Corporate Governance Report

The Board of Directors present the Corporate Governance Report of the Company for the Financial Year 2025-26. This report outlines the Company's governance framework, policies and practices highlighting the systems and processes followed by the Company to ensure compliance with applicable Corporate Governance requirements as prescribed under relevant laws, regulations and guidelines.

The Company remains committed to maintaining the highest standards of integrity, transparency, accountability, and ethical conduct in all aspects of its operations, thereby fostering the trust of all stakeholders.

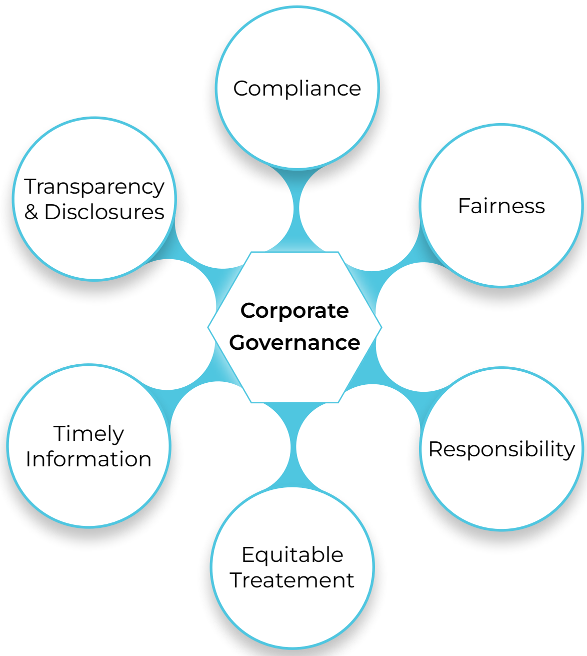
COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance is a system of rules, practices and processes on which an entity is operated, regulated and controlled. The Company's philosophy on corporate governance oversees business strategies and ensures fiscal accountability, ethical corporate behaviour and fairness to all stakeholders comprising regulators, employees, customers, vendors, investors and the society at large. You Company's Governance Structure is multi-tiered, comprising:

Board of Directors: Entrusted with oversight and strategic direction. The Board is responsible for and committed to sound principles of Corporate Governance in the Company.

Board Committees: Specialized group of board members, established to focus on key functional areas of the organization. These committees play a critical role in strengthening governance by providing detailed oversight, informed guidance, and dedicated attention within the overall governance framework. Internal sub-committees/management committees further support these Board Committees with cross-functional expertise.

Managing Director & CEO: Responsible for implementing the strategic directions and decisions of the board and overseeing the day-to-day management and operations of the Company.



Your company is a professionally managed Company functioning under the overall guidance of the Board. The Company believes that a well-functioning and informed Board of Directors are the key to good corporate governance. The Board is comprised of a core group of excellent, professionally acclaimed non-executive directors who understand their dual role of appreciating the issues put forward by management and honestly discharging their fiduciary responsibilities to safeguard the interests of all the Company's stakeholders.

By adhering to regulatory guidelines and achieving the highest standards of Corporate Governance, the Board of directors of your Company demonstrates its commitment by framing the Internal guidelines on Corporate Governance ("Corporate Governance Policy"). The Policy was framed by taking into account the relevant statutory provisions under the Reserve Bank of India (Non-Banking Financial Companies - Governance) Directions, 2025 ("RBI Directions"), the Companies Act, 2013 (the "Act") and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), circulars and other guidelines issued by the regulators from time to time. The Corporate Governance Policy is also available at the website of the Company at https://www.northernarc.com//assets/uploads/policies/Corporate_Governance_Policy.pdf

The Company is in compliance with the requirements stipulated under Regulations 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI Listing Regulations and applicable RBI Directions with regard to corporate governance.

BOARD OF DIRECTORS

The Board of the Company is governed and constituted in accordance with the applicable provisions of the Companies Act, 2013 and the rules made thereunder, SEBI Listing Regulations, applicable RBI Directions, the Articles of Association of the Company and other circulars & guidelines issued by the Regulators from time to time, in accordance with the best practices in Corporate Governance.

BOARD COMPOSITION

As on 31 March, 2026, the Board of Directors of the Company comprised of 9 (Nine) directors, inclusive of 1 (One) Executive Director, 2 (Two) Non-Executive Nominee Directors representing the equity investors, 2 (Two) Non-Executive Non-Independent Directors and 4 (Four) Independent Directors. Mr. P. S. Jayakumar, Non-Executive Independent Director is the Chairman of Board of Directors of the Company. The composition of the Board is in conformity with Regulation 17 of the SEBI Listing Regulations read with Section 149 and 165 of the Companies Act, 2013.

Composition of Board as on 31 March, 2026

Category of Directors	No. of Directors
Executive Director	1
Non-executive Non-Independent Directors	2*
Non-executive Independent Directors	4
Nominee Directors	2
Total	**9***

* Ms. Kshama Fernandes (DIN: 02539429) completed her tenure as Non Executive Non Independent Director with effect from the close of business hours on 31 March, 2026. Accordingly, the Board strength stands at 8 (eight) members with effect from 1 April, 2026.

The category of each Director, together with attendance at Board Meetings and at the last Annual General Meeting[1], Number of Directorships and Committee Chairmanships / Memberships held by them in other companies, Name of other listed entities in which the director is a director & category of directorship and Number of equity shares and convertible instruments [2] of the Company held by directors as on 31 March, 2026 are given below:

Sl. No	Name of the Director & Category	No. of Board Meetings attended out of Total Board meetings liable to attend during 31 March 2026	No. of Equity Shares held as on 31 March, 2026	No. of Directorships held in other companies[3] (as on 31 March, 2026)	Committee position(s) as per Regulation 26(1)[4] (as on 31 March, 2026)		Directorship in other Listed entities[6] & Category of directorship (as on 31 March, 2026)
					As Chairman	As Member	
1	Mr. P. S. Jayakumar (DIN: 01173236) Independent Director	8/9	1,42,585	11	3	7	1. ICRA Limited - Independent Director 2. Adani Ports and Special Economic Zone Limited - Independent Director 3. Emcure Pharmaceuticals Limited - Independent Director 4. HT Media Limited - Independent Director 5. JM Financial Limited - Independent Director 6. CG Power and Industrial Solutions Limited - Independent Director
2	Mr. Ashish Mehrotra (DIN: 07277318) Managing Director & CEO	9/9	1,48,913	13	0	1	--
3	Dr. Kshama Fernandes[7] (DIN: 02539429) Non-Executive Non-Independent Director	9/9	3,54,346	6	1	6	1. Sundaram Finance Limited - Independent Director 2. Goa Carbon Limited - Independent Director
4	Ms. Anuradha Rao[5] (DIN: 07597195) Non-Executive Non-Independent Director	9/9	Nil	2	0	2	1. Sundaram Finance Limited - Independent Director 2. SBI Cards and Payment Services Limited - Independent Director
5	Mr. Michael Jude Fernandes (DIN: 00064088) Nominee Director representing LEAPFROG Financial Inclusion India II Ltd (equity investor)	9/9	Nil	0	0	1	--
6	Mr. Vijay Chakravarthi (DIN: 08020248) Nominee Director representing Augusta Investments II Pte. Ltd (equity investor)	9/9	Nil	4	0	3	--
7	Mr. Ashutosh Pednekar (DIN: 00026049) Independent Director	9/9	Nil	5	4	5	1. Elecon Engineering Company Limited - Independent Director
8	Mr. Sandeep Dhar (DIN: 00182797) Independent Director	5/8	Nil	1	0	2	--
9	Ms. Vidya Krishnan (DIN: 09669166) Independent Director	3/3	Nil	1	1	3	1. CMS Info Systems Limited – Independent Director
10	Mr. Trikkur Seetharaman Anantharaman (DIN: 00480136) Nominee Director representing 360 One Special Opportunities Fund (equity investor)	2/2	Not applicable, since Mr. Trikkur Seetharaman Anantharaman, resigned with effect from 23 June, 2025				

[1] All the Directors except Mr. Michael Jude Fernandes and Mr. Vijay Chakravarthi were present at the last Annual General Meeting held on 25 August, 2025.

[2] None of the Directors hold any convertible instruments of the Company.

[3] Excluding Northern Arc Capital Ltd.

[4] Committee positions include all public limited companies, but excludes private limited companies, foreign companies and companies registered under Section 8 of the Companies Act, 2013. Only the Audit Committee and the Stakeholders Relationship Committee are considered for the purpose of reckoning committee positions.

[5] The tenure of Ms. Anuradha Rao as Independent Director was completed on 30 October, 2025 and she was appointed as Non-executive Non-Independent director of the Company with effect from 31 October, 2025.

[6] Names of entities which have listed its equity shares were disclosed (excluding Northern Arc Capital Ltd).

[7] Cessation of Directorship due to Tenure completion on 31 March, 2026.

CHANGES IN THE BOARD

(i) Mr. Sandeep Dhar (DIN: 00182797) was appointed as an Additional Director (Non Executive, Independent) of the Company with effect from 07 May, 2025, for a term of five consecutive years. His appointment as Director (Non Executive, Independent) was subsequently approved by the shareholders of the Company.

(ii) Mr. Trikkur Seetharaman Anantharaman (DIN: 00480136) resigned from the position of Non Executive Nominee Director of the Company with effect from 23 June, 2025, representing 360 One Special Opportunities Fund, subsequent to the sale of its stake in the Company.

(iii) Ms. Anuradha Rao (DIN: 07597195) retired as Independent Director of the Company with effect from 30 October, 2025. She was thereafter appointed by the Board as an Additional Director (Non Executive, Non Independent) with effect from 31 October, 2025. The shareholders approved her appointment as Director (Non Executive, Non Independent) through postal ballot dated 24 January, 2026.

(iv) Ms. Vidya Krishnan (DIN: 09669166) was appointed by the Board as an Additional Director (Non Executive, Independent) with effect from 31 October, 2025. Her appointment as Director (Non Executive, Independent) was approved by the shareholders through postal ballot on 24 January, 2026.

(v) Ms. Kshama Fernandes (DIN: 02539429) ceased to be a Director (Non Executive, Non Independent) of the Company with effect from 31 March, 2026, upon completion of her tenure.

In terms of the applicable provisions of the Companies Act, 2013 and the SEBI Listing Regulations, the Directors of the Company submit requisite disclosures regarding the positions held by them on the Board and Committees of other companies with changes therein, if any, on periodical basis. On the basis of such disclosures, it is confirmed that as on 31 March, 2026, none of the Directors of the Company:

- holds Directorship positions in more than 20 (Twenty) companies [including 10 (Ten) public limited companies and 7 (Seven) listed companies];
- who holds Managing Director / Wholetime Director position in any listed entity, serves as an Independent Director in more than 3 (Three) listed companies;
- is a Member of more than 10 (Ten) Committees and/ or Chairperson of more than 5 (Five) Committees, across all the Indian public limited companies in which they are Directors;

The Company has formulated and adopted a Policy on Fit and Proper Criteria for the Directors as per the provisions of RBI Directions. All the Directors have confirmed that they satisfy the fit and proper criteria at the time of the appointment / re-appointment and on a continuing basis and all the Directors has executed the Deed of Covenants as prescribed under the RBI Directions.

