

Northern Arc Capital Limited
Annual Report 2025-26

POWERING INDIA'S CREDIT ECOSYSTEM

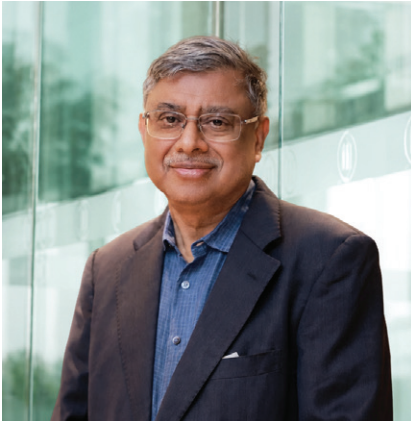


What's inside

02 PG.



06 PG.



“Carrying forward a legacy of purpose, resilience and responsible growth.”
- PS Jayakumar

10 PG.



“Powering India's credit ecosystem by enabling the seamless flow of credit to underserved households, entrepreneurs and businesses.”
- Ashish Mehrotra

20 PG.



28 PG.



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POWERING INDIA'S CREDIT ECOSYSTEM

India's credit opportunity extends far beyond lending, it lies in building an ecosystem where capital flows efficiently to every deserving individual, household, and business. At Northern Arc, we have spent over sixteen years building exactly that.

Northern Arc is a diversified, technology-led financial services platform that powers India's credit ecosystem by connecting borrowers, originator partners, lenders and investors through an integrated, efficient and scalable platform. Our unique ecosystem-led model enables us to originate, underwrite, distribute and manage credit across multiple channels, ensuring that capital reaches underserved segments of the economy while creating value for every participant in the ecosystem.

By combining deep domain expertise, proprietary technology, disciplined risk management and diversified funding relationships, we have built a resilient institution that bridges the gap between capital and opportunity. Whether through our Credit Solutions platform, our rapidly growing Direct-to-Customer lending franchise or our retail bonds platform, Altifi, our purpose remains unchanged, to enable the seamless flow of credit and contribute meaningfully to India's journey of inclusive and sustainable economic growth.

Numbers that define Northern Arc Capital Limited

16+
Years

of enabling credit access
and building an entire
credit ecosystem

~140
Million

Lives impacted
(Directly and through Originator
Partners)

INR 2.5
Lakh Crore

Credit enabled till date

432

Branches

57

Digital Partners

1,500+

Investors

368

Originator Partners

INR 16,594
Crore

AUM

29.55 Lakh

Direct Customers

AA-

Credit Rating

680+

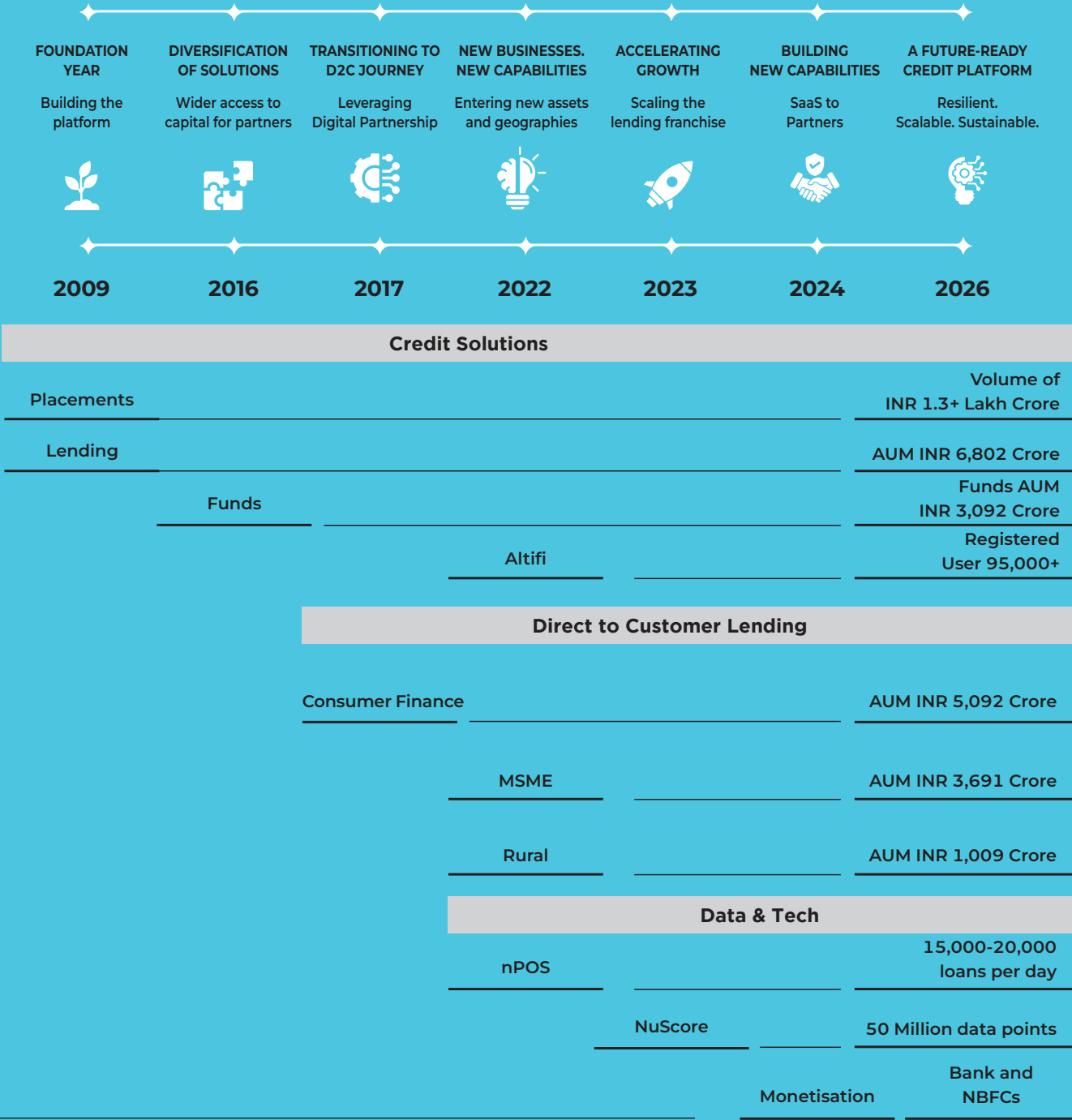
Districts

Outstanding
(Score 81)

ICRA ESG Impact Rating

Northern Arc evolution into diversified credit enabler

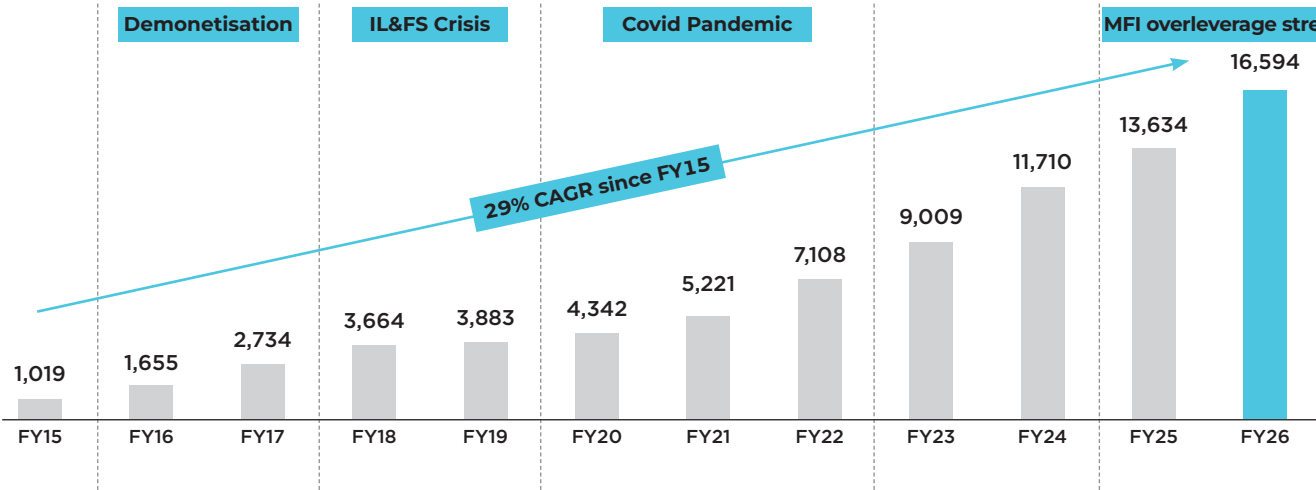
Northern Arc’s evolution has been driven by the strategic addition of complementary business lines. Beginning with enabling financial institutions to raise capital through balance sheet lending, placements, and credit funds, the Company expanded to provide comprehensive credit solutions for Originator Partners. Leveraging the insights, data, and underwriting expertise gained through these partnerships, Northern Arc successfully built its Direct-to-Customer lending franchise, focussed on the high-growth MSME, Consumer, and Rural Finance segments. This journey has transformed the Company into a diversified financial services company with multiple growth engines.



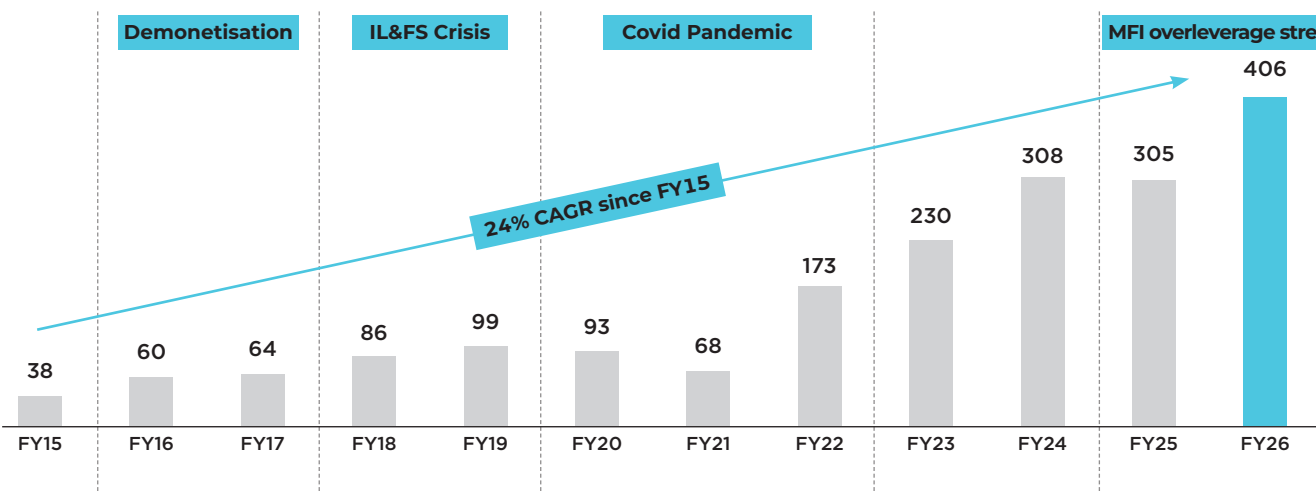
Growing AUM and Profitability across Market Cycles

We have consistently demonstrated our resilience by successfully navigating periods of economic uncertainty and market volatility. Through prudent risk management and a diversified business model, the Company emerged strong, delivering sustained growth in AUM, alongside improved profitability.

Assets Under Management (AUM) (INR Crore)



Profit After Tax (Excluding NCI) (INR Crore)



Chairman's letter to shareholders

“

**Carrying forward
a legacy of
purpose, resilience
and responsible
growth.**

Dear Shareholders,

India's long-term growth story is entering a new phase. For many years, the country's economic progress was driven by expanding productive capacity and infrastructure development. Today, that foundation is being complemented by a profound transformation in the financial ecosystem. Rapid formalisation of the economy, widespread digital adoption, improving public digital infrastructure and a stable policy environment are fundamentally changing how households and businesses access formal finance. As Millions of individuals and enterprises become part of the organised economy, the demand for timely, transparent and responsible credit is growing at an unprecedented pace.

What is particularly encouraging is that this transformation is not merely expanding the availability of credit; it is improving the quality of credit delivery. The emergence of Digital Public Infrastructure, including Aadhaar, UPI, Account Aggregator, OCEN (Open Credit Enablement Network) and the Unified Lending Interface (ULI), together with richer digital data trails, is enabling lenders to make faster, more informed and more inclusive credit decisions. These developments are reducing information

asymmetry, lowering transaction costs and expanding access to borrowers who would have traditionally remained outside the formal financial system. Credit is increasingly becoming data-led rather than collateral-led, creating opportunities for responsible lenders to serve customers with greater precision while maintaining strong underwriting standards.

Within this evolving landscape, Non-Banking Financial Companies (NBFCs) have emerged as an indispensable pillar of India's financial architecture. Over the years, NBFCs have complemented the banking system by serving segments that require specialised underwriting, local market understanding and greater operating flexibility. Their ability to innovate, build customer-centric distribution models and respond quickly to changing market needs has enabled them to play a pivotal role in expanding financial inclusion across MSME finance, consumer lending, affordable housing, rural finance and other underserved segments.

The sector itself is also evolving. The next phase of growth will not be defined merely by expanding loan books but by building stronger institutions. Increasing collaboration between banks and NBFCs through co-lending,

securitisation and partnership-led models is creating a more integrated and efficient credit ecosystem. At the same time, the regulatory emphasis on governance, capital adequacy, risk management and customer protection is strengthening the long-term resilience of the sector. We believe this evolution will distinguish institutions that pursue sustainable, risk-adjusted growth from those driven solely by scale.

It is against this backdrop that Northern Arc's strategy assumes even greater relevance. Our diversified business model, technology-led operating platform, disciplined risk culture and ecosystem-based approach position us to participate meaningfully in India's next phase of credit expansion. More importantly, they enable us to contribute towards building a

financial system that is broader, deeper and more inclusive. As India's credit markets continue to mature, we remain confident that institutions combining purpose with prudence, innovation with governance and growth with resilience will create enduring value for all stakeholders.

As I reflect on Northern Arc's journey, this thought resonates deeply. Over the past sixteen years, we have not merely built a financial institution; we have built an institution founded on purpose, strengthened by discipline and guided by the belief that access to finance has the power to transform lives. Every phase of our journey has reinforced a simple conviction – enduring institutions are built by balancing ambition with responsibility, innovation with governance, and growth with resilience.

**~140
Million**

Lives impacted till date

**INR 2.5
Lakh
Crore+**

Credit enabled since inception, strengthening access to credit across India.

Institutions that combine technology, prudent underwriting and sound governance will play an increasingly important role in this evolution.

Northern Arc was founded with this belief. Our objective has never been simply to build a larger lending institution. It has been to build an ecosystem that strengthens India's credit markets by connecting borrowers, originators, lenders and investors through technology, data and disciplined risk management.

Over the years, this vision has evolved into a diversified financial services platform serving multiple sectors that are central to India's development, including MSME finance, consumer finance, microfinance, affordable housing, vehicle finance, agricultural value chains and climate finance. Each of these businesses addresses a distinct need, but together they serve a common purpose, enabling the seamless flow of credit to underserved households and businesses across India.

FY26 marked another important milestone in this journey. Northern Arc delivered its highest-ever annual Profit After Tax of INR 406 Crore, resulting in year-on-year growth of 33%. Lending Assets Under Management grew by 22% year-on-year to INR 16,594 Crore. Our Credit Solutions platform continued to deepen its reach, with performing credit funds managing assets of INR 3,092 Crore. Since inception, we have enabled financing of more than INR 2.5 Lakh Crore through a

nationwide network comprising 357 originator partners, 57 digital partners, 432 branches and over 1,500 investor relationships.

While these achievements are encouraging, what gives me greater confidence is the quality of the institution that has produced them.

Northern Arc today is built upon a diversified business model, a resilient balance sheet, a strong liability franchise, disciplined capital allocation and an unwavering commitment to prudent risk management. Diversification across businesses, customer segments, geographies, funding sources and distribution channels has enabled us to remain resilient across changing economic and credit cycles. This resilience has been demonstrated repeatedly through periods of uncertainty, reinforcing our confidence that sustainable growth is built on consistency rather than short-term momentum.

One of the Board's foremost responsibilities is to ensure that the institution never compromises long-term sustainability in pursuit of short-term growth. I am encouraged that the management team remains firmly aligned with this philosophy. Every strategic decision, whether relating to business expansion, technology investments, capital allocation or risk governance, is evaluated through the lens of creating durable, long-term shareholder value.

Technology continues to distinguish Northern Arc, not merely because of the platforms we have built, but because of how thoughtfully they are integrated into our business. Platforms such as Nimbus, nPOS, NuScore and Altifi have significantly enhanced our ability to originate, underwrite, monitor and distribute credit at scale. Yet, technology alone does not build enduring financial institutions. It must be complemented by sound governance, experienced judgement and a culture that values prudence as much as innovation. It is this combination that differentiates Northern Arc.

Every enduring institution is ultimately built by its people.

Over the years, Northern Arc has nurtured an entrepreneurial culture that encourages ownership, collaboration and continuous learning while remaining firmly anchored in integrity and accountability. As the organisation enters its next phase of growth, investments in leadership development, digital capabilities, advanced analytics and artificial intelligence will further strengthen our ability to serve customers and partners while preserving the values that have shaped our institution since its inception.

Financial inclusion remains our most meaningful contribution to sustainable development. Every responsibly underwritten loan has the potential to create livelihoods, strengthen enterprises and improve communities. Whether by

supporting small entrepreneurs, enabling affordable housing, financing rural livelihoods or expanding access to clean energy, we continue to demonstrate that commercial success and positive societal impact can reinforce one another.

As we look ahead, India's long-term opportunity remains compelling. Rising aspirations, increasing formalisation, rapid digital adoption and continued policy support will expand the country's credit needs for many years to come. Institutions that combine purpose with discipline, innovation with governance and growth with responsibility will be best positioned to create enduring value.

I believe Northern Arc enters this next phase from a position of considerable strength. We are supported by an experienced leadership team, a committed workforce, a highly engaged Board, strong governance standards and a business model that has demonstrated resilience across multiple economic cycles. Most importantly, we remain guided by a clear sense of purpose that continues to shape every decision we make.

On behalf of the Board, I extend my sincere gratitude to our shareholders for your continued trust and confidence. I also thank our customers, originator partners, lenders, investors, regulators and the communities we serve for their unwavering support. Above all, I thank our employees, whose commitment,

integrity and passion continue to define Northern Arc's success.

Our responsibility as a Board extends beyond delivering another year of strong financial performance. It is to ensure that Northern Arc remains trusted, well governed and resilient for decades to come.

I am confident that we will continue to honour that responsibility while creating sustainable value for our shareholders and contributing meaningfully to India's journey of inclusive economic growth.

Warm Regards,

P.S. Jayakumar
Chairman



Financial inclusion remains our most meaningful contribution to sustainable development. Every responsibly underwritten loan has the potential to create livelihoods, strengthen enterprises and improve communities.



MD and CEO's letter to shareholders

“

Powering India's credit ecosystem by enabling the seamless flow of credit to underserved households, entrepreneurs and businesses.

Dear Shareholders,

Every year, as I reflect on Northern Arc's journey, I find myself returning to a simple question:

What kind of institution are we trying to build?

Sixteen years ago, we started with a clear belief. India's growth story could not be complete unless credit reached every deserving individuals, household, and small business, irrespective of where they lived. The challenge was never the lack of demand for credit. It was the absence of an ecosystem that could deliver credit responsibly, consistently and at scale.

That belief continues to define Northern Arc today.

While we are recognised as a financial institution, we have never viewed ourselves as merely a lender. We see ourselves as an enabler of India's credit ecosystem, bringing together borrowers, originators, investors, technology and risk management capabilities to ensure that capital flows to where it can create the greatest impact at scale. Every business we have built, every partnership we have forged and every investment we have made has been guided by this single purpose.

As India's economy continues to formalise, millions of individuals, households and small businesses are entering the formal financial system. Rising aspirations, expanding digital infrastructure and deeper financial inclusion are transforming the way

credit is originated, distributed and consumed. We believe this represents one of the most significant long-term opportunities in India's financial services landscape.

But the scale of this opportunity also demands a different way of thinking.

One can ask, "How much of this opportunity can we capture ourselves?" Or one can ask, "How much of this opportunity can we help India realise?"

For us, the answer has always been the latter.

Helen Keller once wrote, "Alone we can do so little; together we can do so much." Those words capture Northern Arc's philosophy better than any strategy document. They inspired us to build an institution that collaborates rather than competes, enables rather than replaces, and believes that strengthening the ecosystem creates value for everyone. This philosophy has shaped Northern Arc from the very beginning and continues to guide every decision we make.

Guided by this philosophy, Northern Arc has evolved into one of India's most diversified technology-led financial services platforms. Today, our ecosystem spans 368 originator partners, 57 digital lending partners and 432 branches, enabling credit to ~140 Million borrowers across the country.

Our diversified model is intentional. It combines a growing Direct-to-Customer lending

franchise with a well-established Credit Solutions platform, allowing us to participate across multiple lending segments while remaining resilient through changing economic and credit cycles. This diversification has become one of our greatest strengths.

Over the years, I have often reminded our teams that we are not merely in the business of lending; we are in the business of managing risk.

Growth creates value only when it is sustainable. Every lending decision reflects a careful balance between opportunity and discipline. Over the past sixteen years, Northern Arc has successfully navigated every major disruption that confronted India's financial sector, including demonetisation, the IL&FS crisis, the COVID pandemic, the

microfinance cycle, liquidity disruptions and more recent geopolitical uncertainties. Each of these events tested our resilience. More importantly, they reinforced a lesson that continues to guide us today: institutions built on prudent risk management endure.

Our long-term strategy has been anchored around three simple yet enduring principles, "Strengthen, Grow and Reimagine".

The first priority has been to strengthen the foundation of our franchise. Over the past sixteen years, we have built one of India's most differentiated Credit Solutions platforms, connecting originators, lenders and investors through a technology-led ecosystem. We believe this franchise represents a unique and durable competitive advantage, one that is difficult to



**INR 16,594
Crore**

Assets Under
Management in FY26

**INR 406
Crore**

Highest-ever Profit
After Tax in FY26

replicate given the relationships, capabilities, data and trust that have been built over time.

Having strengthened this foundation, our focus has been to grow our Direct-to-Customer lending business by leveraging the insights, underwriting expertise and ecosystem advantages developed through our Credit Solutions platform. This has enabled us to build a granular retail franchise while remaining disciplined in our approach to risk.

The third pillar is to reimagine how we serve customers and partners. Whether through technology-led lending, digital distribution, or expanding into asset and wealth management solutions, we continue to explore new ways of leveraging our platform to create greater value for every participant in the credit ecosystem.

We believe this strategy has created strong and sustainable competitive moats around our business. More importantly, it has enabled us to build a diversified institution where each business reinforces the others, creating a flywheel of growth that becomes stronger with scale. The outcomes we are delivering today, in our financial performance, the quality of our franchise and the confidence of our stakeholders, reinforce our conviction that this strategy is creating long-term value and positioning Northern Arc for its next phase of growth.

Over the last five years, Assets Under Management have grown at a CAGR of approximately 26% to INR 16,594 Crore as on 31 March 2026. During the same period, our Direct-to-Customer portfolio has expanded from INR 986 Crore in FY21 to INR 9,792 Crore in FY26, increasing its contribution to our lending portfolio from 19% to 59%.

This transformation has fundamentally changed the

composition of our business. A more granular retail portfolio has strengthened our earnings profile, expanded our Net Interest Margin from 5.6% to 9.4% and supported a five-year Profit After Tax CAGR of 43%, reaching INR 406 Crore, while maintaining Net NPAs below 1%.

These numbers represent more than financial growth represent outcome of a sharply executed strategy. They demonstrate that disciplined execution, when pursued consistently over time, creates sustainable shareholder value. FY26 further demonstrated the resilience of our business model.

Against the backdrop of improving regulatory conditions and recovering credit demand, Northern Arc delivered its highest-ever annual profit of INR 406 Crore with year-on-year growth of 33%, while continuing to strengthen portfolio quality. Our AUM grew by 22% year-on-year to INR 16,594 Crore, outpacing industry growth, led by a 39% increase in our Direct-to-Customer portfolio, which now contributes 59% of our lending assets.

This progress reflects a strategy that we have consistently articulated over the past several years: building a diversified, granular retail lending franchise supported by disciplined underwriting, deep customer understanding and a technology-enabled operating model.

Consumer Finance continued to be one of our fastest-growing businesses. AUM increased by 50% to INR 5,092 Crore, supported by strong consumption demand, robust partnership with 24 Digital Partners and proprietary on-lending platform, nPOS. As India's consumption economy continues to expand, we believe responsible consumer lending will remain a meaningful long-term opportunity.

Our MSME Finance business also delivered another year of strong growth, with AUM increasing 43% to INR 3,691 Crore. Alongside business expansion, we strengthened our operating capabilities through branch additions, improved collection efficiencies and a secured lending approach supported by fully registered mortgage structures. India's entrepreneurs continue to represent one of the country's greatest growth engines, and we remain committed to supporting them responsibly.

Following strong growth post COVID, the microfinance industry witnessed a significant correction driven by borrower over-leveraging. We responded early by moderating portfolio growth, strengthening collections, enhancing field recovery capabilities and increasing portfolio surveillance. These proactive measures helped improve collection efficiency to 99.6% by March 2026 while allowing us to resume disbursements in a calibrated manner as portfolio quality improved.

Our approach throughout the cycle remained unchanged. Growth is important but preserving asset quality and protecting long-term franchise value are even more important.

While our Direct-to-Customer franchise has grown significantly, our Credit Solutions platform continues to remain the foundation upon which Northern Arc was built.

Over the last sixteen years, this platform has evolved into a comprehensive ecosystem supporting originator partners through capital access, technology, structuring expertise and risk management capabilities. We remain selective in choosing our partners, with 88% rated BBB or above and around 95% maintaining capital adequacy ratios exceeding 20%.

By strengthening our partners, we strengthen the broader credit ecosystem.

Our fee-based businesses further complement this model by creating diversified earnings streams while deepening client relationships. During FY26, placement volumes reached INR 11,834 Crore, while our credit funds managed assets of INR 3,092 Crore. Together, these businesses reinforce our integrated financial services platform and reduce dependence on any single business line.

Our vision of building a comprehensive credit ecosystem extends beyond lending and into enabling wider participation in India's capital markets. Altifi, our retail bond platform, is a reflection of this vision. By providing retail investors access to high-quality debt securities underwritten by Northern Arc, we are democratising an asset class that has traditionally been accessible primarily to institutional investors.

The platform today serves over 95,000 registered investors, with one of the highest average investment values per customer in the industry. This is a strong endorsement of the trust that investors place in Northern Arc's underwriting capabilities, disciplined risk management and long-standing track record. More importantly, Altifi strengthens our ecosystem by connecting individual investors with quality fixed-income opportunities while broadening the sources of capital available to borrowers. Its growing acceptance reinforces our belief that institutions built around customer trust, transparency and consistent value creation are best positioned to deliver sustainable long-term growth.

Risk management remains the foundation of everything we do.

Today, our underwriting framework is supported by more than 50 Million loan

performance data points, over 30 proprietary underwriting models and a team of more than 100 dedicated risk professionals. The combination of technology, analytics and human judgement enables us to respond quickly to changing market conditions while maintaining disciplined underwriting standards.

This disciplined approach translated into stronger financial outcomes during the year. Credit costs reduced by 42 basis points to 2.8%, Net NPAs improved to 0.6%, Stage 2 assets declined to 1.5% and Return on Assets increased to 2.8%, despite macroeconomic uncertainty and a prudent management overlay.

An equally important pillar of our franchise is the strength of our liability profile. Over the years, we have built a well-diversified funding base comprising a balanced mix of domestic and offshore lenders, enabling us to access capital across market cycles. This diversified liability franchise, combined with a strong capital position and a positive Asset-Liability Management (ALM) profile across time buckets, provides us with both stability and financial flexibility.

More importantly, it reflects the confidence that our lending partners have in our business model, governance standards and risk management capabilities. Supported by our consistent financial performance and strong credit profile, we continue to enjoy access to funding on competitive terms, reinforcing our ability to grow responsibly while maintaining a resilient balance sheet.

As we look ahead, our confidence comes not only from the opportunities before us but also from the institution we have built to pursue them.

India's credit market continues to offer enormous headroom for growth. Millions of individuals,

households, and businesses remain underserved, creating a long runway for responsible financial institutions. Supported by a strong Board, an experienced leadership team, proprietary technology, disciplined risk management and a diversified business model, we believe Northern Arc is well positioned to grow its lending assets by 20-25% CAGR in coming years while continuing to deliver sustainable, risk-adjusted returns.

Yet, our aspiration extends beyond building a larger balance sheet.

We aspire to build an institution that remains trusted across credit cycles, respected by customers and partners, valued by investors and recognised for expanding financial inclusion responsibly.

When credit reaches deserving borrowers, entrepreneurs create businesses, families improve their quality of life and communities prosper. If Northern Arc can continue enabling that progress, we will have created lasting value not only for our shareholders but also for the country we serve.

On behalf of the Board, I extend my sincere gratitude to our employees, customers, partners, investors and shareholders for your continued trust and confidence. Every milestone we have achieved reflects your belief in Northern Arc and the unwavering commitment of our people.

Our journey over the past sixteen years has strengthened our conviction. The opportunities before us are even greater, and we look forward to building the next chapter together.

Thanking You.

Ashish Mehrotra
Managing Director & CEO

Delivering our strategy: Strengthen • Grow • Reimagine

Over the past five years, Northern Arc has remained steadfast in executing its long-term strategy of Strengthen, Grow and Reimagine, building a diversified financial services institution while preserving the discipline and resilience that have defined the Company since inception.

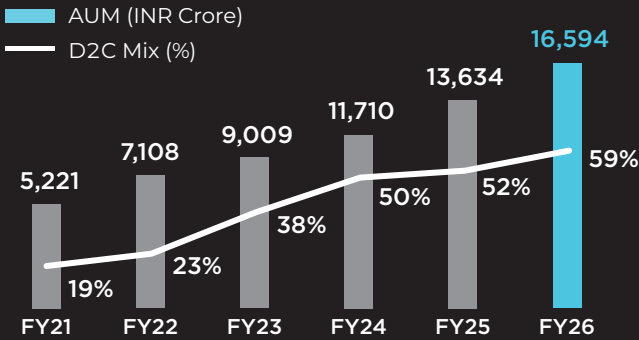
We began by **strengthening** the foundations of our franchise. Our Credit Solutions business, the cornerstone of Northern Arc’s ecosystem, continued to deepen its reach by onboarding and managing 368 Originator Partners over the past five years and enabling cumulative credit of over INR 1 Lakh Crore. This strengthened ecosystem of originators, lenders and investors remains a differentiated competitive advantage for Northern Arc.

Building on this strong foundation, we focussed on **growing** our Direct-to-Customer lending franchise, drawing on the insights, data and underwriting expertise gained through its Originator Partner ecosystem. We expanded our **digital partnerships to 57**, scaled our Rural Finance network to **342 branches** and built a dedicated MSME distribution franchise of **90 branches** by FY26. These investments were complemented by continued strengthening of our technology platforms, proprietary underwriting models, analytics capabilities and collections infrastructure, creating a robust and scalable operating model for sustainable, risk-adjusted growth.

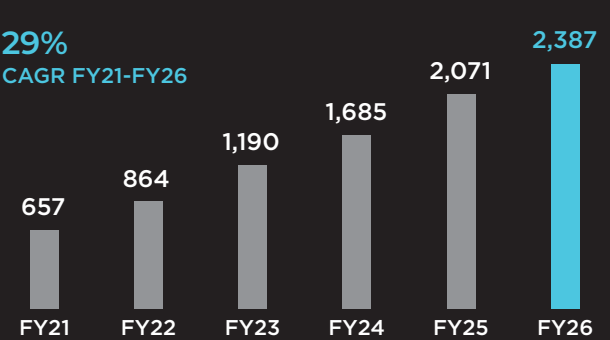
The third pillar of our strategy has been to **reimagine** how capital is originated, distributed and invested. Recognising the structural evolution of India’s financial markets, we expanded beyond traditional lending by building new platforms that connect diverse pools of capital with quality credit opportunities. Altifi, our digital retail fixed-income investment platform, has grown to over 95,000 registered investors, broadening retail participation in India’s debt markets. At the same time, our Fund Management business expanded through multiple Performing Credit Funds across AIF and PMS structures, providing sophisticated investment solutions for high-net-worth and institutional investors. Further, the Company has developed proprietary platforms, nPOS and NuScore, enhancing its technology-led underwriting and lending capabilities.

Together, these initiatives reflect Northern Arc’s deliberate evolution into a comprehensive credit ecosystem where each business reinforces the others. The Credit Solutions platform generates insights that strengthen D2C lending, while the lending and investment platforms broaden access to capital and investment opportunities. This integrated and scalable model strengthens the Company’s competitive advantage and supports sustainable growth. Looking ahead, Northern Arc remains well positioned to create enduring value for its customers, partners, investors and shareholders.

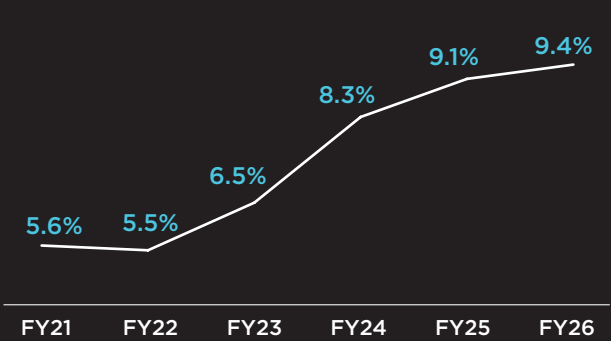
Increasing Share of Direct-to-Customer Lending



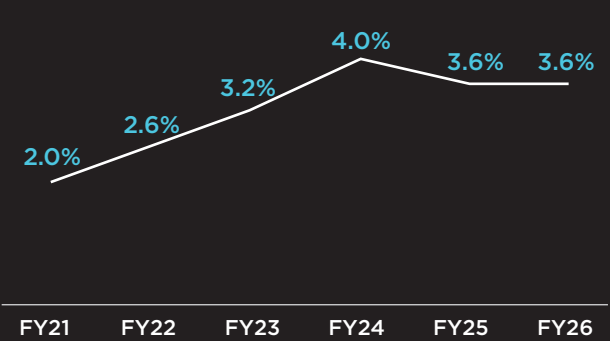
Total Income (INR Crore)



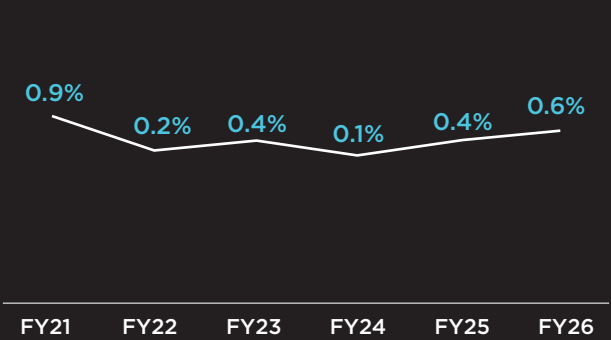
Net Interest Margin (%)



OPEX (%)



Sustained Net NPA Less than 1% across cycles (%)



Profit After Tax (INR Crore)



About Northern Arc Capital Limited

Northern Arc has built a diversified financial services platform that operates through a dual-engine business model, Credit Solutions and Direct-to-Customer (D2C) Lending. Together, these businesses create an integrated credit ecosystem that enables the efficient flow of capital while generating insights, capabilities and opportunities that strengthen the entire franchise. Credit Solutions, the foundation of the Company, provides comprehensive financing solutions to Originator Partners through lending, debt placements, fund management and technology-enabled platforms.

Built over 16 years, the business has developed deep sector expertise, extensive credit data and strong investor relationships, creating a durable competitive advantage. Building on its strong foundation, the Company has scaled its D2C lending business across MSME, Consumer Finance and Rural Finance, leveraging deep credit expertise, proprietary underwriting models and a large addressable market to deliver sustainable, risk-adjusted returns. The integrated and diversified model enables dynamic capital allocation across segments based on risk-adjusted opportunities, supported by disciplined risk management and diversified earnings, enhancing resilience across credit cycles.

A strong domain expertise

Northern Arc is a customer-centric and product-agnostic business. Equipped with its deep understanding of diverse regional needs and expertise across core segments.

Serving customers a phygital model

Northern Arc serves its customers through a “phygital” model with a mix of branches and digital partners, enabling it to reach the under-served borrowers across India.

Differentiated underwriting processes

Our differentiated credit underwriting processes and risk models enables it to deliver strong asset quality and risk adjusted returns consistently across business cycles.

Key highlights of FY26

INR 16,594 Crore

Lending AUM up 22%

2.8%

ROA up 34 bps

0.6%

Net NPA Ratio

59%

Direct-to-Customer Mix

Our Value system

Vision

Our vision is to be a trusted platform that enables the flow of finance from capital providers to users in a reliable and responsible manner.

INR 406 Crore

PAT up 33%

11.1%

ROE up 110 bps

29.55 Lakh

No. of Direct Customers

INR 24,170 Crore

Credit Enabled for Originator Partners

Mission

To enable access to finance for the underbanked in an efficient, scalable and reliable manner.



Our Values

Ethical

We adhere to a shared code of ethics and high standards of professional conduct.

Responsive

We are nimble and quick to adapt, learning and evolving as we go.

Innovative

We push the frontiers of finance through knowledge and innovation.

Empathetic

We understand the needs of our stakeholders and are aligned with them.

Resolute

We are unwavering in our commitments and stand by them.

Our Beliefs

- ▶ Unstinted commitment to our sectors, clients, investors and the nation
- ▶ Leading, through the creation of knowledge and expertise in the space we operate in
- ▶ Using innovation as a tool to develop new products and processes for creating investment opportunities
- ▶ Understanding risks and pricing them fairly
- ▶ Skin-in-the-game and long-term incentivising as a means of building a stable platform for access to finance
- ▶ Long-term growth and profitability as important ingredients for scalability

An efficient and scalable business model

Credit Solutions

Providing solutions across focus sectors

Northern Arc serves as an ecosystem enabler engaging with Originator Partners and investors to facilitate the flow of capital across the under-served segments. Through this collaborative network, Northern Arc delivers a comprehensive suite of credit solutions.

INR 6,802 Crore

Lending AUM

INR 3,092 Crore

Fund Management AUM

INR 11,834 Crore

Placements Volume

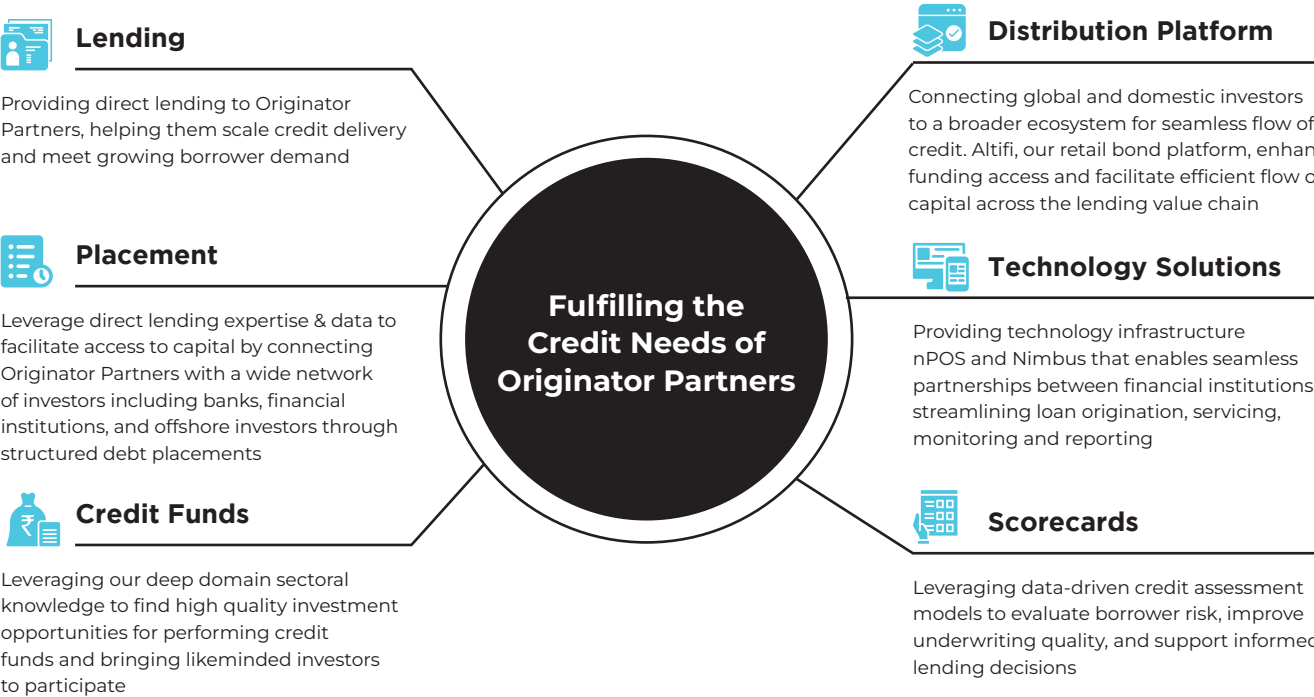
368

Originator Partners

1,500+

Investors

Powering Originator Partners Across the Full Credit Continuum



Direct-To-Customer lending

Building Retail Granular lending book

Through its Direct-to-Customer (D2C) lending business, Northern Arc provides credit directly to underserved households, individuals, and small businesses across India. The business focusses on three key segments i.e. MSME Finance, Consumer Finance, and Rural Finance, addressing the diverse credit needs of borrowers who often have limited access to formal financial services.

The Company's phygital distribution model combines an extensive network of 432 branches with 57 Digital Partners, enabling it to expand its reach across remote and underpenetrated markets while delivering a seamless customer experience. This distribution strength is complemented by proprietary technology platforms, including NuScore, the Company's AI/ML-driven underwriting engine that leverages extensive loan performance data for credit assessment, and nPOS, its digital loan origination platform that enables faster onboarding, underwriting, and loan disbursement. Together, these capabilities support scalable growth, prudent risk management, and efficient delivery of credit to underserved customer segments.

INR 9,792 Crore

Lending AUM

29.55 Lakh

No. of customers

432

Branches

57

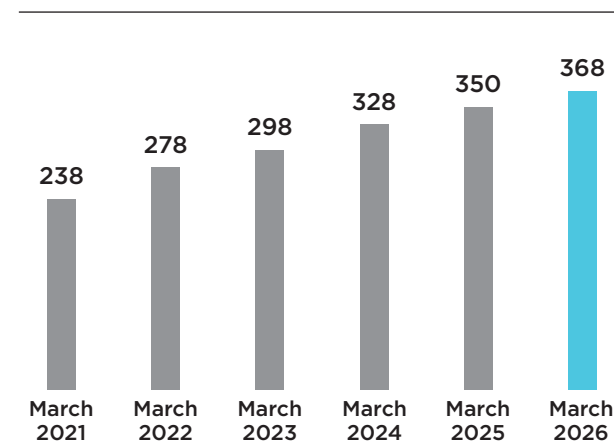
Digital Partners

Northern Arc Customer Base			
	 MSME	 Consumer Finance	 Rural Finance
# Customers	46,000+	24,12,000+	4,64,000
Sourcing Channel	Direct – Branch / Digital	Direct – Digital	Direct – Branch
Security	Secured – Collateral / FLDG	Quasi Secured – FLDG	Unsecured – CGFMU cover
Ticket Size (Disbursements)	INR 5 – 25 Lakh	INR 50,000 – 5 Lakh	INR 35,000 – 75,000
	AUM – INR 3,691 Crore	AUM – INR 5,092 Crore	AUM – INR 1,009 Crore

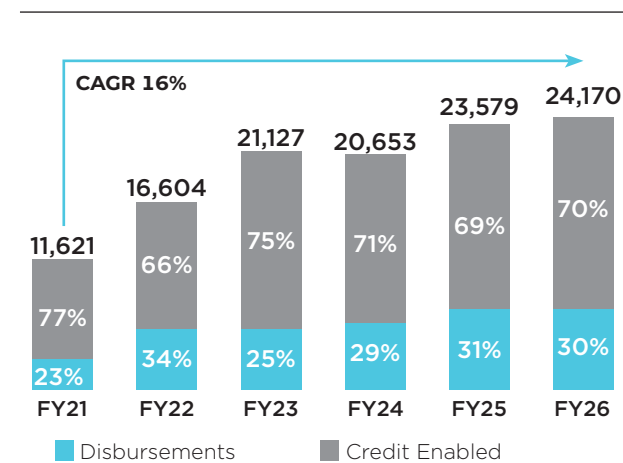
Credit Solutions

Credit Solutions anchors Northern Arc's originator partner-led ecosystem, enabling them to access debt capital, technology, and risk solutions that support responsible scaling of their business. Built on rigorous selection and deep sector expertise, the platform supports efficient credit flow across underserved segments while maintaining quality and resilience.

Growth in Originator Partners



Increase in Gross Transaction Volumes (INR in Crore)



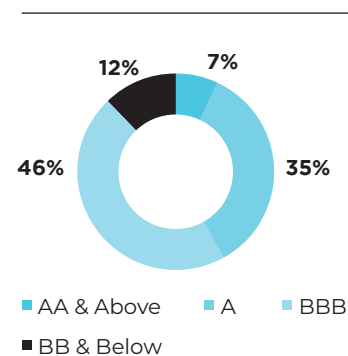
Northern Arc follows a robust, multi-layered onboarding process for Originator Partners, anchored by Board-approved, sector-specific underwriting guidelines. Prospective partners undergo comprehensive due diligence across business, financial, operational, governance and risk parameters, followed

by independent reviews by the Business, Credit and Risk teams.

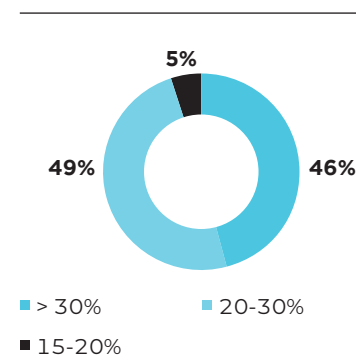
Once onboarded, Northern Arc acts as a preferred financing partner, offering solutions beyond conventional lending. Its suite includes liquidity support, debt structuring and placement, credit funds, technology-enabled

tools, risk scorecards and a retail distribution platform. Through continuous monitoring, market engagement and relationship management, the Company provides credit, capital and technology solutions as Partner needs evolve.

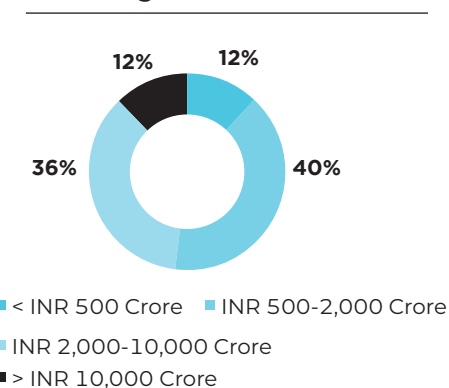
88% of Partners are BBB & above rated



95% of Partners have CRAR of 20%+



Originator Partners AUM Range



Bharat Credit Summit 2025

Deliberating on the future of credit in India

Northern Arc Capital's Bharat Credit Summit in Mumbai brought together India's financial leaders to shape the future of credit and address one of the country's biggest opportunities by bridging the credit gap.

The Summit convened NBFCs, banks, investors, rating agencies, trustees, and policymakers to discuss how securitisation and Alternate Investment Funds (AIFs) can unlock capital for underserved sectors. With perspectives from industry leaders, global experts, and investors, the discussions highlighted the transformative potential of structured finance and the need for robust governance. As AIFs channel over INR 13.5 trillion into India's growth sectors, the Summit reinforced the importance of building a resilient financial ecosystem.



Key segments in Credit Solutions

Intermediate
Retail Lending



INR 6,802 Crore

Intermediate Retail Lending AUM

110-120%

of Loan Value Collateral

**Making judicious use of
balance sheet to foster
relationships**

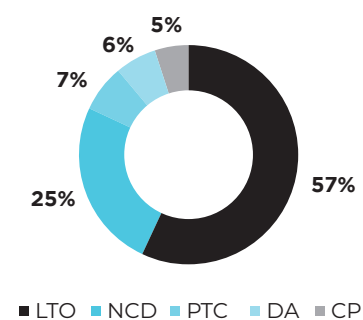
Northern Arc has been historically providing funding from its balance sheet to Originator Partner for onward lending to retail customers.

The Company supports partners through a wide range of funding structures tailored to their capital requirements and business models.

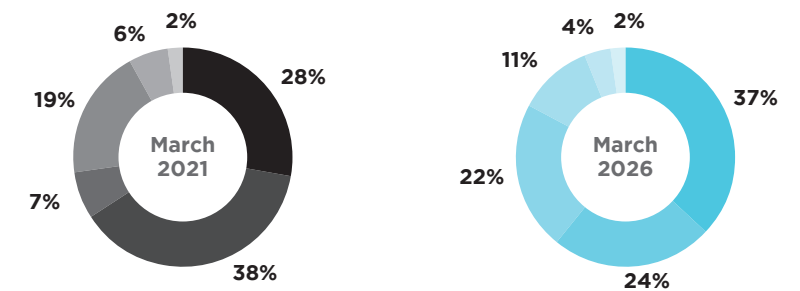
These include balance sheet lending and investments in debt securities issued by Originator Partners to finance their retail lending activities. The financing instruments comprise loans, non-convertible debentures (NCDs), market-linked debentures, commercial papers (CPs), and other structured debt solutions. In addition, Northern Arc invests in retail loan portfolios originated by its partners through portfolio. These transactions involve a hypothecation of the borrower's

assets to the extent of 110-120% of loan by the Originator Partners to ensure fulfilment of the debt obligation upon default in payment by the borrower to minimise exposure.

Break-up of Lending AUM



Northern Arc started its journey by partnering with Microfinance Institutions (MFIs), and since then, it has progressively expanded into sectors such as MSME, Consumer Finance, Vehicle Finance, Affordable Housing, and Agriculture. This calibrated diversification has enabled the Company to build a well-balanced lending portfolio, strengthen portfolio resilience, and cater to the evolving credit needs of the underserved segments across India.



■ MSME ■ MFI ■ Consumer Finance ■ Vehicle Finance
■ Affordable Housing Finance ■ Agri and Others

Going forward, the Company intends to use its balance sheet primarily to establish new partner relationships, while the incremental funding requirements of existing Originator Partners will increasingly be met through its comprehensive credit solutions approach by leveraging Funds, Placements and Altifi platform, creating a scalable and capital-efficient growth model, which is capital light and fee-accretive.



Placement Business



INR 1.3 Lakh Crore

Credit Placement till date

INR 11,834 Crore

Placement Volume in FY26

200+

Investor Partners

0.27%

Placement Fee Yield

Risk-free credit enablement

Northern Arc remains committed to enabling credit for its Originator Partners beyond balance sheet lending through its Placements business. Since inception, Northern Arc has facilitated debt transactions aggregating INR 1.3 Lakh Crore, reinforcing its position as a trusted intermediary that efficiently channels capital to underserved sectors of the economy.

The Company enables financial institutions and corporates to access capital from a diversified network of investor partners, including banks, development finance institutions, domestic and offshore funds, foreign banks, insurance companies, and other institutional investors..

Northern Arc also plays a pivotal role in deepening the securitisation market and broadening access to capital for

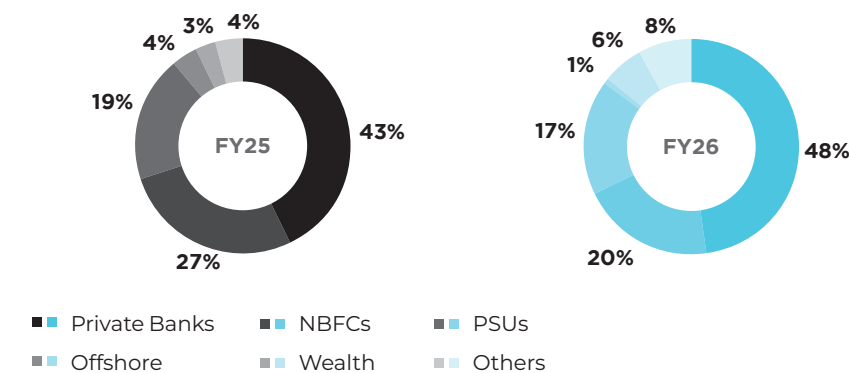
its partners. Drawing on its deep domain expertise in Structured Finance, strong market positioning, technology-driven insights, innovative structuring capabilities, and long-standing relationships with Originators and Investors, the Company structures and facilitates tailored PTC transactions aligned with the evolving requirements of its stakeholders.

Through these capabilities, Northern Arc continues to deepen capital market access for its Originator Partners, diversify their sources of funding, and facilitate the efficient flow of capital across the credit ecosystem.

Securitisation continued to dominate, contributing to ~67% of total placement volumes of INR 11,834 Crore, with PSL-driven demand of about ~25% of total volume, particularly for MFI-originated assets.

While the Company maintains a diversified investor base comprising offshore investors, domestic banks, NBFCs, PSUs, Mutual Funds and wealth firms, domestic banks and NBFCs remained the primary drivers of placement volumes in FY26 contributing approximately 68% of the total volume. Domestic alternative investors, including AIFs, private credit funds, and wealth platforms, continued to expand their participation, accounting for around 14% of placements, with a preference for higher-yield structured opportunities. Participation from offshore investors remained relatively muted during the year, reflecting heightened geopolitical uncertainty and a cautious global investment environment

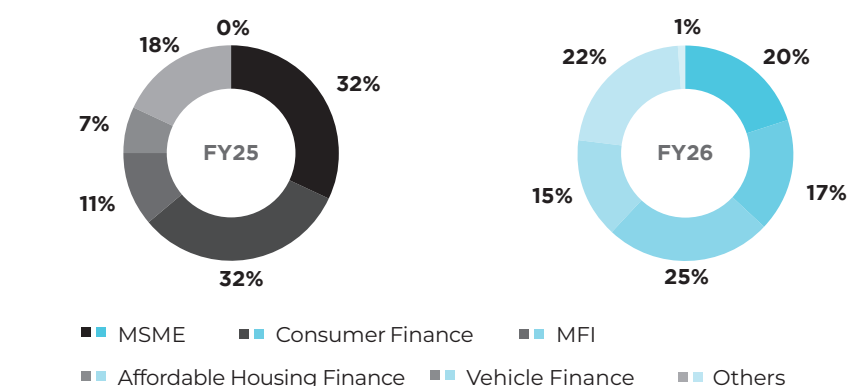
Subdued foreign participation



Northern Arc's Credit Solutions (Placements) business is well diversified across six sectors like Microfinance, MSME, Consumer Finance, Vehicle Finance, Affordable Housing Finance, and Agriculture Finance. This diversified sectoral mix enables the Company to cater to a broad spectrum of credit needs, reduce concentration risk, and provide investors with access to high-quality credit opportunities across India's underserved economy.

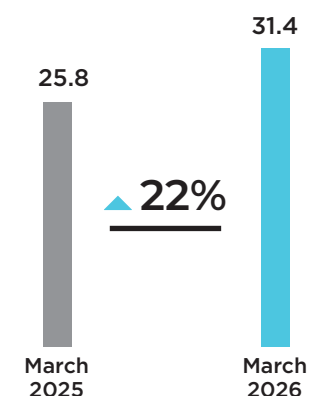
During FY26, placement volumes in the Microfinance sector-one of the largest contributors to the business – were impacted by the industry's over-leveraging challenges, resulting in a moderation in transaction volumes. However, the Company's diversified sectoral presence helped offset the impact and supported overall business resilience.

A diversified sector mix with improving contribution from MFIs



During the year, we strengthened our credit intermediation platform by onboarding 24 new investors and expanding our reach into newer investor segments, including Alternative Investment Funds (AIFs), corporate treasuries, co-operative banks, Small Finance Banks (SFBs), and provident funds. This enhanced investor diversification and improved monetisation, resulting in fee income realisation increasing from **0.21% in FY25 to 0.27% in FY26**.

Placement fee income (INR Crore)



Fund
Management



A strong track record
of ~10 years

INR15,000+ Crore

Funds Deployed till date

INR3,092 Crore

AUM

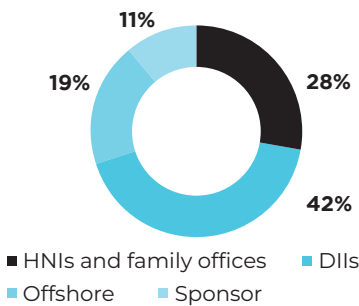
14.57%

XIRR in exited funds

40+

Consistent quarterly distributions

Diversified Investor Base (AUM)



Northern Arc's Fund Management business complements its Credit Solutions platform by channelling capital into carefully selected financial institutions and corporates that align with the thematic investment objectives of its funds.

The Northern Arc Group's fund management business is undertaken through its wholly-owned subsidiary, Northern Arc Investment Managers (NAIM),

which manages thematic credit funds focussed on delivering long-term value for investors while expanding access to credit across underserved sectors.

NAIM has established a strong fiduciary track record, with all its funds structured as clean, performing credit vehicles without carry structures, ensuring alignment with investor interests while delivering superior risk-adjusted returns. The funds primarily invest through non-convertible debentures (NCDs), supporting prudent risk management, predictable cash flows, and portfolio resilience.

Since inception, NAIM has managed 12 Category II AIFs and three PMS schemes, deploying over INR 15,000 Crore across more than 250 portfolio companies, while serving over 1,300 unique investors. The platform has successfully exited six funds, with each delivering returns ahead of its targeted performance, reinforcing NAIM's track record as a trusted manager of private credit capital.

All 6 funds (which are closed) delivered higher than targeted returns

Names	Year of Launch	Fund tenor (Year)	Fund size (INR Crore)	Target	Actual
IFMR Impact Long Term Multi Asset Class Fund	2015	6	388	14.5%	15.1%
IFMR Impact Medium Term Micro Finance Fund	2016	4	99	13.5%	15.2%
IFMR Impact Medium Term Opportunities Fund	2017	5	286	13.5%	14.2%
IFMR Impact Income Builder Fund	2018	4	170	13.5%	13.7%
IFMR Impact Investment Fund	2020	5	100	15.0%	17.1%
Northern Arc Income Builder Trust (Series II)	2020	4	350	13.4%	14.1%

Other
solutions



Co-lending Technology Platform

nPOS (Nimbus Partner Origination System) is Northern Arc's API-based, cloud-native loan origination platform that enables seamless integration with lending partners for on-lending and co-lending. Leveraging machine learning for credit underwriting, the platform facilitates efficient loan origination, decision-making, and partner connectivity. With over five years of operating history, nPOS is a proven and scalable platform that has continuously evolved to incorporate changing regulatory requirements and industry best practices. In addition to supporting Northern Arc's own lending operations, the Company offers nPOS as a Software-as-a-Service (SaaS) solution to Originator Partners and Banks, enabling them to efficiently originate and manage co-lending portfolios while enhancing operational efficiency and compliance.

Distribution Platform

Altifi is an innovative retail bond platform that enables retail investors to access a diverse range of fixed-income securities. Today, Altifi hosts both proprietary and third-party investment products, providing a wider range of investment opportunities to its ~95,000 registered customers. The platform also strengthens Northern Arc's credit ecosystem by expanding its capital-raising capabilities. Through Altifi, the Company can connect retail investors with fixed-income investment opportunities issued by its Originator Partners, thereby diversifying funding sources and enabling more efficient access to capital.

Scorecards

NuScore is an enterprise-grade Analytics-as-a-Service platform for financial institutions, combining advanced machine learning with deep industry expertise. It delivers intelligent scorecards, instant insights, and borrower behaviour analysis while ensuring a privacy-first approach through anonymised data. With custom-built models, robust governance, and real-time monitoring, NuScore enables secure, scalable, and adaptive decision-making across the credit lifecycle. The result: faster, compliant, and customer-centric lending decisions that reduce risk, accelerate growth, and sustain long-term performance.

