.

13 TRADE PAYABLES

Particulars	As at 31 March 2026	As at 31 March 2025
Trade payables (Refer note below)		
-Total outstanding dues to micro and small enterprises	-	-
-Total outstanding dues to creditors other than micro and small enterprises	24,683.95	6,945.54
	24,683.95	**6,945.54**

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

Note:

a Ageing of trade payables

Particulars	As at 31 March 2026		As at 31 March 2025	
	MSME	Others	MSME	Others
Not due	-	21,678.94	-	5,378.75
Less than 1 year	-	3,005.01	-	1,566.79
1-2 years	-	-	-	-
2-3 years	-	-	-	-
More than 3 years	-	-	-	-
Total	**-**	**24,683.95**	**-**	**6,945.54**

b There are no disputed trade payables as at 31 March 2026 and 31 March 2025.

14 DEBT SECURITIES (REFER NOTE 14A)

Particulars	As at 31 March 2026	As at 31 March 2025
Measured at amortised cost:		
Secured:		
- Redeemable non-convertible debentures:	1,17,693.84	1,23,964.20
Unsecured:		
- Commercial paper	21,742.51	16,821.12
Total Debt securities	**1,39,436.35**	**1,40,785.32**
Debt securities in India	1,39,436.35	1,40,785.32
Debt securities outside India	-	-
Total Debt securities	**1,39,436.35**	**1,40,785.32**

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

Note 14 A : Details regarding terms of issuance of debt securities

Particulars	Terms of Redemption	Earliest repayment date	Security	Interest rate	Gross balance as at 31 March 2026	Gross balance as at 31 March 2025
Secured, redeemable non-convertible debentures:						
- NIL units (March 31, 2025: 2949 units) of 9.966% Redeemable non-convertible debentures of ₹ 1,000,000 each, maturing on December 18, 2025	Coupon payment frequency: Semi annualy Principal repayment frequency: 7 equal half-yearly instalments Tenure of security: 60 months Redemption date: December 18, 2025	18-Nov-25	The Debentures shall be secured by way of a first ranking, exclusive, and continuing charge to the present and future loan receivables	9.97%	-	8,425.71
- NIL units (March 31, 2025: 1800 units) of 9.85% Redeemable,market linked non-convertible debentures of ₹ 10,00,000 each, maturing on March 23, 2026	Coupon payment frequency: Semi annually Principal repayment frequency: On maturity Tenure of security: 60 months Redemption date: March 23, 2026	23-Mar-26	The Debentures shall be secured by way of a first ranking, exclusive, and continuing charge to the present and future loan receivables	9.85%	-	3,600.00
- 3950 units (March 31, 2025: 3950 units) of 10.07% Redeemable non-convertible debentures of ₹ 1,000,000 each, maturing on September 21, 2027	Coupon payment frequency: Semi annually Principal repayment frequency: Entire principal to be repaid in 5 equal instalments at the end of 12 months, 36 Months, 42 months, 48 months and 60 months Tenure of security: 5 years Redemption date: September 21, 2027	21-Sep-26	The Debentures shall be secured by a first ranking and exclusive charge of 1.05x over identified loan receivables and investments which are free from any encumbrances / charge / lien	Overnight MIBOR +Spread 3.51%	15,800.00	31,600.00
17500 units (March 31, 2025: 17500 units) of 9.65% Redeemable non-convertible debentures of ₹ 1,00,000 each, maturing on March 26, 2027	Coupon payment frequency: Quarterly Principal repayment frequency: 12 equal quarterly instalments Tenure of security: 36 months Redemption date: March 26, 2027	30-Apr-26	The Debentures shall be secured by a first ranking, fixed and exclusive charge of 1.10x over identified loan receivables and investments which are free from any encumbrances / charge / lien	9.65%	5,833.33	11,666.67

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

Particulars	Terms of Redemption	Earliest repayment date	Security	Interest rate	Gross balance as at 31 March 2026	Gross balance as at 31 March 2025
62000 units (March 31, 2025: 62000 units) of 9.18% Redeemable non-convertible debentures of ₹ 1,00,000 each, maturing on June 14, 2029	Coupon payment frequency: Semi-Annually Principal repayment frequency: Entire principal to be repaid in 5 equal instalments at the end of 12 months, 30 Months, 42 months, 48 months and 60 months Tenure of security: 60 months Redemption date: June 14, 2029	14-Jun-26	The Debentures shall be secured by a first ranking and fixed and exclusive charge of 1.05x over identified loan receivables and investments which are free from any encumbrances / charge / lien	9.18%	49,600.00	62,000.00
5000 units (March 31, 2025: 5000 units) of 9.17% Redeemable non-convertible debentures of ₹ 1,00,000 each, maturing on November 13, 2025	Coupon payment frequency: Quarterly Principal repayment frequency: On Maturity Tenure of security: 15 months Redemption date: November 13, 2025	13-Nov-25	The Debentures shall be secured by a first ranking, fixed and exclusive charge of 1.10x over identified loan receivables and investments which are free from any encumbrances / charge / lien	9.17%	-	5,000.00
22,500 units (March 31, 2025: NIL units) of 8.9454% Redeemable non-convertible debentures of ₹ 1,00,000 each, maturing on March 10, 2027	Coupon payment frequency: Quarterly Principal repayment frequency: On Maturity Tenure of security: 18 months Redemption date: March 10, 2027	10-Jun-26	The Debentures shall be secured by a first ranking, fixed and exclusive charge of 1.10x over identified loan receivables and investments which are free from any encumbrances / charge / lien	8.95%	22,500.00	-

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

Particulars	Terms of Redemption	Earliest repayment date	Security	Interest rate	Gross balance as at 31 March 2026	Gross balance as at 31 March 2025
25,000 units (March 31, 2025: NIL units) of 8.85% Redeemable non-convertible debentures of ₹ 1,00,000 each, maturing on December 31, 2028	Coupon payment frequency: Quarterly Principal repayment frequency: Quarterly Tenure of security: 36 months Redemption date: December 31, 2028	30-Jun-26	The Debentures shall be secured by a first ranking, fixed and exclusive charge of 1.10x over identified loan receivables and investments which are free from any encumbrances / charge / lien	8.85%	22,916.67	-
					1,16,650.00	**1,22,292.38**
Ind AS adjustments and interest accrued					1,043.84	1,671.82
					1,17,693.84	**1,23,964.20**
Unsecured, Commercial Paper						
NIL Units (March 31, 2025 : 1000 units) of 9.60% commercial paper of ₹ 500,000 each, maturing on August 14, 2025	Repayments terms: Entire amount is repaid on maturity Tenor: 363 Days Redemption date: August 14, 2025	14-Aug-25	NA	9.60%	-	5,000.00
NIL Units (March 31, 2025 : 1000 units) of 9.60% commercial paper of ₹ 500,000 each, maturing on August 21, 2025	Repayments terms: Entire amount is repaid on maturity Tenor: 364 Days Redemption date: August 21, 2025	21-Aug-25	NA	9.60%	-	5,000.00
NIL Units (March 31, 2025 : 500 units) of 9.15% commercial paper of ₹ 500,000 each, maturing on May 02, 2025	Repayments terms: Entire amount is repaid on maturity Tenor: 245 Days Redemption date: May 02, 2025	02-May-25	NA	9.15%	-	2,500.00
NIL Units (March 31, 2024 : 1000 units) of 9.45% commercial paper of ₹ 500,000 each, maturing on December 30, 2025	Repayments terms: Entire amount is repaid on maturity Tenor: 364 Days Redemption date: December 30, 2025	30-Dec-25	NA	9.45%	-	5,000.00

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

Particulars	Terms of Redemption	Earliest repayment date	Security	Interest rate	Gross balance as at 31 March 2026	Gross balance as at 31 March 2025
2000 Units (March 31, 2025 : NIL units) of 8.80% commercial paper of ₹ 500,000 each, maturing on June 29, 2026	Repayments terms: Entire amount is repaid on maturity Tenor: 364 Days Redemption date: June 29, 2026	29-Jun-26	NA	8.80%	10,000.00	-
1000 Units (March 31, 2025 : NIL units) of 8.80% commercial paper of ₹ 500,000 each, maturing on July 30, 2026	Repayments terms: Entire amount is repaid on maturity Tenor: 364 Days Redemption date: July 30, 2026	30-Jul-26	NA	8.80%	5,000.00	-
1000 Units (March 31, 2025 : NIL units) of 8.98% commercial paper of ₹ 500,000 each, maturing on February 23, 2027	Repayments terms: Entire amount is repaid on maturity Tenor: 364 Days Redemption date: Febfruary 23, 2027	23-Feb-27	NA	8.98%	5,000.00	-
500 Units (March 31, 2025 : NIL units) of 8.72% commercial paper of ₹ 500,000 each, maturing on September 07, 2026	Repayments terms: Entire amount is repaid on maturity Tenor: 180 Days Redemption date: September 07, 2026	07-Sep-26	NA	8.72%	2,500.00	-
					22,500.00	**17,500.00**
Ind AS adjustments					(757.49)	(678.88)
					21,742.51	**16,821.12**

Note: The balances are gross of accrued interest and unamortised processing fees.

* Coupon rate are linked to perfromance of specified indices inclusing maket indiactors over the period of the debentures

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

15 BORROWINGS (OTHER THAN DEBT SECURITIES) (REFER NOTE 15A TO 15G)

Particulars	As at 31 March 2026	As at 31 March 2025
Measured at amortised cost:		
Secured		
Term Loans		
- from banks	7,45,303.77	6,40,300.76
- from other financial institutions	1,76,539.05	1,30,084.58
Loans repayable on demand		
- Working capital loan from banks	93,302.12	57,731.58
- Cash credit from banks	9,294.14	9,835.03
Other loans		
- Borrowings under securitisation	61,959.05	7,262.66
Total borrowings (Other than debt securities)	**10,86,398.13**	**8,45,214.61**
Borrowings in India	9,33,617.38	7,34,382.34
Borrowings outside India	1,52,780.75	1,10,832.27
Total borrowings (Other than debt securities)	**10,86,398.13**	**8,45,214.61**

The above loans are secured by the way of first and exclusive charge over eligible specified book debts of the Group.

Particulars	Terms of Redemption	Interest rate	Earliest repayment date	Gross balance as at 31 March 2026	Gross balance as at 31 March 2025	Security
Secured borrowing from banks						
Term Loan - 1	Repayments terms: Bullet payment Tenor: 87 Days Redemption date: Jun 13, 2026	8.70%	30-Apr-26	1,500.00	1,500.00	First and Exclusive charge on the standard receivables with a security cover of 125%.
Term Loan - 2	Repayments terms: 15 quaterly instalments Tenor: 48 months Redemption date: March 31, 2026	1 Y MCLR + Spread 1.15%	20-May-25	-	1,333.33	First and Exclusive charge over the loan receivables with a security cover of 110%.
Term Loan - 3	Repayments terms: 15 quarterly instalments Tenor: 48 months Redemption date: May 30, 2026	1 Y MCLR + Spread 1.15%	01-May-25	-	4,000.00	First and Exclusive charge on the standard receivables with a security cover of 111%.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

Particulars	Terms of Redemption	Interest rate	Earliest repayment date	Gross balance as at 31 March 2026	Gross balance as at 31 March 2025	Security
Term Loan - 4	Repayments terms: Repayment on maturity Tenor: 89 Days Redemption date: May 25, 2026	8.35%	30-Apr-26	5,000.00	7,500.00	First and Exclusive charge on the standard receivables with a security cover of 115%.
Term Loan - 5	Repayments terms: 45 monthly instalments Tenor: 48 months Redemption date: March 30, 2027	1 Y MCLR + Spread 1.15%	20-May-25	-	8,000.00	First and Exclusive charge on the standard receivables with a security cover of 111%.
Term Loan - 6	Repayments terms: 14 monthly instalments Tenor: 48 months Redemption date: October 01, 2025	EBLR + Spread 1.26%	30-Sep-25	-	1,428.57	First and Exclusive charge over the loan receivables with a security cover of 120%.
Term Loan - 7	Repayments terms: 12 quaterly instalments Tenor: 36 months Redemption date: March 29, 2025	Repo Rate + Spread 4.35%	27-Mar-26	-	1,250.00	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 8	Repayment Terms: Bullet payment Tenor: 179 Days Redemption Date: Apr 24, 2026	8.00% Linked to 1 M Repo	24-Apr-26	5,000.00	5,000.00	First and Exclusive charge over the loan receivables with a security cover of 111%.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

Particulars	Terms of Redemption	Interest rate	Earliest repayment date	Gross balance as at 31 March 2026	Gross balance as at 31 March 2025	Security
Term Loan - 9	Repayments terms: 12 quarterly instalments Tenor: 36 months Redemption date: September 29, 2025	Repo Rate + Spread 3.25%	29-Sep-25	-	1,250.00	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 10	Repayments terms: 12 quarterly instalments Tenor: 36 months Redemption date: December 29, 2025	Repo Rate + Spread 3.25%	29-Dec-25	-	1,250.00	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 11	Repayments terms: 12 quarterly instalments Tenor: 36 months Redemption date: January 31, 2026	Repo Rate + Spread 3.25%	30-Jan-26	-	833.33	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 12	Repayment Terms: 24 monthly instalments Tenor: 24 months Redemption Date: June 04, 2025	3Month T Bill + Spread 1.28%	04-Jun-25	-	312.50	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 13	Repayments terms: 16 quaterly instalments Tenor: 48 months Redemption date: March 06, 2027	1 Y MCLR + Spread 0.75%	06-Apr-26	624.46	1,243.54	First and Exclusive charge on the standard receivables with a security cover of 125%.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

Particulars	Terms of Redemption	Interest rate	Earliest repayment date	Gross balance as at 31 March 2026	Gross balance as at 31 March 2025	Security
Term Loan - 14	Repayments terms: 36 monthly instalments Tenor: 36 months Redemption date: May 10, 2025	Repo Rate + Spread 3.75%	09-May-25	-	666.67	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 15	Repayments terms: 31 monthly instalments Tenor: 37 months Redemption date: March 13, 2026	9.00%	13-Mar-26	-	1,935.48	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 16	Repayments terms: 36 monthly instalments Tenor: 36 months Redemption date: March 23, 2026	1 Y MCLR + Spread 0%	23-Mar-26	-	4,000.00	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 17	Repayment Terms: Bullet payment Tenor: 88 Days Redemption Date: Jun 16, 2025	8.05%	30-Apr-26	900.00	900.00	First and Exclusive charge over the loan receivables with a security cover of 120%.
Term Loan - 18	Repayments terms: 16 quarterly instalments Tenor: 48 months Redemption date: June 28, 2027	1 Year MCLR + Spread 0.75%	28-Apr-26	3,125.00	5,620.44	First and Exclusive charge on the standard receivables with a security cover of 125%.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

Particulars	Terms of Redemption	Interest rate	Earliest repayment date	Gross balance as at 31 March 2026	Gross balance as at 31 March 2025	Security
Term Loan - 19	Repayments terms: 36 monthly instalments Tenor: 36 months Redemption date: June 30, 2025	1 Y MCLR + Spread 0.2%	30-Jun-25	-	1,050.00	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 20	Repayments terms: 36 monthly instalments Tenor: 36 months Redemption date: June 30, 2025	1 Y MCLR + Spread 0.2%	30-Jun-25	-	400.00	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 21	Repayments terms: 36 monthly instalments Tenor: 36 months Redemption date: November 30, 2025	1 Y MCLR +Spread 0.8%	28-Nov-25	-	4,414.51	First and Exclusive charge on the standard receivables with a security cover of 120%.
Term Loan - 22	Repayment Terms: 36 monthly instalments Tenor: 36 months Redemption Date: June 28, 2026	Repo Rate + Spread 2.75%	30-Apr-26	416.67	2,083.33	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 23	Repayments terms: Repayment on maturity Tenor: 122 days Redemption date: Jul 13, 2026	8.05% Linked to 3 M Repo	30-Apr-26	5,000.00	5,000.00	First and Exclusive charge over the loan receivables with a security cover of 120%.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

Particulars	Terms of Redemption	Interest rate	Earliest repayment date	Gross balance as at 31 March 2026	Gross balance as at 31 March 2025	Security
Term Loan - 24	Repayments terms: Bullet payment Tenor: 73 Days Redemption date: May 05, 2026	7.80% Linked to 1 M MIBOR	30-Apr-26	10,000.00	10,000.00	First and Exclusive charge over the loan receivables with a security cover of 120%.
Term Loan - 25	Repayments terms: Bullet payment Tenor: 91 Days Redemption date: May 25, 2026	7.80% Linked to 1 M MIBOR	30-Apr-26	10,000.00	15,000.00	First and Exclusive charge over the loan receivables with a security cover of 120%.
Term Loan - 26	Repayments terms: Bullet payment Tenor: 61 Days Redemption date: May 12, 2026	7.80% Linked to 1 M MIBOR	30-Apr-26	4,500.00	-	First and Exclusive charge over the loan receivables with a security cover of 120%.
Term Loan - 27	Repayments terms: Repayment on maturity Tenor: 87 Days Redemption date: Jun 13,2026	8.75%	30-Apr-26	5,000.00	5,000.00	First and Exclusive charge on the standard receivables with a security cover of 133%.
Term Loan - 28	Repayments terms: 42 monthly instalments Tenor: 48 months Redemption date: March 23, 2026	1 Y MCLR + Spread 1%	23-Feb-26	-	654.76	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 29	Repayments terms: Repayment on maturity Tenor: 87 Days Redemption date: Jun 12, 2026	8.35%	30-Apr-26	5,000.00	-	First and Exclusive charge on the standard receivables with a security cover of 115%

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

Particulars	Terms of Redemption	Interest rate	Earliest repayment date	Gross balance as at 31 March 2026	Gross balance as at 31 March 2025	Security
Term Loan - 30	Repayments terms: 36 monthly instalments Tenor: 36 months Redemption date: September 30, 2025	Repo Rate + Spread 4.45%	30-Sep-25	-	1,250.00	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 31	Repayments terms: 36 monthly instalments Tenor: 36 months Redemption date: October 10, 2025	7.40%	10-Oct-25	-	918.55	First and Exclusive charge on the standard receivables with a security cover of 120%.
Term Loan - 32	Repayments terms: 36 monthly instalments Tenor: 36 months Redemption date: October 31, 2025	7.40%	10-Nov-25	-	1,063.32	First and Exclusive charge on the standard receivables with a security cover of 120%.
Term Loan - 33	Repayments terms: 20 quarterly instalments Tenor: 60 months Redemption date: December 16, 2027	1 Y MCLR + Spread 0.1%	30-Apr-26	2,126.25	3,307.50	First and Exclusive charge on the standard receivables with a security cover of 115%.
Term Loan - 34	Repayments terms: 14 quarterly instalments Tenor: 48 months Redemption date: December 28, 2026	6M MCLR + Spread 0.55%	10-Apr-26	1,002.58	2,334.58	First and Exclusive charge on the standard receivables with a security cover of 110%.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

Particulars	Terms of Redemption	Interest rate	Earliest repayment date	Gross balance as at 31 March 2026	Gross balance as at 31 March 2025	Security
Term Loan - 35	Repayments terms: 20 quarterly instalments Tenor: 60 months Redemption date: December 29, 2027	1 Y MCLR + Spread 0.1%	30-Apr-26	4,725.00	7,350.00	First and Exclusive charge on the standard receivables with a security cover of 115%.
Term Loan - 36	Repayments terms: 20 quarterly instalments Tenor: 60 months Redemption date: December 16, 2027	1 Y MCLR + Spread 0.1%	30-Apr-26	8,505.00	13,230.00	First and Exclusive charge on the standard receivables with a security cover of 115%.
Term Loan - 37	Repayments terms: 12 quarterly instalments Tenor: 36 months Redemption date: March 31, 2026	6M T bill + Spread 0%	09-Mar-26	-	1,327.09	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 38	Repayment Terms: Bullet payment Tenor: 180 Days Redemption Date: Apr 16, 2026	8.50% Linked to Repo	01-Apr-26	5,000.00	5,000.00	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 39	Repayment Terms: Bullet payment Tenor: 87 Days Redemption Date: Jun 13, 2026	9.05%	01-Apr-26	3,000.00	3,000.00	First and Exclusive charge on the standard receivables with a security cover of 110%.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

Particulars	Terms of Redemption	Interest rate	Earliest repayment date	Gross balance as at 31 March 2026	Gross balance as at 31 March 2025	Security
Term Loan - 40	Repayment Terms: 8 equal quaterly instalments starting from 3 months from the dateof first disbursement Tenor: 24 months Redemption Date: June 27, 2025	9.45%	27-Jun-25	-	1,250.00	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 41	Repayment Terms: 24 monthly instalments Tenor: 24 months Redemption Date: June 30, 2025	Repo Rate + Spread 0.30%	30-Jun-25	-	500.00	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 42	Repayments terms: 15 quaterly instalments Tenor: 42 months Redemption date: June 1, 2025	1 Y MCLR + Spread 1.15%	31-May-25	-	404.03	First and Exclusive charge over the loan receivables with a security cover of 110%.
Term Loan - 43	Repayments terms: 14 quaterly instalments Tenor: 48 months Redemption date: July 28, 2027	3M T bill + Spread 2.57%	10-Apr-26	2,003.00	3,335.00	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 44	Repayments terms: 14 quaterly instalments Tenor: 48 months Redemption date: July 31, 2027	3M T bill + Spread 2.57%	10-Apr-26	2,003.00	3,335.00	First and Exclusive charge on the standard receivables with a security cover of 110%.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