Disclosure of relationships between directors inter-se

None of the Directors are related to each other.

INDEPENDENT DIRECTORS

All Independent Directors fulfil the criteria of Independence as per Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations. In terms of Regulation 25(8) of SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence.

A Declaration on compliance with Rule 6(3) of the Companies (Appointment and Qualification of Directors Rules), 2014 along with a declaration as provided in the Notification dated 22 October, 2019, issued by the Ministry of Corporate Affairs ("MCA"), regarding the requirement relating to enrolment in the Data Bank for Independent Directors, has been received from all the Independent Directors, along with declaration made under Section 149(7) of the Act.

In accordance with RBI Directions, no independent director is on the Board of more than three NBFCs (NBFCs-Middle Layer or NBFCs-Upper Layer) at the same time. Further, there is no conflict arising out of independent directors being on the Board of another NBFC at the same time.

Based on the declarations received from the Independent Directors, the Board of Directors have assessed and confirmed that they are independent of the management & fulfil the conditions specified in the Companies Act, 2013 and SEBI Listing Regulations.

During the year under review, no Independent Director has resigned before the expiry of his / her tenure.

Terms and Conditions for Appointment of Independent Directors

A formal letter of appointment is issued by the Company to the newly appointed Directors which details the terms and conditions of his/her appointment. Independent Directors' tenure is fixed in terms of the provisions of the Companies Act, 2013, Listing Regulations and RBI Directions. The format of Terms and Conditions for appointment of Independent Directors is available on the website of the Company at https://www.northernarc.com/assets/uploads/pdf/Terms_and_conditions_of_ID.pdf

FAMILIARISATION PROGRAMMES

The Company's independent directors are eminent professionals and are fully conversant and familiar with the business of the Company. The Company has an ongoing familiarization programme for all directors with regard to their roles, duties, rights, responsibilities in the Company, nature of the industry in which the Company operates, the business model of the Company etc. The programme is embedded in the regular meeting agenda where alongside the review of operations, financials and Company strategy are presented on a quarterly basis. Specific topics of relevance with respect to the Company's operations are also covered as part of the Board / Committee meetings. The details of the familiarization programme attended by directors are available on the website of the company at https://www.northernarc.com/assets/uploads/policies/Familiarisation_Programme_for_Independent_Directors.pdf

CORE SKILLS/EXPERTISE/COMPETENCE OF THE BOARD

The following is the list of core skills / expertise / competencies identified by the Board of Directors as required in the context of Company's business for effective functioning. It is also confirmed that the directors possess these skills and competencies to ensure effective functioning of the Company.

1. Banking / NBFC Operations
2. Risk Management
3. Information Technology / Cybersecurity
4. Finance
5. Business Strategy
6. Governance
7. Accounts / Auditing

The details of core skills/expertise/competence possessed by the Board of Directors of the Company during the year under review:

Sl. No	Name of the Director & Category	Core Skills / Expertise / Competence						
		Banking / NBFC Operation	Risk Management	Information Technology / Cybersecurity	Finance	Business Strategy	Governance	Accounts/ Auditing
1	Mr. Ashish Mehrotra MD & CEO	✓	✓		✓	✓	✓	
2	Dr. Kshama Fernandes Non-Executive Non-Independent Director	✓	✓			✓	✓	
3	Ms. Anuradha Rao Non-executive Non-Independent Director	✓	✓	✓	✓	✓	✓	
4	Mr. Michael Jude Fernandes Nominee Director	✓	✓		✓	✓	✓	

Sl. No	Name of the Director & Category	Core Skills / Expertise / Competence						
		Banking / NBFC Operation	Risk Management	Information Technology / Cybersecurity	Finance	Business Strategy	Governance	Accounts/ Auditing
5	Mr. Vijay Chakravarthi Nominee Director	✓	✓		✓	✓	✓	
6	Mr. Ashutosh Pednekar Independent Director	✓	✓		✓		✓	✓
7	Mr. P S Jayakumar Independent Director	✓	✓			✓	✓	✓
8	Mr. Sandeep Dhar Independent Director	✓	✓	✓		✓	✓	✓
9	Ms. Vidya Krishnan Independent Director	✓	✓	✓		✓	✓	✓

BOARD AND COMMITTEE MEETINGS:

The Board / Committee Meetings are convened by giving appropriate notice well in advance of the meetings and the tentative annual calendar of meetings are determined at the beginning of each year. The Directors / Members are provided with appropriate information in the form of agenda in a timely manner to enable them to deliberate on each agenda item and make informed decisions and provide appropriate directions to the Management. However, in instances where any urgent business arises, the Company conducts necessary transactions by passing resolution(s) through circulation, as permitted by law. These resolutions are noted at the subsequent Meeting, ensuring compliances and timely decision-making.

Further, video conferencing or other audio-visual means facility is effectively utilized to facilitate participation of Directors, who are unable to attend the meetings in person, in compliance with the applicable laws. The Management Team attends the Board and Committee meetings upon invitation, as and when required.

The Governance framework in the Company includes an effective post-meeting follow up, review and reporting of action taken points/pending actions relating to the decisions of the Board Committees and the Board of Directors.

BOARD MEETINGS

During the year under review, 9 Board Meetings were held and the maximum time gap between any two meetings was not more than 120 days. The date of Board meetings and the attendance of each director at the meetings held during the period from 1 April, 2025 to 31 March, 2026 are mentioned below:

Name of the Director and Designation	07-05-2025	19-05-2025	02-07-2025	29-07-2025	12-09-2025	31-10-2025	11-12-2025 & 13-12-2025 [1]	30-01-2026	23-02-2026 & 24-02-2026 [2]	Attended during the Year	Attendance % (Director-wise)
Mr. P. S. Jayakumar Non-Executive Independent Director Chairman	VC	P	X	P	VC	VC	VC	P	P	8	88.89
Mr. Ashish Mehrotra Managing Director & CEO	P	P	VC	P	VC	P	VC	P	P	9	100.00
Mr. Ashutosh Pednekar Non-Executive Independent Director	P	P	VC	P	VC	P	VC	P	P	9	100.00
Ms. Anuradha Rao Non-Executive Non-Independent Director	P	VC	VC	P	VC	VC	VC	VC	VC	9	100.00
Mr. Michael Fernandes Non-Executive Nominee Director	P	P	VC	P	VC	P	VC	P	P	9	100.00
Mr. Vijay Nallan Chakravarthi Non-Executive Nominee Director	P	P	VC	P	VC	P	VC	P	P	9	100.00
Ms. Kshama Fernandes Non-Executive Non-Independent Director	P	P	VC	P	VC	VC	VC	P	P	9	100.00
Mr. T. S. Anantharaman Non-Executive Nominee Director	P	P	NA	NA	NA	NA	NA	NA	NA	2	100.00
Mr. Sandeep Dhar Non-Executive Independent Director	NA	P	X	P	X	VC	X	VC	VC	5	62.50
Ms. Vidya Krishnan Non-Executive Independent Director	NA	NA	NA	NA	NA	NA	VC	P	P	3	100.00
Attendance % (Meeting-wise)	100%	100%	75%	100%	88%	100%	89%	100%	100%	95%	

VC Attended Meeting through Video Conference | P Director(s)/ Member(s) Present | X Director(s)/ Member(s) Absent

Notes:

[1] The Board meeting held on 11.12.2025 was adjourned and continued on 13.12.2025. For attendance and compliance reporting, both dates are considered as a single meeting.

[2] The Board meeting held on 23.02.2026 was adjourned and continued on 24.02.2026. For attendance and compliance reporting, both dates are considered as a single meeting.

COMMITTEES OF THE BOARD

The Board has constituted various committees to enable focused decision making and discharging its responsibilities. The eight Committees of the Board are Audit committee (AC), Nomination & Remuneration committee (NRC), Stakeholders relationship committee (SRC), Risk management committee (RMC), Corporate Social Responsibility committee (CSR), Environmental, Social, and Governance committee (ESG), IT strategy committee (ITSC) and Review Committee for Wilful defaulters (RCWD). Besides, Board also constituted various executive-level committees either as per relevant regulatory guidelines or as per business requirements, in order to improve the board effectiveness and to impart special attention in areas where more focus and specific deliberations are required.

The board at the time of constitution of each committee fixes the terms of reference, delegates powers and reviews the same periodically. The Company Secretary of the Company acts as Secretary of the Committees. Various recommendations of the committees are submitted to the board for approval. During the year, the board has accepted all recommendations of the committees. The minutes of the meetings of all the committees are placed at the subsequent meeting to the Board for its information. Details of the Committees of the Board and other related information for the year under review are detailed below:

1. Audit Committee:

Audit Committee was constituted in accordance with Section 177 of the Companies Act, 2013, Regulation 18 of SEBI Listing Regulations and applicable provisions of RBI Directions as amended, from time to time.

All the members of the Committee are financially literate and have adequate knowledge in accounting and financial management. The Chairperson of the committee was present at the last Annual General Meeting. The MD & CEO, Chief Financial Officer, Statutory Auditors and Internal Auditors are invited to the meetings of the Audit Committee. In line with the requirement under RBI regulations, the committee had separate meetings every quarter with Head – Internal Audit of the company without the presence of the MD & CEO and the management team.

During the financial year 2025-26, Audit Committee met Eight (8) times and not more than one hundred and twenty days lapsed between two consecutive meetings of the Committee. The date of meetings and the attendance of each director at the meeting held during the period from 01 April, 2025 to 31 March, 2026 are mentioned below:

Audit Committee Member(s)	30-04-2025	19-05-2025	29-07-2025	19-08-2025	31-10-2025	20-11-2025	30-01-2026	16-03-2026	Attended during the Year
Mr. Ashutosh Pednekar Independent Director & Chairman of the Committee	VC	Present	Present	VC	Present	VC	Present	VC	8
Ms. Anuradha Rao Non-executive, Non-Independent Director[1] Member of the Committee	VC	VC	Present	VC	NA	VC	VC	VC	7
Mr. P. S. Jayakumar Non-executive, Independent Director Member of the Committee	VC	VC	Present	VC	VC	VC	Present	VC	8
Mr. T. S. Anantharaman [2] Non-executive, Nominee Director Member of the Committee	VC	Present	NA	NA	NA	NA	NA	NA	2
Mr. Vijay Nallan Chakravarthi Non-executive, Nominee Director Member of the Committee [3]	NA	Present	Present	VC	Present	VC	VC	VC	7
Ms. Vidya Krishnan Non-executive, Independent Director Member of the Committee [4]	NA	NA	NA	NA	NA	VC	Present	VC	3
Mr. Sandeep Dhar Non-executive, Independent Director Member of the Committee [3]	NA	Present	VC	VC	VC	VC	VC	VC	7
	100%	100%	100%	100%	100%	100%	100%	100%	

Attended Meeting through Video Conference Director(s)/ Member(s) Present

[1] Ms. Anuradha Rao retired as Independent Director on 30 October, 2025 and was appointed as Non-Executive, Non-Independent Director with effect from 31 October, 2025

[2] Resigned with effect from 23 June, 2025

[3] Appointed with effect from 07 May, 2025

[4] Appointed with effect from 31 October, 2025

Terms of Reference of Audit Committee

1. In relation to Internal Control Procedures:
   (a) Review on a regular basis the adequacy of the internal control system, which includes the structure and organization of the accounts department, and all the transactions/deals recorded during the period.