Our business segments

Direct-to-Customer lending

INR9,792 Crore	59%	432	57
D2C AUM	D2C Mix	No. of Branches	No. of Digital Partners

Building a strong retail engine

Leveraging the insights gained from partnering with 368 Originator Partners across the financial services ecosystem, Northern Arc strategically expanded into Direct-to-Customer (D2C) lending to build a diversified and granular retail loan portfolio.

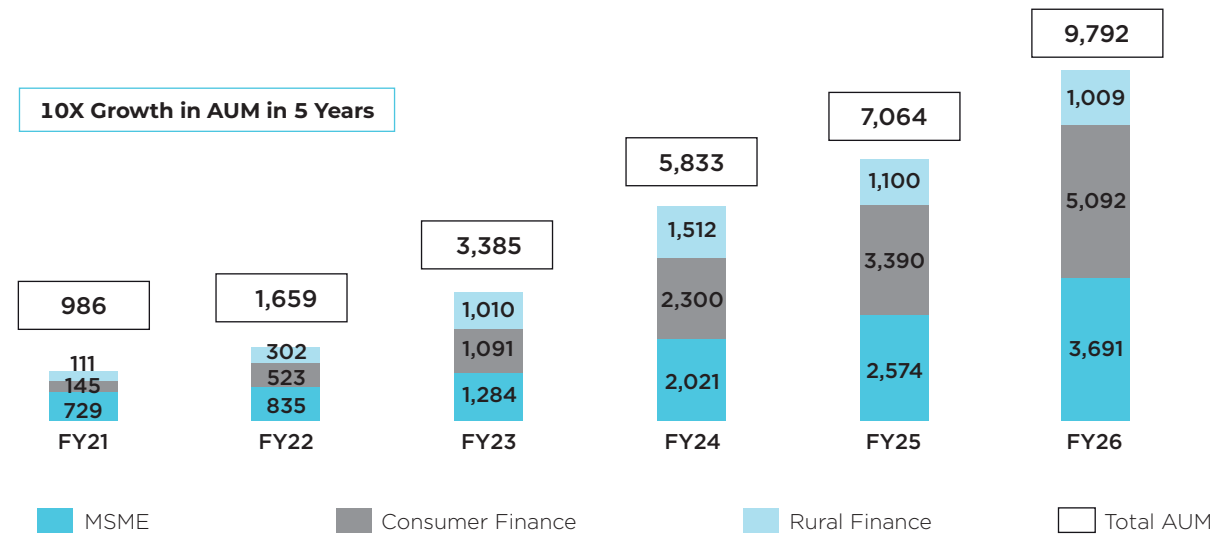
The Company identified three focus segments – MSME, Consumer, and Microfinance – where it has developed deep

domain expertise through years of working alongside lending institutions and where the formal credit gap remains significant.

Northern Arc’s D2C strategy combines the strengths of physical distribution with digital capabilities through its “Phygital” business model. The Company serves its customers by leveraging a network of 432 branches to build strong relationships and provide on-

ground support for origination, servicing, and collections. In addition, by partnering with 57 Digital Partners, the Company enhances customer acquisition, improves the experience, and expands access to lending across geographies. This integrated approach enables the Company to scale its business efficiently while building a well-diversified and granular lending portfolio.

D2C AUM increasing from 21% to 59% in 5 years (INR in Crore)



Direct to Customer segment landscape

Northern Arc sectors	Market Segment we address	Products
Consumer Finance	Young Indians in the mass-market and mass-affluent segments	Personal Loan, End use based financing – like Education fee etc.
MSME Finance	Entrepreneurs/Small businesses focussed on trading, last-mile manufacturing & services	Loan Against Property, Supply Chain Finance, Unsecured Business loan
Rural Finance	Small business owners & Rural individuals	Microfinance, micro-LAP



Key segments in D2C lending

MSME
Lending



Fulfilling credit needs of MSME through the Phygital Model

INR 3,691 Crore
AUM

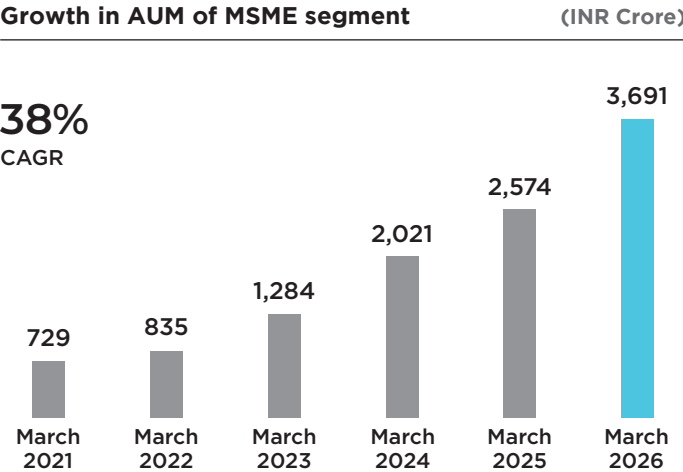
90
Branches

Micro, Small and Medium Enterprises (MSMEs) are a key pillars of India's economy, contributing nearly 29% to the country's GDP and providing employment to over 278 Million people. Despite their economic significance, the sector continues to face a substantial credit gap of approximately INR 117 Lakh Crore, driven by limited access to formal financing and the diverse funding needs of small businesses.

Recognising this opportunity, Northern Arc has built a comprehensive MSME lending franchise focussed on bridging

the formal credit gap. Leveraging its deep understanding of the sector, the Company offers a diversified product suite comprising Loan Against Property (LAP), supply chain finance, working capital loans, and unsecured business loans, catering to enterprises across different stages of growth. Over the past four years, the business has scaled significantly through a combination of branch-led origination, digital partnerships, and data-driven underwriting, enabling the Company to deliver timely, tailored, and responsible credit solutions.

As of 31 March 2026, the Company's MSME franchise spanned over **90 branches across seven states and one union territories** and complemented by **Digital Partners**, extending its reach to underserved entrepreneurs across India. This integrated phygital model has enabled Northern Arc to positively impact the livelihoods of over **46,000 MSME families** while deepening its presence in Tier 3 and Tier 4 markets, where access to formal credit remains limited. By combining local market knowledge with technology-enabled credit assessment and disciplined risk management, the Company continues to expand financial inclusion while building a resilient and diversified MSME portfolio.



Secured LAP - At a Glance

INR11-15 Lakh	48%
Average Ticket Size	Average Loan To Value
17-19%	9-10 years
Average Yield	Average Tenure
>650	100%
Bureau Score	NACH and UPI auto payment

Loan Again Property

Northern Arc launched its secured Loan Against Property (LAP) business in FY23 to address the financing needs of self-employed individuals and small businesses seeking formal credit against residential and commercial properties. The business has since expanded rapidly and, as of 31 March 2026, operates through 86 branches across seven states, supported by a team of over 550 employees.



Diversified MSME branch network

90
Branches
Across 7
States

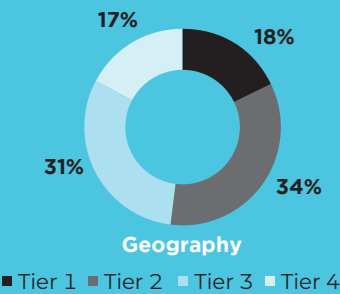


States & Union Territories	Branches
Tamil Nadu	27
Andhra Pradesh	17
Gujarat	13
Telangana	13
Karnataka	9
Madhya Pradesh	7
Maharashtra	3
Delhi	1
TOTAL	90

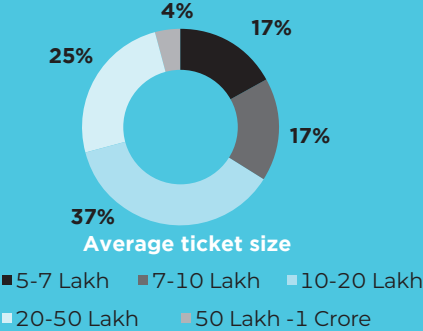
Made for representational purpose only.

Building granularity on the back of strong underwriting

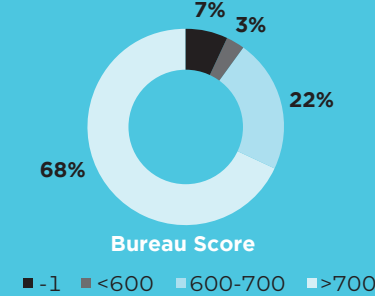
82% Customers acquired outside tier 1 Markets



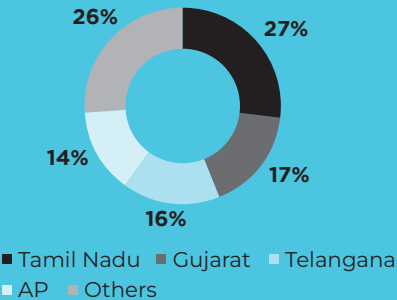
Average ticket size of the book is INR ~10.5 Lakh



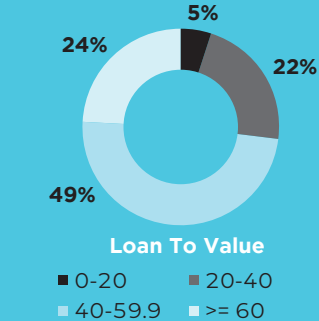
68% of Customers with Bureau Score >700



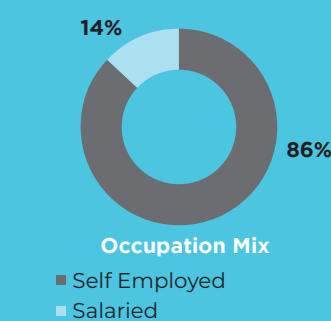
AUM Mix by State



76% of Book has LTV below 60



Focussing Self-employed Entrepreneurs



The Company offers secured LAP with an average ticket size of approximately INR 11-15 Lakh, at average interest yield of 17%-19%, catering primarily to self-employed borrowers. The underwriting framework emphasises prudent risk management, with lending focussed on customers having Bureau scores of 650 and above, maintaining conservative Loan-to-Value (LTV) ratios of less than 50% and a Fixed Obligation to Income Ratio (FOIR) capped at 50%. As of 31 March 2026, the LAP portfolio comprised over 16,000 customers with an AUM of INR 1,651 Crore, reflecting the Company's disciplined approach to building a high-quality secured lending portfolio.

During FY26, the business demonstrated steady and resilient growth. Despite macroeconomic headwinds, our disciplined approach to portfolio management, coupled with continued investments in digital capabilities and collections infrastructure, strengthened our operating foundation and positioned us for sustainable growth.

A small portion of the Micro-LAP portfolio experienced spillover effects from stress in the microfinance sector, which impacted collection efficiency during the first half of the year. The Company placed a strong emphasis on strengthening its collections capabilities, and as collection performance in the MFI portfolio improved, the Micro-LAP portfolio also witnessed a corresponding recovery. Collection efficiency improved from 97.6% in September 2025 to 99.0% by March 2026.

Emerging Business Finance

Northern Arc, as part of its strategy to build a comprehensive MSME financing platform, follows a customer-centric approach by curating credit solutions across invoice financing, term loans, WCTLs, and more. The invoice financing business is largely technology-driven, leveraging client portals and loan management systems to ensure seamless transaction processing and the ability to handle high invoice volumes.

The overall business catered to around 100 clients, with a closing AUM of INR 762 Crore diversified across sectors such as solar, EVs, logistics, manufacturing, pharma, and chemicals. In addition to generating high-quality lending opportunities, this segment also creates a strong pipeline of investment opportunities for the Group's Fund Management business, with eligible enterprises being financed through the Emerging Corporate Bond Fund.

The segment places significant emphasis on sustainable financing, which contributed more than 30% of the overall AUM.

Unsecured Business Loan

Northern Arc also provides merchant loans to MSMEs through a network of Digital Partners under the First Loss Default Guarantee (FLDG) model. This partnership-led approach enables the Company to leverage the sourcing and distribution capabilities of digital platforms while maintaining disciplined risk management through aligned credit-risk sharing arrangements.

The portfolio continued to witness healthy growth during the year, with Assets Under Management (AUM) increasing by 31.2% year-on-year to INR 1,078 Crore. Backed by robust underwriting, continuous portfolio monitoring, and the FLDG framework, the business generates a healthy net yield, after credit costs, in the range of 15%-16%, underscoring its attractive risk-adjusted return profile.

Consumer
Finance



Direct – Digital

Sourcing channel

INR 50,000-5 Lakh

Ticket size

650+

Bureau score

12-48 months

Tenure

nPOS, Northern Arc's proprietary digital lending platform, delivers a seamless, end-to-end experience. Equipped with automated decisioning, robust risk guardrails, and straight-through processing capabilities, nPOS enables loan approvals and disbursements within minutes, while ensuring strong credit discipline. The platform has the capability to process **15,000-20,000 loans every day**, providing the scale, speed, and operational efficiency required to serve a rapidly growing customer base, while maintaining high standards of governance and risk management.

nPOS

Consumer Finance recorded strong growth over the past five years, with AUM reaching **INR 5,092 Crore**, driven by the expansion of digital partnerships. The business also benefited from an evolving regulatory framework that has enhanced transparency, clearly defined the roles of fintechs and lenders, and strengthened the foundation for sustainable growth in digital lending.

Focus on earning net yield of 15%-16%

INR 5,092 Crore

AUM

24 Lakh

Customers

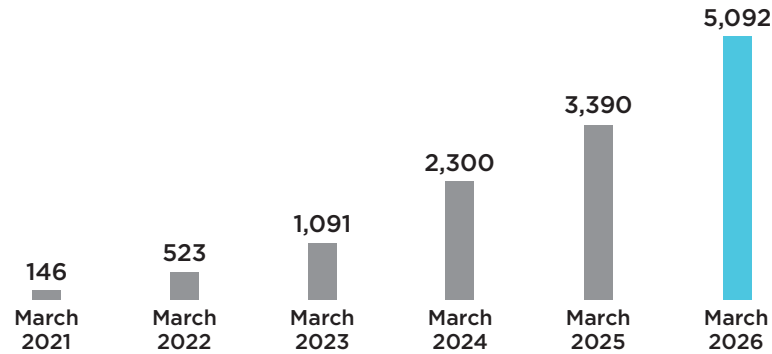
Through its Consumer Finance business, Northern Arc caters to the financing needs of underserved aspiring young Indians in the mass-market & mass-affluent segments enabling them to meet a wide range of personal financial requirements through its digital lending business model. Launched in FY16, the Digital Lending business has evolved into a key pillar of the Company's retail lending strategy, built on the principles of collaborations with Digital Partners, supported by its digital platform nPOS, digital data driven underwriting and risk based processes.

The Company collaborates with a diverse ecosystem of fintechs,

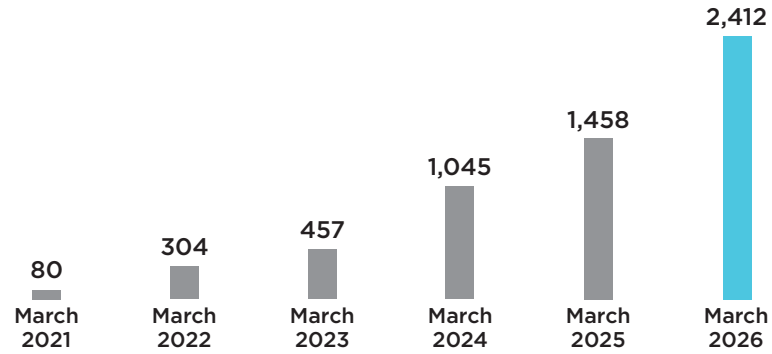
NBFCs, business correspondents, payment platforms, educational institutions, and other digital-first originators to underwrite and disburse loans directly to end customers. This partnership-led approach enables Northern Arc to expand the company's lending portfolio while maintaining a capital-efficient operating model. It leverages RBI's Digital Lending Guidelines to take First Loss Default Guarantee upto 5% from Digital Partners. This risk-sharing mechanism aligns partner incentives with portfolio performance, strengthens credit discipline, and enhances the resilience of the company's lending portfolio.



Growth in AUM of Consumer Finance segment (INR Crore)



Number of Customers (In Thousands)



RURAL FINANCE



INR 1,009 Crore

AUM

342

No. of Branches

99.6%

Collection Efficiency

84%

CGFMU cover

Improved collection efficiency and branch investments to drive future growth

Northern Arc offers microfinance loans directly to underserved individuals through its Rural Finance business, which is operated by its dedicated subsidiary, Pragati Finserv Private Limited, acting as the Company's exclusive business correspondent. Pragati manages the entire lending lifecycle – from customer sourcing and origination to servicing and collections – across rural and semi-urban India, with a focus on income-generating activities, small business financing, and agricultural value chains.

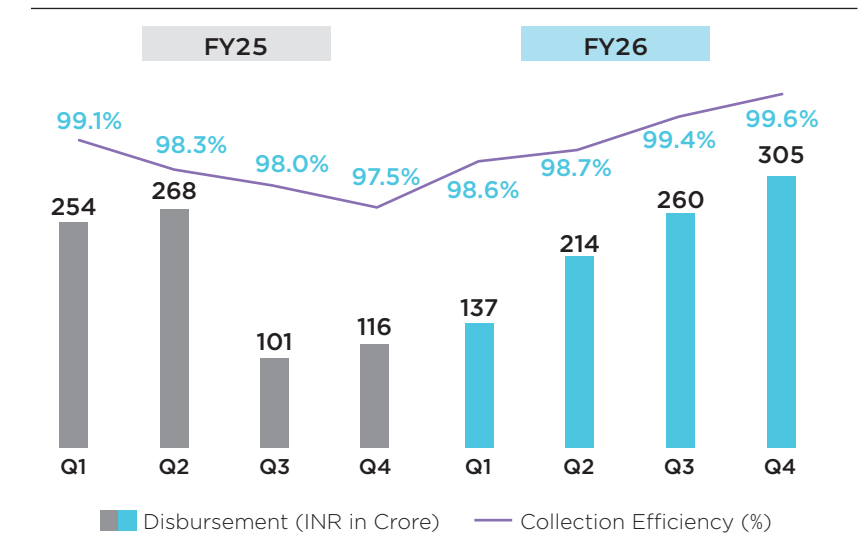
While the Company leverages both Individual and Joint Liability Group (JLG) model for customer sourcing and community engagement, every

loan is individually underwritten using NuScore, Northern Arc's proprietary scorecard, supported by technology-led credit assessment. This approach combines the efficiency of group-based sourcing with the rigour of individual credit underwriting, enabling responsible lending, better risk selection, and improved portfolio quality, while expanding access to formal finance in the underserved rural markets.

Following rapid industry-wide credit expansion, the Microfinance sector witnessed elevated borrower over-leveraging and asset quality stress. Anticipating these risks, Northern Arc proactively moderated portfolio growth from March 2024 while strengthening underwriting, portfolio quality, and risk management.

As the microfinance industry navigated a period of stress arising from borrower over-leveraging, the Company calibrated disbursements and prioritised portfolio quality over growth. It strengthened its collections infrastructure, enhanced field-level recovery capabilities, and intensified portfolio monitoring to preserve asset quality. These focussed interventions resulted in a steady improvement in collection efficiency from September 2025 onwards, reaching 99.6% by March 2026.

With portfolio performance stabilising and credit quality improving, the Company progressively resumed disbursements in a measured manner. By the fourth quarter of FY26, monthly disbursements had recovered to approximately INR 100 Crore, returning to pre-crisis levels while maintaining a disciplined approach to underwriting and risk management.



Further strengthening the resilience of its Rural Finance portfolio, the Company commenced availing coverage under the Credit Guarantee Fund for Micro Units (CGFMU) for all eligible disbursements from March 2025 onwards. As of 31 March 2026, 84% of the Microfinance portfolio was covered under the CGFMU scheme, providing an additional layer of credit protection, supporting prudent risk management, and enhancing the overall resilience of the portfolio.

Branch Expansion

During the year, the Company further strengthened its physical distribution network by adding 66 new branches, taking its total branch network to 342. This expansion reinforces Northern Arc's MFI lending strategy by bringing credit closer to

customers, enhancing last-mile origination, servicing, and collections capabilities, and deepening relationships with the local communities, supporting responsible lending while creating a scalable platform for sustainable, long-term growth.

The Company refined its origination strategy to align with the evolving regulatory guardrails and changing market dynamics. The focus shifted towards higher-quality borrowers with stronger repayment capacity and higher average ticket sizes, while maintaining prudent underwriting standards to mitigate customer over-leveraging. This disciplined approach has strengthened portfolio resilience and positioned the business for sustainable, risk-calibrated growth.

~5,00,000

No. of Customers

Direct – Branch

Sourcing channel

**Unsecured –
CGFMU Cover**

Security

INR 30,000-75,000

Ticket size

Enhancing efficiency across the value chain

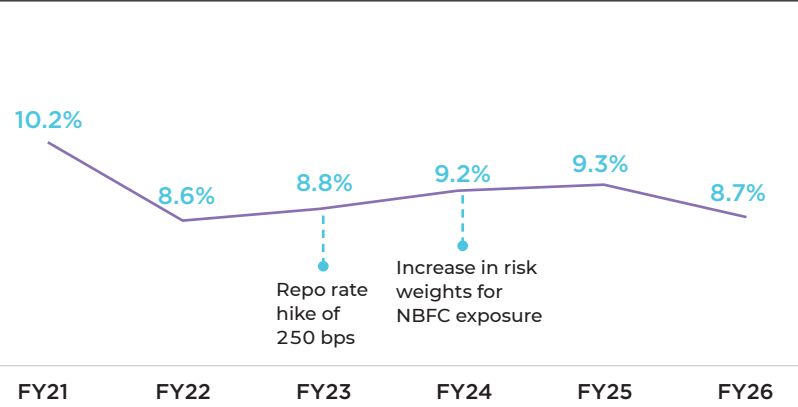
Northern Arc has steadily enhanced efficiency across the value chain through sustained improvements in the funding profile and its operating model. By progressively lowering its cost of funds, diversifying funding sources, and driving operating efficiencies, the Company strengthened its operating leverage, improved profitability and built a more scalable and resilient business.

A strong liability franchise

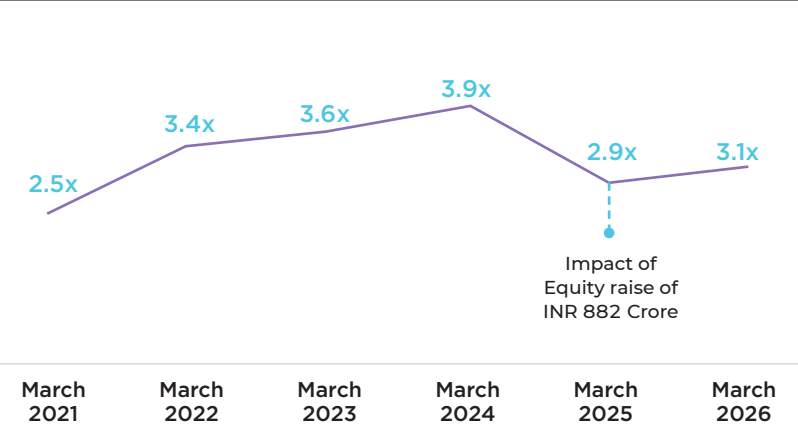
Northern Arc has successfully managed challenging market conditions by maintaining a resilient treasury framework that reinforces financial stability and adaptability. This approach ensures uninterrupted lending operations while enabling diversification of funding sources, supporting long-term growth and sustainability.

The Company continues to diversify its funding base with a clear focus on long-term and stable sources of capital. Our funding mix remains well diversified, with 30% of borrowings sourced from offshore lenders and development finance institutions (DFIs), and the balance from domestic banks and capital markets. The offshore borrowings are predominantly long-tenor in nature and remain cost-effective compared with domestic borrowings, even after fully hedging the associated currency risk. The Company maintains an almost equal mix of fixed and floating borrowings to effectively manage interest rate movements.

Incremental Cost of Funds

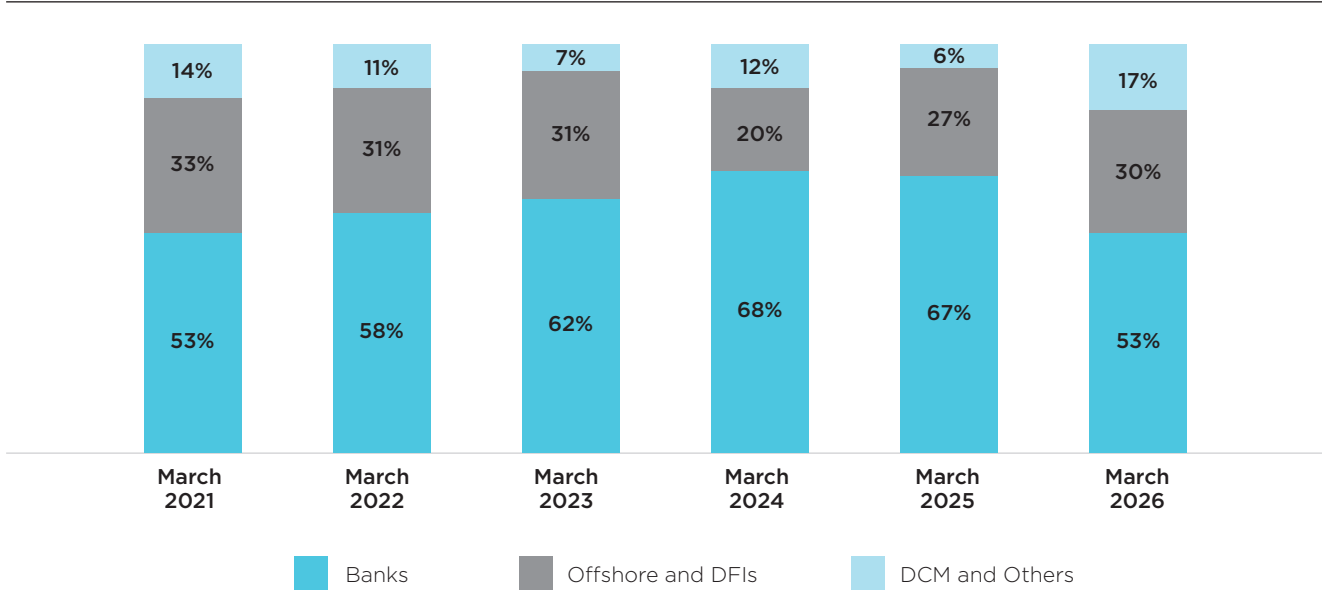


Leverage Levels - Debt/Equity Ratio



Diversifying sources of funding

Borrowing Mix



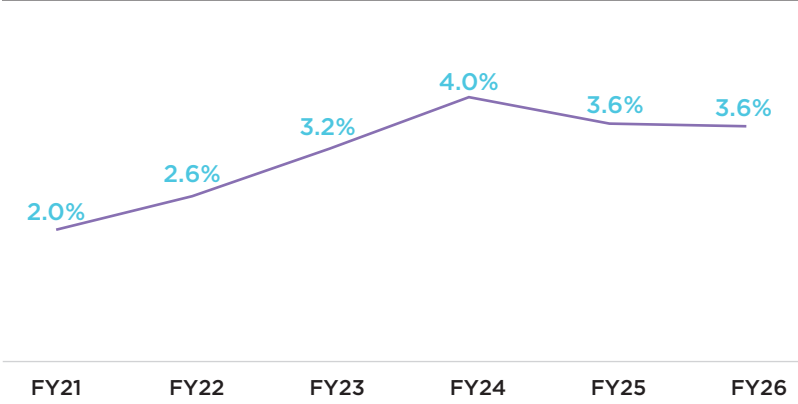
Improving operating efficiencies

Over the years, Northern Arc has steadily expanded its presence across multiple retail lending segments to build a diversified and granular Direct-to-Customer (D2C) franchise. As part of this strategic transition, the Company made significant investments between FY21 and FY24 in expanding its physical branch network, strengthening technology platforms, and building organisational capabilities. These investments not only laid the foundation for scalable growth, they also led to the operating expenses ratio increasing from 2% in FY21 to 4% by FY24.

With the branch network maturing and operating at higher productivity levels, the benefits of these investments are now becoming evident. Improved branch throughput, greater operating leverage, and increased digital integration have contributed to a steady moderation in the operating expense ratio, demonstrating the scalability of the Company's phygital business model.

As the retail franchise continues to grow, the Company expects productivity gains and operating efficiencies to further improve and support the growing profitability, as illustrated in the below graph.

Early signs of productivity gains (Opex ratio)



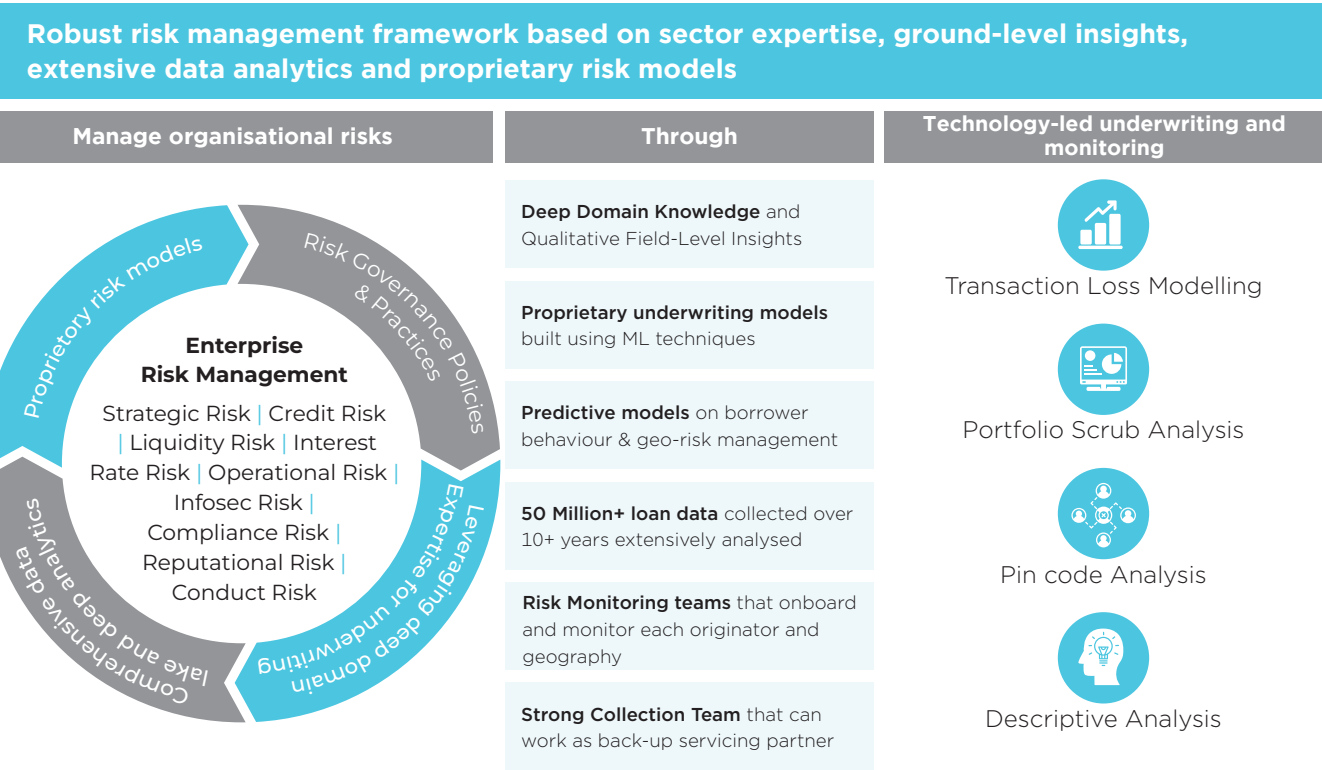
Risk management

The Risk Management framework focusses on ensuring that business risks are identified, evaluated and mitigated on a timely basis and reasonably addressed to protect the interests of all the stakeholders.

Northern Arc continues to place strong emphasis on risk management. Prudent risk management practices are integral to the Company's operations, and we maintain high underwriting standards. Our well-structured risk management policy addresses the various risks that the business is exposed to, on account of being in the lending business. The Company's Risk Management Policy of the Company seeks to identify, assess and monitor various risks.

We leverage machine learning-driven underwriting models, which is complemented by our continuous field monitoring. Over the years, we have built a robust data ecosystem comprising of over 50 Million data points enabling development of 30-plus underwriting models across our businesses. Our risk framework is further strengthened by dedicated team of 100-plus professionals.

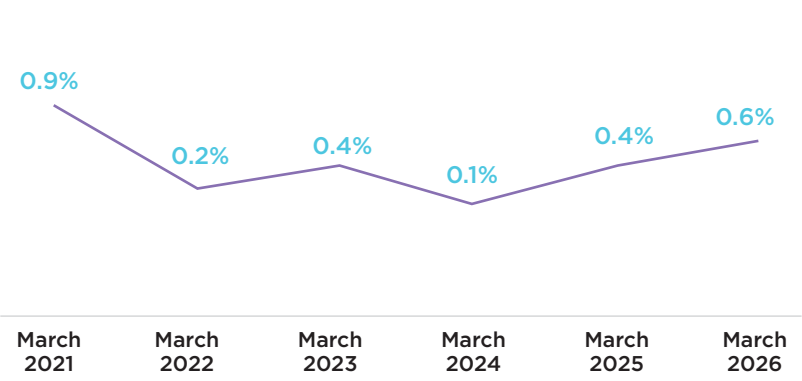
In addition to centralised technology-led monitoring, our risk undertakes on-ground visit of nearly one-third of districts where we and our partner operate each year, providing valuable insights in local market dynamics and emerging risk. To put it in context, our portfolio is spread at about 680 districts and that means we cover over 220-odd districts in detail, visiting multiple partners and our own branches network giving us a far more granular touch and feel of what's happening in the market.



Maintaining net NPA below 1% across cycles

The Company also follows a conservative provisioning policy. We make 100% provisions on 90-plus days past due for all unsecured retail loans. While this approach may lead to relatively higher near-term credit cost compared to peers, it materially reduces the carry forward delinquent pool and lowers further provisioning requirement. These initiatives have resulted in resilient and well-diversified loan book with net NPA consistently being maintained below 1% over the years.

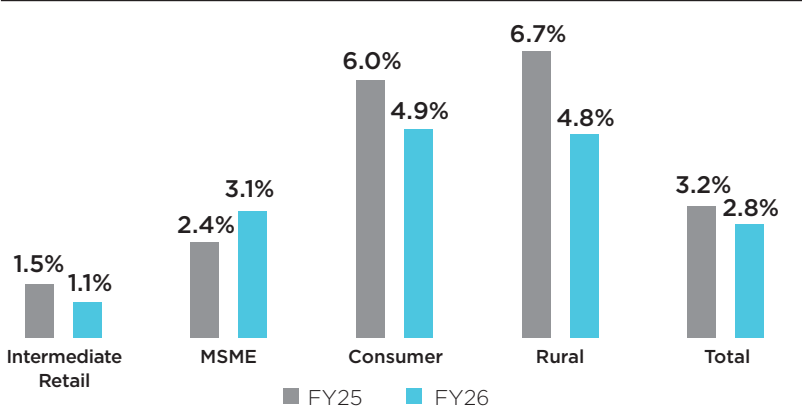
Sustained NNPA of less than 1% across cycles



During FY26, the RBI issued guidelines on the treatment of Default Loss Guarantee in the computation of ECL, permitting NBFCs to factor in cash collateral as FLDG. This aligned the regulatory approach with Ind AS requirements. As a prudent measure, the Company also created a management overlay for potential unforeseen events.

We further strengthened our collections capability through the implementation of a robust Collection Platform, enhancing tracking, improving field force productivity, enabling sharper delinquency monitoring, and supporting data-driven recovery strategies. We believe this will further improve collection efficiency, strengthen portfolio quality, and support scalable growth across the retail lending segment

Moderation in segmental credit cost in FY26 (%)



Enabling scalable capital flow through technology

Technology is a key enabler of Northern Arc’s business model driving efficiency, scalability, and risk management across its operations. We continue to leverage our proprietary, platform-led technology stack to enable scalable, efficient, and risk-managed growth across the lending and capital market ecosystem. The Company’s technology architecture is anchored on integrated platforms spanning distribution, origination, and co-lending execution, driving end-to-end digitisation of credit enablement, monitoring, and servicing workflows.

Our technology-enabled business platforms

nPOS

nPOS is our on-lending and co-lending technology platform, and an API-based co-lending stack enabling full lifecycle processing. It continued to serve as the core infrastructure for partner integration and co-lending execution, supporting both external partnerships and internal CLM programs. nPOS has capability to handle 15,000-20,000 days per day.

Over the years, this platform has evolved from a partner-led origination model into a full-stack retail credit engine. Today, it supports a diversified product suite across MSME loans, personal loans, vehicle finance, education and skilling loans, consumer finance and other emerging retail credit use cases. The model allows Northern Arc to combine partner-led reach with in-house credit assessment, transaction controls, portfolio monitoring and technology-led lifecycle management.

nimbus

by NORTHERN ARC

Nimbus is the Company’s Loan Management System (LMS) that powers its Credit Solutions business. Over the years, the platform has evolved into a comprehensive debt transaction platform, driving greater efficiency, compliance, and client engagement across the lending lifecycle. The platform has enabled credit of INR 2 Lakh Crore till date across 368 Originator Partners.

During the year, Nimbus was further enhanced through deeper integration across workflows, enabling seamless transaction structuring, risk management, exposure monitoring, and portfolio oversight. The platform also strengthened its ESG capabilities, supporting sustainability-linked financing and regulatory compliance.

By improving transparency, governance, and operational efficiency, Nimbus delivers a seamless experience from transaction origination to closure.

nu score

By Northern Arc

NuScore is an enterprise-grade Analytics-as-a-Service based solution for financial institutions. We use advanced analytics and machine learning to create intelligent scorecards and deliver deep insights, helping customers make faster, data-driven decisions across the entire credit lifecycle. NuScore was launched commercially for financial institutions in FY23, and has further adapted to the stress across multiple loan cycles. In FY26, NuScore handled more than 7 Lakh requests for loan assessment across multiple loan types.

Altifi

By Northern Arc

Nivesh extra pay nahi karta.



- ₹ No fees & No charges
- % No commission
- SEBI-registered Broker
- 50+ listed bonds providing fixed monthly returns
- Start investing with INR 10,000
- Invest for 3 – 30 months in AAA-BBB+ rated bonds
- Access your Altifi mobile account anytime, anywhere

Invest with clarity

Hi, I'm Nivesh

9-14%*
fixed returns p.a
on bonds

Northern Arc Securities Private Limited
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Fostering a thriving work culture

Northern Arc Capital fosters the culture of “Power of One”, supported by innovation and responsiveness, and elevating business value and employee engagement. Through sustained focus on employee engagement and development, we continue to shape an environment where individuals feel valued, connected, and purpose-aligned, thereby strengthening satisfaction, retention, and a deep-rooted sense of belonging.

Our key HR objective, at Northern Arc Capital, is to become an “employer of choice”. Our focus remains on achieving high performance in our core business and building vitality within the organisation to chase new ideas. We have imbibed a culture of continuous improvement in workforce, encouraging them to never be satisfied with status-quo, and continuing to be driven by the passion and dedication to consistently improve our performance.

POWER OF ONE

Building a culture of ownership and collective excellence

At the heart of our cultural fabric lies our “Power of One” philosophy, a unifying belief that empowers every individual to take ownership, act with intent, and contribute meaningfully to shared success. It fosters a strong sense of accountability and collaboration, enabling seamless

cross-functional engagement and reinforcing the idea that collective achievement is greater than individual effort.

Our leadership team plays a defining role in embedding this ethos across the organisation. By consistently leading with integrity, transparency, and purpose, they set a clear standard for behaviour and collaboration. Their active involvement strengthens alignment across teams, enhances clarity of direction, and cultivates a culture grounded in trust, empowerment, and shared responsibility.

A culture anchored in inclusion, meritocracy, and well-being

At Northern Arc, we are purposefully building a culture that is inclusive, equitable, and deeply empowering where every individual is respected, enabled, and inspired to contribute meaningfully. Our people philosophy is firmly anchored in meritocracy, fairness, and mutual respect, ensuring that opportunity, advancement, and recognition are determined by capability, performance, and potential.

Equal opportunity is a lived commitment at the Company, shaping every stage of the employee lifecycle, from hiring and onboarding to development, performance management and leadership progression. We believe that a diverse workforce is not only a reflection of our values, but also a strategic imperative that strengthens decision-making, drives innovation and enhances long-term organisational resilience. We continue to take deliberate and sustained efforts to broaden representation and build a more inclusive and future-ready organisation.

We also place strong emphasis on employee well-being as a core enabler of sustained performance. We are committed to creating an environment where people feel safe, supported, and empowered to bring their best selves to work. Through a culture of continuous learning, inclusive leadership, and shared accountability, we are strengthening an organisation that is not only high-performing, but also deeply human, resilient, and purpose-driven.

Building a high-performance talent ecosystem

At Northern Arc, we understand that attracting, developing, and retaining high-quality talent is critical to sustaining competitive advantage. Our talent acquisition strategy focusses on professionals with strong domain expertise, while ensuring alignment with our core values of integrity, innovation, and impact. Our HR practices are benchmarked to industry best standards and continuously enhanced to meet evolving workforce needs.

- We follow a structured development framework spanning onboarding, mentorship, continuous learning, and leadership development.
- We have strengthened our employee capabilities to succeed in a rapidly evolving financial services environment.
- Through performance-linked progression, time-bound incentives, and long-term retention programs, we ensure clear, transparent, and merit-based career pathways that recognise and reward performance.

Creating future-ready teams

In an increasingly dynamic and competitive environment, adaptability, agility, and continuous learning are essential to sustained success. Our learning and development agenda is deliberately future-focussed, designed to upskill and reskill our workforce in alignment with evolving business priorities, technological advancements, and rising customer expectations. These initiatives strengthen both technical expertise, on-the-job

training and leadership capability, fostering a culture of high performance, collaboration, and service excellence.

As we expand our presence through new branches and operational hubs, our learning ecosystem plays a pivotal role in ensuring consistency, quality, and operational excellence across our growing footprint. Alongside this, we continue to invest in strengthening our managerial capabilities, enabling leaders to drive team effectiveness, enhance employee engagement, and sustain performance excellence across all levels of the organisation.

Governance and leadership

Our organisation is strengthened by a progressive leadership team, supported by discerning investors and guided by the experienced oversight of the Nomination and Remuneration Committee (NRC) and the Board of Directors. This collective stewardship ensures that our human capital strategies remain agile, future-ready, and closely aligned with the Company’s long-term vision and strategic priorities.

By fostering a culture of accountability, inclusion, and continuous development, we continue to build a resilient, high-performing organisation capable of delivering sustainable growth and long-term value for all stakeholders.

Performance in FY26

3,163
Employee strength

13%
Gender diversity (F)

0%
Attrition rate of Senior Management

0%
Attrition rate of KMP



Our future value-builders and growth enablers

At Northern Arc Capital, our future value builders collectively focus on diversifying our revenue streams, scaling assets under management, expanding distribution platforms, deepening our ecosystem partnerships, and leveraging technology for growth.

Our value builders represent the key strategic initiatives that are expected to drive the Company's next phase of growth and strengthen its position within the financial services ecosystem. These initiatives are aimed at enhancing our operational scalability and creating multiple growth engines to support sustainable expansion of the business and further improve profitability in the long term.

We are focussed on expanding our retail lending products, scaling our asset management capabilities, deepening our partner-led credit enablement, growing digital investment platform, and also leveraging technology through our SaaS solutions.



Our future growth enablers

#Strengthening the retail (D2C) business

We remain focussed on scaling our existing business segments, where significant growth opportunities exist given our relatively low market penetration. Expansion of branch network and strengthening digital partnership. Further, we will test new retail credit products, such as Affordable Housing, Gold Loan, and more. Our Test>Validate>Scale philosophy for new products helps minimise risk by piloting the product, assessing acceptance by the market and performance, and scaling the offerings accordingly.



#Scaling our retail bond platform - Altifi

To fund India's growth ambition, the credit market has to expand beyond institutional funding. As a result, Altifi as a bond platform that democratises the credit market through retail participation will play a critical role. With our ambition to expand the investor base coupled with Northern Arc underwritten credit papers will help grow the retail credit participation.

#Fund first approach delivering growth in Funds AUM

Fund first approach to institutional credit coupled with thematic fund raising will entail significant expansion of our Fund AUM over the next 2-3 years.

#Focussing on credit enablement for Partners through Placement business

We are working towards strengthening the Company's role as a credit intermediary by helping the lending partners access capital from investors and financial institutions. This helps generate fee income, while deepening our relationships across the lending ecosystem.

#Expanding SaaS solutions

Our proprietary lending platforms, nPOS, and scorecards, NuScore, have matured over the past five years, successfully navigating multiple credit cycles and evolving regulatory landscapes. Building on this proven track record, we see monetising opportunities of these technology capabilities as Software-as-a-Service (SaaS) solutions that leverage our expertise in credit underwriting, risk assessment, and lending infrastructure. This initiative creates a scalable and recurring fee-based revenue stream, while enabling our partners to enhance the efficiency and effectiveness of their lending operations.

ESG focus: Sustainable pathways to financial access

Financial inclusion is the heart of Northern Arc's sustainability agenda. Guided by the ideals of sustainable financial growth, it is our mission to enable access to finance for the underbanked in an efficient, scalable and reliable manner. By embedding sustainability into our strategy and operations, and supporting businesses with strong environmental, social and governance practices, we strive to create long-term value while advancing financial inclusion powered by the transformative force of capital.

Northern Arc Capital places long term business sustainability at the core of its business activities and adopts sustainability principles across its operations. Sustainability is built on three pillars: Environment, which focusses on leaving the planet in a better condition for future generations; Social, which focusses on creating a positive impact on society; and Governance, which focusses on ensuring transparency, accountability, and ethical conduct in business operations. Aligning with globally-recognised sustainability principles, we strive to improve our business and operations to benefit our stakeholders.

As a company, we are in the fortunate position of being able to provide access to finance for the underbanked in an efficient, scalable and reliable manner. Our endeavour is to ensure that every individual has adequate access to finance, but this needs to be done in a way that it takes into account our wider responsibilities to the society and the environment. Our vision is to be a trusted platform that enables the flow of finance from capital providers to users in a reliable and responsible manner.

Social Impact through Financial Inclusion

At Northern Arc, we believe financial inclusion is a powerful driver of social and economic transformation, enabling underserved communities to build livelihoods, strengthen resilience and improve their quality of life. For millions of individuals, households and small businesses, access to timely and responsible credit can be the difference between vulnerability and resilience, subsistence and growth, or exclusion and participation in the formal economy. By expanding access to finance where it is needed most, financial institutions can help reduce inequalities, strengthen local economies and create sustainable value for the society.

Our approach is founded on the belief that meaningful impact is created when capital is channelled responsibly to underserved people, businesses and sectors through an ecosystem designed to maximise access, efficiency and long-term outcomes. We bring together investors, Originator Partners, technology and sectoral expertise to bridge the financing gaps across diverse geographies and customer segments. This integrated ecosystem enables capital to flow efficiently to

those traditionally underserved by the formal financial system, while maintaining robust credit assessment, responsible lending practices and scalable delivery.

Technology is a key enabler of this ecosystem. Digital lending infrastructure, data-driven underwriting and technology-enabled loan origination enhance the efficiency, transparency and accessibility of financing, enabling faster credit decisions, broader customer reach and stronger risk management. Through the adoption of digital workflows and electronic documentation, we have conserved approximately 11 Crore sheets of paper, reflecting our commitment to reducing resource consumption and advancing sustainable practices. Together with our Originator Partners, these capabilities enable us to deliver sector-specific financial solutions that respond to the distinct needs of borrowers while expanding financial inclusion at scale.

We recognise that access to finance is the beginning of a broader journey towards economic participation, resilience and long-term social impact. Responsible access to

finance enables individuals to invest in livelihoods, entrepreneurs to expand businesses, families to secure better housing, transport operators to enhance income-generating opportunities and farmers to strengthen agricultural productivity. These immediate outcomes contribute to broader social and economic progress by fostering entrepreneurship, generating employment, improving financial resilience, strengthening rural and local economies, and enabling more inclusive participation in economic growth. By monitoring outcomes across this journey, we seek to ensure that the impact of our financing extends well beyond the initial credit provided.

Our portfolio reflects this impact-driven approach across sectors that are fundamental to India's development journey.

Microfinance



Through Microfinance, we expand access to responsible credit for women and low-income households who are often underserved by the formal financial system. Access to timely finance enables borrowers to invest in income-generating activities, smooth household cash flows and build financial resilience while reducing dependence on informal sources of credit. As livelihoods strengthen and financial independence grows, households are better positioned to improve their quality of life, participate more actively in the formal economy and create sustainable pathways out of vulnerability. We have 61 Originator Partners onboarded for Microfinance. During the year, finance provided by 21 of them was benefitting more than 2.81 Crore beneficiaries. Of these, we estimate that more than 23 Lakh beneficiaries are attributable to our finances to such Originator Partners.

MSME Finance



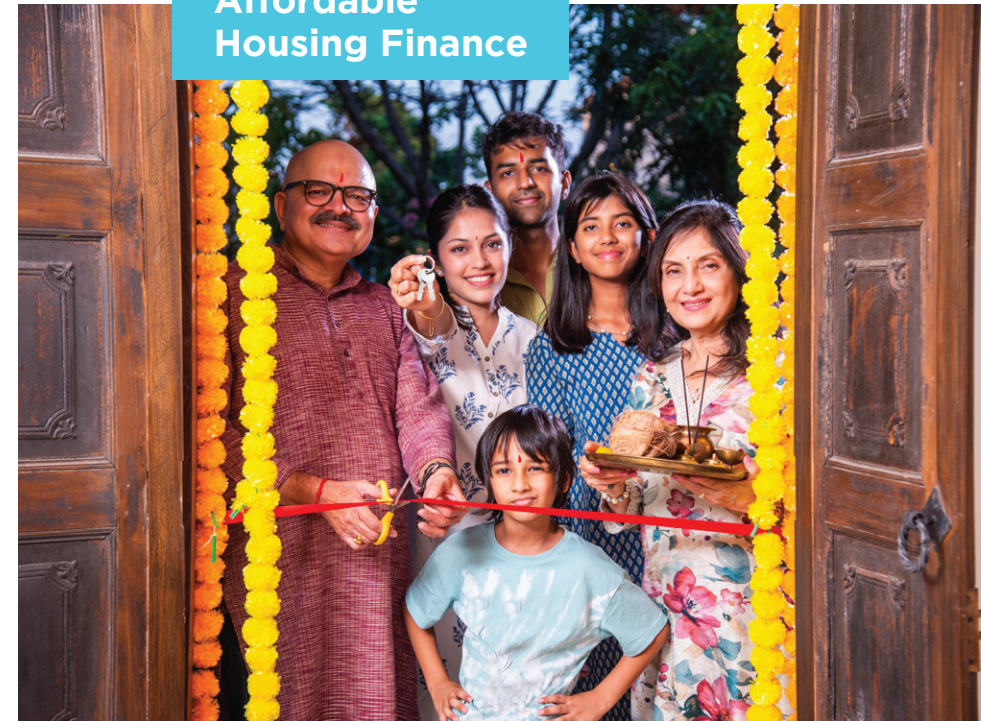
MSME Finance enables entrepreneurs and small businesses to access growth capital that supports business expansion, working capital requirements and investment in productive assets. Improved access to finance allows enterprises to enhance productivity, strengthen competitiveness and create employment opportunities, generating positive multiplier effects across local economies. By supporting enterprise growth and formalisation, we contribute to resilient businesses, stronger value chains and inclusive economic development. We have 104 Originator Partners onboarded for MSME Finance. During the year, finance provided by 47 of them was benefitting approximately more than 1.08 Crore beneficiaries. Of these, we estimate more than 25 Lakh beneficiaries are attributable to our finances to such Originator Partners.

Vehicle Finance



Through Vehicle Finance, we enable access to productive mobility assets that help individuals and businesses generate sustainable livelihoods. Financing for commercial vehicles supports income generation and business continuity, while expanding access to electric vehicles and related infrastructure contributes to the transition towards cleaner transportation. Together, these outcomes improve economic opportunity, strengthen connectivity and support more sustainable mobility systems. We have 46 Originator Partners onboarded for Vehicle Finance. During the year, finance provided by 24 of them was benefiting more than 35 Lakh beneficiaries. Of these, we estimate nearly 6 Lakh beneficiaries are attributable to our finances to such Originator Partners.

Affordable Housing Finance



Affordable Housing Finance enables families to access safe, quality housing while supporting long-term asset creation and financial security. Stable housing contributes to improved health, well-being and living conditions, while providing households with greater economic stability and opportunities for future generations. By expanding access to housing finance for underserved communities, we support more resilient families and inclusive community development. We have 45 Originator Partners onboarded for Affordable Housing Finance. During the year, finance provided by 19 of them was benefiting approximately 2.5 Lakh beneficiaries. Of these, we estimate more than 40 thousand beneficiaries are attributable to our finances to such Originator Partners.

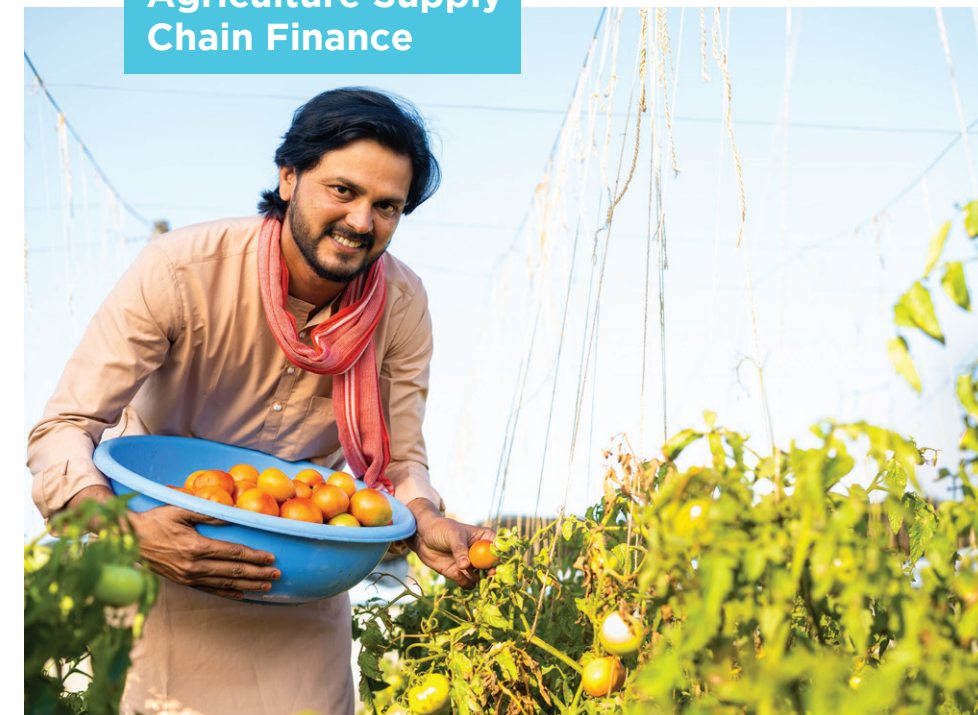
Consumer Finance



Consumer Finance expands access to responsible and regulated credit, enabling households to meet essential financial needs through formal lending channels. By reducing reliance on informal borrowing, strengthening credit histories and improving financial resilience, access to formal finance supports greater financial security and inclusion. Over time, these outcomes enable households to better manage financial shocks and participate more confidently in the formal economy. We have 44 Originator Partners onboarded for Consumer Finance. During the year, finance provided by 22 of them was benefiting more than 3.25 Crore beneficiaries. Of these, we estimate nearly 60 Lakh beneficiaries are attributable to our finances to such Originator Partners.

Agriculture Supply Chain Finance strengthens financing across the agricultural ecosystem by supporting farmers, producer organisations, agri-enterprises and other value chain participants. Improved access to working capital and value chain financing enhances productivity, strengthens market linkages and improves cash flows across the agricultural ecosystem. These outcomes contribute to more resilient rural livelihoods, stronger agricultural value chains and sustainable economic development in rural communities. We have 13 Originator Partners onboarded for MSME Finance. During the year, finance provided by 4 of them was benefiting more than 88 thousand beneficiaries. Of these, we estimate more than 11 thousand beneficiaries are attributable to our finances to such Originator Partners.

Agriculture Supply Chain Finance



Investing in Climate Solutions

In line with our commitment to responsible financing, we support the transition towards a more sustainable economy by enabling access to capital for businesses and financial institutions driving climate and sustainability-linked solutions. We support the transition towards a more sustainable economy by enabling access to finance for businesses operating across the climate and sustainability ecosystem, as well as financial institutions that on-lend to entities in sectors such as renewable energy and electric mobility. During the year, Northern Arc Capital Limited provided funding to three financial institutions that support climate-focussed sectors through onward lending, while also directly financing 22 entities engaged in renewable energy, electric mobility, energy infrastructure, battery swapping and EV charging, sustainable transportation, waste management, circular economy solutions, and clean energy and infrastructure assets.

Scaling Impact Through Responsible Finance:

Together, these interventions address diverse financing needs while contributing to more inclusive, resilient and sustainable communities. As we continue to strengthen our financial inclusion ecosystem, we remain committed to leveraging responsible finance, strategic partnerships and digital innovation to expand access to opportunity. By connecting capital with underserved communities and sustainable enterprises, and measuring the outcomes enabled through our financing, we aim to create long-term value for individuals, businesses, communities and the broader economy, contributing to a more inclusive and sustainable future.

Sustainable Development

Northern Arc contributes to United Nations' Sustainable Development Goals, as summarised below.

UN SDGs	Goal	Northern Arc's Impact
	End poverty in all its forms everywhere.	We contribute to UN SDG Target 1.4 by creating access to financial services through our Originator Partners and retail lending partners.
	End hunger, achieve food security and improved nutrition and promote sustainable agriculture.	We contribute to UN SDG Target 2.3 by offering access to finance for agriculture practices through our microfinance and agriculture supply chain Originator.
	Achieve gender equality and empower all women and girls.	We contribute to UN SDG Target 5.a by facilitating access to finance through joint liability group loans, significantly benefiting women via our microfinance Originator Partners. Additionally, our lending efforts through other Originator Partners, retail lending partners, and retail branches include tailored products specifically for women.
	Ensure access to affordable, reliable, sustainable and modern energy for all.	We contribute to UN SDG Target 7.a by financing entities in the green energy sector such as renewable energy (wind and solar), electric vehicle (EV) manufacturers, EV charging stations, and related infrastructures.
	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.	We contribute to UN SDG Target 8.10 by expanding access to finance through our retail branches and strengthened the access to financial services through our Originator Partners and retail lending partners.

UN SDGs	Goal	Northern Arc's Impact
	Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation.	We contribute to UN SDG Target 9.3 by enhancing access to finance for small-scale industries and enterprises through our loan against property and supply chain finance programs. Additionally, we have facilitated financial services for small businesses through our small business loan offerings and Originator Partners.
	Reduce inequality within and among countries.	We contribute to UN SDG Target 10.2 by promoting economic inclusion for all individuals, regardless of age, sex, disability, race, ethnicity, origin, religion, or socioeconomic status, through various financial inclusion models. Through our Originator Partners, retail branches, and retail lending partners, we enable access to finance for the underbanked and underserved.
	Take urgent action to combat climate change and its impacts.	We contribute to UN SDG Target 13.1 by financing entities across the clean energy and sustainability ecosystem, including renewable energy (wind and solar), electric vehicle (EV) manufacturers, EV charging infrastructure, sustainable agriculture practices, agricultural supply chains, and waste management solutions such as recycling and biogas generation. In addition, we have supported financial institutions that extend financing to businesses operating in the renewable energy and EV sectors, helping expand the flow of capital to climate-focussed enterprises.
	Strengthen the means of implementation and revitalise the Global Partnership for Sustainable Development.	We contribute to UN SDG Target 17.3 by securing funds from various international Development Finance Institutions (DFIs) for on-lending to other financial institutions. Additionally, we have mobilised funds for these institutions from offshore investors and lenders through mechanisms such as Non-Convertible Debentures, and External Commercial Borrowing. During the year, we successfully facilitated a total placement volume of INR 11,834 Crore including offshore funding of INR 2,350.84 Crore through leading international banks and offshore lenders, strengthening access to diversified sources of global debt capital for Indian financial institutions.