Particulars	Terms of Redemption	Interest rate	Earliest repayment date	Gross balance as at 31 March 2026	Gross balance as at 31 March 2025	Security
Term Loan - 45	Repayments terms: 48 Monthly instalments Tenor: 48 months Redemption date: July 31, 2027	3Y MCLR + Spread 0.55%	30-Apr-26	888.89	1,555.56	Exclusive charge on the standard receivables with a security cover / ACR of 110%.
Term Loan - 46	Repayments terms: 31 monthly instalments Tenor: 37 months Redemption date: Oct 20, 2026	Repo Rate + Spread 2.60%	21-Apr-26	2,822.58	7,661.29	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 47	Repayments terms: 31 monthly instalments Tenor: 37 months Redemption date: Oct 20, 2026	3M MCLR + Spread 0%	21-Apr-26	1,693.55	4,596.77	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 48	Repayments terms: 10 quarterly instalments Tenor: 36 months Redemption date: Sep 29, 2026	1 Y MCLR + Spread 1.25%	10-Apr-26	1,900.00	5,700.00	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 49	Repayments terms: 31 monthly instalments Tenor: 37 months Redemption date: Oct 28, 2026	9.35%	28-Apr-26	1,129.03	3,064.52	First and Exclusive charge on the standard receivables with a security cover of 110%.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

Particulars	Terms of Redemption	Interest rate	Earliest repayment date	Gross balance as at 31 March 2026	Gross balance as at 31 March 2025	Security
Term Loan - 50	Repayments terms: 24 monthly instalments Tenor: 24 months Redemption date: Sep 28, 2025	6M MCLR + Spread 0.15%	26-Sep-25	-	1,250.00	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 51	Repayments terms: 36 monthly instalments Tenor: 36 months Redemption date: Sep 29, 2026	1 Y MCLR +Spread 0.45%	29-Apr-26	3,320.11	9,989.79	First and Exclusive charge on the standard receivables with a security cover of 120%.
Term Loan - 52	Repayments terms: 45 monthly instalments Tenor: 48 months Redemption date: Nov 02, 2027	1 Y MCLR + Spread 0.65%	01-Apr-26	5,600.00	9,333.33	First and Exclusive charge on the standard receivables with a security cover of 111%.
Term Loan - 53	Repayments terms: 45 monthly instalments Tenor: 48 months Redemption date: October 30, 2027	1 Y MCLR + Spread 0.80%	01-Apr-26	2,533.33	4,133.33	First and Exclusive charge on the standard receivables with a security cover of 111%.
Term Loan - 54	Repayments terms: 24 monthly instalments Tenor: 36 months Redemption date: October 31, 2025	1 Y MCLR + Spread 0.20%	31-Oct-25	-	2,187.50	First and Exclusive charge on the standard receivables with a security cover of 120%.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

Particulars	Terms of Redemption	Interest rate	Earliest repayment date	Gross balance as at 31 March 2026	Gross balance as at 31 March 2025	Security
Term Loan - 55	Repayments terms: 6 quarterly instalments Tenor: 24 months Redemption date: December 15, 2025	3M T-Bill + Spread 2.20%	15-Dec-25	-	1,875.00	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 56	Repayments terms: 24 monthly instalments Tenor: 24 months Redemption date: December 18, 2025	8.10%	28-Nov-25	-	3,750.00	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 57	Repayments terms: 24 monthly instalments Tenor: 24 months Redemption date: December 20, 2025	6M MCLR + Spread 0.30%	19-Dec-25	-	3,750.00	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 58	Repayments terms: 10 quarterly instalments Tenor: 36 months Redemption date: December 10, 2026	1 Y MCLR + Spread 1.25%	10-Apr-26	4,650.00	10,850.00	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 59	Repayments terms: 27 monthly instalments Tenor: 27 months Redemption date: March 31, 2026	6 M MCLR	27-Mar-26	-	5,000.00	First and Exclusive charge over the loan receivables with a security cover of 115%.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

Particulars	Terms of Redemption	Interest rate	Earliest repayment date	Gross balance as at 31 March 2026	Gross balance as at 31 March 2025	Security
Term Loan - 60	Repayments terms: 11 quarterly instalments Tenor: 36 months Redemption date: January 31, 2027	1 Y MCLR + Spread 0.75%	30-Apr-26	2,710.05	5,445.63	First and Exclusive charge on the standard receivables with a security cover of 111%.
Term Loan - 61	Repayments terms: 24 monthly instalments Tenor: 24 months Redemption date: March 31, 2024	1 Y MCLR + Spread 0.50%	01-May-26	304.48	4,058.24	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 62	Repayments terms: 36 monthly instalments Tenor: 36 months Redemption date: February 27, 2027	Repo Rate + Spread 3.00%	30-Apr-26	2,291.67	4,791.67	First and Exclusive charge on the standard receivables with a security cover of 111%.
Term Loan - 63	Repayments terms: 24 monthly instalments Tenor: 24 months Redemption date: February 28, 2026	6M MCLR + Spread 0.30%	27-Feb-26	-	1,648.50	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 64	Repayments terms: 6 quaterly instalments Tenor: 24 months Redemption date: February 28, 2026	3M T bill + Spread 2.52%	27-Feb-26	-	5,710.00	First and Exclusive charge on the standard receivables with a security cover of 110%.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

Particulars	Terms of Redemption	Interest rate	Earliest repayment date	Gross balance as at 31 March 2026	Gross balance as at 31 March 2025	Security
Term Loan - 65	Repayments terms: 24 monthly instalments Tenor: 24 months Redemption date: March 07, 2026	8.25%	06-Mar-26	-	2,500.00	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 66	Repayments terms: 24 monthly instalments Tenor: 24 months Redemption date: March 07, 2026	3M T-Bill + Spread 2.32%	06-Mar-26	-	2,500.00	First and Exclusive charge over the loan receivables with a security cover of 110%.
Term Loan - 67	Repayment Terms: 12 equal quaterly instalments Tenor: 36 months Redemption Date: March 07, 2027	3M T Bill + Spread 2.64%	30-Apr-26	1,662.00	3,332.00	Exclusive Charge by way of Hypothecation of loan receivables of slandered assets created out of bank finance and which are not overdue as per RBI/Regulator guideline, with as security cover of 110%
Term Loan - 68	Repayments terms: 11 quarterly instalments Tenor: 34 months Redemption date: December 31, 2026	9.65%	01-May-26	5,750.00	15,000.00	First and Exclusive charge on the standard receivables with a security cover of 120%.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

Particulars	Terms of Redemption	Interest rate	Earliest repayment date	Gross balance as at 31 March 2026	Gross balance as at 31 March 2025	Security
Term Loan - 69	Repayments terms: 16 quaterly instalments Tenor: 48 months Redemption date: March 21, 2028	1 Y MCLR + Spread 0.75%	21-Apr-26	5,000.00	7,500.00	First and Exclusive charge over the loan receivables with a security cover of 125%.
Term Loan - 70	Repayments terms: 45 monthly instalments Tenor: 48 months Redemption date: March 28, 2028	1 Y MCLR + Spread 0.80%	01-Apr-26	10,666.67	16,000.00	First and Exclusive charge on the standard receivables with a security cover of 111%.
Term Loan - 71	Repayments terms: 24 monthly instalments Tenor: 24 months Redemption date: Jun 28, 2026	3M T bill + Spread 2.39%	28-Apr-26	625.00	3,125.00	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 72	Repayments terms: 12 quaterly instalments Tenor: 36 months Redemption date: Jun 29, 2027	1 M MCLR + Spread 0.20%	30-Apr-26	2,078.12	3,750.00	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 73	Repayments terms: 24 monthly instalments Tenor: 24 months Redemption date: Jul 30, 2026	6M MCLR + Spread 0.05%	30-Apr-26	400.00	1,600.00	First and Exclusive charge on the standard receivables with a security cover of 110%.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

Particulars	Terms of Redemption	Interest rate	Earliest repayment date	Gross balance as at 31 March 2026	Gross balance as at 31 March 2025	Security
Term Loan - 74	Repayments terms: 16 quaterly instalments Tenor: 48 months Redemption date: Sep 26, 2028	1Y MCLR + Spread 0.60%	30-Apr-26	6,491.44	9,160.75	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 75	Repayments terms: 45 monthly instalments Tenor: 48months Redemption date: Sep 30, 2028	1Y MCLR + Spread 0.40%	30-Apr-26	6,666.67	9,333.33	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 76	Repayments terms: 36 monthly instalments Tenor: 36 months Redemption date: September 15, 2027	1 Y MCLR + Spread 1.20%	30-Apr-26	3,250.00	5,416.67	First and Exclusive charge on the standard receivables with a security cover of 115%.
Term Loan - 77	Repayments terms: 36 monthly instalments Tenor: 36 months Redemption date: October 01, 2026	6 M SOFR + Spread 2.60%	09-Sep-25	5,951.78	17,951.78	First and Exclusive charge on the standard receivables with a security cover of 125%.
Term Loan - 78	Repayments terms: 36 monthly instalments Tenor: 36 months Redemption date: September 29, 2026	6 M SOFR + Spread 2.60%	09-Sep-25	5,836.90	17,836.90	First and Exclusive charge on the standard receivables with a security cover of 125%.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

Particulars	Terms of Redemption	Interest rate	Earliest repayment date	Gross balance as at 31 March 2026	Gross balance as at 31 March 2025	Security
Term Loan - 79	Repayments terms: 20 quaterly instalments Tenor: 60 months Redemption date: Sep 30, 2029	1Y MCLR + Spread 0.40%	30-Apr-26	3,500.00	4,500.00	First and Exclusive charge on the standard receivables with a security cover of 115%.
Term Loan - 80	Repayments terms: 48 monthly instalments Tenor: 48 months Redemption date: Sep 30, 2028	1Y MCLR + Spread 0.40%	30-Apr-26	20,297.68	28,429.00	First and Exclusive charge on the standard receivables with a security cover of 120%.
Term Loan - 81	Repayments terms: 31 monthly instalments Tenor: 36 months Redemption date: Oct 29, 2027	1Y MCLR + Spread 0.00%	30-Apr-26	6,129.03	10,000.00	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 82	Repayments terms: 36 monthly instalments Tenor: 36 months Redemption date: September 15, 2027	6 M SOFR + Spread 2.53%	12-Sep-25	-	45,000.00	First and Exclusive charge on the standard receivables with a security cover of 125%.
Term Loan - 83	Repayments terms: 36 monthly instalments Tenor: 36 months Redemption date: December 14, 2025	6 M SOFR + Spread 2.65%	22-Sep-25	-	4,994.06	First and Exclusive charge on the standard receivables with a security cover of 125%.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

Particulars	Terms of Redemption	Interest rate	Earliest repayment date	Gross balance as at 31 March 2026	Gross balance as at 31 March 2025	Security
Term Loan - 84	Repayments terms: 36 monthly instalments Tenor: 36 months Redemption date: December 14, 2025	6 M SOFR + Spread 2.65%	23-Sep-25	-	4,994.06	First and Exclusive charge on the standard receivables with a security cover of 125%.
Term Loan - 85	Repayments terms: 36 monthly instalments Tenor: 36 months Redemption date: September 15, 2027	6 M SOFR + Spread 2.53%	25-Apr-25	27,000.00	45,000.00	First and Exclusive charge on the standard receivables with a security cover of 125%.
Term Loan - 86	Repayments terms: 16 quaterly instalments Tenor: 48 months Redemption date: Dec 11, 2028	1Y MCLR + Spread 1.15%	30-Apr-26	3,330.59	4,663.93	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 87	Repayments terms: 48 monthly instalments Tenor: 48 months Redemption date: Sep 24, 2028	1Y MCLR + Spread 0.40%	24-Apr-26	6,665.59	9,333.33	First and Exclusive charge on the standard receivables with a security cover of 120%.
Term Loan - 88	Repayments terms: 45 monthly instalments Tenor: 48 months Redemption date: Dec 31, 2028	1 Y MCLR + Spread 0.35%	01-Apr-26	3,666.67	5,000.00	First and Exclusive charge on the standard receivables with a security cover of 111%.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

Particulars	Terms of Redemption	Interest rate	Earliest repayment date	Gross balance as at 31 March 2026	Gross balance as at 31 March 2025	Security
Term Loan - 89	Repayments terms: 48 monthly instalments Tenor: 60 months Redemption date: Jan 31, 2030	Term SOFR + Spread 2.15%	31-Jul-26	12,982.50	12,982.50	First and Exclusive charge on the standard receivables with a security cover of 115%.
Term Loan - 90	Repayments terms: 31 monthly instalments Tenor: 36 months Redemption date: Feb 29, 2028	1Y MCLR + Spread 0.00%	30-Apr-26	7,419.35	10,000.00	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 91	Repayments terms: 48 monthly instalments Tenor: 60 months Redemption date: Feb 28, 2030	Term SOFR + Spread 2.15%	28-Aug-26	13,138.50	13,138.50	First and Exclusive charge on the standard receivables with a security cover of 115%.
Term Loan - 92	Repayments terms: 45 monthly instalments Tenor: 48 months Redemption date: Mar 18, 2029	1 Y MCLR + Spread 0.35%	01-Apr-26	12,000.00	15,000.00	First and Exclusive charge on the standard receivables with a security cover of 111%.
Term Loan - 93	Repayments terms: 24 Monthly instalments Tenor: 20 Months Redemption date: November 25, 2026	Repo Rate + Spread 3%	25-Apr-26	2,089.39	5,000.00	First and Exclusive charge over the loan receivables with a security cover of 110%.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

Particulars	Terms of Redemption	Interest rate	Earliest repayment date	Gross balance as at 31 March 2026	Gross balance as at 31 March 2025	Security
Term Loan - 94	Repayments terms: 11 quaterly instalments Tenor: 34 months Redemption date: Nov 25, 2026	3 M T Bill + Spread 2.82%	30-Jun-26	30,000.00	50,000.00	First and Exclusive charge on the standard receivables with a security cover of 120%.
Term Loan - 95	Repayments terms: 48 monthly instalments Tenor: 48 months Redemption date: Sep 27, 2028	1Y MCLR + Spread 0.40%	27-Apr-26	5,356.33	7,500.00	First and Exclusive charge on the standard receivables with a security cover of 120%.
Term Loan - 96	Repayments terms: 24 monthly instalments Tenor: 24 months Redemption date: Mar 28, 2027	3 M MCLR + Spread 0.05%	28-Apr-26	10,000.00	20,000.00	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 97	Repayments terms: 30 monthly instalments Tenor: 36 months Redemption date: Mar 28, 2028	3 M MCLR + Spread 0.15%	28-Apr-26	4,000.00	5,000.00	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 98	Repayments terms: 24 monthly instalments Tenor: 24 months Redemption date: Apr 01, 2027	1Y MCLR + Spread 0.25%	01-May-26	3,739.24	7,500.00	First and Exclusive charge on the standard receivables with a security cover of 110%.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

Particulars	Terms of Redemption	Interest rate	Earliest repayment date	Gross balance as at 31 March 2026	Gross balance as at 31 March 2025	Security
Term Loan - 99	Repayment Terms: Bullet payment Tenor: 60 Days Redemption Date: May 27, 2025	1 M T Bill + Spread 2.48%	17-Apr-25	10,000.00	10,000.00	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 100	Repayments terms: 24 monthly instalments Tenor: 24 months Redemption date: Mar 27, 2027	6 M MCLR + Spread 0.20%	30-Apr-26	10,000.00	20,000.00	First and Exclusive charge on the standard receivables with a security cover of 120%.
Term Loan - 101	Repayments terms: 10 quaterly instalments Tenor: 34 months Redemption date: Mar 27, 2027	3 M T Bill + Spread 0.00%	10-Apr-26	4,000.00	5,000.00	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 102	Repayment Terms: Bullet payment Tenor: 120 Days Redemption Date: Jul 15, 2026	Repo Rate + Spread 3.25%	30-Apr-26	2,500.00	2,500.00	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 103	Repayment Terms: Bullet payment Tenor: 08 Days Redemption Date: Apr 06, 2026	Repo Rate + Spread 4.00%	07-Apr-26	2,500.00	2,500.00	First and Exclusive charge on the standard receivables with a security cover of 110%.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

Particulars	Terms of Redemption	Interest rate	Earliest repayment date	Gross balance as at 31 March 2026	Gross balance as at 31 March 2025	Security
Term Loan - 104	Repayment Terms: 6 equal quaterly instalments starting from 3 months from the dateof first disbursement Tenor: 18 months Redemption Date: Dec 11, 2026	8.80%	30-Apr-26	2,500.00	-	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 105	Repayment Terms: 6 equal quaterly instalments starting from 3 months from the dateof first disbursement Tenor: 18 months Redemption Date: Dec 12, 2026	8.80%	30-Apr-26	5,000.00	-	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 106	Repayments terms: 36 monthly instalments Tenor: 36 months Redemption date: Jun 27, 2028	8.90%	27-Apr-26	10,500.00	-	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 107	Repayments terms: 36 monthly instalments Tenor: 36 months Redemption date: Jun 30, 2028	8.90%	30-Apr-26	15,772.00	-	First and Exclusive charge on the standard receivables with a security cover of 110%.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

Particulars	Terms of Redemption	Interest rate	Earliest repayment date	Gross balance as at 31 March 2026	Gross balance as at 31 March 2025	Security
Term Loan - 108	Repayments terms: 24 monthly instalments Tenor: 24 months Redemption date: Jun 20, 2027	Repo Rate + Spread 2.75%	30-Apr-26	3,750.00	-	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 109	Repayment Terms: Bullet payment Tenor: 60 Days Redemption Date: May 15, 2026	8.20%	30-Apr-26	8,500.00	-	First and Exclusive charge on the standard receivables with a security cover of 115%.
Term Loan - 110	Repayments terms: 10 quaterly instalments Tenor: 34 months Redemption date: Jan 29, 2028	3 M T Bill + Spread 0.00%	10-Apr-26	3,998.77	-	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 111	Repayment Terms: Bullet payment Tenor: 90 Days Redemption Date: May 27, 2026	Repo Rate + Spread 2.85%	30-Apr-26	5,000.00	-	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 112	Repayments terms: 34 monthly instalments Tenor: 37 months Redemption date: Oct 31, 2028	8.50% Linked to Repo	19-Apr-26	9,117.65	-	First and Exclusive charge on the standard receivables with a security cover of 110%.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

Particulars	Terms of Redemption	Interest rate	Earliest repayment date	Gross balance as at 31 March 2026	Gross balance as at 31 March 2025	Security
Term Loan - 113	Repayments terms: Equal repayment at the end of 31, 36 & 42 Month Tenor: 42 months Redemption date: Mar 26, 20209	Term SOFR + Spread 215 bps	28-Sep-26	22,046.25	-	First and Exclusive charge on the standard receivables with a security cover of 111%.
Term Loan - 114	Repayments terms: 20 Quarterly instalments Tenor: 60 months Redemption date: Sep 26, 2030	1 Y MCLR + Spread 0.15%	26-Apr-26	4,500.00	-	First and Exclusive charge on the standard receivables with a security cover of 115%.
Term Loan - 115	Repayment Terms: 6 equal quaterly instalments starting from 3 months from the dateof first disbursement Tenor: 24 months Redemption Date: Sep 29, 2027	Repo Rate + Spread 2.50%	29-Apr-26	4,725.00	-	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 116	Repayment Terms: Bullet payment Tenor: 180 Days Redemption Date: Sep 09, 2026	8.25%	30-Apr-26	5,000.00	-	First and Exclusive charge over the loan receivables with a security cover of 110%.
Term Loan - 117	Repayments terms: 20 Quarterly instalments Tenor: 60 months Redemption date: Sep 26, 2030	1 Y MCLR + Spread 0.15%	26-Apr-26	4,500.00	-	First and Exclusive charge on the standard receivables with a security cover of 115%.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

Particulars	Terms of Redemption	Interest rate	Earliest repayment date	Gross balance as at 31 March 2026	Gross balance as at 31 March 2025	Security
Term Loan - 118	Repayment Terms: 15 equal quaterly instalments Tenor: 48 months Redemption Date: Jun 30, 2029	1 Y MCLR + Spread 0.15%	30-Apr-26	17,329.06	-	First and Exclusive charge over the loan receivables with a security cover of 111%.
Term Loan - 119	Repayment Terms: 8 equal quaterly instalments Tenor: 24 months Redemption Date: Sep 30, 2027	1 Y MCLR + Spread 0.10%	30-Apr-26	8,333.34	-	Exclusive First charge by way of hypothecation of Specific receivables with a security cover of 110%.
Term Loan - 120	Repayments terms: 24 monthly instalments Tenor: 24 months Redemption date: Sep 30, 2027	Repo Rate + Spread 3.05%	01-Apr-26	7,916.67	-	First and Exclusive charge on the standard receivables with a security cover of 120%.
Term Loan - 121	Repayments terms: 24 monthly instalments Tenor: 24 months Redemption date: Oct 31, 2027	Repo Rate + Spread 3.05%	01-Apr-26	8,333.33	-	First and Exclusive charge on the standard receivables with a security cover of 120%.
Term Loan - 122	Repayments terms: 48 monthly instalments Tenor: 48 months Redemption date: Nov 28, 2029	1 Y MCLR + Spread 2.00%	28-Apr-26	4,583.33	-	First and Exclusive charge on the standard receivables with a security cover of 115%.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

Particulars	Terms of Redemption	Interest rate	Earliest repayment date	Gross balance as at 31 March 2026	Gross balance as at 31 March 2025	Security
Term Loan - 123	Repayments terms: 24 monthly instalments Tenor: 24 months Redemption date: Nov 28, 2027	Repo Rate + Spread 3.05%	01-Apr-26	4,375.00	-	First and Exclusive charge on the standard receivables with a security cover of 120%.
Term Loan - 124	Repayments terms: 24 monthly instalments Tenor: 24 months Redemption date: Jun 20, 2027	Repo Rate + Spread 2.75%	28-Apr-26	5,000.00	-	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 125	Repayments terms: 8 quaterly instalments Tenor: 30 months Redemption date: Mar 19, 2028	3 M T Bill + Spread 0.00%	10-Apr-26	10,000.00	-	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 126	Repayments terms: 50% repayment at the end of 37th Months and 50% at 38th Month Tenor: 38 months Redemption date: Feb 23, 20209	Term SOFR + Spread 1.70% bps	24-Jun-26	13,444.50	-	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 127	Repayments terms: 34 monthly instalments Tenor: 37 months Redemption date: Jan 31, 2029	5.25% Repo + Spread 3.05%	30-Apr-26	10,000.00	-	First and Exclusive charge on the standard receivables with a security cover of 110%.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