   (b) Review the progress and outcome of any regulatory audit conducted on the Company and/or its subsidiaries from time to time.

   (c) Review and discuss with the accounts department and management, issues and findings arising from internal investigations into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature. Reporting all such instances to the Board.

   (d) Approve the appointment, re-appointment, removal or replacement (as the case may be) of internal auditors, and fixation of audit fee for such services and other similar services. The Audit Committee should be satisfied with the internal auditors' independence and arm's length relationship with the Company.

   (e) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit

   (f) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.

   (g) Discussion with internal auditors of any significant findings and follow up there on reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;

   (h) The role of an internal auditor so appointed shall include checking for compliance with applicable laws and regulations (including but not limited to regulations of SEBI & RBI).

   (j) The Audit committee shall also ensure that an Information Systems Audit of the internal systems and processes is conducted in line with applicable RBI Guidelines and commensurate with the size and the risks of the Company, to assess operational risks faced by the Company.

2. In relation to Statutory Auditors:
   (a) Recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;

(b) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;

(c) Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;

(d) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern and

(e) Carrying out any other function as is mentioned in the terms of reference of the audit committee.

2.1 The audit committee shall mandatorily review the following:

(a) management discussion and analysis of financial condition and results of operations;

(b) management letters / letters of internal control weaknesses issued by the statutory auditors;

(c) internal audit reports ; and

(d) the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.

(i) statement of deviations: quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of Listing Regulations and annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus/notice in terms of Regulation 32(7) Listing Regulations.

2.2 Selection and compensation

i) Recommendation of the appointment / re-appointment and removal / replacement of statutory auditors, fixation of audit fees in accordance with the Policy on Appointment of Statutory Auditors ("Policy").

ii) The Audit Committee should be satisfied with the statutory auditors' independence and arm's length relationship with the Company. Towards this, the Committee shall monitor and assess the independence of the auditors and conflict of interest position in terms of relevant regulatory provisions, standards and best practices.

2.3 Rotation of statutory auditors:

The Audit Committee shall recommend the appointment or reappointment of a firm as statutory auditor for a continuous period of three years, subject to the firm satisfying the eligibility as specified in the Policy. Any removal of the Statutory Auditors before completion of three years tenure shall be informed to the concerned SSM/RO at RBI, along with reasons/justification for the same, within a month of such a decision being taken.

An audit firm would not be eligible for reappointment in the same Entity for six years (two tenures) after completion of full or part of one term of the audit tenure.

The Audit Committee shall be guided by RBI Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) dated 27 April, 2021, as may be amended from time to time with regard to, inter alia:

a) fulfilment of conditions pertaining to eligibility criterial for appointment of Statutory Auditor

b) ensuring the independence of the auditors

c) tenure and rotation of auditors and

d) adherence to provisions with respect to audit fees and expenses.

e) Number of Audit Firms to be appointed

f) Eligibility Criteria of Auditors

g) Professional Standards of Auditors and

h) Procedure for appointment of Auditors

2.4 Pre-audit discussions:

Discussion with statutory auditors before the audit commences about the nature, scope and approach of the audit including formulation of an audit plan to be undertaken by the auditor.

2.5 Post-audit discussions:

Post-audit discussion with statutory auditors to ascertain areas of concern and also review with the statutory auditor:

(i) any audit problems or difficulties and management's response thereon.

(ii) any "management" or "internal control" letter issued or proposed to be issued by the audit firm to the company.

3. In relation to the Company's financial statements

(i) Review of the Company's accounting policies, internal accounting controls, financial policies and such other similar matters as the Audit Committee deems appropriate.

(ii) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are materially correct.

(iii) Review and discuss the audited financial statements with management and the statutory auditors and determine whether they are complete and consistent with the information known to committee members; assess whether the financial statements reflect appropriate accounting principles.

(iv) Review with the management about the annual financial statements before submission to the Board focusing primarily on:

(i) Any change in accounting policies and practices

(ii) Major accounting entries based on exercise of judgment by management

(iii) Qualifications in draft audit report

(iv) Significant adjustments arising out of audit

(v) The going concern assumption

(vi) Compliance with accounting standards applicable to the Company.

(v) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a [public issue or rights issue or preferential issue or qualified institutions placement], and making appropriate recommendations to the board to take up steps in this matter.

(vi) Review before release of the financial statements audited or otherwise, the Directors' Report, and such other matters which form part of the Annual Report of the Company including, but not limited to, the schedule to the Balance Sheet that is required to be annexed in accordance with the "Prudential Norms", "Miscellaneous Instructions" prescribed by the Reserve Bank of India from time to time which apply to the Company.

(vii) Review of the:

(i) Analyses prepared by the management and/or the statutory auditor setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements

(ii) The effect of regulatory and accounting initiatives

(iii) Off-balance sheet structures on the financial statements.

4. Other responsibilities of Audit Committee:

(i) Approval or any subsequent modification of transactions of the listed entity with related parties;

(ii) Review, on at least a quarterly basis, all related party transactions entered into by the listed entity or its subsidiaries pursuant to each omnibus approval granted, as per Regulation 23 of SEBI Listing Regulations.

(iii) Review the eligibility and recommend the appointment of Secretarial Auditors.

(iv) Scrutiny of inter-corporate loans and investments;

(v) Valuation of undertakings or assets of the listed entity, wherever it is necessary

(vi) Look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

(vii) Review the functioning of the whistle blower mechanism;

(viii) Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.

(ix) Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders

(x) Review and recommend Statutory Auditor appointment Policy to the Board of Directors.

(xi) Carrying out any other function as is mentioned in the terms of reference of the audit committee.

(xii) Monitor the system of internal audit of all outsourced activities

(xiii) Review the ageing analysis of entries pending reconciliation with outsourced vendors and make efforts to reduce the old outstanding items therein at the earliest.

(xiv) To approve the requirements under IND AS 109 & ECL

(xv) Oversight of IS Audit of the Company

(xvi) Ensure to have one to one meeting with Head of Internal Audit and Chief Compliance Officer of the Company, without the presence of the senior management (including the MD & CEO / WTD)

2. Nomination and Remuneration Committee:

Nomination and Remuneration Committee (NRC) was constituted in accordance with Section 178 of the Companies Act, 2013, Regulation 19 of SEBI Listing Regulations, Regulation 5 of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and applicable provisions of RBI Directions as amended, from time to time.

The Committee is chaired by a Non-Executive Independent Director. The Chairperson of the committee as on the date of last Annual General Meeting was present at such meeting. The majority of the members of this committee are independent directors. In addition to the members of the Nomination & Remuneration Committee, these meetings were also attended by the management team members who were considered necessary for providing input to the Committee on need basis.

The date of meetings and the attendance of each director at the meeting held during the period from 1 April, 2025 to 31 March, 2026 are mentioned below:

Nomination and Remuneration Committee Member(s)	07-05-2025	20-05-2025	02-06-2025	30-10-2025	29-01-2026	Attended during the Year
Mr. P. S. Jayakumar Non-executive Independent Director Member of the Committee	👤	👤	👤	📹	👤	5
Ms. Anuradha Rao[1] Non-executive Non-Independent Director Member of the Committee	👤	📹	📹	📹	NA	4
Ms. Vidya Krishnan[2] Non-executive Independent Director Chairperson of the Committee	NA	NA	NA	NA	👤	1
Mr. Michael Fernandes Non-executive Nominee Director Member of the Committee	👤	👤	👤	📹	👤	5
	100%	100%	100%	100%	100%	

📹 Attended Meeting through Video Conference 👤 Director(s)/ Member(s) Present

[1] Ms. Anuradha Rao served as Chairperson of Committee until her retirement as Independent Director on 30 October, 2025.

[2] Appointed with effect from 31 October, 2025.

Terms of Reference of Nomination and Remuneration Committee

(1) formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to the remuneration of the directors, key managerial personnel and other employees;

(2) formulation of criteria for evaluation of performance of independent directors and the board of directors;

(3) evaluating the balance of skills, knowledge and experience on the Board and prepare a description of the role and capabilities required of an independent director, before appointment of Independent Directors.

(4) devising a policy on diversity of board of directors;

(5) identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal and specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance.;

(6) determining whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;

(7) recommend to the board, all remuneration, in whatever form, payable to senior management;

(8) performing such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended;

(9) ensuring 'fit and proper' status of proposed/ existing directors and that there is no conflict of interest in appointment of directors on Board of the company, KMPs and senior management in terms of the Reserve Bank of India (Non-Banking Financial Companies - Governance) Directions dated 28 November, 2025, as amended ("Master Directions");

(10) overseeing the framing, review and implementation of compensation policy of the company and ensuring that compensation levels are supported by the need to retain earnings of the company and the need to maintain adequate capital based on ICAAP.

(11) analysing, monitoring and reviewing various human resource and compensation matters;

(12) reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;

(13) framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including: (i) the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended; or (ii) Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003, as amended;

(14) institute an internal process to conduct due diligence of directors on a continuing basis.

(15) scrutinize the declarations received from directors and decide on the acceptance or otherwise of the Directors, where considered necessary.

(16) work in close coordination with the Risk Management Committee of the Company to achieve effective alignment between compensation and risks.

(17) Performing such other functions as may be delegated by the Board and/or prescribed under the SEBI Regulations, the Directions issued by Reserve Bank of India and under Companies Act, 2013 each as amended from time to time or other applicable law.

Notwithstanding the generality of the foregoing, the specific goals and responsibilities of the Nomination and Remuneration Committee are as follows:

1) Recommend criteria for determining qualifications, positive attributes and

independence for appointing Executive Directors, Independent Directors and Board committees and recommending to the Board suitable candidates for appointment to the Board and Board committees (i.e. Audit Committee, Risk Management Committee,) consistent with the "Fit and Proper" Policy for appointment of directors in accordance with the RBI Directions.

2) Ensuring that there is an appropriate induction in place for new directors and Key Managerial Personnel.

3) Recommending to the Board names of individuals who may be considered for nomination and appointment as Directors by the Company

4) For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:

   a. use the services of an external agencies, if required;

   b. consider candidates from a wide range of backgrounds, having due regard to diversity; and

   c. consider the time commitments of the candidates

5) Recommending to the Board names of individuals who may be considered for nomination and appointment as Key Managerial Personnel and to the senior management by the Company.

6) Developing and recommending Board governance policies and practices.

7) Ensuring adequate training and education for Board members and Key Managerial Personnel.

8) Developing a succession plan for Board and Key Managerial Personnel and regularly reviewing the plan.

9) Recommending remuneration/ compensation structure (including the employees stock option plan) of the Board of Directors (excluding Independent Directors).

10) Recommending remuneration/ compensation structure (including the employees stock option plan) of the Key Managerial Personnel and other employees of the company.

11) Recommending the formation of any new committee of the Board and suggesting nominations for such committees to the Board.

12) Delegating any of its powers to one or more of its members or to a separate committee or to any other person.

13) Recommend changes in Board composition to the Board.

14) Recommending changes to the Board of Directors of the subsidiaries of the Company as well as to the charters of the respective sub-committees of the relevant Board of Directors of each subsidiary.

15) Considering any other matters at the request of the Board and such matters as may be required to be considered by law.