Shaping our approach through sustainability

Anchored in our purpose, responsive to a changing landscape, and forward-looking in our approach, we aim to contribute to a more resilient, inclusive, and sustainable future. We strive to evolve a financial business ecosystem where sustainability shapes how we operate, allocate capital, and engage with stakeholders. Our approach is guided by the belief	that long-term value creation is closely linked with environmental stewardship, social inclusion, and strong governance.	frameworks that reinforce accountability and trust. Through purposeful capital, collaborative partnerships, and the continued strengthening of internal capabilities, we seek to create impact that is both meaningful and enduring.
	Building on this foundation, we will further advance environmentally conscious practices within our operations, expand access and opportunity across the communities we serve, and strengthen governance	

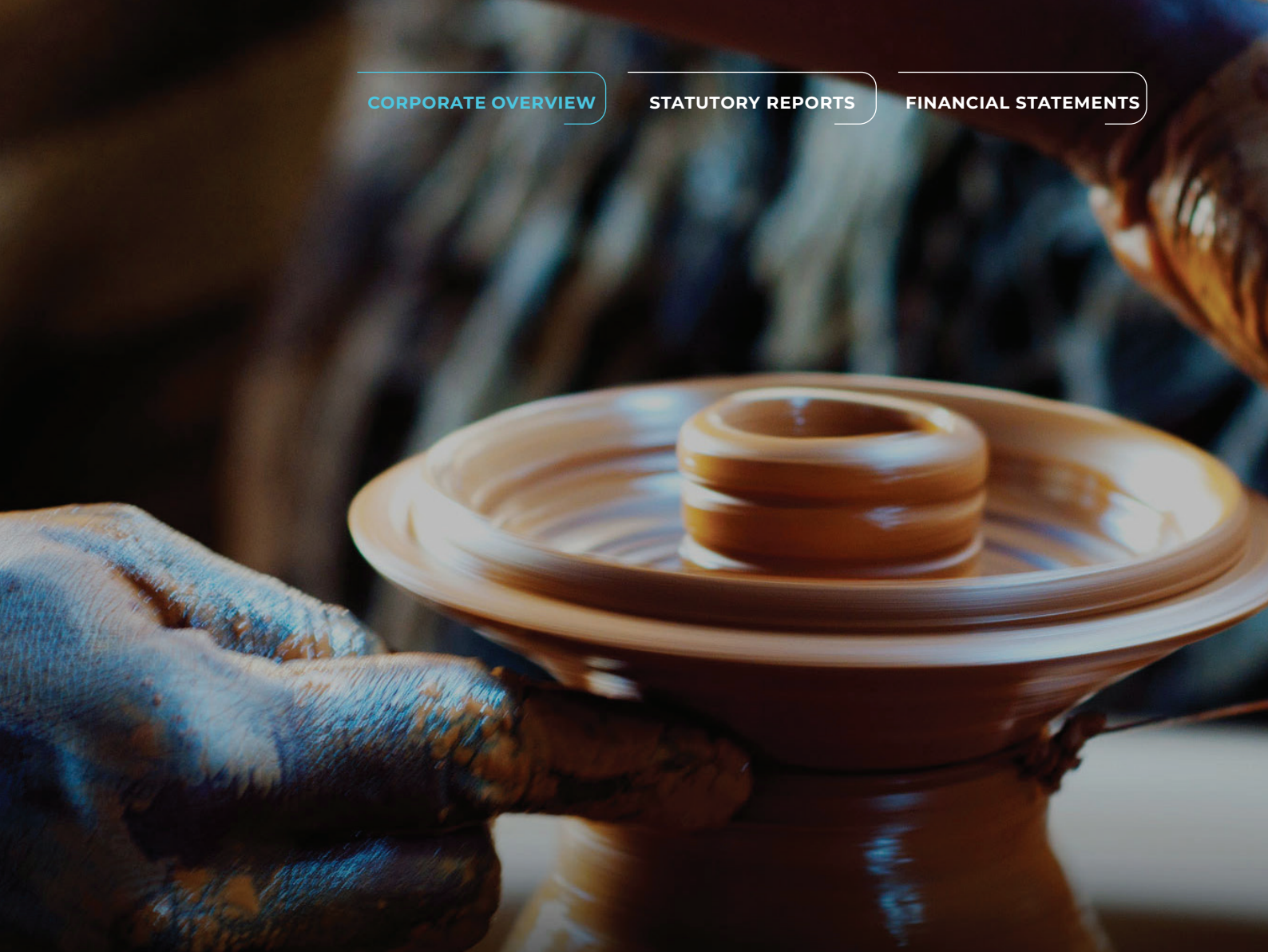
ICRA

 ESG Impact Rating

81

 Outstanding

Environmental Impact	Social Impact	Governance Practices
(Score 78 - Good) Northern Arc's financial services business model is inherently resource-light, with limited direct environmental impact and modest energy consumption. Scope 1 and Scope 2 emissions remained low at 9.4 tCO₂e and 929 tCO₂e, respectively. Environmental performance is supported by green-certified office facilities, LED lighting, rainwater harvesting and wastewater recycling at select locations, alongside increasing digitalisation of operations. Digital documentation and workflows have significantly reduced paper usage, helping conserve approximately 11 Crore sheets of paper, thereby lowering resource consumption and improving operational efficiency. Environmental governance is underpinned by a dedicated Environment & Climate Change Policy and regular monitoring through the Company's Environmental and Social Management System (ESMS), which screens environmental and social risks associated with the lending portfolio. Going forward, Northern Arc remains focussed on strengthening environmental stewardship through enhanced resource efficiency, sustainable infrastructure, robust environmental risk management and continued digitalisation, reinforcing its commitment to long-term value creation and positive environmental impact.	(Score 87 - Outstanding) Northern Arc's social impact is anchored in its core business model of expanding access to credit for underserved households and enterprises, supported by a long-standing track record of advancing financial inclusion across India. Through its extensive network of 432 branches, 57 digital partners and 368 Originator Partners, the Company has facilitated financing of over INR 2.5 Trillion, impacting 140 Million lives across 680 districts and extending the reach of formal credit across underserved geographies and customer segments. The Company's social profile is further strengthened by comprehensive employee welfare practices, customer protection frameworks, human rights mechanisms and diverse CSR initiatives. Multilingual grievance redressal mechanisms further support accessibility, customer protection and responsible engagement across its diverse customer base. Together, Northern Arc's financial inclusion-led business model, expanding reach and robust social safeguards position the Company to further deepen its developmental impact and drive responsible and inclusive growth.	(Score 80 - Outstanding) Northern Arc maintains a strong governance framework, reflected in ~95% Board attendance during FY26. ICRA ESG positively notes the presence of a dedicated Board-level ESG Committee, which oversees ESG strategy, environmental and social risk management, impact measurement and sustainable finance initiatives, while monitoring ESG performance and utilisation of proceeds from green and sustainability-linked funding. Risk and compliance are embedded across operations, with environmental and social risk assessments integrated into lending decisions through the ESMS framework and proprietary Nimbus platform. Technology-led controls, including an automated AML monitoring system and a workflow-based compliance tracking system, further strengthen transaction monitoring, regulatory compliance and timely filings. Northern Arc's governance framework has also evolved alongside the participation of reputed development finance institutions and impact investors, including IFC, FMO, British International Investment (formerly CDC Group) and LeapFrog Investments, which have a strong focus on responsible finance, developmental impact and robust ESG practices. Overall, strong Board oversight, technology-enabled risk and compliance systems, transparent disclosures and institutional governance practices provide a robust foundation for NACL's responsible and sustainable growth.



Sustainability: Advancing for Planet, People, and Ethical Governance

As a mission-driven financial services platform, we seek to contribute to a more equitable future by embedding sustainability considerations into decision-making across the organisation. Sustainability informs our priorities and guides our responsibilities to shape a forward-looking approach to responsible finance. Sustainability outcomes, awareness, and sensitivity are integral to how the Company operates, grows, and defines success. This approach is grounded in the recognition that finance can serve as a powerful catalyst for social,	environmental, and institutional progress. Efforts span bridging credit gaps in underserved regions, mobilising climate-conscious investments, and avoiding exposure to activities with adverse environmental or social impact, alongside maintaining strong governance standards. Sustainability is also embedded within our internal processes and systems. Investments are evaluated against applicable laws and globally recognised benchmarks, including the IFC Performance Standards, supported by structured environmental and social due	diligence frameworks. Ongoing internal training initiatives are undertaken to strengthen ESG risk assessment, while policies are periodically reviewed to align with evolving international standards and best practices. From bridging credit gaps in underserved regions to mobilising climate-smart investments and refraining from financing activities that negatively affect the environment & social well-being, and upholding rigorous governance standards, we lead by example in shaping the future contours of responsible finance and business conduct.
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An efficient and diversified Board

Our Board provides strategic guidance and oversight, and helps steer the Company through key decisions with integrity and foresight. Committed to the highest standards of governance, the Board ensures that all decisions are made in a fair, transparent and equitable manner, safeguarding the interests of all the stakeholders.



Mr. P.S. Jayakumar

Chairman and
Independent Director

Former MD & CEO, Bank of Baroda. ~30 years of experience



Mr. Ashish Mehrotra

Managing Director
& CEO

Former MD & CEO, Max Bupa Health Insurance. MD & Retail Bank Head, Citibank India



Ms. Anuradha Rao

Non-Executive,
Non-Independent Director

Former MD & CEO SBI Funds Management. ~36 years of experience



Ms. Vidya Krishnan

Independent Director

Former Deputy MD – IT with State Bank of India. ~39 years of experience



Mr. Ashutosh Pednekar

Independent Director

Practicing Chartered Accountant. 30+ years of experience



Mr. Sandeep Dhar

Independent Director

35 years of experience in the BFSI and IT services sectors



Ms. Kshama Fernandes

Non-executive
Non-independent Director

Former MD & CEO, Northern Arc Capital. ~25 years of experience



Mr. Michael Jude Fernandes

Non-executive
Nominee Director

Leapfrog Investments, South & SEA. ~20 years of experience



Mr. Vijay Nallan Chakravarthi

Non-executive
Nominee Director

Partner – Affirma Capital. Former Executive Director, Private Equity at Standard Chartered Bank

Key management and leadership team



Ashish Mehrotra
Managing Director and CEO



Pardhasaradhi Rallabandi
Group Risk Officer and Governance Head



Atul Tibrewal
Chief Financial Officer



Priyashis Das
Chief Executive Officer – Northern Arc Securities Private Limited



Bhavdeep Bhatt
Chief Executive Officer – Northern Arc Investment Managers Private Limited



Moushumi Mandal
Chief People Officer



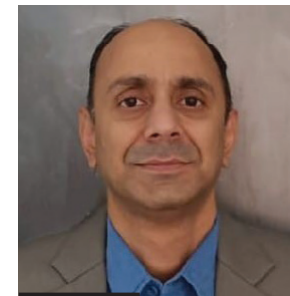
Saurabh Jaywant
Chief Legal Counsel



Gaurav Mehrotra
Chief Technology Officer



Jagadish Babu Ramadugu
Managing Director and CEO – Pragati Finserv Private Limited



Chetan Tivary
Chief Internal Auditor



Avinash P
Chief Risk Officer



Vipin GS
Chief Compliance Officer



Amit Mandhanya
Chief Business Officer – Digital Lending



Sandeep Singh
Executive Vice President – Head – Intermediate Retail



Sujay Prakash
Executive Vice President – Head - MSME



Prakash Chandra Panda
Company Secretary and Compliance Officer

Awards & recognitions

Our commitment to innovation, financial inclusion and operational excellence has earned the Company several prestigious industry awards and recognition. These accolades reflect the trust of our stakeholders and also underscore our continued efforts to create sustainable impact, while expanding access to finance across the underserved segments.

Key recognitions

Certified Great Place to Work® – 6 consecutive years (2021–2026)	Visionary Thought Leader at Elets NBFC Leader Awards (Ashish Mehrotra – 2025)	Strategic Leader in Digital Technology Advancement at Elets NBFC Leader Awards (Gaurav Mehrotra – 2025)
Excellence in Strategic Leadership at Elets NBFC Leader Awards (Bhavdeep Bhatt – 2025)	Visionary Wealth Leader at Elets NBFC Leader Awards (Priyashis Das – 2025)	Best Digital Lending Platform – LendTech at the ETBFSI FinNext Awards (nPOS - 2025)
NBFC of the Year at Bharat NBFC & Fintech Summit (Northern Arc – 2025)	Best LendTech Platform of the Year at Bharat NBFC & Fintech Summit (nPOS – 2025)	Best NBFC of the year at Synnex India NBFC Summit & Awards (Northern Arc – 2025)
ET Best BFSI Brands (Northern Arc - 2025)	Best Investment Management NBFC of the year: Northern Arc Investment Managers (NAIM – 2025)	Best User-Friendly Wealth Platform of the Year at Bharat NBFC & Fintech Summit (Altifi – 2025)
ET Best Brands '25 (Altifi – 2025)		

Corporate information

Board of Directors

Mr. P.S. Jayakumar

Chairman and Independent Director

Mr. Ashish Mehrotra

Managing Director & CEO

Ms. Anuradha Rao

Non-Executive, Non-Independent Director

Ms. Kshama Fernandes

Non-executive Non-independent Director

Mr. Michael Jude Fernandes

Non-executive Nominee Director

Mr. Vijay Nallan Chakravarthi

Non-executive Nominee Director

Ms. Vidya Krishnan

Independent Director

Mr. Ashutosh Pednekar

Independent Director

Mr. Sandeep Dhar

Independent Director

Statutory Auditors

Walker Chandiok & Co LLP

L-41, Connaught Circus, Outer Circle, New Delhi, 110001

Secretarial Auditors

Alagar & Associates

Temple Tower 7th Floor, H-5, 672, Anna Salai, Nandanam, Chennai - 600035

Bankers

State Bank of India

Bank of Baroda

IDFC First Bank

Federal Bank

Axis Bank

Registrar and Share Transfer Agent

KFin Technologies Limited

301, The Centrium, 3rd Floor, 57, Lal Bahadur Shastri Road, Nav Pada, Kurla (West), Mumbai 400 070
Tel: +91 40 6716 2222
Website: www.kfintech.com

Debenture Trustee

Catalyst Trusteeship Limited

GDA House, Plot No. 85, Bhusari Colony (Right), Paud Road, Pune 411 038.
Email: compliancectl-mumbai@ctltrustee.com
Tel: 022 4922 0555

Registered Office

10th, Floor, Phase - I, IITM RESEARCH PARK, Kanagam, Taramani, Chennai – 600113.

CIN: L65910TN1989PLC017021
Email: secretarial@northernarc.com
Website: www.northernarc.com

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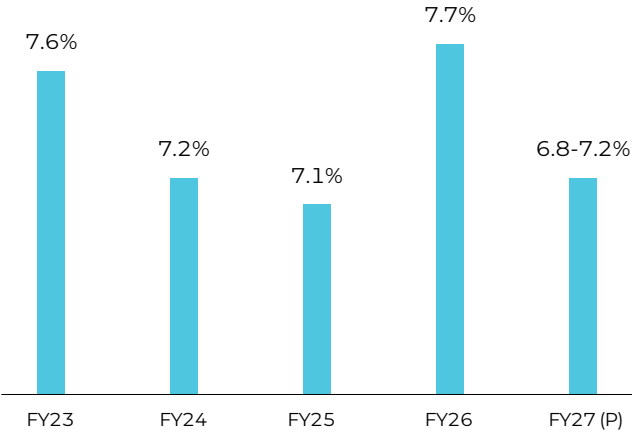
- BSE
- NSE

Equity & Debt Instruments

Management Discussion & Analysis

Indian economy

India continued to remain one of the world’s fastest-growing major economies consistently across FY26, supported by resilient domestic demand, rising household consumption, rapid urbanisation, increasing formalisation of the economy and sustained investment activity. Expanding disposable incomes, a growing middle class and improving business confidence continued to underpin economic activity across sectors, while increasing credit penetration further supported consumption, entrepreneurship and private investment. According to the Provisional Estimates released by the Ministry of Statistics and Programme Implementation (MoSPI), India’s real GDP grew by 7.7%, while Gross Value Added (GVA) expanded by 7.9%, reflecting the resilience of the country’s domestically driven growth model.



(Source: PIB [FRE], PIB [SAE])

Key Numbers that Matter:

Key macro indicator	Private consumption expenditure	CPI inflation	Credit to GDP
Metric / Value FY26	61.5% of GDP	3.4% (FY26)	53%

Private Final Consumption Expenditure (PFCE) accounted for **61.5% of GDP**, the highest level since FY12, reflecting the strength of India’s consumption-led growth model. Lower inflation, rising real incomes and improving consumer confidence continued to support household spending, while the Union Budget 2026-27 reinforced growth through a capital expenditure outlay of INR 12.22 Lakh Crore, accelerating investments across infrastructure, manufacturing, logistics and energy. Complementing these measures, long-term initiatives such as Viksit Bharat 2047 continued to strengthen India’s structural growth prospects through a focus on infrastructure, digitalisation, energy transition and ease of doing business.

Despite a supportive domestic environment, global economic conditions remained uncertain. Geopolitical tensions in West Asia, particularly towards the end

of FY26, heightened concerns over disruptions to global energy markets and trade routes, posing upside risks to crude oil prices and imported inflation. Such developments underscored the vulnerability of emerging economies to external shocks, with potential implications for input costs, exchange rate volatility and business sentiment.

Notwithstanding these external headwinds, India’s macroeconomic fundamentals remained robust. The Government adhered to its fiscal consolidation roadmap, achieving its fiscal deficit target of **4.4% of GDP** for FY26 while maintaining strong public investment. Inflation also moderated with average **CPI inflation** easing to around **3.7%** during the year. However, amid geopolitical tensions following the US-Iran conflict, India’s CPI inflation increased to 4.38% in June 2026, crossing the RBI’s 4% medium-term target for the first time in around 17 months. We will

closely monitor the impact of the recent increase in CPI inflation on the overall economy and assess its implications for our business.

India also continues to offer one of the world’s largest structural credit opportunities. While over **96%** of households have access to banking services, credit penetration remains relatively low, with the country’s **credit-to-GDP ratio** at around **53%** and credit card penetration at only 5% of the population. Although commercial credit outstanding increased to **INR 65.8 Lakh Crore**, only **41%** of India’s **8.7 Crore** registered MSMEs have accessed formal credit, according to the latest joint report by TransUnion CIBIL and SIDBI. This significant financing gap presents a compelling opportunity for technology-enabled financial institutions to expand formal credit access across underserved retail and MSME segments, supporting India’s long-term economic development.

Outlook

The outlook for the Indian economy remains positive and stable. For the upcoming FY27, real GDP is expected to grow between **6.8% and 7.2%**. This demonstrates India’s ability to maintain strong momentum even during times of global uncertainty.

This growth will likely be driven by continued government spending on infrastructure, a steady increase in private sector investment, and a strengthening manufacturing base. Additionally, the services sector is expected to maintain its consistent expansion. Supported by a stable economy and steady policies, India is well-prepared to manage global challenges while ensuring that economic progress remains inclusive and sustainable over the long term.

India’s domestic consumption outlook remains supported by favourable macroeconomic conditions, improving rural incomes and strengthening urban demand. According to the Economic Survey 2025-26, strong agricultural performance has supported rural consumption, while tax rationalisation measures have contributed to improved urban demand, reflecting broad-based consumption momentum across the economy. India continues to be a consumption-driven economy, with increasing access to formal credit supporting household spending and consumption activity across segments. The growing role of credit in facilitating consumption, alongside rising financial inclusion and expanding credit penetration, is expected to continue supporting domestic demand in the medium term.

(Source: PIB)

Looking ahead, the potential emergence of **El Niño** conditions during the FY27 monsoon season warrants close monitoring, given the possible implications for agricultural production, food inflation, rural incomes and demand. At the same time, geopolitical tensions in West Asia may contribute to near-term volatility in crude oil prices, inflation and financial markets. Despite these external uncertainties, India’s resilient domestic consumption, diversified economic base, strong macroeconomic fundamentals and conducive policy environment are expected to provide a meaningful buffer and support sustained growth momentum.

Industry overview

Non-Banking Financial Company (NBFC) sector

India’s Non-Banking Financial Company (NBFC) sector continues to play a critical role in expanding credit access and supporting financial inclusion across underserved segments of the economy. Over the years, NBFCs have emerged as important intermediaries within the financial system by catering to customer segments that are often beyond the reach of traditional banking channels, particularly in MSME finance, consumer lending, rural finance, affordable housing and vehicle finance.

The NBFC sector maintained healthy growth momentum during FY26, supported by rising credit demand, increasing formalisation of the economy and greater adoption of digital lending. According to CRISIL Ratings, NBFC assets under management (AUM) are expected to surpass **INR 50 Lakh Crore** by March 2027.

Accounting for nearly **18%-19%** of India’s overall credit market, NBFCs have established a strong presence in retail and MSME financing through specialised underwriting capabilities, technology-led operating models and deeper penetration into semi-urban and rural markets. Their ability to serve customer segments that are often underserved by traditional financial institutions continues to strengthen their role in advancing financial inclusion and expanding formal credit access.

(Source: Wright Research, RBI-Annual Report)

Key growth drivers

- **Expanding credit demand across underserved segments:** NBFCs continue to benefit from rising demand for formal credit among MSMEs, self-employed individuals, rural households and first-

time borrowers. Their ability to serve customer segments that remain underpenetrated by traditional banking channels creates a significant opportunity for sustained growth.

- **Digitalisation and data-driven lending:** The increasing adoption of digital onboarding, alternative data analytics, AI-led credit assessment and technology-enabled customer servicing is improving operational efficiency and enabling faster credit delivery. These capabilities are helping NBFCs expand their reach while strengthening underwriting and portfolio monitoring.
- **Supportive regulatory and monetary environment:** Recent policy measures by the Reserve Bank of India (RBI), including reductions in policy rates, restoration of standard risk weights on bank lending to NBFCs and liquidity-support initiatives, have improved funding conditions and strengthened the sector's ability to support credit growth.
- **Strengthening bank-NBFC partnerships:** The growing adoption of co-lending arrangements, securitisation transactions and partnership-based lending models is facilitating efficient capital deployment and expanding credit access across underserved markets. These collaborations enable NBFCs to leverage their distribution capabilities while benefiting from diversified funding sources.
- **Growth in retail and MSME lending:** Retail finance and MSME lending continue to remain among the fastest-growing segments within the financial sector. NBFCs are well-positioned to capitalise on this opportunity through specialised underwriting capabilities, local market knowledge and customised product offerings.
- **Financial Inclusion and Rural Penetration:** Government-led financial inclusion initiatives, expanding digital infrastructure and increasing financial awareness are creating opportunities to deepen credit penetration across rural and semi-urban markets. NBFCs play a critical role in addressing these financing gaps and supporting inclusive economic growth.

Indian MSME credit industry

India's Micro, Small and Medium Enterprises (MSME) sector remains a key pillar of economic growth, contributing approximately 31.1% of the country's

GDP, 35.4% of manufacturing output and 48.6% of exports. With over 7.47 Crore enterprises employing more than 32.8 Crore people, the sector continues to play a critical role in employment generation, entrepreneurship development and regional economic inclusion.

The MSME credit ecosystem maintained strong momentum during FY26, emerging as a key driver of industrial credit growth. Demand for formal credit continued to rise, supported by increasing enterprise formalisation, expanding business activity and financing needs for working capital, capacity expansion and technology adoption. As of December 2025, MSME credit outstanding reached **INR 67.6 Lakh Crore**, while formal credit penetration among Udyam-registered enterprises remained at around **47%**, highlighting the significant headroom for further institutional lending. These structural trends continue to reinforce the long-term growth potential of India's MSME financing ecosystem.

(Source: SIDBI)

The MSME sector continued to benefit from supportive policy initiatives aimed at expanding access to formal finance. The revised MSME classification framework, effective from April 2025, broadened enterprise eligibility for priority sector lending, enabling more businesses to access institutional credit. Further, the Government strengthened the Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) by enhancing the guarantee cover limit from INR 5 Crore to INR 10 Crore and extending guarantee coverage of up to 90% for eligible women-owned enterprises. These measures are expected to improve credit availability, strengthen lender confidence and accelerate formal credit penetration across the MSME sector.

Key growth drivers

- **Large addressable credit gap:** Despite significant progress in formal lending, India's MSME sector continues to face a substantial credit gap of ~INR 30 Lakh Crore, creating a significant opportunity for lenders. Formal credit penetration remains below the sector's full financing requirements, particularly among micro and small enterprises, supporting long-term demand for structured credit solutions and customised financing products.
(Source: Indian Economic Outlook-Deloitte)
- **Formalisation and Udyam registration:** The continued adoption of Udyam registration, GST compliance and digital business records

is improving borrower visibility and credit assessment capabilities. Enhanced data availability is enabling lenders to expand formal credit access while improving underwriting quality across the MSME ecosystem. Formal credit penetration among 8.8 Crore Udyam-registered MSMEs continues to improve, although significant headroom for further expansion remains.

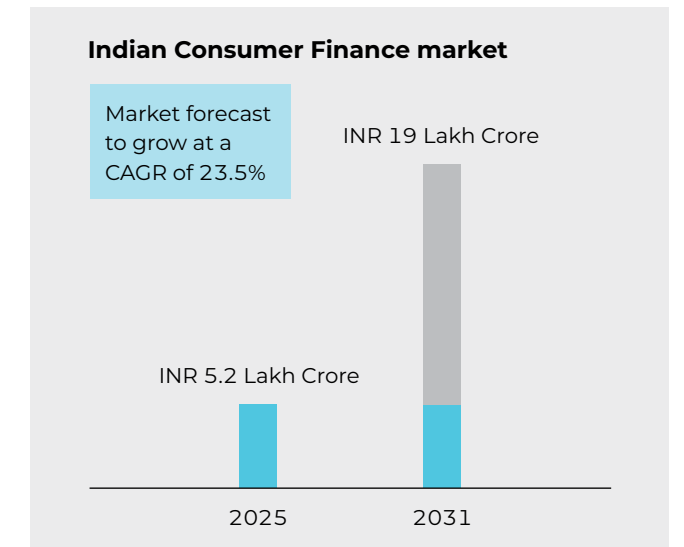
- **Government credit guarantee support:** Government initiatives aimed at expanding guaranteed credit access have strengthened the operating environment for MSME lending. Measures such as enhancements to credit guarantee schemes and broader coverage under MSME support programmes are improving lender confidence and facilitating greater credit flow to small businesses.
- **Supportive RBI regulatory measures:** The Reserve Bank of India (RBI) continues to support credit flow to the MSME sector through regulatory initiatives. Recent measures including revised Priority Sector Lending (PSL) norms, the Unified Lending Interface, expansion of TReDS ecosystem etc. are expected to support lending growth and capital efficiency across the sector.
- **Digital lending and alternative underwriting:** Rapid adoption of digital lending platforms, API-based verification systems, account aggregators and alternative credit assessment models is improving access to finance for smaller enterprises. Technology-led underwriting is helping lenders reduce turnaround times, lower acquisition costs and serve previously underserved borrowers more efficiently.

Indian consumer finance industry

India's consumer finance industry has emerged as one of the fastest-growing segments within the country's financial services landscape, driven by rising household consumption, increasing urbanisation, expanding middle-income demographics and growing access to formal credit. The sector has evolved beyond traditional retail lending models, with digital platforms, fintech partnerships, and data-driven underwriting significantly broadening credit access across customer segments.

The Indian consumer finance market was valued at INR 5.2 Lakh Crore in 2025 and is projected to reach INR 19 Lakh Crore by 2031, registering a CAGR of

23.5% during the forecast period. The strong growth outlook reflects increasing demand for personal loans, consumer durable financing, credit cards, vehicle finance and other retail credit products across both urban and semi-urban markets.



The industry continues to benefit from favourable structural drivers, including a rapidly expanding middle-class population, improving disposable incomes and rising consumer aspirations. The growing penetration of digital payments, e-commerce platforms and smartphone-based financial services has further accelerated the adoption of formal credit products, particularly among younger consumers and first-time borrowers.

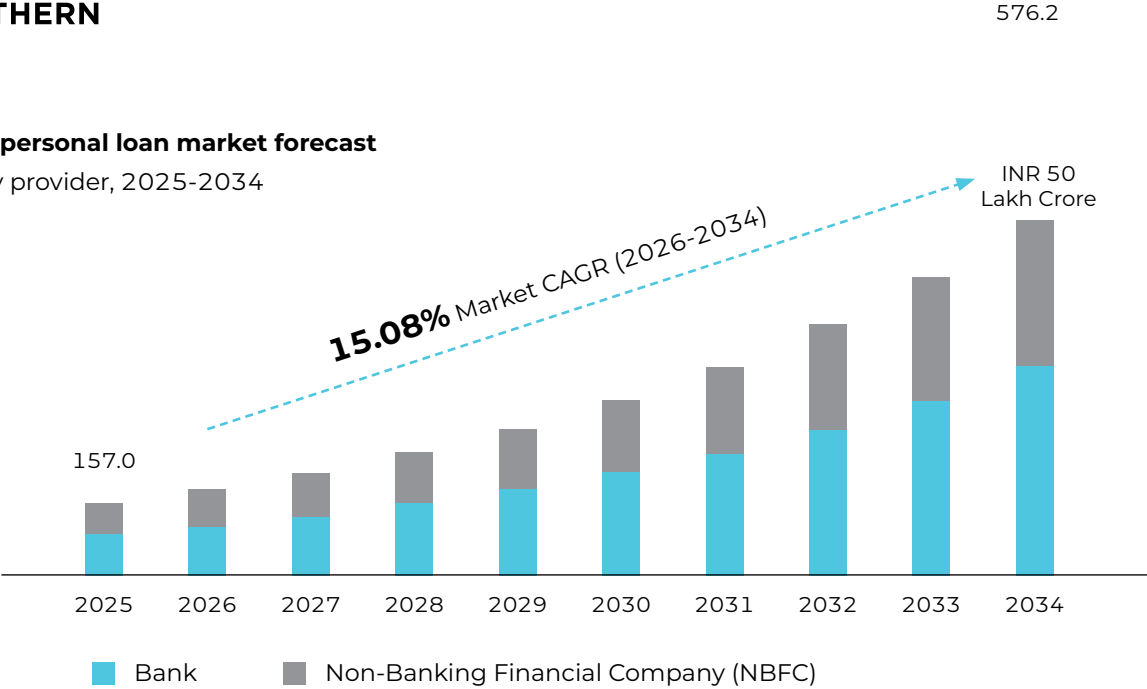
Personal loan sector

The Indian personal loan market has emerged as one of the fastest-growing segments within the retail lending landscape, supported by rising consumer spending, increasing formalisation of credit access, and rapid adoption of digital lending channels. Personal loans provide borrowers with unsecured financing for a variety of purposes, including medical expenses, education, home improvement, travel, debt consolidation and other personal requirements, making them a flexible source of credit across customer segments.

India's personal loan market continued to witness robust growth during FY26, driven by rising consumer demand, increasing digital adoption and expanding access to formal credit. The market, valued at **INR 13.6 Lakh Crore** in 2025, is projected to grow at a CAGR of **15.1%** through 2034. NBFCs continued to outpace

Indian personal loan market forecast

Size, By provider, 2025-2034



(Source: Imarc Group)

banks, particularly in the lower-ticket personal loan segment, accounting for **92%** of loan originations by volume for nine months ended December 2025. The rapid adoption of digital lending platforms and growing demand for unsecured consumer credit continue to support the long-term growth potential of the personal lending ecosystem.

(Source: Economic Times)

Digital lending: Enabling the next phase of credit inclusion

India's digital lending ecosystem has undergone a remarkable transformation over the past decade, driven by the rapid formalisation of credit, widespread digital adoption, and the emergence of robust digital public infrastructure. As smartphones, digital payments, and data-driven underwriting become increasingly mainstream, digital lending is reshaping how credit is originated, assessed, and delivered, making formal finance more accessible, affordable, and efficient.

Technology continues to be a key enabler of this transformation. The introduction of the Unified Lending Interface (ULI) marks another significant milestone in India's Digital Public Infrastructure (DPI) journey. By enabling the seamless, consent-based exchange of information between data providers and lenders, including land records, satellite imagery, and other digital datasets, ULI is expected to significantly reduce credit assessment timelines, improve

underwriting accuracy, and expand access to formal credit, particularly for MSMEs, rural borrowers, and first-time credit seekers.

The increasing digital readiness of consumers is further accelerating this shift. Smartphone penetration among small borrowers continues to rise, while the widespread adoption of digital payment applications has familiarised customers with technology-enabled financial services. This growing digital ecosystem is creating favourable conditions for lenders to deliver faster, more convenient, and more personalised credit solutions at scale.

NBFCs have emerged as key drivers of this transformation by complementing traditional banking channels with technology-led credit delivery models. Leveraging alternative data, AI-driven underwriting, API-based integrations, and digital-first customer journeys, they have expanded access to formal finance for underserved individuals and small businesses while improving operational efficiency and customer experience.

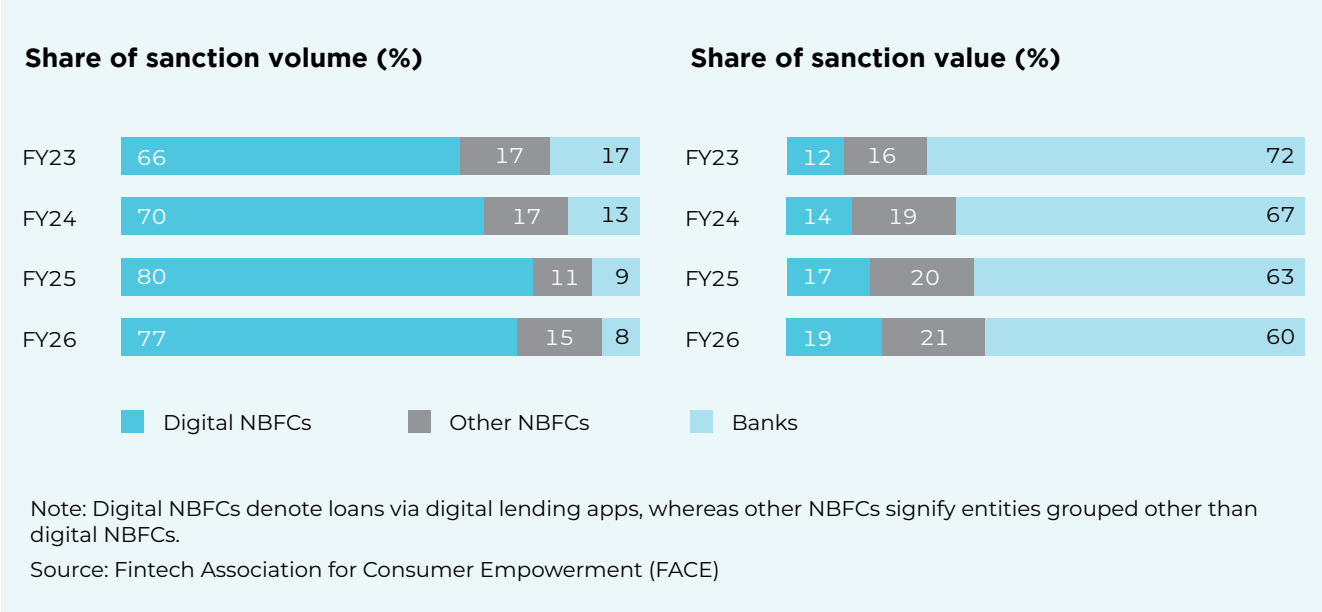
The regulatory landscape has also continued to evolve, providing a stronger foundation for sustainable growth. The introduction of the **Digital Lending Directions, 2025** has further strengthened borrower protection, enhanced transparency, and reinforced governance standards across the digital lending ecosystem. These measures are expected to foster greater trust among borrowers while promoting responsible innovation and long-term sectoral growth.

According to the Fintech Association for Consumer Empowerment (FACE), digital NBFCs continued to strengthen their position in India's personal lending ecosystem during FY26. Their share of the total personal loan sanction value increased to 19% in FY26, up from 12% in FY23. During the year, digital NBFCs disbursed personal loans worth INR 2.14 Lakh

Crore, compared with INR 2.36 Lakh Crore by other NBFCs and INR 6.95 Lakh Crore by banks, highlighting the growing adoption of digital lending platforms and their expanding role in meeting India's retail credit demand.

(Source: Business Standard)

Rising share of Digital NBFCs and NBFCs in Personal Loan



Microfinance sector

The Indian microfinance sector has evolved significantly over the past decade, strengthening its role as a key enabler of financial inclusion and formal credit access. Following the Reserve Bank of India's 2022 Master Directions on microfinance, the sector transitioned towards an activity-based regulatory framework with greater flexibility in pricing and product design. As of early 2026, the industry comprised more than 200 regulated entities, including NBFC-MFIs, banks, Small Finance Banks (SFBs) and NBFCs, reflecting the increasing institutionalisation of microfinance within the broader financial system.

Microfinance continues to serve as a catalyst for livelihood creation and grassroots entrepreneurship. Despite the removal of regulatory restrictions on end use, 94% of loans are utilised for income-generating activities, including existing businesses, new enterprise creation and farm-related activities. Borrower financial health indicators also remain supportive, with an

average Fixed Obligation to Income Ratio (FOIR) of 18.7%, significantly below the regulatory ceiling of 50%, indicating adequate repayment capacity across the borrower base.

The microfinance sector underwent a period of consolidation during FY26, following elevated delinquencies, borrower over-leverage and the implementation of stricter regulatory guardrails. As a result, industry assets under management (AUM) declined by **13% year-on-year** to **INR 3.25 Lakh Crore** as of March 2026 from **INR 3.75 Lakh Crore** a year earlier, while the number of unique borrowers reduced from **7.8 Crore** to **6.4 Crore**.

Despite the moderation in portfolio growth, the sector witnessed a marked improvement in asset quality during the second half of FY26. Portfolio at Risk (PAR 31-180 days) improved sharply to **2%** as of March 2026 from **6%** a year earlier, reflecting stronger collection efficiencies and improved underwriting

discipline. Lending activity also rebounded during the January–March 2026 quarter, with disbursements rising to **INR 78,938 Crore**, signalling renewed lender confidence and the early stages of a recovery in the microfinance sector.

Key growth drivers

- **Expanding Financial Inclusion:** Continued efforts to expand access to formal financial services, particularly in rural and semi-urban markets, are increasing the addressable customer base for microfinance institutions. Greater penetration of banking services and digital financial infrastructure is enabling wider access to formal credit among previously underserved segments.
- **Large addressable credit gap:** A significant proportion of low-income households, informal workers and micro-entrepreneurs continue to have limited access to institutional finance. The persistent credit gap presents substantial opportunities for microfinance institutions to support income generation, livelihood enhancement and financial inclusion.
- **Women’s financial inclusion and entrepreneurship:** Increasing participation of women in entrepreneurial and income-generating activities, supported by greater access to formal financial services and microfinance, continues to drive demand for small-ticket credit. The sector plays an important role in promoting financial independence, livelihood creation and inclusive economic development among women borrowers.
- **Digitalisation of lending operations:** Growing adoption of digital onboarding, e-KYC, digital collections, data analytics and alternative credit assessment models is improving operational efficiency, strengthening credit underwriting and expanding outreach to customers in underserved geographies.
- **Supportive regulatory and policy environment:** Continued policy emphasis on financial inclusion, responsible lending practices and strengthening the formal credit ecosystem is supporting the long-term development of the microfinance sector. Regulatory initiatives aimed at enhancing governance, transparency and customer protection are expected to contribute to sustainable industry growth.

- **Government support through Credit Guarantee schemes:** Government initiatives such as the Credit Guarantee Fund for Micro Units (CGFMU) continue to strengthen the formal microfinance ecosystem by improving credit access for eligible borrowers while enhancing lender confidence. Such initiatives are expected to support broader financial inclusion and encourage responsible expansion of institutional credit to underserved segments.

Company overview

Northern Arc Capital Limited (referred to as ‘Northern Arc’ or ‘the Company’) is a diversified financial services company focussed on addressing the credit requirements of underserved households and businesses across India. Registered with RBI as a Non-Banking Financial Company (NBFC), the Company operates at the intersection of financial inclusion, credit intermediation and capital markets, enabling the efficient flow of capital to segments that remain underpenetrated by traditional financial institutions.

Northern Arc follows a dual-engine business model that has evolved alongside the Company’s growth strategy. It initially built its franchise by providing comprehensive credit solutions to originator partners through balance-sheet lending, debt placements, fund management offerings and technology-enabled platforms. These capabilities have provided a strong foundation for the Company’s expansion into Direct-to-Customer lending across key retail sectors i.e. MSME, Consumer Finance and Rural Finance. This diversified model enables Northern Arc to dial-up and dial-down on the sectors according to the challenges and opportunities in respective sectors. The Company has impacted more than 140 Million lives and facilitated more than 2.5 Lakh Crore of credit till date.

Credit Solutions to Originator Partners

Northern Arc’s Credit Solutions business forms the foundation of the Company’s business model and has played a central role in advancing credit access for underserved and underpenetrated borrower segments across India. Through this business, the Company facilitates the flow of capital to originator partners, enabling them to expand lending activities and serve diverse customer segments across the financial ecosystem.

The Company offers a range of credit solutions, including intermediate retail lending, structured debt placements, performing credit funds and

technology-enabled financing solutions tailored to the requirements of originator partners. By connecting originators with a diversified network of capital providers, Northern Arc helps improve funding access, enhance capital efficiency and support portfolio growth.

Over the years, the Credit Solutions business has enabled the Company to develop deep expertise in credit assessment, risk management, partner evaluation and capital mobilisation across diverse lending segments, including MSME, Consumer Finance, Rural Finance, Affordable Housing Finance, Vehicle Finance, Agriculture Supply Chain Finance. Since inception, Northern Arc has collaborated with and manage Funds AUM of INR 3,092 Crore.

Going forward, the Company intends to strengthen its fee-based businesses, primarily Placements and Credit Funds, to address the evolving funding requirements of its Originator Partners. At the same time, balance sheet lending will be deployed selectively to cultivate new partner relationships, demonstrate underwriting capabilities and support the development of scalable, long-term lending partnerships.

Direct-to-Customer (D2C) business

Building on the experience, ecosystem relationships and underwriting capabilities developed through its Credit Solutions business, Northern Arc transitioned into Direct-to-Customer (D2C) lending to directly address the financing needs of underserved borrower segments. Over the years, the Company has leveraged technology, data-driven underwriting, branch network and digital partnerships to scale its lending operations and expand access to formal credit.

The D2C portfolio comprises a diversified mix of lending products across MSME, Consumer Finance and Rural Finance. The Company combines its branch-led distribution network with technology-enabled sourcing and servicing capabilities to improve customer reach and operational efficiency. In addition, partnerships with digital platforms and ecosystem participants have enabled Northern Arc to expand origination channels, strengthen customer acquisition and enhance access to credit across multiple borrower segments.

A key strength of the D2C business is its network of 432 branches across 13 states and 1 UT, and partnerships with 57 Digital Partners which supports deeper market penetration in underserved regions. This physical presence is complemented by digital

capabilities that enable efficient loan origination, underwriting and servicing while maintaining close engagement with customers throughout the lending lifecycle. Our D2C AUM has grown 10x in 5 years to reach INR 9,802 Crore in line with stated strategy to build granular diversified lending book.

Business Overview

In FY26, the Company achieved robust growth across all business segments despite challenging market conditions, facilitating credit of INR 37,217 Crore through Credit Solutions & Direct-to-Consumer (D2C) segments.

Assets Under Management (AUM)

Northern Arc’s AUM expanded by 21.7% year-on-year, growing from INR 13,634 Crore in March 2025 to INR 16,594 Crore in March 2026. The D2C segment’s contribution to total AUM increased significantly from 19% in March 2021 to 59% in March 2026.

Credit Solutions

Total credit facilitation through lending, fund deployment and placement was INR 24,170 Crore 70% of the volumes were fulfilled through Placements, Funds and Platforms. The Company onboarded 18 new originator partners in FY26.

Intermediate retail lending AUM grew by 4% year-on-year to INR 6,802 Crore in line with our stated strategy to grow fee based businesses i.e. Placement and Credit Funds. Placement fee income grew by 22% YoY to INR 31.4 Crore in FY26. Funds AUM stood at INR 3,092 Crore as on 31 March, 2026.

Direct-to-Consumer (D2C) Segment

D2C AUM grew by 38.6% year-on-year, rising from INR 7,064 Crore in March 2025 to INR 9,792 Crore in March 2026. The Company now serves over 29 Lakh borrowers across MSME, Consumer Finance, and Rural Finance segments through network of 432 branches and 57 Digital Partners.

MSME business grew 43% YoY to INR 3,691 Crore	Consumer Finance AUM grew by 50% YoY to INR 5,092 Crore	Rural Finance AUM stood at INR 1,009 Crore
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Financial overview

Northern Arc delivered a healthy financial performance during FY26, supported by continued business growth and disciplined execution across its operating model. Total income increased to INR 2,387 Crore, while profit after tax rose to INR 406 Crore, reflecting sustained earnings momentum. The Company's profitability was further supported by an improvement in net interest margin to 9.4%, driven by the increasing contribution of its Direct-to-Customer lending portfolio alongside continued focus on portfolio quality and operating efficiency. The Company also maintained a prudent capital position, providing the financial capacity to support future business growth while preserving balance sheet strength.

Milestones achieved during FY26

Highest-Ever
Yearly Profits

INR 406 Crore

Interest Income

Northern Arc reported interest income of INR 2,279 Crore in FY26, representing a growth of 16% over INR 1,969 Crore in FY25. The increase was primarily driven by the expansion of the Company's Assets Under Management (AUM), which grew from INR 13,634 Crore as of 31 March 2025, to INR 16,594 Crore as of 31 March 2026. A higher contribution from the Direct-to-Customer (D2C) portfolio also supported earnings growth, with the D2C mix increasing to 59% from 51.8% in the previous year.

Interest Expense

The Company's cost of funds improved by 49 basis points to 8.5% in FY26 from 9% in FY25. The decline in cost of funds reflects effective liability management and a diversified funding profile.

Operating Efficiency

Northern Arc continued to focus on operational discipline and scalable growth during the year. Despite the addition of 72 branches during FY26, operating expenses as a percentage of assets were stable at 3.6% in FY26. Our Cost to Income ratio improved by 90 bps to 35.6% in FY26. These reflect the Company's efforts to enhance productivity, optimise costs and leverage technology across business operations.

Pre-Provision Operating Profit (PPOP)

Pre-Provision Operating Profit (PPOP) increased by 21% to INR 956 Crore in FY26 from INR 793 Crore in FY25. The strong growth was driven by higher business volumes, improved spreads and greater operating efficiency, demonstrating the Company's ability to scale its operations while maintaining profitability.

Assets Under Management
(AUM)

INR 16,594 Crore

Asset Quality

Northern Arc maintained a healthy asset quality profile during FY26, reflecting its prudent credit assessment framework and continuous portfolio monitoring. As of 31 March 2026, the Company's GNPA and NNPA stood at 1.2% and 0.6%, respectively.

Credit cost as a percentage of assets improved from to 2.8% in FY26 compared with 3.2% in FY25. The improvement is the outcome of strong collection efforts and stringent credit controls.

The Company recognised a reversal of one-time provision following the Reserve Bank of India's regulation relating to the treatment of credit enhancements in the Expected Credit Loss (ECL) framework under First Loss Default Guarantee (FLDG) arrangements. In addition, Northern Arc created a management overlay as a prudent measure to strengthen balance sheet resilience and maintain a conservative approach towards risk management. These actions reflect the Company's continued focus on preserving asset quality and maintaining adequate provisioning buffers in an evolving operating environment.

Net Profit

Northern Arc reported a net profit of INR 406 Crore in FY26, compared with INR 305 Crore in FY25. The year-on-year performance was mainly due to an increase in Lending AUM growth and growth in placement fee income, reduction in cost of funds, improved operational efficiencies and a decrease in credit cost.

Return ratios and capital structure

During FY26, Northern Arc saw improvement in Return on Assets (ROA) to 2.8% in FY26 from 2.4% in FY25. The Company delivered a Return on Equity (ROE) of 11.1%. The Company maintained a debt-to-equity ratio of 3.1x, with strong capital adequacy ratio of 22.6%.

A summary of the Company's key financial performance (Consolidated) indicators is presented below:

P&L					
Particulars	INR in Crore			DuPont	
	FY25	FY26	YoY%	FY25	FY26
Interest Income ¹	1,969	2,279	15.7%	15.7%	15.5%
Interest Expense	823	902	9.7%	6.5%	6.1%
Net Interest Income	1,147	1,377	20.1%	9.1%	9.4%
Fee & Other Income	102	108	5.5%	0.8%	0.7%
Net Revenue	1,248	1,484	18.9%	9.9%	10.1%
Credit Cost	405	412	1.7%	3.2%	2.8%
Risk Adjusted Net Revenue	844	1,073	27.1%	6.7%	7.3%
Employee Cost	285	331	16.2%	2.3%	2.3%
Other Operating Cost	171	198	15.7%	1.3%	1.3%
Total Cost	455	528	16.0%	3.6%	3.6%
(Profit) /Loss from Associate	2	8	-	0.0%	0.1%
Profit Before Tax	386	536	38.7%	3.1%	3.6%
Tax	85	132	55.7%	0.7%	0.8%
Profit After Tax	301	404	33.9%	2.4%	2.8%
Attributable to Owners	305	406	33.3%	2.4%	2.8%

1. Interest income is adjusted for fees and commission expense

Risk management

Northern Arc follows a disciplined and data-driven approach to risk management that is embedded across its lending and investment activities. The Company's risk framework is designed to support sustainable growth while preserving asset quality and maintaining resilience across varying economic and credit cycles.

Its risk management capabilities are underpinned by a combination of advanced analytics, proprietary assessment methodologies, sector-specific expertise and continuous portfolio monitoring. This integrated approach enables informed credit decision-making, prudent portfolio selection and the timely identification of emerging risks.

Integrated risk architecture

Northern Arc has adopted a multi-dimensional Enterprise Risk Management (ERM) Framework based

on robust risk governance, deep domain expertise, ground-level insights, extensive data analytics and proprietary risk models that address a wide spectrum of risks, ensuring a robust and holistic approach to risk mitigation:

- Financial risks: Credit Risk, Liquidity Risk, Interest Rate Risk
- Non-financial risks: Operational Risk, Information Security Risk, Compliance Risk, Strategic Risk, Reputational Risk, Conduct Risk, Legal Risk

Independent and efficient collections ecosystem

The Company has established a strategically aligned and scalable collections ecosystem focussed on proactive delinquency management, early risk containment, and optimised recovery outcomes. The framework leverages a phased intervention approach combining digital engagement, centralised

tele-calling, field collections, and legal enforcement mechanisms to drive collection efficiency across the asset lifecycle. Escalation protocols are calibrated based on delinquency buckets, enabling timely recovery actions, strengthened portfolio discipline, and effective collateral realisation in high-risk accounts.

Advanced analytics and technology-led risk intelligence

The Company's risk management and growth strategy is anchored in a technology-first, analytics-driven operating model powered by a proprietary database built over more than 15 years, comprising over 50 Million data points and 30+ underwriting models. By integrating granular transaction-level data, financial and operational insights, and qualitative assessments of Originator Partners, the Company has developed a robust risk intelligence framework that enables informed decision-making, proactive portfolio management, and scalable growth.

Advanced analytics, machine learning capabilities, and monitoring tools enhance predictive risk assessment, improve operational efficiency, and support the delivery of financial solutions at scale while strengthening portfolio resilience and driving sustainable long-term performance.

Operational risk management

The Company adopted a proactive and structured approach to operational risk management, aimed at identifying, mitigating, and monitoring potential disruptions across business functions. The framework is overseen by Northern Arc Operational Risk Committee (NAORC), which provides strategic direction and governance through:

- Setting clear risk reporting structures
- Regular process audits
- Risk Assessments and corrective action plans

These measures strengthen risk oversight, enable timely intervention and enhance the overall quality of the credit portfolio. As a result, Northern Arc has consistently maintained disciplined asset quality across credit cycles, with Net Non-Performing Assets (NNPA) remaining below 1% throughout the period and improving to a low of 0.1% at its strongest point. This sustained performance reflects the Company's prudent underwriting standards, robust risk management framework and resilience across changing market conditions.

Diversified funding and liability management

Northern Arc continues to maintain a well-diversified funding profile supported by longstanding relationships with banks, development finance institutions (DFIs), capital market participants and other funding partners. The Company's prudent liability management approach enables it to access multiple sources of capital, supporting business growth while maintaining financial flexibility across market cycles.

During FY26, Northern Arc raised fresh debt of approximately INR 8,850 Crore, underscoring the depth of its long-standing relationships with lenders and investors. The continued participation of a diverse set of lenders reflects confidence in the Company's business model, governance framework and credit profile.

As of 31 March 2026, Northern Arc's borrowing base comprised 57 lenders and investors. Banks remained the largest source of funding, accounting for 53% of total borrowings, followed by domestic and offshore development finance institutions at 30%. The balance was sourced from capital market participants, including mutual funds, insurance companies, private wealth platforms and other institutional investors. This diversified funding mix supports liquidity management and reduces reliance on any single source of capital.

The Company also continued to optimise its borrowing profile during the year. Despite a relatively challenging funding environment for the NBFC sector, Northern Arc reduced its average cost of funds to 8.5% in FY26 from 9% in FY25. This improvement reflects the strength of its lender relationships, disciplined treasury management practices and continued access to diversified funding channels.

Credit Ratings

Northern Arc's credit ratings continue to support its access to diversified funding sources and enhance its ability to raise capital on competitive terms. The Company's consistent credit profile reflects its prudent risk management practices, diversified business model and disciplined approach to growth.

Since 2015, Northern Arc's commercial paper programme has maintained the highest short-term rating of A1+. In addition, the Company's non-convertible debentures and long-term bank facilities

have been assigned a rating of AA- by both ICRA and India Ratings since 2015 after ratings.

The continued strength of these ratings reinforces lender and investor confidence, supports funding diversification and contributes to the Company's ability to efficiently meet its financing requirements. These factors have played an important role in supporting the growth of Northern Arc's balance sheet and earning assets over the years.

Environmental, Social and Governance (ESG)

Northern Arc integrates environmental, social and governance considerations into its business strategy, risk management framework and capital allocation processes. The Company's ESG practices have been independently assessed by ICRA, which has assigned an ESG Rating of reflecting its evaluation of the Company. As a mission-driven financial services platform, the Company seeks to contribute to sustainable and inclusive growth through responsible financing, strong governance practices and a continued focus on creating positive social impact. Sustainability considerations are embedded across lending, investment and operational activities, supported by structured environmental and social due diligence processes aligned with applicable regulatory requirements and internationally recognised standards, including the IFC Performance Standards.

The Company's environmental approach focusses on responsible resource utilisation within its operations, climate risk assessment and support for businesses contributing to a low-carbon economy. Through its financing activities, Northern Arc continues to facilitate access to capital for sectors such as electric mobility, rooftop solar, water and sanitation infrastructure and circular economy solutions. The Company also incorporates climate-related considerations into its risk management processes through portfolio-level assessments and ongoing monitoring mechanisms.

From a social perspective, Northern Arc remains committed to expanding access to finance for underserved individuals, households and businesses, thereby supporting financial inclusion and economic development. The Company also continues to invest in employee development, diversity and inclusion, workplace well-being and capability building, while promoting responsible lending practices and adherence to recognised client protection principles across its operations.

Strong governance remains fundamental to Northern Arc's operating model. The Company's governance framework is supported by Board-level oversight, including supervision by the ESG Committee, comprehensive policies and codes of conduct, employee awareness programmes, internal controls and compliance mechanisms. Through continuous strengthening of governance practices, ethical standards and risk management processes, the Company seeks to create sustainable long-term value for its stakeholders.

To read more, refer to page 48.

Technology infrastructure

Northern Arc has developed a technology-enabled operating platform that supports the entire lending lifecycle, from customer acquisition and onboarding to credit assessment, disbursement and portfolio servicing. The Company's technology architecture is designed to enhance scalability, operational efficiency and customer experience while supporting the evolving needs of a diversified lending business.

The Company leverages advanced analytics, machine learning models and automated decision-making frameworks to strengthen credit evaluation and risk management processes. Integration with multiple data sources and digital verification platforms enables faster customer onboarding, improved underwriting accuracy and informed credit decisions across borrower segments.

Northern Arc's cloud-based infrastructure provides the flexibility and scalability required to support business growth and increasing transaction volumes. The technology environment is supported by automated workflows, digital process management capabilities and continuous monitoring systems that enhance operational resilience and business continuity.

The Company's technology ecosystem is supported by a suite of proprietary platforms that strengthen origination, distribution, co-lending and capital market capabilities. Nimbus serves as an integrated debt transaction platform that supports transaction structuring, risk management, exposure monitoring and compliance processes across the lending ecosystem. nPOS, the Company's cloud-native, API-based co-lending platform, enables end-to-end loan lifecycle management and seamless integration with partner institutions, supporting efficient co-lending execution and straight-through processing. The

Company’s Direct Origination platform supports digital credit journeys across multiple lending products and partner ecosystems, enhancing onboarding efficiency, underwriting quality and operational consistency.

Northern Arc also continues to expand its digital distribution capabilities through Altifi, its retail bond platform that facilitates investor participation across fixed-income and mutual fund products. During FY26, the platform expanded its product offerings, strengthened integration with external investment platforms and introduced additional digital engagement capabilities to broaden investor reach and improve accessibility. These technology platforms collectively support scalable growth, operational efficiency and improved stakeholder experience across the Company’s lending and capital market ecosystem.

The Company maintains a comprehensive information security framework designed to safeguard customer data, applications and technology assets. Multiple layers of security controls, proactive monitoring mechanisms and governance processes help mitigate cyber risks and support compliance with applicable regulatory requirements.

Human resources

Building a future-ready workforce

Northern Arc recognises that its people are central to the Company’s long-term growth, operational effectiveness and ability to create sustainable value. The Company remains focussed on building a high-performance and inclusive workplace supported by strong leadership, continuous learning, employee well-being and merit-based growth opportunities.

Leadership and governance framework

The Company’s human capital strategy is guided by an experienced leadership team and overseen by the Board of Directors and the Nomination and Remuneration Committee (NRC). This governance framework supports talent management, succession planning, employee development and workforce initiatives aligned with the Company’s long-term strategic objectives.

Diverse and inclusive workforce

As of 31 March 2026, Northern Arc had a workforce of 3,163 employees across functions, levels and geographies. Women represented 13% of the workforce, while 21% of new hires were recruited from focussed diversity segments. The Company continues to promote an inclusive work environment founded on equal opportunity, meritocracy and respect, with

employee advancement and recognition based on capability, performance and potential.

Talent development and capability enhancement

Northern Arc places significant emphasis on attracting, developing and retaining talent through structured onboarding, mentorship, continuous learning and leadership development programmes. The learning framework focusses on enhancing technical expertise, leadership effectiveness and operational capabilities to support business growth and service excellence.

Employee engagement and well-being

The Company continues to invest in employee well-being, engagement and professional development to create a supportive and productive workplace. Through initiatives focussed on learning, inclusive leadership and shared accountability, Northern Arc seeks to foster a culture where employees feel valued, supported and empowered to contribute meaningfully to organisational success.

Talent retention and risk management

Northern Arc actively manages human capital risks through continuous benchmarking of its people practices and enhancement of its talent management strategies. The Company’s recruitment network spans multiple geographies, enabling access to a broader talent pool. Structured incentive programmes, retention initiatives and succession planning processes support workforce stability and long-term organisational capability. In addition, the Company has strengthened its compliance framework through proactive alignment with evolving labour regulations and adherence to applicable statutory requirements.