Particulars	Terms of Redemption	Interest rate	Earliest repayment date	Gross balance as at 31 March 2026	Gross balance as at 31 March 2025	Security
Term Loan - 128	Repayments terms: 20 Equated quarterly instalments Tenor: 60 months Redemption date: Dec 31, 2030	1 Y MCLR + Spread 0.50%	30-Apr-26	9,499.30	-	First and Exclusive charge on the standard receivables with a security cover of 111%
Term Loan - 129	Repayments terms: 20 Equated quarterly instalments Tenor: 60 months Redemption date: Dec 31, 2030	1 Y MCLR + Spread 0.50%	30-Apr-26	9,499.30	-	First and Exclusive charge on the standard receivables with a security cover of 111%
Term Loan - 130	Repayments terms: 24 monthly instalments Tenor: 24 months Redemption date: Dec 31, 2027	3M T-Bill + Spread	30-Apr-26	8,750.00	-	First and Exclusive charge over the loan receivables with a security cover of 115%.
Term Loan - 131	Repayments terms: 10 quarterly instalments Tenor: 36 months Redemption date: Jan 10, 2029	8.70%	10-Apr-26	5,000.00	-	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 132	Repayment Terms: 2 quaterly instalments Tenor: 6 months Redemption Date: Aug 24, 2026	8.69%	30-Apr-26	60,000.00	-	First and Exclusive charge on the standard receivables with a security cover of 125%.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

Particulars	Terms of Redemption	Interest rate	Earliest repayment date	Gross balance as at 31 March 2026	Gross balance as at 31 March 2025	Security
Term Loan - 133	Repayments terms: 10 quarterly instalments Tenor: 36 months Redemption date: Feb 10, 2029	8.70%	10-Apr-26	5,000.00	-	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 134	Repayments terms: 24 Monthly instalments Tenor: 24 Months Redemption date: Feb 27, 2028	Repo Rate + Spread 3.20%	27-Apr-26	2,395.83	-	First and Exclusive charge over the loan receivables with a security cover of 110%.
Term Loan - 135	Repayments terms: 24 Monthly instalments Tenor: 24 Months Redemption date: Feb 27, 2028	Repo Rate + Spread 3.20%	27-Apr-26	2,395.83	-	First and Exclusive charge over the loan receivables with a security cover of 110%.
Term Loan - 136	Repayment Terms: 2 quaterly instalments Tenor: 175 Days Redemption Date: Sep 02, 2026	9.15%	30-Apr-26	27,000.00	-	First and Exclusive charge on the standard receivables with a security cover of 125%.
Term Loan - 137	Repayments terms: 20 quaterly instalments Tenor: 60 months Redemption date: Mar 13, 2031	1Y MCLR + Spread 0.30%	30-Apr-26	10,000.00	-	First and Exclusive charge on the standard receivables with a security cover of 110%.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

Particulars	Terms of Redemption	Interest rate	Earliest repayment date	Gross balance as at 31 March 2026	Gross balance as at 31 March 2025	Security
Term Loan - 138	Repayments terms: Equal repayment at the end of 31, 36 & 42 Month Tenor: 42 months Redemption date: Mar 26, 20209	Term SOFR + Spread 210 bps	24-Sep-26	36,980.50	-	First and Exclusive charge on the standard receivables with a security cover of 111%.
Term Loan - 139	Repayments terms: 11 quaterly instalments Tenor: 33 months Redemption date: Dec 31, 2028	3 M T Bill + Spread 327 bps	30-Jun-26	50,000.00	-	First and Exclusive charge on the standard receivables with a security cover of 120%.
Term Loan - 140	Repayments terms: 8 quaterly instalments Tenor: 30 months Redemption date: Mar 19, 2028	3 M T Bill + Spread 0.00%	10-Apr-26	10,000.00	-	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 141	Repayments terms: 24 quarterly instalments Tenor: 24 months Redemption date: March 26, 2028	Repo Rate + Spread 3.00%	01-May-26	20,000.00	-	First and Exclusive charge on the standard receivables with a security cover of 115%.
Term Loan - 142	Repayments terms: 60 monthly instalments Tenor: 63 months Redemption date: Jun 01, 2031	1Y MCLR + Spread 0%	01-May-26	20,000.00	-	First and Exclusive charge over the loan receivables with a security cover of 110%.
				8,39,713.76	**6,98,624.48**	
IND AS adjsutments and interest accrued				**8,186.27**	**9,242.89**	
				8,47,900.03	**7,07,867.37**	

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

Ind AS adjustments and interest accrued

Particulars	Terms of Redemption	Interest rate	Earliest repayment date	Gross balance as at 31 March 2026	Gross balance as at 31 March 2025	Security
Secured borrowing from other financial institutions						
Term Loan - 1	Repayments terms: 12 quarterly instalments Tenor: 36 months Redemption date: June 01, 2025	9.15%	31-May-25	-	249.38	First-ranking exclusive charge with cover of 110% of the Outstanding principal (or valid, first priority, perfected security interest) or hypothecation on the Secured Assets
Term Loan - 2	Repayments terms: 12 equal quaterly instalments Tenor: 36 months Redemption date: JuLY 01, 2026	LTRR+- Spread 10.85%	01-May-26	333.33	1,666.67	Exclusive hypothecation charge over loan receivables/loan assets/ book debts with a cover of 1.20 times of the outstanding principal at any point of time during currency of the facility.
Term Loan - 3	Repayments terms: 36 monthly instalments Tenor: 36 months Redemption date: June 27, 2026	3Month MCLR + Spread 1.15%	05-Apr-26	555.56	2,222.22	Exclusive hypothecation charge over receivables/loan assets/ book debts with a cover of 1.15 times of the outstanding principal at any point of time during currency of the facility.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

Particulars	Terms of Redemption	Interest rate	Earliest repayment date	Gross balance as at 31 March 2026	Gross balance as at 31 March 2025	Security
Term Loan - 4	Repayment Terms: 6 half yearly instalments Tenor: 60 months Redemption Date: March 04, 2026	9.78%	04-Mar-26	-	2,434.33	Exclusive hypothecation charge over loan receivables/loan assets/ book debts with a cover of 120% of the outstanding principal at any point of time during currency of the facility.
Term Loan - 5	Repayment Terms: 7 half yearly instalments Tenor: 60 months Redemption Date: September 15, 2026	7.59%	15-Sep-26	5,264.29	15,792.86	Exclusive hypothecation charge over loan receivables/loan assets/ book debts with a cover of 125% of the outstanding principal at any point of time during currency of the facility.
Term Loan - 6	Repayment Terms: 6 half yearly instalments Tenor: 60 months Redemption Date: November 17, 2025	9.35%	14-Nov-25	-	6,149.17	First-ranking exclusive charge with cover of 125% of the Outstanding principal (or valid, first priority, perfected security interest) or hypothecation on the Secured Assets

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

Particulars	Terms of Redemption	Interest rate	Earliest repayment date	Gross balance as at 31 March 2026	Gross balance as at 31 March 2025	Security
Term Loan - 7	Repayment Terms: 6 half yearly instalments Tenor: 56 months Redemption Date: November 15, 2025	9.50%	14-Nov-25	-	6,036.25	First-ranking exclusive charge with cover of 125% of the Outstanding principal (or valid, first priority, perfected security interest) or hypothecation on the Secured Assets
Term Loan - 8	Repayments terms: 6 half yearly instalments Tenor: 60 months Redemption date: December 15, 2026	Overnight MIBOR + Spread 4.97%	15-Jun-26	6,608.33	13,216.67	First-ranking exclusive charge with cover of 110% of the Outstanding principal (or valid, first priority, perfected security interest) or hypothecation on the Secured Assets
Term Loan - 9	Repayments terms: 36 monthly instalments Tenor: 36 months Redemption date: July 28, 2026	SBI 3M MCLR + Spread 1.10%	05-Apr-26	694.44	2,361.11	Exclusive first charge on the specific & identified loan receivables, present and future, of borrower by the way of hypothecated on the loan receivable with a minimum assets cover of 115% of the principal amount.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

Particulars	Terms of Redemption	Interest rate	Earliest repayment date	Gross balance as at 31 March 2026	Gross balance as at 31 March 2025	Security
Term Loan - 10	Repayments terms: 11 quaterly instalments Tenor: 36 months Redemption date: Sep 01, 2026	9.35%	01-May-26	1,089.11	3,272.73	Exclusive hypothecation charge over receivables/loan assets/ book debts with a cover of 110% of the outstanding principal at any point of time during currency of the facility.
Term Loan - 11	Repayments terms: 36 monthly instalments Tenor: 36 months Redemption date: Sep 01, 2026	9.35%	30-Apr-26	1,439.32	3,208.14	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 12	Repayments terms: 36 monthly instalments Tenor: 36 months Redemption date: May 29, 2027	HDFC 3M MCLR + Spread 0.17%	05-Apr-26	5,208.33	9,375.00	First and Exclusive charge on Specific & identified loan receivable with a security cover of 115%.
Term Loan - 13	Repayments terms: 4 Equal instalments Tenor: 60 months Redemption date: Jun 15, 2029	9.23%	15-Jun-26	33,410.00	33,410.00	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 14	Repayments terms: 33 monthly instalments Tenor: 36 months Redemption date: Feb 10, 2028	9.35%	10-Apr-26	10,450.00	15,000.00	First and Exclusive charge on the standard receivables with a security cover of 110%.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

Particulars	Terms of Redemption	Interest rate	Earliest repayment date	Gross balance as at 31 March 2026	Gross balance as at 31 March 2025	Security
Term Loan - 15	Repayments terms: 36 monthly instalments Tenor: 36 months Redemption date: Jun 20, 2028	HDFC 3M MCLR + Spread 0%	05-Apr-26	7,777.78	-	First and Exclusive charge on Specific & identified loan receivable with a security cover of 115%.
Term Loan - 16	Repayments terms: 9 half yearly instalments Tenor: 63 months Redemption date: Feb 18, 2031	6 M SOFR + Spread 2.25%	17-Aug-26	36,180.88	-	First ranking priority charge over the Hypothecated Assets with a Security Ratio of at least one hundred and ten percent (110%)
Term Loan - 17	Repayments terms: 36 monthly instalments Tenor: 36 months Redemption date: Dec 26, 2028	EBLR + Spread 2.00%	05-Apr-26	9,444.44	-	First and Exclusive charge on Specific & identified loan receivable with a security cover of 115%.
Term Loan - 18	Repayments terms: 36 monthly instalments Tenor: 39 months Redemption date: Dec 10, 2028	8.75%	10-Apr-26	20,000.00	-	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 19	Repayments terms: 11 quaterly instalments Tenor: 36 months Redemption date: Feb 01, 2029	8.35%	01-May-26	15,000.00	-	First charge on exclusive basis by way of hyphenation of 110% of slandered book debts

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

Particulars	Terms of Redemption	Interest rate	Earliest repayment date	Gross balance as at 31 March 2026	Gross balance as at 31 March 2025	Security
Term Loan - 20	Repayments terms: 16 quarterly structured principal instalments Tenor: 48 months Redemption date: September 28, 2028	11.50%	30-Apr-26	6,020.00	7,600.00	It is secured by hypothecation of current assets, non-current assets and movable fixed assets.
				1,59,475.81	**1,21,994.52**	
IND AS adjsutments and interest accrued				**17,063.24**	**8,090.06**	
				1,76,539.05	**1,30,084.58**	

Borrowings under securitisation

Particulars	Terms of Redemption	Interest rate	Earliest repayment date	Gross balance as at 31 March 2026	Gross balance as at 31 March 2025	Security
Securitisation loan - 1	Repayments terms: 42 monthly instalments Tenor: 42 months Redemption date: Sep 17, 2027	10.20%	22-Sep-25	-	3,992.69	Refer note 15G below
Securitisation loan - 2	Repayments terms: 14 monthly instalments Tenor: 14 months Redemption date: February 23, 2025	8.50%	05-Feb-25	-	-	Refer note 15G below
Securitisation loan - 3	Repayments terms: 20 monthly instalments Tenor: 20 months Redemption date: Dec 23, 2025	8.70%	16-Sep-25	-	3,269.97	Refer note 15G below
Securitisation loan - 4	Repayments terms: 42 monthly instalments Tenor: 42 months Redemption date: Mar 17, 2029	8.97%	16-Apr-26	6,663.38	-	Refer note 15G below

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

Particulars	Terms of Redemption	Interest rate	Earliest repayment date	Gross balance as at 31 March 2026	Gross balance as at 31 March 2025	Security
Securitisation loan - 5	Repayments terms: 42 monthly instalments Tenor: 42 months Redemption date: May 17, 2029	8.95%	16-Apr-26	9,274.21	-	Refer note 15G below
Securitisation loan - 6	Repayments terms: 42 monthly instalments Tenor: 42 months Redemption date: June 17, 2029	8.95%	16-Apr-26	8,752.45	-	Refer note 15G below
Securitisation loan - 7	Repayments terms: 42 monthly instalments Tenor: 42 months Redemption date: Aug 17, 2029	9.05%	16-Apr-26	14,089.03	-	Refer note 15G below
Securitisation loan - 8	Repayments terms: 29 monthly instalments Tenor: 29 months Redemption date: Aug 17, 2028	8.41%	16-Apr-26	5,329.78	-	Refer note 15G below
Securitisation loan - 9	Repayments terms: 19 monthly instalments Tenor: 19 months Redemption date: Oct 23, 2027	8.00%	21-Apr-26	9,993.85	-	Refer note 15G below
Securitisation loan - 10	Repayments terms: 42 monthly instalments Tenor: 42 months Redemption date: Sep 17, 2029	9.05%	16-Apr-26	7,657.07	-	Refer note 15G below
				61,759.78	**7,262.66**	
Interest accured				**199.27**	**(0.00)**	
				61,959.05	**7,262.66**	

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

15B. Loans repayable on demand includes on cash credit and working capital demand loans from banks which are secured by specific charge on identified receivables. As at 31 March 2026, the rate of interest across the cash credit and working capital demand loans was in the range of 7.80 % p.a to 9.65% p.a (as on 31 March 2025 - 8.50 % p.a to 9.65% p.a).

15C. The Group has not defaulted in the repayment of the borrowings (including debt securities) and was regular in repayment during the year.

15D. The Group has used the borrowings from banks and financial institution for the specified purpose as per the agreement with the lender.

15E. The quarterly returns/statements of current assets filed by the Group with the banks and financial institutions in relation to secured borrowings whenever applicable, are in agreement with the books of accounts.

15F. The Group is not declared as wilful defaulter by any of our bank and financial institutions during the year ended 31 March 2026 and 31 March 2025.

15G. The Group has assigned loans under securitization arrangement and these loans are not derecognized as per Ind AS 109. The Group has recognized the securitization liabilities pursuant to that securitization arrangement and securities were given in the form of credit enhancements in accordance with the terms of the arrangement.

16 OTHER FINANCIAL LIABILITIES

Particulars	As at 31 March 2026	As at 31 March 2025
Collateral deposits from customers (Refer note 1 below)	6,731.93	3,950.81
Lease liability (Refer Note 34)	2,825.60	3,253.90
Employee benefits payable	5,832.45	4,982.49
Remittances payable - derecognised financial instruments (Refer note 2 below)	8,575.30	3,957.11
Other liabilities (Refer note 3 below)	3,665.50	1,824.04
Unpaid dividend on non convertible preference shares	2.69	2.69
	27,633.47	**17,971.04**

Notes :

1) Represents amounts received from customers (originator partners which includes corporates such as NBFCs, Housing Finance Company, and Small Finance Bank) as cash collateral for the loans provided by the Group.

2) Represents the amount collected from underlying customers yet to be paid to the assignee representative as at reporting date.

3) The other liabilities represent the amounts payable to Northern Arc India Impact Fund, for which the Group is acting as a pass-through in relation to an assignment transaction.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

17 PROVISIONS

Particulars	As at 31 March 2026	As at 31 March 2025
Provision for employee benefits:		
- Gratuity (refer note 40)	1,147.80	1,015.63
- Compensated absences (refer note 40)	960.73	786.80
Provision for others:		
- Impairment loss allowance for guarantees (Refer Note 17(A))	17.07	32.55
- Impairment loss allowance for undrawn commitments (Refer Note 17(B))	149.61	95.90
	2,275.21	**1,930.88**

17A Impairment loss allowance for guarantees

i Credit quality of exposure

Particulars	As at 31 March 2026				As at 31 March 2025			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Performing	8.35	8.72	-	17.07	168.77	-	-	168.77
Total	**8.35**	**8.72**	**-**	**17.07**	**168.77**	**-**	**-**	**168.77**

ii An analysis of changes in the gross carrying amount and the corresponding ECLs in relation to guarantees is, as follows:

Gross exposure reconciliation

Particulars	As at 31 March 2026				As at 31 March 2025			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
As at the beginning of the year	**168.77**	**-**	**-**	**168.77**	**6,048.75**	**392.83**	**-**	**6,441.58**
New exposures	-	-	-	-	-	-	-	-
Asset derecognised or repaid (Excluding write off)	(151.69)	(0.01)	-	(151.70)	(5,879.98)	(392.83)	-	(6,272.81)
Transfer to stage 1	(8.73)	8.73	-	(0.00)	-	-	-	-
Transfer to stage 2	-	-	-	-	-	-	-	-
Transfer to stage 3	-	-	-	-	-	-	-	-
Write offs	-	-	-	-	-	-	-	-
As at the end of the year	**8.35**	**8.72**	**-**	**17.07**	**168.77**	**-**	**-**	**168.77**

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

iii Reconciliation of ECL balance

Particulars	As at 31 March 2026				As at 31 March 2025			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
As at the beginning of the year	**32.55**	**-**	**-**	**32.55**	**82.57**	**1,491.20**	**-**	**1,573.77**
New exposures	-	-	-	-	-	-	-	-
Asset derecognised or repaid	(15.48)	-	-	(15.48)	(50.02)	(1,491.20)	-	(1,541.22)
Transfer to stage 1	(8.73)	8.73	-	-	-	-	-	-
Transfer to stage 2	-	-	-	-	-	-	-	-
Transfer to stage 3	-	-	-	-	-	-	-	-
Write offs	-	-	-	-	-	-	-	-
As at the end of the year	**8.34**	**8.73**	**-**	**17.07**	**32.55**	**-**	**-**	**32.55**

17B Impairment loss allowance for loan commitments

i Credit quality of exposure

Particulars	As at 31 March 2026				As at 31 March 2025			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Performing	18,498.71	-	-	18,498.71	11,300.00	-	-	11,300.00
Total	**18,498.71**	**-**	**-**	**18,498.71**	**11,300.00**	**-**	**-**	**11,300.00**

ii An analysis of changes in the gross carrying amount and the corresponding ECLs in relation to loan commitments is, as follows:

Gross exposure reconciliation

Particulars	As at 31 March 2026				As at 31 March 2025			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
As at the beginning of the year	**11,300.00**	**-**	**-**	**11,300.00**	**13,599.00**	**-**	**-**	**13,599.00**
New exposures	16,198.71	-	-	16,198.71	7,800.00	-	-	7,800.00
Asset derecognised or repaid (Excluding write off)	(9,000.00)	-	-	(9,000.00)	(10,099.00)	-	-	(10,099.00)
Transfer to stage 1	-	-	-	-	-	-	-	-
Transfer to stage 2	-	-	-	-	-	-	-	-
Transfer to stage 3	-	-	-	-	-	-	-	-
Write offs	-	-	-	-	-	-	-	-
As at the end of the year	**18,498.71**	**-**	**-**	**18,498.71**	**11,300.00**	**-**	**-**	**11,300.00**

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

iii Reconciliation of ECL balance

Particulars	As at 31 March 2026				As at 31 March 2025			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
As at the beginning of the year	**95.90**	**-**	**-**	**95.90**	**107.06**	**-**	**-**	**107.06**
New exposures	108.05	-	-	108.05	82.60			82.60
Assets converted to funded exposure	(54.34)	-	-	(54.34)	(93.76)	-	-	(93.76)
Transfer to stage 1	-	-	-	-	-	-	-	-
Transfer to stage 2	-	-	-	-	-	-	-	-
Transfer to stage 3	-	-	-	-	-	-	-	-
Write offs	-	-	-	-	-	-	-	-
As at the end of the year	**149.61**	**-**	**-**	**149.61**	**95.90**	**-**	**-**	**95.90**

18 OTHER NON- FINANCIAL LIABILITIES

Particulars	As at 31 March 2026	As at 31 March 2025
Statutory dues payable	1,661.66	1,807.67
Servicer fee liability on direct assignment transactions	2,190.08	-
	3,851.74	**1,807.67**

19 EQUITY SHARE CAPITAL

Particulars	As at 31 March 2026		As at 31 March 2025	
	No. of shares	Amount	No. of shares	Amount
Issued, subscribed and paid up				
Equity Shares				
Equity shares of ₹ 10 each	16,15,71,875	16,157.18	16,13,79,336	16,137.93
	16,15,71,875	**16,157.18**	**16,13,79,336**	**16,137.93**

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

Particulars	As at 31 March 2026		As at 31 March 2025	
	No. of shares	Amount	No. of shares	Amount
Equity shares				
At the commencement of the year	16,13,79,336	16,137.93	8,93,85,420	8,938.54
Add: Equity shares issued during the year through employee stock options plan	1,92,539	19.25	3,11,966	31.20
Add: Equity shares issued during the year through initial public offering	-	-	1,90,65,326	1,906.53
Add: Equity shares arising on conversion of preference shares	-	-	5,26,16,624	5,261.66
At the end of the year	**16,15,71,875**	**16,157.18**	**16,13,79,336**	**16,137.93**

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

Particulars	As at 31 March 2026		As at 31 March 2025	
	No. of shares	Amount	No. of shares	Amount
0.0001% Compulsorily convertible preference shares				
At the commencement of the year	-	-	4,13,23,204	8,264.64
Add: shares issued during the year	-	-	97,69,820	1,953.96
Less: Shares converted into equity	-	-	(5,10,93,024)	(10,218.60)
At the end of the year	-	-	-	-

b) During the period, the Holding Company has issued 192,539 shares (March 31, 2025 : 311,966) equity shares which were allotted to employees who exercised their options under ESOP scheme.

c) Rights, preferences and restrictions attached to each class of shares

i) Equity shares

The Group has a single class of equity shares. Accordingly all equity shares rank equally with regard to dividends and share in the Group's residual assets. The equity shares are entitled to receive dividend as declared from time to time subject to payment of dividend to preference shareholders. Dividends are paid in Indian Rupees. Dividend proposed by the board of directors, if any, is subject to the approval of the shareholders at the General Meeting, except in the case of interim dividend.