16) Provided that in the case of the Directors other than Independent Directors and Executive Directors, the Nomination and Remuneration Committee shall only advise the Board on whether any person nominated to be Director by any shareholder meets the fit and proper criteria prescribed by any law in force (including as may be related to RBI, SEBI or under the Companies Act, 2013) for the appointment as Directors.

Performance evaluation criteria

Nomination and Remuneration Committee formulated the methodology and criteria for evaluation of Independent Directors, Non-Independent Directors, Chairman, Committees of the Board and the Board as a whole in accordance with the relevant provisions of the Companies Act, 2013, SEBI Listing Regulations and as per the Guidance Note on Board Evaluation issued by SEBI under Master Circular no. SEBI/HO/CFD/PoD2/CIR/P/0155 dated 11 November, 2024.

The performance evaluation of Independent Directors was carried out by the entire Board excluding the Directors being evaluated. The performance evaluation criteria for Independent Directors as formulated by the NRC inter alia includes qualifications & experience, standards of integrity, attendance in meetings, understanding of Company's business and value addition in Board Meetings, expression of independent views and judgement, independence from the management etc.,

The evaluation process was initiated by putting in place, a structured questionnaire in electronic (online mode) after taking into consideration of the inputs received from the Directors. All the Directors have evaluated the performance of Individual Directors (including independent directors), Chairperson, Board as a whole and Committees. The summary of performance evaluation exercise carried out by the directors were placed before the Board of Directors in their meeting held on 8 May, 2026. Further Independent Directors in their Separate Meeting held on 30 March, 2026 have carried out evaluation of the performance of Non-Independent directors, Board as a whole and Committees.

The disclosure in terms of SEBI Circular no. SEBI/HO/CFD/CMD/CIR/P/2018/79 dated 10 May, 2018, on board evaluation, is detailed as under:

(i) Observations of Board evaluation carried out for the year:

    The Independent Directors, in their meeting held on 30 March, 2026 have recommended strengthening organizational resilience and governance through a structured focus on talent and strategy. This includes developing a robust succession planning and talent management framework covering CXOs (including the Managing Director), with clear mechanisms for rewarding high performers and managing underperformance, alongside contingency plans for leadership vacancies.

(ii) Previous year's observations and actions taken:

    Previous year's observations were to review the Committee charters in line with Regulatory requirements and to focus on emerging business areas & provide strategic guidance; Improvements in calendar planning for Board and Committee meetings. Recommended timely onboarding of Independent Directors with relevant technology expertise; Suggested enhanced evaluation of new and emerging business opportunities, and deeper engagement with customers and business partners to strengthen stakeholder insights.

    Actions taken:

    In line with these directions, the Committee Charters have been updated in line with regulatory requirements. Implemented an improved annual calendar for Board and Committee meetings. Company has onboarded 2 Independent directors with relevant technology expertise. The focus of Board and Committees, on Strategic review of emerging business opportunities has been improved, and structured initiatives have been undertaken to increase customer and business partner engagement for improved stakeholder understanding.

(iii) Proposed action based on current year observations:

    All the observations made during performance evaluation process have been conveyed to the concerned stakeholders, for appropriate action. The status of compliance with the said observations will be reviewed by the Board.

3. Stakeholders' Relationship Committee (SRC):

The Stakeholders' Relationship Committee has been constituted accordance with the provisions of Section 178 of the Companies Act, 2013, Regulation 20 of SEBI Listing Regulations and applicable RBI guidelines issued from time to time.

The Committee is chaired by Ms. Vidya Krishnan, Non-Executive Independent Director. The Chairperson of the committee as on the date of last Annual General Meeting was present at such meeting. In addition to the members of the Committee, these meetings were also attended by the management team members who were considered necessary for providing input to the Committee on need basis.

The details of attendance of each Director at the meetings held during the period from 01 April, 2025 to 31 March, 2026 are mentioned below:

Stakeholder Relationship Committee Member(s)	27-06-2025	28-07-2025	30-10-2025	29-01-2026	Attended during the Year
Ms. Anuradha Rao[1] Non-executive Non-Independent Director Member of the Committee					4
Mr. Ashish Mehrotra Managing Director & CEO Member of the Committee					4
Ms. Kshama Fernandes Non-executive Non-Independent Director Member of the Committee					4
Ms. Vidya Krishnan[2] Non-executive Independent Director Chairperson of the Committee	NA	NA	NA		1
Mr. Vijay Chankravarthi [3] Non-executive Nominee Director Member of the Committee	NA	NA			2
Mr. Michael Fernandes Non-executive Nominee Director Member of the Committee					4
	100%	100%	100%	100%	

Attended Meeting through Video Conference Director(s)/ Member(s) Present

[1] Ms. Anuradha Rao served as Chairperson of Committee until her retirement as Independent Director on October 30, 2025. She was appointed as Non Executive, Non Independent Director and Member of the Committee with effect from October 31, 2025.

[2] Appointed with effect from October 31, 2025.

[3] Appointed with effect from July 29, 2025.

Terms of Reference of Stakeholders' Relationship Committee

1) Redressal of grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, nonreceipt of declared dividends, issue of new/duplicate certificates, general meetings etc.

2) Review of measures taken for effective exercise of voting rights by shareholders.

3) Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.

4) Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company;

5) Resolving grievances of debenture holders related to creation of charge, payment of interest/ principal, maintenance of security cover and any other covenants.

6) Formulate procedures in line with the statutory guidelines to ensure speedy disposal of various requests received from stakeholders from time to time;

7) Approve, register, refuse to register transfer or transmission of shares and other securities;

8) Sub-divide, consolidate and or replace any share or other securities of the Company;

9) Perform such other functions as may be delegated by the Board and/or prescribed under the SEBI Listing Regulations and the Companies Act or other applicable law.

10) To approve the standard operating procedure for referral of complaints to the Internal Ombudsman;

11) To review and recommend to the Board of Directors of the Company for adoption various policies, codes and charters that relate to customer service; examples thereof include and are not limited to:

- Fair Practices Code
- Charter of the Client Experience Committee
- Grievance Redressal Mechanism

12) To review compliance with the Fair Practices Code adopted by the Board of Directors of the Company and the functioning of the grievances redressal mechanism and report to the Board of Directors of the Company.

13) To review all the awards against the Company with a focus on identifying issues of systemic deficiencies and the Company's plan to address these deficiencies;

14) To review data privacy & security measures rolled by the Company from a customer protection perspective;

15) To review metrics and indicators that provide information on the state of customer service in the Company and providing direction to the management of the Company on actions to be taken to improve such metrics;

16) To provide inputs on the application of the aspects of the Client Protection Principles to the products and services provided by the Company across all the delivery channels of the Company;

17) To review and approve any addition / modification of product features in the existing products including (but not limited to) the following: process enhancements/ process simplifications / journey improvement to enhance customer experience;

18) To review adherence to the Reserve Bank of India (Non-Banking Financial Companies – Internal Ombudsman) Directions, 2026 (as amended or modified or restated from time to time); and

19) The Committee shall review and reassess the adequacy of this charter annually and recommend any proposed changes to the Board of Directors of the Company for approval.

Investor Complaints Redressal

Mr. Prakash Chandra Panda, Company Secretary acts as the Compliance Officer in terms of Regulation 6 of the SEBI Listing Regulations. The Company has appointed Kfin Technologies Limited (KFIN) as Registrar and Share Transfer Agent (RTA) for the equity shares and Non-Convertible Debt instruments (NCD) issued by the Company. Both the Company and RTA have adequate systems to ensure provision of proper service to the shareholders and NCD holders in accordance with applicable laws and as per accepted service standards.

Details of Investors complaints received and resolved during financial year 2025-26:

No. of Complaints pending as on April 01, 2025	0
No. of Complaints received during the year	1
No. of Complaints resolved during the year	1
No. of Complaints pending as on 31 March, 2026	0

All the complaints were resolved to the satisfaction of investors within the prescribed timeline and the communication of the same was duly forwarded to them.

4. Risk Management Committee (RMC):

Risk Management Committee (RMC) was constituted in accordance with Regulation 21 of SEBI Listing Regulations and applicable provisions of RBI Directions as amended, from time to time.

The Committee is chaired by a Non-Executive Independent Director. The Chairperson of the committee as on the date of last Annual General Meeting was present at such meeting. In addition to the members of the Committee, these meetings were also attended by the management team members who were considered necessary for providing input to the Committee on need basis.

The details of attendance of each Director at the meetings held during the period from April 01, 2025 to 31 March, 2026 are mentioned below:

Risk Management Committee Member(s)	07-05-2025	19-05-2025	02-07-2025	28-07-2025	10-09-2025	30-10-2025	29-01-2026	Attended during the Year
Mr. P. S. Jayakumar Non-executive Independent Director Member of the Committee	VC	VC	Absent	Present	VC	VC	Present	6
Mr. Ashish Mehrotra Managing Director & CEO Member of the Committee	Present	Present	VC	Present	VC	Present	Present	7
Mr. Ashutosh Pednekar Non-executive Independent Director Member of the Committee	Present	Present	VC	Present	VC	Present	Present	7
Ms. Anuradha Rao[1] Non-executive Non-Independent Director Member of the Committee	Present	VC	VC	VC	VC	VC	Present	7
Mr. Michael Fernandes Non-executive Nominee Director Member of the Committee	Present	Present	VC	Present	VC	Present	Present	7
Mr. Vijay Nallan Chakravarthi Non-executive Nominee Director Member of the Committee	Present	Present	VC	Present	VC	Present	Present	7
Ms. Kshama Fernandes Non-executive Non-Independent Director Member of the Committee	Present	Present	VC	Present	VC	Present	VC	7
Mr. Sandeep Dhar[2] Non-executive Independent Director Member of the Committee	NA	NA	NA	NA	Absent	Present	VC	2
Mr. Vidya Krishnan[3] Non-executive Independent Director Chairperson of the Committee	NA	NA	NA	NA	NA	NA	Present	1
Mr. T. S. Anantharaman[4] Non-executive Nominee Director Member of the Committee	VC	Present	NA	NA	NA	NA	NA	2
	100%	100%	86%	100%	88%	100%	100%	

Attended Meeting through Video Conference   Director(s)/ Member(s) Present   Director(s)/ Member(s) Absent

[1] Ms. Anuradha Rao served as Chairperson of Committee until her retirement as Independent Director on October 30, 2025. She was appointed as Non-Executive, Non-Independent Director and Member of the Committee with effect from October 31, 2025.

[2] Appointed with effect from July 29, 2025

[3] Appointed with effect from October 31, 2025

[4] Resigned with effect from June 23, 2025

Terms of Reference of Risk Management Committee

(1) To formulate a detailed risk management policy which shall include:

a) A framework for identification of internal and external risks specifically faced by the company, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.

b) Measures for risk mitigation including systems and processes for internal control of identified risks.

c) Business continuity plan.

(2) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

(3) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;

(4) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;

(5) To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;

(6) Review and confirm that all responsibilities outlined in the charter have been carried out.

(7) The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Committee; and

(8) To carry out any other function as may be required / mandated by the Board from time to time and/ or mandated as per the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and/or any other applicable laws.

The Committee shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the board of directors.