Recognition and workplace excellence

Northern Arc’s people practices and workplace culture have received recognition across industry platforms. The Company was certified as a Great Place to Work® for the sixth consecutive year, reflecting its continued focus on employee experience, workplace culture and organisational development.

Focus on sustainable growth

Going forward, Northern Arc will continue to strengthen workforce diversity, leadership capabilities and employee development initiatives. By building an agile, skilled and engaged workforce, the Company aims to support its long-term growth ambitions while creating value for employees, customers and other stakeholders.

Opportunities and Threats

Opportunities

- **Expanding financial inclusion and credit penetration:** India’s growing focus on financial inclusion continues to create significant opportunities for institutions serving underserved and underpenetrated borrower segments. With extensive experience across MSME, Consumer Finance and Rural Finance, Northern Arc is well-positioned to address the evolving credit requirements of individuals and businesses that remain outside the reach of traditional financial channels.
- **Growing rural and emerging market potential:** Improving rural incomes, rising consumption levels and increasing formalisation of economic activity are expected to support demand for credit across rural and semi-urban markets. Northern Arc’s established presence and expanding reach across these markets provide a strong platform to deepen customer relationships and extend access to financial services.
- **Diversified growth platforms:** The Company continues to strengthen its presence across emerging business segments, including digital partnership-based lending, direct retail lending and distribution-led offerings. These businesses provide opportunities to broaden customer engagement, diversify revenue streams and enhance cross-selling potential across the financial services value chain.
- **Technology-led scalability and risk management:** Investments in technology, analytics and digital capabilities have enabled the Company to build scalable operating models and strengthen decision-making processes. Advanced underwriting frameworks, data-driven risk assessment tools and enhanced customer engagement capabilities support operational efficiency while improving credit evaluation and portfolio management.
- **Strengthening distribution and ecosystem partnerships:** Northern Arc’s growing network of branches, lending partners, originators and fintech platforms enhances its ability to reach diverse borrower segments across geographies. A diversified distribution ecosystem supports business scalability, improves market penetration and enables the Company to respond effectively to evolving customer needs.
- **Strong institutional relationships and market credibility:** The Company benefits from a well-established reputation, strong governance standards and longstanding relationships with investors, lenders and ecosystem participants. Its proven track record across multiple credit cycles strengthens stakeholder confidence and supports the development of sustainable business partnerships.

Threats

- **Evolving regulatory and compliance landscape:** As a regulated financial institution, the Company operates within a dynamic regulatory environment. Changes relating to capital requirements, lending norms, customer protection standards, data governance and compliance obligations may influence business operations and require continuous adaptation.
- **Funding and liquidity risks:** Access to funding remains critical to business growth and may be affected by changing market conditions, liquidity cycles and investor sentiment. Variations in capital market activity or borrowing conditions could influence the availability and cost of funds across the financial ecosystem.
- **Macroeconomic and credit quality pressures:** Persistent inflationary pressures, slower economic growth or adverse developments affecting borrower cash flows may impact credit demand and repayment behaviour. Such conditions could increase stress across certain customer segments and influence portfolio performance.
- **Interest rate and margin volatility:** Changes in interest rates can affect borrowing costs, funding spreads and overall profitability. Effective asset-liability management and prudent pricing strategies remain important in managing interest rate cycles and maintaining financial performance.
- **Competitive intensity and market disruption:** The financial services sector continues to witness increasing competition from banks, NBFCs, fintech companies and digital lending platforms. Sustaining growth will require continuous innovation, strong customer engagement and the ability to differentiate through technology, risk management and service delivery.

Internal audit

The Company has established a strong Internal Audit function, carried out by our in-house audit team.

The Internal Audit function is guided by a risk-based internal audit (RBIA) framework, ensuring that audit coverage is aligned with the key business risks, regulatory expectations, and evolving market conditions. The internal audit plan is approved by the Audit Committee of the Board and is periodically reviewed to incorporate emerging risks and business priorities. The audit plan is comprehensive, covering all business units, processes, and support functions based on risk assessments done across all auditable entities.

The Internal Audit function works closely with various stakeholders, including business and support functions, to drive continuous improvement while maintaining its independence and objectivity. It also collaborates with risk management and compliance functions to ensure a coordinated approach under the “three lines of defence” model.

Internal control systems and their adequacy

As a part of Northern Arc’s efforts to evaluate the effectiveness of internal control systems, the Company’s audit teams periodically assess the adequacy of control measures periodically and recommend improvements, wherever appropriate. The Audit Committee reviews the internal audit functions, including the scope of the internal audit, as well as the adequacy and effectiveness of the internal systems and controls.

Northern Arc has a well-established and adequate internal financial control framework, with appropriate policies and procedures, to ensure the highest standards of integrity and transparency in its operations and to support a strong corporate governance structure, while maintaining excellence in service delivery to all stakeholders.

Appropriate controls are in place to ensure:



- (a) the orderly and efficient conduct of business, including adherence to policies,
- (b) safeguarding of assets,
- (c) prevention and detection of fraud/errors,
- (d) accuracy and completeness of the accounting records and
- (e) timely preparation of reliable financial information.

Northern Arc’s internal control framework includes clearly defined delegation of authority and standard operating procedures, which are implemented across all businesses and functions. These are reviewed periodically at all levels. The risk and control matrices are also reviewed periodically at all levels of the organisation. The risk and control matrices are also reviewed regularly, with control measures tested and documented.

These mechanisms help ensure that internal financial controls are commensurate with the scale of Northern Arc’s operations. The findings are presented to the Audit Committee, enabling the Committee to evaluate the strength of the controls and determine any enhancements required, especially as the Company continues to ramp up operations.

Cautionary statement

Certain statements in the Management Discussion and Analysis section concerning the Company’s goals, expectations, projections, estimates, and outlook may constitute forward-looking statements under applicable laws and regulations. These statements are based on currently available information, internal assumptions, and forecasts, and are subject to inherent risks, uncertainties, and other factors, many of which are beyond the Company’s control, that could cause actual results to differ materially from those expressed or implied. Such factors include, but are not limited to, changes in macroeconomic conditions, competitive dynamics, regulatory and legal developments, shifts in political or economic environments, tax policies, technological changes, and market volatility.

Forward-looking statements do not guarantee future performance and should not be relied upon as such. The Company assumes no obligation to publicly revise or update any forward-looking statements, whether as a result of new information, future events, or otherwise, except as may be required under applicable laws.

Board’s Report

Dear Shareholders,

Your Directors have pleasure in presenting this Board’s Report along with the audited financial statements of the Company for the financial year ended 31 March 2026 (“year under review”).

FINANCIAL HIGHLIGHTS:

The Key highlights of the audited financial statements are presented in the below table:

(Amount INR in Crore)

Particulars	Standalone		Consolidated	
	Year ended 31 March 2026	Year ended 31 March 2025	Year ended 31 March 2026	Year ended 31 March 2025
Total income	2,643.83	2,296.51	2,700.33	2,355.74
Finance costs	885.68	822.86	894.82	828.36
Net interest income	1,758.15	1,473.65	1,805.51	1,527.38
Operating expenses	759.07	638.09	830.69	716.55
Depreciation	16.70	15.31	18.79	17.88
Pre-provision profit	982.38	820.25	956.03	792.95
Impairment and write-offs	412.39	378.53	411.88	404.85
Share of loss from associates	0	0	8.59	2.02
Profit before tax	569.99	441.72	535.56	386.08
Tax expense	140.84	99.10	131.98	84.76
Profit for the period	429.15	342.62	403.58	301.32
Other comprehensive income/(loss)	40.98	(29.01)	41.12	(29.30)
Total comprehensive income	470.13	313.61	444.70	272.02
Total comprehensive income to Owners	470.13	313.61	447.11	275.28
Opening balance of retained earnings	1,177.42	902.85	1,195.95	960.35
Transfer to reserves	(85.83)	(68.52)	(85.83)	(68.52)
Appropriations and other adjustments	0.28	0.47	0.40	(0.42)
Closing balance of retained earnings	1,521.02	1,177.42	1,516.54	1,195.95
Earnings per Equity share:				
Basic (in INR)	26.57	22.59	24.99	20.08
Diluted (in INR)	26.39	22.53	24.82	20.03

FINANCIAL PERFORMANCE:

During the year ended 31 March, 2026, on a standalone basis, your company generated total income of INR 2,643.83 Crore, a growth of 15.12% over the earlier year. Net Interest Income was INR 1,758.15 Crore, representing year-on-year increase of 19.31%.

On a consolidated basis, your company generated total income of INR 2,700.33 Crore, a growth of 14.63% over the earlier year. Net Interest Income was INR 1,805.51 Crore, representing year-on-year increase of 18.21%.

There is no change in the nature of business of the Company for the year under review. Further information on the business overview and outlook and state of the affairs of the Company is mentioned in detail in the Management Discussion and Analysis Report.

SHARE CAPITAL:

Authorized Share Capital:

The authorized share capital of the Company is INR 282,00,00,000/- (Rupees Two Hundred and Eighty Two Crore only) divided into 16,50,00,000/- equity

shares of INR 10/- each and 5,85,00,000 compulsorily convertible preference shares of INR 20/- each.

Issued, Subscribed and paid-up share capital:

During the financial year under review, your company had allotted 1,92,539 equity shares under the Employees Stock Option Schemes of the Company.

After the allotment of the aforesaid equity shares, the total issued, subscribed and paid-up capital of the Company as on 31 March, 2026, stood at INR 161,57,18,750/- comprising of 16,15,71,875 equity shares of INR 10/- each.

DIVIDEND:

During the financial year under review, the Board has not recommended any dividend. In terms of Regulation 43A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the Company has formulated and adopted a Dividend Distribution Policy. The Policy has been reviewed and

approved by the Board of Directors and the same is available on the Company's website at https://www.northernarc.com/assets/uploads/policies/Dividend_Distribution_Policy.pdf

DEBENTURE:

During the year under review, your company had allotted 22,500 Senior, Secured, Rated, Listed, Redeemable Non-convertible debentures ("NCDs") of face value of INR 1,00,000/- each amounting to INR 225 Crore on 10 September 2025 and 25,000 Senior, Secured, Rated, Listed, Redeemable Non-Convertible Debentures of face value of INR 1,00,000/- each amounting to INR 250 Crore on 31 December 2025. In aggregate, the Company issued a total of 47,500 NCDs amounting to INR 475 Crore during the financial year under review.

TRANSFER TO STATUTORY RESERVES

Your Company has transferred an amount of INR 85.83 Crores to the statutory reserves in accordance with the requirements of Section 45-IC (1) of the Reserve Bank of India Act, 1934.

CREDIT RATING

The Credit ratings of the company as on 31 March, 2026, are summarised below:

Instrument	Rating Agency	Rated Amount (In Crore)	Rating
Commercial Paper	ICRA	35	ICRA A1+
	CARE	500	CARE A1+ (One Plus)
Secured NCDs under Private Placement Issue	ICRA	1297.90	ICRA AA- (Stable)
Term Loan from Banks	India Ratings	200	IND AA- (Stable)
	ICRA	7689	ICRA AA- (Stable)
Short Term Loan facilities from Banks	ICRA	905	[ICRA]A1+

CAPITAL ADEQUACY

The Company's capital adequacy ratio as of 31 March, 2026, was 22.56% as against 24.72% as at 31 March, 2025. The minimum capital adequacy ratio prescribed by Reserve Bank of India is 15%.

NOMINATION AND REMUNERATION POLICY

The Company has formulated Nomination and Remuneration Policy under the provisions of Section 178 of the Companies Act, 2013, and SEBI Listing Regulations and RBI (Non-Banking Financial Companies – Governance) Directions, 2025 dated November 28, 2025 and the same is available on the website of the Company at https://www.northernarc.com/assets/uploads/policies/Nomination_and_Remuneration_Policy.pdf

DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

The composition of the Board of Directors of the Company is in accordance with the provisions of Section 149 and 165 of the Companies Act, 2013 read with Regulation 17 of the SEBI Listing Regulations with an appropriate combination of Executive Director, Non-Executive Directors and Independent Directors.

As on 31 March, 2026, the Company has a total of Nine Directors, consisting of One Executive Director and Eight Non-Executive Directors. The Board of Directors comprises Four Independent Directors, one of whom is a woman Independent Director.

CORPORATE OVERVIEW

Mr. Sandeep Dhar (DIN: 00182797) was appointed as an Independent Director on the Board of the Company for a first term of five years with effect from 7 May, 2025, by the Board based on the recommendation of the Nomination and Remuneration Committee ("NRC") of the Company. The appointment was subsequently approved by the Members of the Company.

Mr. Trikkur Seetharaman Anantharaman (DIN: 00480136) who was representing 360 One Special Opportunities Fund as its Nominee Director, resigned as the Nominee Director of the Company with effect from 23 June, 2025, subsequent to the sale of its Equity Shares in the Company.

Ms. Anuradha Rao (DIN: 07597195) retired as a Non-Executive, Independent Director with effect from 30 October, 2025. Based on the recommendation of the NRC, the Board of Directors, at its meeting held on 31 October, 2025, appointed her as Non-Executive, Non-Independent Director of the Company for a period of one year with effect from 31 October, 2025 and subsequently, Shareholders through postal ballot dated 24 January, 2026, had approved the said appointment.

Ms. Vidya Krishnan (DIN: 09669166) was appointed as an Independent Director on the Board of the Company for a first term of up to five years with effect from 31 October, 2025, by the Board based on recommendation of the NRC of the Company. Further, the said appointment was approved by the Members through postal ballot dated 24 January, 2026.

Dr. Kshama Fernandes (DIN: 02539429) ceased to be a Director of the Company with effect from the close of business hours on 31 March, 2026, upon completion of her term, and the Board places on record its sincere appreciation for her invaluable contribution and guidance to the Company.

Mr. Vijay Chakravarthi (DIN: 08020248) will retire by rotation and being eligible, offers himself for re-appointment in accordance with the provisions of Section 152 of the Companies Act, 2013. The resolutions seeking shareholders' approval for his re-appointment forms part of the AGM Notice.

There was no change in the key managerial personnel (KMP) of the Company during the year under review. As on 31 March, 2026, the Company had the following KMPs:

STATUTORY REPORTS

- 1) Mr. Ashish Mehrotra, Managing Director and Chief Executive Officer
- 2) Mr. Atul Tibrewal, Chief Financial Officer and
- 3) Mr. Prakash Chandra Panda, Company Secretary and Compliance Officer

CORPORATE GOVERNANCE:

The Corporate Governance report which forms part of Board's Report states detailed corporate governance practices of the Company, together with the disclosures, as per the SEBI Listing Regulations.

A certificate from the Secretarial auditors of the Company regarding compliance of conditions of corporate governance is annexed to the Corporate Governance report.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORTING

In accordance with Regulation 34 of the SEBI Listing Regulations, the Business Responsibility and Sustainability Report (BRSR), outlining the Company's environmental, social and governance initiatives is enclosed with the report as **Annexure – A**.

CORPORATE SOCIAL RESPONSIBILITY (CSR):

The brief outline of the Corporate Social Responsibility (CSR) initiatives undertaken by the Company on CSR activities during the year under review are set out in **Annexure B** of this report in the format prescribed in the Companies (Corporate Social Responsibility) Rules, 2014. The CSR Policy is available on the Company's website at https://www.northernarc.com/assets/uploads/policies/CSR_Policy.pdf

STATEMENT OF DEVIATION OR VARIATION IN THE USE OF PROCEEDS FROM THE OBJECTS STATED IN THE OFFER DOCUMENT FOR INITIAL PUBLIC OFFERING (IPO) UNDER REGULATION 32(4) OF SEBI LISTING REGULATIONS

The disclosure of deviation or variation, if any in the use of proceeds from the objects stated in the offer document for IPO are provided in the Corporate Governance Report.

DETAILS OF UTILISATION OF FUNDS RAISED THROUGH PREFERENTIAL ALLOTMENT OR QUALIFIED INSTITUTIONS PLACEMENT AS

SPECIFIED UNDER REGULATION 32(7A) OF SEBI LISTING REGULATIONS

The disclosure of utilization of funds raised through preferential allotment or qualified institutions placement, if any are provided in the Corporate Governance Report.

EMPLOYEES STOCK OPTION PLAN

During the year under review, there were no material changes in the Northern Arc Employee Stock Option Plan, 2016 ("ESOP Plan"), except for an increase of ESOP options (ESOP pool size) in compliance with section 62(1)(b) of the Companies Act, 2013 and applicable provisions of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("SBEB & SE Regulations"). These changes are not prejudicial to the interest of the employees. The ESOP Plan remains fully compliant with the SBEB & SE Regulations. The details, as required to be disclosed under the SBEB & SE Regulations and the Companies Act, 2013 are available on the Company's website at <https://www.northernarc.com/annual-report>.

DECLARATION OF INDEPENDENCE UNDER SECTION 149(6) OF THE COMPANIES ACT, 2013

The Independent Directors of the Company have submitted a declaration that each of them meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 along with Rules framed thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations and there has been no change in the circumstances which may affect their status as Independent Director during the year.

The Independent Directors 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.

In the opinion of Board, all the Independent Directors are possessing integrity, expertise and experience (including the proficiency) in their respective domains.

PECUNIARY TRANSACTIONS WITH NON-EXECUTIVE DIRECTORS:

No material pecuniary relationship exists between the Non-Executive Directors and the Company, other than payment of Sitting Fees for attending the Board/ Committee Meetings and the payment of Commission

to Mr. P S Jayakumar, in the capacity of Chairman and Independent Director of the Company.

Details of remuneration paid to non-executive directors are provided in the Corporate Governance Report.

SUBSIDIARY/ASSOCIATE AND JOINT VENTURE COMPANIES:

As on 31 March, 2026, the Company had 5 subsidiary companies, i.e., Northern Arc Investment Managers Private Limited, Northern Arc CrediTech Solutions Private Limited, (Formerly known as Northern Arc Investment Adviser Services Private Limited), Northern Arc Securities Private Limited, Pragati Finserv Private Limited and Northern Arc Foundation (a company incorporated under section 8 of the Companies Act, 2013).

The name of Northern Arc Investment Adviser Services Private Limited was changed to Northern Arc CrediTech Solutions Private Limited with effect from 27 May, 2025.

As on 31 March, 2026, the Company does not have any associate or joint venture company.

MATERIAL SUBSIDIARY:

During the year under review, the Company had no material subsidiaries. Further, as required under Regulations 16(1)(c) and 46 of the SEBI Listing Regulations, the Board has approved the Policy for determining Material Subsidiaries which is available on the website of the Company at https://www.northernarc.com/assets/uploads/policies/Policy_for_determining_material_subsidaries.pdf.

PERFORMANCE AND FINANCIAL POSITION OF SUBSIDIARIES:

(i) Northern Arc Investment Managers Private Limited:

Northern Arc Investment Managers Private Limited continued to strengthen its position in India's private credit landscape during FY 2025-26. As of 31 March, 2026, the platform managed Assets Under Management (AUM) of approximately INR 3,092 Crores across Alternative Investment Funds (AIFs) and Portfolio Management Services (PMS), supported by disciplined underwriting, prudent risk management, and long-standing investor relationship.

(ii) Northern Arc CrediTech Solutions Private Limited:

In alignment with the commitment to innovation and growth in the evolving financial landscape, Northern Arc CrediTech Solutions Private Limited (NACT) (Formerly known as Northern Arc Investment Adviser Services Private Limited) has shifted its focus from being a SEBI-registered Investment Adviser to providing advanced technological solutions in credit delivery and management. In line with this shift, NACT has voluntarily surrendered its SEBI Investment Adviser Registration Certificate, and the company has been renamed as Northern Arc CrediTech Solutions Private Limited effective, 27 May, 2025.

(iii) Northern Arc Securities Private Limited:

Northern Arc Securities Private Limited is steadily establishing its position as a full-spectrum of wealth management platform catering to retail investors, HNIs, UHNIs, and institutions alike. Built on Northern Arc's foundational strength in debt markets, the platform offers a curated range of solutions spanning fixed-income products, mutual funds, insurance, PMS, and AIF with a focus to deliver a holistic financial ecosystem.

(iv) Pragati Finserv Private Limited:

Pragati Finserv Private Limited delivered a resilient and disciplined performance in FY 2025-26, expanding its reach and strengthening its operating foundation despite a challenging macro environment for microfinance industry. The company grew its portfolio outstanding to INR 1,166 Crore, serving 3.59 Lakh active clients, and increased disbursements to INR 880 Crore for the year. This growth was achieved while the broader microfinance industry contracted, reflecting Pragati's selective origination, tighter underwriting and focused collections approach.

(v) Northern Arc Foundation:

The Company implements its Corporate Social Responsibility (CSR) initiatives through the Northern Arc Foundation, which serves as the dedicated platform for conceptualising and executing impact-oriented programmes. The CSR framework is structured around four core thematic areas: Education, Environment & Sustainability,

Livelihood Development, and Health & Destitute Care for vulnerable communities.

During FY 2025-26, the Company spent a CSR outlay of INR 7,52,66,825/- towards initiatives focused on healthcare, education, and community development through strategic implementing agencies and these programmes aim to improve access to essential services, strengthen community ecosystems, and deliver measurable, long-term social impact.

Information on the performance and financial position of the subsidiaries as on 31 March, 2026 are provided in form AOC 1 enclosed as **Annexure - C.**

RBI GUIDELINES AND COMPLIANCE:

The Company is registered with the Reserve Bank of India under Section 45IA of the Reserve Bank of India Act, 1934 as a Non-Banking Financial Company – Investment and Credit Company (NBFC-ICC) not accepting public deposits, vide Registration No. B-07.00430 dated 8 March, 2018, and has complied with and continues to comply with all applicable laws, rules, circulars and regulations applicable to the Company.

DEPOSITS:

The Company being NBFC-ICC, has not accepted any deposits during the year under review. Further, the Company had also passed a board resolution to the effect that the company has neither accepted public deposit nor would accept any public deposit during the year under review, as per the requirements of RBI (Non-Banking Financial Companies - Acceptance of Public Deposits) Directions, 2025.

FOREIGN EXCHANGE EARNINGS AND OUTGO

There were no foreign exchange earnings during the year or the previous year. Total foreign exchange outgo during the year under review was INR 117.68 Crore (previous year: INR 62.02 Crore) under the heads listed below:

(Amount INR in Crore)

Head of Expense	31 March, 2026	31 March, 2025
Subscription charges	0.03	0.17
Legal and professional charges	11.58	13.13
Finance cost	106.07	48.72
Total	117.68	62.02

MEETING OF INDEPENDENT DIRECTORS:

In terms of Para VII of Schedule IV of the Companies Act, 2013, your Company conducted a meeting of its Independent Directors on 30 March, 2026, without the presence of non-independent directors and members of the management. The Independent Directors inter alia,;

- a) reviewed the performance of non-independent directors and the Board as a whole.
- b) reviewed the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors.
- c) assessed 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.

AUDITORS:

STATUTORY AUDITORS:

In terms of Section 139 of the Companies Act, 2013 and the rules made thereunder, the Shareholders in the 16th Annual General Meeting had appointed M/s. Walker Chandiok & Co LLP, Chartered Accountants, having ICAI Firm Registration No.: 001076N/N500013 as statutory auditors of the Company for a period 3 (three) consecutive years, to hold office from the conclusion of 16th Annual General Meeting till the conclusion of 19th Annual General Meeting.

There has been no qualification, reservation or adverse remark given by the Statutory Auditors in their Report for the year under review.

Pursuant to the Guidelines for Appointment of Statutory Central Auditors (SCAs) / Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), Urban Co-operative Banks and Non-Banking Financial Companies (including Housing Finance Companies)

dated April 27, 2021, issued by the Reserve Bank of India ("RBI Guidelines"), Non-Banking Financial Companies having an asset size of INR 15,000 Crore and above, as at the end of the immediately preceding financial year, are required to appoint Joint Statutory Auditors, with the statutory audit to be conducted by a minimum of two audit firms.

As on 31 March, 2026, the asset size of the Company exceeded the prescribed threshold, thereby attracting the requirement for joint audit under RBI Guidelines. Accordingly, upon recommendation of the Audit Committee, the Board of Directors has approved the appointment of R. Subramaniyan and Company LLP, Chartered Accountants (Firm Registration No. (FRN:004137S/S200041), as Joint Statutory Auditors of the Company, to hold office from the conclusion of the Eighteenth AGM till the conclusion of the Twenty-First AGM of the Company, subject to the approval of the Members at the ensuing AGM. The resolutions seeking shareholders' approval for the appointment of joint statutory auditors forms part of the AGM Notice.

SECRETARIAL AUDITORS

Pursuant to Regulation 24A(1)(b) of SEBI LODR Regulations, the shareholders at the 17th Annual General Meeting, appointed M/s. Alagar & Associates LLP (Formerly known as M. Alagar & Associates), Practicing Company Secretaries, Chennai (Firm Registration No. L2025TN019200) as Secretarial Auditors of the Company for a period of 5 (five) consecutive years, from the conclusion of the 17th AGM until the conclusion of the 22nd AGM to conduct the secretarial audit of the Company for the financial years from FY 2025-26 to FY 2029-30.

The Secretarial Audit Report for the financial year ended 31 March, 2026 is annexed herewith as "Annexure D" and does not contain any qualification, reservation or adverse remark in their report.

COST AUDIT AND COST RECORDS

The provisions of cost audit and the maintenance of cost records as prescribed under Section 148 of the Companies Act, 2013, are not applicable to the Company.

REPORTING OF FRAUDS BY THE AUDITORS TO THE COMPANY:

During the year, the Auditors have not reported any instance of fraud to the Audit Committee and Board as per Section 143 (12) of the Companies Act, 2013.

CHANGES TO THE CONSTITUTIONAL DOCUMENTS DURING THE YEAR UNDER REVIEW

There were no changes in the Memorandum of Association and the Articles of Association of the Company during the year under review.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY THAT OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENT RELATE TILL THE DATE OF THIS REPORT:

No material changes and commitments affecting the financial position of the Company have occurred between the financial year ended 31 March 2026 till the date of this report.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS IN SECURITIES

In terms of Section 186(11) of the Companies Act, 2013 read with Rule 11(2) of the Companies (Meetings of Board and its Powers) Rules, 2014, NBFC Companies are excluded from the applicability of Section 186 of the Act, 2013, where the loans, guarantees and securities are provided in the ordinary course of its business.

Details of investments under Section 186 of the Companies Act, 2013 for the financial year 2025-26 are provided in the notes to financial statements.

BOARD AND COMMITTEE MEETINGS

During the financial year 2025-26, 9 meetings of the Board of Directors were held. The details of the composition of the Board and its committees and of the Meetings held and attendance of the Directors at such meetings and disclosure on acceptance of Audit Committee recommendations by Board of Directors during the year under review are provided in the Corporate Governance Report, which is forming a part of this Annual Report.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 134(5) of the Companies Act, 2013, the Board of Directors confirm that, to the best of its knowledge and belief:

- a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

- b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- d) the directors have prepared the annual accounts on a going concern basis;
- e) the directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- f) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

BOARD EVALUATION

The Board of Directors has carried out an annual evaluation of its own performance, board committees, and individual directors pursuant to the provisions of the Companies Act, 2013, and SEBI Listing Regulations. The performance of the Board was evaluated by the Board after seeking inputs from all the directors on the basis of criteria such as the board composition and structure, effectiveness of board processes, information and functioning, etc.

The above criteria are broadly based on the Guidance Note on Board Evaluation issued by the Institute of Company Secretaries of India. In a separate meeting of Independent Directors, performance of Non-Independent Directors, the Board as a whole and Chairperson of the Company was evaluated, taking into account the views of Executive and Non-Executive Directors.

At the Board meeting that followed the meeting of the Independent Directors, the performance of the Board, its committees, and individual directors was also discussed. Performance evaluation of Independent Directors was done by the entire Board.

The Company has received declaration from each Director on fulfilling the fit and proper criteria in terms of the provisions of Reserve Bank of India (Non-Banking Financial Company - Governance) Directions, 2025 ("RBI Directions"). The Board of Directors has confirmed that all the existing Directors are fit and proper to continue to hold the appointment as Directors on the Board, as reviewed and recommended by the NRC on fit and proper criteria under RBI Directions.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place a Policy for prevention of Sexual Harassment, in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints, as and when received, regarding sexual harassment and all employees are covered under this Policy.

The following is a summary of complaints received and dealt with during the FY 2025-26:

- (a) No. of complaints received in the year – 1
- (b) No. of complaints disposed off during the year – 1
- (c) No. of cases pending for more than ninety days - Nil

EXTRACT OF ANNUAL RETURN

Pursuant to the provisions of Section 92(3) and 134(3) (a) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, draft Annual return is uploaded on Company's website link <https://www.northernarc.com/annual-report> and a copy of the Annual Return will be uploaded on the Company's website link as and when the same is filed with the Registrar of Companies, Chennai.

APPROVAL FOR FACTORING BUSINESS

During the year under review, the Company was granted a Certificate of Registration by the Reserve Bank of India (RBI) on 28 May 2025, permitting it to commence and carry on the business of factoring.

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATION IN FUTURE

No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and operations of your Company in future.

RELATED PARTY TRANSACTIONS

The Company has adopted a policy on related party transactions for the purpose of identification, monitoring and approving of such transactions. The Policy on Materiality of Related Party Transactions and on dealing with Related Party Transactions is available on website of the Company and the weblink for the same is https://www.northernarc.com/assets/uploads/policies/Policy_on_materiality_of_Related_Party_Transactions_and_dealing_with_Related_Party_Transactions.pdf. During the year, your Company has not entered into any transactions with Related Parties which are not in the ordinary course of its business or not on an arm's length basis and which require disclosure in this Report in terms of the provisions of Section 188(1) of the Companies Act, 2013. Form **AOC-2** is enclosed with the report as **Annexure E**.

COMPANIES WHICH HAVE BECOME OR CEASED TO BE SUBSIDIARIES, JOINT VENTURES, OR ASSOCIATES OF THE COMPANY DURING THE YEAR.

On May 12 May, the Company diluted its stake in FinReach Solutions Private Limited, and consequently, FinReach Solutions Private Limited ceased to be an associate of the Company.

COMPLIANCE WITH DOWNSTREAM INVESTMENT REGULATIONS PURSUANT TO RULE 23(6) OF THE FOREIGN EXCHANGE MANAGEMENT (NON-DEBT INSTRUMENTS) RULES, 2019

Pursuant to Rule 23(6) of the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019, the Board hereby confirms that the Company has complied with the provisions relating to downstream investment made during the financial year.

The downstream investment has been made in accordance with the applicable provisions of the Foreign Exchange Management Act, 1999, the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019, and the Consolidated FDI Policy issued by the Department for Promotion

of Industry and Internal Trade (DPIIT), as amended from time to time. The Company has duly complied with the prescribed reporting requirements and has completed all necessary statutory filings with the Reserve Bank of India and other regulatory authorities, wherever applicable.

REQUIREMENTS UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

Disclosure to be made under Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

Ratio of remuneration of each Director to the median employee's remuneration for the financial year:

Sr. No.	Name of Directors	Director's Remuneration (in INR)	Employees' Median Remuneration (in INR)	Ratio
1.	Ashish Mehrotra MD & CEO	10,65,90,002	5,58,280	1:191
2.	P S Jayakumar, Independent Director and Chairperson	1,52,50,000	5,58,280	1:27

All the other directors are not paid any remuneration except sitting fees for attending meetings of the Board and Committees thereof.

Percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary in the Financial Year vis-à-vis last financial year:

Name of director/ Key Managerial Personnel	% increase in remuneration in the financial year
P S Jayakumar, Independent Director and Chairperson	-1%
Ashish Mehrotra, MD & CEO	10%
Atul Tibrewal, Chief Financial Officer	10%
Prakash Chandra Panda, Company Secretary and Compliance Officer	9%

- Percentage increase in the median remuneration of employees in the financial year: 9%
- Number of permanent employees on the rolls of the company: 1126 (as of 31 March 2026)
- Average percentage increase in the salaries of employees other than the KMP in FY 2025-26 is 11.7%* and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration is -2%.
- Affirmation that the remuneration is as per the remuneration policy of the company: The Company affirms that remuneration of directors and employees of the company is in accordance with the Nomination and Remuneration policy of the company.

*the average increase in salaries of employees based on performance appraisal during the last year.

PARTICULARS OF EMPLOYEES UNDER RULE 5(2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014:

The statement containing particulars of employees as required under section 197(12) of the Companies Act, 2013, read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is in a separate **Annexure F** forming part of this report. A copy of the Board's Report is being sent to all the members excluding **Annexure F**. The said Annexure is available for inspection by the members at the Registered Office of the Company during business hours on working days. Any member interested in obtaining a copy of the same may write to the Company Secretary at cs@northernarc.com or addressed to Registered office of the Company.

DETAILS OF THE TRANSFER/S TO THE INVESTOR EDUCATION AND PROTECTION FUND (IEPF) MADE DURING THE YEAR:

As per the provisions of Section 124(5) of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 and pursuant to the Regulation 61A of the SEBI Listing Regulations the Company is required to transfer unclaimed dividend/ interest, if any, to an escrow account maintained by the Company. Upon completion of seven years from the date of transfer to the escrow account, the unclaimed amounts, if any, will be transferred to the Investor Education and Protection Fund (“IEPF”). During the reporting year under reveiw, no transfer to the Investor Education and Protection Fund (IEPF) was required to be made. Details of such unclaimed amount liable to be transferred to IEPF is hosted on the website of the Company at <https://www.northernarc.com/assets/uploads/files/unclaimed-dividends.pdf>.

The Company Secretary of the Company has been designated as the Nodal Officer for handling investor queries related to unclaimed amounts.

CODE OF CONDUCT

The SEBI Listing Regulations requires listed companies to lay down a code of conduct for its directors and senior management, incorporating duties of directors prescribed in the said regulations. Accordingly, the Company has a Board approved code of conduct for Board members and senior management of the Company, and the details are mentioned in the Corporate Governance Report.

All the Board members and senior management personnel have affirmed compliance with the code for the FY 2025-26.

VIGIL MECHANISM AND WHISTLE BLOWER POLICY

As per the provisions of Section 177(9) of the Companies Act, 2013, the Company has established an adequate whistle blower mechanism for directors and employees to report their genuine concerns about unethical behaviour, actual or suspected fraud or violation of the Company’s code of conduct is in place and the same have been disclosed on the website of the company, at [https://www.northernarc.com/assets/](https://www.northernarc.com/assets/uploads/policies/Vigil_Mechanism_Whistle_blower_policy.pdf)

[uploads/policies/Vigil_Mechanism_Whistle_blower_policy.pdf](https://www.northernarc.com/assets/uploads/policies/Vigil_Mechanism_Whistle_blower_policy.pdf). No references under the whistle blower policy were received during the FY 2025-26. The same has also been affirmed by the Audit Committee of the Board on a quarterly basis.

SECRETARIAL STANDARDS COMPLIANCES

The company has complied with the applicable Secretarial Standards issued by The Institute of Company Secretaries of India.

CONSERVATION OF ENERGY, TECHNOLOGY AND ABSORPTION

Being a Non-Banking Finance Company and not involved in any industrial or manufacturing activities, the Company’s activities involve low energy consumption and has no particulars to report regarding conservation of energy, technology and absorption.

INTERNAL FINANCIALS CONTROLS

The Board of Directors confirms that your Company has laid down set of standards, processes and structure which enables to implement Internal Financial controls across the organization with reference to Financial Statements and that such controls are adequate and are operating effectively. During the year under review, no material or serious deviation has been observed for inefficiency or inadequacy of such controls.

A STATEMENT INDICATING DEVELOPMENT AND IMPLEMENTATION OF A RISK MANAGEMENT POLICY FOR THE COMPANY INCLUDING IDENTIFICATION THEREIN OF ELEMENTS OF RISK, IF ANY, WHICH IN THE OPINION OF THE BOARD MAY THREATEN THE EXISTENCE OF THE COMPANY:

The Board affirms that the company has developed and implemented a comprehensive Risk Management Policy. This policy outlines a structured and proactive approach to identifying, assessing, mitigating, and monitoring various risks that could potentially impact the company’s operations, financial performance, and long-term sustainability.

Details of identification, assessment, mitigations, monitoring and the management of these risks are mentioned in the Management Discussion and Analysis Report appended to this Report.

OTHER DISCLOSURE:

In terms of applicable provisions of the act, the company discloses that during the year under review:

- (i) The company has not issued any shares with differential rights and hence no information as per provisions of Section 43(a)(ii) of the Companies Act, 2013, read with rule 4(4) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.
- (ii) The company has not issued any sweat equity shares and hence disclosure as per Section 54(1)(d) of the Companies Act, 2013, read with rule 8(13) of the Companies (Share Capital and Debenture) Rules, 2014 is not provided.
- (iii) There were no instances of non-exercising of voting Rights directly by Employees in respect of shares to which the scheme relates, hence no information pursuant to section 67(3) of the Companies Act, 2013, read with rule 16(4) of Companies (Share Capital and Debenture) Rules, 2014 is furnished.

On behalf of the Board
For Northern Arc Capital Limited

P. S. Jayakumar
Chairman and Independent Director
DIN: 01173236

Date: 10 July, 2026
Place: Chennai

- (iv) The Company is complying with the provisions relating to the Maternity Benefit Act 1961.
- (v) Neither any application was made, nor any proceedings are pending under the Insolvency and Bankruptcy Code, 2016 against the Company.
- (v) There were no instances of one-time settlement for any loans taken from the banks or financial institutions.

ACKNOWLEDGEMENT

The Directors wish to thank the Reserve Bank of India and other statutory authorities for their continued support and guidance. The Directors also place on record their sincere thanks for the support and co-operation extended by the customers, business partners, bankers, shareholders, and other stakeholders of the Company.

The Directors also thank the employees of the Company for their contribution toward the performance of the Company during the year under review.

Ashish Mehrotra
Managing Director & CEO
DIN: 07277318

Annexure A

Business Responsibility & Sustainability Reporting

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1. Corporate Identity Number (CIN) of the Listed Entity	L65910TN1989PLC017021
2. Name of the Listed Entity	Northern Arc Captial Limited ("Northern Arc")
3. Year of incorporation	1989
4. Registered office address	No. 1, Kanagam Village, 10 th Floor IITM Research Park, Taramani, Chennai, Tamil Nadu, India, 600113
5. Corporate address	No. 1, Kanagam Village, 10 th Floor IITM Research Park, Taramani, Chennai, Tamil Nadu, India, 600113
6. E-mail	secretarial@northernarc.com
7. Telephone	+91 44 6668 7000
8. Website	www.northernarc.com
9. Financial year for which reporting is being done	01 April 2025- 31March 2026
10. Name of the Stock Exchange(s) where shares are listed	BSE Limited and National Stock Exchange of India Limited
11. Paid-up Capital	161,57,18,750
12. Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Mr. Shakeel Ahamed Head - Sustainability +91 87545 08977 sustainability@northernarc.com
13. Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together)	The disclosures are provided on standalone basis
14. Name of assurance provider	Not Applicable
15. Type of assurance obtained	Not Applicable

II. Products/services

16. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	Financial services	Non-Banking Financial services	100%

17. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1.	Financial Services	64990	100%

III. Operations

18. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	NA	91	91
International	NA	NA	NA

19. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	8
International (No. of Countries)	NA

b. What is the contribution of exports as a percentage of the total turnover of the entity?

Not Applicable – The entity is a Non-Banking Finance Company (NBFC) and does not engage in export activities

c. A brief on types of customers.

Northern Arc Capital serves a diverse range of customers, primarily focused on underserved and emerging segments. Their key customer types include:

- Rural and Retail Customers** – Individuals and small businesses in rural and semi-urban areas, served through it's rural financing platforms – Pragati Finserv Private Limited
- MSMEs** – Micro, Small, and Medium Enterprises needing flexible credit products such as Loan Against Property (LAP) and working capital solutions.
- Originator Partners** –Network of financial institution partners, technology platforms (such as Fintechs), and other entities that act as business correspondents to originate financial exposure.
- Emerging Corporates** – Businesses in sectors like healthcare, logistics, agriculture, clean energy, education, and B2B services that require tailored financing solutions.
- Institutional Investors** – Domestic and international investors from whom Northern Arc enable credit for Originator Partners through various financing products.

IV. Employees

20. Details as at the end of Financial Year, i.e. 31 March, 2026:

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
EMPLOYEES						
1.	Permanent (D)	1126	963	85.52%	163	14.48%
2.	Other than Permanent (E)	398	307	77.14%	91	22.86%
3.	Total employees (D + E)	1524	1270	83.33%	254	16.67%
WORKERS						
4.	Permanent (F)	Nil	Nil	Nil	Nil	Nil
5.	Other than Permanent (G)	Nil	Nil	Nil	Nil	Nil
6.	Total workers (F + G)	Nil	Nil	Nil	Nil	Nil

b Differently abled Employees and workers:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
EMPLOYEES						
1.	Permanent (D)	1	1	100%	0	0%
2.	Other than Permanent (E)	0	0	0%	0	0%
3.	Total differently abled employees (D + E)	1	1	100%	0	0%
WORKERS						
4.	Permanent (F)	NA	NA	NA	NA	NA
5.	Other than Permanent (G)	NA	NA	NA	NA	NA
6.	Total workers (F + G)	NA	NA	NA	NA	NA

21. Participation/Inclusion/Representation of women

Particulars	Total (A)	No. and percentage of Females	
		No. (B)	% (B/A)
Board of Directors	9	3	33.33%
Key Management Personnel	3	0	0.00%

22. Turnover rate for permanent employees and workers (Disclose trends for the past 3 years)

	31 March 2026 (Turnover rate in current FY)			31 March 2025 (Turnover rate in previous FY)			31 March 2024 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	46.5%	5.30%	51.80%	40.15%	27.22%	67.38%	43.46%	28.77%	72.22%
Permanent Workers	NA			NA					

V. Holding, Subsidiary and Associate Companies (including joint ventures)

23. (a) Names of holding/ subsidiary/ associate companies/ joint ventures

S. No.	Name of the holding/ subsidiary/ associate companies/ joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Northern Arc Investment Managers Private Limited	Subsidiary	100.00%	Yes
2	Northern Arc Creditech Solutions Private Limited (formerly known as Northern Arc Investment Advisors Private Limited)	Subsidiary	100.00%	Yes
3	Northern Arc Securities Private Limited	Subsidiary	100.00%	Yes
4	Northern Arc Foundation	Subsidiary	100.00%	Yes
5	Pragati Finserv Private Limited	Subsidiary	90.10%	Yes

VI. CSR Details

24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No): Yes
- (ii) Turnover (in INR): 26,43,83,23,000/-
- (iii) Net worth (in INR): 38,93,48,27,000/-

VII. Transparency and Disclosures Compliances

25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	31 March 2026 Current Financial Year			31 March 2025 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	YES	0	0	Nil	0	0	Nil
Investors (other than shareholders)	YES	0	0	Nil	0	0	Nil
Shareholders	YES https://www.northernarc.com/disclosures-investor-contact	1	0	Nil	53	0	Nil
Employees and workers	YES	0	0	Nil	0	0	Nil
Customers	YES	29768	156	Nil	938	0	Nil
Value Chain Partners	YES	0	0	Nil	0	0	Nil
Other (please specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil

26. Overview of the entity’s material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format.

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	Responsible Lending & Client Engagement	Opportunity and Risk	Responsible assessment of borrower repayment capacity or alignment of financial products with customer needs prevents over-indebtedness, decreases default risk, and improves customer outcomes.	Northern Arc adopts a cash-flow-based underwriting approach, supplemented by the use of alternative data, to assess borrower capacity accurately. The company designs borrower-centric products with appropriate and flexible repayment structures, ensuring affordability and suitability. The Committee on Client Experience reviews new products and services to ensure they meet the standards of Client Protection. Robust underwriting guidelines and Fair Practices Code aligned with RBI regulations and Client Protection Principles promote responsible pricing and prevent over-indebtedness, while maintaining a fair, transparent, and non-discriminatory customer experience. Customers are supported with adequate information to enable informed decision-making.	Positive: (i) Improved portfolio quality and lower default rates through prudent underwriting (ii) Enhanced customer outcomes and financial well-being (iii) Strengthened trust, reputation, and stakeholder confidence (iv) Better regulatory alignment and reduced compliance risks (v) Sustainable business growth driven by responsible and customer-centric lending practices

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
				Closely monitored by Client Experience Committee, customer feedback is actively collected and used to enhance service quality. A formal grievance redressal mechanism established as per RBI guidelines, led by a designated officer, promptly responds and addresses customer concerns. The contact details and escalation matrix of the grievance redressal officers are clearly shared in loan documentation and on the Company's website.	
2.	Transparent & Ethical Governance	Opportunity and Risk	As a publicly listed company and RBI-regulated NBFC, Northern Arc operates within a robust regulatory environment and serves a wide network of institutional investors and financially vulnerable borrower segments through its Originator Partners. This enables Northern Arc to differentiate itself through high standards of governance, transparency, and ethical conduct. By embedding strong governance practices, the Company can enhance investor confidence, regulatory credibility, and customer trust, while enabling sustainable growth, smoother access to capital, and responsible expansion into underserved markets. A breach can result in regulatory penalties but, more importantly, affect Northern Arc's credibility and result in reputational loss with market, investors and clients.	Northern Arc reinforces its commitment to ethical conduct through a comprehensive governance framework, including policies such as: - Anti-Bribery and Anti-Corruption Policy - Whistleblower Policy - Anti-Money Laundering (AML) Policy - Employee Code of Conduct - Code of Conduct for Directors and Senior Management - Collections Code of Conduct These are supported by centralized compliance monitoring, periodic internal and external audits, and continuous employee training on AML, POSH, and insider trading regulations. A strong whistleblower mechanism and governance oversight structures further promote transparency, accountability, and adherence to regulatory requirements, ensuring consistent ethical practices across the organization and its partner ecosystem.	Positive: (i) Enhanced market and investor confidence (ii) Increased trust among customers, partners, and stakeholders (iii) Reinforced brand reputation as a responsible and ethical financial institution (iv) Reduced likelihood of regulatory disruptions through proactive compliance (v) Improved organizational integrity and long-term business sustainability Negative: i. Reputational damage and loss of credibility ii. Declining investor and stakeholder confidence iii. Customer and market trust erosion iv. Regulatory and compliance consequences

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
3.	Responsible Collections & Recovery Practices	Opportunity and Risk	Responsible and customer-centric collections practices present an opportunity to differentiate through ethical conduct and borrower-centricity, particularly during periods of financial stress. By ensuring a respectful and fair engagement, Northern Arc can strengthen customer trust, improve repayment behavior, and enhance its reputation as a responsible financial institution, while maintaining strong alignment with regulatory expectations. Coercive recovery practices erode customer trust due to borrower distress leading to reputational damage, and regulatory penalties (especially under RBI norms).	Northern Arc embeds Client Protection Principles at the core of its policies and processes. Its Code of Conduct and Fair Practices Code emphasize respectful treatment of borrowers, transparency, and fairness across all recovery interactions, ensuring a consistent and responsible approach to collections. A responsive grievance redressal mechanism, established as per RBI guidelines, enables resolution of grievances of customers in the event of unprofessional or unethical practices by its collection personnels.	Positive: (i) Enhanced market and investor confidence (ii) Improved repayment behavior and collection efficiency. (iii) Stronger alignment with regulatory expectations and industry best practices (iv) Reduced likelihood of disputes. (v) Enabling positive borrower experience across the loan lifecycle. Negative: i. Borrower distress and loss of customer trust and confidence ii. Reputational and brand damage iii. Regulatory and legal consequences
4.	Financial Inclusion	Opportunity	Expanding access to finance for underserved segments presents a significant opportunity to drive inclusive growth while unlocking new markets. By leveraging appropriate underwriting safeguards and customer-centric product design, Northern Arc enables responsible credit access, supporting economic and women empowerment while maintaining portfolio quality and risk discipline.	Northern Arc adopts a balanced and risk-aware approach to financial inclusion by combining cash-flow-based underwriting with the use of data to accurately assess borrower's repayment capacity. The Company follows prudent credit policies to ensure affordability and prevent over-indebtedness, while designing tailored financial products suited to the specific needs of underserved segments under the guidance of its Client Experience Committee. This approach is further strengthened through ongoing portfolio monitoring and robust partner oversight to maintain credit quality.	Positive: (i) Expanded access to credit for underserved communities, supporting economic participation (ii) Enhanced market reach and diversification of customer base (iii) Contribution to inclusive economic development.

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
5.	Prudent Enterprise Risk Management (ERM)	Opportunity and Risk	In a complex and evolving business environment, Northern Arc is exposed to a range of interconnected risks and opportunities that require systematic identification, assessment, and ongoing monitoring. The nature of its structured credit activities and partnerships necessitates a disciplined risk approach to ensure alignment with defined risk boundaries and to safeguard business continuity, particularly during periods of uncertainty or disruption. Northern Arc's exposure to a wide breadth of risk including credit, liquidity, operational, fraud, information security, compliance, strategic, reputational and other key risk categories, increases the need for rigorous risk discipline to manage evolving credit dynamics. Without strong oversight, these structures can amplify concentration risks and operational vulnerabilities.	Northern Arc has established a centralized and comprehensive ERM framework that incorporates regular stress testing, enhanced partner due diligence, and the integration of risk indicators. The Board-approved risk appetite statement establishes clear risk boundaries and guiding metrics to manage cumulative risk exposure. This enables proactive risk identification and timely decision-making. The ERM framework is subject to periodic review and oversight by the Operational Risk Committee, ensuring continuous strengthening of risk practices in line with evolving business and regulatory requirements.	Positive: (i) Enhanced organizational resilience and business continuity readiness (ii) Improved risk visibility and proactive decision-making through structured monitoring (iii) Preventing potential credit rating downgrades affecting cost of capital and market reputation (iv) Preventing potential deterioration in portfolio quality and financial stability (v) Improving investor confidence and market credibility Negatives: i. Absence of prudent enterprise risk management ii. Elevated credit and operational risks iii. Increased concentration and portfolio vulnerabilities iv. Potential financial losses and business disruptions v. Regulatory and compliance challenges v. Reputational damage and reduced stakeholder confidence

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
6.	Easing access to Credit through Technology and Digital Innovation	Opportunity and Risk	By leveraging data and digital capabilities, Northern Arc simplifies access to credit for customers, optimizes credit decisions and operational workflows thereby unlocking opportunities for innovation, improved performance, and sustainable growth. Ineffective use of technology or poorly designed models can lead to inaccurate or biased credit decisions, affecting customers through inappropriate loan offerings or exclusion from credit, and impacting the company through poor portfolio quality, regulatory scrutiny, and loss of credibility.	Northern Arc adopts a responsible and controlled approach to technology deployment by embedding robust through a well-defined governance framework that clearly delineates the roles of the Risk and Technology functions. The Risk function is responsible for the design, validation, and approval of credit decision models and governance frameworks around its digital systems and decision models guided by its, under the oversight of the Risk Committee, ensuring that all model development and policy decisions are anchored in prudent risk management principles. The Technology function, under the governance of the IT Strategy Committee, is responsible for the secure operationalization and implementation of these approved models and governance frameworks within the Company's digital platforms. This includes ensuring robust system controls, scalability, security, and the reliable execution of risk-approved decision logic.	Positive: i. Enhanced operational efficiency and scalability across lending and investment processes, resulting in improved productivity, optimized operating costs, and the ability to support sustainable business growth. ii. Expanded market reach through digital channels, enabling greater penetration into underserved customer segments and creating opportunities for sustainable revenue growth. iii. Strengthened customer trust and engagement through secure, seamless, and transparent digital experiences, contributing to higher customer acquisition, improved retention, and stronger long-term franchise value. iv. Improved portfolio quality and financial resilience through risk-based digital underwriting, automated controls, continuous monitoring, and early risk detection, helping reduce credit losses, fraud risk, and operational errors while supporting prudent and consistent credit decision-making.

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
				The Company ensures undertakes periodic validation and monitoring of credit algorithms models to maintain predictive accuracy, performance, and minimize bias fairness, while integrating risk checks within technology platforms embed the approved risk rules and control mechanisms to support informed and enable consistent and auditable credit decision-making. Continuous system enhancements, model performance reviews, and alignment with evolving regulatory expectations enable the organization to balance innovation with accountability, ensuring that technology-driven-enabled credit processes remain secure, reliable, fair transparent, and effective accountable, supporting innovation without compromising sound risk management.	Negative: i. Biased or inaccurate credit outcomes ii. Customer exclusion and unfair treatment iii. Deterioration in portfolio quality iv. Regulatory and compliance risks v. Loss of credibility and stakeholder trust
7	ESG Integration	Opportunity and Risk	Embedding ESG into business strategy provides an opportunity to align with evolving capital flows and stakeholder expectations, enabling Northern Arc to build stronger investor relationships, expand into future-ready sectors, and position itself as a responsible and forward-looking financial institution. Limited integration of ESG considerations into core business and credit decisions can weaken the company's ability to identify emerging credit risks, meet evolving investor expectations, and maintain long-term portfolio quality.	Northern Arc incorporates ESG considerations into its decision-making by systematically evaluating ESG factors within credit assessments and strengthening oversight across its partner ecosystem. The Company also advances transparency through enhanced disclosures and monitoring mechanisms, while continuously refining its approach to identify, assess, and respond to ESG-related risks and opportunities in a structured manner.	Positive: (i) Improved quality of the credit portfolio (ii) Better risk anticipation through integration of non-financial factors (iii) Stronger alignment with evolving investor and market expectations (iv) Increased ability to capture emerging opportunities in sustainable sectors Negative: i. Inadequate identification of emerging ESG risks that affect credit assessment. ii. Deterioration in portfolio quality and resilience iii. Reputational risk and reduced investor confidence and stakeholder trust

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
8	Human Capital Development and Maintenance of Ethical Workplace	Opportunity	Investing in talent with strong domain expertise and building employee capabilities presents a significant opportunity to drive innovation, enhance client service, and support sustainable business growth. By fostering a fair, inclusive, and safe workplace that emphasizes equal opportunity, employee well-being, and respect for rights, Northern Arc promotes a professional organizational culture, improve employee engagement, and enhance its ability to attract and retain high-quality talent in the financial services sector.	Northern Arc promotes an employee-centric workplace enabling innovation, growth and a collaborative work culture. We invest in capability building through learning opportunities, leadership development, certifications, and cross-functional mentorship programs, enabling employees to grow and contribute meaningfully to the organization's long-term success. Through comprehensive policies that uphold human rights and labour standards, including compliance with applicable laws and prevention of sexual harassment. The Company actively advances diversity, equity, and inclusion (DEI) through structured employee engagement initiatives and accessible grievance redressal mechanisms. Regular training programs reinforce awareness of HR policies and expected standards of conduct.	Positive: (i) Improved employee satisfaction, engagement, and retention (ii) Stronger innovation and service delivery driven by skilled and motivated talent (iii) Strengthened organizational culture built on fairness, inclusion, and respect (iv) Enhanced employer brand and ability to attract diverse talent. (v) Reduced potential legal liabilities and regulatory non-compliance (e.g., labour laws, POSH violations).
9	Data Privacy & Cybersecurity	Risk	As a technology driven platform operating in the fin-tech space, Northern Arc's operations are increasingly driven by data-centric processes and digital platforms processing customer personal data. This reliance heightens exposure to evolving cyber threats, where any compromise of data integrity or system security could breach customer privacy, undermine customer trust, disrupt operations, and lead to regulatory and reputational consequences.	Northern Arc strictly follows all compliance and regulatory requirements with strong information security framework and governance. Norther Arc's Chief Information Security Officer led the enterprise-wide implementation of information security and data protection policies and controls with proactive system monitoring round the clock. The Company deploys rigorous cybersecurity controls, priorities and mitigates risk and vulnerabilities, maintains strict compliance with data privacy regulations. By continuously upgrading its security protocols, tools and techniques as per industry standards. Northern Arc actively shields their customer sensitive data and fortifies operational resilience.	Positive: (i) Loss of customer, partner, and investor trust due to data breaches or misuse (ii) Regulatory penalties and legal liabilities arising from non-compliance with data protection requirements (iii) Reputational damage impacting brand credibility and stakeholder confidence.

SECTION B: MANAGEMENT AND PROCESS DISCLOSURE

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Policy and management processes									
1. a. Whether your entity’s policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
c. Web Link of the Policies, if available	Human Right Policy: https://www.northernarc.com/assets/uploads/pdf/Human_Rights_Policy_20240511.pdf Suppliers Code of Conduct: https://www.northernarc.com/assets/uploads/pdf/Final_Draft_Suppliers_Code_of_Conduct_20250214.pdf Employee Code of Conduct: https://www.northernarc.com/assets/uploads/pdf/Final_Northern_Arc_Employee_Code_of_Conduct.pdf Equal Opportunity Policy: https://www.northernarc.com/assets/uploads/pdf/EQUAL-OPPORTUNITY-POLICY-1628511796.pdf Anti-Bribery and Anti-Corruption Policy: https://www.northernarc.com/assets/uploads/pdf/Anti-Bribery-and-Anti-Corruption-Policy-1620722848.pdf Fair Practices Code: https://www.northernarc.com/assets/uploads/pdf/Fair-Practices-Code.pdf Other Governance related policies at: https://www.northernarc.com/disclosures-under-regulations https://www.northernarc.com/disclosures								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4. Name of the national and international codes/ certifications/ labels/standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	-	-	-	-	-	-	-	-	-

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	Green Buildings: All corporate offices will be located in certified green buildings. ESG Capability Building: Deliver annual, role-specific ESG training to the credit and risk functions of the corporate & emerging business to strengthen the integration of ESG considerations into credit decisioning. Data Privacy and Cybersecurity: Ensure completion of annual mandatory data privacy and cybersecurity awareness training for all employees. Ethics and Responsible Conduct: Company’s Code of Conduct role-specific annual training to all employees. Sustainable Mobility: Launch a sustainable mobility programme for employees during FY26-27 to encourage and incentivise the adoption of electric and hybrid vehicles. Diversity, Equity and Inclusion: Increase women’s representation in the workforce from 17% to 22% and in leadership positions from 11% to 15% by 2030. Climate Finance: Achieve climate finance of INR 1,000 crore by year 2030. Financial Inclusion: Expand financial inclusion by delivering a minimum 15% year-on-year growth in outreach from FY26-27 through FY28-29, driven by the Company’s lending operations and by financing its Originator Partners. ESG-Linked Performance Management: During FY26-27, functional heads will assign relevant aspirational ESG objectives to their respective teams. From the upcoming fiscal year, measurable and verifiable KRAs with relevant ESG objectives will be applied. Women Entrepreneurship: Achieve financing of INR 4000 crore by FY28-29 to women-owned/women-led businesses. Rural Outreach: Expand branch operations to 15 additional underserved districts by FY28-29.								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	For a detailed account of the Company’s performance against the United Nations Sustainable Development Goals, kindly refer to the section titled ESG Focus: Sustainable Pathways to Financial Access.								

Governance, leadership, and oversight																		
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)	Please refer Environmental, Social and Governance section under Management Discussion and Analysis Report.																	
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Board of Directors																	
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Yes, ESG Committee																	
10. Details of Review of NGRBCs by the Company:																		
Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/Any other Committee									Frequency (Annually/Half yearly/ Quarterly/ Any other – please specify)								
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Performance against above policies and follow up action																		
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances																		
11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency?	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9									
(Yes/No). If yes, provide name of the agency.																		No
12. If answer to question (1) above is “No” i.e. not all Principles are covered by a policy, reasons to be stated:																		
Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9									
The entity does not consider the Principles material to its business (Yes/No)																		
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)																		
The entity does not have the financial or/human and technical resources available for the task (Yes/No)																		NA
It is planned to be done in the next financial year (Yes/No)																		
Any other reason (please specify)																		

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as “Essential” and “Leadership”. While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally, and ethically responsible.

PRINCIPLE 1

BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH INTEGRITY, AND IN A MANNER THAT IS ETHICAL, TRANSPARENT AND ACCOUNTABLE.