In the event of liquidation of the Group, the holders of equity shares will be entitled to receive remaining assets of the Group, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

d) In the period of five years immediately preceding 31 March 2026

There were no shares allotted as fully paid up by way of bonus issues and there were no buy back of shares during the last five years immediately preceding 31 March 2026. There were issue of shares pursuant to the contract without payment being received in cash as follows:

During the year ended 31 March 2025, the Holding Company issued 52,616,624 equity shares of ₹ 20 each pursuant to the conversion of 51,093,024 CCPS of ₹10 each, issued by the Company.

e) Details of shareholders holding more than 5% shares in the Company

Particulars	As at 31 March 2026		As at 31 March 2025	
	No. of shares	% held	No. of shares	% held
Equity shares of ₹ 10 each fully paid				
Leapfrog Financial Inclusion India (II) Limited	2,61,08,216	16.16%	2,61,08,216	16.18%
Augusta Investments Pte II Ltd	2,58,87,110	16.02%	2,58,87,110	16.04%
Eight Roads Investments Mauritius (II) Limited	1,10,96,142	6.87%	1,18,63,798	7.35%
International Finance Corporation	98,15,224	6.07%	98,15,224	6.08%
Dvara Trust	45,29,007	2.80%	82,99,258	5.14%
	7,74,35,699	**47.93%**	**8,19,73,606**	**50.80%**

h) The Group does not have an identifiable promoter.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

20 OTHER EQUITY

Particulars	As at 31 March 2026	As at 31 March 2025
a) Securities premium		
At the begining of the year	1,70,907.02	86,366.41
Add: Premium on equity shares issued during the year upon exercise of ESOP	2,824.63	636.44
Add: Premium on equity shares issued during the year through initial public offering	-	46,732.49
Add: Premium on preference shares issued during the year	-	36,246.03
Add: Premium on on conversion of preference shares	-	4,956.94
Less: Utilised during the year for writing off share issue expenses	(2,186.42)	(4,031.29)
At the end of the year	**1,71,545.23**	**1,70,907.02**
b) Statutory reserve		
At the begining of the year	30,128.20	23,275.90
Add : Transfer from retained earnings	8,583.06	6,852.30
At the end of the year	**38,711.26**	**30,128.20**
c) Share based payment reserve		
At the begining of the year	4,095.93	3,104.69
Add: Employee compensation expense during the year	896.09	1,357.92
Less: Transfer to retained earnings	(82.80)	(97.74)
Less: Transfer to securities premium on allotment of shares	(94.79)	(268.94)
At the end of the year	**4,814.43**	**4,095.93**
d) Retained earnings		
At the begining of the year	1,19,595.36	96,035.32
Add: Profit for the year	40,601.71	30,454.79
Add: Other comprehensive income for the year	(42.43)	(78.98)
Add: Transfer from share based payment reserve	82.80	36.53
Less: Transfer to statutory reserve	(8,583.06)	(6,852.30)
At the end of the year	**1,51,654.38**	**1,19,595.36**
e) Capital Redemption Reserve		
At the begining of the year	3,467.00	3,467.00
At the end of the year	**3,467.00**	**3,467.00**
f) Capital Reserve		
At the begining of the year	3.57	3.57
At the end of the year	**3.57**	**3.57**
g) Other comprehensive income - Financial instruments through OCI		
At the begining of the year	1,410.70	3,583.79
Add : Fair value (loss) on financial instruments through other comprehensive income (net) (refer note (vii) (a) below)	(3,165.02)	(2,173.09)
At the end of the year	**(1,754.32)**	**1,410.70**

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

Particulars	As at 31 March 2026	As at 31 March 2025
h) Other comprehensive income - Effective Portion of Cash Flow Hedge Reserve		
At the begining of the year	(2,359.67)	(1,685.05)
Cash flow hedge reserve (refer note (vii)(b) below)	7,316.91	(674.62)
At the end of the year	**4,957.24**	**(2,359.67)**
i) Share application money received pending allotment		
At the begining of the year	**38.84**	**83.76**
Less: Shares alloted during the year	(202.26)	**(83.76)**
Received during the year pending allotment	163.42	38.84
At the end of the year	**-**	**38.84**
Total (a+b+c+d+e+f+g+h+i)	**3,73,398.78**	**3,27,286.95**

(i) Securities premium

Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes in accordance with the provisions of section 52 of the Companies Act 2013.

(ii) Share based payment reserve

The Holding Company has established various equity settled share based payment plans for certain categories of employees of the Company. The amount represents reserve created to the extent of granted options based on the employee stock option scheme. Under Ind AS 102, fair value of the options granted is to be expelled off over the life of the vesting period as employee compensation cost reflecting period of receipt of service.

(iii) Statutory reserve

Reserve u/s 45-IA of the RBI Act, 1934, the Group is required to transfer at least 20% of its net profits every year to a reserve before any dividend is declared.

(iv) Retained earnings

Retained earnings are the profits/(loss) that the Group has earned/incurred till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. Retained earnings include re-measurement loss / (gain) on defined benefit plans, net of taxes that will not be reclassified to statement of profit and loss.

(v) Capital reserve

During the year ended 31 March 2017, the Holding Company approved the scheme of arrangement (Demerger) & amalgamation between the holding Company, IFMR Holdings Private Limited ('IFMR Holdings'), Dvara Investments Private Limited and their respective shareholders and creditors under sections 230 to 232 of the Companies Act, 2013. Pursuant to such scheme of arrangement entered in the year ended March, 31, 2017, the Group has created a capital reserve in accordance with the applicable accounting standards.

(vi) Capital redemption reserve

The capital redemption reserve was created on account of the redemption of the Cumulative non convertible compulsorily redeemable preference shares in accordance with section 69 of Companies Act, 2013.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

(vii) Other comprehensive income

a) The Group has elected to recognise changes in the fair value of certain loans where the business model is to collect contractual cash flows and also to sell financial assets in other comprehensive income.

b) The Group has applied hedge accounting 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 as cash flow hedge reserve. Amounts recognised in the effective portion of cash flow hedges is reclassified to the statement of profit and loss when the hedged item affects profit or loss (e.g. interest payments).

(viii) Share application money received pending allotment

The Holding company had received share application money against exercise of 32,500 shares, which were pending allotment as at 31 March 2025 and allotted subsequent to the year end. As at 31 March 2026, there were no such monies received pending allotment.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

21 ADDITIONAL INFORMATION AS REQUIRED UNDER SCHEDULE III TO THE COMPANIES ACT 2013, OF ENTITIES CONSOLIDATED AS SUBSIDIARIES/ ASSOCIATES

Particulars	Net assets (total assets minus total liabilities)		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % consolidated of total comprehensive income	Amount
As at 31 March 2026								
Holding Company								
Northern Arc Capital Limited	99.81%	3,89,348.27	106.34%	42,915.32	99.66%	4,097.56	105.72%	47,012.88
Domestic Subsidiaries - (Holding Company's share)								
Northern Arc Creditech Solutions Private Limited (formerly known as Northern Arc Investment Adviser Services Private Limited)	0.10%	380.51	0.03%	13.47	0.00%	-	0.03%	13.47
Northern Arc Investment Managers Private Limited	1.30%	5,080.42	0.53%	214.66	(0.26%)	(10.81)	0.46%	203.85
Northern Arc Foundation	0.02%	71.81	(0.02%)	(6.17)	0.00%	-	(0.01%)	(6.17)
Northern Arc Capital Employee Welfare Trust	0.00%	0.00	0.00%	(0.06)	0.00%	-	0.00%	(0.06)
Northern Arc Securities Private Limited	0.34%	1,330.49	(1.57%)	(632.91)	0.05%	1.86	(1.42%)	(631.05)
Pragati Finserv Private Limited	0.16%	614.77	(5.50%)	(2,221.48)	(0.62%)	(25.44)	(5.05%)	(2,246.92)
Non-controlling interests in subsidiaries	0.14%	544.69	(0.60%)	(244.09)	0.04%	2.29	(0.55%)	(241.80)
Associates (Investment accounted as per equity method)								
Finreach Solutions Private Limited (Till 12 May 2025)	0.00%	-	(0.07%)	(26.49)	0.00%	-	(0.06%)	(26.49)
Northern Arc Emerging Corporate Bond Fund	0.00%	-	(2.06%)	(832.17)	0.00%	-	(1.87%)	(832.17)
Eliminations	(1.87%)	(7,270.31)	2.92%	1,177.54	1.13%	46.29	2.75%	1,223.83
As at 31 March 2026	**100.00%**	**3,90,100.65**	**100.00%**	**40,357.62**	**100.00%**	**4,111.75**	**100.00%**	**44,469.37**

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

Particulars	Net assets (total assets minus total liabilities)		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % consolidated of total comprehensive income	Amount
As at 31 March 2025								
Holding Company								
Northern Arc Capital Limited	99.12%	3,40,915.46	113.71%	34,261.50	99.01%	(2,900.79)	115.29%	31,360.71
Domestic Subsidiaries - (Holding Company's share)								
Northern Arc Creditech Solutions Private Limited (formerly known as Northern Arc Investment Adviser Services Private Limited)	0.11%	367.04	0.00%	0.11	0.00%	-	0.00%	0.11
Northern Arc Investment Managers Private Limited	1.42%	4,876.57	(1.70%)	(512.90)	(0.11%)	3.16	(1.87%)	(509.74)
Northern Arc Foundation	0.02%	77.97	(0.24%)	(72.80)	0.00%	-	(0.27%)	(72.80)
Northern Arc Capital Employee Welfare Trust	0.00%	-	0.00%	(0.37)	0.00%	-	(0.00%)	(0.37)
Northern Arc Securities Private Limited	0.05%	161.54	(0.27%)	(79.86)	0.00%	-	(0.29%)	(79.86)
Pragati Finserv Private Limited	0.14%	496.47	(9.76%)	(2,939.40)	0.99%	(29.05)	(10.91%)	(2,968.45)
Non-controlling interests in all subsidiaries	0.15%	531.46	(1.07%)	(322.98)	0.11%	(3.19)	(1.20%)	(326.17)
Associates								
Finreach Solutions Private Limited	0.00%	-	0.00%	(210.91)	0.00%	-	(0.78%)	(210.91)
Northern Arc Emerging Corporate Bond Fund	0.00%	-	0.00%	8.95	0.00%	-	0.03%	8.95
IFMR Fimpact Long Term Credit Fund			0.00%	-	0.00%	-	0.00%	-
Eliminations	(1.01%)	(3,470.18)	0.00%	0.47	0.00%	(0.01)	0.00%	0.46
As at 31 March 2025	**100.00%**	**3,43,956.33**	**100.00%**	**30,131.81**	**100.00%**	**(2,929.88)**	**100.00%**	**27,201.93**

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

22 ADDITIONAL INFORMATION AS REQUIRED UNDER SCHEDULE III TO THE COMPANIES ACT 2013, OF ENTITIES CONSOLIDATED AS SUBSIDIARIES/ ASSOCIATES

Investment in Associates (Investment accounted as per equity method)

The following table illustrates the summarised financial information of the Group's investment in Associates as at 31 March 2026 and 31 March 2025

Particulars	As at 31 March 2026	As at 31 March 2025	
	Northern Arc Emerging Corporate Bond Fund	Finreach Solutions Private Limited	Northern Arc Emerging Corporate Bond Fund
Financial Assets	55,962.00	673.52	90,668.30
Non-Financial Assets	-	157.52	-
Financial Liabilities	(2,279.75)	(313.46)	(3,072.37)
Non-Financial Liabilities	-	(111.76)	-
Equity	**53,682.25**	**405.82**	**87,595.93**
Group's Share in equity	29.26%	24.55%	29.93%
Goodwill	-	-	-
Group's carrying amount of the investment	**16,305.40**	178.25	**27,262.63**

Particulars	As at 31 March 2026		As at 31 March 2025	
	Finreach Solutions Private Limited**	Northern Arc Emerging Corporate Bond Fund	Finreach Solutions Private Limited	Northern Arc Emerging Corporate Bond Fund
Revenue from contract with customers	17.10	2,025.72	166.26	1,674.33
Finance costs	(1.10)	-	(12.52)	-
Investment management fees	-	(1,198.10)	-	(1,021.40)
Employee benefits expenses	(96.00)	-	(810.89)	-
Depreciation and amortisation	(3.90)	-	(40.54)	-
Other expenses	(24.00)	(3,671.80)	(161.44)	(171.57)
Profit before tax	**(107.90)**	**(2,844.18)**	**(859.13)**	**481.36**
Profit for the period	**(107.90)**	**(2,844.18)**	**(859.13)**	**481.36**
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods, net of tax	-	-	-	-
Other comprehensive income that will not be reclassified to profit or loss in the subsequent periods, net of tax	-	-	6.19	-
Total comprehensive (loss) / income for the period	**(107.90)**	**(2,844.18)**	**(852.94)**	**481.36**
Group's share of (loss) / profit for the period	**(26.49)**	**(832.17)**	**(210.91)**	**8.95**

The Group has an agreement with its associate that the profits of the associate will not be distributed until it obtains the consent of the Group. The parent does not foresee giving such consent at the reporting date.

The associate had no contingent liabilities or capital commitments as at 31 March 2026 and 31 March 2025.

** The Holding Company has disposed off the shareholdings in FinReach Solutions Private Limited (FinReach) on 12 May 2025. Post dilution, the shareholding in FinReach has reduced from 24.55 % to 11.16%. Consequently, FinReach ceases to be an associate of the Holding Company.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

23 INTEREST INCOME

Particulars	Year ended 31 March 2026			Year ended 31 March 2025		
	On financial assets measured at		Total	On financial assets measured at		Total
	FVOCI	Amortised cost		FVOCI	Amortised cost	
Interest on loans	75,880.97	1,43,095.15	2,18,976.12	65,992.83	1,29,285.70	1,95,278.53
Interest from investments:						
- Pass through certificates	3,044.08	-	3,044.08	1,567.52	-	1,567.52
- Commercial paper	2,731.17	-	2,731.17	1,622.16	-	1,622.16
- Portfolio management service	1,451.82	-	1,451.82	-	-	-
- Non-convertible debentures	14,242.63	-	14,242.63	15,504.06	-	15,504.06
- Interest income from T-bills	-	765.94	765.94	-	784.81	784.81
Interest on deposits with banks	-	2,043.69	2,043.69	-	2,851.86	2,851.86
	97,350.67	**1,45,904.78**	**2,43,255.45**	**84,686.57**	**1,32,922.37**	**2,17,608.94**

24 FEE AND COMMISSION INCOME

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Revenue from contract with customers		
Income from guarantee facility	0.76	222.33
Income from other financial services		
- Professional fee	5,117.53	4,453.18
- Management fee	3,281.52	3,078.04
Others	1,347.37	1,510.70
	9,747.18	**9,264.25**
Timing of revenue recognition:		
- That are recognised over a period of time	0.76	222.33
- That are recognised at a point of time	9,746.42	9,041.92
Geographical Market		
- In India	9,747.18	9,264.25
- Outside India	-	-
Contract balances		
- Trade receivables (net of ECL)	2,059.69	2,069.13

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

25 NET GAIN ON FAIR VALUE CHANGES

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Net gain on financial instruments at fair value through profit or loss		
On alternative investment funds	2,297.50	2,351.00
On mutual fund investments	471.24	827.04
(Loss) on sale of investments	(132.98)	(12.73)
	2,635.76	**3,165.31**
Fair value changes:		
-Realised	3,592.86	2,772.15
-Unrealised (loss) / gain	(957.10)	393.16
	2,635.76	**3,165.31**

26 OTHER INCOME

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Interest Income from Income tax refund	48.80	265.48
Other non operating income (refer note below)	960.23	1,147.22
	1,009.03	**1,412.70**

Note

Comprises of charges collected from the customers in the nature of penal, pre-closure charges and other charges as applicable.

27 FINANCE COSTS

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Finance costs on financial liabilities measured at amortised cost		
Interest on deposits (Refer note 5.1)	122.94	261.49
Interest on borrowings		
- Term loans from banks and others	73,954.89	65,193.52
- Cash credits and overdraft	10.04	15.58
- Securitisation	1,286.20	1,486.72
Interest on debt securities	11,964.51	13,160.99
Interest on lease liability (Refer Note 34)	316.19	317.38
Amortisation of discount on commercial papers	1,827.31	2,400.31
	89,482.08	**82,835.99**

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

28 EMPLOYEE BENEFITS EXPENSE

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Salaries, wages and bonus (refer note 42)	29,449.92	24,513.75
Contribution to provident fund (refer note 40)	1,542.50	1,456.73
Employee stock option expense (Refer Note 41)	1,153.54	1,560.20
Gratuity expenses (refer note 40)	252.71	243.94
Staff welfare expenses	682.60	692.68
	33,081.27	**28,467.30**

29 IMPAIRMENT ON FINANCIAL INSTRUMENTS

Particulars	On Financial instruments measured at Amortised Cost	On Financial instruments measured at fair value through OCI	Total for the period ended 31 March 2026	On Financial instruments measured at Amortised Cost	On Financial instruments measured at fair value through OCI	Total for the period ended 31 March 2025
Write off on financial instruments						
Loans	69,415.51	-	69,415.51	60,930.24	-	60,930.24
Less: Recovery	(32,024.05)	-	(32,024.05)	(43,798.83)	(41.23)	(43,840.06)
Impairment loss allowance on financial instruments						
Loans	4,607.68	(2,309.85)	2,297.83	15,819.03	6,526.39	22,345.42
Investments	-	1,408.42	1,408.42	1,759.55	845.43	2,604.98
Others	90.49	-	90.49	(1,555.69)	-	(1,555.69)
	42,089.63	**(901.43)**	**41,188.20**	**33,154.30**	**7,330.59**	**40,484.89**

30 DEPRECIATION AND AMORTISATION

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Depreciation of property, plant and equipment (refer note 10.1)	656.67	575.79
Depreciation on right of use asset (refer note 10.5 and 34)	750.79	702.13
Impairment of goodwill (refer note 10.3)	-	-
Amortisation of intangible assets (refer note 10.4)	471.30	510.26
	1,878.76	**1,788.18**

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

31 OTHER EXPENSES

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Legal and professional charges	8,196.47	4,191.28
Travelling and conveyance	1,813.91	1,998.35
Subscription charges	2,693.99	1,936.28
Repairs and maintenance expenses	1,198.27	1,448.39
Rent expenses	1,157.54	1,317.54
Corporate social responsibility expenditure	756.00	706.51
Communication expenses	501.41	576.99
Advertisement and business	837.88	498.03
Bank charges	403.57	347.64
Rates and taxes	326.96	260.92
Directors' sitting fees (refer note 42)	209.50	195.68
Printing and stationery expenses	133.06	157.93
Auditors' remuneration	160.81	116.72
Miscellaneous expenses	234.02	582.60
	18,623.39	**14,334.86**

32 INCOME TAX

A. The components of income tax expense for the years ended 31 March 2026 and 31 March 2025 are:

Statement of Profit and Loss

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Current tax		
i) current income tax charge	13,761.07	16,395.14
ii) Adjustments in respect of current income tax of previous year	(348.00)	(999.71)
Deferred tax	(214.52)	(6,919.18)
Income tax expense reported in the consolidated statement of profit and loss	**13,198.55**	**8,476.25**

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

Income tax recognised in other comprehensive income

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Arising on income and expenses recognised in other comprehensive income:		
Remeasurements of the defined benefit obligation	13.51	26.57
Fair valuation of financial instruments through OCI (Net)	1,064.59	732.01
Effective portion of loss on designated portion of hedging instruments in a cashflow hedge	(2,461.13)	226.92
Total Income tax recognised in other comprehensive income	**(1,383.03)**	**985.50**

B. Reconciliation of the total tax charge

The tax charge shown in the statement of profit and loss differs from the tax charge that would apply if all profits had been charged at India corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the years ended 31 March 2026 and 31 March 2025 is, as follows:-

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Profit before tax	53,556.17	38,608.06
Non-controlling interest	326.19	431.62
Profit before tax attributable to equity holders	53,882.36	39,039.68
Applicable tax rate	25.17%	25.17%
Computed expected tax expense	**13,562.19**	**9,826.29**
Effect of difference in tax expenditure due to differential tax rates applicable for subsidiaries *	0.11	0.13
Permanent differences		
- Provision for corporate social responsibility expenditure	190.29	177.83
- Others	(206.04)	(528.29)
Tax expenses recognised in the statement of profit and loss	**13,546.55**	**9,475.96**
Effective tax rate	25.14%	24.27%

Note: The Holding Company has elected to exercise the option permitted under section 115BAA of the Income tax Act, 1961, as introduced by the Taxation laws (Amendment) Ordinance, 2019. Accordingly, the Holding Company has recognised provision for income tax and remeasured its net deferred tax asset at concessional rate for the year ended 31 March 2026.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

* Tax rates applicable for subsidiaries are as follows

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Northern Arc Investment Managers Private Limited	25.17%	25.17%
Northern Arc Creditech Solutions Private Limited (formerly Northern Arc Investment Adviser Services Private Limited)	26.00%	26.00%
Northern Arc Foundation	NA	NA
Northern Arc Securities Private Limited	25.17%	25.17%
Pragati Finserv Private Limited	25.17%	25.17%
Northern Arc Employee Welfare Trust	NA	NA