The specific roles and responsibilities of the Committee are as follows:

- Evaluating the overall risks faced by the NBFC including liquidity risk and shall report to the Board
- Framing the risk policy and risk framework
- Defining acceptable broad risk thresholds for each class of risk for referral to the Board
- Periodically reviewing the risk framework
- Advising the risk team from time to time on new ideas and trends in risk management.
- The Committee in consultation with the IT Strategy Committee shall periodically review the IT related risks and cyber related risks and update the same to Board at least on a yearly basis.

In relation to the Company's risk management

The Committee's role is to ensure the following by overseeing the effective functioning of the risk management process:

- All business risks are identified as far as is reasonably foreseeable
- Each risk is appropriately assessed in terms of likelihood and consequence
- Appropriate operational and financial controls are implemented to maximize opportunities and mitigate against potential losses
- An effective system of internal compliance and control is in place
- All material risks are monitored as a whole on at least a quarterly basis
- Staff charged with risk management responsibilities will have appropriate authority to carry out their functions and have appropriate access to the Audit Committee and Risk Management Committee.
- New product development and new business exposures are undertaken within the framework of risk management and the Committee approves the launch of any new product
- All existing products and businesses are regularly reviewed to ensure that they comply with the risk policy, both from an economic and regulatory perspective
- The board of directors shall define the role and responsibility of the Committee and may delegate monitoring and reviewing of the risk management plan to the committee and such other functions as it may deem fit such function shall specifically cover cyber security.

5. Corporate Social Responsibility Committee (CSR):

Corporate Social Responsibility Committee was constituted in accordance with Section 135 of Companies Act, 2013. The Committee is chaired by Non-Executive Independent Director.

The details of attendance of each Director at the meetings held during the period from April 01, 2025 to 31 March, 2026 are mentioned below:

CSR Committee Member(s)	28-07-2025	30-10-2025	29-01-2026	Attended during the Year
Mr. Ashutosh Pednekar Non-executive Independent Director Chairman of the Committee	👤	👤	💬	3
Mr. Ashish Mehrotra Managing Director & CEO Member of the Committee	👤	👤	👤	3
Ms. Kshama Fernandes[1] Non-executive Non-Independent Director Member of the Committee	💬	💬	👤	3
Mr. Michael Fernandes Non-executive Nominee Director Member of the Committee	👤	👤	👤	3
	100%	100%	100%	

💬 Attended Meeting through Video Conference 👤👤 Director(s)/ Member(s) Present

[1] Ms. Kshama Fernandes (DIN: 02539429) completed her tenure as a Non-Executive, Non-Independent Director of the Company with effect from the close of business hours on 31 March, 2026. Consequently, she ceased to be a member of the CSR Committee.

Terms of Reference of CSR Committee

1) Formulating and recommending a CSR Policy to the Board
2) Regular monitoring and overall supervision of the programs of the implementing agencies including Northern Arc Foundation.
3) Recommend to the Board CSR expenditure to be incurred
4) Recommend to the Board, modifications to CSR Policy as and when required

6. Information Technology Strategy Committee (ITSC)

The IT Strategy Committee has been constituted in accordance with the Master Direction on Information Technology Governance, Risk, Controls and Assurance Practices issued by the Reserve Bank of India dated November 07, 2023. The Chairperson of the Committee is an Independent Director and has substantial IT expertise in managing/ guiding information technology initiatives and the members of the Committee are technically competent. In addition to the members of the Committee, these meetings were also attended by the management team members who were considered necessary for providing input to the Committee on need basis.

The details of attendance of each Director at the meetings held during the period from April 01, 2025 to 31 March, 2026 are mentioned below:

IT Strategy Committee Member(s)	26-06-2025	28-07-2025	30-10-2025	29-01-2026	Attended during the Year
Mr. Sandeep Dhar Non-executive Independent Director Chairman of the Committee	💬	💬	💬	💬	4
Ms. Anuradha Rao[1] Non-executive Non-Independent Director Member of the Committee	👤	💬	💬	💬	4
Mr. Ashish Mehrotra Managing Director & CEO Member of the Committee	👤	👤	👤	👤	4
Ms. Vidya Krishnan[2] Non-executive Independent Director Member of the Committee	NA	NA	NA	👤	1
	100%	100%	100%	100%	

💬 Attended Meeting through Video Conference 👤👤 Director(s)/ Member(s) Present

[1] Ms. Anuradha Rao retired as Independent Director on October 30, 2025 and was appointed as Non-Executive, Non-Independent Director with effect from October 31, 2025

[2] Appointed with effect from October 31, 2025

Terms of reference of IT Strategy Committee

1) Approving IT strategy and policy documents and ensuring that the management has put an effective strategic planning process in place.
2) Ascertaining that management has implemented processes and practices that ensure that the IT delivers value to the business.
3) Ensuring IT investments represent a balance of risks and benefits and that budgets are acceptable.
4) Monitoring the method management uses to determine the IT resources needed to achieve strategic goals and provide high-level direction for sourcing and use of IT resources.
5) Ensuring proper balance of IT investments for sustaining Company's growth and becoming aware about exposure towards IT risks and controls.
6) Instituting an appropriate governance mechanism for outsourced processes, comprising of risk-based policies and procedures, to effectively identify, measure, monitor and control risks associated with outsourcing in an end-to-end manner and undertaking a periodic review of outsourcing strategies and all existing material outsourcing arrangements.
7) IT Governance and Information Security Governance structure fosters accountability, is effective and efficient, has adequate skilled resources, well defined objectives and unambiguous responsibilities for each level in the organization.
8) Ensure that the organization has put in place processes for assessing and managing IT and cybersecurity risks.
9) Overseeing DPDP compliance from a technology governance and strategic oversight perspective.

7. Environmental Social and Governance Committee (ESG):

With a view to strengthen the Board's commitment and oversight on ESG matters, Board has constituted an ESG Committee of the Board to consider material environmental, social and governance issues relevant to Company's activities and to help set directions for the organizations through appropriate goals and targets.

The details of attendance of each Director at the meetings held during the period from April 01, 2025 to 31 March, 2026 are mentioned below:

ESG Committee Member(s)	29-01-2026	Attended during the Year
Mr. Ashutosh Pednekar Non-executive Independent Director Chairman of the Committee	💬	1
Mr. Ashish Mehrotra Managing Director & CEO Member of the Committee	👤	1
Ms. Kshama Fernandes Non-executive Non-Independent Director Member of the Committee	👤	1
Mr. Michael Fernandes Non-executive Nominee Director Member of the Committee	👤	1
	100%	100%

💬 Attended Meeting through Video Conference 👤👤 Director(s)/ Member(s) Present

Terms of reference of ESG Committee:

To support the Board in:

a) Identifying, understanding and monitoring the expectations of the key stakeholders and the material ESG issues relevant to the operations of Northern Arc
b) Monitor external ESG trends and understand associated risks and opportunities and suggest necessary changes required in the ESG strategy.

c) Coordinate with other committees of the Board that assist in the ESG responsibilities as maybe relevant for discharge of its functions, viz., Board Risk Committee, Nomination & Remuneration Committee that also assist the Board in its ESG responsibilities.

d) Establishment of the overall systematic and structured improvement of environmental, social and governance performance, targeted to identify and manage ESG risks and opportunities in Northern Arc's own operations as well as in the loan and investment appraisal and management processes, integrated in the Company's organizational structure, planning activities, responsibilities, practices, procedures, processes and resources, which shall include compliance with the following ESG requirements namely:

(i) Recommending an ESG strategy, targets and indicators and roadmap to achieve the targets for the material ESG issues of Northern Arc

(ii) Monitoring and reporting to the Board on the ESG performance of the Company on the set targets

(iii) Examining ESG policies and procedures and their implementation and making recommendations for their improvement to the Board

(iv) Considering and reviewing reports from the management on the implementation of the ESG and related policies

(v) Reviewing and recommending reports to the Board on matters in relation to the ESG

(vi) Monitoring compliance status of clients with ESG requirements

(vii) Reviewing draft Business Responsibility Reports and other similar reports and disclosures of the Company and suggesting and recommending changes/ amendments in line with the best practices in the industry

(viii) Support in improving Northern Arc's ESG disclosures in order to effectively demonstrate the Group's ESG commitment to its stakeholders

(ix) Identifying and suggesting opportunities and areas for deployment of company's funds in the form of investments, etc. in ESG related areas and aid in the achievement of globally accepted Sustainable Development Goals (SDGs), as may be amended from time to time.

(x) Monitoring and review of usage of funds raised through issue of Green Bonds or other similar instruments/ facilities, and ensure the usage of their proceeds align with SDGs and/or their objectives. This monitoring also includes review of disclosures to the investors of the Green Bonds or similar instruments as part of initial and ongoing disclosure requirements.

(xi) Recommending and reviewing methods of "measurement" of impact created by the Company. The results of the impact assessment, may, subject to the approval of the Committee, be made public and be made part of disclosures and other publicity materials of the Company. An illustrative list of impact measurement along with the relevant SDGs indicated in brackets is provided below:

i. Number of microfinance loans provided (Access to essential services)

ii. Number of equal paying jobs created for women (Socioeconomic advancement and women empowerment)

iii. Number of women using technology related products (Socioeconomic advancement and women empowerment)

iv. Usage of renewable energy (Energy efficiency)

v. Number of SME (Access to essential services)

(xii) The ESG Committee shall have powers to seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary in the discharge of its functions.

(xiii) Any other aspects relating to ESG that is relevant to the Company, as the Committee may deem appropriate.

8. Review Committee for Wilful Defaulters (RCWD)

In line with the RBI Master Direction on Treatment of Wilful Defaulters and Large Defaulters, Board has constituted a Board level Review Committee for Wilful Defaulters. Committee has not met during the financial year 2025-26. Composition of the Review Committee for Wilful Defaulters is mentioned below:

Sl. No	Name of Director & Category	Chairperson / Member
1.	Mr. Ashish Mehrotra MD & CEO	Chairperson
2.	Ms. Anuradha Rao Non-Executive Non-Independent Director[1]	Member
3.	Mr. Ashutosh Pednekar Independent Director	Member

[1] Ms. Anuradha Rao retired as Independent Director on October 30, 2025 and was appointed as Non-Executive, Non-Independent Director with effect from October 31, 2025

Terms of reference of the Committee

1) To consider the proposal received from the Identification Committee for classification of a borrower as a wilful defaulter

2) To provide an opportunity to borrower/ guarantor/ promoter/ director/ persons who are in charge and responsible for the management of the affairs of proposed wilful defaulter to make a written representation, within the timeframes as applicable under the RBI Circular.

3) To provide an opportunity to borrower/ guarantor/ promoter/ director/ persons who are in charge and responsible for the management of the affairs of proposed wilful defaulter for a personal hearing, within the timeframes as applicable under the RBI Circular.

4) To decide on qualifying a borrower as a wilful defaulter, after assessing the facts or material on record, including written representation and personal discussion, if any, and to pass an order in this regard.

5) To ensure that show cause notices and orders are served by the designated officials of the Company as required in the RBI Circular.

6) Such other functions as may be required to be performed under the RBI Circular.