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	% age of persons in respective category covered by the awareness programmes
Board of Directors	3	• SEBI (Prohibition of Insider Trading) Regulations)	100%
Key Managerial Personnel	3	• SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (LODR)	100%
		• Related Party Transactions (RPTs)	
		• Internal Financial Controls (IFC)	
		• Product Familiarization	
		• Risk Mitigation	
		• Awareness program on framework for Those Charged With Governance (TCWG) and the Audit Committee	
Employees other than BoD, KMPs	19	(i) Mandatory Training	100%
		• POSH Trainings for IC Members	
		• Insider Trading Regulation Awareness	
		• Information Security Training	
		• Compliance and Regulatory Framework	
		• POSH Training	

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	% age of persons in respective category covered by the awareness programmes
		(ii) Internal Training - Environmental and Social Management System Training - Knowledge Sharing Series – AI for Professionals - Anti-Bribery & Anti-Corruption - Code of Conduct - Work Ethics - Values & Behavior Program - Retail LAP Product & Process Refresher - Information Security Training (Instructor-led) - Value & Valuation Masterclass - Contract Management: Basics & Illustrations -Navigating Through Legistify	
		(iii) External Training - Wealth Management Certification - Certification Programme on Risk Based Internal Audit by NIBM - Programme on Regulations and Compliance for FinTech's/start-ups	
Workers	NA	NA	NA

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as disclosed on the entity’s website) Nil

Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	-	-	-	-	-
Settlement	-	-	-	-	-
Compounding fee	-	-	-	-	-

Non-Monetary				
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred?(Yes/No)
Imprisonment	-	-	-	-
Punishment	-	-	-	-

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
Not Applicable	

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Yes, the Company has an Anti-Bribery and Anti-Corruption Policy. This policy is publicly available on its official website. The policy outlines Northern Arc’s commitment to conducting business with integrity and in compliance with all applicable antibribery and anti-corruption laws. It prohibits all forms of bribery and corruption, whether direct or indirect, and applies to all employees, directors, and associated persons. The policy also provides guidance on recognizing and handling potential bribery and corruption issues, including procedures for reporting concerns and the consequences of policy violations.

The policy document can be accessed at <https://www.northernarc.com/assets/uploads/pdf/Anti-Bribery-and-Anti-Corruption-Policy-1620722848.pdf>

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	31 March 2026 Current Financial Year	31 March 2025 Previous Financial Year
Directors	Nil	Nil
KMPs	Nil	Nil
Employees	Nil	Nil
Workers	NA	NA

6. Details of complaints with regard to conflict of interest:

	31 March 2026 Current Financial Year		31 March 2025 Previous Financial Year	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	Nil	NIL	NIL
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil	Nil	NIL	NIL

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

Not applicable

8. Number of days of accounts payables ((Accounts payable *365) / Cost of goods/services procured) in the following format:

	31 March 2026 Current Financial Year	31 March 2025 Previous Financial Year
Number of days of accounts payables	44	54

9. Open-ness of business

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	31 March 2026 Current Financial Year	31 March 2025 Previous Financial Year
Concentration of Purchases	a) Purchases from trading houses as % of total purchases	Nil	Nil
	b) Number of trading houses where purchases are made from	Nil	Nil
	c) Purchases from top 10 trading houses as % of total purchases from trading houses	Nil	Nil
Concentration of Sales	a) Sales to dealers / distributors as % of total sales	Nil	Nil
	b) Number of dealers / distributors to whom sales are made	Nil	Nil
	c) Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	Nil	Nil
Share of RPTs in	a) Purchases (Purchases with related parties / Total Purchases)	Nil	Nil
	b) Sales (Sales to related parties / Total Sales)	0.19%	0.45%
	c) Loans & advances (Loans & advances given to related parties / Total loans & advances)	0	0
	d) Investments (Investments in related parties / Total Investments made)	7.27%	15.62%

Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

Total number of awareness programmes held	Topics / principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
Nil	Nil	Nil

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.

Yes, the Company has established processes to manage and avoid conflicts of interest involving its Board members. The Code of Conduct for Board of Directors and Senior Management outlines the ethical standards and responsibilities expected from directors and senior management, including provisions to identify, disclose, and manage conflicts of interest.

PRINCIPLE 2

BUSINESSES SHOULD PROVIDE GOODS AND SERVICES IN A MANNER THAT IS SUSTAINABLE AND SAFE

Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	31 March 2026 Current Financial Year	31 March 2025 Previous Financial Year	Details of improvements in environmental and social impacts
R&D	0.00%	0.00%	Nil
Capex	5.75%%	19%	

Note: Northern Arc's investments in technology contributes significantly to its environmental and social impact by enabling digital operations and customer interactions, thereby reducing paper usage and costs associated with physical processes.

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No):- Yes
- b. If yes, what percentage of inputs were sourced sustainably?

Operational inputs:

Procurement of computers & accessories constitutes about 42.75% of the Company's total procurement of goods for the year.

Information Technology hardware (computers, peripherals, servers, networking equipment) constitutes major procurement of goods. Sustainability considerations are applied in the procurement of Information Technology hardware by selecting enterprise-grade laptops and devices from established manufacturers where such products are aligned with energy efficiency, durability, serviceability, repairability, responsible materials, and lifecycle support. Procurement decisions consider device configuration, expected useful life, warranty coverage, availability of spares, vendor service support, and suitability for reuse or redeployment within the Company. Preference is given to reliable devices that can remain productive for a longer period, thereby reducing premature replacement and limiting electronic waste generation.

Vendor sustainability programmes and disclosures are also considered where relevant, including initiatives around recycled or renewable materials, repair and recovery programmes, responsible packaging, product carbon footprint reporting, and circular-economy practices. This ensures that IT procurement is not limited to price and performance alone, but also factors in asset longevity, environmental impact, end-of-life responsibility, and alignment with the Company's broader sustainability objectives.

Core business inputs:

Financial capital, human capital, technology infrastructure, data and third-party services are the core business inputs for the Company. Capital allocation; talent management; optimum outsourcing; technology efficiency & resilience; and harnessing data for insight, analytics, and decision-making are managed sustainably.

3. Describe the processes in place to safely reclaim your products for reusing, recycling, and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

Not applicable, owing to the nature of the Company's business and sector that the Company operates in.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity’s activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same
- Not Applicable.

Leadership Indicators

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

NIC Code	Name of Product / Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/ No) If yes, provide the web-link.
NA	NA	NA	NA	NA	NA

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Name of Product/Service	Description of the risk/concern	Action Taken
NA	NA	NA

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or re-used input material to total material	
	31 March 2026 Current Financial Year	31 March 2025 Previous Financial Year
-	-	-

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

	31 March 2026 Current Financial Year			31 March 2025 Previous Financial Year		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	NA	NA	NA	NA	NA	NA
E-waste	NA	NA	NA	NA	NA	NA
Hazardous waste	NA	NA	NA	NA	NA	NA
Other waste	NA	NA	NA	NA	NA	NA

Note: Not applicable as Northern Arc provides financial products and services wherein the products themselves do not generate or become any waste.

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
	NA

PRINCIPLE 3

BUSINESSES SHOULD RESPECT AND PROMOTE THE WELL-BEING OF ALL EMPLOYEES, INCLUDING THOSE IN THEIR VALUE CHAINS

Essential Indicators

1. a. Details of measures for the well-being of employees:

Category	% of employees covered by										
	Health insurance			Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
	Total (A)	Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent employees											
Male	963	963	100%	963	100%	NA	NA	963	100%	0	0
Female	163	163	100%	163	100%	163	100%	NA	NA	0	0
Total	1126	1126	100%	1126	100%	163	14.48%	963	85.52%	0	0
Other than Permanent employees											
Male	0	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0	0	0	0

- b. Details of measures for the well-being of workers:

Category	% of workers covered by										
	Health insurance			Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
	Total (A)	Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent workers											
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Other than Permanent workers											
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

- c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format -

	31 March 2026 Current Financial Year	31 March 2025 Previous Financial Year
Cost incurred on well- being measures as a % of total revenue of the company	0.08%	0.12%

2. Details of retirement benefits, for current financial year and previous financial year.

Benefits	31 March 2026 Current Financial Year			31 March 2025 Previous Financial Year		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	99.64%	0%	Yes	99.00%	0%	Yes
Gratuity	100.00%	0%	Yes	100.00%	0%	Yes
ESI	1.69%	0%	Yes	7.70%	0%	Yes
Others - National Pension Scheme	3.29%	0%	Yes	4.5%	0%	Yes

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

The Company is committed to creating an inclusive and accessible workplace in line with the Rights of Persons with Disabilities Act, 2016. The company ensures that its corporate offices are designed to be accessible to differently abled employees and visitors, including features such as ramps, accessible entrances, elevators, and restrooms. Select branch offices are equipped with ramps and/or elevators, as made available by the respective building owners, wherever applicable.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes, Northern Arc has implemented an Equal Opportunity Policy in accordance with the Rights of Persons with Disabilities Act, 2016. This policy underscores the company’s commitment to providing equal employment opportunities to all individuals, including persons with disabilities, across various aspects such as hiring, training, promotions, and workplace accessibility.

The link to the policy is <https://www.northernarc.com/assets/uploads/pdf/EQUAL-OPPORTUNITY-POLICY-1628511796.pdf>

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100%	100%	NA	NA
Female	100%	100%	NA	NA
Total	100%	100%	NA	NA

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Yes/No	(If Yes, then give details of the mechanism in brief)
Permanent Workers	Not Applicable	Not Applicable
Other than Permanent Workers	Not Applicable	Not Applicable
Permanent Employees	Yes	Northern Arc has a structured Grievance Redressal Mechanism in place for its permanent employees. Employees can raise workplace concerns, including grievances related to discrimination or accessibility, directly with the designated Liaison Officer.
Other than Permanent Employees	Yes	Northern Arc has a structured Grievance Redressal Mechanism in place for its other than permanent employees such as contract staff, interns, trainees, persons acting as consultants, and third-party workers deployed at Northern Arc. They can raise workplace concerns, including grievances related to discrimination or accessibility, directly with the designated Liaison Officer

7. Membership of employees and worker in association(s) or Unions recognized by the listed entity:

Category	31 March 2026 Current Financial Year			31 March 2025 Previous Financial Year		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees/ workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D / C)
Total Permanent Employees	1126	-	-	1080	-	-
- Male	963	-	-	904	-	-
- Female	163	-	-	176	-	-
Total Permanent Workers						
- Male						
- Female						

8. Details of training given to employees and workers:

Category	31 March 2026 Current Financial Year					31 March 2025 Previous Financial Year				
	On Health and safety measures			On Skill upgradation		On Health and safety measures			On Skill upgradation	
	Total (A)	No. (B)	% (B/A)	No. (C)	% (C/A)	Total (D)	No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Male	963	27	2.80%	395	41.02%	904	332	36.73%	554	61.28%
Female	163	9	5.52%	57	34.97%	176	63	35.80%	136	77.27%
Total	1126	36	3.20%	452	40.14%	1080	395	36.57%	690	63.89%
Workers										
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

9. Details of performance and career development reviews of employees and worker:

Category	31 March 2026 Current Financial Year			31 March 2025 Previous Financial Year		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	963	723	75.08%	904	639	70.69%
Female	163	141	86.50%	176	157	89.20%
Total	1126	864	76.73%	1080	796	73.70%
Workers						
Male	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA
Total	NA	NA	NA	NA	NA	NA

10. Health and safety management system:

(a) Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?

Yes, Northern Arc has implemented an Occupational Health and Safety Management System through the adoption of its Environment, Health and Safety (EHS) Policy. The policy affirms the company's commitment to complying with all applicable health and safety regulations. It provides for the identification and assessment of workplace risks through regular risk assessments and ensures workplace safety through periodic inspections. The policy further outlines procedures for the mitigation and management of workplace accidents and incidents, with a focus on minimizing recurrence. The offices are equipped with first aid kits and fire extinguishers. The Company has also adopted a Travel Policy emphasizing safe travel and promoting road safety during travel by employees.

(b) What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

Northern Arc has a structured process to identify and assess work-related hazards as part of its Environment, Health and Safety (EHS) Policy. Identified risks are documented in a centralized risk register, which is regularly updated through workplace inspections, task-specific assessments, and incident investigations. All workplace incidents and near-misses are reported, analysed for root causes, and used to inform risk mitigation measures. Employee feedback is actively encouraged and integrated into the risk assessment process. These measures are supported by regular training and awareness programs.

(c) Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Yes/No)

Yes, all offices of the Northern Arc have designated administration officers, and all branches have the branch managers to record such incidents and report to the head of the administration department. All incidents are tracked in a safety register and are reviewed biannually.

(d) Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes, the company covers all its permanent employees under health insurance and personal accident insurance policies.

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category*	31 March 2026 Current Financial Year	31 March 2025 Previous Financial Year
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0.24	-
	Workers	NA	NA
Total recordable work-related injuries	Employees	1	-
	Workers	NA	NA
No. of fatalities	Employees	-	-
	Workers	NA	NA
High consequence work-related injury or ill-health (excluding fatalities)	Employees	-	-
	Workers	NA	NA

*Including in the contract workforce

12. Describe the measures taken by the entity to ensure a safe and healthy workplace:

The Company implements a comprehensive EHS program to ensure workplace safety and health. Hazards are recorded in a centralized risk register, updated through regular inspections, task-specific assessments, and incident investigations. All incidents and near-misses are reported and analysed to improve preventive measures. Employee feedback is encouraged and integrated into safety practices.

13. Number of Complaints on the following made by employees and workers:

	31 March 2026 Current Financial Year			31 March 2025 Previous Financial Year		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions Health Safety	No complaints have been received			No complaints have been received		

14. Assessments for the year:

% of your plants and offices that were assessed (by entity or statutory authorities or third parties)	
Health and safety practices	20% of offices and 5% of the branches were
Working Conditions	covered in the assessments.

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

Not Applicable

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

(A) Employees – Yes

(B) Workers – NA

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

As part of the onboarding process for both service providers and contract vendors, a comprehensive compliance check is conducted, including verification of statutory registrations such as GST, PAN, PF, and ESI. Additionally, the agreements with these partners clearly outline the requirement for timely deduction and deposition of all applicable statutory dues, along with defined consequences for non-compliance.

For contract vendors (e.g., housekeeping), statutory payment compliance is reviewed on a monthly basis prior to invoice processing. In the case of service providers (e.g., technology vendors), such compliance is addressed through contractual obligations.

Further assurance is provided through periodic sample audits conducted by internal teams or third-party auditors, covering filings such as GST returns and PF/ESI challans. TDS is deducted at applicable rates from vendor payments, ensuring compliance with relevant regulatory requirements on the Company's part.

3. Provide the number of employees / workers having suffered high consequence work related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	31 March 2026 Current Financial Year	31 March 2025 Previous Financial Year	31 March 2026 Current Financial Year	31 March 2025 Previous Financial Year
Employees	Nil	Nil	Nil	Nil
Workers	NA	NA	NA	NA

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

No.

5. Details on assessment of value chain partners:

% of your plants and offices that were assessed (by entity or statutory authorities or third parties)	
Health and safety practices	-
Working Conditions	-

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

Not Applicable

PRINCIPLE 4

BUSINESSES SHOULD RESPECT AND PROMOTE THE WELL-BEING OF ALL EMPLOYEES, INCLUDING THOSE IN THEIR VALUE CHAINS

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

Each stakeholder group represents a distinct pillar supporting Northern Arc's business. At the centre are customers, underscoring the Company's focus on expanding access to finance for MSMEs and retail borrowers. Complementing this core are key external pillars, including shareholders, who shape strategic direction; lenders and investors, who enable capital flows; and value chain partners, such as originators and service providers, who facilitate execution and delivery.

Within the organization, employees and the Board form integral pillars that drive performance, governance, and decision-making. Regulatory authorities, including RBI and SEBI, represent a critical pillar that guides compliance and reinforces responsible business conduct. The Company also recognizes society at large as an essential pillar, reflecting its broader commitment to social impact and transparency.

These pillars continue to evolve and are periodically reassessed through ongoing engagement, including investor interactions, regulatory consultations, employee feedback mechanisms, customer engagement channels, and community outreach initiatives. This approach ensures Northern Arc remains responsive to changing expectations while strengthening alignment across all stakeholder pillars.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/ No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Customers (Borrowers)	Yes	Website, Emails, Telephone Communications, SMS, Customer Feedback, Customer Helpline, Social Media Channels, Customer Grievance Cell.	Periodic, Continuous, and Need-based.	To build and sustain customer trust and satisfaction by providing accessible, transparent, and responsible financial solutions. Engagement focuses on key aspects of the customer experience, including clarity of loan terms, efficient turnaround times, effective grievance redressal mechanisms, and flexibility in product offerings to meet diverse customer needs.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/ No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Shareholders	No	Emails, SMS, Newspaper, Notices, Website Disclosures.	Quarterly, Half-yearly, Annually and Need-based.	To promote transparency, strengthen trust, and ensure alignment with shareholder expectations, Northern Arc engages through regular disclosures, Annual General Meetings (AGMs), and periodic reporting. Engagement covers key areas such as financial performance, returns on investment, risk management practices, corporate governance, ESG initiatives, and long-term strategic priorities.
Employees	No	Email, Website, Intranet Portal, SMS, Internal Meetings, Trainings, Surveys.	Bi-monthly, Quarterly, Continuous, and Need-based.	To cultivate skilled, engaged, and motivated talent, Northern Arc fosters continuous communication, capability building, and structured feedback mechanisms. Engagement focuses on key areas such as career progression, learning and development opportunities, adherence to ethical practices, and ensuring a safe and supportive workplace environment.
Lenders (Offshore & Domestic)	No	Website, Emails, Telephone Communications, Personal Visits, Conventions	Quarterly, Half yearly, Annually and Need-based.	To strengthen financial credibility and sustain long-term funding relationships, Northern Arc engages through regular and transparent updates on performance and risk. Engagement focuses on key areas such as credit performance, asset quality, covenant adherence, ESG alignment, and overall business resilience.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/ No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Regulators	No	• Emails, Letters, Regulatory filings, Meetings, Audits.	Quarterly, Annually and Need-based	To ensure adherence to regulatory requirements and uphold strong governance standards, Northern Arc engages through structured reporting, audits, and ongoing regulatory interactions. Engagement focuses on key areas such as regulatory compliance, data privacy, anti-money laundering measures, corporate governance, and responsible lending practices.
Value Chain Partners	No	Emails, Website, Telephone Communications, Personal Visits, Conventions	Continuous, and Need-based.	To strengthen effective and dependable partnerships with intermediaries and service providers, Northern Arc engages through consistent communication, collaboration, and operational support. Engagement focuses on key areas such as covenant monitoring, timely payments, transparency in terms, and alignment on sustainable and mutually beneficial business growth.
Society	Yes	Website, Annual Report, Quarterly Reports, CSR Initiatives, Media & Press release, Social Media Channels, Personal Visits.	Quarterly, Annually and Need-based.	To create meaningful social impact, Northern Arc engages with communities through inclusive finance, sustainability initiatives, and active community participation. Engagement focuses on key areas such as expanding financial inclusion, promoting environmental and social responsibility, supporting community development, and contributing to broader economic progress.

Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

Northern Arc anchors its stakeholder engagement within a clearly defined governance structure, where oversight responsibilities are distributed across various Board committees. The Company maintains continuous communication with its stakeholder ecosystem—including customers, investors, regulators, partners, service providers and shareholders.

These engagements are not only aimed at communication but also at capturing evolving expectations, concerns, and market signals, which are then synthesized and escalated to the Board through structured reporting channels. For more critical or strategic matters, the Company enables direct interaction forums, where select stakeholders and, at times, Board members engage in focused discussions.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Stakeholder interactions across Northern Arc spanning employees, investors, borrowers, regulators, and communities—serve as a key source of insight for identifying and prioritizing environmental and social considerations.

Engagement with investors and lenders has contributed to sharpening the Company's emphasis on climate-aligned financing and responsible lending, while feedback from borrowers and partner institutions, particularly in rural and semi-urban markets, has guided the design of more inclusive financial solutions and outreach approaches. Internally, perspectives from employees, along with inputs from the broader community, have reinforced the importance of ethical conduct and responsible practices, influencing policies and day-to-day operations across the organization.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

Northern Arc Capital Limited strives to serve the underbanked population to foster financial inclusion and engages in continuous communication throughout the lifecycle of the loan including grievance redressal of the customers complaints. Additionally, it undertakes a range of CSR initiatives focused on supporting vulnerable and underserved communities, guided by a Board-approved Corporate Social Responsibility (CSR) policy. The Company's efforts are directed toward improving outcomes for underprivileged, economically disadvantaged, and differently abled individuals. Key initiatives include providing educational support to underserved students, promoting natural resource conservation, and enabling access to healthcare services in underserved areas. These programs are designed to address critical community needs while contributing to long-term social and economic development.

PRINCIPLE 5
BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	31 March 2026 Current Financial Year			31 March 2025 Previous Financial Year		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
Employees						
Permanent	1126	848	75.31%	1080	395	37.57%
Other than permanent	398	0	0%	402	69	17.16%
Total Employees	1524	848	55.64%	1482	464	31.31%
Workers						
Permanent	NA	NA	NA	NA	NA	NA
Other than permanent	NA	NA	NA	NA	NA	NA
Total Employees	NA	NA	NA	NA	NA	NA

2. Details of minimum wages paid to employees and workers, in the following format

Category	31 March 2026 Current Financial Year					31 March 2025 Previous Financial Year				
	Equal to Minimum Wage			More than Minimum Wage		Equal to Minimum Wage			More than Minimum Wage	
	Total (A)	No. (B)	% (B/A)	No. (C)	% (C/A)	Total (D)	No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent	1126	0	0	1126	100%	1080	0	0	1080	100%
Male	963	0	0	963	100%	904	0	0	904	100%
Female	163	0	0	163	100%	176	0	0	176	100%
Other than Permanent	398	0	0	398	100%	30	0	0	30	100%
Male	307	0	0	307	100%	25	0	0	25	100%
Female	91	0	0	91	100%	5	0	0	5	100%
Workers										
Permanent	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Other than Permanent	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

3. Details of remuneration/salary/wages

a. Median remuneration / wages:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	6	18,75,000	3	16,50,000
Key Managerial Personnel	3	2,74,28,863	0	0
Employees other than BoD and KMP	960	6,87,504	163	8,91,075
Workers	NA	NA	NA	NA

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	31 March 2026 Current Financial Year	31 March 2025 Previous Financial Year
Gross wages paid to females as % of total	16.00%	19.00%

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

At Northern Arc, robust internal mechanisms are in place to redress grievances related to human rights issues, ensuring fair, transparent, and accountable work environment. These mechanisms include:

- Grievance Redressal Mechanism:** Northern Arc has a structured grievance redressal system that allows employees and stakeholders to raise concerns related to human rights, workplace behavior, or unfair treatment. All grievances are reviewed in a time-bound manner and addressed by designated internal committees or officers.
- Equal Opportunity Policy:** The company's Equal Opportunity Policy reinforces its commitment to non-discrimination and inclusivity, particularly for women, persons with disabilities, and marginalized communities. It ensures that all individuals have access to equal treatment in hiring, training, promotions, and work conditions.
- Code of Conduct:** The Code of Conduct outlines expected standards of behavior for all employees and serves as a guiding document to uphold human rights, ethical practices, and respectful workplace interactions. Any violations of the Code, especially those concerning dignity, fairness, or human rights, are subject to investigation and corrective action.
- Whistleblower Policy:** Northern Arc's Whistleblower Policy provides a secure and confidential channel for employees and stakeholders to report concerns related to unethical behavior, human rights violations, or policy breaches without fear of retaliation. Whistleblower complaints are reviewed independently, with appropriate follow-up actions taken by the Ethics Committee or relevant authority.
- Safe Working Environment and Sexual Harassment Policy:** Northern Arc enforces a zero-tolerance approach to sexual harassment through its PoSH Policy. An Internal Committee (IC) is constituted in line with legal requirements to handle complaints, conduct fair investigations, and ensure appropriate redressal and support for affected individuals.

These mechanisms collectively ensures that human rights concerns are taken seriously, reported safely, and addressed effectively within the organization.

6. Number of Complaints on the following made by employees and workers:

	31 March 2026 Current Financial Year			31 March 2025 Previous Financial Year		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	1	0	-	NIL	NIL	-
Discrimination at workplace	NIL	NIL	-	NIL	NIL	-
Child Labour	NIL	NIL	-	NIL	NIL	-
Forced Labour/ Involuntary Labour	NIL	NIL	-	NIL	NIL	-
Wages	NIL	NIL	-	NIL	NIL	-
Other human rights related issues	NIL	NIL	-	NIL	NIL	-

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	31 March 2026 Current Financial Year	31 March 2025 Previous Financial Year
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	1	Nil
Complaints on POSH as a % of female employees / workers	0.3937%	Nil
Complaints on POSH upheld	1	Nil

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

The Company has robust safeguards to protect complainants from any adverse consequences arising from the reporting of discrimination or harassment through its Equal Opportunity Policy. The policy strictly prohibits retaliation or reprisal against individuals who raise genuine concerns or complaints. It provides for confidential reporting channels with direct submission to the designated Liaison Officer. The Liaison Officer is entrusted with the responsibility to ensure that complaints are addressed promptly, fairly, and with due sensitivity, while also taking necessary steps to prevent any form of victimization or inconvenience to the complainant. The policy further affirms that raising a bona fide concern will not affect the complainant's legal rights or employment status in any manner, reinforcing the Company's commitment to a safe, inclusive, and equitable workplace.

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes

10. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)*
Child labour	100%
Forced/involuntary labour	100%
Sexual harassment	100%
Discrimination at workplace	100%
Wages	100%
Others – please specify	-

*During the reporting period, the Company did not record any incidents of workplace discrimination. The Company maintains a strict zero-tolerance policy towards discrimination against employees including on grounds of age, sex, disability, religion, nationality, colour, sexual orientation, and such other characteristics protected by law. All employees

are covered under the Equal Opportunity Policy and the Prevention of Sexual Harassment (POSH) framework. Age verification and eligibility checks are carried out as part of the centralised recruitment process at the Company's registered office prior to employee onboarding. This mechanism ensures that no individual below the legally permissible working age is engaged, thereby preventing child labour and ensuring strict adherence to applicable labour laws and regulatory requirements. Payment of wages is administered centrally from the Company's registered office, ensuring accuracy, timeliness, and full compliance with applicable labour laws and regulatory requirements. These processes are subject to periodic review and verification under the Company's internal audit framework, thereby reinforcing accountability and compliance.

11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above.

No significant risks or material concerns were identified during the reporting year that required corrective action.

Leadership Indicators

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.

None

2. Details of the scope and coverage of any Human rights due-diligence conducted.

Not Applicable

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Northern Arc is fully committed to meet the requirements of the Rights of Persons with Disabilities Act, 2016. All buildings where Northern Arc Capital's offices are located are equipped with facilities to ensure accessibility for differently abled visitors, in line with the requirements of the Rights of Persons with Disabilities Act, 2016. The premises include features such as ramps, elevators, and accessible restrooms to support ease of movement. Northern Arc is committed to fostering an inclusive environment by ensuring its physical infrastructure does not pose a barrier and welcoming for all individuals.

4. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	
Discrimination at workplace	
Child Labour	
Forced Labour/Involuntary Labour	-
Wages	
Others – please specify	

Note: Commitment to comply with Company's Suppliers Code of Conduct is incorporated into agreements with relevant vendors, while adherence to workers' rights requirements is stipulated in agreements with applicable service providers.

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

Not Applicable

PRINCIPLE 6

BUSINESSES SHOULD RESPECT AND MAKE EFFORTS TO PROTECT AND RESTORE THE ENVIRONMENT

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	31 March 2026 Current Financial Year	31 March 2025 Previous Financial Year
From renewable sources		
Total electricity consumption (A)	-	-
Total fuel consumption (B)	-	-
Energy consumption through other sources (C)	-	-
Total energy consumed from renewable sources (A+B+C)	-	-
From non-renewable sources		
Total electricity consumption (D)	2063.84	1801.75
Total fuel consumption (E)	35.5	-
Energy consumption through other sources (F)	-	-
Total energy consumed from non-renewable sources (D+E+F)	2099.34	1801.75
Total energy consumed (A+B+C+D+E+F)	2099.34	1801.75
Energy intensity per rupee of turnover (Total energy consumed / Revenue from operations)	0.007969	0.007878
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)* (Total energy consumed / Revenue from operations adjusted for PPP)	0.1600	0.1611
Energy intensity in terms of physical output		
Energy intensity (optional) – the relevant metric may be selected by the entity		-

*The PPP conversion factor for India has been taken as 20.09, based on the latest available 2025 data from the World Bank's International Comparison Program for the FY2025-26. For FY24-25, the PPP conversion factor for India has been taken as 20.45, based on 2024 data from the World Bank's International Comparison Program.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N). If yes, name of the external agency. No.

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

No. The Company does not fall under the PAT scheme of the Government of India.

3. Provide details of the following disclosures related to water, in the following format:

Parameter	31 March 2026 Current Financial Year	31 March 2025 Previous Financial Year
Water withdrawal by source (in kilolitres)		
(i) Surface water	-	-
(ii) Groundwater	-	-
(iii) Third party water	-	-
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	-	-
Total volume of water consumption (in kilolitres)*	12782.26	12430

Parameter	31 March 2026 Current Financial Year	31 March 2025 Previous Financial Year
Water intensity per rupee of turnover (Total water consumption / Revenue from operations)	0.048522	0.054419
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)** (Total water consumption / Revenue from operations adjusted for PPP)	0.9748	1.1128
Water intensity in terms of physical output	-	-
Water intensity (optional) – the relevant metric may be selected by the entity	-	-

*The estimated water consumption is taken as 45 litres per head for each working day.

**The PPP conversion factor for India has been taken as 20.09, based on the latest available 2025 data from the World Bank’s International Comparison Program for the FY2025-26. For FY24-25, the PPP conversion factor for India has been taken as 20.45, based on 2024 data from the World Bank’s International Comparison Program.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) . If yes, name of the external agency. No.

4. Provide the following details related to water discharged:

Parameter	31 March 2026 Current Financial Year	31 March 2025 Previous Financial Year
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(ii) To Groundwater	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iii) To Seawater	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iv) Sent to third-parties	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(v) Others	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
Total water discharged (in kilolitres)	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) No.

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Not Applicable

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	31 March 2026 Current Financial Year	31 March 2025 Previous Financial Year
NOx	µ/m3	-	-
SOx	µ/m3	-	-
Particulate matter (PM)	µ/m3	-	-
Persistent organic pollutants (POP)	NA	-	-
Volatile organic compounds (VOC)	NA	-	-
Hazardous air pollutants (HAP)	NA	-	-
Others – please specify	NA	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No.

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	31 March 2026 Current Financial Year	31 March 2025 Previous Financial Year
Total Scope 1 emissions* (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	9.3569	7.473^
Total Scope 2 emissions** (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	926.55	753
Total Scope 1 and Scope 2 emission intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)	Per lakh of revenue from operations	0.0035	0.0033
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)*** (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)	Per lakh of revenue from operations adjusted for PPP	0.0716	0.07
Total Scope 1 and Scope 2 emission intensity in terms of physical output	-	-	-
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	-	-	-

*Scope 1 GHG emissions have been calculated considering fugitive emissions from refrigerant leakages in air conditioning units and annual leakages from fire extinguishers.

**Scope 2 GHG emissions account for indirect GHG emissions from purchased electricity, including consumption associated with the company’s HVAC systems across its operation, as applicable.

***The PPP conversion factor for India has been taken as 20.09, based on the latest available 2025 data from the World Bank’s International Comparison Program for the FY2025-26. For FY24-25, the PPP conversion factor for India has been taken as 20.45, based on 2024 data from the World Bank’s International Comparison Program.

^ Scope 1 emissions for FY 2024–25 stands restated from 11.68 following refinement of calculation methodology to improve accuracy, consistent with FY 2025–26 reporting, with no material impact on overall emission intensity as Scope 2 remains the primary contributor.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No.

8. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

NA

9. Provide details related to waste management by the entity, in the following format:

Parameter	31 March 2026 Current Financial Year	31 March 2025 Previous Financial Year
Total Waste generated (in metric tonnes)		
Plastic waste (A)	-	-
E-waste (B)	0.313	0.084
Bio-medical waste (C)	-	-
Construction and demolition waste (D)	-	-
Battery waste (E)	-	-
Radioactive waste (F)	-	-

Parameter	31 March 2026 Current Financial Year	31 March 2025 Previous Financial Year
Other Hazardous waste. Please specify, if any. (G)	-	-
Other Non-hazardous waste generated (H) . Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	-	-
Total (A+B + C + D + E + F + G + H)	0.313	0.084
Waste intensity per rupee of turnover (Total waste generated / Revenue from operations)	0.000001	0.0000003
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP)	0.000023	0.000007
Waste intensity in terms of physical output	-	-
Waste intensity (optional) – the relevant metric may be selected by the entity	-	-
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	-	-
(ii) Re-used	0.566	0.001
(iii) Other recovery operations	-	-
Total	0.566	0.001
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	-	-
(ii) Landfilling	-	-
(iii) Other disposal operations	0.795*	-
Total	0.795	-

*Safely disposed via Pollution Control Board–approved recyclers.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

Northern Arc Capital Limited, as a Non-Banking Finance Company (NBFC), has a limited direct environmental footprint, with electronic waste (e-waste) being the primary form of waste generated through its operations. The Company does not engage in activities involving plastic or hazardous chemical waste. To ensure responsible handling, Northern Arc has established a structured e-waste management process, whereby all discarded electronic assets are systematically collected and disposed of through authorized recyclers approved by the Pollution Control Board. Additionally, its corporate offices are located in buildings with recognised green building certifications.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

No

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Not Applicable					

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

S. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
Not Applicable				

Leadership Indicators

1. Water withdrawal, consumption, and discharge in areas of water stress (in kilolitres):

For each facility / plant located in areas of water stress, provide the following information:

(i) Name of the area – Not Applicable

(ii) Nature of operations - Not Applicable

(iii) Water withdrawal, consumption, and discharge in the following format:

Parameter	31 March 2026 Current Financial Year	31 March 2025 Previous Financial Year
Water withdrawal by source (in kilolitres)		
(i) Surface water	-	-
(ii) Groundwater	-	-
(iii) Third party water	-	-
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kilolitres)	-	-
Total volume of water consumption (in kilolitres)	-	-
Water intensity per rupee of turnover (Water consumed / turnover)	-	-
Water intensity (optional) – the relevant metric may be selected by the entity	-	-

Parameter	31 March 2026 Current Financial Year	31 March 2025 Previous Financial Year
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water	-	
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(ii) Into Groundwater	-	
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iii) Into Seawater	-	
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iv) Sent to third-parties	-	
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(v) Others	-	
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
Total water discharged (in kilolitres)	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

2. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	31 March 2026 Current Financial Year	31 March 2025 Previous Financial Year
Total Scope 3 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	1855.11	790.54
Total Scope 3 emissions per rupee of turnover	-	0.007042	0.003461
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity	-	-	-

*In FY 2025 -26, the Company enhanced its Scope 3 emissions reporting across Category 1 (Purchased goods and services), Category 2 (Capital goods), Category 3 (Fuel- and energy-related activities), Category 5 (Waste generated in operations), Category 6 (Business travel), and Category 7 (Employee commuting).

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

3. With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Not Applicable

4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Sr. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
		Not Applicable	

5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

Northern Arc has a comprehensive Business Continuity and Disaster Recovery (BCDR) Plan designed to ensure the uninterrupted functioning of critical systems and swift recovery from disruptions. The plan supports the organization’s ability to sustain performance and restore or replace any failed systems under adverse conditions. It is structured around defined Recovery Time Objectives (RTOs), prioritizing applications and infrastructure based on their criticality. The BCDR plan is routinely reviewed, updated, and validated through regular drills and independent third-party audits. Oversight is provided by a dedicated senior leadership team responsible for incident management and communication with both internal and external stakeholders.

6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard

Not Applicable

7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

Not Applicable

8. How many Green Credits have been generated or procured: Nil

- a. By the listed entity
- b. By the top ten (in terms of value of purchases and sales, respectively) value chain partners]

PRINCIPLE 7

BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

Essential Indicators

1. a. Number of affiliations with trade and industry chambers/ associations.
Seven
- b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	FIDC	National
2	MFIN	National
3	UFF (previously DLAI)	National
4	FACE	National
5	IAMAI	National
6	ASSOCHAM	National
7	FICCI	National

2. Provide details of corrective action taken or underway on any issues related to anticompetitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of authority	Brief of the case	Corrective action taken
		-

Leadership Indicators

1. Details of public policy positions advocated by the entity:

The Company, is a key member of the BIS technical committee, where it works on specifications, standards, upgrades, and interfaces with BEE/ ISO standards.

S. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others – please specify)	Web Link, if available
					Nil

PRINCIPLE 8

BUSINESSES SHOULD PROMOTE INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Not Applicable					

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
Not Applicable						

3. Describe the mechanisms to receive and redress grievances of the community.

Northern Arc has established a well-defined grievance redressal mechanism to ensure timely and effective resolution of customer complaints. Customers can initially reach out to the Grievance Redressal Officer (GRO) via toll-free number (1800 419 8766) or email (gro@northernarc.com), with a resolution timeline of 15 days. If unsatisfied, complaints can be escalated to the Nodal Officer through toll-free number (1800 258 7010) or email (nodal.officer@northernarc.com). In cases where the issue remains unresolved beyond 30 days, customers have the option to approach the Reserve Bank of India under the Integrated Ombudsman Scheme, 2021, through the portal <https://cms.rbi.org.in>. This multi-level process reflects Northern Arc's commitment to transparency, customer-centricity, and regulatory compliance.

For shareholders and debenture holders, the Company has appointed Kfin Technologies Limited as its Registrar and Share Transfer Agent (RTA) to facilitate the resolution of queries and grievances. Complaints may be sent to cs@northernarc.com, and the Company Secretary and Compliance Officer, in coordination with the RTA, ensures timely and appropriate redressal of all concerns raised by shareholders and debenture holders.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	31 March 2026 Current Financial Year	31 March 2025 Previous Financial Year
Directly sourced from MSMEs/ small producers	51.77%	35.28%
Directly from within India	99.77%	99.86%

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost

Job Creation

Location	FY 2025-26 Current Financial Year	FY 2024-25 Previous Financial Year
Rural	1.51%	0.04%
Semi-urban	5.99%	0.79%
Urban	9.13%	5.05%
Metropolitan	83.37%	94.11%

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective action taken
Nil	

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

S. State No.	Aspirational District	Amount spent (In INR)
	Nil	

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized/ vulnerable groups? (Yes/No)

No

- (b) From which marginalized /vulnerable groups do you procure?

Not Applicable

- (c) What percentage of total procurement (by value) does it constitute? Not Applicable

Not Applicable

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

S. Intellectual Property based on No. traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared (Yes / No)
	Not applicable	

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Name of authority	Brief of the Case	Corrective action taken
	Not applicable	

6. Details of beneficiaries of CSR Projects:

S. CSR Project No.		No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1	Support differently abled children with residential education program, good nutrition, and medical aid	50 differently abled children	100%
2	Providing palliative care services to people with serious health-related suffering	40	100% As all patients are terminally ill and they come for hospice care during their most vulnerable time in life.
3	Providing quality medical and healthcare education opportunities to students from economically and socially disadvantaged backgrounds.	Presently, a total of 624 students is benefiting from the CSR project, including: 200 MBBS students 384 Nursing students 40 Physiotherapy students	Approximately 55% of the beneficiaries belong to vulnerable and marginalized groups.
4	FoodHeals Program	3619 month on month cumulative and indirect beneficiaries through ration program.	100%

PRINCIPLE 9

BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CONSUMERS IN A RESPONSIBLE MANNER

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

The Company has established a well-defined grievance redressal mechanism to ensure timely and effective resolution of customer complaints. Customers can initially reach out to the Grievance Redressal Officer (GRO) via toll-free number (1800 419 8766) or email (gro@northernarc.com), with a resolution timeline of 15 days. If unsatisfied, complaints can be escalated to the Nodal Officer through toll-free number (1800 258 7010) or email (nodal.officer@northernarc.com). In cases where the issue remains unresolved beyond 30 days, customers have the option to approach the Reserve Bank of India under the Integrated Ombudsman Scheme, 2021, through the portal <https://cms.rbi.org.in>. This multi-level process reflects Northern Arc's commitment to transparency, customer-centricity, and regulatory compliance.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

As a percentage to total turnover	
Environmental and social parameters relevant to the product	Not Applicable
Safe and responsible usage	
Recycling and/or safe disposal	

3. Number of consumer complaints in respect of the following:

	31 March 2026 Current Financial Year		Remarks	31 March 2025 Previous Financial Year		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	NIL	NIL		NIL	NIL	
Advertising	NIL	NIL		NIL	NIL	
Cyber-security	NIL	NIL		NIL	NIL	
Delivery of essential services	NIL	NIL	NIL	NIL	NIL	NIL
Restrictive Trade Practices	NIL	NIL		NIL	NIL	
Unfair Trade Practices	NIL	NIL		NIL	NIL	
Other	NIL	NIL		NIL	NIL	

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	-	-
Forced recalls	-	-

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/ No) If available, provide a web-link of the policy.

Yes, an Information Security Policy is in place which outlines the organization's approach to cybersecurity operations and data privacy risks. This policy includes key controls related to data protection, access management, threat monitoring, incident handling, and compliance with applicable regulations. The privacy policy can be accessed at: <https://www.northernarc.com/assets/uploads/pdf/Privacy-Policy.pdf>

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services – Nil
7. Provide the following information relating to data breaches.

a. Number of data breaches involving personally identifiable information of customers;) Nil.

c. Impact, if any, of the data breaches: Nil

Leadership Indicators

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).

The information on the products and services offered by Northern Arc Capital Limited can be accessed at www.northernarc.com
2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

Northern Arc is committed to promoting safe and responsible usage of its products and services through a range of consumer education initiatives. The Company ensures transparent communication of product features, terms, interest rates, and associated fees across all customer bases. During the onboarding process, customers are guided through comprehensive Know Your Customer (KYC) procedures and informed of their rights and obligations. Northern Arc also ensures timely communication of policy changes and regulatory updates. A robust grievance redressal mechanism is in place, supported by a toll-free helpline, dedicated email assistance, and a defined escalation matrix. Additionally, regular training and capacity-building programs are conducted for relevant teams and frontline personnel who directly engage with customers, ensuring they are well-equipped to educate and assist consumers effectively. These measures underscore Northern Arc’s focus on transparency, financial literacy, and customer protection.
3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

Northern Arc has a business continuity plan that will be enforced during an event of a natural hazard or system downtime, to ensure that the company’s services are not interrupted. In the event of any unforeseen disruption of services, the consumers of the company are informed about the disruption of essential services through email or SMS that will provide details on the nature of disruption, expected resolution time, etc. In the event of discontinuation of branch operation, the company will provide ninetydays advance notice in the leading national newspaper before closure or relocation of branches/office, as mandated by RBI.
4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief.

No, the company discloses information about its products as mandated by the RBI.
5. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

No, the company has not undertaken a consumer satisfaction survey during the reporting period.

Annual Report on CSR Activities

1. Brief outline on CSR Policy of the Company:

The Company is committed to maintaining the highest standards of governance, ethical business conduct, and inclusive management practices. As part of its Corporate Social Responsibility (CSR) commitment, the Company aims to contribute meaningfully to society by promoting equality, inclusion, and sustainable development.

To implement its CSR initiatives, Northern Arc Capital has established the Northern Arc Foundation, a Section 8 company focused on livelihood creation, skill and vocational development, education, healthcare, and community well-being, particularly for communities traditionally marginalized by formal systems. The CSR Policy is framed in accordance with Section 135 and Schedule VII of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014, including any amendments or modifications thereto.

The complete CSR policy of the Company can be accessed on the company’s website at https://www.northernarc.com/assets/uploads/policies/CSR_Policy.pdf.

2. Composition of CSR Committee:

S. No.	Name of Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Ashutosh Pednekar	(Chairperson) Non-Executive, Independent Director	3	3
2	Mr. Ashish Mehrotra	Managing Director & CEO	3	3
3	Dr. Kshama Fernandes*	Non-Executive, Non-Independent Director	3	3
4	Mr. Michael Fernandes	Non-Executive, Nominee Director	3	3

*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.

3. Provide the web-link(s) where Composition of CSR Committee, CSR Policy and CSR Projects approved by the board are disclosed on the website of the company:

Particulars	Weblink
CSR Committee	https://www.northernarc.com/assets/uploads/pdf/Composition_of_Board_Committees.pdf
CSR Policy	https://www.northernarc.com/assets/uploads/policies/CSR_Policy.pdf
CSR Projects	https://www.northernarc.com/csr-projects

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable. – Not applicable

5. (a) Average net profit of the company as per sub-section (5) of Section 135.

Financial Year	Net Profit (Amount in INR)
FY 2022 – 23	3,16,40,91,964
FY 2023 – 24	3,74,40,94,072
FY 2024 – 25	4,38,18,37,735

- (b) Two percent of average net profit of the company as per sub-section (5) of Section 135 – INR 7,52,66,825/-
- (c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years. - NIL
- (d) Amount required to be set-off for the financial year, if any. - NIL
- (e) Total CSR obligation for the financial year [(b)+(c)-(d)]- INR 7,52,66,825/-
6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project) – INR 7,52,66,825/-
- (b) Amount spent in Administrative Overheads. - Nil
- (c) Amount spent on Impact Assessment, if applicable. - NA
- (d) Total amount spent for the Financial Year [(a)+(b)+(c)]. INR 7,52,66,825/-
- (e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year. (in INR)	Amount Unspent (in INR)				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135.		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135.		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
7,52,66,825/-	-	-	-	-	-

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

Sl. No.	Particular	Amount (in INR)
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	INR 7,52,66,825/-
(ii)	Total amount spent for the Financial Year	INR 7,52,66,825/-
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	Nil
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	-
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	-

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

1	2	3	4	5	6	7	8
Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in INR)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in INR)	Amount Spent in the Financial Year (in INR)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any	Amount remaining to be spent in succeeding Financial Years (in INR)	Deficiency, if any
					Amount (in INR)	Date of Transfer	
1	FY 2022 – 23	-	-	-	-	-	-
2	FY 2023 – 24	-	-	-	-	-	-
3	FY 2024 – 25	-	-	-	-	-	-

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Yes ☐ No ☒

If Yes, enter the number of Capital assets created/ acquired

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
	-	-	-	-	CSR Registration Number, if applicable	Name	Registered address

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per subsection (5) of Section 135 - Not Applicable.

For Northern Arc Capital Limited

Ashish Mehrotra
Managing Director & CEO
DIN: 07277318

Ashutosh Pednekar
Chairperson of CSR Committee
DIN: 00026049

Date: July 10, 2026
Place: Chennai

Annexure C

Annexure D

Form AOC -1

Statement pursuant to Section 129(3) of the Companies Act, 2013

PART A: SUBSIDIARIES

					Amount (INR in Lakhs)	
S No	Particulars	Northern Arc Investment Managers Private Limited	Northern Arc Securities Private Limited	Northern Arc CrediTech Solutions Private Limited	Northern Arc Foundation	Pragati Finserv Private Limited
1	Reporting period for the subsidiary concerned, if different from the holding company's reporting period.	N.A	N.A	N.A	N.A	N.A
2	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	N.A	N.A	N.A	N.A	N.A
3	Date of acquiring subsidiary	17.04.2014	23.02.2023	27.09.2012	12.02.2019	25.02.2021
4	Share Capital	361.00	2,050.00	125.00	1.00	2501.00
5	Other Equity	4,719.42	(719.51)	255.51	70.81	(3,660.46)
6	Total Assets	11,946.13	1,705.28	381.78	75.79	3,451.93
7	Total Liabilities	6,865.71	374.79	1.27	3.98	4,611.38
8	Investments	9,913.03	451.19	121.59	-	-
9	Turnover	4,605.21	197.98	-	752.67	5,455.48
10	Profit Before Taxation	306.07	(842.58)	18.13	(6.17)	(3,237.42)
11	Provision for Taxation	91.41	(209.67)	4.66	-	(771.85)
12	Profit After Taxation	214.66	(632.91)	13.47	(6.17)	(2,465.57)
13	Total Comprehensive Income	203.85	(631.05)	13.47	(6.17)	(2,442.41)
14	Proposed Preference Dividend	Nil	Nil	Nil	Nil	Nil
15	% of Shareholding	100%	100%	100%	100%	90.10%

For Northern Arc Capital Limited

P S Jayakumar
Independent Director & Chairperson
DIN: 01173236

Atul Tibrewal
Chief Financial Officer

Date: July 10, 2026
Place: Chennai

Ashish Mehrotra
Managing Director & CEO
DIN: 07277318

Prakash Chandra Panda
Company Secretary and Compliance Officer

Form No. MR-3
SECRETARIAL AUDIT REPORT

for the Financial Year ended 31 March, 2026

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members

Northern Arc Capital Limited

No. 1, Kanagam Village,10th Floor IITM Research Park, Taramani, Chennai-600113.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Northern Arc Capital Limited** herein after called ("**the Company**"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended 31 March, 2026 ("**Audit Period**") complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Financial Year ended 31 March, 2026, according to the provisions of:

- i.

The Companies Act, 2013 ('Act') and the rules made thereunder, as amended from time to time including applicable Secretarial Standards issued by the Institute of Company Secretaries of India ('ICSI') and as mandated by the Companies Act, 2013.
- ii.

The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder, as amended from time to time;

- iii.

The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder, as amended from time to time;
- iv.

Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, as amended from time to time; (Not Applicable for the during the Audit Period)
- v.

The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'), as amended from time to time:-

(a)

The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b)

The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c)

The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

(d)

The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

(e)

The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding dealing with client;

(f)

The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

(g)

The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;

(h)

Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;

- (i) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; (There were no events requiring compliance during the audit period) and
- (j) The Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018 (There were no events requiring compliance during the audit period)
- vi. Reserve Bank of India Act, 1934 and RBI Directions and Guidelines as are applicable to the Systemically Important non-deposit taking Non-Banking Financial Company, which is specifically applicable to the Company.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines and Standards, etc., mentioned above.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Woman Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent to them at least seven days in advance or as the case may be, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions at the Board Meetings were taken unanimously and there was no instance of dissent by any director during the period under review.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that, during the audit period, except the events listed below no other events occurred which had any major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, and standards and that the Company has complied with such of those relevant clauses thereto which are applicable:

- i. During the period under review, the Company has allotted 32,500 Equity shares having face value of INR 10 each at an exercise price of INR 110 each, 17,539 Equity shares having face value of INR 10 each at an exercise price of INR 188, 1,40,000 Equity shares having face value of INR 10 each at an exercise price of INR 121 each and 2,500 Equity shares having face value of INR 10 each at an exercise price of INR 181 each at various dates to the Northern Arc Capital Employee Welfare Trust on behalf of the employees of the Company pursuant to Northern Arc Employee Stock Option Plan, 2016.
- ii. During the period under review, the Company has allotted 22,500 senior, secured, rated, listed, redeemable, non-convertible debentures having face value of INR 1,00,000 each on 10 September, 2025, and 25,000 senior, secured, rated, listed, redeemable, non-convertible debentures having face value of INR 1,00,000 each on 31 December, 2025.
- iii. During the period under review, the Company has issued 6000 units of Commercial Papers of face value INR 5,00,000 each, at various dates having maturity value amounting to INR 300 Crores. Out of these, 1,500 Commercial Papers amounting to INR 75 Crores were redeemed during the year.
- iv. During the period under review, the shareholders of the Company passed special resolution under section 180(1)(a) and section 180(1)(c) of the Companies Act, 2013 at the Annual General Meeting held on 25 August, 2025, to create security on the assets and to increase the borrowing limits of the Company up to INR 15,000 crores.

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

M. Alagar
Managing Partner
FCS No: 7488
COP No: 8196
Place: Chennai
Date: 6 May, 2026 UDIN: F007488H000295259

*This Report is to be read with our letter of even date which is annexed as **Annexure I** and forms an integral part of this report.*

Annexure I

ANNEXURE TO SECRETARIAL AUDIT REPORT

To

The Members

Northern Arc Capital Limited

Our report is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

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

M. Alagar
Managing Partner
FCS No: 7488
COP No: 8196
UDIN: F007488H000295259

Place: Chennai
Date: 6 May, 2026

Annexure E

FORM NO. AOC -2

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm’s length basis - NIL

SL. Particulars No.	Details
a) Name (s) of the related party & nature of relationship	-
b) Nature of contracts/arrangements/transaction	-
c) Duration of the contracts/arrangements/transaction	-
d) Salient terms of the contracts or arrangements or transaction including the value, if any	-
e) Justification for entering into such contracts or arrangements or transactions'	-
f) Date of approval by the Board	-
g) Amount paid as advances, if any	-
h) Date on which the special resolution was passed in General meeting as required under first proviso to section 188	-

2. Details of material contracts or arrangements or transactions at Arm’s length basis - NIL

SL. Particulars No.	Details
a) Name (s) of the related party & nature of relationship	-
b) Nature of contracts/arrangements/transaction	-
c) Duration of the contracts/arrangements/transaction	-
d) Salient terms of the contracts or arrangements or transaction including the value, if any	-
e) Date of approval by the Board	-
f) Amount paid as advances, if any	-

For Northern Arc Capital Limited

P S Jayakumar
Independent Director & Chairperson
DIN: 01173236

Date: 10 July, 2026
Place: Chennai

Ashish Mehrotra
Managing Director & CEO
DIN: 07277318

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.

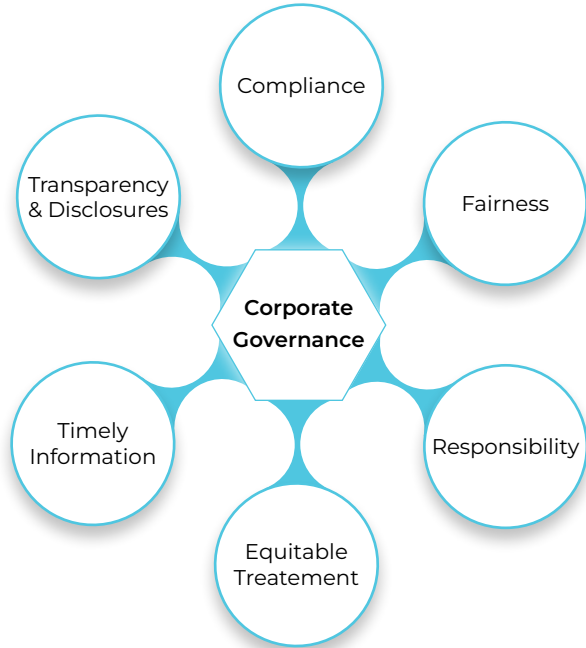
COMPANY’S PHILOSOPHY ON CORPORATE GOVERNANCE

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

The category of each Director, together with attendance at Board Meetings and at the last Annual General Meeting¹, 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

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.

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	
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 Year	Attendance % (Director-wise)
Mr. P. S. Jayakumar Non-Executive Independent Director Chairman										8	88.89
Mr. Ashish Mehrotra Managing Director & CEO										9	100.00
Mr. Ashutosh Pednekar Non-Executive Independent Director										9	100.00
Ms. Anuradha Rao Non-Executive Non-Independent Director										9	100.00
Mr. Michael Fernandes Non-Executive Nominee Director										9	100.00
Mr. Vijay Nallan Chakravarthi Non-Executive Nominee Director										9	100.00
Ms. Kshama Fernandes Non-Executive Non-Independent Director										9	100.00
Mr. T. S. Anantharaman Non-Executive Nominee Director			NA	NA	NA	NA	NA	NA	NA	2	100.00
Mr. Sandeep Dhar Non-Executive Independent Director	NA									5	62.50
Ms. Vidya Krishnan Non-Executive Independent Director	NA	NA	NA	NA	NA	NA				3	100.00
Attendance % (Meeting-wise)	100%	100%	75%	100%	88%	100%	89%	100%	100%	95%	

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

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									8
Ms. Anuradha Rao Non-executive, Non-Independent Director ¹ Member of the Committee					NA				7
Mr. P. S. Jayakumar Non-executive, Independent Director Member of the Committee									8
Mr. T. S. Anantharaman ² Non-executive, Nominee Director Member of the Committee			NA	NA	NA	NA	NA	NA	2
Mr. Vijay Nallan Chakravarthi Non-executive, Nominee Director Member of the Committee ³	NA								7
Ms. Vidya Krishnan Non-executive, Independent Director Member of the Committee ⁴	NA	NA	NA	NA	NA				3

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.

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. Sandeep Dhar Non-executive, Independent Director Member of the Committee ³	NA								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.	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.	2.5 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.	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.
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.	2.3 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:	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	(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.
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").	a) fulfilment of conditions pertaining to eligibility criterion 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.	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								6
Mr. Ashish Mehrotra Managing Director & CEO Member of the Committee								7
Mr. Ashutosh Pednekar Non-executive Independent Director Member of the Committee								7
Ms. Anuradha Rao ¹ Non-executive Non-Independent Director Member of the Committee								7
Mr. Michael Fernandes Non-executive Nominee Director Member of the Committee								7
Mr. Vijay Nallan Chakravarthi Non-executive Nominee Director Member of the Committee								7
Ms. Kshama Fernandes Non-executive Non-Independent Director Member of the Committee								7
Mr. Sandeep Dhar ² Non-executive Independent Director Member of the Committee	NA	NA	NA	NA				2
Mr. Vidya Krishnan ³ Non-executive Independent Director Chairperson of the Committee	NA	NA	NA	NA	NA	NA		1
Mr. T. S. Anantharaman ⁴ Non-executive Nominee Director Member of the Committee			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
- b) Monitor external ESG trends and understand associated risks and opportunities and suggest necessary changes required in the ESG strategy.

material ESG issues relevant to the operations of Northern Arc

- 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
15 th AGM	December 29, 2023 at 4.30 PM	Physical Mode Registered office of Company at 10 th Floor- Phase 1, IIT-Madras Research Park, Kanagam Village, Taramani, Chennai – 600 113.	Nil
16 th AGM	December 19, 2024 at 3:00 pm	Through Video Conferencing/other audio-visual means Deemed venue: Registered office of Company at 10 th 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.
17 th AGM	August 25, 2025 at 11:00 am	Through Video Conferencing/other audio-visual means Deemed venue: Registered office of Company at 10 th 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

18 th 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 10 th 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, 10 th 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 INE850M14BD0	Regulation 57(1) of the SEBI Listing Regulations	November 2022	2,12,400 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 Chandio & Co LLP, Statutory auditors of the Company towards Audit fee and Fee for availing other Statutory certificates for the FY 2025-26.

(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.

(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 31 st 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

¹Mr. 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.

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.

Place: Chennai
Date: May 08, 2026

Ashish Mehrotra
Managing Director & CEO
DIN: 07277318

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.

Place: Chennai
Date: May 08, 2026

Ashish Mehrotra
Managing Director & CEO
DIN: 07277318

Atul Tibrewal
Chief Financial Officer

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

Independent Auditor’s Report

To the Members of Northern Arc Capital Limited

Report on the Audit of the Standalone Financial Statements

OPINION

1. We have audited the accompanying standalone financial statements of Northern Arc Capital Limited ('the Company'), which comprise the Standalone Balance Sheet as at 31 March 2026, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Cash Flow and the Standalone Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including material accounting policy information and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2026, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

BASIS FOR OPINION

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in

accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

EMPHASIS OF MATTER - INCLUSION OF DEFAULT LOSS GUARANTEE CREDIT IN CALCULATION OF EXPECTED CREDIT LOSS

4. We draw attention to Note 83 (A) of the accompanying standalone financial statements, which describes that the Company has included the credit enhancements under the Default Loss Guarantee (DLG) arrangements while determining the Expected Credit Loss (ECL) for the year in accordance with Ind AS 109, Financial Instrument pursuant to the amendment issued by the RBI in February 2026. Accordingly, the comparative financial statements for the year ended 31 March 2025 for ECL is strictly not comparable as DLG benefit was excluded in ECL computation following RBI's directions issued to the Company in previous year. Our opinion is not modified in respect of this matter.