C. Deferred tax

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

Particulars	As at 31 March 2025	Statement of profit and loss	Other comprehensive income	As at 31 March 2026
Component of Deferred tax asset / (liability)				
Deferred tax asset / (liability) in relation to:				
Property plant and equipment	151.27	93.50	-	244.77
Impact of fair value on financial assets measured at FVTPL	192.82	588.45	-	781.27
Impact of fair value on financial assets measured at FVOCI	548.09	-	(1,396.54)	(848.45)
Impairment on financial assets	9,099.58	1,054.13	-	10,153.71
Provision for employee benefits	428.09	135.58	13.51	577.18
Unamortised component of processing fee	685.98	(233.85)	-	452.13
EIS Receivable	(776.27)	(2,654.30)	-	(3,430.57)
Minimum alternative tax	11.50	-	-	11.50
Others	978.10	1,231.01	-	2,209.11
Total	**11,319.16**	**214.52**	**(1,383.03)**	**10,150.65**

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

Particulars	As at 31 March 2024	Statement of profit and loss	Other comprehensive income	As at 31 March 2025
Component of Deferred tax asset / (liability)				
Deferred tax asset / (liability) in relation to:				
Property plant and equipment	37.08	114.19	-	151.27
Impact of fair value on financial assets measured at FVTPL	(636.02)	828.84	-	192.82
Impact of fair value on financial assets measured at FVOCI	1,012.22	(1,423.02)	958.94	548.13
Impairment on financial assets	2,138.07	6,961.51	-	9,099.58
Provision for employee benefits	310.51	91.01	26.56	428.09
Unamortised component of processing fee	1,316.86	(630.88)	-	685.98
EIS Receivable	(786.38)	10.11	-	(776.27)
Minimum alternative tax	11.69	(0.19)	-	11.50
Others	-	978.10	-	978.10
Total	**3,404.03**	**6,929.67**	**985.50**	**11,319.20**

33 EARNINGS PER SHARE ('EPS')

	Particulars	Year ended 31 March 2026	Year ended 31 March 2025
A	**Earnings**		
	Net profit attributable to equity shareholders for calculation of basic EPS	40,357.62	30,454.79
	Net profit attributable to equity shareholders for calculation of diluted EPS	40,357.62	30,454.79
B	**Shares**		
	Equity shares at the beginning of the year	16,13,79,336	8,93,85,420
	Shares issued during the year	1,92,539	7,19,93,916
	Total number of equity shares outstanding at the end of the year	**16,15,71,875**	**16,13,79,336**
C	Weighted average number of equity shares outstanding during the year for calculation of basic EPS	**16,15,15,821**	**15,16,75,670**
	Options granted	10,76,670	3,87,511
	Compulsory convertible preference shares	-	-
D	Weighted average number of equity shares outstanding during the year for calculation of diluted EPS	**16,25,92,491**	**15,20,63,181**
	Face value per share	10.00	10.00
E	**Earnings per share**		
E1	Basic (E1 = A / C)	24.99	20.08
E2	Diluted (E2 = A / D)	24.82	20.03

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

34 LEASES

As a lessee, the Group's lease asset class primarily consist of buildings or part thereof taken on lease for office premises. In accordance with the requirements under Ind AS 116, Leases, the Group has recognised the lease liability at the present value of the future lease payments discounted at the incremental borrowing rate and thereafter, at the inception of respective lease contracts, ROU asset equal to lease liability is recognised at the incremental borrowing rate prevailed during that relevant period subject to certain practical expedients as allowed by the standard.

The following is the summary of practical expedients elected on initial application:

a) Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.

b) Applied the exemption not to recognise right to use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.

Set out below are the carrying amounts of lease liabilities included under financial liabilities and the movements during the year:

(i) Movement in carrying value of right of use assets

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Opening Balance	**2,711.97**	**1,472.23**
Add:		
Additions during the year	286.56	1,948.02
Less:		
Depreciation	(750.79)	(702.13)
Derecognition on termination of lease	-	(6.15)
Closing balance	**2,247.74**	**2,711.97**

(ii) Movement in lease liabilities

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Opening Balance	**3,253.90**	**1,698.20**
Additions during the year	286.56	1,948.02
Interest on lease liabilities	316.19	317.38
Rent payment	(1,031.05)	(689.68)
Derecognition on termination of lease	-	(20.02)
Closing balance	**2,825.60**	**3,253.90**

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

(iii) Amounts recognised in the Statement of Profit and Loss

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
a) Depreciation charge for right-of-use assets	750.79	702.13
b) Interest expense (included in finance cost)	316.19	317.38
c) Expense relating to short-term leases	1,157.54	1,317.54
d) Gain recognised on derecognition of leases	-	13.87

(iv) Cash Flows

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
The total cash outflow of leases	1,031.05	689.68

(v) Maturity analysis of undiscounted lease liabilities

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Not later than one year	1,029.98	468.93
Later than one year and not later than five years	2,311.66	1,250.18
Later than five years	-	18.64

Lease liabilities are recognised at weighted average incremental borrowing rate ranging between 9.70% and 14.25%.

35 MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled. All derivatives used for hedging and natural hedges are shown by maturity, based on their contractual undiscounted payment.With regard to loans and advances to customers, the company uses the same basis of expected repayment behaviour as used for estimating the EIR.

Particulars	As at 31 March 2026			As at 31 March 2025		
	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
Assets						
Cash and cash equivalents	23,052.08	-	23,052.08	33,026.83	-	33,026.83
Bank balances other than cash and cash equivalents	20,599.02	6,029.79	26,628.81	29,291.99	2,416.45	31,708.44
Derivative financial instruments	8,467.39	13,368.43	21,835.82	2,104.09	3,372.46	5,476.55
Trade receivables	2,059.69	-	2,059.69	2,069.13	-	2,069.13
Loans	8,84,464.40	3,64,812.43	12,49,276.83	6,81,772.00	3,75,465.78	10,57,237.78
Investments	1,70,526.37	1,07,459.02	2,77,985.39	1,20,635.35	57,080.11	1,77,715.46
Investmentes in Associate	-	16,305.40	16,305.40	-	27,440.88	27,440.88
Other financial assets	27,861.11	7,990.68	35,851.79	5,202.10	1,676.60	6,878.70
Current tax assets (net)	-	1,007.37	1,007.37	-	609.51	609.51
Deferred tax assets (net)	-	10,150.65	10,150.65	-	11,319.20	11,319.20
Property, plant and equipment	-	995.64	995.64	-	1,279.68	1,279.68
Intangible assets under development	-	1,598.90	1,598.90	-	593.48	593.48
Goodwill	-	2,340.82	2,340.82	-	2,340.82	2,340.82
Other intangible assets	-	959.61	959.61	-	1,285.34	1,285.34
Right of use asset	-	2,247.74	2,247.74	-	2,711.97	2,711.97
Other non- financial assets	1,897.00	266.66	2,163.66	1,948.87	164.57	2,113.44
Total Assets	**11,38,927.06**	**5,35,533.14**	**16,74,460.20**	**8,76,050.36**	**4,87,756.85**	**13,63,807.21**
Liabilities						
Derivative financial instruments	-	-	-	1,367.57	995.91	2,363.48
Trade payables						
Total outstanding dues of micro and small enterprises					-	-
Total outstanding dues of creditors other than micro and small enterprises	24,683.93	0.02	24,683.95	6,945.54	-	6,945.54
Debt securities	67,807.25	71,629.10	1,39,436.35	70,263.20	70,522.12	1,40,785.32
Borrowings (Other than debt secuities)	5,84,489.30	5,01,908.83	10,86,398.13	5,08,783.09	3,36,431.52	8,45,214.61
Other financial liabilities	23,768.87	3,864.60	27,633.47	14,958.03	3,013.01	17,971.04
Provisions	1,089.71	1,185.50	2,275.21	645.18	1,285.70	1,930.88
Current tax liabilities (net)	80.70	-	80.70	-	2,832.34	2,832.34
Deferred tax liabilities (net)	-	-	-	-	-	-
Other non-financial liabilities	3,397.91	453.83	3,851.74	1,807.67	-	1,807.67
Total Liabilities	**7,05,317.67**	**5,79,041.88**	**12,84,359.55**	**6,04,770.28**	**4,15,080.60**	**10,19,850.88**
Total equity			**3,90,100.65**			**3,43,956.33**

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

35 A Change in Liabilities arising from financing activities

Particulars	As at April 01, 2025	Cash flows	Exchange difference	Others*	New Leases	As at 31 March 2026
Debt Securities	1,40,785.32	(2,291.32)	-	942.35	-	1,39,436.35
Borrowings (other than debt securities)	8,45,214.61	2,31,955.69	15,771.00	(6,543.17)	-	10,86,398.13
Lease Liabilities	3,253.90	(705.18)	-	(9.68)	286.56	2,825.60

Particulars	As at April 01, 2024	Cash flows	Exchange difference	Others*	New Leases	As at April 01, 2025
Debt Securities	1,41,372.46	318.46	-	(905.60)	-	1,40,785.32
Borrowings (other than debt securities)	7,63,403.15	71,713.62	6,669.82	3,428.02	-	8,45,214.61
Lease Liabilities	1,698.20	(650.68)	-	258.36	1,948.02	3,253.90

*Others includes the effect of accrued but not paid interest on borrowing, amortisation of processing fees, decrease in lease liability on account of termination.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

35 B Analysis of financial assets and liabilities by remaining contractual maturities

The table below summarises the maturity profile of the undiscounted cash flows of the Group's financial assets and liabilities as at 31 March 2026 and 31 March 2025. All derivatives used for hedging and natural hedges are shown by maturity, based on their contractual undiscounted payment obligations. Repayments which are subject to notice are treated as if notice were to be given immediately

Particulars	As at 31 March 2026					
	On Demand	Less than 3 months	3 to 12 Months	1 to 5 years	Over 5 years	Total
Finacial Assets						
Cash and cash equivalents	19,049.71	4,002.37	-	-	-	23,052.08
Bank balances other than cash and cash equivalents	0.22	3,979.64	16,052.47	6,596.48	-	26,628.81
Derivative financial instruments	-	5,610.82	2,856.57	13,368.43	-	21,835.82
Trade receivables	-	2,059.70	-	-	-	2,059.70
Loans	-	4,11,529.19	6,71,091.98	4,85,148.29	1,28,183.24	16,95,952.70
Investments	789.20	54,064.77	1,16,821.69	1,30,847.68	6,030.32	3,08,553.66
Investment in associates	-	-	16,305.40	-	-	16,305.40
Other financial assets	-	21,760.85	4.57	612.61	2.80	22,380.83
Total undiscounted financial assets*	**19,839.13**	**5,03,007.34**	**8,23,132.68**	**6,36,573.49**	**1,34,216.36**	**21,16,769.00**
Financial Liabilities						
Derivative financial instruments	-	-	-	-	-	-
Trade payables			-			-
-total outstanding dues of micro and small enterprises	-		-	-	-	-
-total outstanding dues of creditors other than micro and small enterprises	-	24,683.95	-	-	-	24,683.95
Debt securities	-	16,965.37	59,967.04	81,174.79	-	1,58,107.20
Borrowings (Other than debt securities)	-	2,30,616.39	4,05,145.19	5,45,299.61	1,014.54	11,82,075.73
Other financial liabilities	2,221.57	19,868.48	1,677.45	3,860.97	5.00	27,633.47
Total undiscounted financial liabilities*	**2,221.57**	**2,92,134.19**	**4,66,789.68**	**6,30,335.37**	**1,019.54**	**13,92,500.35**
Net undiscounted financial assets/(liabilities)*	**17,617.56**	**2,10,873.15**	**3,56,343.00**	**6,238.12**	**1,33,196.82**	**7,24,268.65**

* Excludes gross settled derivatives not held for trading

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

Particulars	As at 31 March 2025					
	On Demand	Less than 3 months	3 to 12 Months	1 to 5 years	Over 5 years	Total
Finacial Assets						
Cash and cash equivalents	32,890.14	106.80	-	-	-	32,996.94
Bank balances other than cash and cash equivalents	0.22	13,685.53	11,773.29	7,606.17	-	33,065.21
Derivative financial instruments	-	-	2,104.09	3,372.46	-	5,476.55
Trade receivables	-	2,069.14	-	-	-	2,069.14
Loans	-	3,24,963.79	5,35,753.50	4,76,856.13	1,12,711.48	14,50,284.90
Investments	1,945.22	43,781.17	86,683.99	87,798.25	854.07	2,21,062.70
Investment in associates	-	-	-	-	27,440.88	27,440.88
Other financial assets	-	3,469.69	21.64	432.68	-	3,924.01
Total undiscounted financial assets*	**34,835.58**	**3,88,076.12**	**6,36,336.51**	**5,76,065.69**	**1,41,006.43**	**17,76,320.33**
Financial Liabilities						
Derivative financial instruments	-	-	1,367.58	995.90	-	2,363.48
Trade payables						
-total outstanding dues of micro and small enterprises	-	-	-	-	-	-
-total outstanding dues of creditors other than micro and small enterprises	-	5,714.15	-	-	-	5,714.15
Debt securities	-	11,820.79	67,460.58	85,131.34	-	1,64,412.71
Borrowings (Other than debt securities)	-	2,15,648.71	3,32,834.74	3,72,850.86	-	9,21,334.31
Other financial liabilities	1,555.26	12,793.62	1,593.84	1,690.23	18.64	17,651.59
Total undiscounted financial liabilities*	**1,555.26**	**2,45,977.27**	**4,03,256.74**	**4,60,668.33**	**18.64**	**11,11,476.24**
Net undiscounted financial assets/(liabilities) *	**33,280.32**	**1,42,098.85**	**2,33,079.77**	**1,15,397.36**	**1,40,987.79**	**6,64,844.09**

* Excludes gross settled derivatives not held for trading

36 FINANCIAL INSTRUMENT

A Fair value measurement

Valuation principles

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions i.e., exit price. This is regardless of whether that price is directly observable or estimated using a valuation technique.

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair value disclosures are provided in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standards.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

The Following methodologies and assumptions were used to estimate the fair values of the financial assets or liabilities

i) For all assets and liabilities which are not carried at fair value, disclosure of fair value is not required as the carrying amount approximates fair value except as stated below.

a) The fair value of loans other than fixed rate instruments are estimated by discounted cash flow models considering all significant characteristics of the loans. They are classified as Level 3 fair values in the fair value hierarchy due to the use of unobservable inputs (discount rate). For fixed rate instruments not carried at fair value, carrying amount approximates fair value.

b) The fair value of investment in Government securities are derived from rate equal to the rate near to the reporting date of the comparable product.

ii) There has been no transfer in between level I and level II.

iii) The fair value of Derivatives are determined using inputs that are directly or indirectly observable in market place.

Financial instruments by category

The carrying value and fair value of financial instruments measured at fair value as of 31 March 2026 were as follows

Particulars	Carrying amount		Fair value			
	FVTPL	FVOCI	Level 1	Level 2	Level 3	Total
Financial assets:						
Loans	-	3,85,613.25	-	-	3,85,613.25	3,85,613.25
Investments						
- Commercial papers	-	28,139.55	-	-	28,139.55	28,139.55
- Portfolio management services	-	25,332.66			25,332.66	25,332.66
- Pass through certificates	-	47,006.08	-	-	47,006.08	47,006.08
- Non convertible debentures	9.84	1,51,973.64	-	-	1,51,983.48	1,51,983.48
- Alternate Investment Funds	13,471.59	-	-	-	13,471.59	13,471.59
- Share warrants	0.96	-	-	-	0.96	0.96
- Mutual funds	779.36	-	779.36	-	-	779.36
- Other investments	593.38	-	-	-	593.38	593.38
- Investment in security receipts	3,314.40	-	-	-	3,314.40	3,314.40
Derivative financial instruments	-	21,835.82	-	-	21,835.82	21,835.82
Financial liabilities:						
Derivative financial instruments	-	-	-	-	-	-

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

The carrying value and fair value of financial instruments measured at fair value as of 31 March 2025 were as follows:

Particulars	Carrying amount		Fair value			
	FVTPL	FVOCI	Level 1	Level 2	Level 3	Total
Financial assets:						
Loans	-	2,17,633.08	-	-	2,17,633.08	2,17,633.08
Investments						
- Commercial papers	-	25,519.11	-	-	25,519.11	25,519.11
- Pass-through certificates	-	14,597.89	-	-	14,597.89	14,597.89
- Non convertible debentures	-	1,14,510.15	-	-	1,14,510.15	1,14,510.15
- Market Linked debentures	-				-	-
- Alternative Investment Funds	10,655.43	-	-	-	10,655.43	10,655.43
- Share warrants	0.95	-	-	-	0.95	0.95
- Mutual funds	1,945.22	-	1,945.22	-	-	1,945.22
Derivative financial instruments	292.46	5,184.09	-	-	5,476.55	5,476.55
Financial liabilities:						
Derivative financial instruments	-	5,184.09	-	-	5,184.09	5,184.09

Reconciliation of level 3 fair value measurement is as follows

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Financial assets measured at FVOCI		
Balance at the beginning of the year	(948.97)	1,898.74
Total gains measured through OCI for additions made during the year, net of taxes	4,151.89	(2,847.71)
Balance at the end of the year	3,202.92	(948.97)
Financial assets measured at FVTPL		
Balance at the beginning of the year	12,894.06	35,613.75
Total gains measured through PL for additions made during the year, net of taxes	1,961.07	(22,719.69)
Balance at the end of the year	**14,855.13**	**12,894.06**

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

Sensitivity analysis - Increase/ decrease of 100 basis points of discount rate

Particulars	As at 31 March 2026		As at 31 March 2025	
	Increase	Decrease	Increase	Decrease
Financial assets:				
Loans	3,856.13	(3,856.13)	2,176.33	(2,176.33)
Investments				
- Commercial papaers	281.40	(281.40)	255.19	(255.19)
- Portfolio management services	253.33	(253.33)	-	-
- Pass through securities	470.06	(470.06)	145.98	(145.98)
- Non convertible debentures	1,519.83	(1,519.83)	1,145.10	(1,145.10)
- Alternative Investment Funds	134.72	(134.72)	106.55	(106.55)
- Mutual funds	7.79	(7.79)	19.45	(19.45)
- Other investments	5.93	(5.93)	-	-
- Investment in security receipts	33.14	(33.14)	-	-
- Share warrants	0.01	(0.01)	0.01	(0.01)
Derivative financial instruments	218.36	(218.36)	54.77	(54.77)
Financial liabilities:				
Derivative financial instruments	-	-	(23.63)	23.63

The carrying value and fair value of other financial instruments by categories as of 31 March 2026 were as follows:

Particulars	Carrying Value	Fair Value			
	Amortised cost	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value:					
Cash and cash equivalents	23,052.08	-	-	23,052.08	23,052.08
Bank balances other than cash and cash equivalents	26,628.81	-	-	26,628.81	26,628.81
Trade receivables	2,059.69	-	-	2,059.69	2,059.69
Loans	8,94,778.54	-	-	8,98,822.80	8,98,822.80
Investments	7,363.93	-	-	7,363.93	7,363.93
Investment in associates	16,305.40	-	-	16,305.40	16,305.40
Other financial assets	35,851.79	-	-	35,851.79	35,851.79
Financial liabilities not measured at fair value:					
Trade payables					
- total outstanding dues of micro and small enterprises	-	-	-	-	-
- total outstanding dues of creditors other than micro and small enterprises	24,683.95	-	-	24,683.95	24,683.95
Debt securities	1,39,436.35	-	-	1,39,436.35	1,39,436.35
Borrowings (Other than debt securities)	10,86,398.13	-	-	10,83,103.27	10,83,103.27
Other financial liabilities	27,633.47	-	-	27,633.47	27,633.47

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

The carrying value and fair value of financial instruments by categories as of 31 March 2025 were as follows:

Particulars	Carrying Value	Fair Value			
	Amortised cost	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value:					
Cash and cash equivalents	33,026.83	-	-	33,026.83	33,026.83
Bank balances other than cash and cash equivalents	31,708.44	-	-	31,708.44	31,708.44
Trade receivables	2,069.13	-	-	2,069.13	2,069.13
Loans	8,66,120.89	-	-	8,71,027.50	8,71,027.50
Investments	10,486.71			10,486.71	10,486.71
Investment in associates	27,440.88			27,440.88	27,440.88
Other financial assets	6,878.70	-	-	6,878.70	6,878.70
Financial liabilities not measured at fair value:					
Trade payables					
- total outstanding dues of micro and small enterprises	-	-	-	-	-
- total outstanding dues of creditors other than micro and small enterprises	6,945.54	-	-	6,945.54	6,945.54
Debt securities	1,40,785.32	-	-	1,40,785.32	1,40,785.32
Borrowings (Other than debt securities)	8,45,214.61	-	-	8,40,059.22	8,40,059.22
Other financial liabilities	17,971.04	-	-	17,971.04	17,971.04

Transfer of financial assets

The following table provides the summary of financial assets that have been transferred in such a way that the part or all of the transferred financial assets does not qualify for derecognition, together with associated liabilities. The Group has securitised certain loans, however the Group has not transferrred substantially the risks and rewards, hence these assets have not been derecognised in its entirety.

Particulars	As at 31 March 2026	As at 31 March 2025
Carrying amout of assets measured at amortised cost	71,300.76	8,382.57
Carrying amount of associated liabilities	61,959.05	7,262.66
Fair value of assets	68,632.98	7,915.29
Fair value of associated liabilities	61,959.05	7,262.66

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

B Capital management

The Group manages its capital to ensure that the Group will be able to continue as going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance.

The Group manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board.

The Group monitors capital using adjusted net debt (total borrowings net of cash and cash equivalents) to equity ratio.