Meetings of Independent Directors

In compliance with Regulation 25(3) of the SEBI Listing Regulations and Schedule IV of the Act, a separate meeting of Independent Directors was held on March 30, 2026, without the presence of Non-Independent Directors and members of the management, to:

- review the performance of the Non-Independent Directors and the Board as a whole;
- review the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors;
- assess the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Details of Senior Management Personnel

The senior management are identified as per Listing Regulations 2015. As on 31 March, 2026, the following persons were identified as Senior Management Personnel of the Company:

Sl. No	Name	Designation
1	Mr. Ashish Mehrotra	Managing Director & CEO
2	Mr. Pardhasaradhi Rallabandi	Group Risk Officer and Governance Head
3	Mr. Atul Tibrewal	Chief Financial Officer
4	Mr. Saurabh Jaywant	Chief Legal Counsel
5	Mr. Gaurav Mehrotra	Chief Technology Officer
6	Mr. Amit Mandhanya	Executive Vice President - II
7	Ms. Moushumi Mandal	Chief People Officer
8	Mr. Chetan Tivary	Chief Internal Auditor
9	Mr. Prakash Chandra Panda	Company Secretary & Compliance Officer

Changes in Senior Management Personnel during the financial year 2025-26:

Name	Date of Change	Particulars of change
Ms. Kshama Fernandes	April 01, 2025	Designation changed from Vice-Chairperson & Non-executive, Non-Independent director to Non-executive, Non-Independent director with effect from April 01, 2025. Further, the tenure of Ms. Kshama Fernandes as Director was completed on 31 March, 2026.
Mr. C Kalyanasundaram	May 09, 2025	Resigned from the position of Chief Internal Auditor.
Mr. Chetan Tivary	May 10, 2025	Appointed as the Chief Internal Auditor.
Mr. Gaurav Shukla	July 31, 2025	Resigned from the position of Chief Business Officer (Intermediate Retail).
Ms. Umasree Parvathy	October 31, 2025	Retired from the position of Chief People Officer of the Company due to Superannuation.
Ms. Moushumi Mandal	November 01, 2025	Appointed as the Chief People Officer of the Company.

Remuneration to Directors

(i.) Sitting Fees:

All the Non-executive directors including Independent directors are entitled to receive sitting fees for attending each meeting of the Board and Committees. Pursuant to the provisions of the Companies Act, 2013, sitting fees of INR 1,00,000/- and INR 50,000/- per meeting are paid to all Non-executive Directors for attending the meetings of Board and Board Level Committees respectively.

Details of Sitting fees paid to the Directors for attending the meetings of Board and Board level Committees during FY 2025-26 is detailed below:

Sl. No	Name of Director	Sitting Fees (Amount in INR)
1	Mr. P S Jayakumar Independent Director	17,50,000
2	Mr. Ashutosh Pednekar Independent Director	18,50,000
3	Mr. Michael Jude Fernandes Nominee Director	19,00,000
4	Mr. Vijay Chakravarthi Nominee Director	17,00,000
5	Dr. Kshama Fernandes Non-Executive Non-Independent Director	16,50,000
6	Ms. Anuradha Rao Non-Executive Non-Independent Director	22,00,000
7	Mr. Sandeep Dhar Independent Director	11,50,000
8	Ms. Vidya Krishnan Independent Director	6,50,000
9	Mr. TS Anantharaman Nominee Director	4,00,000

(ii.) Remuneration to MD & CEO

The shareholders of the Company have approved the appointment of Mr. Ashish Mehrotra as MD & CEO of the Company for a period of 5 years with effect from April 01, 2022 to 31 March, 2027 along with the remuneration package which consists of Fixed & variable pay. Thereafter, the remuneration payable to Mr. Ashish Mehrotra has been revised from time to time based on the evaluation of his performance, with due consideration and recommendation of the Nomination and Remuneration Committee and approval of the Board. The requisite approvals of the shareholders have been obtained periodically, with the most recent approval being accorded at the 17th Annual General Meeting held on August 25, 2025.

Details of remuneration paid to Mr. Ashish Mehrotra, MD & CEO during FY 2025-26:

(Amount in INR.)

Fixed Pay	
- Salary and allowances	5,50,00,000
Variable Pay	2,46,50,002
- Bonus	
- Special Discretionary Payout[1]	2,10,00,000*
- Deferred Bonus for FY 2024-25[2]	59,40,000
Total Remuneration paid	**10,65,90,002**

[1] Shareholders' ratification through a Special Resolution is proposed at the ensuing AGM.

[2] Deferred Bonus of FY 2024-25 was paid in FY 2025-26

Details	Granted	Vested	Unvested	Exercised
No. of Employee Stock Options	18,27,000	7,76,500	9,11,500	1,39,000

(iii.) Commission to Chairperson:

Mr. P S Jayakumar was re-appointed as the Non-executive Independent Director of the Company for a period of 5 consecutive years from October 15, 2023 to October 14, 2028 in the Extra-Ordinary General Meeting held on September 13, 2023. Based on the recommendations of NRC and Board of Directors, shareholders of the Company have approved the revision in payment of Commission to Mr. P S Jayakumar (in the capacity of Non-Executive, Independent Director and Chairperson) in the Annual general meeting held on August 25, 2025. Accordingly, a commission of INR 1,52,50,000/- (Rupees One Crore and Fifty-Two Lakhs and Fifty Thousand only) excluding sitting fees for attending the Board and Committee meetings has been paid for the FY 2025-26.

Pecuniary relationship and/or transactions of the Non-Executive Directors with the listed entity:

During the year under review, there were no pecuniary relationships or transactions with the Non-Executive Directors of the Company, apart from remuneration paid to them by way of commission and sitting fees.

Criteria for making payment to Non-executive Directors

The criteria of making payments to Non-Executive Directors is detailed in the Nomination and Remuneration Policy of the Company and it is available on the Company's website at: https://www.northernarc.com//assets/uploads/policies/Nomination_and_Remuneration_Policy.pdf

General Body Meetings:

The details of date, time and location of last three Annual general meetings and the details of Special resolutions passed in those meetings are given below:

No. of AGM	Date & time of AGM	Mode & Location of AGM	Special resolutions passed in the AGM
15th AGM	December 29, 2023 at 4.30 PM	Physical Mode Registered office of Company at 10th Floor-Phase 1, IIT-Madras Research Park, Kanagam Village, Taramani, Chennai – 600 113.	Nil
16th AGM	December 19, 2024 at 3:00 pm	Through Video Conferencing/other audio-visual means Deemed venue: Registered office of Company at 10th Floor-Phase 1, IIT-Madras Research Park, Kanagam Village, Taramani, Chennai – 600 113.	1. Alteration of Articles of Association of the Company. 2. Ratification of the Northern Arc Employee Stock Option Plan, 2016 and Northern Arc Employee Stock Option Schemes formulated by the Company prior to its Initial Public Offer. 3. Revision in payment of remuneration by way of commission to Mr. P S Jayakumar (DIN: 01173236) as Non-Executive Independent Director and Chairperson of the Company. 4. Revision in the terms of managerial remuneration of Mr. Ashish Mehrotra (DIN: 07277318), Managing Director & Chief Executive Officer of the Company. 5. Continuation of Dr. Kshama Fernandes (DIN: 02539429) as a non-executive and non-independent director and Vice-Chairperson of the Company.
17th AGM	August 25, 2025 at 11:00 am	Through Video Conferencing/other audio-visual means Deemed venue: Registered office of Company at 10th Floor-Phase 1, IIT-Madras Research Park, Kanagam Village, Taramani, Chennai – 600 113.	1. Approval for Creation of charges on the assets of the Company under Section 180(1)(a) of the Companies Act, 2013 2. Approval for increase in borrowing powers in excess of the paid-up share capital, free reserves and securities premium of the Company pursuant to Section 180(1)(c) of the Companies Act, 2013. 3. Approval for the Offer and Issue of Non-Convertible Debentures, in one or more tranches on a private placement basis. 4. Approval for Increase of ESOP Options under Northern Arc Employee Stock Option Plan 2016 5. Revision in payment of remuneration by way of commission to Mr. P S Jayakumar (DIN: 01173236) as Non-Executive Independent Director and Chairperson of the Company 6. Revision in the terms of managerial remuneration of Mr. Ashish Mehrotra (DIN: 07277318), Managing Director & Chief Executive Officer of the Company

Postal Ballot exercise

During the financial year 2025-26, the Company has obtained the approval of shareholders through Postal ballot (only through remote E-Voting) as detailed below:

(i.) Postal Ballot Notice dated April 02, 2025

Remote E-Voting Period	From Sunday, April 6, 2025, at 9.00 a.m. IST To Monday, May 5, 2025, at 5.00 p.m. IST
Date of Declaration of Result	Tuesday, May 6, 2025
Person who conducted the Postal ballot exercise	Board has appointed Mr. M. Alagar (M. No. 7488) failing him, Mr. D. Saravanan (M. No. 60177) of M/s. M Alagar & Associates, Practicing Company Secretaries, Chennai (Firm Registration No. P2011TN078800) as the Scrutinizer, for conducting the Postal Ballot process, in a fair and transparent manner. Mr. M. Alagar has submitted Scrutiniser's report on Tuesday, May 6, 2025.

Details of Voting Pattern

Sl. No	Particulars of the Resolution & type of Resolution	Votes cast in favour of the Resolution		Votes cast against the Resolution	
		No.	%	No.	%
1	Re-Appointment of Dr. Kshama Fernandes (DIN: 02539429) as a Director (Non-Executive Non-Independent Director) - Ordinary Resolution	10,36,29,991	99.99	5,376	0.01
2	Ratification for implementation of the Northern Arc Employee Stock Option Plan 2016 and the ESOP Schemes through trust route - Special Resolution	9,97,07,720	96.21	39,27,505	3.79
3	Extension of the benefits under the Northern Arc Employee Stock Option Plan 2016 and ESOP Schemes to the employees of Holding and/or Subsidiary companies of the Company - Special Resolution	9,97,07,489	96.21	39,27,796	3.79

The results were declared on May 6, 2025 and all the resolutions were passed with requisite majority on May 6, 2025 (last date for remote e-voting).

Procedure of Postal ballot:

In compliance with Regulation 44 of the SEBI Listing Regulations, Sections 108, 110 and other applicable provisions of the Companies Act, 2013 ("Act") read with the Rules issued thereunder and the General Circulars issued in this regard by the MCA, the Company has provided e-Voting facility to all its members. The Company engaged the services of NSDL for the purpose of providing e-Voting facility to all its Members.

The Notice of Postal Ballot was sent only by electronic mode to those Members whose names appear in the Register of Members / List of Beneficial Owners maintained by the Company and as received from National Securities and Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) ('Depositories') as on Friday, March 28, 2025 (cut-off date) and whose e-mail IDs are registered with the Company / Depositories. Further, the Members had the option to vote only through remote e-Voting and voting through physical ballot papers was not provided.

The Company had also published a notice in the newspaper on April 05, 2025 declaring the details and requirements for postal ballot as mandated by the Act and applicable rules, post circulation of postal ballot notice to the Members.