KEY AUDIT MATTERS

5. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

Key audit matter	How our audit addressed the key audit matter
Similarly,theCompanyisalso required to make judgements to identify the loan assets which are non-recoverable and thereby determined to be written off. Further as described in note 83 (A) to the accompanying standalone financial statements pursuant to Reserve Bank of India (Non-Banking Financial Companies – Income Recognition, Asset Classification and Provisioning) Amendment Directions,2026theCompanyhasconsidered credit enhancements under Default Loss Guarantee (DLG) arrangements as integral to the contractual terms for computation of ECL as per Ind AS 109 which was excluded in ECL computation for the previous year ended 31 March 2025 following RBI's instructions. This matter has also been considered as fundamental to the users' understanding of the financial statements. Considering the significance of the above matter to the standalone financial statements, degree of estimation uncertainty and significant management judgment involved, this area required significant auditor attention to test such complex accounting estimates, and accordingly, this matter has been identified as a key audit matter for the current year audit.	- Evaluated the appropriateness of the Company's determination of significant increase in credit risk in accordance with the applicable accounting standard and the basis for classification of exposures into various stages. For a sample of exposures, we also tested the appropriateness of the Company's categorization across various stages by evaluating management's assessment of parameters. - Evaluated the appropriateness of the methodology and policy laid down and implemented by the Company for the loan portfolio written-off during the year and tested its compliance on a sample basis. - On a sample basis, inspected the co-lending agreements to ensure that the DLG benefit were integral to the contractual terms of the co-lending arrangements and were part of the DLG adjustment in ECL computation. Further, we have verified underlying data used by management in assessing DLG adjustments to Gross ECL. - Evaluated the management's judgements and basis of estimates in relation to post-model adjustments and assessed reasonableness of such additional provisions basis our understanding of the loan portfolio of the Company. - Assessed the appropriateness and adequacy of the related presentation and disclosures in the accompanying standalone financial statements in accordance with the applicable accounting standards and related RBI circulars.

Key audit matter	How our audit addressed the key audit matter
2) Information Technology("IT") systems and controls for accounting and financial reporting process The Company is highly dependent on its IT systems for carrying on its operations which require large volume of transactions to be processed on daily basis and use of multiple software applications at central level. The Company uses various loan management system (LMS) for different loan products for sourcing, processing, recording and management of loan database some of which are integrated with the financial accounting and reporting software. Transfer of data from/to LMS to financial reporting systems are critical for accurate compilation of financial information. As a result, there is a high degree of reliance and dependency on such IT systems for the accounting and financial reporting process of the Company which impacts key financial accounting and reporting items such as loans, interest income, computation of daily DPD, impairment on loans amongst others. Appropriate IT general controls and application controls are required to ensure that such IT systems are able to process the data, as required, completely, accurately and consistently for reliable financial reporting. The Company has put in place IT General Controls and automated IT controls to ensure the integrity, accuracy, completeness, validity and reliability of the information produced by the Company which is used for its financial reporting. Among other things, the management also uses the information produced by the Company's IT systems for accounting and the preparation and presentation of the standalone financial statements. Since our audit strategy included focus on key IT systems and controls relevant to our audit due to their pervasive impact on the standalone financial statements, we have determined the use of IT systems for accounting and financial reporting as a key audit matter for current year audit.	Our key audit procedures with the involvement of our IT specialists included, but were not limited to, the following: - Obtained an understanding of the Company's IT related control environment and conducted risk assessment and identified IT applications, data bases and operating systems that are relevant to our audit. - Tested the design and operating effectiveness of the Company's IT controls over the IT applications as identified above; - Tested controls for segregations of duties around program maintenance, security administration and key business processes. - Tested IT General Controls such as, logical access, change management and aspects of IT operational controls. Tested that request for access to systems were appropriately reviewed and authorized; tested controls around Company's periodic review of access rights; inspected requests of changes to systems for appropriate approval and authorization. - Tested related interfaces, integration, configuration and other application layer controls identified during our audit and report logic for system generated reports relevant to the audit mainly for loans, interest income and impairment of loan assets for evaluating completeness and accuracy. - Where deficiencies were identified, tested compensating controls or performed alternative procedures.

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

INFORMATION OTHER THAN THE STANDALONE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

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

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

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

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

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE STANDALONE FINANCIAL STATEMENTS

7. The accompanying standalone financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS specified under section 133 of the Act and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate

accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

8. In preparing the standalone financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

9. The Board of Directors is also responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit

evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
 - Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern; and
 - Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

15. As required by section 197(16) of the Act, based on our audit, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.

16. As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act we give in the Annexure A a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

17. Further to our comments in Annexure A, as required by section 143(3) of the Act based on our audit, we report, to the extent applicable, that:

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

b) Except for the matters stated in paragraph 17(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

c) The standalone financial statements dealt with by this report are in agreement with the books of account;

d) In our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;

e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2026 from being appointed as a director in terms of section 164(2) of the Act;

f) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph 17(b) above on reporting under section 143(3) (b) of the Act and paragraph 17(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);

g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company as on 31 March 2026 and the operating effectiveness of such controls, refer to our separate report in Annexure B wherein we have expressed an unmodified opinion; and

h) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company, as detailed in note 38 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2026;

ii. The Company, as detailed in note 12 to the standalone financial statements, has made provision as at 31 March 2026, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2026;

iv. a. The management has represented that, to the best of its knowledge and belief, as disclosed in note 86 B (vi) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any person or entity, including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

b. The management has represented that, to the best of its knowledge and belief, as disclosed in note 86 B (vi) to the standalone financial statements, no funds have been received by the Company from any person or entity, including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

- c. Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.
- v. The Company has not declared or paid any dividend during the year ended 31 March 2026;
- vi. As stated in note 85 to the standalone financial statements and based on our examination which included test checks, except for instances mentioned below,

the Company, in respect of financial year commencing on 01 April 2025, has used an accounting software for maintaining its books of account which have a feature of recording audit trail (edit log) facility and the same have been operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with other than the consequential impact of the exceptions given below. Furthermore, except for instances mentioned below, the audit trail has been preserved by the Company as per the statutory requirements for record retention.

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

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

Murad D. Daruwalla
Partner
Membership No.: 043334
UDIN: 26043334YLVHDL1259

Place: Mumbai
Date: 08 May 2026

Annexure A

referred to in paragraph 16 of the Independent Auditor's Report of even date to the members of Northern Arc Capital Limited on the standalone financial statements for the year ended 31 March 2026

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and relevant details of right-of-use assets.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Company has a regular programme of physical verification of its property, plant and equipment and relevant details of right-of-use assets under which the assets are physically verified in a phased manner over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, certain property, plant and equipment and relevant details of right-of-use assets were verified during the year and no material discrepancies were noticed on such verification.
- (c) The Company does not own any immovable property (including investment properties) (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee). Accordingly, reporting under clause 3(i)(c) of the Order is not applicable to the Company.
- (d) The Company has adopted cost model for its Property, Plant and Equipment (including right-of-use assets) and intangible assets. Accordingly, reporting under clause 3(i)(d) of the Order is not applicable to the Company.
- (e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended) and rules made thereunder.
- (ii) (a) The Company does not hold any inventory. Accordingly, reporting under clause 3(ii)(a) of the Order is not applicable to the Company.
- (b) As disclosed in Note 15 to the standalone financial statements, the Company has been sanctioned a working capital limit in excess of ₹ 5 crores by banks and financial institutions based on the security of current assets. The quarterly returns/statements, in respect of the working capital limits have been filed by the Company with such banks and financial institutions and such returns/statements are in agreement with the books of account of the Company for the respective periods, which were subject to review.
- (iii) The Company has not provided any security or granted advances in the nature of loans to companies, firms, limited liability partnerships during the year. Further, the Company has made investments in, provided guarantee and granted secured/unsecured loans to companies or any other parties during the year, in respect of which:
- (a) The Company is a Non-Banking Finance Company and its principal business is to give loans. Accordingly, reporting under clause 3(iii)(a) of the Order is not applicable to the Company.
- (b) In our opinion, and according to the information and explanations given to us, the investments made, guarantees provided, security given and terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided are, prima facie, not prejudicial to the interest of the Company.
- (c) The Company is a Non-Banking Financial Company ('NBFC'), registered under provisions of the Reserve Bank of India Act, 1934 and rules made thereunder and is regulated by various regulations, circulars and norms issued by the Reserve Bank of India including Reserve Bank of India (Non-Banking Financial Companies – Income

Recognition, Asset Classification and Provisioning) Directions, 2025 . In respect of loans and advances in the nature of loans granted by the Company, we report that the schedule of repayment of principal and payment of interest has been stipulated and the repayments/ receipts of principal and interest are regular except for instances as below, as also disclosed under Note 86A to the standalone financial statements:

Particulars – Days Past due	Aggregate amount outstanding for overdue loans as at 31 March 2026 (₹ in lakhs)	No of cases
1-30 days	30,255.99	71,711
31-90 days	33,391.76	55,601
More than 90 days	18,439.31	37,342

Having regard to the nature of business of the Company and volume of the transactions, it is impractical to furnish the item-wise listing for the above-mentioned cases of delay in repayment of principal and interest.

- d) According to the information and explanations given to us, the total amount which is overdue for 90 days or more in respect of loans and advances in the nature of loans given in the course of the business operations of the Company aggregates to ₹ 18,439.31 lakhs as at 31 March 2026 in respect of 37,342 number of loans, as also disclosed in Note 86A to the standalone financial statements. Further, reasonable steps as per the policies and procedures of the Company have been taken for recovery of such principal and interest amounts overdue.

e) The Company is a Non-Banking Finance Company and its principal business is to give loans. Accordingly, reporting under clause 3(iii)(e) of the Order is not applicable to the Company.

f) The Company has not granted any loans or advances in the nature of loans, which is/are repayable on demand or without specifying any terms or period of repayment.

(iv) In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of section 186 of the Act in respect of loans and investments made and guarantees and security provided by it, as applicable. Further, the Company has not entered into any transaction covered under section 185 of the Act.

(v) The provisions of the sections 73 to 76 and any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended), are not applicable to the Company being an non-banking financial company registered with the Reserve Bank of India ("the RBI"), and also the Company has not accepted any deposits from public or there are no amounts which have been deemed to be deposits within the meaning of sections 73 to 76 of the Act. Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.

(vi) The Central Government has not specified maintenance of cost records under sub-section (1) of section 148 of the Act, in respect of Company's products/services/ business activities. Accordingly, reporting under clause 3(vi) of the Order is not applicable.

(vii) (a) In our opinion and according to the information and explanations given to us, the Company is regular in depositing undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, cess and other material statutory dues, as applicable, with the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, we report that there are no statutory dues referred in sub-clause (a) which have not been deposited with the appropriate authorities on account of any dispute except for the following:

Name of the statute	Nature of dues	Gross Amount (₹ in lakhs)	Amount paid under Protest (₹ in lakhs)	Period to which the amount relates	Forum where dispute is pending
Income-Tax Act, 1961	Tax and interest	256.00	-	AY 2014-15	High court of madras
Income-Tax Act, 1961	Tax and interest	172.53	-	AY 2017-18	Commissioner of Income tax (Appeals)

- (viii) According to the information and explanations given to us, we report that no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been previously recorded in the books of accounts.

(ix) (a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of its loans or borrowings or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us including confirmations received from banks/ financial institution and/or other lenders and representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion and according to the information and explanations given to us, money raised by way of term loans were applied for the purposes for which these were obtained.

(d) In our opinion and according to the information and explanations given to us, and on an overall examination of the standalone financial statements of the Company, funds raised by the Company on short term basis have, prima facie, not been utilised for long term purposes.

(e) In our opinion and according to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries and associates.

(f) In our opinion and according to the information and explanations given to us, the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries and associate companies.

(x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or (fully, partially or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) To the best of our knowledge and according to the information and explanation given to us, no fraud by the Company or on the Company has been noticed or reported during the year covered by our audit except for misappropriation of cash and

falsification of KYC information by the employees of subsidiary company which has been identified by the management aggregating to ₹ 209 lakhs as detailed in note 51 to the accompanying standalone financial statements.

- (b) According to the information and explanations given to us including the representation made to us by the management of the Company, no report under sub-section 12 of section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014, with the Central Government for the period covered by our audit.
- (c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, all transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. Further, the details of such related party transactions have been disclosed in the standalone financial statements, as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act.
- (xiv) (a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system which is commensurate with the size and nature of its business as required under the provisions of section 138 of the Act.

(b) We have considered the reports issued by the Internal Auditors of the Company till date for the period under audit.

- (xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and accordingly, reporting under clause 3(xv) of the Order with respect to compliance with the provisions of section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and such registration has been obtained by the Company.
- (b) In our opinion and according to the information and explanations given to us, the Company has conducted Non-Banking Financial activities during the year under a valid Certificate of Registration (CoR) from the RBI as per the Reserve Bank of India Act, 1934.
- (c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the RBI. Accordingly, reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) Based on the information and explanations given to us and as represented by the management of the Company, the Group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC.
- (xvii) The Company has not incurred any cash losses in the current financial year as well as the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information in the standalone financial statements, our knowledge of the plans of the Board of Directors and management and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

(xx) According to the information and explanations given to us, the Company does not have any unspent amounts towards Corporate Social Responsibility in respect of any ongoing or other than ongoing project as at the end of the financial year. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.

(xxi) The reporting under clause 3(xxii) of the Order is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

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

Murad D. Daruwalla
Partner
Membership No.: 043334
UDIN: 26043334YLVHDL1259

Place: Mumbai
Date: 08 May 2026

Annexure B

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

INDEPENDENT AUDITOR’S REPORT ON THE INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE STANDALONE FINANCIAL STATEMENTS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 (‘THE ACT’)

1. In conjunction with our audit of the standalone financial statements of Northern Arc Capital Limited ('the Company') as at and for the year ended 31 March 2026, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR INTERNAL FINANCIAL CONTROLS

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

AUDITOR’S RESPONSIBILITY FOR THE AUDIT OF THE INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the

Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

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

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance

of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements

may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such controls were operating effectively as at 31 March 2026, based on the internal financial controls with reference to the standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

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

Murad D. Daruwalla
Partner
Membership No.: 043334
UDIN: 26043334YLVHDL1259

Place: Mumbai
Date: 08 May 2026

Standalone Balance Sheet

as at 31 March 2026

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

Particulars	Notes	As at 31 March 2026	As at 31 March 2025
ASSETS			
Financial assets			
Cash and cash equivalents	4	22,510.61	32,120.04
Bank balances other than cash and cash equivalents	5	26,126.56	31,482.92
Derivative financial instruments	12	21,835.82	5,476.55
Trade receivables	6	1,070.79	1,201.75
Loans	7	12,49,276.83	10,57,237.78
Investments	8	2,88,995.30	1,95,682.05
Other financial assets	9	38,960.68	9,320.14
Total financial assets		16,48,776.59	13,32,521.23
Non-financial assets			
Current tax assets (net)	31	828.09	-
Deferred tax assets (net)	31	7,238.79	9,693.68
Property, plant and equipment	10.1	727.40	938.48
Right of use asset	10.4	2,074.05	2,495.71
Intangible assets under development	10.2	1,303.59	593.49
Goodwill	81	2,085.13	2,085.13
Other intangible assets	10.3	853.49	1,313.96
Other non-financial assets	11	1,408.62	2,425.11
Total Non-financial assets		16,519.16	19,545.56
Total assets		16,65,295.75	13,52,066.79
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
Derivative financial instruments	12	-	2,363.48
Trade payables	13	-	-
Total outstanding dues of micro and small enterprises		-	-
Total outstanding dues of creditors other than micro and small enterprises		24,542.18	6,726.54
Debt securities	14	1,39,436.35	1,40,785.32
Borrowings (other than debt securities)	15	10,80,401.27	8,37,654.22
Other financial liabilities	16	26,061.37	17,670.10
Total financial liabilities		12,70,441.17	10,05,199.66
Non-financial liabilities			
Current tax liabilities (net)	31	-	2,832.34
Provisions	17	1,983.35	1,578.36
Other non-financial liabilities	18	3,522.96	1,540.97
Total non-financial liabilities		5,506.31	5,951.67
EQUITY			
Equity share capital	19	16,157.18	16,137.93
Other equity	20	3,73,191.09	3,24,777.53
Total equity		3,89,348.27	3,40,915.46
Total liabilities and equity		16,65,295.75	13,52,066.79
Summary of material accounting policies	2 and 3		

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

As per our report of even date attached

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

Murad D. Daruwalla
Partner
ICAI Membership No. 043334

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

P S Jayakumar
Chairman
DIN: 01173236

Ashish Mehrotra
Managing Director
and Chief Executive Officer
DIN: 07277318

Atul Tibrewal
Chief Financial Officer

Prakash Panda
Company Secretary
Membership No: A22585

Place: Mumbai
Date: 08 May 2026

Place: Mumbai
Date: 08 May 2026

Standalone Statement of Profit and Loss

for year ended 31 March 2026

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

Particulars	Notes	Year ended 31 March 2026	Year ended 31 March 2025
Revenue from operations			
Interest income	21	2,43,221.55	2,18,173.69
Fee and commission income	22	5,587.69	4,675.51
Net gain on fair value changes	23	1,234.38	1,439.69
Net gain on derecognition of financial instruments		13,385.95	4,122.53
Total revenue from operations		2,63,429.57	2,28,411.42
Other income	24	953.66	1,240.04
Total income		2,64,383.23	2,29,651.46
Expenses			
Finance costs	25	88,567.88	82,286.37
Fees and commission expense		36,820.32	32,940.65
Employee benefits expenses	26	23,857.61	20,385.29
Impairment on financial instruments	27	41,238.59	37,852.62
Depreciation and amortisation	28	1,669.69	1,531.32
Other expenses	29	15,229.82	10,483.44
Total expenses		2,07,383.91	1,85,479.69
Profit before tax		56,999.32	44,171.77
Tax expense	31		
Current tax		13,355.37	16,170.32
Tax related to earlier years		(348.00)	(1,006.00)
Deferred tax		1,076.63	(5,254.05)
Total tax expense		14,084.00	9,910.27
Profit for the year	(A)	42,915.32	34,261.50
Other comprehensive income			
Items that will not be reclassified to profit or loss in subsequent periods			
Remeasurements (loss) on defined benefit plans		(72.61)	(66.68)
Income tax relating to items that will not be reclassified to profit or loss		18.28	16.78
		(54.33)	(49.90)
Items that will be reclassified subsequently to profit or loss in subsequent periods			
Fair value (loss) on financial instruments through other comprehensive income (net)		(4,229.61)	(2,908.30)
Income tax relating to items that will be reclassified to profit or loss		1,064.59	732.02
		(3,165.02)	(2,176.28)
Net movement on effective portion of cash flow hedges		9,778.04	(901.53)
Income tax relating to items that will be reclassified to profit or loss		(2,461.13)	226.92
		7,316.91	(674.61)
Other comprehensive income / (loss) for the year (net of income taxes)	(B)	4,097.56	(2,900.79)
Total comprehensive income for the year (net of income taxes)	(A+B)	47,012.88	31,360.71
Earnings per equity share of INR 10 each	32		
Basic (in rupees)		26.57	22.59
Diluted (in rupees)		26.39	22.53
Summary of material accounting policies	2 and 3		

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

As per our report of even date attached

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

Murad D. Daruwalla
Partner
ICAI Membership No. 043334

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

P S Jayakumar
Chairman
DIN: 01173236

Ashish Mehrotra
Managing Director
and Chief Executive Officer
DIN: 07277318

Atul Tibrewal
Chief Financial Officer

Prakash Panda
Company Secretary
Membership No: A22585

Place: Mumbai
Date: 08 May 2026

Place: Mumbai
Date: 08 May 2026

Standalone Statement of Changes in Equity

for the year ended 31 March 2026

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

A. EQUITY SHARE CAPITAL

Particulars		
Equity share capital of INR 10 each Issued, Subscribed and Fully Paid		
Balance as at 01 April 2024		8,938.54
Changes in equity share capital during the year (Refer Note 19)		
Add: Shares issued during the year		7,199.39
Balance as at 31 March 2025		16,137.93
Changes in equity share capital during the year (Refer Note 19)		
Add: Shares issued during the year		19.25
Balance as at 31 March 2026		16,157.18

B. INSTRUMENTS ENTIRELY EQUITY IN NATURE

Particulars		
0.0001% Compulsorily convertible preference shares of INR 20 each Issued, Subscribed and Fully Paid		
Balance as at 01 April 2024		8,264.64
Changes in compulsorily convertible preference shares during the year (Refer Note 19)		
Less: Converted to equity shares		1,953.96
		(10,218.60)
Balance as at 31 March 2025		-
Changes in compulsorily convertible preference shares during the year (Refer Note 19)		
Add: Shares issued during the year		-
Less: Converted to equity shares		-
Balance as at 31 March 2026		-

C. OTHER EQUITY

Particulars	Other equity						Total			
	Reserves and surplus			Other Comprehensive Income (OCI)						
	Statutory reserve	Capital redemption Reserve	Capital reserve	Share application money	Securities premium	Shared based payment reserve		Retained earnings	Financial instruments through OCI	Effective portion of cash flow hedge reserve
Balance as at 01 April 2024	23,275.88	2,660.00	3.57	83.76	86,366.41	3,104.67	90,284.60	3,738.29	(1,685.03)	2,07,832.15
Profit for the year	-	-	-	-	-	-	34,261.50	-	-	34,261.50
Fair valuation (loss) of financial instrument (net)	-	-	-	-	-	-	-	(2,176.28)	(674.61)	(2,850.89)
Premium received on shares issued during the year	-	-	-	(83.76)	88,571.90	(268.94)	-	-	-	88,219.20
Transfer to retained earnings	-	-	-	-	-	(97.74)	97.74	-	-	-
Transfer to statutory reserve	6,852.30	-	-	-	-	-	(6,852.30)	-	-	-
Employee stock compensation expense during the year	-	-	-	-	-	1,357.92	-	-	-	1,357.92

Standalone Statement of Changes in Equity

for the year ended 31 March 2026

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

Particulars	Other equity						Total			
	Reserves and surplus			Other Comprehensive Income (OCI)						
	Statutory reserve	Capital redemption Reserve	Capital reserve	Share application money	Securities premium	Shared based payment reserve		Retained earnings	Financial instruments through OCI	Effective portion of cash flow hedge reserve
Remeasurement of net defined benefit liability	-	-	-	-	-	-	(49.90)	-	-	(49.90)
Share application money received	-	-	-	38.84	-	-	-	-	-	38.84
Utilisation of the share premium	-	-	-	-	(4,031.29)	-	-	-	-	(4,031.29)
Balance as at 31 March 2025	30,128.18	2,660.00	3.57	38.84	1,70,907.02	4,095.91	1,17,741.64	1,562.01	(2,359.64)	3,24,777.53
Profit for the year	-	-	-	-	-	-	42,915.32	-	-	42,915.32
Fair valuation (loss) / gain of financial instrument (net)	-	-	-	-	-	-	-	(3,165.02)	7,316.91	4,151.89
Premium received on equity shares issued during the year	-	-	-	-	2,824.63	(94.78)	-	-	-	2,729.85
Transfer to retained earnings	-	-	-	-	-	(82.80)	82.80	-	-	-
Transfer to statutory reserve	8,583.06	-	-	-	-	-	(8,583.06)	-	-	-
Employee stock compensation expense during the year	-	-	-	-	-	896.09	-	-	-	896.09
Remeasurement of net defined benefit liability	-	-	-	-	-	-	(54.33)	-	-	(54.33)
Share application money received	-	-	-	163.42	-	-	-	-	-	163.42
Shares issued during the year	-	-	-	(202.26)	-	-	-	-	-	(202.26)
Utilisation of the share premium	-	-	-	-	(2,186.42)	-	-	-	-	(2,186.42)
Balance as at 31 March 2026	38,711.24	2,660.00	3.57	-	1,71,545.23	4,814.42	1,52,102.37	(1,603.01)	4,957.27	3,73,191.09

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

As per our report of even date attached

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

Murad D. Daruwalla
Partner
ICAI Membership No. 043334

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

P S Jayakumar
Chairman
DIN: 01173236

Atul Tibrewal
Chief Financial Officer
Place: Mumbai
Date: 08 May 2026

Ashish Mehrotra
Managing Director
and Chief Executive Officer
DIN: 07277318

Prakash Panda
Company Secretary
Membership No: A22585

Standalone Statement of Cash Flows

for the year ended 31 March 2026

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

Particulars	Notes	Year ended 31 March 2026	Year ended 31 March 2025
A Cash flow from operating activities			
Profit before tax		56,999.32	44,171.77
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation and amortisation expenses	28	1,669.69	1,531.32
Interest income on loans, fixed deposits and investments	21	(2,43,221.55)	(2,18,173.69)
Unrealised (gain) on investments		(957.10)	(393.16)
Gain on investment in mutual funds	23	(464.19)	(723.69)
Profit on sale of investments		186.91	(716.00)
Impairment on financial instruments including amounts written off	27	41,238.59	37,852.62
Employee share based payment expenses	26	855.19	1,303.88
Amortisation of discount on commercial papers	25	1,827.31	2,400.31
Finance costs excluding amortisation of discount on commercial papers	25	86,740.57	79,886.06
Interest on income tax refund	24	(46.62)	(214.92)
Net gain on derecognition of financial instruments		(13,385.95)	(4,122.53)
Gain on account of lease foreclosed		-	(0.78)
Cash (used in) operations before working capital changes and adjustments		(68,557.83)	(57,198.81)
Changes in working capital and other changes:			
(Increase) / Decrease in other financial assets		(15,815.14)	5,133.74
Decrease in trade receivables		132.83	236.08
(Increase) in loans		(3,52,141.95)	(2,86,906.59)
Decrease / (Increase) in other non financial assets		1,016.49	(793.69)
Decrease / (Increase) in other bank balances		5,549.09	(8,943.80)
Increase in other financial liabilities		8,813.69	1,780.91
Increase in other non-financial liabilities		1,981.99	349.08
Increase / (Decrease) in trade payables and provisions		18,085.48	(8,140.08)
Cash (used in) operations before adjustments		(4,00,935.35)	(3,54,483.16)
Proceeds from sale of financial assets		84,525.08	81,746.19
Recovery from written off assets	27	32,024.05	44,712.79
Interest income received on loans, fixed deposits and investments		2,35,790.34	2,15,103.87
Finance cost paid		(87,170.10)	(81,568.04)
Income tax paid (net)		(16,621.18)	(10,910.65)
Net cash (used in) operating activities	(A)	(1,52,387.16)	(1,05,399.00)
B Cash flows from investing activities			
Purchase of property, plant and equipment, other intangible assets and intangibles under development		(1,000.02)	(1,623.92)
Proceeds from disposal of right of use assets		-	0.26
Purchase of investments		(13,74,703.53)	(3,81,225.71)
Proceeds from sale of investments		12,78,160.84	3,69,920.72
Investment in associate		-	(26,730.49)
Sale of investments in associate		11,250.00	-
Investment in subsidiary		(1,800)	(100.00)
Net cash (used in) investing activities	(B)	(88,092.71)	(39,759.14)

Standalone Statement of Cash Flows

for the year ended 31 March 2026

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

Particulars	Notes	Year ended 31 March 2026	Year ended 31 March 2025
C Cash flow from financing activities			
Proceeds from issue of debt securities		75,594.09	87,500.00
Repayment of debt securities		(77,885.41)	(87,181.54)
Proceeds from borrowings (other than debt securities)		7,14,946.13	9,87,520.00
Repayment of borrowings (other than debt securities)		(4,81,356.50)	(9,13,268.92)
Payment of principal portion of lease liabilities	34 (iv)	(676.44)	(338.00)
Payment of interest on lease liabilities	34 (iv)	(275.26)	(270.80)
Share application money received pending allotment		-	38.84
Proceeds from issue of equity share capital including securities premium		523.84	87,154.77
Net cash flow from financing activities	(C)	2,30,870.44	1,61,154.35
Net (decrease) / increase in cash and cash equivalents	(A+B+C)	(9,609.43)	15,996.21
Cash and cash equivalents at the beginning of the year	4	32,120.04	16,123.83
Cash and cash equivalents at the end of the year		22,510.61	32,120.04

Particulars	Note	As at 31 March 2026	As at 31 March 2025
Notes to Statement of Cash Flows			
3a Components of cash and cash equivalents:	4		
Balances with banks			
- in current accounts		18,508.36	32,120.04
- in deposit accounts free of lien		4,002.25	-
		22,510.61	32,120.04

3b The above cashflow statement has been prepared under the “indirect method” as set out in the Ind AS-7 on statement of cashflows specified under section 133 of the Companies Act, 2013.

3c Non cash investing activity

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Investing Activity		
Acquisition of right of use assets	286.56	1,948.02
	286.56	1,948.02

3d For disclosures relating to changes in liabilities arising from financing activities, refer note 33A
Summary of material accounting policies 2 and 3

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

As per our report of even date attached

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

Murad D. Daruwalla
Partner
ICAI Membership No. 043334

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

P S Jayakumar
Chairman
DIN: 01173236

Ashish Mehrotra
Managing Director
and Chief Executive Officer
DIN: 07277318

Atul Tibrewal
Chief Financial Officer

Prakash Panda
Company Secretary
Membership No: A22585

Place: Mumbai
Date: 08 May 2026

Place: Mumbai
Date: 08 May 2026

Notes to Standalone Financial Statements

for the year ended March 31, 2026

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

1 CORPORATE INFORMATION

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

The Company is principally engaged in lending to provide liquidity and develop access to debt-capital markets for institutions and providing loans for personal, business, education and mortgage purposes to individuals.

2 STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

2.1 Basis of preparation

These standalone financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') as amended from time to time and other relevant provisions of the Act. Any directions issued by the RBI or other regulators are implemented as and when they become applicable.

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

These financial statements were authorised for issue by the Company's Board of Directors on 08 May 2026.

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

2.2 Presentation of financial statements

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

The standalone financial statements have been prepared on a historical cost basis, except for certain financial instruments that are measured at fair value. The financial statements are prepared on a going concern basis, as the Management is satisfied that the Company shall be able to continue its business for the foreseeable future and no material uncertainty exists that may cast significant doubt on the going concern assumption. In making this assessment, the Management has considered a wide range of information relating to present and future conditions, including future projections of profitability, cash flows and capital resources.

The balance sheet, the Statement of Profit and Loss and Statement of Changes in Equity are presented in the format prescribed under Division III of Schedule III as amended from time to time, for Non Banking Financial Companies ('NBFC') that are required to comply with Ind AS. The statement of cash flows has been presented as per the requirements of Ind AS 7 Statement of Cash Flows.

The Company presents its balance sheet in order of liquidity. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented separately.

Financial assets and financial liabilities are generally reported gross in the balance sheet. They are only offset and reported net when, in addition

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to having an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event, the parties also intend to settle on a net basis in all of the following circumstances:-

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

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

2.3 Functional and presentation currency

These standalone financial statements are presented in Indian Rupees (₹), which is also the Company's functional currency. All amounts have been rounded-off to the nearest lakhs (two decimals), unless otherwise indicated.

2.4 Use of estimates and judgements

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

i) Business model assessment

Classification and measurement of financial assets depends on the results of business model test and the solely payments of principal and interest ('SPPI') test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost or fair value through other comprehensive income or fair value through profit and loss that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

ii) Fair value of financial instruments

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

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models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values.

iii) Effective Interest Rate ('EIR') method

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

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

iv) Impairment of financial assets

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

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

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

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

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

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

v) Impairment of non financial assets

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

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

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traded companies or other available fair value indicators. Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus. For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase."

vi) Provisions and other contingent liabilities

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

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

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

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

vii) Share-based payments

The Company initially measures the cost of cash-settled transactions with employees using a binomial model to determine the fair value of the liability incurred. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. For cash-settled share-based payment transactions, the liability needs to be remeasured at the end of each reporting period up to the date of settlement, with any changes in fair value recognised in the profit or loss. This requires a reassessment of the estimates used at the end of each reporting period. For the measurement of the fair value of equity-settled transactions with employees at the grant date, the Company uses a blackholes for general employee share option plan (GESP).The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 4.1.

Notes to Standalone Financial Statements

for the year ended March 31, 2026

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

viii) **Defined benefit plans (gratuity benefits)**

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

ix) **Leases - Estimating the incremental borrowing rate**

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

x) **Other assumptions and estimation uncertainties**

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

- a) Measurement of defined benefit obligations: key actuarial assumptions;
- b) Estimated useful life of property, plant and equipment and intangible assets;
- c) Recognition of deferred taxes;
- d) Upfront recognition of Excess Interest Spread (EIS) in relation to assignment transactions.

3 **SUMMARY OF MATERIAL ACCOUNTING POLICIES**

a. **Revenue from contracts with customers**

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

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

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

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

Notes to Standalone Financial Statements

for the year ended March 31, 2026

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

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

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

Trade Receivables

A receivable is recognised if an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section 3c financial assets and liabilities.

Recognition of interest income on loans

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

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

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is booked as a positive

or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income. The adjustment is subsequently amortised through interest income in the statement of profit and loss.

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

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

Revenue recognition for different heads of income is as under:

- i. **Interest income on deposits**
Interest income on deposits is recognised on a time proportionate basis using the effective interest rate.
- ii. **Fees and commission income**
Fees and commission income such as guarantee commission, professional fee, service income etc. are recognised on an accrual basis in accordance with term of the contract with customer.
- iii. **Dividend income**
Dividend income (including from FVOCI investments) is recognised when the Company's right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably. This is generally when the shareholders approve the dividend.
- iv. **Other income**
All items of other income is recognized on an accrual basis, when there is no uncertainty in the ultimate realisation / collection.

Notes to Standalone Financial Statements

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b. Financial instruments - initial recognition

Date of recognition

Debt securities issued are initially recognised when they are originated. All other financial assets (excluding trade receivables which are recognised at transaction price) and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

Initial measurement of financial instruments

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

Measurement categories of financial assets and liabilities

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

- i) Amortised cost
- ii) Fair value through other comprehensive income ('FVOCI')
- iii) Fair value through profit and loss ('FVTPL')

c. Financial assets and liabilities

A. Financial assets

Business model assessment

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

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

- a) How the performance of the business model and the financial assets held within that business model are evaluated and reported to the Company's key management personnel.
- b) The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed.
- c) How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).
- d) The expected frequency, value and timing of sales are also important aspects of the Company's assessment.

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

Sole Payments of Principal and Interest (SPPI) test

As a second step of its classification process, the Company assesses the contractual terms of financial assets to identify whether they meet SPPI test. 'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of a financial asset (for example, if there are repayments of principal or amortisation of the premium/ discount). The most significant elements of interest within a lending arrangement are typically the consideration for the time value

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of money and credit risk. To make the SPPI assessment, the Company applies judgement and considers relevant factors such as the period for which the interest rate is set.

In contrast, contractual terms that introduce a more than de minimis exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVTPL.

Accordingly, financial assets are measured as follows:

i. Financial assets carried at amortised cost (AC)

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

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

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

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

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

The Company records investments in Alternative investment funds (AIF), mutual funds and market linked debentures at FVTPL

iv. Investment in equity instruments

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

B. Financial liability

i. Initial recognition and measurement

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

ii. Subsequent measurement

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

Debt securities and other borrowed funds

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

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

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statement of profit and loss. The debt component of such debentures is measured at amortised cost using yield to maturity basis.

Embedded derivatives

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

d. Derecognition of financial assets and liabilities

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

The Company derecognises a financial asset when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new financial asset, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognised financial assets are classified as Stage 1 for ECL measurement purposes.

If the modification is such that the instrument would no longer meet the SPPI criterion. If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Company records a modification gain or loss, to the extent that an impairment loss has not already been recorded.

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

i. Financial Assets

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

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

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

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

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

ii. Financial Liability

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

e. Impairment of financial assets

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

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

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

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

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

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

Stage 1:

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

Stage 2:

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

Stage 3:

Financial assets considered credit impaired are the financial assets which are past due for more than 90 days. The Company records an allowance for life time ECL.

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B. Calculation of ECLs

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

PD:

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

EAD:

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

LGD:

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

The Company has calculated PD, EAD and LGD to determine impairment loss on the portfolio of financial assets and discounted at an approximation to the EIR. At every reporting date, the above calculated PDs, EAD and LGDs are reviewed and changes in the forward looking estimates are analysed.

Impairment losses and releases are accounted for and disclosed separately from modification losses or gains that are accounted for as an adjustment of the financial asset's gross carrying value.

The mechanics of the ECL method are summarised below:

Stage 1:

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

Stage 2:

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

Significant increase in credit risk

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

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date when the financial instrument was first recognised. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort, based on the Company's historical experience and expert credit assessment including forward looking information.

Stage 3:

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

Credit-impaired financial assets

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

- significant financial difficulty of the borrower;
- a breach of contract such as a default or past due event;
- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial
- difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- the disappearance of an active market for a security because of financial difficulties; or
- the purchase of a financial asset at a deep discount that reflects the incurred credit losses.

It may not be possible to identify a single discrete event—instead, the combined effect of several events may have caused financial assets to become credit-impaired. The Company assesses whether debt instruments that are financial assets measured at amortised cost are credit-impaired at each reporting date.

A loan is considered credit-impaired when a concession is granted to the borrower due to a deterioration in the borrower's financial condition, unless there is evidence that as a result of granting the concession the risk of not receiving the contractual cash flows has reduced significantly and there are no other indicators of impairment. For financial assets where concessions are contemplated but not granted the asset is deemed credit impaired when there is observable evidence of credit-impairment including meeting the definition of default. The definition of default includes unlikelihood to pay indicators and a back-stop if amounts are overdue for 90 days or more.

Further, in line with the requirements of Ind-AS 109 read with circular on implementation of Indian Accounting Standards dated 13 March 2020 issued by the Reserve Bank of India, the company is guided by the definition of default / credit impaired used for regulatory purposes for the purpose of accounting.

Loan commitments

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

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Financial guarantee contracts

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

C. Financial Assets measured at FVOCI

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

D. Forward looking information

In its ECL models, the Company relies on forward looking macro parameters such as consumer spending to estimate the impact on probability of the default at a given point of time.

The inputs and models used for calculating ECLs may not always capture all characteristics of the market at the date of the financial statements. To reflect this, qualitative adjustments or overlays are occasionally made as temporary adjustments when such differences are significantly material.

f. Write-offs

The gross carrying amount of a financial asset is written-off when there is no reasonable expectation of recovering the asset. If the amount

to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to impairment on financial instruments in the statement of profit and loss.

g. Determination of fair value

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

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

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

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

Level 1 financial instruments: Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading

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activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date;

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

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

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company periodically reviews its valuation techniques including the adopted methodologies and model calibrations. However, the base models may not fully capture all factors relevant to the valuation of the Company's financial instruments. Therefore, the Company applies various techniques to estimate the credit risk associated with its financial instruments measured at fair value, which include a portfolio-based approach that estimates the expected net exposure per counterparty over the full lifetime of the individual assets, in order to reflect the credit risk of the individual counterparties for financial instruments.

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

market participant that would use the asset in its highest and best use.

h. Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency of the Company, at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

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

i. Property, plant and equipment

i. Recognition and measurement

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

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

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

ii. Subsequent expenditure

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

iii. Depreciation

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

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

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

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

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

Property plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net

disposal proceeds and the carrying amount of the asset) is recognised in other income / expense in the statement of profit and loss in the year the asset is derecognised. The date of disposal of an item of property, plant and equipment is the date the recipient obtains control of that item in accordance with the requirements for determining when a performance obligation is satisfied in Ind AS 115.

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

j. Intangible assets

i. Intangible assets

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

ii. Subsequent expenditure

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

iii. Internally generated: Research and development

Expenditure on research activities is recognised in profit or loss as incurred

Developing expenditure is capitalised as part of the cost of the resulting intangible asset only if the expenditure can be measured reliably, the product is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and to use the

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asset. Otherwise, it is recognised in profit or loss as incurred. Subsequent to initial recognition, the asset is measured at cost less accumulated amortisation and any accumulated impairment losses. During the period of development, the asset is tested for impairment annually

iv. Amortisation

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

Asset category	Estimated Useful life
Computer softwares	5 years

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

v. Derecognition

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

k. Employee benefits

i. Post-employment benefits

Defined contribution plan

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

Defined benefit plans

Gratuity

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

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

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

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past

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service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

ii. Other long-term employee benefits

Compensated absences

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

iii. Short-term employee benefits

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

- (a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- (b) in case of non-accumulating compensated absences, when the absences occur.

iv. Share based payment

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

Equity Settled Plan:

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. Further details are given in Note 40.

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

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the

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conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

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

When the terms of an equity-settled award are modified, the minimum expense recognised is the grant date fair value of the unmodified award, provided the original vesting terms of the award are met. An additional expense, measured as at the date of modification, is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

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

I. Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits

will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

m. Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

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

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

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

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

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

n. Taxes

i. Current tax

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

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

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

ii. Deferred tax

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

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

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

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

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

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

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

recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

o. Borrowing cost

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

p. Cash and cash equivalents

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

q. Segment reporting- Identification of segments:

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

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r. Earnings per share

The Company reports basic and diluted earnings per equity share in accordance with Ind AS 33, Earnings Per Share. Basic earnings per equity share is computed by dividing net profit / loss after tax attributable to the equity share holders for the year by the weighted average number of equity shares outstanding during the year. Diluted earnings per equity share is computed and disclosed by dividing the net profit/ loss after tax attributable to the equity share holders for the year after giving impact of dilutive potential equity shares for the year by the weighted average number of equity shares and dilutive potential equity shares outstanding during the year, except where the results are anti-dilutive.

s. Cash flow statement

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

t. Derivative financial instruments

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

Derivatives are initially recognised at fair value on the date when a derivative contract is entered into and are subsequently remeasured to their fair value at each balance sheet date. The resulting gain/loss is recognised in the statement of profit and loss immediately unless the derivative is designated and is effective as a hedging instrument, in which event the timing of the recognition in the statement of profit and loss depends on the nature of the hedge relationship.

The Company designates certain derivatives as hedges of highly probable forecast transactions (cash flow hedges). A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability.

u. Hedge accounting policy

The Company makes use of derivative instruments to manage exposures to interest rate and foreign currency. In order to manage particular risks, the Company applies hedge accounting for transactions that meet specific criteria. At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging / economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the Company would assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an on-going basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

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

(i) Fair value hedges

The change in the fair value of a hedging instrument is recognised in the statement of profit and loss as finance costs. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognised in the statement of profit and loss as finance costs.

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

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

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

The Company has an interest rate swap that is used as a hedge for the exposure of changes in the fair value of its 8.25% fixed rate secured loan. Refer note 49 for more details.

(ii) Cash flow hedges

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

The Company uses forward currency contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments, as well as forward commodity contracts for its exposure to volatility in the commodity prices. The ineffective portion relating to foreign currency contracts is recognised in finance costs and the ineffective portion relating to commodity contracts is recognised in other income or expenses. Refer to note 44 b for more details.

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

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

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

v. New and amended standards

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

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i) Lack of exchangeability – Amendments to Ind AS 21

MCA via notification dated 7 May 2025, announced amendments to Ind AS 21, The Effects of Changes in Foreign Exchange Rates, to specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

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

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

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

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

- a) must have substance, and b) must exist at the end of the reporting period;
- stating that management's expectations around whether the settlement of a liability would be deferred or not, does not impact the classification of the liability;

- including requirements for liabilities that can be settled using an entity's own instruments; and
- stating that at the reporting date, the entity does not consider covenants that will need to be complied with in the future when considering the classification of the debt as current or non-current

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

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

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

MCA via notification dated 13 August 2025 announced amendments to Ind AS 7, Statement of Cash Flows and Ind AS 107, Financial Instruments: Disclosures which introduced disclosure requirements with the objective to enable users of financial statements to assess how supplier finance arrangements affect an entity's liabilities, cashflows and exposure to liquidity risk.

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

Notes to Standalone Financial Statements

for the year ended March 31, 2026

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

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

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

- a temporary exception to the recognition and disclosure of deferred taxes arising from the implementation of the Pillar Two model rules; and
- additional disclosure requirements targeted at a reporting entity's exposure to income taxes in periods in which the Pillar Two Model legislation is enacted or substantively enacted but not yet in effect.

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

w. Key amendments applicable from next financial year

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

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

MCA vide notification dated 13 August 2025, has introduced amendment under Paragraph 74 of Ind AS 1 which requires the entity to classify the liability as current under the aforementioned situation because, at the end of the reporting period, it does not have the right to defer its settlement for at least twelve months after that

date. Such amendment has been made effective for annual reporting periods beginning on or after 01 April 2026 retrospectively in accordance with Ind AS 8.

This amendment is not expected to have a material impact on the standalone financial Statements ants -Amendments to Ind AS 1

x. Business combinations and goodwill

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

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

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

Notes to Standalone Financial Statements

for the year ended March 31, 2026

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

- Liabilities or equity instruments related to share based payment arrangements of the acquiree or share – based payments arrangements of the Company entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payments at the acquisition date.
- Assets that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.
- Reacquired rights are measured at a value determined on the basis of the remaining contractual term of the related contract. Such valuation does not consider potential renewal of the reacquired right.

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

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

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing,

goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company’s cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

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

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

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

Notes to Standalone Financial Statements

for the year ended March 31, 2026

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

4 CASH AND CASH EQUIVALENTS

Particulars	As at 31 March 2026	As at 31 March 2025
Measured at amortised cost:		
Balances with banks		
- In current accounts	18,508.36	32,120.04
- Deposits with original maturity of less than three months	4,002.25	-
	22,510.61	32,120.04

Notes:

- 4A** Represents short-term deposits made for varying periods between one day and three months, depending on the immediate cash requirements of the Company, and earns interest at the respective short-term deposit rates.
- 4.1** The Company had available undrawn committed borrowing facilities of INR 78,319.37 lakhs as at 31 March 2026 (as at 31 March 2025: INR 1,20,892 lakhs).
- 4.2** For the purpose of the statement of cash flows, cash and cash equivalents comprise the following

Particulars	As at 31 March 2026	As at 31 March 2025
Balances with banks		
- In current accounts	18,508.36	32,120.04
- Deposits with original maturity of less than three months	4,002.25	-
	22,510.61	32,120.04

5 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

Particulars	As at 31 March 2026	As at 31 March 2025
Measured at amortised cost:		
- In deposit accounts with bank with maturity more than 3 months (Refer Note 5.1 below)	12,430.45	5,151.98
- In earmarked accounts		
- In unpaid dividend account	0.22	0.22
- Deposit with banks to the extent held as margin money or security against the borrowings, guarantees, other commitments (Refer Note 5.1 and 5.2).	13,695.89	26,330.72
	26,126.56	31,482.92

Note:

- 5.1** As at 31 March 2026, deposits with bank includes deposits amounting to INR 6,731.93 lakhs (31 March 2025 : INR 3,950.81 lakhs) representing amount received from customers as cash collateral for the loans provided by the Company.
- 5.2** As at 31 March 2026, deposits amounting to INR 5,088.58 lakhs (31 March 2025: INR 1,796.70 lakhs) have been provided as credit enhancement for securitisation transactions.

Notes to Standalone Financial Statements

for the year ended March 31, 2026

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

6 TRADE RECEIVABLES

Particulars	As at 31 March 2026	As at 31 March 2025
Unsecured		
a) Considered good	1,079.33	1,208.42
b) Trade receivables which have significant increase in credit risk	-	-
	1,079.33	1,208.42
Allowance for expected credit loss		
a) Considered good	(8.54)	(6.67)
b) Trade receivables which have significant increase in credit risk	-	-
	(8.54)	(6.67)
Net trade receivables	1,070.79	1,201.75

Notes:

- There are no trade receivables due against the related parties of the Company.
- No trade receivables are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade receivables are due from firms or private companies respectively in which any director is a partner, a director or a member, other than those disclosed above.
- There are no disputed trade receivables as on 31 March 2026 and 31 March 2025.

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

As at 31 March 2026

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	763.44	230.67	72.09	2.47	2.29	8.37	1,079.33
(ii) Undisputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
(v) Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Total	763.44	230.67	72.09	2.47	2.29	8.37	1,079.33

Notes to Standalone Financial Statements

for the year ended March 31, 2026

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

As at 31 March 2025

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	925.74	267.37	0.75	8.82	5.74	-	1,208.42
(ii) Undisputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
(v) Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Total	925.74	267.37	0.75	8.82	5.74	-	1,208.42

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

Changes in gross carrying amount

Particulars	As at 31 March 2026				As at 31 March 2025			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
As at the beginning of the year	1,208.42	-	-	1,208.42	1,429.80	18.01	-	1,447.81
New assets originated	1,006.66	-	-	1,006.66	1,194.85	-	-	1,194.85
Asset derecognised or repaid (excluding write off)	(1,135.75)	-	-	(1,135.75)	(1,416.23)	(18.01)	-	(1,434.24)
Transfer from stage 1	-	-	-	-	-	-	-	-
Transfer from stage 2	-	-	-	-	-	-	-	-
Transfer from stage 3	-	-	-	-	-	-	-	-
Write offs	-	-	-	-	-	-	-	-
As at the end of the year	1,079.33	-	-	1,079.33	1,208.42	-	-	1,208.42

Reconciliation of ECL Balance

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

Notes to Standalone Financial Statements

for the year ended March 31, 2026

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

7 LOANS

Particulars	As at 31 March 2026			As at 31 March 2025		
	At amortised cost	At fair value through other comprehensive income	Total	At amortised cost	At fair value through other comprehensive income	Total
A. Based on nature						
Gross term loans	8,69,592.25	3,85,613.25	12,55,205.50	8,32,838.78	2,17,633.08	10,50,471.86
Less : Impairment loss allowance	(30,692.10)	-	(30,692.10)	(26,087.13)	-	(26,087.13)
Net term loans	8,38,900.15	3,85,613.25	12,24,513.40	8,06,751.65	2,17,633.08	10,24,384.73
Gross structured cash credit	25,186.29	-	25,186.29	33,282.11	-	33,282.11
Less : Impairment loss allowance	(422.86)	-	(422.86)	(429.06)	-	(429.06)
Net structured cash credit	24,763.43	-	24,763.43	32,853.05	-	32,853.05
Net loans	8,63,663.58	3,85,613.25	12,49,276.83	8,39,604.70	2,17,633.08	10,57,237.78
B. Based on Security						
(i) Secured by tangible assets*	5,77,268.47	6,019.46	5,83,287.94	5,78,003.64	24,821.90	6,02,825.54
(ii) Unsecured	3,17,510.07	3,79,593.79	6,97,103.85	2,88,117.25	1,92,811.18	4,80,928.43
Gross Loans	8,94,778.54	3,85,613.25	12,80,391.79	8,66,120.89	2,17,633.08	10,83,753.97
Less : Impairment loss allowance	(31,114.96)	-	(31,114.96)	(26,516.19)	-	(26,516.19)
Net Loans	8,63,663.58	3,85,613.25	12,49,276.83	8,39,604.70	2,17,633.08	10,57,237.78
C. Based on region						
(I) Loans in India						
(i) Public Sector	-	-	-	-	-	-
(ii) Others	8,94,778.54	3,85,613.25	12,80,391.79	8,66,120.89	2,17,633.08	10,83,753.97
Gross Loans in India	8,94,778.54	3,85,613.25	12,80,391.79	8,66,120.89	2,17,633.08	10,83,753.97
Less : Impairment loss allowance	(31,114.96)	-	(31,114.96)	(26,516.19)	-	(26,516.19)
(II) Loans outside India						
Loans outside India	-	-	-	-	-	-
Total (I) and (II)	8,63,663.58	3,85,613.25	12,49,276.83	8,39,604.70	2,17,633.08	10,57,237.78

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

Notes :

- a

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

The Company has not granted any loans or advances to promoters, directors, key mangerial personels, senior officers and other related parties.
- c

Also refer note 36 (i) on credit risk under financial risk management objectives and policies.

Notes to Standalone Financial Statements

for the year ended March 31, 2026

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

8. INVESTMENTS

Particulars	As at 31 March 2026			As at 31 March 2025		
	At Amortised cost	At Fair Value through Comprehensive Income	Others	At Amortised cost	At Fair Value through Comprehensive Income	Others
Investment in debentures (quoted)						
Non-convertible redeemable debentures	-	1,07,619.73	-	-	78,457.28	-
Investment in debentures (unquoted)						
Non-convertible redeemable debentures	-	44,353.91	-	-	36,052.87	-
Investment in other approved securities (unquoted)						
Commercial papers	-	28,139.55	-	-	25,519.11	-
Portfolio management scheme	-	25,332.66	-	-	-	-
Investment in pass-through certificates (unquoted)						
Investment in pass-through certificates	-	47,006.08	-	-	14,597.89	-
Investment in alternate investment funds (unquoted)						
Alternative investment funds	-	-	4,270.54	-	-	-
Investment in other approved securities (Quoted)						
Investment in government securities	7,363.93	-	-	-	-	-
Investments in subsidiaries, at cost (Unquoted)						
Equity shares						
Northern Arc Credittech Solutions Private Limited (formerly Northern Arc Investment Adviser Services Private Limited)	-	-	127.80	-	-	127.80
Northern Arc Securities Private Limited	-	-	-	-	-	250.00
Northern Arc Investment Managers Private Limited	-	-	361.00	-	-	361.00
Northern Arc Foundation	-	-	1.00	-	-	1.00
Pragati Finserv Private Limited	-	-	2,253.40	-	-	2,253.40
Investment in Associates						
Finreach Solutions Private Limited	-	-	-	-	-	843.53
Northern Arc Emerging Corporates Bond Trust	-	-	16,206.81	-	-	26,730.50
Other investments (Unquoted)						
Share warrants	-	-	0.96	-	-	-
Finreach Solutions Private Limited	-	-	593.53	-	-	-
Investment in Security receipts	-	-	3,314.40	-	-	-
Sub total	7,363.93	2,52,451.93	24,386.24	7,363.93	2,88,995.30	10,486.71
Less: Impairment loss allowance for Investments	-	-	-	-	-	-
Total Investments	7,363.93	2,52,451.93	24,386.24	7,363.93	2,88,995.30	10,486.71
(i) Investments outside India	-	-	-	-	-	-
(ii) Investments in India	7,363.93	2,52,451.93	24,386.24	7,363.93	2,88,995.30	10,486.71
Total Investments	7,363.93	2,52,451.93	24,386.24	7,363.93	2,88,995.30	10,486.71

Notes:

- a)

During the current and prior reporting periods, there was no change in the business model under which the Company holds financial assets.
- b)

Also refer Note 36 (i) on Credit Risk under financial risk management objectives and policies.
- c)

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

Notes to Standalone Financial Statements

for the year ended March 31, 2026

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

9 OTHER FINANCIAL ASSETS

Particulars	As at 31 March 2026	As at 31 March 2025
Considered good		
Unsecured - amortised cost:		
Security deposits	527.47	489.30
Advances to employees	350.44	324.57
Other receivables (Refer note below)	24,607.93	4,155.65
AIF application money pending allotment	-	1,500.00
Excess Interest spread on derecognition of financial assets (Refer Note 9.1)	13,622.27	3,084.36
Less: Impairment loss allowance	(147.43)	(233.74)
	38,960.68	9,320.14

Note: Other receivables include amounts receivable from payment aggregators towards collections pending remittance, amounts receivable from the administrator in respect of an assignment transaction, and receivables from related parties in accordance with the underlying service agreement (refer note 42).

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

Changes in gross carrying amount

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

Reconciliation of ECL Balance

Particulars	As at 31 March 2026				As at 31 March 2025			
Impairment loss allowance - EIS	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
As at the beginning of the year	41.66	21.45	170.63	233.74	18.28	11.80	53.62	83.70
New assets originated	100.91	10.06	22.42	133.38	40.99	20.63	130.84	192.46
Asset derecognised or repaid (excluding write offs)	(34.37)	(18.49)	(166.84)	(219.69)	(17.61)	(10.98)	(13.83)	(42.42)
Transfer to stage 1	-	-	-	-	-	-	-	-
Transfer to stage 2	-	-	-	-	-	-	-	-
Transfer to stage 3	-	-	-	-	-	-	-	-
Write offs	-	-	-	-	-	-	-	-
As at the end of the year	108.20	13.02	26.21	147.43	41.66	21.45	170.63	233.74

Notes to Standalone Financial Statements

for the year ended March 31, 2026

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

10.1 Property plant and equipment

Particulars	Plant and machinery	Furniture and fittings	Computers and accessories	Office equipments	Servers	Leasehold improvements	Total
Gross block							
As at 01 April 2024	6.51	115.32	1,123.96	258.69	0.19	226.20	1,730.87
Additions	-	34.74	195.83	41.68	-	738.97	1,011.22
Disposals				(0.10)	-	(1.78)	(1.88)
As at 31 March 2025	6.51	150.06	1,319.79	300.47	0.19	963.39	2,740.21
Additions	-	18.89	141.38	170.34	-	-	330.61
Disposals	-	(12.42)	(122.37)	(146.23)	-	-	(281.02)
As at 31 March 2026	6.51	156.53	1,338.80	324.58	0.19	963.39	2,789.80
Accumulated depreciation							
As at 01 April 2024	6.49	65.01	974.11	211.00	0.19	149.10	1,405.90
Depreciation for the year	0.02	46.61	234.82	55.21		59.17	395.83
Reversal on disposal of assets	-	-	-	-	-	-	-
As at 31 March 2025	6.51	111.62	1,208.93	266.21	0.19	208.27	1,801.73
Depreciation for the year	-	32.90	188.34	153.43	-	167.02	541.69
Reversal on disposal of assets	-	(12.42)	(122.37)	(146.23)	-	-	(281.02)
As at 31 March 2026	6.51	132.10	1,274.91	273.41	0.19	375.29	2,062.40
Net Block							
As at 31 March 2025	-	38.44	110.86	34.26	-	755.12	938.48
As at 31 March 2026	-	24.43	63.90	51.17	-	588.10	727.40

10.2 Intangible assets under development

Particulars	Software	Total
As at 01 April 2024	231.13	231.13
Add: Additions	975.06	975.06
Less: Capitalised during the year	(612.70)	(612.70)
As at 31 March 2025	593.49	593.49
Add: Additions	769.57	769.57
Less: Capitalised during the year	-	-
Less: Transferred during the year	(59.47)	(59.47)
As at 31 March 2026	1,303.59	1,303.59

i) Ageing of Intangible assets under development

As at 31 March 2026

Intangible assets under development	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 Years	2-3 years	more than 3 years	
Projects in Progress	710.09	513.22	80.28	-	1,303.59

As at 31 March 2025

Intangible assets under development	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 Years	2-3 years	more than 3 years	
Projects in Progress	513.21	80.28	-	-	593.49

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

Notes to Standalone Financial Statements

for the year ended March 31, 2026

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

10.3 Other Intangible assets

Particulars	Softwares	Total
Gross block		
As at 01 April 2024	3,150.72	3,150.72
Additions	612.70	612.70
Disposals	-	-
As at 31 March 2025	3,763.42	3,763.42
Additions	22.35	22.35
Disposals	110.47	110.47
As at 31 March 2026	3,675.30	3,675.30
Accumulated amortisation		
As at 01 April 2024	1,971.83	1,971.83
Amortisation for the year	477.63	477.63
Reversal on disposal of assets	-	-
As at 31 March 2025	2,449.46	2,449.46
Amortisation for the year	419.78	419.78
Reversal on disposal of assets	47.43	47.43
As at 31 March 2026	2,821.81	2,821.81
Net Block		
As at 31 March 2025	1,313.96	1,313.96
As at 31 March 2026	853.49	853.49

10.4 Right of use asset

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

Particulars	Buildings	Total
Gross block		
As at 01 April 2024	2,910.28	2,910.28
Additions	1,948.02	1,948.02
Disposals	-	-
As at 31 March 2025	4,858.30	4,858.30
Additions	286.56	286.56
Disposals	-	-
As at 31 March 2026	5,144.86	5,144.86
Accumulated depreciation		
As at 01 April 2024	1,704.73	1,704.73
Depreciation for the year	657.86	657.86
Reversal on disposal of assets	-	-
As at 31 March 2025	2,362.59	2,362.59
Depreciation for the year	708.22	708.22
Reversal on disposal of assets	-	-
As at 31 March 2026	3,070.81	3,070.81
Net Block		
As at 31 March 2025	2,495.71	2,495.71
As at 31 March 2026	2,074.05	2,074.05

Notes to Standalone Financial Statements

for the year ended March 31, 2026

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

11 OTHER NON- FINANCIAL ASSETS

Particulars	As at 31 March 2026	As at 31 March 2025
Considered good, unsecured		
Prepaid expenses	646.82	446.00
Advances to vendors	662.69	1,562.62
Other advances*	99.11	416.49
	1,408.62	2,425.11

* Other advances represents various expenses incurred in connection with initial public offer of equity shares of the Company, recoverable from investors as part of the agreement.