The Group's adjusted gearing ratio is as follows:

Particulars	As at 31 March 2026	As at 31 March 2025
i Debt securities	1,39,436.35	1,40,785.32
ii Borrowings (other than debt securities)	10,86,398.13	8,45,214.61
iii Less: cash and cash equivalents	(23,052.08)	(33,026.83)
iv Adjusted net debt (iv = i + ii - iii)	**12,02,782.40**	**9,52,973.10**
v Total equity	3,90,100.65	3,43,956.33
vi Gearing ratio (vi = iv / v)	3.08	2.77

The Holding Company maintains an actively managed capital base to cover risks inherent in the business and is meeting the capital adequacy requirements of the local banking supervisor, Reserve Bank of India (RBI). The adequacy of the Holding Company's capital is monitored using, among other measures, the regulations issued by RBI.

The Group has complied in full with all its externally imposed capital requirements over the reported period. Equity share capital and other equity are considered for the purpose of Group's capital management.

No changes were made in the objectives, policies or processes for managing capital during the year ended 31 March 2026 and 31 March 2025.

Regulatory capital of the Holding Company

Particulars	As at 31 March 2026	As at 31 March 2025
Tier I Capital	3,51,373.19	3,21,918.68
Tier II Capital	15,428.79	17,086.42
Total Capital	**3,66,801.97**	**3,39,005.10**
Risk weighted assets	16,25,931.26	13,71,302.14
Tier I Capital Ratio (%)	21.61%	23.48%
Tier II Capital Ratio (%)	0.95%	1.25%
CRAR (%)	**22.56%**	**24.72%**

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

37 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial liabilities comprise borrowings from banks, issue of debentures and trade payables. The main purpose of these financial liabilities is to finance the Group's operations and to support its operations. The Group's financial assets include loan and advances, investments and cash and cash equivalents that derive directly from its operations.

The Group is exposed to credit risk, liquidity risk, market risk and foreign currency risk. The Group's board of directors has an overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors has established the risk management committee and asset liability committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the board of directors on its activities.

Risk management framework

The Groups's board of directors and risk management committee has overall responsibility for the establishment and oversight of the Groups's risk management framework. The board of directors and risk management committee along with the top management are responsible for developing and monitoring the Groups's risk management policies. The commitee reports regularly to the board of director's of Holding Company on it's activities.

The Groups's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group's risk management committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry or geographical location.

In order to avoid excessive concentrations of risk, the Group's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

Credit risk is the risk of financial loss to the Group if a customer or counter-party to a financial instrument fails to meet its contractual obligations and arises principally from the Group's loans and investments. The carrying amounts of financial assets represent the maximum credit risk exposure.

The board of director's of Holding Company has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and conditions are offered. The Group's review includes external ratings, if they are available, financial statements and credit agency information etc.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

(I) Credit risk

Loans

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

The Group's exposure to credit risk for loans by type of counterparty is as follows. All these exposures are with in India.

Particulars	Carrying Amount	
	As at 31 March 2026	As at 31 March 2025
Gross Term loans and structured cash credit	12,80,391.79	10,83,753.97
Less : Impairment loss allowance	(31,114.96)	(26,516.19)
	12,49,276.83	**10,57,237.78**

An impairment analysis is performed at each reporting date based on the facts and circumstances existing on that date to identify expected losses on account of time value of money and credit risk. For the purposes of this analysis, the loan receivables are categorised into groups based on days past due and the type of risk exposures. Each group is then assessed for impairment using the Expected Credit Loss (ECL) model as per the provisions of Ind AS 109 - Financial Instruments.

Staging:

As per the provision of Ind AS 109 all financial instruments are allocated to stage 1 on initial recognition. However, if a significant increase in credit risk is identified at the reporting date compared with the initial recognition, then an instrument is transferred to stage 2. If there is objective evidence of impairment, then the asset is credit impaired and transferred to stage 3. In line with the requirements of Ind-AS 109 read with circular on Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025, issued vide RBI/DOR/2025-26/359 dated 28 November 2025, updated as on 1 April 2026, the Holding Company is guided by the definition of default / credit impaired used for regulatory purposes for the purpose of accounting.

The Group considers a financial instrument defaulted and therefore stage 3 (credit-impaired) for ECL calculations in all cases when the borrower becomes 90 days past due on its contractual payments.

For financial assets in stage 1, the impairment calculated based on defaults that are possible in next twelve months, whereas for financial instrument in stage 2 and stage 3 the ECL calculation considers default event for the lifetime of the instrument.

As per Ind AS 109, Group assesses whether there is a significant increase in credit risk at the reporting date from the initial recognition. Group has staged the assets based on the days past dues criteria and other market factors which significantly impacts the portfolio.

Days past dues status	Stage	Provisions
Current	Stage 1	12 Months Provision
1-30 Days	Stage 1	12 Months Provision
31-90 Days	Stage 2	Lifetime Provision
90+ Days	Stage 3	Lifetime Provision

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

Grouping

As per Ind AS 109, the Group categorises the portfolio based on the shared risk characteristics. The Group has assessed the risk and its impact on the various portfolios and has divided the portfolio into different segmernts:

- Intermediate retail
- Partnership based lending
- Mid-market (including Supply chain finance)
- Loan against Property (LAP).

Further for intermediate retail ECL is calculated separately for various products – Loans, securitisation, pooled loan products, working capital loans, guarantee, NCDs.

For Partnership based Lending (PBL) book which is part of retail segment, PD is computed at sector level, ECL is calculated at sector level and aggregated (Also refer note 47 (A)).

Expected credit loss ("ECL"):

ECL on financial assets is an unbiased probability weighted amount based out of possible outcomes after considering risk of credit loss even if probability is low. ECL is calculated based on the following components:

a. Marginal probability of default ("MPD")

b. Loss given default ("LGD")

c. Exposure at default ("EAD")

d. Discount factor ("D")

Marginal probability of default:

Probability of default ("PD") is defined as the probability of whether borrowers will default on their obligations in the future.

1. Intermediate Retail Portfolios (Ratings-Based Approach)

   For intermediate retail portfolios, the TTC PD is determined using a ratings-based methodology.

   - Transition Matrices: The calculation is anchored on the observed movement of loans between Company's internal credit rating grades. Semi-annual transition matrices are generated, tracking rating migrations over six-month periods using historical data from September 2017 to the latest reporting date.
   - Averaging and Calibration: These historical six-month matrices are averaged to produce a single, long-run transition matrix that represents stable, through-the-cycle performance. To ensure a logical relationship where credit risk increases as credit quality declines (monotonicity), the resulting six-month PDs are smoothed using a loglinear calibration method.
   - Final TTC PD: The calibrated six-month PDs are then annualized to arrive at the final 12-month TTC PD for each rating grade.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

2. Partnership based lending and Loan against Property (Delinquency-Based Approach)

   For the partnership based lending, the TTC PD is calculated using a delinquency-based approach, leveraging static pool and net flow analysis.

- Static Pool Analysis: To ensure a clear view of asset quality, loans are grouped by their origination period ("vintage"). The Company analyze the performance of each vintage over time, tracking the movement of accounts through delinquency stages. This method isolates the performance of underlying assets from the effect of new loan origination.
  - Net Flow to Default: The default rate is determined by observing the net flow of accounts from various delinquency buckets into a state of 90+ Days Past Due (DPD). This analysis is conducted using up to five years of historical data.
  - Final TTC PD: A 12-month simple or weighted average of these historical default rates is calculated to establish the TTC PD for the portfolio.

3. Mid-market (including Supply chain finance)

   For mid-market portfolios, the TTC PD is determined as follows:

   - TTC PD: Since the number of defaults observed in midmarket book which is the Corporate Finance portfolio has been very low – Pluto Tasche model is used for estimation of TTC PD. A regression based scalar approach is used to calculate the forward looking PDs.

   Forward-Looking Point-in-Time (PIT) PD Estimation

   For all portfolios The TTC PD serves as a baseline for determining forward-looking PIT PDs.

   - Macroeconomic Linkage: The Vasicek model, or other appropriate logistic regression models, are used to establish a statistical relationship between the TTC PDs and key macroeconomic factors. This model converts the stable TTC PD into a dynamic PIT PD that reflects the expected economic environment.
   - Scenario Analysis: To account for economic uncertainty, PIT PDs are estimated under three macroeconomic scenarios: a base case, an optimistic case, and a pessimistic case. The optimistic and pessimistic scenarios are informed by applying shocks (e.g., +/- 10%) to the key macroeconomic variables within the model.

Marginal probability:

The PDs derived from the Autoregressive integrated moving average (ARIMA) model, are the cumulative PDs, stating that the borrower can default in any of the given years, however to compute the loss for any given year, these cumulative PDs have to be converted to marginal PDs. Marginal PDs is probability that the obligor will default in a given year, conditional on it having survived till the end of the previous year.

Conditional marginal probability:

As per Ind AS 109, expected loss has to be calculated as an unbiased and probability-weighted amount for multiple scenarios.

The probability of default was calculated for 3 scenarios: upside, downside and base. This weightage has been decided on best practices and expert judgement. Marginal conditional probability was calculated for all 3 possible scenarios and one conditional PD was arrived as conditional weighted probability.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

LGD

LGD is an estimate of the loss from a transaction given that a default occurs. Under Ind AS 109, lifetime LGD's are defined as a collection of LGD's estimates applicable to different future periods. Various approaches are available to compute the LGD. Considering the low expertise in default and recovery, the Group has considered an LGD of 65% as recommended by the Foundation Internal Ratings Based (FIRB) approach under Basel II guidelines issued by RBI.

EAD:

As per Ind AS 109, EAD is estimation of the extent to which the financial entity may be exposed to counterparty in the event of default and at the time of counterparty's default. The Group has modelled EAD based on the contractual and behavioural cash flows till the lifetime of the loans considering the expected prepayments.

The Group has considered expected cash flows and undrawn exposures for all the loans at DPD bucket level for each of the risk segments, which was used for computation of ECL. Moreover, the EAD comprised of principal component and accrued interest for the outstanding exposure. So discounting was done for computation of expected credit loss.

Discounting:

As per Ind AS 109, ECL is computed by estimating the timing of the expected credit shortfalls associated with the defaults and discounting them using effective interest rate.

ECL computation:

Conditional ECL at DPD pool level was computed with the following method:

Conditional ECL for year (yt) = EAD (yt) * conditional PD (yt) * LGD (yt) * discount factor (yt)

The calculation is based on provision matrix which considers actual historical data adjusted appropriately for the future expectations and probabilities. Proportion of expected credit loss provided for across the stage is summarised below:

Particulars	Provisions	As at 31 March 2026	As at 31 March 2025
Stage 1	12 month provision	21,845.56	16,051.79
Stage 2	Life time provision	1,705.70	4,350.30
Stage 3	Life time provision	7,563.70	6,114.10
Amount of expected credit loss provided		**31,114.96**	**26,516.19**

The loss rates are based on actual credit loss experience over past years. These loss rates are then adjusted appropriately to reflect differences between current and historical economic conditions and the Group's view of economic conditions over the expected lives of the loan receivables. Movement in provision of expected credit loss has been provided in below note.

Particulars	As at 31 March 2026	As at 31 March 2025
ECL allowance - opening balance	26,516.19	10,574.10
Addition during the year	83,983.20	80,303.78
Reversal during the year	(9,968.92)	(3,431.45)
Write offs during the year	(69,415.51)	(60,930.24)
Closing provision of ECL	**31,114.96**	**26,516.19**

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

Analysis of credit quality of exposure, changes in the gross carrying amount of loans and the corresponding ECL allowance in relation to Loans:

Changes in gross carrying amount

Particulars	As at 31 March 2026				As at 31 March 2025			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount - loans								
As at the beginning of the year	**10,49,252.22**	**23,920.35**	**10,581.39**	**10,83,753.96**	**9,14,330.16**	**12,199.57**	**5,003.30**	**9,31,533.03**
New assets originated *	9,94,206.60	11,771.05	70,284.07	10,76,261.72	8,61,557.13	14,763.13	4,717.38	8,81,037.64
Asset derecognised or repaid (excluding write off)	(7,88,551.67)	(17,412.12)	(4,244.59)	(8,10,208.38)	(7,12,890.38)	(11,403.08)	56,406.99	(6,67,886.47)
Transfer to stage 1	(17,356.47)	8,675.19	8,681.28	-	(13,883.68)	8,646.63	5,237.05	-
Transfer to stage 2	1,411.17	(5,305.27)	3,894.10	-	102.11	(357.88)	255.77	-
Transfer to stage 3	507.95	37.40	(545.35)	-	36.88	71.98	(108.86)	-
Write offs	-	-	(69,415.51)	(69,415.51)	-	-	(60,930.24)	(60,930.24)
As at the end of the year	**12,39,469.80**	**21,686.60**	**19,235.39**	**12,80,391.79**	**10,49,252.22**	**23,920.35**	**10,581.39**	**10,83,753.96**

* New assets originated are those assets which have originated during the year.

Reconciliation of ECL Balance

Particulars	As at 31 March 2026				As at 31 March 2025			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
As at the beginning of the year	**16,051.79**	**4,350.30**	**6,114.10**	**26,516.19**	**5,296.17**	**1,141.93**	**4,136.00**	**10,574.10**
New assets originated	13,634.03	1,657.16	68,692.01	83,983.20	12,418.92	3,982.21	63,902.65	80,303.78
Asset derecognised or repaid (excluding write off)	(3,836.55)	(3,555.93)	(2,576.44)	(9,968.92)	1,791.98	(1,412.94)	(3,810.48)	(3,431.44)
Transfer to stage 1	(4,020.86)	622.57	3,398.29	-	(3,456.96)	769.34	2,687.62	-
Transfer to stage 2	12.59	(1,371.34)	1,358.75	-	1.20	(131.19)	129.99	-
Transfer to stage 3	4.56	2.94	(7.50)	-	0.48	0.95	(1.44)	(0.01)
Write offs	-	-	(69,415.51)	(69,415.51)	-	-	(60,930.24)	(60,930.24)
As at the end of the year	**21,845.56**	**1,705.70**	**7,563.70**	**31,114.96**	**16,051.79**	**4,350.30**	**6,114.10**	**26,516.19**

Collateral and other credit enhancements

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Guidelines are in place covering the acceptability and valuation of each type of collateral. The main types of collateral obtained are, vehicles, loan portfolios and mortgaged properties based on the nature of loans. Management monitors the market value of collateral and will request additional collateral in accordance with the underlying agreement.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure is the total of the carrying amount of the aforesaid balances.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

B. Investments

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The exposure to credit risk for investments is to other non-banking finance companies and financial institutions.

The risk committee has established a credit policy under which each new investee pool is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, financial statements, credit agency information, industry information etc. For investments the collateral is the underlying loan pool purchased from the financial institutions.

An impairment analysis is performed at each reporting date based on the facts and circumstances existing on that date to identify expected losses on account of time value of money and credit risk. For the purposes of this analysis, the investments are categorised into groups based on days past due. Each group is then assessed for impairment using the Expected Credit Loss (ECL) model as per the provisions of Ind AS 109 - financial instruments. Further, the risk management committee periodically assesses the credit rating information.

Analysis of credit quality of exposure and changes in the gross carrying amount of Investments

Credit quality of exposure

Particulars	As at 31 March 2026				As at 31 March 2025			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Performing	2,75,046.74	1,459.35	-	2,76,506.09	1,76,429.13	-	-	1,76,429.13
Sub-standard	-	-	1,479.30	1,479.30	-	-	1,286.33	1,286.33
Total	**2,75,046.74**	**1,459.35**	**1,479.30**	**2,77,985.39**	**1,76,429.13**	**-**	**1,286.33**	**1,77,715.46**

Changes in gross carrying amount

Particulars	As at 31 March 2026				As at 31 March 2025			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount - Investments								
As at the beginning of the year	**1,76,429.13**	**-**	**1,286.33**	**1,77,715.46**	**1,78,070.50**	**-**	**-**	**1,78,070.50**
New assets originated *	2,21,838.47	1,459.35	8.14	2,23,305.96	98,945.70	-	-	98,945.70
Asset derecognised or repaid	(1,23,036.03)	-	-	(1,23,036.03)	(99,300.74)	-	-	(99,300.74)
Transfer to stage 1	(184.83)	-	184.83	-	(1,286.33)	-	1,286.33	-
Transfer to stage 2	-	-	-	-	-	-	-	-
Transfer to stage 3	-	-	-	-	-	-	-	-
Write offs	-	-	-	-	-	-	-	-
As at the end of the year	**2,75,046.74**	**1,459.35**	**1,479.30**	**2,77,985.39**	**1,76,429.13**	**-**	**1,286.33**	**1,77,715.46**

*Net assets originated are those assets which have originated during the year.

C. Cash and cash equivalent and Bank deposits

The credit risk for cash and cash equivalents and deposits with banks are considered negligible, since the counterparties have high quality external credit ratings.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

D. Other financial assets

Other financial assets measured at amortised cost includes security deposit, other receivables and excess interest spread on derecognition of financial assets. Credit risk related to these financial assets is managed by monitoring the recoverability of such amounts continously, while at the same time internal control system are in place to ensure the amounts are within defined limits. Credit risk is considered low because the Company is in possession of the underlying asset (in case of security deposit). Further, the Company creates provision by assessing individual financial asset for expectation of any credit loss basis 12 month expected credit loss model.

(ii) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting its obligations associated with its financial liabilities. The Group approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due.

The Group is monitoring its liquidity risk by estimating the future inflows and outflows during the start of the year and planned accordingly the funding requirement. The Group manages its liquidity by unutilised cash credit facility, term loans and direct assignment.

The Group has also made sales through direct assignment route (off book) of 10% of assets under management. This further strengthens the liability management.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments along with its carrying value as at the balance sheet date.

Particulars	1 day to 30/31 days (one month)	Over one month to 2 months	Over 2 months up to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years
As at 31 March 2026								
Borrowings	74,599.59	69,235.14	78,969.74	1,88,622.94	1,72,275.82	4,16,546.48	85,148.42	1,000.00
Debt securities	-	-	12,784.18	18,941.67	36,081.40	59,683.33	11,945.77	-
Trade payables	-	-	-	24,683.95	-	-	-	-
Lease liabilities (undiscounted)	85.83	85.83	85.83	257.50	515.00	1,153.82	1,153.82	5.17
Other financial liabilities	14,549.78	353.22	6,305.03	663.56	1,122.08	1,814.20	-	-
As at 31 March 2025								
Borrowings	71,618.00	84,605.60	55,815.51	1,61,138.51	1,35,903.02	2,70,818.82	65,315.15	-
Debt securities	2,383.03	2,500.00	5,671.19	19,358.33	41,029.52	34,033.33	35,809.92	-
Trade payables	-	-	-	6,945.54	-	-	-	-
Derivative financial liabilities	-	-	-	1,367.57	-	-	995.91	-
Lease liabilities (undiscounted)	39.19	39.20	39.25	118.13	237.06	866.91	393.44	18.63
Other financial liabilities	9,833.53	23.09	3,360.78	358.29	567.59	573.85	-	-

Note:

- The balances are gross of accrued interest and unamortised borrowing costs.
- Estimated expected cashflows considering the moratorium availed from lenders.

Also refer note 35B for detailed disclosure on Analysis of financial assets and liabilities by remaining contractual maturities

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

(iii) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk includes interest rate risk, foreign currency risk and price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's investment in bank deposits and borrowings. Whenever there is a change in borrowing interest rate for the Group, necessary change is reflected in the lending interest rates over the timeline in order to mitigate the risk of change in interest rates of borrowings.

The interest rate profile of the Group's interest bearing financial instruments is as follows:

Particulars	As at 31 March 2026	As at 31 March 2025
Fixed rate instruments		
Financial Assets	8,17,539.43	6,47,737.70
Financial Liabilities	4,90,391.77	2,90,137.75
Variable rate instruments		
Financial Assets	4,31,737.40	4,41,348.94
Financial Liabilities	7,35,442.71	6,95,862.18

Sensitivity analysis of interest rate - Increase/ decrease of 100 basis points

The Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

The sensivity analysis below have been determined based on exposure to the interest rates for financial instruments at the end of the reporting period and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period in case of instruments that have floating rates. A 100 basis points increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

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

Loans extended by the Company are fixed and floating rate loans. The sensitivity analysis have been carried out based on the exposure to interest rates for term loans from banks, debt securities and borrowings carried at variable rate

Particulars	As at 31 March 2026		As at 31 March 2025	
	Increase	Decrease	Increase	Decrease
Loans	4,317.37	(4,317.37)	4,413.49	(4,413.49)
Borrowings	(7,354.43)	7,354.43	(6,958.62)	6,958.62

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

Price risk

Price risk is the risk that the fair value or future cash flows of the financial instrument will fluctuate due to changes in market variables such as interest rates, credit ratings of underlying investments of mutual funds and alternative investment funds that the Group has invested in. The Group's exposure to price risk arises from its investments in units of mutual funds and units of alternative investment funds that are classified as financial assets at FVTPL.

Particulars	As at 31 March 2026	As at 31 March 2025
I) Investments in mutual fund units	779.36	1,945.22
II) Investments in Alternate Investment Fund	13,471.59	10,655.43

Sensitivity Analysis

The table sets out the effect on profit or loss and equity due to reasonable possible weakening / strengthening in prices by 5%

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
5% increase in the prices	712.55	712.55
5% decrease in the prices	(712.55)	(712.55)

(iv) Foreign currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Foreign currency risk for the Group arises majorly on account of foreign currency borrowings. The Group manages this foreign currency risk by entering into cross currency interest rate swaps. When a derivative is entered into for the purpose of being as hedge, the Group negotiates the terms of those derivatives to match with the terms of the hedge exposure. The Group's policy is to fully hedge its foreign currency borrowings at the time of drawdown and remain so till payment.

The Group holds derivative financial instruments such as cross currency interest rate swap and forward rates contracts to mitigate risk of changes in exchange rate in foreign currency and floating interest rate. The counterparty for these contracts is generally a bank. These derivative financial instruments are valued based on quoted prices for similar assets and liabilites in active markets or inputs that are directly or indirectly observable in market place.

(v) Collateral and other credit enhancements

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Guidelines are in place covering the acceptability and valuation of each type of collateral.

The main types of collateral obtained are, as follows:

a. For corporate and small business lending, charges over trade receivables and

b. For retail lending, collateral in the form of default loss guarantee is obtained from the servicing entity or over identified fixed asset of the borrower.