Voting right(s) were reckoned on the paid-up value of shares registered in the name of the Member as on the cut-off date. The scrutiniser completed their scrutiny and submitted the report to the Chairman and the results of the voting were announced on May 6, 2025. The results along with Scrutiniser's report were submitted to the Stock exchanges and available at their websites www.bseindia.com and www.nseindia.com and on the website of the Company at https://www.northernarc.com/postal-ballot

(ii.) Postal Ballot Notice dated December 13, 2025

Remote E-Voting Period	From Friday, December 26, 2025, at 9.00 a.m. IST To Saturday, January 24, 2026, at 5.00 p.m. IST
Date of Declaration of Result	Saturday, January 24, 2026
Person who conducted the Postal ballot exercise	Board has appointed M/s. Genicon Legal LLP, Advocates and Advisors Firm, represented by its Designated Partner Mr. N. A. Srinivasan FCS: 7257 and Advocate Registration Number: M/s 2065/2006 failing him Ms. Jamuna S, Practising Company Secretary (M. No. 74911) as the Scrutinizer, for conducting the Postal Ballot process, in a fair and transparent manner. Mr. N. A. Srinivasan has submitted Scrutiniser's report on Saturday, January 24, 2026.

Details of Voting Pattern

Sl. No	Particulars of the Resolution & type of Resolution	Votes cast in favour of the Resolution		Votes cast against the Resolution	
		No.	%	No.	%
1	Appointment of Ms. Vidya Krishnan (DIN: 09669166) as an Independent Director of the Company – Special resolution	6,19,36,696	99.99	1449	0.01
2	Appointment of Ms. Anuradha Rao (DIN: 07597195), as Non-executive Non-Independent Director of the Company – Ordinary resolution	6,18,90,778	99.92	47,368	0.08

The results were declared on January 24, 2026 and all the resolutions were passed with requisite majority on January 24, 2026 (last date for remote e-voting).

Procedure of Postal ballot:

In compliance with Regulation 44 of the SEBI Listing Regulations, Sections 108, 110 and other applicable provisions of the Companies Act, 2013 ("Act") read with the Rules issued thereunder and the General Circulars issued in this regard by the MCA, the Company has provided e-Voting facility to all its members. The Company engaged the services of NSDL for the purpose of providing e-Voting facility to all its Members.

The Notice of Postal Ballot was sent only by electronic mode to those Members whose names appear in the Register of Members / List of Beneficial Owners maintained by the Company and as received from National Securities and Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) ('Depositories') as on Friday, December 12, 2025 (cut-off date) and whose e-mail IDs are registered with the Company / Depositories. Further, the Members had the option to vote only through remote e-Voting and voting through physical ballot papers was not provided.

The Company had also published a notice in the newspaper on December 25, 2025 declaring the details and requirements for postal ballot as mandated by the Act and applicable rules, post circulation of postal ballot notice to the Members.

Voting right(s) were reckoned on the paid-up value of shares registered in the name of the Member as on the cut-off date. The scrutiniser completed their scrutiny and submitted the report to the Chairman and the results of the voting were announced on January 24, 2026. The results along with Scrutiniser's report were submitted to the Stock exchanges and available at their websites www.bseindia.com and www.nseindia.com and on the website of the Company at https://www.northernarc.com/postal-ballot

No Special Resolution is proposed to be passed through Postal Ballot as on the date of this Annual Report.

Means of communication

Pursuant to Regulation 46 and 62 of SEBI Listing Regulations, the Company maintains a functional website viz., www.northernarc.com and having separate section viz., "Investors" which contains investors information about the Company such as details of its business, financial results, shareholding pattern, compliance with the corporate governance requirements and other Corporate Communications made to the Stock Exchanges, Notices & Annual Reports of the Company, unpaid/ unclaimed Interest / redemption amount details, contact details of the designated officials who are responsible for assisting and handling investor grievances etc.,

The quarterly/half yearly/annual financial results are published in Business Standard (English daily) and vernacular newspaper Makkal Kural (Tamil daily). The results and presentation on financial results were also posted on our website and also on the websites of stock exchanges i.e., www.bseindia.com and www.nseindia.com. Also, material updates/developments are disclosed to the stock exchanges and hosted on Company's website.

Company also conducts meetings with Institutional Investors and Analysts. The Schedule of Meetings, Investors Presentations, Audio recordings and transcript are forwarded to the stock exchanges as well simultaneously displayed on the Company's website. Official news / press releases (if any) would also be disseminated on the Company's website.

General Shareholder Information

18th Annual General Meeting	On Tuesday, August 18, 2026 at 11.30 a.m. through Video Conferencing / Other Audio-Visual Means as set out in the Notice convening the Annual General Meeting. Deemed venue shall be the Registered office of the Company situated at 10th Floor-Phase 1, IIT-Madras Research Park, Kanagam Village, Taramani, Chennai – 600 113. Remote E-Voting: (i) Date and time of commencement of Remote E-voting: Friday, August 14, 2026 at 9.00 am. (ii) Date and time of end of Remote E-voting : Monday, August 17, 2026 at 5.00 pm. (iii) Cut – off date: Wednesday, August 12, 2026.
Financial year	From April 01, 2025 to 31 March, 2026.
Dividend Payment Date	Not applicable as no dividend is recommended by the Board of Directors.
Listing on Stock Exchanges	Company's Equity Shares are listed on following Stock exchanges: (i.) BSE Limited (BSE), Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001. Scrip Code – 544260 (ii.) National Stock Exchange of India Limited (NSE) Exchange Plaza, C-1, Block G, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051. Trading Symbol – NORTHARC ISIN: INE850M01015 The Non-convertible securities of the Company are listed on the debt market segment of BSE Limited and NSE Limited. Annual Listing fees for FY 2026-27 have been paid to all the stock exchanges where the securities of the Company are listed.
Suspension of securities from trading	None of the Securities of the Company have been suspended from trading by the Stock exchanges / SEBI during FY 2025-26.

Register and Share Transfer Agent (RTA)

In terms of Regulation 7 of SEBI Listing Regulations, M/s. KFin Technologies Limited was appointed as the Registrar and share transfer agent, for the equity shares and Non-convertible securities issued by the Company.

Address for correspondence:

RTA	Company
KFin Technologies Limited, SEBI Registration Number: INR000000221 Selenium Building, Tower-B, Plot No 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddi, Telangana - 500 032. Phone: +91 40 6716 2222 Toll free: 18003094001 E-mail: einward.ris@kfintech.com	Mr. Prakash Chandra Panda Company Secretary & Compliance Officer Northern Arc Capital Limited, 10th Floor, IITM Research Park, No. 1, Kanagam Village, Taramani, Chennai - 600 113. Phone: 044-6668 7000. Email id: cs@northernarc.com

Debenture Trustees for NCD holders

Catalyst Trusteeship Ltd
(Formerly GDA Trusteeship Limited)
GDA House, First Floor, Plot No. 85, S. No. 94 & 95,
Bhusari Colony (Right), Kothrud,
Pune -411038
Phone: +91 020 25280081
Email: dt@gdatrustee.com

Share transfer system, dematerialization of shares and liquidity

The Company's shares are traded under compulsory dematerialised mode and are freely tradable. The Board of Directors have delegated the power to attend all the formalities relating to transfer of securities to the Registrar and Share Transfer Agent of the Company. As of 31 March, 2026, 100% of the Company's shares were held in dematerialised form and are regularly traded in NSE and BSE.

Distribution of shareholding

(PAN wise – without grouping)

Sl. No	Description (No. of shares)	No. of Cases	% of Cases	Amount	% of Amount
1	1-5000	88,053	91.461	6,86,84,970	4.251
2	5001- 10000	4,033	4.1891	3,16,97,930	1.9618
3	10001- 20000	1,836	1.9071	2,76,82,200	1.7133
4	20001- 30000	676	0.7022	1,69,89,870	1.0515
5	30001- 40000	358	0.3719	1,28,42,080	0.7948
6	40001- 50000	262	0.2721	1,22,60,190	0.7588
7	50001- 100000	495	0.5142	3,69,56,500	2.2873
8	100001 & Above	561	0.5827	1,40,86,05,010	87.181
	Total	**96,274**	**100**	**1,61,57,18,750**	**100**

Outstanding Global Depository Receipts (GDR) or American Depository Receipts (ADR) or warrants or any convertible instruments, conversion date and likely impact on equity

The Company does not have any outstanding GDR or ADR or warrants or any convertible instruments.

Commodity price risk or foreign exchange risk and hedging activities

The Company does not deal in any commodity and hence is not directly exposed to any commodity price risk. Further, the Company has availed External Commercial Borrowings (ECBs) during the financial year 2025-26 and has entered derivative transactions with various counter parties to hedge its foreign exchange risks and interest rate risks associated thereon. The ECBs are fully hedged and do not possess any foreign exchange risk.

Plant locations

Being in the NBFC business, the Company does not have manufacturing plants. However, the Company has 86 branches across the nation as on 31 March, 2026. The locations of the branches are displayed on the Company's website https://www.northernarc.com/reach-us.

Credit Ratings

The details of list of all credit ratings obtained by the Company along with any revisions thereto during the financial year 2025-26 for all debt instruments of the Company are given below:

Sl. No	ISIN of the Non-Convertible Debenture (NCD)	Listed / Unlisted	Existing rating	Change in Rating during 31 March 2026	Rating Agency
1	INE850M07467	Listed	ICRA AA- (Stable)	--	ICRA
2	INE850M07475	Listed	ICRA AA- (Stable)	--	ICRA
3	INE850M07483[1]	Listed	ICRA AA- (Stable)	--	ICRA
4	INE850M07491	Listed	ICRA AA- (Stable)	--	ICRA
5	INE850M07501	Listed	ICRA AA- (Stable)	--	ICRA
6	INE850M07343[2]	Unlisted	IND AA- / Stable	--	India Rating
7	INE850M07400[3]	Unlisted	Unrated	--	--
8	INE850M07434	Unlisted	ICRA AA- (Stable)	--	ICRA

1 Matured on November 13, 2025
2 Matured on December 18, 2025
3 Matured on March 23, 2026

OTHER DISCLOSURES

(a.) Disclosures on materially significant related party transactions that may have potential conflict with the interests of listed entity at large

During the year under review, there were no materially significant related party transactions that may have potential conflict with the interest of the Company at large.

(b.) Details of non-compliance by the Company, penalties, strictures imposed on it by stock exchange(s) or SEBI or any statutory authority, on any matter related to capital markets, during the last three years

During the last 3 financial years, there have been instances of non-compliance of the provisions of the SEBI Listing Regulations in relation to the listed non-convertible debentures issued by our Company. Set forth below are the details of penalties/ fines levied by the BSE during FY 2022-23, FY 2023-24 and FY 2024-25:

Sl. No	ISIN	Regulation/Circular Reference	Period of non-compliance	Fine/penalty levied (INR)
FY 2024-25				
1	Not applicable	Delay in intimation of Board Meeting, Non-submission of unaudited financial results within the prescribed time and non-disclosure of extent and nature of security created and maintained with respect to secured listed NCDs	Quarter ended June 30, 2024	4,40,140
FY 2023-24				
2	Not applicable	Delay in submission of the statement of investor complaints	Quarter ended June 30, 2023	2,87,920
3	INE850M14BU4	Paragraph 8.4 of Chapter XVII of SEBI circular dated August 10, 2021	December 2023	1,19,180
4	INE850M14B07	Regulation 57(1) of the SEBI Listing Regulations	August 2023	2,47,800
FY 2022-23				
5	INE850M08085 INE850M07244 INE850M07269 INE850M07327 INE850M07442 INE850M07376 INE850M07384	Regulation 57(5) of the SEBI Listing Regulations	March 2023	8,260
6	INE850M14BG3	Regulation 57(1) of the SEBI Listing Regulations	January 2023	1,55,760
7	INE850M14BE8	Regulation 57(1) of the SEBI Listing Regulations	December 2022	1,82,900
8	INE850M14BC2	Regulation 57(1) of the SEBI Listing Regulations	November 2022	2,12,400
	INE850M14BD0	Regulation 57(1) of the SEBI Listing Regulations	November 2022	2,07,680

During the FY 2025-26, no penalties or strictures were imposed by stock exchange(s) or SEBI or any statutory authority, on any matters related to capital markets.