12 DERIVATIVE FINANCIAL INSTRUMENTS

Particulars	As at 31 March 2026		As at 31 March 2025	
	Notional amount	Fair value of assets	Notional amount	Fair value of assets
Part-I				
Asset				
(i) Currency derivatives (Refer Note 44) - measured at FVTOCI				
- Cross currency interest rate swaps	2,03,084.79	16,225.00	92,039.27	5,184.09
- Forward contract	1,29,742.70	5,610.82	-	-
(ii) Interest rate derivatives (Refer Note 44) - measured at FVTPL				
- Overnight indexed swaps	-	-	59,325.00	292.46
	3,32,827.49	21,835.82	1,51,364.27	5,476.55

Particulars	As at 31 March 2026		As at 31 March 2025	
	Notional Amount	Fair value of liabilities	Notional Amount	Fair value of liabilities
Liability				
(i) Currency derivatives (Refer Note 44) - measured at FVTOCI				
- Cross currency interest rate swaps	-	-	26,121.00	995.91
- Forward contract	-	-	1,650.95	1,367.57
	-	-	27,771.95	2,363.48

Notes to Standalone Financial Statements

for the year ended March 31, 2026

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

Part-II

Included in the above (Part-I) are derivatives held for hedging and risk management purposes as follows:

	As at 31 March 2026		As at 31 March 2025	
	Notional Amount	Fair value	Notional Amount	Fair value
Asset				
- Cash flow hedging				
- Cross currency interest rate swaps	2,03,084.79	16,225.00	92,039.27	5,184.09
- Forward contract	1,29,742.70	5,610.82	-	-
- Fair value hedging				
- Overnight indexed swaps	-	-	59,325.00	292.46
	3,32,827.49	21,835.82	1,51,364.27	5,476.55
Liability				
- Cash flow hedging				
- Cross currency swaps	-	-	26,121.00	995.91
- Forward contract	-	-	1,650.95	1,367.57
	-	-	27,771.95	2,363.48

The notional amounts in the above table refers to the foreign currency borrowing on which the Company has hedged the risk of foreign currency fluctuations and interest rate fluctuations. The Company has entered into derivative contracts, with scheduled banks. Derivatives are fair valued using inputs that are directly or indirectly observable in market place. The asset liability management committee periodically monitors and reviews the risks involved.

13 TRADE PAYABLES

Particulars	As at 31 March 2026	As at 31 March 2025
Trade payables		
- Total outstanding dues to micro enterprises and small enterprises (refer Note 39 for details of dues to micro and small enterprises)	-	-
- Total outstanding dues to creditors other than micro enterprises and small enterprises	24,542.18	6,726.54
	24,542.18	6,726.54

Notes to Standalone Financial Statements

for the year ended March 31, 2026

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

a) Ageing of trade payables

Particulars	As at 31 March 2026		As at 31 March 2025	
	MSME	Others	MSME	Others
Not due	-	21,537.17	-	5,378.75
Less than 1 year	-	3,005.01	-	1,347.79
1-2 years	-	-	-	-
2-3 years	-	-	-	-
More than 3 years	-	-	-	-
Total	-	24,542.18	-	6,726.54

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

14 DEBT SECURITIES (REFER NOTE 14A)

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

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

Notes to Standalone Financial Statements

for the year ended March 31, 2026

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

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

Particulars	Terms of Redemption	Earliest repayment date	Security	Interest rate	Gross Balance as at 31 March 2026	Gross Balance as at 31 March 2025
Secured, redeemable non-convertible debentures:						
- NIL units (March 31, 2025: 2949 units) of 9.966% Redeemable non-convertible debentures of INR 1,000,000 each, maturing on December 18, 2025	Coupon payment frequency: Semi annually Principal repayment frequency: 7 equal half-yearly instalments Tenure of security: 60 months Redemption date: December 18, 2025	18-Nov-25	The Debentures shall be secured by way of a first ranking, exclusive, and continuing charge to the present and future loan receivables	9.97%	-	8,425.71
- NIL units (March 31, 2025: 1800 units) of 9.85% Redeemable,market linked non-convertible debentures of INR 10,00,000 each, maturing on March 23, 2026	Coupon payment frequency: Semi annually Principal repayment frequency: On maturity Tenure of security: 60 months Redemption date: March 23, 2026	23-Mar-26	The Debentures shall be secured by way of a first ranking, exclusive, and continuing charge to the present and future loan receivables	9.85%	-	3,600.00
- 3950 units (March 31, 2025: 3950 units) of 10.07% Redeemable non-convertible debentures of INR 1,000,000 each, maturing on September 21, 2027	Coupon payment frequency: Semi annually Principal repayment frequency: Entire principal to be repaid in 5 equal instalments at the end of 12 months, 36 Months, 42 months, 48 months and 60 months Tenure of security: 5 years Redemption date: September 21, 2027	21-Sep-26	The Debentures shall be secured by a first ranking and exclusive charge of 1.05x over identified loan receivables and investments which are free from any encumbrances / charge / lien	Overnight MIBOR +Spread 3.51%	15,800.00	31,600.00
17500 units (March 31, 2025: 17500 units) of 9.65% Redeemable non-convertible debentures of INR 1,00,000 each, maturing on Mar 26, 2027	Coupon payment frequency: Quarterly Principal repayment frequency: 12 equal quarterly instalments Tenure of security: 36 months Redemption date: March 26, 2027	30-Apr-26	The Debentures shall be secured by a first ranking, fixed and exclusive charge of 1.10x over identified loan receivables and investments which are free from any encumbrances / charge / lien	9.65%	5,833.33	11,666.67
62000 units (March 31, 2025: 62000 units) of 9.18% Redeemable non-convertible debentures of INR 1,00,000 each, maturing on Jun 14, 2029	Coupon payment frequency: Semi-Annually Principal repayment frequency: Entire principal to be repaid in 5 equal instalments at the end of 12 months, 30 Months, 42 months, 48 months and 60 months Tenure of security: 60 months Redemption date: June 14, 2029	14-Jun-26	The Debentures shall be secured by a first ranking and fixed and exclusive charge of 1.05x over identified loan receivables and investments which are free from any encumbrances / charge / lien	9.18%	49,600.00	62,000.00

Notes to Standalone Financial Statements

for the year ended March 31, 2026

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

Particulars	Terms of Redemption	Earliest repayment date	Security	Interest rate	Gross Balance as at 31 March 2026	Gross Balance as at 31 March 2025
5000 units (March 31, 2025: 5000 units) of 9.17% Redeemable non-convertible debentures of INR 1,00,000 each, maturing on Nov 13, 2025	Coupon payment frequency: Quarterly Principal repayment frequency: On Maturity Tenure of security: 15 months Redemption date: November 13, 2025	13-Nov-25	The Debentures shall be secured by a first ranking, fixed and exclusive charge of 1.10x over identified loan receivables and investments which are free from any encumbrances / charge / lien	9.17%	-	5,000.00
22,500 units (March 31, 2025: NIL units) of 8.9454% Redeemable non-convertible debentures of INR 1,00,000 each, maturing on Mar 10, 2027	Coupon payment frequency: Quarterly Principal repayment frequency: On Maturity Tenure of security: 18 months Redemption date: March 10, 2027	10-Jun-26	The Debentures shall be secured by a first ranking, fixed and exclusive charge of 1.10x over identified loan receivables and investments which are free from any encumbrances / charge / lien	8.95%	22,500.00	-
25,000 units (March 31, 2025: NIL units) of 8.85% Redeemable non-convertible debentures of INR 1,00,000 each, maturing on Dec 31, 2028	Coupon payment frequency: Quarterly Principal repayment frequency: Quarterly Tenure of security: 36 months Redemption date: December 31, 2028	30-Jun-26	The Debentures shall be secured by a first ranking, fixed and exclusive charge of 1.10x over identified loan receivables and investments which are free from any encumbrances / charge / lien	8.85%	22,916.67	-
Ind AS adjustments and interest accrued					1,16,650.00	1,22,292.38
					1,043.84	1,671.82
					1,17,693.84	1,23,964.20
Unsecured, Commercial Paper:						
NIL Units (March 31, 2025 : 1000 units) of 9.60% commercial paper of INR 500,000 each, maturing on August 14, 2025	Repayments terms: Entire amount is repaid on maturity Tenor: 363 Days Redemption date: August 14, 2025	14-Aug-25	NA	9.60%	-	5,000.00
NIL Units (March 31, 2025 : 1000 units) of 9.60% commercial paper of INR 500,000 each, maturing on August 21, 2025	Repayments terms: Entire amount is repaid on maturity Tenor: 364 Days Redemption date: August 21, 2025	21-Aug-25	NA	9.60%	-	5,000.00
NIL Units (March 31, 2025 : 500 units) of 9.15% commercial paper of INR 500,000 each, maturing on May 02, 2025	Repayments terms: Entire amount is repaid on maturity Tenor: 245 Days Redemption date: May 02, 2025	02-May-25	NA	9.15%	-	2,500.00

Notes to Standalone Financial Statements

for the year ended March 31, 2026

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

Particulars	Terms of Redemption	Earliest repayment date	Security	Interest rate	Gross Balance as at 31 March 2026	Gross Balance as at 31 March 2025
NIL Units (March 31, 2024 : 1000 units) of 9.45% commercial paper of INR 500,000 each, maturing on December 30, 2025	Repayments terms: Entire amount is repaid on maturity Tenor: 364 Days Redemption date: December 30, 2025	30-Dec-25	NA	9.45%	-	5,000.00
2000 Units (March 31, 2025 : 1000 units) of 8.80% commercial paper of INR 500,000 each, maturing on June 29, 2026	Repayments terms: Entire amount is repaid on maturity Tenor: 364 Days Redemption date: June 29, 2026	29-Jun-26	NA	8.80%	10,000.00	-
1000 Units (March 31, 2025 : 1000 units) of 8.80% commercial paper of INR 500,000 each, maturing on July 30, 2026	Repayments terms: Entire amount is repaid on maturity Tenor: 364 Days Redemption date: July 30, 2026	30-Jul-26	NA	8.80%	5,000.00	-
1000 Units (March 31, 2025 : 1000 units) of 8.98% commercial paper of INR 500,000 each, maturing on February 23, 2027	Repayments terms: Entire amount is repaid on maturity Tenor: 364 Days Redemption date: February 23, 2027	23-Feb-27	NA	8.98%	5,000.00	-
500 Units (March 31, 2025 : 500 units) of 8.72% commercial paper of INR 500,000 each, maturing on September 07, 2026	Repayments terms: Entire amount is repaid on maturity Tenor: 180 Days Redemption date: September 07, 2026	07-Sep-26	NA	8.72%	2,500.00	-
Ind AS adjustments					22,500.00	17,500.00
					757.49	678.88
					21,742.51	16,821.12

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

* Coupon rate are linked to performance of specified indices including market indicators over the period of the debentures

Notes to Standalone Financial Statements

for the year ended March 31, 2026

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

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

Particulars	As at 31 March 2026	As at 31 March 2025
Measured at amortised cost:		
Secured		
Term loans		
- from banks	7,45,303.77	6,40,300.76
- from other financial institutions	1,70,542.19	1,22,524.19
Loans repayable on demand		
- Working capital loan from banks	93,302.12	57,731.58
- Cash credit from banks	9,294.14	9,835.03
Other loans		
- Borrowings under securitisation (secured)	61,959.05	7,262.66
Total borrowings (Other than debt securities)	10,80,401.27	8,37,654.22
Borrowings in India	9,27,620.52	7,26,821.95
Borrowings outside India	1,52,780.75	1,10,832.27
Total borrowings (Other than debt securities)	10,80,401.27	8,37,654.22

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

Note 15 A : Details regarding terms of borrowings

Particulars	Terms of Redemption	Interest rate	Earliest repayment date	Gross Balance as at 31 March 2026	Gross Balance as at 31 March 2025	Security
Secured borrowing from banks						
Term Loan - 1	Repayments terms: Bullet payment Tenor: 87 Days Redemption date: Jun 13, 2026	8.70%	30-Apr-26	1,500.00	1,500.00	First and Exclusive charge on the standard receivables with a security cover of 125%.
Term Loan - 2	Repayments terms: 15 quarterly instalments Tenor: 48 months Redemption date: March 31, 2026	1 Y MCLR + Spread 1.15%	20-May-25	-	1,333.33	First and Exclusive charge over the loan receivables with a security cover of 110%.
Term Loan - 3	Repayments terms: 15 quarterly instalments Tenor: 48 months Redemption date: May 30, 2026	1 Y MCLR + Spread 1.15%	01-May-25	-	4,000.00	First and Exclusive charge on the standard receivables with a security cover of 111%.
Term Loan - 4	Repayments terms: Repayment on maturity Tenor: 89 Days Redemption date: May 25, 2026	8.35%	30-Apr-26	5,000.00	7,500.00	First and Exclusive charge on the standard receivables with a security cover of 115%.
Term Loan - 5	Repayments terms: 45 monthly instalments Tenor: 48 months Redemption date: March 30, 2027	1 Y MCLR + Spread 1.15%	20-May-25	-	8,000.00	First and Exclusive charge on the standard receivables with a security cover of 111%.
Term Loan - 6	Repayments terms: 14 monthly instalments Tenor: 48 months Redemption date: October 01, 2025	EBLR + Spread 1.26%	30-Sep-25	-	1,428.57	First and Exclusive charge over the loan receivables with a security cover of 120%.
Term Loan - 7	Repayments terms: 12 quarterly instalments Tenor: 36 months Redemption date: March 29, 2025	Repo Rate + Spread 4.35%	27-Mar-26	-	1,250.00	First and Exclusive charge on the standard receivables with a security cover of 110%.

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for the year ended March 31, 2026

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

Particulars	Terms of Redemption	Interest rate	Earliest repayment date	Gross Balance as at 31 March 2026	Gross Balance as at 31 March 2025	Security
Term Loan - 8	Repayment Terms: Bullet payment Tenor: 179 Days Redemption Date: Apr 24, 2026	8.00% Linked to 1 M Repo	24-Apr-26	5,000.00	5,000.00	First and Exclusive charge over the loan receivables with a security cover of 111%.
Term Loan - 9	Repayments terms: 12 quarterly instalments Tenor: 36 months Redemption date: September 29, 2025	Repo Rate + Spread 3.25%	29-Sep-25	-	1,250.00	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 10	Repayments terms: 12 quarterly instalments Tenor: 36 months Redemption date: December 29, 2025	Repo Rate + Spread 3.25%	29-Dec-25	-	1,250.00	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 11	Repayments terms: 12 quarterly instalments Tenor: 36 months Redemption date: January 31, 2026	Repo Rate + Spread 3.25%	30-Jan-26	-	833.33	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 12	Repayment Terms: 24 monthly instalments Tenor: 24 months Redemption Date: June 04, 2025	3Month T Bill + Spread 1.28%	04-Jun-25	-	312.50	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 13	Repayments terms: 16 quarterly instalments Tenor: 48 months Redemption date: March 06, 2027	1 Y MCLR + Spread 0.75%	06-Apr-26	624.46	1,243.54	First and Exclusive charge on the standard receivables with a security cover of 125%.
Term Loan - 14	Repayments terms: 36 monthly instalments Tenor: 36 months Redemption date: May 10, 2025	Repo Rate + Spread 3.75%	09-May-25	-	666.67	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 15	Repayments terms: 31 monthly instalments Tenor: 37 months Redemption date: March 13, 2026	9.00%	13-Mar-26	-	1,935.48	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 16	Repayments terms: 36 monthly instalments Tenor: 36 months Redemption date: March 23, 2026	1 Y MCLR + Spread 0%	23-Mar-26	-	4,000.00	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 17	Repayment Terms: Bullet payment Tenor: 88 Days Redemption Date: Jun 16, 2025	8.05%	30-Apr-26	900.00	900.00	First and Exclusive charge over the loan receivables with a security cover of 120%.
Term Loan - 18	Repayments terms: 16 quarterly instalments Tenor: 48 months Redemption date: June 28, 2027	1 Year MCLR + Spread 0.75%	28-Apr-26	3,125.00	5,620.44	First and Exclusive charge on the standard receivables with a security cover of 125%.
Term Loan - 19	Repayments terms: 36 monthly instalments Tenor: 36 months Redemption date: June 30, 2025"	1 Y MCLR + Spread 0.2%	30-Jun-25	-	1,050.00	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 20	Repayments terms: 36 monthly instalments Tenor: 36 months Redemption date: June 30, 2025	1 Y MCLR + Spread 0.2%	30-Jun-25	-	400.00	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 21	Repayments terms: 36 monthly instalments Tenor: 36 months Redemption date: November 30, 2025	1 Y MCLR +Spread 0.8%	28-Nov-25	-	4,414.51	First and Exclusive charge on the standard receivables with a security cover of 120%.
Term Loan - 22	Repayment Terms: 36 monthly instalments Tenor: 36 months Redemption Date: June 28, 2026	Repo Rate + Spread 2.75%	30-Apr-26	416.67	2,083.33	First and Exclusive charge on the standard receivables with a security cover of 110%.

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

Particulars	Terms of Redemption	Interest rate	Earliest repayment date	Gross Balance as at 31 March 2026	Gross Balance as at 31 March 2025	Security
Term Loan - 23	Repayments terms: Repayment on maturity Tenor: 122 days Redemption date: Jul 13, 2026	8.05% Linked to 3 M Repo	30-Apr-26	5,000.00	5,000.00	First and Exclusive charge over the loan receivables with a security cover of 120%.
Term Loan - 24	Repayments terms: Bullet payment Tenor: 73 Days Redemption date: May 05, 2026	7.80% Linked to 1 M MIBOR	30-Apr-26	10,000.00	10,000.00	First and Exclusive charge over the loan receivables with a security cover of 120%.
Term Loan - 25	Repayments terms: Bullet payment Tenor: 91 Days Redemption date: May 25, 2026	7.80% Linked to 1 M MIBOR	30-Apr-26	10,000.00	15,000.00	First and Exclusive charge over the loan receivables with a security cover of 120%.
Term Loan - 26	Repayments terms: Bullet payment Tenor: 61 Days Redemption date: May 12, 2026	7.80% Linked to 1 M MIBOR	30-Apr-26	4,500.00	-	First and Exclusive charge over the loan receivables with a security cover of 120%.
Term Loan - 27	Repayments terms: Repayment on maturity Tenor: 87 Days Redemption date: Jun 13,2026	8.75%	30-Apr-26	5,000.00	5,000.00	First and Exclusive charge on the standard receivables with a security cover of 133%.
Term Loan - 28	Repayments terms: 42 monthly instalments Tenor: 48 months Redemption date: March 23, 2026	1 Y MCLR + Spread 1%	23-Feb-26	-	654.76	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 29	Repayments terms: Repayment on maturity Tenor: 87 Days Redemption date: Jun 12, 2026	8.35%	30-Apr-26	5,000.00	-	First and Exclusive charge on the standard receivables with a security cover of 115%
Term Loan - 30	Repayments terms: 36 monthly instalments Tenor: 36 months Redemption date: September 30, 2025	Repo Rate + Spread 4.45%	30-Sep-25	-	1,250.00	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 31	Repayments terms: 36 monthly instalments Tenor: 36 months Redemption date: October 10, 2025	7.40%	10-Oct-25	-	918.55	First and Exclusive charge on the standard receivables with a security cover of 120%.
Term Loan - 32	Repayments terms: 36 monthly instalments Tenor: 36 months Redemption date: October 31, 2025	7.40%	10-Nov-25	-	1,063.32	First and Exclusive charge on the standard receivables with a security cover of 120%.
Term Loan - 33	Repayments terms: 20 quarterly instalments Tenor: 60 months Redemption date: December 16, 2027	1 Y MCLR + Spread 0.1%	30-Apr-26	2,126.25	3,307.50	First and Exclusive charge on the standard receivables with a security cover of 115%.
Term Loan - 34	Repayments terms: 14 quarterly instalments Tenor: 48 months Redemption date: December 28, 2026	6M MCLR + Spread 0.55%	10-Apr-26	1,002.58	2,334.58	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 35	Repayments terms: 20 quarterly instalments Tenor: 60 months Redemption date: December 29, 2027	1 Y MCLR + Spread 0.1%	30-Apr-26	4,725.00	7,350.00	First and Exclusive charge on the standard receivables with a security cover of 115%.
Term Loan - 36	Repayments terms: 20 quarterly instalments Tenor: 60 months Redemption date: December 16, 2027	1 Y MCLR + Spread 0.1%	30-Apr-26	8,505.00	13,230.00	First and Exclusive charge on the standard receivables with a security cover of 115%.
Term Loan - 37	Repayments terms: 12 quarterly instalments Tenor: 36 months Redemption date: March 31, 2026	6M T bill + Spread 0%	09-Mar-26	-	1,327.09	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 38	Repayment Terms: Bullet payment Tenor: 180 Days Redemption Date: Apr 16, 2026	8.50% Linked to Repo	01-Apr-26	5,000.00	5,000.00	First and Exclusive charge on the standard receivables with a security cover of 110%.

Notes to Standalone Financial Statements

for the year ended March 31, 2026

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

Particulars	Terms of Redemption	Interest rate	Earliest repayment date	Gross Balance as at 31 March 2026	Gross Balance as at 31 March 2025	Security
Term Loan - 39	Repayment Terms: Bullet payment Tenor: 87 Days Redemption Date: Jun 13, 2026	9.05%	01-Apr-26	3,000.00	3,000.00	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 40	Repayment Terms: 8 equal quarterly instalments starting from 3 months from the date of first disbursement Tenor: 24 months Redemption Date: June 27, 2025	9.45%	27-Jun-25	-	1,250.00	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 41	Repayment Terms: 24 monthly instalments Tenor: 24 months Redemption Date: June 30, 2025	Repo Rate + Spread 0.30%	30-Jun-25	-	500.00	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 42	Repayments terms: 15 quarterly instalments Tenor: 42 months Redemption date: June 1, 2025	1 Y MCLR + Spread 1.15%	31-May-25	-	404.03	First and Exclusive charge over the loan receivables with a security cover of 110%.
Term Loan - 43	Repayments terms: 14 quarterly instalments Tenor: 48 months Redemption date: July 28, 2027	3M T bill + Spread 2.57%	10-Apr-26	2,003.00	3,335.00	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 44	Repayments terms: 14 quarterly instalments Tenor: 48 months Redemption date: July 31, 2027	3M T bill + Spread 2.57%	10-Apr-26	2,003.00	3,335.00	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 45	Repayments terms: 48 Monthly instalments Tenor: 48 months Redemption date: July 31, 2027	3Y MCLR + Spread 0.55%	30-Apr-26	888.89	1,555.56	Exclusive charge on the standard receivables with a security cover / ACR of 110%.
Term Loan - 46	Repayments terms: 31 monthly instalments Tenor: 37 months Redemption date: Oct 20, 2026	Repo Rate + Spread 2.60%	21-Apr-26	2,822.58	7,661.29	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 47	Repayments terms: 31 monthly instalments Tenor: 37 months Redemption date: Oct 20, 2026	3M MCLR + Spread 0%	21-Apr-26	1,693.55	4,596.77	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 48	Repayments terms: 10 quarterly instalments Tenor: 36 months Redemption date: Sep 29, 2026	1 Y MCLR + Spread 1.25%	10-Apr-26	1,900.00	5,700.00	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 49	Repayments terms: 31 monthly instalments Tenor: 37 months Redemption date: Oct 28, 2026	9.35%	28-Apr-26	1,129.03	3,064.52	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 50	Repayments terms: 24 monthly instalments Tenor: 24 months Redemption date: Sep 28, 2025	6M MCLR + Spread 0.15%	26-Sep-25	-	1,250.00	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 51	Repayments terms: 36 monthly instalments Tenor: 36 months Redemption date: Sep 29, 2026	1 Y MCLR + Spread 0.45%	29-Apr-26	3,320.11	9,989.79	First and Exclusive charge on the standard receivables with a security cover of 120%.
Term Loan - 52	Repayments terms: 45 monthly instalments Tenor: 48 months Redemption date: Nov 02, 2027	1 Y MCLR + Spread 0.65%	01-Apr-26	5,600.00	9,333.33	First and Exclusive charge on the standard receivables with a security cover of 111%.
Term Loan - 53	Repayments terms: 45 monthly instalments Tenor: 48 months Redemption date: October 30, 2027	1 Y MCLR + Spread 0.80%	01-Apr-26	2,533.33	4,133.33	First and Exclusive charge on the standard receivables with a security cover of 111%.

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for the year ended March 31, 2026

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

Particulars	Terms of Redemption	Interest rate	Earliest repayment date	Gross Balance as at 31 March 2026	Gross Balance as at 31 March 2025	Security
Term Loan - 54	Repayments terms: 24 monthly instalments Tenor: 36 months Redemption date: October 31, 2025	1 Y MCLR + Spread 0.20%	31-Oct-25	-	2,187.50	First and Exclusive charge on the standard receivables with a security cover of 120%.
Term Loan - 55	Repayments terms: 6 quarterly instalments Tenor: 24 months Redemption date: December 15, 2025	3M T-Bill + Spread 2.20%	15-Dec-25	-	1,875.00	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 56	Repayments terms: 24 monthly instalments Tenor: 24 months Redemption date: December 18, 2025	8.10%	28-Nov-25	-	3,750.00	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 57	Repayments terms: 24 monthly instalments Tenor: 24 months Redemption date: December 20, 2025	6M MCLR + Spread 0.30%	19-Dec-25	-	3,750.00	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 58	Repayments terms: 10 quarterly instalments Tenor: 36 months Redemption date: December 10, 2026	1 Y MCLR + Spread 1.25%	10-Apr-26	4,650.00	10,850.00	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 59	Repayments terms: 27 monthly instalments Tenor: 27 months Redemption date: March 31, 2026	6 M MCLR	27-Mar-26	-	5,000.00	First and Exclusive charge over the loan receivables with a security cover of 115%.
Term Loan - 60	Repayments terms: 11 quarterly instalments Tenor: 36 months Redemption date: January 31, 2027	1 Y MCLR + Spread 0.75%	30-Apr-26	2,710.05	5,445.63	First and Exclusive charge on the standard receivables with a security cover of 111%.
Term Loan - 61	Repayments terms: 24 monthly instalments Tenor: 24 months Redemption date: March 31, 2024	1 Y MCLR + Spread 0.50%	01-May-26	304.48	4,058.24	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 62	Repayments terms: 36 monthly instalments Tenor: 36 months Redemption date: February 27, 2027	Repo Rate + Spread 3.00%	30-Apr-26	2,291.67	4,791.67	First and Exclusive charge on the standard receivables with a security cover of 111%.
Term Loan - 63	Repayments terms: 24 monthly instalments Tenor: 24 months Redemption date: February 28, 2026	6M MCLR + Spread 0.30%	27-Feb-26	-	1,648.50	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 64	Repayments terms: 6 quarterly instalments Tenor: 24 months Redemption date: February 28, 2026	3M T bill + Spread 2.52%	27-Feb-26	-	5,710.00	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 65	Repayments terms: 24 monthly instalments Tenor: 24 months Redemption date: March 07, 2026	8.25%	06-Mar-26	-	2,500.00	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 66	Repayments terms: 24 monthly instalments Tenor: 24 months Redemption date: March 07, 2026	3M T-Bill + Spread 2.32%	06-Mar-26	-	2,500.00	First and Exclusive charge over the loan receivables with a security cover of 110%.
Term Loan - 67	Repayment Terms: 12 equal quarterly instalments Tenor: 36 months Redemption Date: March 07, 2027	3M T Bill + Spread 2.64%	30-Apr-26	1,662.00	3,332.00	Exclusive Charge by way of Hypothecation of loan receivables of slandered assets created out of bank finance and which are not overdue as per RBI/Regulator guideline, with as security cover of 110%

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for the year ended March 31, 2026

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

Particulars	Terms of Redemption	Interest rate	Earliest repayment date	Gross Balance as at 31 March 2026	Gross Balance as at 31 March 2025	Security
Term Loan - 68	Repayments terms: 11 quarterly instalments Tenor: 34 months Redemption date: December 31, 2026	9.65%	01-May-26	5,750.00	15,000.00	First and Exclusive charge on the standard receivables with a security cover of 120%.
Term Loan - 69	Repayments terms: 16 quaterly instalments Tenor: 48 months Redemption date: March 21, 2028	1 Y MCLR + Spread 0.75%	21-Apr-26	5,000.00	7,500.00	First and Exclusive charge over the loan receivables with a security cover of 125%.
Term Loan - 70	Repayments terms: 45 monthly instalments Tenor: 48 months Redemption date: March 28, 2028	1 Y MCLR + Spread 0.80%	01-Apr-26	10,666.67	16,000.00	First and Exclusive charge on the standard receivables with a security cover of 111%.
Term Loan - 71	Repayments terms: 24 monthly instalments Tenor: 24 months Redemption date: Jun 28, 2026	3M T bill + Spread 2.39%	28-Apr-26	625.00	3,125.00	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 72	Repayments terms: 12 quaterly instalments Tenor: 36 months Redemption date: Jun 29, 2027	1 M MCLR + Spread 0.20%	30-Apr-26	2,078.12	3,750.00	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 73	Repayments terms: 24 monthly instalments Tenor: 24 months Redemption date: Jul 30, 2026	6M MCLR + Spread 0.05%	30-Apr-26	400.00	1,600.00	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 74	Repayments terms: 16 quaterly instalments Tenor: 48 months Redemption date: Sep 26, 2028	1Y MCLR + Spread 0.60%	30-Apr-26	6,491.44	9,160.75	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 75	Repayments terms: 45 monthly instalments Tenor: 48months Redemption date: Sep 30, 2028	1Y MCLR + Spread 0.40%	30-Apr-26	6,666.67	9,333.33	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 76	Repayments terms: 36 monthly instalments Tenor: 36 months Redemption date: September 15, 2027	1 Y MCLR + Spread 1.20%	30-Apr-26	3,250.00	5,416.67	First and Exclusive charge on the standard receivables with a security cover of 115%.
Term Loan - 77	Repayments terms: 36 monthly instalments Tenor: 36 months Redemption date: October 01, 2026	6 M SOFR + Spread 2.60%	09-Sep-25	5,951.78	17,951.78	First and Exclusive charge on the standard receivables with a security cover of 125%.
Term Loan - 78	Repayments terms: 36 monthly instalments Tenor: 36 months Redemption date: September 29, 2026	6 M SOFR + Spread 2.60%	09-Sep-25	5,836.90	17,836.90	First and Exclusive charge on the standard receivables with a security cover of 125%.
Term Loan - 79	Repayments terms: 20 quaterly instalments Tenor: 60 months Redemption date: Sep 30, 2029	1Y MCLR + Spread 0.40%	30-Apr-26	3,500.00	4,500.00	First and Exclusive charge on the standard receivables with a security cover of 115%.
Term Loan - 80	Repayments terms: 48 monthly instalments Tenor: 48 months Redemption date: Sep 30, 2028	1Y MCLR + Spread 0.40%	30-Apr-26	20,297.68	28,429.00	First and Exclusive charge on the standard receivables with a security cover of 120%.
Term Loan - 81	Repayments terms: 31 monthly instalments Tenor: 36 months Redemption date: Oct 29, 2027	1Y MCLR + Spread 0.00%	30-Apr-26	6,129.03	10,000.00	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 82	Repayments terms: 36 monthly instalments Tenor: 36 months Redemption date: September 15, 2027	6 M SOFR + Spread 2.53%	12-Sep-25	-	45,000.00	First and Exclusive charge on the standard receivables with a security cover of 125%.

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for the year ended March 31, 2026

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

Particulars	Terms of Redemption	Interest rate	Earliest repayment date	Gross Balance as at 31 March 2026	Gross Balance as at 31 March 2025	Security
Term Loan - 83	Repayments terms: 36 monthly instalments Tenor: 36 months Redemption date: December 14, 2025	6 M SOFR + Spread 2.65%	22-Sep-25	-	4,994.06	First and Exclusive charge on the standard receivables with a security cover of 125%.
Term Loan - 84	Repayments terms: 36 monthly instalments Tenor: 36 months Redemption date: December 14, 2025	6 M SOFR + Spread 2.65%	23-Sep-25	-	4,994.06	First and Exclusive charge on the standard receivables with a security cover of 125%.
Term Loan - 85	Repayments terms: 36 monthly instalments Tenor: 36 months Redemption date: September 15, 2027	6 M SOFR + Spread 2.53%	25-Apr-25	27,000.00	45,000.00	First and Exclusive charge on the standard receivables with a security cover of 125%.
Term Loan - 86	Repayments terms: 16 quaterly instalments Tenor: 48 months Redemption date: Dec 11, 2028	1Y MCLR + Spread 1.15%	30-Apr-26	3,330.59	4,663.93	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 87	Repayments terms: 48 monthly instalments Tenor: 48 months Redemption date: Sep 24, 2028	1Y MCLR + Spread 0.40%	24-Apr-26	6,665.59	9,333.33	First and Exclusive charge on the standard receivables with a security cover of 120%.
Term Loan - 88	Repayments terms: 45 monthly instalments Tenor: 48 months Redemption date: Dec 31, 2028	1 Y MCLR + Spread 0.35%	01-Apr-26	3,666.67	5,000.00	First and Exclusive charge on the standard receivables with a security cover of 111%.
Term Loan - 89	Repayments terms: 48 monthly instalments Tenor: 60 months Redemption date: Jan 31, 2030	Term SOFR + Spread 2.15%	31-Jul-26	12,982.50	12,982.50	First and Exclusive charge on the standard receivables with a security cover of 115%.
Term Loan - 90	Repayments terms: 31 monthly instalments Tenor: 36 months Redemption date: Feb 29, 2028	1Y MCLR + Spread 0.00%	30-Apr-26	7,419.35	10,000.00	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 91	Repayments terms: 48 monthly instalments Tenor: 60 months Redemption date: Feb 28, 2030	Term SOFR + Spread 2.15%	28-Aug-26	13,138.50	13,138.50	First and Exclusive charge on the standard receivables with a security cover of 115%.
Term Loan - 92	Repayments terms: 45 monthly instalments Tenor: 48 months Redemption date: Mar 18, 2029	1 Y MCLR + Spread 0.35%	01-Apr-26	12,000.00	15,000.00	First and Exclusive charge on the standard receivables with a security cover of 111%.
Term Loan - 93	Repayments terms: 24 Monthly instalments Tenor: 20 Months Redemption date: November 25, 2026	Repo Rate + Spread 3%	25-Apr-26	2,089.39	5,000.00	First and Exclusive charge over the loan receivables with a security cover of 110%.
Term Loan - 94	Repayments terms: 11 quaterly instalments Tenor: 34 months Redemption date: Nov 25, 2026	3 M T Bill + Spread 2.82%	30-Jun-26	30,000.00	50,000.00	First and Exclusive charge on the standard receivables with a security cover of 120%.
Term Loan - 95	Repayments terms: 48 monthly instalments Tenor: 48 months Redemption date: Sep 27, 2028	1Y MCLR + Spread 0.40%	27-Apr-26	5,356.33	7,500.00	First and Exclusive charge on the standard receivables with a security cover of 120%.
Term Loan - 96	Repayments terms: 24 monthly instalments Tenor: 24 months Redemption date: Mar 28, 2027	3 M MCLR + Spread 0.05%	28-Apr-26	10,000.00	20,000.00	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 97	Repayments terms: 30 monthly instalments Tenor: 36 months Redemption date: Mar 28, 2028	3 M MCLR + Spread 0.15%	28-Apr-26	4,000.00	5,000.00	First and Exclusive charge on the standard receivables with a security cover of 110%.

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for the year ended March 31, 2026

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

Particulars	Terms of Redemption	Interest rate	Earliest repayment date	Gross Balance as at 31 March 2026	Gross Balance as at 31 March 2025	Security
Term Loan - 98	Repayments terms: 24 monthly instalments Tenor: 24 months Redemption date: Apr 01, 2027	1Y MCLR + Spread 0.25%	01-May-26	3,739.24	7,500.00	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 99	Repayment Terms: Bullet payment Tenor: 60 Days Redemption Date: May 27, 2025	1 M T Bill + Spread 2.48%	17-Apr-25	10,000.00	10,000.00	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 100	Repayments terms: 24 monthly instalments Tenor: 24 months Redemption date: Mar 27, 2027	6 M MCLR + Spread 0.20%	30-Apr-26	10,000.00	20,000.00	First and Exclusive charge on the standard receivables with a security cover of 120%.
Term Loan - 101	Repayments terms: 10 quaterly instalments Tenor: 34 months Redemption date: Mar 27, 2027	3 M T Bill + Spread 0.00%	10-Apr-26	4,000.00	5,000.00	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 102	Repayment Terms: Bullet payment Tenor: 120 Days Redemption Date: Jul 15, 2026	Repo Rate + Spread 3.25%	30-Apr-26	2,500.00	2,500.00	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 103	Repayment Terms: Bullet payment Tenor: 08 Days Redemption Date: Apr 06, 2026	Repo Rate + Spread 4.00%	07-Apr-26	2,500.00	2,500.00	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 104	Repayment Terms: 6 equal quaterly instalments starting from 3 months from the dateof first disbursement Tenor: 18 months Redemption Date: Dec 11, 2026	8.80%	30-Apr-26	2,500.00	-	- First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 105	Repayment Terms: 6 equal quaterly instalments starting from 3 months from the dateof first disbursement Tenor: 18 months Redemption Date: Dec 12, 2026	8.80%	30-Apr-26	5,000.00	-	- First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 106	Repayments terms: 36 monthly instalments Tenor: 36 months Redemption date: Jun 27, 2028	8.90%	27-Apr-26	10,500.00	-	- First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 107	Repayments terms: 36 monthly instalments Tenor: 36 months Redemption date: Jun 30, 2028	8.90%	30-Apr-26	15,772.00	-	- First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 108	Repayments terms: 24 monthly instalments Tenor: 24 months Redemption date: Jun 20, 2027	Repo Rate + Spread 2.75%	30-Apr-26	3,750.00	-	- First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 109	Repayment Terms: Bullet payment Tenor: 60 Days Redemption Date: May 15, 2026	8.20%	30-Apr-26	8,500.00	-	- First and Exclusive charge on the standard receivables with a security cover of 115%.
Term Loan - 110	Repayments terms: 10 quaterly instalments Tenor: 34 months Redemption date: Jan 29, 2028	3 M T Bill + Spread 0.00%	10-Apr-26	3,998.77	-	- First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 111	Repayment Terms: Bullet payment Tenor: 90 Days Redemption Date: May 27, 2026	Repo Rate + Spread 2.85%	30-Apr-26	5,000.00	-	- First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 112	Repayments terms: 34 monthly instalments Tenor: 37 months Redemption date: Oct 31, 2028	8.50% Linked to Repo	19-Apr-26	9,117.65	-	- First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 113	Repayments terms: Equal repayment at the end of 31, 36 & 42 Month Tenor: 42 months Redemption date: Mar 26, 20209	Term SOFR + Spread 215 bps	28-Sep-26	22,046.25	-	- First and Exclusive charge on the standard receivables with a security cover of 111%.

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

Particulars	Terms of Redemption	Interest rate	Earliest repayment date	Gross Balance as at 31 March 2026	Gross Balance as at 31 March 2025	Security
Term Loan - 114	Repayments terms: 20 Quarterly instalments Tenor: 60 months Redemption date: Sep 26, 2030	1 Y MCLR + Spread 0.15%	26-Apr-26	4,500.00	-	- First and Exclusive charge on the standard receivables with a security cover of 115%.
Term Loan - 115	Repayment Terms: 6 equal quaterly instalments starting from 3 months from the dateof first disbursement Tenor: 24 months Redemption Date: Sep 29, 2027	Repo Rate + Spread 2.50%	29-Apr-26	4,725.00	-	- First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 116	Repayment Terms: Bullet payment Tenor: 180 Days Redemption Date: Sep 09, 2026	8.25%	30-Apr-26	5,000.00	-	- First and Exclusive charge over the loan receivables with a security cover of 110%.
Term Loan - 117	Repayments terms: 20 Quarterly instalments Tenor: 60 months Redemption date: Sep 26, 2030	1 Y MCLR + Spread 0.15%	26-Apr-26	4,500.00	-	- First and Exclusive charge on the standard receivables with a security cover of 115%.
Term Loan - 118	Repayment Terms: 15 equal quaterly instalments Tenor: 48 months Redemption Date: Jun 30, 2029	1 Y MCLR + Spread 0.15%	30-Apr-26	17,329.06	-	- First and Exclusive charge over the loan receivables with a security cover of 111%.
Term Loan - 119	Repayment Terms: 8 equal quaterly instalments Tenor: 24 months Redemption Date: Sep 30, 2027	1 Y MCLR + Spread 0.10%	30-Apr-26	8,333.34	-	- Exclusive First charge by way of hypothecation of Specific receivables with a security cover of 110%.
Term Loan - 120	Repayments terms: 24 monthly instalments Tenor: 24 months Redemption date: Sep 30, 2027	Repo Rate + Spread 3.05%	01-Apr-26	7,916.67	-	- First and Exclusive charge on the standard receivables with a security cover of 120%.
Term Loan - 121	Repayments terms: 24 monthly instalments Tenor: 24 months Redemption date: Oct 31, 2027	Repo Rate + Spread 3.05%	01-Apr-26	8,333.33	-	- First and Exclusive charge on the standard receivables with a security cover of 120%.
Term Loan - 122	Repayments terms: 48 monthly instalments Tenor: 48 months Redemption date: Nov 28, 2029	1 Y MCLR + Spread 2.00%	28-Apr-26	4,583.33	-	- First and Exclusive charge on the standard receivables with a security cover of 115%.
Term Loan - 123	Repayments terms: 24 monthly instalments Tenor: 24 months Redemption date: Nov 28, 2027"	Repo Rate + Spread 3.05%	01-Apr-26	4,375.00	-	- First and Exclusive charge on the standard receivables with a security cover of 120%.
Term Loan - 124	Repayments terms: 24 monthly instalments Tenor: 24 months Redemption date: Jun 20, 2027	Repo Rate + Spread 2.75%	28-Apr-26	5,000.00	-	- First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 125	Repayments terms: 8 quaterly instalments Tenor: 30 months Redemption date: Mar 19, 2028	3 M T Bill + Spread 0.00%	10-Apr-26	10,000.00	-	- First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 126	Repayments terms: 50% repayment at the end of 37 th Months and 50% at 38 th Month Tenor: 38 months Redemption date: Feb 23, 20209	Term SOFR + Spread 1.70% bps	24-Jun-26	13,444.50	-	- First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 127	Repayments terms: 34 monthly instalments Tenor: 37 months Redemption date: Jan 31, 2029	5.25% Repo + Spread 3.05%	30-Apr-26	10,000.00	-	- First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 128	Repayments terms: 20 Equated quarterly instalments Tenor: 60 months Redemption date: Dec 31, 2030	1 Y MCLR + Spread 0.50%	30-Apr-26	9,499.30	-	- First and Exclusive charge on the standard receivables with a security cover of 111%

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

Particulars	Terms of Redemption	Interest rate	Earliest repayment date	Gross Balance as at 31 March 2026	Gross Balance as at 31 March 2025	Security
Term Loan - 129	Repayments terms: 20 Equated quarterly instalments Tenor: 60 months Redemption date: Dec 31, 2030	1 Y MCLR + Spread 0.50%	30-Apr-26	9,499.30		- First and Exclusive charge on the standard receivables with a security cover of 111%
Term Loan - 130	Repayments terms: 24 monthly instalments Tenor: 24 months Redemption date: Dec 31, 2027	3M T-Bill + Spread	30-Apr-26	8,750.00		- First and Exclusive charge over the loan receivables with a security cover of 115%.
Term Loan - 131	Repayments terms: 10 quarterly instalments Tenor: 36 months Redemption date: Jan 10, 2029	8.70%	10-Apr-26	5,000.00		- First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 132	Repayment Terms: 2 quaterly instalments Tenor: 6 months Redemption Date: Aug 24, 2026	8.69%	30-Apr-26	60,000.00		- First and Exclusive charge on the standard receivables with a security cover of 125%.
Term Loan - 133	Repayments terms: 10 quarterly instalments Tenor: 36 months Redemption date: Feb 10, 2029	8.70%	10-Apr-26	5,000.00		- First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 134	Repayments terms: 24 Monthly instalments Tenor: 24 Months Redemption date: Feb 27, 2028	Repo Rate + Spread 3.20%	27-Apr-26	2,395.83		- First and Exclusive charge over the loan receivables with a security cover of 110%.
Term Loan - 135	Repayments terms: 24 Monthly instalments Tenor: 24 Months Redemption date: Feb 27, 2028	Repo Rate + Spread 3.20%	27-Apr-26	2,395.83		- First and Exclusive charge over the loan receivables with a security cover of 110%.
Term Loan - 136	Repayment Terms: 2 quaterly instalments Tenor: 175 Days Redemption Date: Sep 02, 2026	9.15%	30-Apr-26	27,000.00		- First and Exclusive charge on the standard receivables with a security cover of 125%.
Term Loan - 137	Repayments terms: 20 quaterly instalments Tenor: 60 months Redemption date: Mar 13, 2031	1Y MCLR + Spread 0.30%	30-Apr-26	10,000.00		- First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 138	Repayments terms: Equal repayment at the end of 31, 36 & 42 Month Tenor: 42 months Redemption date: Mar 26, 20209	Term SOFR + Spread 210 bps	24-Sep-26	36,980.50		- First and Exclusive charge on the standard receivables with a security cover of 111%.
Term Loan - 139	Repayments terms: 11 quaterly instalments Tenor: 33 months Redemption date: Dec 31, 2028	3 M T Bill + Spread 327 bps	30-Jun-26	50,000.00		- First and Exclusive charge on the standard receivables with a security cover of 120%.
Term Loan - 140	Repayments terms: 8 quaterly instalments Tenor: 30 months Redemption date: Mar 19, 2028	3 M T Bill + Spread 0.00%	10-Apr-26	10,000.00		- First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 141	Repayments terms: 24 quarterly instalments Tenor: 24 months Redemption date: March 26, 2028	Repo Rate + Spread 3.00%	01-May-26	20,000.00		- First and Exclusive charge on the standard receivables with a security cover of 115%.
Term Loan - 142	Repayments terms: 60 monthly instalments Tenor: 63 months Redemption date: Jun 01, 2031	1Y MCLR + Spread 0%	01-May-26	20,000.00		- First and Exclusive charge over the loan receivables with a security cover of 110%.
				8,39,713.76	6,98,624.48	
Ind AS adjustments and interest accrued				8,186.27	9,242.89	
				8,47,900.03	7,07,867.37	

Notes to Standalone Financial Statements

for the year ended March 31, 2026

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

Secured borrowing from other financial institutions

Particulars	Terms of Redemption	Interest rate	Earliest repayment date	Gross Balance as at 31 March 2026	Gross Balance as at 31 March 2025	Security
Term Loan - 1	Repayments terms: 12 quarterly instalments Tenor: 36 months Redemption date: June 01, 2025	9.15%	31-May-25	-	249.38	First-ranking exclusive charge with cover of 110% of the Outstanding principal (or valid, first priority, perfected security interest) or hypothecation on the Secured Assets
Term Loan - 2	Repayments terms: 12 equal quaterly instalments Tenor: 36 months Redemption date: July 01 , 2026	LTRR++ Spread 10.85%	01-May-26	333.33	1,666.67	Exclusive hypothecation charge over loan receivables/ loan assets/ book debts with a cover of 1.20 times of the outstanding principal at any point of time during currency of the facility.
Term Loan - 3	Repayments terms: 36 monthly instalments Tenor: 36 months Redemption date: June 27 , 2026	3Month MCLR + Spread 1.15%	05-Apr-26	555.56	2,222.22	Exclusive hypothecation charge over receivables/ loan assets/ book debts with a cover of 1.15 times of the outstanding principal at any point of time during currency of the facility.
Term Loan - 4	Repayment Terms: 6 half yearly instalments Tenor: 60 months Redemption Date: March 04, 2026	9.78%	04-Mar-26	-	2,434.33	Exclusive hypothecation charge over loan receivables/ loan assets/ book debts with a cover of 120% of the outstanding principal at any point of time during currency of the facility.
Term Loan - 5	Repayment Terms: 7 half yearly instalments Tenor: 60 months Redemption Date: September 15, 2026	7.59%	15-Sep-26	5,264.29	15,792.86	Exclusive hypothecation charge over loan receivables/ loan assets/ book debts with a cover of 125% of the outstanding principal at any point of time during currency of the facility.
Term Loan - 6	Repayment Terms: 6 half yearly instalments Tenor: 60 months Redemption Date: November 17, 2025	9.35%	14-Nov-25	-	6,149.17	First-ranking exclusive charge with cover of 125% of the Outstanding principal (or valid, first priority, perfected security interest) or hypothecation on the Secured Assets
Term Loan - 7	Repayment Terms: 6 half yearly instalments Tenor: 56 months Redemption Date: November 15, 2025	9.50%	14-Nov-25	-	6,036.25	First-ranking exclusive charge with cover of 125% of the Outstanding principal (or valid, first priority, perfected security interest) or hypothecation on the Secured Assets
Term Loan - 8	Repayments terms: 6 half yearly instalments Tenor: 60 months Redemption date: December 15, 2026	Overnight MIBOR + Spread 4.97%	15-Jun-26	6,608.33	13,216.67	First-ranking exclusive charge with cover of 110% of the Outstanding principal (or valid, first priority, perfected security interest) or hypothecation on the Secured Assets

Notes to Standalone Financial Statements

for the year ended March 31, 2026

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

Particulars	Terms of Redemption	Interest rate	Earliest repayment date	Gross Balance as at 31 March 2026	Gross Balance as at 31 March 2025	Security
Term Loan - 9	Repayments terms: 36 monthly instalments Tenor: 36 months Redemption date: July 28, 2026	SBI 3M MCLR + Spread 1.10%	05-Apr-26	694.44	2,361.11	Exclusive first charge on the specific & identified loan receivables, present and future, of borrower by the way of hypothecated on the loan receivable with a minimum assets cover of 115% of the principal amount.
Term Loan - 10	Repayments terms: 11 quarterly instalments Tenor: 36 months Redemption date: Sep 01, 2026	9.35%	01-May-26	1,089.11	3,272.73	Exclusive hypothecation charge over receivables/ loan assets/ book debts with a cover of 110% of the outstanding principal at any point of time during currency of the facility.
Term Loan - 11	Repayments terms: 36 monthly instalments Tenor: 36 months Redemption date: Sep 01, 2026	9.35%	30-Apr-26	1,439.32	3,208.14	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 12	Repayments terms: 36 monthly instalments Tenor: 36 months Redemption date: May 29, 2027	HDFC 3M MCLR + Spread 0.17%	05-Apr-26	5,208.33	9,375.00	First and Exclusive charge on Specific & identified loan receivable with a security cover of 115%.
Term Loan - 13	Repayments terms: 4 Equal instalments Tenor: 60 months Redemption date: Jun 15, 2029	9.23%	15-Jun-26	33,410.00	33,410.00	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 14	Repayments terms: 33 monthly instalments Tenor: 36 months Redemption date: Feb 10, 2028	9.35%	10-Apr-26	10,450.00	15,000.00	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 15	Repayments terms: 36 monthly instalments Tenor: 36 months Redemption date: Jun 20, 2028	HDFC 3M MCLR + Spread 0%	05-Apr-26	7,777.78	-	- First and Exclusive charge on Specific & identified loan receivable with a security cover of 115%.
Term Loan - 16	Repayments terms: 9 half yearly instalments Tenor: 63 months Redemption date: Feb 18, 2031	6 M SOFR + Spread 2.25%	17-Aug-26	36,180.88	-	- First ranking priority charge over the Hypothecated Assets with a Security Ratio of at least one hundred and ten percent (110%)
Term Loan - 17	Repayments terms: 36 monthly instalments Tenor: 36 months Redemption date: Dec 26, 2028	EBLR + Spread 2.00%	05-Apr-26	9,444.44	-	- First and Exclusive charge on Specific & identified loan receivable with a security cover of 115%.
Term Loan - 18	Repayments terms: 36 monthly instalments Tenor: 39 months Redemption date: Dec 10, 2028	8.75%	10-Apr-26	20,000.00	-	- First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 19	Repayments terms: 11 quarterly instalments Tenor: 36 months Redemption date: Feb 01, 2029	8.35%	01-May-26	15,000.00	-	- First charge on exclusive basis by way of hyphenation of 110% of slandered book debts
				1,53,455.81	1,14,394.52	
Fair value loss, interest accrued and unamortized processing fees				17,086.38	8,129.67	
				1,70,542.19	1,22,524.19	

Notes to Standalone Financial Statements

for the year ended March 31, 2026

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

Borrowings under securitisation

Particulars	Terms of Redemption	Interest rate	Earliest repayment date	Gross Balance as at 31 March 2026	Gross Balance as at 31 March 2025	Security
Securitisation loan - 1	Repayments terms: 42 monthly instalments Tenor: 42 months Redemption date: Sep 17, 202	10.20%	22-Sep-25	-	3,992.69	NA
Securitisation loan - 2	Repayments terms: 14 monthly instalments Tenor: 14 months Redemption date: February 23, 2025	8.50%	05-Feb-25	-	-	NA
Securitisation loan - 3	Repayments terms: 20 monthly instalments Tenor: 20 months Redemption date: Dec 23, 2025	8.70%	16-Sep-25	-	3,269.97	NA
Securitisation loan - 4	Repayments terms: 42 monthly instalments Tenor: 42 months Redemption date: Mar 17, 2029	8.97%	16-Apr-26	6,663.38	-	NA
Securitisation loan - 5	Repayments terms: 42 monthly instalments Tenor: 42 months Redemption date: May 17, 2029	8.95%	16-Apr-26	9,274.21	-	NA
Securitisation loan - 6	Repayments terms: 42 monthly instalments Tenor: 42 months Redemption date: June 17, 2029	8.95%	16-Apr-26	8,752.45	-	NA
Securitisation loan - 7	Repayments terms: 42 monthly instalments Tenor: 42 months Redemption date: Aug 17, 2029	9.05%	16-Apr-26	14,089.03	-	NA
Securitisation loan - 8	Repayments terms: 29 monthly instalments Tenor: 29 months Redemption date: Aug 17, 2028	8.41%	16-Apr-26	5,329.78	-	NA
Securitisation loan - 9	Repayments terms: 19 monthly instalments Tenor: 19 months Redemption date: Oct 23, 2027	8.00%	21-Apr-26	9,993.85	-	NA
Securitisation loan - 10	Repayments terms: 42 monthly instalments Tenor: 42 months Redemption date: Sep 17, 2029	9.05%	16-Apr-26	7,657.07	-	NA
				61,759.78	7,262.66	
Interest accrued				199.27	(0.00)	
				61,959.05	7,262.66	

15B. Loans repayable on demand includes on cash credit and working capital demand loans from banks which are secured by specific charge on identified receivables. As at 31 March 2026, the rate of interest across the cash credit and working capital demand loans was in the range of 7.80 % p.a to 9.65% p.a (as on 31 March 2025 - 8.50 % p.a to 9.65% p.a). The Company has not defaulted in the repayment of the borrowings (including debt securities) and was regular in repayment during the year.

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

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

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

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

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

Notes to Standalone Financial Statements

for the year ended March 31, 2026

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

16 OTHER FINANCIAL LIABILITIES

Particulars	As at 31 March 2026	As at 31 March 2025
Collateral deposits from customers (Refer note 1 below)	6,731.93	3,950.81
Lease liabilities (Refer Note 34)	2,553.05	2,942.93
Employee benefits payable	4,886.30	4,394.39
Remittances payable - derecognised financial instruments (Refer note 2 below)	8,575.27	3,957.11
Other liabilities (Refer note 3 below)	3,312.13	2,422.17
Unclaimed dividend on non convertible preference shares	2.69	2.69
	26,061.37	17,670.10

Notes:

- Represents amounts received from customers (originator partners which includes corporates such as NBFCs, HFCs, and SFBs) as cash collateral for the loans provided by the Company.
- Represents the amount collected from underlying customers yet to be paid to the assignee representative as at reporting date.
- The other liabilities represent the amounts payable to Northern Arc India Impact Fund, for which the Company is acting as a pass-through in relation to an assignment transaction.

17 PROVISIONS

Particulars	As at 31 March 2026	As at 31 March 2025
Provision for employee benefits:		
Gratuity (refer note 40)	929.57	754.49
Compensated absences (refer note 40)	836.71	695.42
Provision for others:		
Impairment loss allowance for guarantees (Refer Note 17(A))	17.07	32.55
Impairment loss allowance for loans commitments (Refer Note 17(B))	200.00	95.90
	1,983.35	1,578.36

17A Impairment loss allowance for guarantees

i Credit quality of exposure

Particulars	As at 31 March 2026				As at 31 March 2025			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Performing	8.35	8.73	-	17.08	168.77	-	-	168.77
Total	8.35	8.73	-	17.08	168.77	-	-	168.77

Notes to Standalone Financial Statements

for the year ended March 31, 2026

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

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

Gross exposure reconciliation

Particulars	As at 31 March 2026				As at 31 March 2025			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
As at the beginning of the year	168.77	-	-	168.77	6,048.75	392.83	-	6,441.58
New exposures	-	-	-	-	-	-	-	-
Asset derecognised or repaid (Excluding write off)	(151.69)	(0.01)	-	(151.70)	(5,879.98)	(392.83)	-	(6,272.81)
Transfer from stage 1	(8.73)	8.73	-	17.46	-	-	-	-
Transfer from stage 2	-	-	-	-	-	-	-	-
Transfer from stage 3	-	-	-	-	-	-	-	-
Write offs	-	-	-	-	-	-	-	-
As at the end of the year	8.35	8.72	-	17.07	168.77	-	-	168.77

iii Reconciliation of ECL balance

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

17B Impairment loss allowance for loan commitments

i Credit quality of exposure

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

Notes to Standalone Financial Statements

for the year ended March 31, 2026

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

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

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

- iii Reconciliation of ECL balance

Particulars	As at 31 March 2026				As at 31 March 2025			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
As at the beginning of the year	95.90	-	-	95.90	107.06	-	-	107.06
New exposures	158.44	-	-	158.44	82.60	-	-	82.60
Assets converted to funded exposure	(54.34)	-	-	(54.34)	(93.76)	-	-	(93.76)
Transfer from stage 1	-	-	-	-	-	-	-	-
Transfer from stage 2	-	-	-	-	-	-	-	-
Transfer from stage 3	-	-	-	-	-	-	-	-
Write offs	-	-	-	-	-	-	-	-
As at the end of the year	200.00	-	-	200.00	95.90	-	-	95.90

18 OTHER NON- FINANCIAL LIABILITIES

Particulars	As at 31 March 2026	As at 31 March 2025
Statutory dues payable	1,332.88	1,540.97
Servicer fee liability on direct assignment transactions	2,190.08	-
	3,522.96	1,540.97

Notes to Standalone Financial Statements

for the year ended March 31, 2026

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

19 EQUITY SHARE CAPITAL

Particulars	As at 31 March 2026		As at 31 March 2025	
	No. of shares	Amount	No. of shares	Amount
Share capital				
Authorised				
Equity shares of ₹ 10 each	16,50,00,000	16,500.00	16,50,00,000	16,500.00
0.0001% Compulsorily convertible preference shares of INR 20 each	5,85,00,000	11,700.00	5,85,00,000	11,700.00
	22,35,00,000	28,200.00	22,35,00,000	28,200.00
Issued, subscribed and paid up				
Equity shares				
Equity shares of ₹ 10 each	16,15,71,875	16,157.18	16,13,79,336	16,137.93
	16,15,71,875	16,157.18	16,13,79,336	16,137.93

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

Particulars	As at 31 March 2026		As at 31 March 2025	
	No. of shares	Amount	No. of shares	Amount
Equity shares				
At the commencement of the year	16,13,79,336	16,137.93	8,93,85,420	8,938.54
Add: Equity shares issued during the year through employee stock options plan	1,92,539	19.25	3,11,966	31.20
Add: Equity shares issued during the year through initial public offering	-	-	1,90,65,326	1,906.53
Add: Equity shares arising on conversion of preference shares	-	-	5,26,16,624	5,261.66
At the end of the year	16,15,71,875	16,157.18	16,13,79,336	16,137.93
0.0001% Compulsorily convertible preference shares				
At the commencement of the year	-	-	4,13,23,204	8,264.64
Add: Shares issued during the year	-	-	97,69,820	1,953.96
Less: Shares converted into equity	-	-	(5,10,93,024)	(10,218.60)
At the end of the year	-	-	-	-

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

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

Equity shares

The Company has a single class of equity shares. Accordingly all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend

Notes to Standalone Financial Statements

for the year ended March 31, 2026

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

as declared from time to time subject to payment of dividend to preference shareholders. Dividends are paid in Indian Rupees. Dividend proposed by the board of directors, if any, is subject to the approval of the shareholders at the General Meeting, except in the case of interim dividend.