Management monitors the market value of collateral and will request for additional collateral in accordance with the underlying agreement. In its normal course of business, the Group does not physically repossess assets in its retail portfolio, but engages external agents to recover funds, generally at auction, to settle outstanding debt. Any surplus funds are returned to the customers/obligors. As a result of this practice, the

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

assets under legal repossession processes are not recorded on the balance sheet and not treated as non–current assets held for sale.

(vi) Technology risk

Technology risk may arise from potential impact to IT systems and data because of hardware or software failure, human errors, as well as engineered cyber-attacks. In an era where technology is an imperative to drive efficiency, effectiveness and innovation, it becomes essential for the NBFC to have well-defined policies and procedures, necessary infrastructure and controls, and periodic audits to guard itself against any looming threats. The Group has implemented the Master Directions on Technology notified by the Reserve Bank of India and has put in place the necessary policies, procedures, controls and governance mechanisms to mitigate this risk. In addition, the Group also undergoes an IT audit by an independent firm on a yearly basis, has periodic vulnerability and penetration tests conducted by a third-party agency to identify and plug any loopholes in its technology infrastructure, process controls and remediation preparedness. The IT Strategy Committee of the Group looks into all these aspects to protect the Group's technology and data assets, and ensure adequate preparedness to manage these risks.

38 COMMITMENTS

Particulars	As at 31 March 2026	As at 31 March 2025
Estimated amount of contracts remaining to be executed on capital account (net of capital advances) and not provided for	800.00	800.00
Undrawn committed sanctions	18,498.71	11,300.00

39 A) CONTINGENT LIABILITIES

Particulars	As at 31 March 2026	As at 31 March 2025
Claims against the Group not acknowledged as debt		
- Income tax related matters related to AY 2014-15 (refer note 1)	256.00	256.00
- Income tax related matters related to AY 2017-18 (refer note 2)	172.53	172.53
- Income tax related matters related to AY 2020-21 (refer note 3)	84.59	84.59

Notes :

1) This litigations is related to disallowance of expenses incurred for earning exempt income for the AY 2014-15, which was partially allowed by the ITAT. The Company filed an appeal against this matter with High Court, Madras.

2) This litigations is related to denying benefit of exemption of Income from securitisation investments under section 10(35A) of the Income Tax Act AY 2017-18. The Company filed an appeal against this matter with Commissioner of Income Tax Appeals.

3) This litigation is related to rejection of our subsidiary M/s Northern Arc Foundation's condonation request by CIT(Exemptions) on the ground that Company was not registered under Sec 12A for AY 2020-21. The Subsidiary Company had filed rectification petition with CIT(Exemptions)

4) The amount included above represents best possible estimate arrived at on the basis of available information. The management believes that is has a reasonable case in its defence of the proceedings and accordingly no further provision has been created.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

5) The Company has certain litigations pending with income tax authorities, and other litigations which have arisen in the ordinary course of business. The Company has reviewed all such pending litigations having an impact on the financial position, and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable in the standalone financial statements.

b) Financial guarantee issued to third parties

Particulars	As at 31 March 2026	As at 31 March 2025
Guarantees outstanding	17.08	168.77

40 RETIREMENT BENEFIT PLAN

I. Defined contribution plans

The Group makes specified monthly contributions towards employee provident fund to Government administered provident fund scheme which is a defined contribution plan. The Group's contribution is recognized as an expenses in the statement of profit and loss during the period in which the employee renders the related service. The amount recognised as an expense towards contribution to provident fund for the year aggregated to ₹ 1,542.50 lakhs (March 31, 2025: ₹ 1,456.73 lakhs).

II. Defined benefit plans

The Group's gratuity benefit scheme is a defined plan. The Group's net obligation in respect of a defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their services in the current and previous year; that benefit is discounted to determine its present value. Any unrecognised past services and the fair value of any plan assets are deducted. The calculation of the Group's obligation under the plan is performed annually by a qualified actuary using the projected unit credit method.

The Group have an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service. Employees who are in continous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied by the number of years of service subject to maximum benefit of ₹ 20 lakhs. Vesting occurs upon completion of five years of service.

Details of actuarial valuation of gratuity pursuant to the Ind AS 19

A. Change in present value of obligations

Particulars	As at 31 March 2026	As at 31 March 2025
Present value of obligations at the beginning of the year	1,015.63	914.06
Current service cost	190.13	178.84
Interest cost	62.58	65.10
Benefits settled	(174.19)	(247.92)
Actuarial (gain) / loss recognised in the other comprehensive income		
- Changes in financial assumptions	(92.76)	(39.24)
- Experience adjustment	146.41	144.79
Present value of obligations at the end of the year	**1,147.80**	**1,015.63**

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

B. Change in plan assets

Particulars	As at 31 March 2026	As at 31 March 2025
Fair value of plan assets at the beginning of the year	-	-
Employer contributions	174.19	247.92
Benefits paid	(174.19)	(247.92)
Fair value of plan assets at the end of the year	**-**	**-**

C. Reconciliation of present value of the obligation and the fair value of the plan assets

Particulars	As at 31 March 2026	As at 31 March 2025
Change in projected benefit obligation		
Present value of obligations at the end of the year	1,147.80	1,015.63
Fair value of plan assets	-	-
Net liability recognised in balance sheet	**1,147.80**	**1,015.63**

Particulars	As at 31 March 2026	As at 31 March 2025
The liability in respect of the gratuity plan comprises of the following non-current and current portions:		
Current	219.97	238.41
Non-current	927.83	777.22
	1,147.80	**1,015.63**

D. Expense recognised in statement of profit and loss

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Current service cost	190.13	178.84
Interest on obligation	62.58	65.10
Total included in statement of profit and loss	**252.71**	**243.94**

E. Remeasurements recognized in other comprehensive income

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Actuarial loss on defined benefit obligation	53.65	105.55
Total included in other comprehensive income	**53.65**	**105.55**

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

F. Assumptions at balance sheet date

Particulars	As at 31 March 2026	As at 31 March 2025
Discount rate	6.09% to 7.11%	6.34% to 6.82%
Salary escalation	3% to 8%	3% to 8%
Mortality rate	Indian Assured Lives Mortality (2012 -14)	Indian Assured Lives Mortality (2012 -14)
Attrition rate	3% to 52.80%	3% to 63.60%
Estimated average future working life	2.20	2.60

Notes:

a) The estimates in future salary increases, considered in actuarial valuation, takes account of inflation, seniority promotion and other relevant factors, such as supply and demand in the employee market. The above information is certified by the actuary.

b) Discount rate is based on the prevailing market yields of Indian Government Bonds as at the balance sheet date for the estimated term of the obligation.

G. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	Year ended 31 March 2026		Year ended 31 March 2025	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(1,109.04)	1,192.15	(973.30)	1,057.34
Future salary growth (1% movement)	1,197.92	(1,103.37)	1,074.60	(958.80)
Attrition rate (1% movement)	(1,175.07)	1,167.23	(1,012.72)	1,014.96

Additional disclosures required under Ind AS 19

Particulars	As at 31 March 2026	As at 31 March 2025
Average duration of defined benefit obligation (in years)	2.20 to 8.03 years	2.94 to 8.03 years
Projected undiscounted expected benefit outgo (mid year cash flows)		
Year 1	420.45	259.05
Year 2	273.78	209.77
Year 3	178.37	168.61
Year 4	96.02	142.88
Year 5	56.94	109.36
Next 5 years	652.10	750.00
Exected benefit payments for the next annual reporting year	420.45	259.05

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

III. Other long term employee benefits

The Company permits encashment of compensated absences accumulated by their employees on retirement. The liability in respect of the Company, for outstanding balance of privilege leave at the balance sheet date is determined and provided on the basis of actuarial valuation performed by an independent actuary. The Company does not maintain any plan assets to fund its obligation towards compensated absences.The liability for compensated absences as at 31 March 2026 is ₹ 960.73 lakhs and as at 31 March 2025 was ₹ 786.80 lakhs.

Assumptions:

Particulars	As at 31 March 2026	As at 31 March 2025
Discount rate	6.09%	6.34%
Future salary increases	8.00%	8.00%

41 SHARE BASED PAYMENTS

A ESOP disclsoure related to Holding Company

Employee Stock Option Plan 2016 (ESOP) has been approved by the Board at its meeting held on 07 October 2016 and by the members in the Extra Ordinary General Meeting held on 07 October 2016.

41.1 Northern Arc Capital Employee Stock Option Scheme 2016 – "Scheme II"

The Northern Arc Capital Employee Stock Option Plan 2016 is applicable to all employees including employees of subsidiaries. The options were issued in seventeen tranches. The exercise price ranging between ₹ 110 to ₹ 275. The options are vested equally over a period of 5 years.

Northern Arc Employee Stock Option Scheme 2023 – "Scheme- II B"

The Northern Arc Capital Employee Stock Option Plan 2016 is applicable to all employees including employees of subsidiaries. The options were issued on 9th September 2021. The exercise price is ₹ 275. The options are vested equally over a period of 5 years.

Northern Arc Capital Employee Stock Option Scheme 2018 – "Scheme III"

The Northern Arc Capital Employee Stock Option Scheme 2016 is applicable to all employees including employees of subsidiaries. The options were issued in five tranches. The exercise price ranging between ₹ 10 to ₹ 275. The options are vested over a period of 3 years in 30:30:40. proportion

Northern Arc Capital Employee Stock Option Scheme 2022 – "Scheme– IV"

The Northern Arc Capital Employee Stock Option Scheme 2022 is applicable to all employees including employees of subsidiaries. The options under this scheme were issued in two tranches. The exercise price is ₹ 324 price per share. The options are vested over a period of 4 years in 25:25:25:25 proportion.

Northern Arc Capital Employee Stock Option Scheme 2023 – "Scheme– IVB"

The Northern Arc Capital Employee Stock Option Scheme 2023 is applicable to all employees including employees of subsidiaries. The options under this scheme were issued on thirteen tranches. The exercise price is ₹ 211 to Rs 275 per share. The options are vested over a period of 4 years in 25:25:25:25 proportion.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

41.2 Options outstanding under Scheme II, Scheme IIB, Scheme III, Scheme IV and Scheme IVB

Particulars	As at 31 March 2026				
Plan	Scheme II	Scheme IIB	Scheme III	Scheme IV	Scheme IV B
Grant date	Various	13-Sep-23	Various	Various	Various
Number of options	11,70,500	1,83,000	5,54,195	9,25,000	34,97,000
Exercise price in ₹	110 to 275	275	10 to 275	324	211 to 275
Vesting period	1 to 5 years	1 to 5 years	1 to 3 years	1 to 4 years	1 to 4 years
Option Price	31.85 to 121.09	160.14	65.57 to 298.36	56.14 to 65.74	32.86 to 146.45
Weighted average exercise price in ₹	151.83	275.00	169.16	324.00	257.60
Weighted average remaining contractual life (in years)	0.22	0.60	0.20	0.40	1.49
Weighted average remaining contractual life including exercise period(in years)	2.58	7.46	3.85	5.31	6.90
Vesting condition	Time based vesting				

Particulars	As at 31 March 2025				
Plan	Scheme II	Scheme IIB	Scheme III	Scheme IV	Scheme IV B
Grant date	Various	13-Sep-23	Various	13-Sep-23	Various
Number of options	13,16,500	2,18,000	6,23,501	9,68,000	25,40,000
Exercise price in ₹	110 to 275	275	10 to 275	324	211 to 275
Vesting period	1 to 5 years	1 to 5 years	1 to 3 years	1 to 4 years	1 to 4 years
Option Price	31.85 to 121.09	160.14	65.57 to 298.36	56.14	128.88 to 146.45
Weighted average exercise price in ₹	149.50	275.00	174.28	324.00	275.00
Weighted average remaining contractual life (in years)	0.22	1.60	0.20	0.40	1.49
Weighted average remaining contractual life including exercise period(in years)	2.58	7.46	3.85	5.31	6.90
Vesting condition	Time based vesting				

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

41.3Reconciliation of outstanding options

The details of options granted under the above schemes are as follows.

Particulars	As at 31 March 2026		As at 31 March 2025	
	Weighted average exercise price per option (in ₹)	Number of options	Weighted average exercise price per option (in ₹)	Number of options
Outstanding at beginning of year	243.13	56,66,001	216.84	49,24,754
Add: Granted during the year	225.73	12,35,000	303.03	14,08,000
Less: Forfeited during the year	269.12	4,11,267	218.66	3,96,787
Less: Exercised during the year and allotted	127.35	1,60,039	132.97	2,37,466
Less: Exercised during the year but not allotted	-	-	119.51	32,500
Outstanding as at end of year	**240.50**	**63,29,695**	**243.13**	**56,66,001**
Amount expensed of in Statement of Profit and Loss (in ₹ Lakhs)		1,153.54		1,560.20

41.4Fair value methodology

The fair value of options have been estimated on the dates of each grant using the Black Scholes model. Accordingly, the Holding company has considered the volatility of the Company's stock price based on historical volatility of similar listed enterprise. The various assumptions considered in the pricing model for the stock options granted by the Holding company are as follows:

	As at 31 March 2026	As at 31 March 2025
Dividend yield	0.00%	0.00%
Historical volatality estimate	32.73% - 38.03%	39.33% - 39.61%
Risk free interest rate	5.90% - 5.91%	6.87% - 7.07%
Expected life of option (in years)	2.50	3.00

B ESOP disclsoure related to Pragati Finserv Private Limited (Subsidiary)

The Company offers equity based option plans to its selected employees through the Company's stock option plan introduced in 2021.

i Description of share based payments

Pragati Employee Stock Option Scheme 2021 - Scheme I [ESOP 2021 - Scheme 1]

The Company introduced an Employee Stock Option Scheme 2021 - Scheme I, which was approved by the Pragati Finserv Private Limited shareholders with an intention to provide equity settled incentive to high performing employees of the Company.

The options granted on 7th May 2021 will be exercised at ₹.10 per option and will vest over 5 years in the proportion of 15.75 : 15.75 : 21 : 21 : 26.5 (allocated portion) on the basis of performance, subject to 30% of the allocated portion being definitive vesting.It shall be exercised within the period mentioned in the grant letter.It shall be settled by way of equity shares of the company.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

The options granted on 2nd August 2022 will be exercised at ₹10 per option and will vest over 4 years in the proportion of 31.5 : 21 : 21 : 26.5 (allocated portion) on the basis of performance, subject to 30% of the allocated portion being definitive vesting.It shall be exercised within the period mentioned in the grant letter.It shall be settled by way of equity shares of the company.

No modification has been made to the plan during the reporting period.

ii Summary of share based payments

a) **Reconciliation of outstanding options**

Particulars	**ESOP 2021 - Scheme 1**	
	As at 31 March 2026 (In Nos.)	**As at 31 March 2025 (In Nos.)**
Outstanding balance at the beginning of the period	1,36,61,080	1,36,61,080
Options vested	-	-
Options outstanding at the end of the period	1,36,61,080	1,36,61,080
Options exercisable at the end of the period	62,82,102	62,82,102
For share options exercised:		
Weighted average exercise price at date of exercise	N.A.	N.A.
Money realized by exercise of options (in actual rupees)	N.A.	N.A.

b) **For share options outstanding:**

Particulars	**As at 31 March 2026**		**As at 31 March 2025**	
	ESOP 2021 - Scheme 1 Grant date - 7th May 2021 16,19,13,182 shares	**ESOP 2021 - Scheme 1 Grant date - 2nd August 2022 42,50,000 shares**	**ESOP 2021 - Scheme 1 Grant date - 7th May 2021 16,19,13,182 shares**	**ESOP 2021 - Scheme 1 Grant date - 2nd August 2022 42,50,000 shares**
Range of exercise prices	10	10	10	10
Average remaining contractual life of options (years)	1.31	2.06	2.31	3.06
Modification of plans	N.A.	N.A.	N.A.	N.A.
Incremental fair value on modification	N.A.	N.A.	N.A.	N.A.

c) **Valuation of stock options**

Particulars	**ESOP 2021 - Scheme 1 Grant date - 7th May 2021 16,19,13,182 shares**	**ESOP 2021 - Scheme 1 Grant date - 2nd August 2022 42,50,000 shares**
Share price	10	10
Exercise Price	10	10
Fair value of option	5.93	5.98
Valuation date	31-Dec-21	02-Aug-22
Valuation model used	Blackscholes model	Blackscholes model

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

Particulars	**ESOP 2021 - Scheme 1 Grant date - 7th May 2021 16,19,13,182 shares**	**ESOP 2021 - Scheme 1 Grant date - 2nd August 2022 42,50,000 shares**
Expected Volatility	0.54	0.56
Basis of determination of expected volatility	Median historical volatility of comparable companies	Median historical volatility of comparable companies
Contractual Option Life (years)	6.1	5.72
Expected dividends *	0	0
Risk free interest rate	6.27%	7.08%
Valuation of incremental fair value on modification	N.A	N.A

* Expected Dividends is considered zero, as no dividend payout is expected in the foreseeable future.

Options granted and inputs used for measurement of fair value of options, for the key managerial employees and other senior employees

Name of the Employee	**ESOP 2021 - Scheme 1**			
	As at 31 March 2026		**As at 31 March 2025**	
	KMP (In Nos.)	**Others (In Nos.)**	**KMP (In Nos.)**	**Others (In Nos.)**
Options Granted	1,61,93,182	42,50,000	1,61,93,182	42,50,000
Options Vested	51,00,852	11,81,250	51,00,852	11,81,250
Options Lapsed	-	5,00,000	-	5,00,000
Options yet to vest	1,10,92,330	25,68,750	1,10,92,330	25,68,750

Impact on Statement of profit and loss and balance sheet for such share-based payments

Expense recognized for employee services received during the year are as below:

Particulars	**As at 31 March 2026**	**As at 31 March 2025**
Expense arising from equity-settled share-based payment transactions	255.03	255.03

42 RELATED PARTY DISCLOSURES

42.1 Disclosure post elimination of intra-group transactions:

Related party relationships and transactions are as identified by the management.

(i) Associates	FinReach Solutions Private Limited (Upto 12 May 2025)
	Northern Arc Emerging Corporates Bond Trust (w.e.f 26 february 2025)
(ii) Key Managerial Personnel (KMP)	Mr. Ashish Mehrotra, Managing Director & Chief Executive Officer
	Mr. Atul Tibrewal, Chief Financial Officer
	Ms. Monika Gurung, Company Secretary (from 18 January 2024 till 22 April 2024)
	Mr.Prakash Chandra Panda, Company Secretary (w.e.f April 23, 2024)

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

(iii) Director and relative of Key Management Personnel	Ms. Kshama Fernandes, Non - Executive Director
	Mr. Ashutosh Arvind Pednekar - Independent director
	Mr. P S Jayakumar - Independent director
	Ms. Anuradha Rao - Independent director
	Mr. Michael Jude Fernandes - Nominee director
	Mr. Vijay Chakravarthi Nallan - Nominee director
	Mr Arunkumar Nerur Thiagarajan - Independent director (till 13 February 2025)
	Ms. Vidya Krishnan - Nominee director (from 31 October 2025)
	Mr. Sandeep Dhar - Nominee director (from 07 March 2026)
	Mr. T.S. Anantharaman - Nominee director (till 23 June 2025)

A. Transactions during the year :

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Finreach Solutions Private Limited (Upto 12 May 2025)		
Sale of investments	250.00	-
Guarantee Management Service Fee	-	2.84
Northern Arc Emerging Corporates Bond Trust (w.e.f 26 february 2025)		
Investments in Alternate Investment Funds	-	26,000.00
Application money transferred pending allotment	-	1,500.00
Redemption of investments made in Alternate Investment Funds	11,000.00	-
Ms. Kshama Fernandes, Non - Executive Director		
Commission	-	-
Sitting fees	16.50	22.00
Mr. Atul Tibrewal, Chief Financial Officer		
Short term employee benefits		
- Remuneration and other benefits *	253.06	293.94
Share based payment expense	38.67	43.99
Mr. P S Jayakumar - Independent director		
Commission	152.50	154.00
Sitting Fees	17.00	25.00
Mr. Ashish Mehrotra, Managing Director & Chief Executive Officer		
Short term employee benefits		
- Remuneration and other benefits *	970.27	885.38
Share based payment expense	355.62	489.82

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Mr. Ashutosh Arvind Pednekar - Independent director		
Sitting Fees	18.50	23.00
Ms. Anuradha Rao - Independent director		
Sitting Fees	20.50	29.00
Mr Arunkumar Nerur Thiagarajan - Independent director (till 13 February 2025)		
Sitting Fees	-	21.50
Mr. Vijay Chakravarthi Nallan - Nominee director		
Sitting Fees	17.00	2.50
Mr. Michael Jude Fernandes - Nominee director		
Sitting Fees	17.50	4.50
Ms. Vidya Krishnan - Nominee director (from 31 October 2025)		
Sitting Fees	6.50	-
Mr. Sandeep Dhar - Nominee director (from 07 March 2026)		
Sitting Fees	12.00	-
Mr.Prakash Chandra Panda, Company Secretary (w.e.f April 23, 2024)		
Short term employee benefits		
- Remuneration and other benefits *	53.05	33.31
Share based payment expense	4.70	4.09
Advances	3.00	-
Ms. Monika Gurung, Company Secretary (from 18 January 2024 till 22 April 2024)		
Short term employee benefits		
- Remuneration and other benefits *	-	1.20
Advances	-	0.25

* Amount attributable to post employment benefits (except actual payments) have not been disclosed as the same cannot be identified distinctly in the actuarial valuation. Amount excludes transfer from share based payment reserve to securities premium on exercise of employee stock options.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

B. Balances as at year end:

Particulars	As at 31 March 2026	As at 31 March 2025
Finreach Solutions Private Limited (Upto 12 May 2025)		
Investments	-	843.53
Northern Arc Emerging Corporates Bond Trust (w.e.f 26 february 2025)		
Investments	16,206.81	26,730.49
Mr. Ashish Mehrotra, Managing Director & Chief Executive Officer		
Provision for share based payment	1,703.67	1,348.05
Advances	4.30	10.32
Mr. Atul Tibrewal, Chief Financial Officer		
Provision for share based payment	234.49	195.83
Advances	4.00	4.00
Mr.Prakash Chandra Panda, Company Secretary (w.e.f April 23, 2024)		
Provision for share based payment	8.79	4.09
Advances	3.00	-
Ms. Monika Gurung, Company Secretary (from 18 January 2024 till 22 April 2024)		
Advances	-	0.25

Notes:

1) The Company's related party transactions during the year ended 31 March 2026 and 31 March 2025 and outstanding balances as at 31 March 2026 and 31 March 2025 are with its subsidiaries with whom the Company generally enters into transactions which are at arms length and in the ordinary course of business.