(c.) Details of establishment of Vigil Mechanism / Whistle Blower Policy, and affirmation that no personnel has been denied access to the audit committee

As per the provisions of Section 177(9) of the Companies Act, 2013, and Regulation 22 of the SEBI Listing Regulations, 2015, your Company has established a Vigil Mechanism and has adopted a Whistle Blower Policy for directors and employees to report their genuine concerns. The Whistle Blower Policy has been formulated with a view to provide a mechanism for employees and directors to approach the Audit Committee of the Company. The said policy is available on the website of Company at https://www.northernarc.com//assets/uploads/policies/Vigil_Mechanism_Whistle_blower_policy.pdf

The Vigil mechanism of the Company is overseen by the Audit Committee and provides adequate safeguard against victimization of employees and directors and also provides direct access to the Chairperson of the Audit Committee in exceptional circumstances. During the financial year, no complaints were received by the Company and no complaints are outstanding as on 31 March, 2026.

(d.) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements

The Company has complied with all mandatory requirements under the provisions of SEBI Listing Regulations and amendments thereon from time to time.

Non-mandatory requirements:

In addition to the Mandatory Requirements, your Company has ensured the implementation of following non-mandatory requirements as suggested in Regulation 27 and Schedule II, Part E of the SEBI Listing Regulations:

(i.) **Board:** The Company has one woman independent director on its Board.

(ii.) **Unmodified opinion(s) in audit report:** The Auditors have expressed an unmodified opinion on the financial statement of the Company.

(iii.) **Separate posts of Chairperson and MD & CEO:** Your Company has separated the posts of Chairperson and the MD & CEO in terms of SEBI Listing Regulations. Mr. P.S. Jayakumar, Non-Executive Independent Director, is the Chairman of Company and Mr. Ashish Mehrotra is the Managing Director & CEO of the Company. The Chairman is not related to MD & CEO or any other Directors of the Company.

(iv.) **Reporting of internal auditor:** The internal audit function of the Company reports directly to the Audit committee.

(v.) **Independent Directors:** During the year under review, a separate meeting of Independent Directors was held on March 30, 2026, without the presence of non-independent directors and members of the management and all the independent directors were present at the said meeting.

(vi.) **Risk Management:** The Company has a Risk Management Committee in accordance with the provisions of SEBI Listing Regulations and applicable RBI Directions.

(e.) Policies / Codes:

The Company has formulated Policy for determining 'material' subsidiaries, Policy on dealing with related party transactions and such other policies / codes in accordance with Companies act, 2013, SEBI Listing Regulations and applicable RBI Directions which are displayed on the website of the Company at https://www.northernarc.com/disclosures-under-regulations.

(f.) Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A)

During the year under review, your Company has not raised funds through preferential allotment or qualified institutions placement as specified under Regulation 32(7A) of the SEBI Listing Regulations.

There is no variation or deviation in the use of proceeds from the objects stated in the offer document for Initial Public Offering (IPO).

(g.) Certificate on Non-disqualification of Directors

The Certificate, as mandated under Regulation 34(3) read with Schedule V Part C of SEBI Listing Regulations, has been obtained from M/s. Alagar & Associates LLP, Practicing Company Secretaries, Chennai. This certificate confirms that none of the Directors on the Board of the Company were debarred or disqualified for the Financial Year ending on 31 March, 2026, from serving or continuing as Directors of the Company by SEBI/ Ministry of Corporate Affairs (MCA) or any relevant statutory authority. The certificate forms part of this Annual report.

(h.) Details of non-acceptance of any recommendation of any committee of the board which is mandatorily required:

During the year under review, there were no such recommendations made by any Committee of the Board that were mandatorily required and not accepted by the Board.

(i.) Fees paid by the Company & its subsidiaries to Statutory Auditors (including its network firms):

The Company & its subsidiaries have paid an aggregate amount of INR 1,62,80,163/- to M/s. Walker Chandiok & Co LLP, Statutory auditors of the Company towards Audit fee and Fee for availing other Statutory certificates for the FY 2025-26.

(j.) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

Complaints pending at the beginning of financial year	Complaints received during financial year	Complaints disposed-off during financial year	Complaints pending at the end of financial year
0	1	1	0

(k.) Disclosure on 'Loans and advances in the nature of loans' to firms/companies in which directors are interested

Name of the Director	Name of the Interested Entity	Term Loan as on Outstanding on 31st March 2026 (Amount in INR)
Ashish Mehrotra	Easy Home Finance Private Limited	6,36,19,953
Michael Fernandes[1]	Neogrowth Credit Private Limited	21,87,50,000

[1]Mr. Michael Fernandes interested as Director of Neogrowth Private Limited upto April 02, 2025

(l.) Material Subsidiaries

Material subsidiary means a subsidiary, whose turnover or net worth exceeds 10% (ten) of the consolidated turnover or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year. As per the financial statements for the year ended 31 March, 2025, the Company does not have any Material subsidiaries during FY 2025-26.

(m.) Compliance with Corporate Governance provisions

The Company has complied with and disclosed all the mandatory corporate governance requirements mentioned under sub-para (2) to (10) of Part C of Schedule V of the SEBI Listing Regulations.

(n.) Code of Conduct

Pursuant to regulation 26(3) of SEBI Listing Regulations, all the Directors and Senior Managerial Personnel of the Company have affirmed the compliance of the Code of Conduct laid down by the Company. Declaration of MD & CEO, stating that the members of board of directors and senior management personnel have affirmed compliance with the code of conduct forms part of this report.

(o.) Certificate on Corporate Governance

Company has obtained a Certificate on compliance with Corporate Governance norms from M/s. Alagar & Associates LLP, Practicing Company Secretaries, Chennai and the same forms part of this report.

(p.) Demat suspense account/ unclaimed suspense account

As on 31 March, 2026, the Company does not have any equity shares lying in the unclaimed suspense account.

(q.) Disclosure of certain types of agreements binding listed entities

During the financial year 2025-26, the Shareholders, related parties, directors, key managerial personnel, employees of the Company or of its subsidiaries and associate company have not entered into any agreement among themselves or with the Company or with a third party, solely or jointly, which, either directly or indirectly or potentially affects the management or control of the Company, or imposes any restriction or creates any liability on the Company. Furthermore, in accordance with the provisions of the SEBI (Issue of Capital and Disclosure Requirements) Regulations and the Companies Act, 2013, the Company does not have any identifiable promoters.

(r.) MD & CEO/CFO Certification:

The Managing Director and Chief Financial Officer's annual certificate on financial reports and internal controls to the Board in terms of Regulation 17(8) of the SEBI Listing Regulations forms part of this Annual Report. The Managing Director and Chief Financial Officer also jointly issue a quarterly compliance certificate on financial results and place the same before the Board in terms of Regulation 33(2) of the SEBI Listing Regulations.

Declaration on compliance with the Code of Conduct

In accordance with the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby confirm that all the Directors and Senior Management personnel of the Company have affirmed compliance with the Code of Conduct, as applicable to them, for the Financial Year ended 31 March, 2026.

Ashish Mehrotra
Managing Director & CEO
DIN: 07277318

Place: Chennai
Date: May 08, 2026

CEO / CFO Certification

[Pursuant to Regulation 17(8) of SEBI Listing Regulations]

As stipulated under Regulation 17(8) read with Part B, Schedule II of the SEBI Listing Regulations, we hereby certify that –

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

(i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

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

b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the period which are fraudulent, illegal or in violation of the company's code of conduct.

c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the auditors and the Audit Committee, that there are no deficiencies in the design or operation of such internal controls, of which we are aware.

d) We have also indicated to the Auditors and the Audit Committee:

(i) There are no significant changes in internal control over financial reporting during the year.

(ii) There are no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements;

(iii) There are no instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

Ashish Mehrotra
Managing Director & CEO
DIN: 07277318

Atul Tibrewal
Chief Financial Officer

Place: Chennai
Date: May 08, 2026

Compliance Certificate On Corporate Governance

(Pursuant to Regulation 34(3) and Schedule V Para E of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To

The Members

NORTHERN ARC CAPITAL LIMITED

We have examined the compliance of conditions of Corporate Governance by **Northern Arc Capital Limited** ("the Company") for the period ended 31 March, 2026, as stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR")

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

In our opinion and to the best of our information and according to the explanation given to us and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI LODR.

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

For **Alagar and Associates LLP**
(Formerly known as M. Alagar & Associates)
Company Secretaries
LLP Reg No: L2025TN019200
Peer Review Certificate No:6814/2025

Sd/-
M. Alagar
Managing Partner
FCS No: 7488
COP No. 8196
UDIN: F007488H000512476

Place: Chennai
Date: May 28, 2026

Certificate of Non-Disqualification of Directors

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

To
The Members
Northern ARC Capital Limited
No. 1, Kanagam Village, 10th Floor IITM Research Park,
Taramani, Chennai-600113

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Northern Arc Capital Limited having CIN: L65910TN1989PLC017021 and having its registered office at No. 1, Kanagam Village, 10th Floor IITM Research Park, Taramani, Chennai-600113 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal http://www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ending on 31 March, 2026 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority;

S. No.	Name	DIN	Designation	Date of appointment / Re-appointment
1.	Palamadai Sundararajan Jayakumar	01173236	Chairman and Independent Director	15/10/2020 (Re-appointed on 15/10/2023)
2.	Ashish Mehrotra	07277318	Managing Director & CEO	14/02/2022
3.	Ashutosh Arvind Pednekar	00026049	Independent Director	14/09/2020 (Re-appointed on 14/09/2023)
4.	Anuradha Rao	07597195	Non-Executive & Non-Independent Director	31/10/2025
5.	Vijay Chakravarthi Nallan	08020248	Nominee Director	19/01/2018
6.	Michael Jude Fernandes	00064088	Nominee Director	28/03/2014
7.	Sandeep Dhar	00182797	Independent Director	07/05/2025
8.	Vidya Krishnan	09669166	Independent Director	31/10/2025
9.	Kshama Fernandes*	02539429	Non-Executive & Non-Independent Director	01/08/2012 (Re-appointed on 01/04/2025)

* Kshama Fernandes (DIN: 02539429) has completed her tenure as Non-Executive & Non-Independent Director from the close of business hours on 31 March, 2026.

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

For **Alagar and Associates LLP**
(Formerly known as M. Alagar & Associates)
Company Secretaries
LLP Reg No: L2025TN019200
Peer Review Certificate No:6814/2025

Sd/-
M. Alagar
Managing Partner
FCS No: 7488
COP No. 8196
UDIN: F007488H000512355

Place: Chennai
Date: May 28, 2026