2) There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2026, the Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is under taken each financial year through examining the financial position of the related party and the market in which the related party operates.

3) Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

43 The details of the investments held by the group in the Alternative Investment Funds managed by the Company's wholly owned subsidiary, Northern Arc Investment Managers Private Limited, as disclosed in the respective standalone financial statements (aggregate amounts) are as follows:

Fund	31-Mar-26		31-Mar-25	
	Purchases	Redemption#	Purchases	Redemption#
IFMR Fimpact Long Term Credit Fund	11,049.45	8,135.39	29,64,200.26	32,58,976.12
Northern Arc Money Market Alpha Trust Fund	-	-	233.95	233.95
Northern Arc Emerging corporates Bond Fund	1,500	11,000	174.61	1,651.10
Northern Arc Finserv Fund	1,700	-	31,289.16	6,149.84
Northern Arc Fintech NBFC Fund I	-	-	487.79	-
Northern Arc India Impact Fund	-	980.00	-	-

represents the dividend received in respect of cum dividend investment

Fund	Fair value changes	
	Year ended 31 March 2026	Year ended 31 March 2026
IFMR Fimpact Long Term Credit Fund	80.30	396.88
Northern Arc Money Market Alpha Trust Fund	171.08	110.91
Northern Arc India Impact Fund	(691.41)	923.03
Northern Arc Income Builder (Series II) Fund	-	259.58
Northern Arc Emerging corporates Bond Fund	(989.43)	414.18
Northern Arc Finserv Fund	25.99	37.05
Northern Arc Fintech NBFC Fund I	14.96	20.67

Outstanding balances (Investment) at carrying value

Fund	As at 31 March 2026		As at 31 March 2025	
	Units**	Carrying value	Units**	Carrying value
IFMR Fimpact Long Term Credit Fund	2,706.92	2,657.26	2,498.24	2,695.30
Northern Arc Money Market Alpha Trust Fund	32,08,047.01	4,179.05	10,07,206.76	1,071.01
Northern Arc India Impact Fund	6,476.57	3,858.57	6,476.56	5,858.20
Northern Arc Income Builder (Series II) Fund	-	-	-	-
Northern Arc Emerging corporates Bond Fund*	15,946.51	16,702.37	24,857.69	21,596.96
Northern Arc Finserv Fund	2,133.56	2,262.43	500.00	515.77
Northern Arc Fintech NBFC Fund I	487.79	514.97	487.79	515.13

* Northern Arc Emerging corporates Bond Fund has been considered for consolidation in these financial statements. Also refer note 1.

** The units disclosed are in absolute figures

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

44 SEGMENT REPORTING

The Group's operations predominantly relate to arranging or facilitating or providing finance either in the form of loans or investments or guarantees, providing portfolio management, investment advisory and investment management services. The information relating to this operating segment is reviewed regularly by the Group's Board of Directors (Chief Operating Decision Maker (CODM)) to make decisions about resources to be allocated and to assess their performance.

a) The Group has four reportable segments Viz., Financing activity, Investment advisory services and Investment management services. For each of the business, CODM reviews internal management reports on periodic basis.

As of and for the Year ended 31 March 2026

Particulars	Financing activity	Investment advisory services	Investment Management services	Others/ Unallocated	Total reportable segments	Eliminations	Total
(i) Segment revenue							
- External Revenue	2,63,424.38	21.48	3,793.19	1,785.29	2,69,024.34	-	2,69,024.34
- Inter segment revenue	5.19	-	371.12	4,722.91	5,099.22	(5,099.22)	-
Total segment revenue	2,63,429.57	21.48	4,164.31	6,508.20	2,74,123.56	(5,099.22)	2,69,024.34
*** Income from financing activities represents interest income**							
(ii) Segment result before tax							
Add:							
Other Income	953.66	0.05	22.90	785.09	1,761.70	(752.67)	1,009.03
Less:							
Finance costs	88,567.88	-	878.46	40.93	89,487.27	(5.19)	89,482.08
Fees and commission expense	36,820.32	-	-	-	36,820.32	(5,455.48)	31,364.84
Employee benefit expense	23,857.61	-	1,373.54	7,850.12	33,081.27	-	33,081.27
Impairment on financial instruments	41,238.59	-	-	-	41,238.59	(50.39)	41,188.20
Depreciation and amortisation	1,669.69	-	-	209.07	1,878.76	-	1,878.76
Other expenses	15,240.82	3.40	1,629.14	3,279.39	20,152.75	(1,529.36)	18,623.39
Profit/(loss) before tax	**56,988.32**	**18.13**	**306.07**	**(4,086.22)**	**53,226.30**	**329.87**	**53,556.17**
(iii) Segment Assets	16,48,993.36	381.78	11,946.13	5,209.69	16,66,530.96	(8,376.16)	16,58,154.80
(iv) Investments accounted for using equity method	16,305.40	-	-	-	16,305.40	-	16,305.40
(v) Segment liabilities	12,75,958.49	1.27	6,865.71	4,958.82	12,87,784.29	(3,424.74)	12,84,359.55
(vi) Capital Expenditure	1,122.53	-	-	386.82	1,509.35	-	1,509.35
(Vii) Share of profit/(loss) from investments accounted for using equity method	-	-	-	-	-	(858.66)	(858.66)

b) Geographical segment

Geographical information analyses the Group's revenue and assets by the Group's country of domicile (i.e. India) and other countries. The Group did not have any operations outside India hence the geographical segnment is not applicable.

c) Information about major customers

The Group did not have revenue from transactions with a single external customer or counterparty amounted to 10% or more of the group's total revenue in year ended 31 March, 2026.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

As of and for the Year ended 31 March 2025

Particulars	Financing activity*	Investment advisory services	Investment Management services	Others/ Unallocated	Total reportable segments	Eliminations	Total
(i) Segment revenue							
- External Revenue	2,28,019.63	5.93	5,046.09	1,089.38	2,34,161.03	-	2,34,161.03
- Inter segment revenue	623.43	-	-	4,729.70	5,353.13	(5,353.13)	-
Total segment revenue	2,28,643.06	5.93	5,046.09	5,819.08	2,39,514.16	(5,353.13)	2,34,161.03
*** Income from financing activities represents interest income**							
(ii) Segment result before tax							
Add:							
Other Income	1,240.04	0.18	153.37	663.62	2,057.21	(644.51)	1,412.70
Less:							
Finance costs	82,286.37	-	1,126.47	46.58	83,459.42	(623.43)	82,835.99
Fees and commission expense	32,940.65	-	641.54	-	33,582.19	(4,729.70)	28,852.49
Employee benefit expense	20,385.29	-	1,134.52	6,947.49	28,467.30	-	28,467.30
Impairment on financial instruments	41,188.20	-	41.24	-	41,229.44	(744.55)	40,484.89
Depreciation and amortisation	1,531.32	-	-	256.86	1,788.18	-	1,788.18
Other expenses	10,483.44	9.55	1,259.86	4,140.48	15,893.33	(1,558.47)	14,334.86
Profit/(loss) before tax	**41,067.83**	**(3.44)**	**995.83**	**(4,908.71)**	**37,151.51**	**1,456.55**	**38,608.06**
(iii) Segment Assets	13,24,625.91	367.86	13,336.91	5,397.15	13,43,727.83	(7,361.50)	13,36,366.33
(iv) Investments accounted for using equity method	27,440.88	-	-	-	27,440.88	-	27,440.88
(v) Segment liabilities	10,11,151.33	0.82	8,460.34	4,124.48	10,23,736.97	(3,886.09)	10,19,850.88
(vi) Capital Expenditure	3,934.30	-	-	179.95	4,114.25	-	4,114.25
(vii) Share of profit from investments accounted for using equity method	-	-	-	-	-	(201.96)	(201.96)

b) Geographical segment

Geographical information analyses the Group's revenue and assets by the Group's country of domicile (i.e. India) and other countries. The Group did not have any operations outside India hence the geographical segnment is not applicable.

c) Information about major customers

The Group did not have revenue from transactions with a single external customer or counterparty amounted to 10% or more of the group's total revenue in year ended 31 March, 2025.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

45 IMPACT OF HEDGING ACTIVITIES

a) Disclosure of effects of hedge accounting on financial position:

As at 31 March 2026

Type of hedge risks	Notional Amount	Carrying amount of hedging instrument		Maturity Date	Changes in fair value of hedging instrument	Change in the value of hedged item as the basis for recognising hedge effectiveness	Line item in Balance Sheet
Cash flow hedge		Assets	Liabilities				
Cross currency swaps	2,03,084.79	16,225.00	-	15 November 2025 to 18 February 2031	12,036.82	(12,036.82)	Borrowings (Other than debt securities)
Forward contract	1,29,742.70	5,610.82	-	02 September 2026	6,978.39	(6,978.39)	Borrowings (Other than debt securities)

As at 31 March 2025

Type of hedge risks	Notional Amount	Carrying amount of hedging instrument		Maturity Date	Changes in fair value of hedging instrument	Change in the value of hedged item as the basis for recognising hedge effectiveness	Line item in Balance Sheet
Cash flow hedge		Assets	Liabilities				
Cross currency swaps	65,918.27	5,184.09	995.91	15 November 2025 to 15 September 2026	(969.46)	969.46	Borrowings (Other than debt securities)
Forward contract	1,650.95	-	1,367.57	22 September 2025	(1,421.69)	1,421.69	Borrowings (Other than debt securities)
Overnight Indexed Swap	59,325.00	292.46	-	15 December 2026 to 21 September 2027	320.93	(320.93)	- Debt Securities - Borrowings (Other than debt securities)

b) Disclosure of effects of hedge accounting on statement of profit and loss:

Year ended 31 March 2026

Type of hedge	Change in value of the hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised in statement of profit and loss	Amount reclassified from cash flow hedge reserve to statement of profit and loss	Line item affected in statement of profit and loss because of the reclassification
Cash flow hedge				
Cross currency swaps	12,036.82	-	-	NA
Forward Contract	6,978.39	-	-	NA

Type of hedge	Change in value of the hedging instrument recognised in statement of profit and loss	Hedge ineffectiveness recognised in statement of profit and loss	Amount reclassified from cash flow hedge reserve to statement of profit and loss	Line item affected in statement of profit and loss because of the reclassification
Fair value hedge				
Overnight Indexed Swap		-	-	NA

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

Year ended 31 March 2025

Type of hedge	Change in value of the hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised in statement of profit and loss	Amount reclassified from cash flow hedge reserve to statement of profit and loss	Line item affected in statement of profit and loss because of the reclassification
Cash flow hedge				
Cross currency swaps	(969.46)	-	-	NA
Forward Contract	(1,421.69)	-	-	NA

Type of hedge	Change in value of the hedging instrument recognised in statement of profit and loss	Hedge ineffectiveness recognised in statement of profit and loss	Amount reclassified from cash flow hedge reserve to statement of profit and loss	Line item affected in statement of profit and loss because of the reclassification
Fair value hedge				
Overnight Indexed Swap	320.93	-	-	NA

46 GOODWILL

The below table summarises the breakup of Goodwill:

Particulars	Goodwill	
	As at 31 March 2026	As at 31 March 2025
Goodwill in Holding Company (Refer Note 1 below)	2,085.13	2,085.13
Goodwill in subsidiary (Refer Note 2 below)	81.06	81.06
Goodwill arising on consolidation of:		
- Northern Arc Investment Managers Private Limited	168.80	168.80
- Northern Arc Creditech Solutions Private Limited (formerly Northern Arc Investment Adviser Services Private Limited)	5.83	5.83
Total goodwill	**2,340.82**	**2,340.82**

Notes:

1 Goodwill in Holding Company

During the year ended 31 March 2023, the Holding Company had acquired specifically identified assets and liabilities of S.M.I.L.E Microfinance Limited (S.M.I.L.E), a un-listed Company based in India. The excess of the purchase consideration over the value of specifically identified assets and liabilities resulted in a goodwill of ₹ 2,085.13 lakhs for the Holding Company, which comprises the value of expected synergies arising from the acquisition and Intangibles assets recognised in accordance with Ind AS 38 (ie, Technical know-how, Non Compete, Order book etc). The entire amount of goodwill is considered to be associated with Pragati portfolio (CGU), which is part of the business of the Holding Company (arranging or facilitating or providing finance either in the form of loans or investments or guarantees).

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

The Holding Company performed its annual impairment test for year ended 31 March 2026 and 31 March 2025. The Group considers the relationship between recoverable value of net assets taken over and its carrying value, among other factors, when reviewing for indicators of impairment. As at 31 March 2026 and 31 March 2025, the recoverable value of the net assets taken over was higher than the carrying value and no other indicators of impairment were identified. Therefore, no impairment loss allowance is provided for the year ended 31 March 2026 and 31 March 2025.

The recoverable amount of the CGU, ₹ 8,514.40 lakhs as at 31 March 2026, has been determined based on a value in use calculation using excess return method. Key assumptions include (i) discount rate, being the cost of equity applied to cash flow projections at 20.70% and the terminal growth rate at 4% and projections used for value in use is considered for maximum period of 5 years. It was concluded that the recoverable value or value in use exceeded the carrying value of the loan assets. As a result of this analysis, management has not recognised any impairment charge in the current or previous year.

2 Goodwill in Subsidiary:

Particulars	As at 31 March 2026	As at 31 March 2025
Opening Balance	81.06	88.01
Less: Impairment	-	(6.95)
Closing Balance	**81.06**	**81.06**

The above goodwill in subsidiary is related to transfer of employees from S.M.I.L.E Microfinance Limited (acquired entity as specified above) to Pragati Finserv Private Limited. Impairment has been evaluated annually considering the attrition of employees.

47 (A) TREATMENT OF DLG IN COMPUTATION OF EXPECTED CREDIT LOSS

The Holding Company has entered into Default Loss Guarantee (DLG) arrangements with certain Lending Service Providers (LSPs) in relation to loans originated through the digital lending platform. Under these arrangements, the LSPs guarantee to cover the losses arising from borrower defaults up to a certain percentage of the loan portfolio. Based on the guidance under Ind AS 109, the Holding Company had historically considered the expected recoveries from credit enhancements under DLG arrangements in the computation of Expected Credit Loss (ECL).

During the previous year ended 31 March 2025, the Reserve Bank of India (RBI), vide e-mail communication dated 16 May 2025, had directed the Holding Company to exclude the credit enhancements under DLG arrangements in the computation of Expected Credit Loss ("ECL") as at 31 March 2025 and absorb such impact by 30 June 2025. Pursuant to this, the Holding Company had evaluated the total impact of such exclusion of the credit enhancements from the ECL computation to be ₹ 8,041 lakhs as at 31 March 2025 of which the Holding Company, during the quarter ended 31 March 2025, recorded ₹ 6,835 lakhs and the remaining exposure pertaining to ECL of ₹ 1,206 lakhs had been recorded / rundown during the quarter ended 30 June 2025.

In the current year, the RBI issued RBI (Non-Banking Financial Companies – Income Recognition, Asset Classification and Provisioning) Amendment Directions, 2026 dated 13 February 2026 ("the amendment directions"), which permits a NBFC to consider the FLDG benefits for determining provisions under ECL framework across all stages if those are integrated to the contractual terms and not recognized separately, subject to compliance with Indian Accounting Standards, hence the Holding Company has recomputed ECL provision as at 31 March 2026 after considering the expected recoveries from credit enhancement under FLDG arrangements.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

Pursuant to the RBI communication dated 16 May 2025, the Holding Company continued to create an additional ECL provision up to 31 December 2025. Subsequent to the amendment directions, the expected recoveries from credit enhancements under DLG arrangements have been considered while arriving at the ECL. This change has resulted in a net decrease in the ECL provision by Rs. 2,900 lakhs during the year ended 31 March 2026 (net off reversing the ECL provision created upto 31 December 2025 aggregating to ₹ 11000 lakhs). Accordingly, the comparative financial information on ECL provision for the year ended 31 March 2025 is not strictly comparable.

(B) During the current year, management has assessed that the model driven Expected Credit Loss (ECL) estimates, while compliant with Ind AS 109 and validated through internal methodologies, may not fully capture the potential impact of heightened geopolitical uncertainties prevailing in the operating environment. This primarily affects the Holding Company's unsecured retail lending to MSMEs and individuals, including microfinance, which are inherently sensitive to changes in borrower cash flows, inflationary pressures, and broader economic stress conditions. Accordingly, management has considered it prudent to maintain an additional ECL provision of ₹ 6,631 lakhs. This provision is dynamic in nature and will be periodically reassessed based on evolving macroeconomic and portfolio conditions. The utilization or recalibration of the overlay will be considered upon the occurrence of macroeconomic events and portfolio conditions impacting the identified loan portfolios.

48 NEW LABOUR CODE

Pursuant to the notification of the 4 New Labour Codes by the Government of India viz the Code on Wages, 2019, the Code on Social Security, 2020, the Industrial Relations Code, 2020, and the Occupational Safety, Health and Working Conditions Code, 2020 (collectively referred to as the "New Labour Codes") with effect from 21 November 2025, and pending issuance of the detailed Rules, the group has reassessed its employee benefit obligations based on the revised definition of wages and expanded eligibility criteria under the New Labour Codes. Based on the management's best estimates the impact of employee benefit obligations is not material to the audited consolidated financial statements, and the Company continues to monitor developments and will review its estimates as further clarifications and Rules are notified.

49 EVENTS AFTER REPORTING PERIOD

No adjusting or significant non-adjusting events have occurred between the reporting date and the date of authorisation of the consolidated financial statements.

50 AUDIT TRAIL AS PER MCA REQUIREMENT

The Group has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software, except that –

(a) in respect of the loan management systems for one product of the Holding Company, the audit trail feature was enabled, operated throughout the year and was not tampered with at the application level. However at the database level, the audit trail feature for that application was enabled on 02 March 2026 and operated post the aforementioned date for the year for all relevant transactions recorded in the application at a database level.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

(b) the Holding Company utilizes a another Loan Management System (LMS) for its other loan product, which includes an audit trail (edit log) functionality. However, in the absence of testing of the database-level audit trail by the service auditor, the Holding Company is unable to confirm whether the audit trail feature of the LMS, managed by a third-party service provider, was enabled and operated effectively throughout the year. The Holding Company is currently in discussions with the application vendor to assess the feasibility of enabling such a feature in compliance with regulatory requirements. In the interim, the Holding Company relies on alternative manual controls over reports generated from the LMS.

The Group has preserved the audit trail / edit logs for the year in accordance with the statutory record retention requirements, except for audit trail / edit logs at the database level for the matters identified above, where such logs were not maintained due to non-enablement of the audit trail / edit log functionality during the year.

51 OTHER STATUTORY INFORMATION

(i) Stage wise Overdue (DPD) based Loan disclosure

Particulars	As at 31 March 2026				
	Count	Stage 1	Stage 2	Stage 3	Total
Gross amount					
Accounts with No Overdues	21,40,951	12,12,256.00	3,495.40	-	12,15,751.40
Accounts with Overdues	1,64,654	30,255.99	16,598.27	17,786.13	64,640.39
Total	**23,05,605**	**12,42,511.99**	**20,093.68**	**17,786.13**	**12,80,391.79**

Particulars	As at 31 March 2025				
	Count	Stage 1	Stage 2	Stage 3	Total
Gross amount					
Accounts with No Overdues	16,97,230	10,13,428.10	71.18	170.90	10,13,670.18
Accounts with Overdues	2,16,912	30,682.95	23,765.31	15,635.53	70,083.79
Total	**19,14,142**	**10,44,111.05**	**23,836.49**	**15,806.43**	**10,83,753.97**

(ii) The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.

(iii) The Group does not have any transactions with companies struck off as per section 248 of Companies Act, 2013.

(vi) The Group does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period

(v) The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(vi) As part of the normal business, the Group invests in Alternate Investment Fund managed by the subsidiary of the Company and also lends loan to the subsidiary for onward investment into these AIFs. The AIFs invests in debt instruments issued by various originators based on decision made by the investment committee

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

of the respective funds. These transactions are part of the Group's normal investment activities/ business, which is conducted after exercising proper due diligence including adherence to terms of private placement memorandum of respective AIFs and other guidelines.

(vii) The Group has not advanced or loaned or invested funds to any other person or entity, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or

b. provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(viii) The Group has not received any fund from any person or entity, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries"

(ix) The Group does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

(x) Compliance with approved Scheme(s) of Arrangements: The Company has not entered in any such arrangements during the year.

52 PREVIOUS YEAR FIGURES

Previous year figures have been regrouped/rearranged, wherever considered necessary, to conform to the classification/disclosure adopted in the current year. The regrouping/ reclassification are not material to the consolidated financial statements.

As per our report of even date attached

For Walker Chandiok & Co LLP
Chartered Accountants
ICAI Firm Registration no.: 001076N/N500013

Murad D. Daruwalla
Partner
ICAI Membership No. 043334

Place : Mumbai
Date : 08 May 2026

For and on behalf of the board of directors of
Northern Arc Capital Limited
CIN: L65910TN1989PLC017021

P.S.Jayakumar
Chairman
DIN : 01173236

Ashish Mehrotra
Managing Director and Chief Executive Officer
DIN: 07277318

Atul Tibrewal
Chief Financial Officer

Prakash Panda
Company Secretary
Membership No: A22585

Place : Mumbai
Date : 08 May 2026