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

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

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

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

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

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

f) The Company does not have an identifiable promoter.

20 OTHER EQUITY

Particulars	As at 31 March 2026	As at 31 March 2025
a) Securities premium		
At the commencement of the year	1,70,907.02	86,366.41
Add: Premium on equity shares issued during the year upon exercise of ESOP	2,824.63	636.44
Add: Premium on equity shares issued during the year through Initial Public Offering	-	46,732.49
Add: Premium on preference shares issued during the year	-	36,246.03
Add: Premium on on conversion of preference shares	-	4,956.94
Less: Utilised during the year for writing off share issue expenses	(2,186.42)	(4,031.29)

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

Particulars	As at 31 March 2026	As at 31 March 2025
At the end of the year	1,71,545.23	1,70,907.02
b) Statutory reserve		
At the commencement of the year	30,128.18	23,275.88
Add : Transfer from retained earnings	8,583.06	6,852.30
At the end of the year	38,711.24	30,128.18
c) Shared Based Payment Reserve		
At the commencement of the year	4,095.91	3,104.67
Add: Employee compensation expense during the year	896.09	1,357.92
Less: Transfer to Retained earnings	(82.80)	(97.74)
Less: Transfer to securities premium on allotment of equity shares	(94.78)	(268.94)
At the end of the year	4,814.42	4,095.91
d) Retained earnings		
At the commencement of the year	1,17,741.64	90,284.60
Add: Profit for the year	42,915.32	34,261.50
Add: Other comprehensive income for the year	(54.33)	(49.90)
Add: Transfer from Shared Based Payment reserve	82.80	97.74
Less: Transfer to statutory reserve	(8,583.06)	(6,852.30)
At the end of the year	1,52,102.37	1,17,741.64
e) Capital reserve		
At the commencement of the year	3.57	3.57
At the end of the year	3.57	3.57
f) Capital redemption reserve		
At the commencement of the year	2,660.00	2,660.00
At the end of the year	2,660.00	2,660.00
g) Other comprehensive income - Financial Instruments through OCI		
At the commencement of the year	1,562.01	3,738.29
Add : Fair valuation of financial instruments (refer note (vii) (a) below)	(3,165.02)	(2,176.28)
At the end of the year	(1,603.01)	1,562.01
h) Other comprehensive income - Effective Portion of Cash Flow Hedge Reserve		
At the commencement of the year	(2,359.64)	(1,685.03)
Less : Cash flow hedge reserve (refer note (vii) (b) below)	7,316.91	(674.61)
At the end of the year	4,957.27	(2,359.64)
i) Share application money received pending allotment		
At the commencement of the year	38.84	83.76
Less: Shares allotted during the year	(202.26)	(83.76)
Received during the year pending allotment	163.42	38.84
At the end of the year	-	38.84
Total (a+b+c+d+e+f+g+h+i)	3,73,191.09	3,24,777.53

Notes

(i) Securities premium

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

Notes to Standalone Financial Statements

for the year ended March 31, 2026

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

(ii) Shared Based Payment Reserve

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

(iii) Statutory reserve

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

(iv) Retained earnings

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

(v) Capital reserve

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

(vi) Capital redemption reserve

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

(vii)Other comprehensive income

- The Company has elected to recognise changes in the fair value of certain loans where the business model is to collect contractual cash flows and also to sell financial assets in other comprehensive income.
- The Company has applied hedge accounting for designated and qualifying cash flow hedges, the effective portion of the cumulative gain or loss on the hedging instrument is initially recognised directly in OCI within equity as cash flow hedge reserve. Amounts recognised in the effective portion of cash flow hedges is reclassified to the statement of profit and loss when the hedged item affects profit or loss (e.g. interest payments).

(viii) Share application money received pending allotment

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

Notes to Standalone Financial Statements

for the year ended March 31, 2026

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

21 INTEREST INCOME

Particulars	Year ended 31 March 2026			Year ended 31 March 2025		
	On financial assets measured at		Total	On financial assets measured at		Total
	FVOCI	Amortised cost		FVOCI	Amortised cost	
Interest on loans	75,880.97	1,43,100.34	2,18,981.31	65,992.83	1,29,909.13	1,95,901.96
Interest income from investments:						
- Pass through certificates	3,044.08	-	3,044.08	1,567.52	-	1,567.52
- Commercial paper	2,731.17	-	2,731.17	1,622.16	-	1,622.16
- Portfolio management service	1,451.82	-	1,451.82	-	-	-
- Non-convertible debentures	14,236.56	-	14,236.56	15,504.06	-	15,504.06
- Interest income from T-bills	-	765.94	765.94	-	784.81	784.81
Interest on deposits with banks	-	2,010.67	2,010.67	-	2,793.18	2,793.18
	97,344.60	1,45,876.95	2,43,221.55	84,686.57	1,33,487.12	2,18,173.69

22 FEE AND COMMISSION INCOME

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Revenue from contract with customers:		
Income from guarantee facility	-	222.33
Income from other financial services		
- Professional fee	5,587.69	4,453.18
	5,587.69	4,675.51
Timing of revenue recognition:		
- That are recognised over a period of time	-	222.33
- That are recognised at a point of time	5,587.69	4,453.18
Geographical Market		
- In India	5,587.69	4,675.51
- Outside India	-	-
Contract balances		
- Trade receivables (net of ECL)	1,070.79	1,201.75

23 NET GAIN ON FAIR VALUE CHANGES

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Net gain on financial instruments at fair value through profit or loss		
On alternative investment funds	1,614.47	811.93
On mutual fund investments	464.19	723.69
(Loss) on sale of investments	(844.28)	(95.93)
	1,234.38	1,439.69
Fair value changes:		
-Realised	2,191.48	1,046.53
-Unrealised (loss) / gain	(957.10)	393.16
	1,234.38	1,439.69

Notes to Standalone Financial Statements

for the year ended March 31, 2026

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

24 OTHER INCOME

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Other non-operating income (Refer note below)	907.04	1,025.12
Interest income from income tax refund	46.62	214.92
	953.66	1,240.04

Note:

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

25 FINANCE COSTS

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Finance costs on financial liabilities measured at amortised cost		
Interest on deposits (refer note 5.1)	122.94	261.49
Interest on borrowings		
- Term loans from banks and others	73,081.62	64,690.48
- Cash credits and overdraft	10.04	15.58
- Securitisation	1,286.20	1,486.72
Interest on debt securities	11,964.51	13,160.99
Interest on lease liabilities (refer note 34)	275.26	270.80
Amortisation of discount on commercial papers	1,827.31	2,400.31
	88,567.88	82,286.37

26 EMPLOYEE BENEFITS

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Salaries, wages and bonus (refer note 42)	21,294.02	17,462.08
Contribution to provident fund (refer note 40)	1,000.28	903.92
Employee stock option expense (refer note 41)	855.19	1,303.88
Gratuity expenses (refer note 40)	193.36	166.55
Staff welfare expenses	514.76	548.86
	23,857.61	20,385.29

Notes to Standalone Financial Statements

for the year ended March 31, 2026

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

27 IMPAIRMENT ON FINANCIAL INSTRUMENTS

Particulars	On financial instruments measured at amortised Cost	On financial instruments measured at fair value through OCI	Total for the year ended 31 March 2026	On financial instruments measured at amortised Cost	On financial instruments measured at fair value through OCI	Total for the year ended 31 March 2025
Write off on financial instruments						
Loans	69,415.51	-	69,415.51	60,930.24	-	60,930.24
Less: Recovery	(32,024.05)	-	(32,024.05)	(44,712.79)	-	(44,712.79)
Impairment loss allowance on financial instruments						
Loans	4,658.07	(2,309.85)	2,348.22	15,819.03	6,526.40	22,345.43
Investments	-	1,408.42	1,408.42	-	845.43	845.43
Others	90.49	-	90.49	(1,555.69)	-	(1,555.69)
	42,140.02	(901.43)	41,238.59	30,480.79	7,371.83	37,852.62

28 DEPRECIATION AND AMORTISATION

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Depreciation of property, plant and equipment (refer note 10.1)	541.69	395.83
Depreciation on right of use asset (refer note 10.4 and note 34)	708.22	657.86
Amortisation of intangible assets (refer note 10.3)	419.78	477.63
	1,669.69	1,531.32

29 OTHER EXPENSES

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Legal and professional charges	7,044.87	3,288.28
Subscription charges	2,672.29	1,901.95
Repairs and maintenance	1,039.80	1,185.77
Rent expenses	645.67	832.83
Rates and taxes	300.95	224.78
Travelling and conveyance	739.35	873.69
Auditors' remuneration (refer note 29.1 below)	141.00	127.00
Directors' sitting fees (refer note 42)	129.50	131.00
Communication expenses	451.79	537.19
Printing and stationery	64.64	72.81
Advertisement and business promotion	801.47	404.28
Corporate social responsibility expenditure (refer note 30 below)	756.00	609.07
Bank charges	301.82	185.45
Miscellaneous expenses	140.68	109.34
	15,229.82	10,483.44

29.1 Payments to auditor (excluding goods and services tax) (Refer note below)

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Statutory audit (including limited reviews) and certificates	130.50	123.00
Tax audit	4.00	4.00
Other services	6.50	-
	141.00	127.00

Notes to Standalone Financial Statements

for the year ended March 31, 2026

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

30 CORPORATE SOCIAL RESPONSIBILITY (“CSR”) EXPENDITURE

As per Section 135 of the Companies Act, 2013, a Company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are commissioning of in-depth financial inclusion survey and developing a financial inclusion index/ metric, enhancement of amenities to government schools and transfer of funds to the CSR arm of the Company being the Northern Arc Foundation from where the ultimate spend would be monitored. A CSR committee has been formed by the Company as per the Act. The details of funds primarily utilized through the year on these activities which are specified in Schedule VII of the Companies Act, 2013 are as follows:

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
a) Amount required to be spent by the Company during the year	756.00	609.07
b) Amount of expenditure incurred	756.00	609.65
c) Excess / (shortfall) at the end of the year*	-	0.58
d) Total of previous years shortfall	-	-
e) Reason for shortfall	NA	NA
f) Nature of CSR activities	The primary nature of expenses include commissioning of in-depth financial inclusion survey and developing a financial inclusion index/ metric, enhancement of amenities to government schools and transfer of funds to the CSR arm of the Company being the Northern Arc Foundation from where the ultimate spend would be monitored.	
g) Details of related party transactions, e.g. contribution to a trust controlled by the Company in relation to CSR expenditure as per relevant Accounting Standard	756.00	609.07
h) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately	NA	NA
i) In case of S. 135(5) (Other than ongoing project):		
Opening balance	4.01	3.43
Amount deposited in Specified Fund of Sch. VII within 6 months	-	-
Amount required to be spent during the year	(756.00)	(609.07)
Amount spent during the year	756.00	609.65
Closing Balance	4.01	4.01
Amounts transferred to special account in compliance of with provisions of sub section (6) of section 135 of the said Act, pursuant to any ongoing project	-	-
Closing Balance after considering the above	4.01	4.01

* All amounts that are unspent under section (5) of section 135 of Companies Act, pursuant to any ongoing project, has been transferred to special account in compliance of with provisions of sub section (6) of section 135 of the said Act.

Notes to Standalone Financial Statements

for the year ended March 31, 2026

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

31 INCOME TAX

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

Profit or loss section

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Current tax		
i) current income tax charge	13,355.37	16,170.32
ii) Adjustments in respect of current income tax of previous year	(348.00)	(1,006.00)
Deferred tax		
Relating to origination and reversal of temporary differences	1,076.63	(5,254.05)
Income tax expense reported in the statement of profit and loss	14,084.00	9,910.27

Income tax recognised in other comprehensive income

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Arising on income and expenses recognised in other comprehensive income:		
Remeasurements of the defined benefit obligation	18.28	16.78
Fair valuation of financial instruments through OCI (Net)	1,064.59	732.02
Effective portion of (gain) / loss on designated portion of hedging instruments in a cashflow hedge	(2,461.13)	226.92
Total income tax recognised in other comprehensive income	(1,378.26)	975.72

B. Reconciliation of the total tax charge

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

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Profit before tax	56,999.32	44,171.77
Applicable tax rate	25.17%	25.17%
Computed tax expense	14,346.73	11,118.03
Effect of difference in tax expenditure due to		
Permanent differences		
Provision for Corporate Social Responsibility	190.29	153.30
Others	(105.02)	(355.06)
Tax expenses recognised in the statement of profit and loss (pertaining to current year)	14,432.00	10,916.27
Effective tax rate	25.32%	24.71%

Note :

- The Company has elected to exercise the option permitted under section 115BAA of the Income tax Act, 1961, as introduced by the Taxation laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognised provision for income tax and remeasured its net deferred tax asset at concessional rate for the year ended 31 March 2026.
- The tax rate used for the reconciliations above is the corporate tax rate of 25.17% for the year 31 March 2026 and 31 March 2025 payable by corporate entities in India on taxable profits under tax law in Indian jurisdiction.

Notes to Standalone Financial Statements

for the year ended March 31, 2026

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

C. Deferred tax

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

Particulars	As at 31 March 2025	Statement of profit and loss	Other comprehensive income	As at 31 March 2026
Component of Deferred tax asset / (liability)				
Deferred tax asset / (liability) in relation to:				
Property plant and equipment	111.01	90.13	-	201.14
Impact of fair value on financial assets measured at FVTPL	(163.48)	314.47	-	150.99
Impact of fair value on financial assets measured at FVOCI	548.15	-	(1,396.54)	(848.39)
Impairment on financial assets	9,099.57	1,054.07	-	10,153.64
Provision for employee benefits	381.72	44.54	18.28	444.54
Unamortised component of processing fee	685.98	(233.80)	-	452.18
Bad debts written off	(193.00)	308.21	-	115.21
EIS Receivable	(776.27)	(2,654.25)	-	(3,430.52)
Total	9,693.68	(1,076.63)	(1,378.26)	7,238.79

Particulars	As at 31 March 2024	Statement of profit and loss	Other comprehensive income	As at 31 March 2025
Component of Deferred tax asset / (liability)				
Deferred tax asset / (liability) in relation to:				
Property plant and equipment	47.88	63.13	-	111.01
Impact of fair value on financial assets measured at FVTPL	(456.79)	293.31	-	(163.48)
Impact of fair value on financial assets measured at FVOCI	(410.79)	-	958.94	548.15
Impairment on financial assets	3,468.77	5,630.80	-	9,099.57
Provision for employee benefits	277.36	87.58	16.78	381.72
Unamortised component of processing fee	1,316.84	(630.86)	-	685.98
Bad debts written off	-	(193.00)	-	(193.00)
EIS Receivable	(786.35)	10.08	-	(776.27)
Total	3,456.92	5,261.04	975.72	9,693.68

Notes to Standalone Financial Statements

for the year ended March 31, 2026

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

32 EARNINGS PER SHARE ('EPS')

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
A Earnings		
Net profit attributable to equity shareholders for calculation of basic EPS	42,915.32	34,261.50
Net profit attributable to equity shareholders for calculation of diluted EPS	42,915.32	34,261.50
B Shares		
Equity shares at the beginning of the year	16,13,79,336	8,93,85,420
Equity shares issued during the year	1,92,539	7,19,93,916
Total number of equity shares outstanding at the end of the year	16,15,71,875	16,13,79,336
C Weighted average number of equity shares outstanding during the year for calculation of basic EPS	16,15,15,821	15,16,75,670
Effect of dilutive potential equity shares		
Employee stock options	10,76,670	3,87,511
Compulsory convertible preference shares	-	-
D Weighted average number of equity shares outstanding during the year for calculation of diluted EPS	16,25,92,491	15,20,63,181
Face value per share	10.00	10.00
E Earning per share		
E1 Basic (E1 = A / C)	26.57	22.59
E2 Diluted (E2 = A / D)	26.39	22.53

33 MATURITY ANALYSIS OF ASSETS AND LIABILITIES

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

Particulars	As at 31 March 2026			As at 31 March 2025		
	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
Assets						
Cash and cash equivalents	22,510.61	-	22,510.61	32,120.04	-	32,120.04
Bank balances other than cash and cash equivalents	20,391.23	5,735.33	26,126.56	29,291.22	2,191.70	31,482.92
Derivative financial instruments	8,467.39	13,368.43	21,835.82	2,104.09	3,372.46	5,476.55
Trade receivables	1,070.79	-	1,070.79	1,201.75	-	1,201.75
Loans	8,84,464.40	3,64,812.43	12,49,276.83	6,81,772.00	3,75,465.78	10,57,237.78
Investments	1,65,320.78	1,23,674.52	2,88,995.30	1,18,053.75	77,628.30	1,95,682.05
Other financial assets	19,014.45	19,946.23	38,960.68	7,674.03	1,646.11	9,320.14
Current tax assets (net)	-	828.09	828.09	-	-	-
Deferred tax assets (net)	-	7,238.79	7,238.79	-	9,693.68	9,693.68

Notes to Standalone Financial Statements

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

Particulars	As at 31 March 2026			As at 31 March 2025		
	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
Property, plant and equipment	-	727.40	727.40	-	938.48	938.48
Intangible assets under development	-	1,303.59	1,303.59	-	593.49	593.49
Goodwill		2,085.13	2,085.13	-	2,085.13	2,085.13
Intangible assets	-	853.49	853.49	-	1,313.96	1,313.96
Right of use asset	-	2,074.05	2,074.05		2,495.71	2,495.71
Other non- financial assets	1,223.53	185.09	1,408.62	10,750.18	(8,325.07)	2,425.11
Total Assets	11,22,463.18	5,42,832.56	16,65,295.75	8,82,967.06	4,69,099.73	13,52,066.79
Liabilities						
Derivative financial instruments	-	-	-	1,367.57	995.91	2,363.48
Trade payables						-
- total outstanding dues of micro and small enterprises	-	-	-	-	-	-
- total outstanding dues of creditors other than micro and small enterprises	24,542.18	-	24,542.18	6,726.54	-	6,726.54
Debt securities	67,807.25	71,629.10	1,39,436.35	70,263.20	70,522.12	1,40,785.32
Borrowings (Other than debt securities)	5,83,283.23	4,97,118.04	10,80,401.27	5,08,022.25	3,29,631.97	8,37,654.22
Other financial liabilities	22,429.79	3,631.58	26,061.37	14,925.08	2,745.02	17,670.10
Provisions	1,020.32	963.03	1,983.35	577.02	1,001.34	1,578.36
Current tax liabilities (net)	-	-	-	-	2,832.34	2,832.34
Other non-financial liabilities	2,970.71	552.25	3,522.96	1,540.97	-	1,540.97
Total Liabilities	7,02,053.48	5,73,894.00	12,75,947.48	6,03,422.63	4,07,728.70	10,11,151.33
Total equity			3,89,348.27			3,40,915.46

33A Change in Liabilities arising from financing activities

Particulars	As at 01 April 2025	Cash flows	Exchange difference	Others*	New Leases	As at 31 March 2026
Debt Securities	1,40,785.32	(2,291.32)	-	942.35	-	1,39,436.35
Borrowings (other than debt securities)	8,37,654.22	2,33,589.63	15,771.00	(6,613.58)	-	10,80,401.27
Lease Liabilities	2,942.93	(951.70)	-	275.26	286.56	2,553.05

Particulars	As at 01 April 2024	Cash flows	Exchange difference	Others*	New Leases	As at 31 March 2025
Debt Securities	1,41,372.46	318.46	-	(905.60)	-	1,40,785.32
Borrowings (other than debt securities)	7,63,403.14	74,251.08	-	0.00	-	8,37,654.22
Lease Liabilities	1,345.35	(338.00)	-	(12.44)	1,948.02	2,942.93

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

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33BAnalysis of financial assets and liabilities by remaining contractual maturities

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

Particulars	As at 31 March 2026					
	On Demand	Less than 3 months	3 to 12 Months	1 to 5 years	Over 5 years	Total
Finacial Assets						
Cash and cash equivalents	18,508.36	4,002.35	-	-	-	22,510.61
Bank balances other than cash and cash equivalents	0.22	3,779.64	16,031.17	6,315.53	-	26,126.56
Derivative financial instruments	-	5,610.82	2,856.57	13,368.43	-	21,835.82
Trade receivables	-	1,070.79	-	-	-	1,070.79
Loans	-	4,11,529.19	6,71,091.98	4,85,148.29	1,28,183.24	16,95,952.70
Investments	-	54,064.77	1,28,772.94	1,25,505.21	11,211.04	3,19,553.96
Other financial assets	-	24,958.37	4.47	520.20	2.80	25,485.85
Total undiscounted financial assets*	18,508.58	5,05,015.83	8,18,757.13	6,30,857.66	1,39,397.08	21,12,536.29
Financial Liabilities						
Derivative financial instruments	-	-	-	-	-	-
Trade payables						
- total outstanding dues of micro and small enterprises	-	-	-	-	-	-
- total outstanding dues of creditors other than micro and small enterprises	-	24,542.18	-	-	-	24,542.18
Debt securities	-	16,965.37	59,967.04	81,174.79	-	1,58,107.20
Borrowings (Other than debt securities)	-	2,30,443.79	4,04,217.40	5,39,053.85	1,014.54	11,74,729.58
Other financial liabilities	2,221.57	18,530.77	1,677.45	3,626.59	5.00	26,061.37
Total undiscounted financial liabilities*	2,221.57	2,90,482.11	4,65,861.89	6,23,855.23	1,019.54	13,83,440.33
Net undiscounted financial assets/(liabilities) *	16,287.01	2,14,533.72	3,52,895.24	7,002.44	1,38,377.54	7,29,095.96
	16,286.79	1,98,979.97	3,56,664.85	25,020.29	1,39,782.90	7,36,734.81

* Excludes gross settled derivatives not held for trading

Notes to Standalone Financial Statements

for the year ended March 31, 2026

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

Particulars	As at 31 March 2025						Total
	On Demand	Less than 3 months	3 to 12 Months	1 to 5 years	Over 5 years		
Financial Assets							
Cash and cash equivalents	32,120.04	-	-	-	-	-	32,120.04
Bank balances other than cash and cash equivalents	0.22	13,432.07	11,773.29	7,606.17	-	-	32,811.75
Derivative financial instruments	-	-	2,104.09	3,372.46	-	-	5,476.55
Trade receivables	-	1,201.75	-	-	-	-	1,201.75
Loans	-	3,24,963.79	5,35,753.50	4,76,856.13	1,12,711.48	-	14,50,284.90
Investments	-	42,710.16	86,683.99	77,690.67	3,847.27	-	2,10,932.09
Other financial assets	-	6,015.21	21.64	432.68	-	-	6,469.53
Total undiscounted financial assets*	32,120.26	3,88,322.98	6,36,336.51	5,65,958.11	1,16,558.75	-	17,39,296.61
Financial Liabilities							
Derivative financial instruments	-	-	1,367.57	995.91	-	-	2,363.48
Trade payables	-	-	-	-	-	-	-
- total outstanding dues of micro and small enterprises	-	-	-	-	-	-	-
- total outstanding dues of creditors other than micro and small enterprises	-	6,726.54	-	-	-	-	6,726.54
Debt securities	-	11,820.79	67,460.58	85,131.34	-	-	1,64,412.71
Borrowings (Other than debt securities)	-	2,15,216.66	3,31,572.70	3,64,759.14	-	-	9,11,548.50
Other financial liabilities	1,555.26	11,606.95	1,514.50	1,338.16	11.03	-	16,025.90
Total undiscounted financial liabilities*	1,555.26	2,45,370.94	4,01,915.35	4,52,224.55	11.03	-	11,01,077.13
Net undiscounted financial assets/(liabilities) *	30,565.00	1,42,952.04	2,34,421.16	1,13,733.57	1,16,547.72	-	6,38,219.49

* Excludes gross settled derivatives not held for trading

34 LEASES

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

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

- Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.
- Applied the exemption not to recognise right to use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.

Notes to Standalone Financial Statements

for the year ended March 31, 2026

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

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

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

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Opening Balance	2,495.71	1,205.55
Add:		
Additions during the year	286.56	1,948.02
Less:		
Depreciation	708.22	657.86
Derecognition on termination of lease	-	-
Closing balance	2,074.05	2,495.71

(ii) Movement in lease liabilities

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Opening Balance	2,942.93	1,332.91
Additions during the year	286.56	1,948.02
Interest on lease liabilities	275.26	270.80
Rent payment	(951.70)	(608.85)
Derecognition on termination of lease	-	(12.39)
Closing balance	2,553.05	2,942.93

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

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
a) Depreciation charge for right-of-use assets	708.22	657.86
b) Interest expense (included in finance cost)	275.26	270.80
c) Expense relating to short-term leases (included under other expenses)	645.67	832.83

(iv) Cash Flows

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
The total cash outflow of leases	951.70	608.85

(v) Maturity analysis of undiscounted lease liabilities

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Not later than one year	950.63	389.59
Later than one year and not later than five years	2,031.33	898.11
Later than five years	-	11.03

Lease liabilities are recognised at weighted average incremental borrowing rate of 9.70%.

Notes to Standalone Financial Statements

for the year ended March 31, 2026

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

35 FINANCIAL INSTRUMENT

A Fair value measurement

Valuation principles

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

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

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

- i) For all assets and liabilities which are not carried at fair value, disclosure of fair value is not required as the carrying amount approximates fair value except as stated below.
 - a) The fair value of loans other than fixed rate instruments are estimated by discounted cash flow models considering all significant characteristics of the loans. They are classified as Level 3 fair values in the fair value hierarchy due to the use of unobservable inputs (discount rate). For fixed rate instruments not carried at fair value, carrying amount approximates fair value.
 - b) The fair value of investment in Government securities are derived from rate equal to the rate near to the reporting date of the comparable product."
- ii) There has been no transfer in between level I and level II.
- iii) The fair value of Derivatives are determined using inputs that are directly or indirectly observable in market place.

Financial instruments by category

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

Particulars	Carrying amount		Fair value			
	FVTPL	FVOCI	Level 1	Level 2	Level 3	Total
Financial assets:						
Loans	-	3,85,613.25	-	-	3,85,613.25	3,85,613.25
Investments						
- Pass-through certificates	-	47,006.08	-	-	47,006.08	47,006.08
- Non convertible debentures	-	1,51,973.64	-	-	1,51,973.64	1,51,973.64
- Commercial papers	-	28,139.55	-	-	28,139.55	28,139.55
- Portfolio management services	-	25,332.66	-	-	25,332.66	25,332.66
- Alternative Investment Funds	4,270.54	-	-	-	4,270.54	4,270.54
- Investment in associates	16,206.81	-	-	-	16,206.81	16,206.81
- Investment in security receipts	3,314.40	-	-	-	3,314.40	3,314.40
- Other investment	593.53	-	-	-	593.53	593.53
- Share warrants	0.96	-	-	-	0.96	0.96
Derivative financial instruments	-	21,835.82	-	-	21,835.82	21,835.82
Financial liabilities:						
Derivative financial instruments	-	-	-	-	-	-

Notes to Standalone Financial Statements

for the year ended March 31, 2026

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

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

Particulars	Carrying amount		Fair value			
	FVTPL	FVOCI	Level 1	Level 2	Level 3	Total
Financial assets:						
Loans	-	2,17,633.08	-	-	2,17,633.08	2,17,633.08
Investments						
- Pass-through certificates	-	14,597.89	-	-	14,597.89	14,597.89
- Non convertible debentures	-	1,14,510.15	-	-	1,14,510.15	1,14,510.15
- Commercial paper	-	25,519.11	-	-	25,519.11	25,519.11
- Investment in Associates	26,730.50	-	-	-	26,730.50	26,730.50
- Share warrants	0.96	-	-	-	0.96	0.96
Derivative financial instruments	292.46	5,184.09	-	-	5,476.55	5,476.55
Financial liabilities:						
Derivative financial instruments	-	2,363.48	-	-	2,363.48	2,363.48

Reconciliation of level 3 fair value measurement is as follows

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Financial assets measured at FVOCI		
Balance at the beginning of the year	(797.63)	2,053.26
Total gains measured through OCI for additions made during the year	4,151.89	(2,850.89)
Balance at the end of the year	3,354.26	(797.63)
Financial assets measured at FVTPL		
Balance at the beginning of the year	293.42	19,075.14
Total gains measured through PL for additions made during the year	3,978.08	(18,781.72)
Balance at the end of the year	4,271.50	293.42

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

Particulars	As at 31 March 2026		As at 31 March 2025	
	Increase	Decrease	Increase	Decrease
Financial assets:				
Loans	3,856.13	(3,856.13)	2,176.33	(2,176.33)
Investments				
- Pass through securities	470.06	(470.06)	145.98	(145.98)
- Non convertible debentures	1,519.74	(1,519.74)	1,145.10	(1,145.10)
- Commercial paper	281.40	(281.40)	255.19	(255.19)
- Alternative Investment Funds	204.77	(204.77)	267.30	(267.30)
- Investment in associates	162.07	(162.07)	267.31	(267.31)
- Investment in security receipts	33.14	(33.14)	-	-
- Other investment	5.94	(5.94)	-	-
- Share warrants	0.01	(0.01)	0.01	(0.01)
Derivative financial instruments	218.36	(218.36)	54.77	(54.77)
Financial liabilities:				
Derivative financial instruments	-	-	(23.63)	23.63

Notes to Standalone Financial Statements

for the year ended March 31, 2026

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

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

Particulars	Carrying Value	Fair Value			
	Amortised cost	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value:					
Cash and cash equivalents	22,510.61	-	-	22,510.61	22,510.61
Bank balances other than cash and cash equivalents	26,126.56	-	-	26,126.56	26,126.56
Trade receivables	1,070.79	-	-	1,070.79	1,070.79
Loans	8,94,778.54	-	-	8,94,778.54	8,94,778.54
Investments	7,363.93	-	-	7,363.93	7,363.93
Other financial assets	38,960.68	-	-	38,960.68	38,960.68
Financial liabilities not measured at fair value:					
Trade payables					
- total outstanding dues of micro and small enterprises	-	-	-	-	-
- total outstanding dues of creditors other than micro and small enterprises	24,542.18	-	-	24,542.18	24,542.18
Debt securities	1,39,436.35	-	-	1,39,436.35	1,39,436.35
Borrowings (Other than debt securities)	10,80,401.27	-	-	10,80,401.27	10,80,401.27
Other financial liabilities	26,061.37	-	-	26,061.37	26,061.37

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

Particulars	Carrying Value	Fair Value			
	Amortised cost	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value:					
Cash and cash equivalents	32,120.04	-	-	32,120.04	32,120.04
Bank balances other than cash and cash equivalents	31,482.92	-	-	31,482.92	31,482.92
Trade receivables	1,201.75	-	-	1,201.75	1,201.75
Loans	8,66,120.89	-	-	5,15,211.25	5,15,211.25
Investments	10,486.71	-	-	10,486.71	10,486.71
Other financial assets	9,320.14	-	-	9,320.14	9,320.14
Financial liabilities not measured at fair value:					
Trade payables					
- total outstanding dues of micro and small enterprises	-	-	-	-	-
- total outstanding dues of creditors other than micro and small enterprises	6,726.54	-	-	6,726.54	6,726.54
Debt securities	1,40,785.32	-	-	1,40,785.32	1,40,785.32
Borrowings (Other than debt securities)	8,37,654.22	-	-	8,37,654.22	8,37,654.22
Other financial liabilities	17,670.10	-	-	17,670.10	17,670.10

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

Transfer of financial assets

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

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

B Capital management

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

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

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

The Company's gearing ratio is as follows:

Particulars	As at 31 March 2026	As at 31 March 2025
i Debt securities	1,39,436.35	1,40,785.32
ii Borrowings (other than debt securities)	10,80,401.27	8,37,654.22
iii Less: cash and cash equivalents	(22,510.61)	(32,120.04)
iv Adjusted net debt (iv = i + ii - iii)	11,97,327.01	9,46,319.50
v Total equity	3,89,348.27	3,40,915.46
vi Gearing ratio (vi = iv / v)	3.08	2.78

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

The Company has complied in full with all its externally imposed capital requirements over the reported period. Equity share capital and other equity are considered for the purpose of Company's capital management. Also refer note 47. No changes were made in the objectives, policies or processes for managing capital during the yer ended 31 March 2026 and 31 March 2025.

Notes to Standalone Financial Statements

for the year ended March 31, 2026

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36 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

Risk management framework

The Company's board of directors and risk management committee has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors and risk management committee along with the top management are responsible for developing and monitoring the Company's risk management policies.

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

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

Excessive risk concentration

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

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

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

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

Notes to Standalone Financial Statements

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(i) Credit risk

A. Loans

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

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

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

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

Staging:

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

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

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

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

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

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Grouping

As per Ind AS 109, Company is required to group the portfolio based on the shared risk characteristics. Company has assessed the risk and its impact on the various portfolios and has divided in to different segments:

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

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

For Partnership based Lending (PBL) book which is part of retail segment, PD is computed at sector level, ECL is calculated at partner level and aggregated. (Also refer note 83 (A)).

Expected credit loss ("ECL"):

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

- a. Marginal Probability of default ("MPD")
- b. Loss given default ("LGD")
- c. Exposure at default ("EAD")
- d. Discount factor ("D")

Marginal probability of default:

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

1. Intermediate Retail Portfolios (Ratings-Based Approach)

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

- Transition Matrices: The calculation is anchored on the observed movement of loans between Company's internal credit rating grades. Semi-annual transition matrices are generated, tracking rating migrations over six-month periods using historical data from September 2017 to the latest reporting date.
- Averaging and Calibration: These historical six-month matrices are averaged to produce a single, long-run transition matrix that represents stable, through-the-cycle performance. To ensure a logical relationship where credit risk increases as credit quality declines (monotonicity), the resulting six-month PDs are smoothed using a loglinear calibration method.
- Final TTC PD: The calibrated six-month PDs are then annualized to arrive at the final 12-month TTC PD for stage 1 loans and life time ECL for stage 2 and stage 3 loans, for each rating grade.

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

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

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

3. Mid-market (including Supply chain finance)

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

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

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

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

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

Marginal probability:

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

Conditional marginal probability:

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

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

Notes to Standalone Financial Statements

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LGD

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

EAD:

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

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

Discounting:

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

ECL computation:

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

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

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

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

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

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Particulars	As at 31 March 2026	As at 31 March 2025
ECL allowance - opening balance	26,516.19	10,643.83
Addition during the year	83,983.20	80,234.04
Reversal during the year	(9,968.92)	(3,431.44)
Write offs during the year	(69,415.51)	(60,930.24)
Closing provision of ECL	31,114.96	26,516.19

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

Changes in gross carrying amount

Particulars	As at 31 March 2026				As at 31 March 2025			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount - loans								
As at the beginning of the year	10,49,252.22	23,920.36	10,581.39	10,83,753.97	9,24,428.47	12,199.57	5,003.30	9,41,631.34
New assets originated *	9,94,206.60	11,771.05	70,284.07	10,76,261.72	8,61,557.13	14,763.14	4,717.38	8,81,037.65
Asset derecognised or repaid	(7,99,460.74)	(5,706.97)	(5,040.67)	(8,10,208.39)	(7,22,988.69)	(11,403.08)	56,406.99	(6,77,984.78)
Transfer from stage 1	(17,356.47)	8,675.19	8,681.28	-	(13,883.68)	8,646.63	5,237.05	-
Transfer from stage 2	1,411.17	(5,305.27)	3,894.10	-	102.11	(357.88)	255.77	-
Transfer from stage 3	507.95	37.40	(545.35)	-	36.88	71.98	(108.86)	-
Write offs	-	-	(69,415.51)	(69,415.51)	-	-	(60,930.24)	(60,930.24)
As at the end of the year	12,28,560.73	33,391.76	18,439.31	12,80,391.79	10,49,252.22	23,920.36	10,581.39	10,83,753.97

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

Reconciliation of ECL Balance (Also refer note 83 (A))

Particulars	As at 31 March 2026				As at 31 March 2025			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
As at the beginning of the year	16,051.79	4,350.30	6,114.10	26,516.19	5,365.90	1,141.93	4,136.00	10,643.83
New assets originated	13,634.03	1,657.16	68,692.01	83,983.20	12,349.19	3,982.21	63,902.65	80,234.05
Asset derecognised or repaid	(3,836.55)	(3,555.93)	(2,576.44)	(9,968.92)	1,791.98	(1,412.94)	(3,810.48)	(3,431.44)
Transfer from stage 1	(4,020.86)	622.57	3,398.29	-	(3,456.96)	769.34	2,687.62	-
Transfer from stage 2	12.59	(1,371.34)	1,358.75	-	1.20	(131.19)	129.99	-
Transfer from stage 3	4.56	2.94	(7.50)	-	0.48	0.95	(1.44)	(0.01)
Write offs	-	-	(69,415.51)	(69,415.51)	-	-	(60,930.24)	(60,930.24)
As at the end of the year	21,845.56	1,705.70	7,563.70	31,114.96	16,051.79	4,350.30	6,114.10	26,516.19

Collateral and other credit enhancements

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

Notes to Standalone Financial Statements

for the year ended March 31, 2026

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

Exposure to credit risk

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

B. Investments

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

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

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

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

Credit quality of exposure

Particulars	As at 31 March 2026				As at 31 March 2025			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Performing	2,86,056.65	1,459.35	-	2,87,516.00	1,94,395.72	-	-	1,94,395.72
Sub-standard	-	-	1,479.30	1,479.30	-	-	1,286.33	1,286.33
Total	2,86,056.65	1,459.35	1,479.30	2,88,995.30	1,94,395.72	-	1,286.33	1,95,682.05

Changes in gross carrying amount

Particulars	As at 31 March 2026				As at 31 March 2025			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
As at the beginning of the year	1,94,395.72	-	1,286.33	1,95,682.05	1,65,268.61	-	-	1,65,268.61
New assets originated *	2,14,881.79	1,459.35	8.14	2,16,349.28	1,29,714.18	-	-	1,29,714.18
Asset derecognised or repaid	(1,23,036.03)	-	-	(1,23,036.03)	(99,300.74)	-	-	(99,300.74)
Transfer from stage 1	(184.83)	-	184.83	-	(1,286.33)	-	1,286.33	-
Transfer from stage 2	-	-	-	-	-	-	-	-
Transfer from stage 3	-	-	-	-	-	-	-	-
Write offs	-	-	-	-	-	-	-	-
As at the end of the year	2,86,056.65	1,459.35	1,479.30	2,88,995.30	1,94,395.72	-	1,286.33	1,95,682.05

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

C. Cash and cash equivalent and bank deposits

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

Notes to Standalone Financial Statements

for the year ended March 31, 2026

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

D. Other Financial Assets

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

(ii) Liquidity risk

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

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

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

The composition of the Company's liability mix ensures healthy asset liability maturity pattern and well diverse resource mix.

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

Particulars	1 day to 30/31 days (one month)	Over one month to 2 months	Over 2 months up to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years
As at 31 March 2026								
Borrowings	74,599.59	69,235.14	91,753.92	2,07,564.61	2,07,937.22	4,70,652.95	97,094.19	1,000.00
Trade payables	-	-	-	24,542.18	-	-	-	-
Lease liabilities (undiscounted)	60.10	60.10	60.10	185.12	370.25	906.19	906.19	5.00
Other financial liabilities other than lease liabilities	14,193.96	353.22	5,361.30	663.56	1,122.08	1,814.20	-	-
As at 31 March 2025								
Borrowings	74,001.03	87,105.60	61,286.71	1,80,296.84	1,76,532.55	2,99,652.15	99,564.66	-
Trade payables	-	-	-	6,726.54	-	-	-	-
Derivative financial liabilities	-	-	-	1,367.57	-	-	995.91	-
Lease liabilities (undiscounted)	32.58	32.59	32.64	98.29	197.38	708.21	200.07	11.03
Other financial liabilities other than lease liabilities	8,769.97	23.09	4,434.07	358.29	567.59	573.85	-	-

Note:

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

Also refer note 33B for detailed disclosure on Analysis of financial assets and liabilities by remaining contractual maturities

Notes to Standalone Financial Statements

for the year ended March 31, 2026

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

(iii) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk includes foreign exchange rates, interest rates and equity prices which will affect the Companies income or the value of holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Interest rate risk

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

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

Particulars	As at 31 March 2026	As at 31 March 2025
Fixed rate instruments		
Loans	8,17,539.43	6,47,371.53
Debt securities and borrowings	4,84,394.91	2,82,577.36
Variable rate instruments		
Loans	4,31,737.40	4,41,348.95
Debt securities and borrowings	7,35,442.71	6,95,862.18

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

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

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

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

Loans extended by the Company are fixed and floating rate loans.

The sensitivity analysis have been carried out based on the exposure to interest rates for term loans from banks, debt securities and borrowings carried at variable rate

Particulars	As at31 March 2026		As at 31 March 2025	
	Increase	Decrease	Increase	Decrease
Loans	4,317.37	(4,317.37)	4,413.49	(4,413.49)
Borrowings	(7,354.43)	7,354.43	(6,958.62)	6,958.62

Notes to Standalone Financial Statements

for the year ended March 31, 2026

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

Price risk

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

Particulars	As at 31 March 2026	As at 31 March 2025
I) Investments in Alternate Investment Fund	20,477.35	26,730.50

Sensitivity Analysis

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

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
5% increase in the prices	1,023.87	1,336.53
5% decrease in the prices	(1,023.87)	(1,336.53)

(iv) Foreign currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Foreign currency risk for the Company arises majorly on account of foreign currency borrowings. The Company manages this foreign currency risk by entering into cross currency interest rate swaps. When a derivative is entered into for the purpose of being as hedge, the Company negotiates the terms of those derivatives to match with the terms of the hedge exposure. The Company's policy is to fully hedge its foreign currency borrowings at the time of drawdown and remain so till payment.

The Company holds derivative financial instruments such as cross currency interest rate swap and forward contracts to mitigate risk of changes in exchange rate in foreign currency and floating interest rate. The counterparty for these contracts is generally a bank. These derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in market place.

(v) Collateral and other credit enhancements

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Guidelines are in place covering the acceptability and valuation of each type of collateral.

The main types of collateral obtained are, as follows:

- a. For corporate and small business lending, charges over trade receivables and
- b. For retail lending, collateral in the form of first loss guarantee is obtained from the servicing entity or over identified fixed asset of the borrower

Management monitors the market value of collateral and will request for additional collateral in accordance with the underlying agreement. In its normal course of business, the Company does not physically repossess assets in its retail portfolio, but engages external agents to recover funds, generally at auction, to settle outstanding debt. Any surplus funds are returned to the customers/obligors. As a result of this practice, the assets under legal repossession processes are not recorded on the balance sheet and not treated as non-current assets held for sale.

Notes to Standalone Financial Statements

for the year ended March 31, 2026

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

(vi) Technology risk

Technology risk may arise from potential impact to IT systems and data because of hardware or software failure, human errors, as well as engineered cyber-attacks. In an era where technology is an imperative to drive efficiency, effectiveness and innovation, it becomes essential for the NBFC to have well-defined policies and procedures, necessary infrastructure and controls, and periodic audits to guard itself against any looming threats. The Company has implemented the Master Directions on Technology notified by the Reserve Bank of India and has put in place the necessary policies, procedures, controls and governance mechanisms to mitigate this risk. In addition, the Company also undergoes an IT audit by an independent firm on a yearly basis, has periodic vulnerability and penetration tests conducted by a third-party agency to identify and plug any loopholes in its technology infrastructure, process controls and remediation preparedness. The IT Strategy Committee of the Company looks into all these aspects to protect the Company’s technology and data assets, and ensure adequate preparedness to manage these risks.37 Commitments

37 COMMITMENTS

Particulars	As at 31 March 2026	As at 31 March 2025
Estimated amount of contracts remaining to be executed on capital account (net of capital advances) and not provided for	800.00	800.00
Undrawn committed sanctions to borrowers	18,498.71	11,300.00

38 A) CONTINGENT LIABILITIES

Particulars	As at 31 March 2026	As at 31 March 2025
Claims against the Company not acknowledged as debt		
- Income tax related matters related to AY 2014-15 (Refer note 1)	256.00	256.00
- Income tax related matters related to AY 2017-18 (Refer note 2)	172.53	172.53

Notes:

1. This litigation is related to disallowance of expenses incurred for earning exempt income for the AY 2014-15, which was partially allowed by the ITAT. The Company filed an appeal against this matter with High Court, Madras.
2. This litigation is related to denying benefit of exemption of Income from securitisation investments under section 10(35A) of the Income Tax Act AY 2017-18. The Company filed an appeal against this matter with Commissioner of Income Tax Appeals.
- 3) The amount included above represents best possible estimate arrived at on the basis of available information. The Management believes that it has a reasonable case in its defence of the proceedings and accordingly no further provision has been created.
- 4) The Company has certain litigations pending with income tax authorities, and other litigations which have arisen in the ordinary course of business. The Company has reviewed all such pending litigations having an impact on the financial position, and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable in the standalone financial statements.

Notes to Standalone Financial Statements

for the year ended March 31, 2026

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

b) Financial guarantee issued to third parties

Particulars	As at 31 March 2026	As at 31 March 2025
Guarantees outstanding	17.08	168.77

39 DISCLOSURE UNDER MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006

Under Micro, Small and Medium Enterprise Development Act, 2006 (‘MSMED’) which came into force from October 2, 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. Based on the information and records available with management and to the extent of confirmation sought from suppliers on registration with specified authority under MSMED, principal amount, interest accrued and remaining unpaid and interest paid during the year is furnished as under. The disclosure provided below are based on the information and records maintained by the management and have been relied upon by the auditor.

Particulars	As at 31 March 2026	As at 31 March 2025
a. The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting period		
Principal	-	-
Interest	-	-
b. The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
c. The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
d. The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
e. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

Notes to Standalone Financial Statements

for the year ended March 31, 2026

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

40 RETIREMENT BENEFIT PLAN

I. Defined contribution plans

The Company makes specified monthly contributions towards employee provident fund to Government administered provident fund scheme which is a defined contribution plan. The Company's contribution is recognized as an expenses in the statement of profit and loss during the period in which the employee renders the related service. The amount recognised as an expense towards contribution to provident fund for the period aggregated to INR 1,000.28 lakhs (31 March 2025: INR 903.92 lakhs).

II. Defined benefit plans

The Company's gratuity benefit scheme is a defined plan. The Company's net obligation in respect of a defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their services in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognised past services and the fair value of any plan assets are deducted. The Calculation of the Company's obligation under the plan is performed annually by a qualified actuary using the projected unit credit method.

The Company have an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service. Employees who are in continous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied by the number of years of service subject to maximum benefit of ₹ 20 lakhs. Vesting occurs upon completion of five years of service.

Details of actuarial valuation of gratuity pursuant to the Ind AS 19

A. Change in present value of obligations

Particulars	As at 31 March 2026	As at 31 March 2025
Present value of obligations at the beginning of the year	754.49	596.57
Current service cost	148.41	127.71
Interest cost	44.95	38.84
Benefits settled	(59.37)	(55.60)
Transfer out to subsidiary	(31.52)	(19.71)
Actuarial loss recognised in the other comprehensive income		
- Changes in financial assumptions	(104.73)	(35.02)
- Experience adjustment	177.34	101.70
Present value of obligations at the end of the year	929.57	754.49

Notes to Standalone Financial Statements

for the year ended March 31, 2026

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

B. Change in plan assets

Particulars	As at 31 March 2026	As at 31 March 2025
Fair value of plan assets at the beginning of the year	-	-
Expected return on plan assets	-	-
Actuarial gains/ (loss)	-	-
Employer contributions	59.37	55.60
Benefits paid	(59.37)	(55.60)
Fair value of plan assets at the end of the year	-	-

C. Reconciliation of present value of the obligation and the fair value of the plan assets

Particulars	As at 31 March 2026	As at 31 March 2025
Change in projected benefit obligation		
Present value of obligations at the end of the year	929.57	754.49
Fair value of plan assets	-	-
Net liability recognised in balance sheet	929.57	754.49

Particulars	As at 31 March 2026	As at 31 March 2025
The liability in respect of the gratuity plan comprises of the following non-current and current portions:		
Current	380.06	196.84
Non-current	549.51	557.65
	929.57	754.49

D. Expense recognised in statement of profit and loss

Particulars	As at 31 March 2026	As at 31 March 2025
Current service cost	148.41	127.71
Interest on obligation	44.95	38.84
Past service cost	-	-
Total included in statement of profit and loss	193.36	166.55

E. Remeasurements recognized in other comprehensive income

Particulars	As at 31 March 2026	As at 31 March 2025
Actuarial loss on defined benefit obligation	72.61	66.68
Total included in other comprehensive income	72.61	66.68

Notes to Standalone Financial Statements

for the year ended March 31, 2026

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

F. Assumptions at balance sheet date

Particulars	As at 31 March 2026	As at 31 March 2025
Discount rate	6.09%	6.34%
Salary escalation	8.00%	8.00%
Mortality rate	Indian Assured Lives Mortality (2012 -14)	Indian Assured Lives Mortality (2012 -14)
Attrition rate	52.80%	38.10%
Estimated average future working life	1.89	2.60
Average duration of defined benefit obligation	2.20	3.20

Notes:

- The estimates of rate of escalation in salary considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.
- Discount rate is based on the prevailing market yields of Indian Government Bonds as at the balance sheet date for the estimated term of the obligation.

G. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

	Year ended 31 March 2026		Year ended 31 March 2025	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(914.98)	944.73	(736.10)	773.93
Future salary growth (1% movement)	948.64	(910.89)	776.93	(732.89)
Attrition rate (1% movement)	(923.28)	936.01	(747.13)	762.11

Additional disclosures required under Ind AS 19

Particulars	As at 31 March 2026	As at 31 March 2025
Average duration of defined benefit obligation (in years)	2.20	3.20
Projected undiscounted expected benefit outgo (mid year cash flows)		
Year 1	403.21	209.32
Year 2	268.26	179.23
Year 3	173.19	145.18
Year 4	88.83	124.85
Year 5	48.67	85.55
Next 5 years	48.12	135.70
Exected benefit payments for the next annual reporting year	403.21	209.32

Notes to Standalone Financial Statements

for the year ended March 31, 2026

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

III. Other long term employee benefits

The Company permits encashment of compensated absences accumulated by their employees on retirement. The liability in respect of the Company, for outstanding balance of privilege leave at the balance sheet date is determined and provided on the basis of actuarial valuation performed by an independent actuary. The Company does not maintain any plan assets to fund its obligation towards compensated absences.The liability for compensated absences as at 31 March 2026 is INR 836.71 lakh and as at 31 March 2025 was INR 695.42 lakh.

Assumptions:

Particulars	As at 31 March 2026	As at 31 March 2025
Discount rate	6.09%	6.34%
Future salary increases	8.00%	8.00%

IV. Through its defined benefit plans the Company is exposed to a number of risks, the most significant of which are detailed below:

Demographic risks

This is the risk of volatility of results due to unexpected nature of decrements that include mortality attrition, disability and retirement. The effects of this decrement on the defined benefit obligations depend upon the combination of salary increase, discount rate, and vesting criteria and therefore not very straight forward.

Change in bond yields

A decrease in government bond yields will increase plan liabilities, although this is expected to be partially offset by an increase in the value of the plan's investment in debt instruments.

Inflation risk

The present value of some of the defined benefit plan obligations are calculated with reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Life expectancy

The present value of defined benefit plan obligation is calculated by reference to the best estimate of the mortality of plan participants, both during and after the employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

41 SHARE BASED PAYMENTS

Employee Stock Option Plan 2016 (ESOP) has been approved by the Board at its meeting held on 07 October 2016 and by the members in the Extra Ordinary General Meeting held on 07 October 2016.

41.1 The Company has an cash settled share based payments scheme, under which grants were made as per details provided below:

Northern Arc Capital Employee Stock Option Scheme 2016 – “Scheme II”

The Northern Arc Capital Employee Stock Option Plan 2016 is applicable to all employees including employees of subsidiaries. The options were issued in seventeen tranches. The exercise price ranging between INR 110 to INR 275. The options are vested equally over a period of 5 years.

Notes to Standalone Financial Statements

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

Northern Arc Employee Stock Option Scheme 2023 – “Scheme- II B”

The Northern Arc Capital Employee Stock Option Plan 2016 is applicable to all employees including employees of subsidiaries. The options were issued on 9th September 2021. The exercise price is INR 275. The options are vested equally over a period of 5 years.

Northern Arc Capital Employee Stock Option Scheme 2018 – “Scheme III”

The Northern Arc Capital Employee Stock Option Scheme 2016 is applicable to all employees including employees of subsidiaries. The options were issued in five tranches. The exercise price ranging between INR 10 to INR 275. The options are vested over a period of 3 years in 30:30:40. proportion

Northern Arc Capital Employee Stock Option Scheme 2022 – “Scheme- IV”

The Northern Arc Capital Employee Stock Option Scheme 2022 is applicable to all employees including employees of subsidiaries. The options under this scheme were issued in two tranches. The exercise price is INR 324 price per share. The options are vested over a period of 4 years in 25:25:25:25 proportion.

Northern Arc Capital Employee Stock Option Scheme 2023 – “Scheme- IVB”

The Northern Arc Capital Employee Stock Option Scheme 2023 is applicable to all employees including employees of subsidiaries. The options under this scheme were issued on thirteen tranches. The exercise price is 211 to 275 per share. The options are vested over a period of 4 years in 25:25:25:25 proportion.

41.2 Options outstanding under Scheme I, Scheme II, Scheme IIB, Scheme III, Scheme IV and Scheme IVB

Particulars	As at 31 March 2026				
Plan	Scheme II	Scheme IIB	Scheme III	Scheme IV	Scheme IV B
Grant date	Various	13-Sep-23	Various	Various	Various
Number of options	11,70,500	1,83,000	5,54,195	9,25,000	34,97,000
Exercise price in INR	110 to 275	275	10 to 275	324	211 to 275
Vesting period	1 to 5 years	1 to 5 years	1 to 3 years	1 to 4 years	1 to 4 years
Option Price	31.85 to 121.09	160.14	65.57 to 298.36	56.14 to 65.74	32.86 to 146.45
Weighted average exercise price in INR	151.83	275.00	169.16	324.00	257.60
Weighted average remaining contractual life (in years)	0.22	0.60	0.20	0.40	1.49
Weighted average remaining contractual life including exercise period(in years)	2.58	7.46	3.85	5.31	6.90
Vesting condition	Time based vesting				

Notes to Standalone Financial Statements

for the year ended March 31, 2026

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

Particulars	As at 31 March 2025				
Plan	Scheme II	Scheme IIB	Scheme III	Scheme IV	Scheme IV B
Grant date	Various	13-Sep-23	Various	13-Sep-23	Various
Number of options	13,16,500	2,18,000	6,23,501	9,68,000	25,40,000
Exercise price in INR	110 to 275	275	10 to 275	324	211 to 275
Vesting period	1 to 5 years	1 to 5 years	1 to 3 years	1 to 4 years	1 to 4 years
Option Price	31.85 to 121.09	160.14	65.57 to 298.36	56.14 to 65.74	128.88 to 146.45
Weighted average exercise price in INR	149.50	275.00	174.28	324.00	275.00
Weighted average remaining contractual life (in years)	0.22	1.60	0.20	0.40	1.49
Weighted average remaining contractual life including exercise period(in years)	2.58	7.46	3.85	5.31	6.90
Vesting condition	Time based vesting				

41.3 Reconciliation of outstanding options

The details of options granted under the above schemes are as follows:

Particulars	Year ended 31 March 2026		Year ended 31 March 2025	
	Weighted average exercise price per option	Number of options	Weighted average exercise price per option	Number of options
Outstanding at beginning of year	243.13	56,66,001	216.84	49,24,754
Add: Granted during the year	225.73	12,35,000	303.03	14,08,000
Less: Forfeited during the year	269.12	4,11,267	218.66	3,96,787
Less: Exercised during the year and allotted	127.35	1,60,039	132.97	2,37,466
Less: Exercised during the year but not allotted	-	-	119.51	32,500
Outstanding as at end of year	240.50	63,29,695	243.13	56,66,001
Amount expensed of in Statement of Profit and Loss (in Rs. Lakhs)	855.19		1,303.88	

41.4 Fair value methodology

The fair value of options have been estimated on the dates of each grant using the Black-Scholes model. The shares of Company are not listed on any stock exchange. Accordingly, the Company had considered the volatility of the Company's stock price based on historical volatility of similar listed enterprises. The various assumptions considered in the pricing model for the stock options granted by the Company are as follows:

Particulars	As at 31 March 2026	As at 31 March 2025
Dividend yield	0.00%	0.00%
Historical Volatility Estimate	32.73% - 38.03%	39.33% - 39.61%
Risk free interest rate	5.90% - 5.91%	6.87% - 7.07%
Expected life of the option (in years)	2.50	3.00

Notes to Standalone Financial Statements

for the year ended March 31, 2026

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

42 RELATED PARTY DISCLOSURES

Related party relationships and transactions:

Nature of Relationship	Name of Related Party
(i) Subsidiaries	Northern Arc Creditech Solutions Private Limited (formerly Northern Arc Investment Adviser Services Private Limited)
	Northern Arc Investment Managers Private Limited
	Northern Arc Foundation
	Pragati Finserv Private Limited
	Northern Arc Capital Employee Welfare Trust
	Northern Arc Securities Private Limited
(ii) Associate	Finreach Solutions Private Limited (Upto 12 May 2025)
	Northern Arc Emerging Corporates Bond Trust (w.e.f 26 February 2025)
(ii) Key Managerial Personnel (KMP)	Mr. Ashish Mehrotra, Managing Director & Chief Executive Officer
	Mr. Atul Tibrewal, Chief Financial Officer
	Ms. Monika Gurung, Company Secretary (from 18 January 2024 till 22 April 2024)
	Mr.Prakash Chandra Panda, Company Secretary (from 23 April 2024)
(iii) Director and relative of Key Management Personnel / Director	Ms. Kshama Fernandes , Non - Executive Director
	Mr. Ashutosh Arvind Pednekar - Independent director
	Mr. P S Jayakumar - Independent director
	Ms. Anuradha Rao - Independent director
	Mr. Michael Jude Fernandes - Nominee director
	Mr. Vijay Chakravarthi Nallan - Nominee director
	Mr Arunkumar Nerur Thiagarajan - Independent director (till 13 February 2025)
	Ms. Vidya Krishnan - Nominee director (from 31 October 2025)
	Mr. Sandeep Dhar - Nominee director (from 07 March 2026)
	Mr. T.S. Anantharaman - Nominee director (till 23 June 2025)

Notes to Standalone Financial Statements

for the year ended March 31, 2026

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

A. Transactions during the Year :

	Year ended 31 March 2026	Year ended 31 March 2025
Northern Arc Investment Managers Private Limited		
Fee Income	371.12	368.48
Reimbursement of expenses (net of GST)	-	74.03
Interest income	5.19	624.68
Loans given	1,387.53	3,421.77
ESOPs issued	43.32	37.42
Loans repaid	1,387.53	13,226.02
Northern Arc Creditech Solutions Private Limited (formerly Northern Arc Investment Adviser Services Private Limited)		
Expenses incurred by the Company on behalf of Northern Arc Creditech Solutions Private Limited	0.39	2.21
Expenses incurred by the Northern Arc Creditech Solutions Private Limited on behalf of Company	-	27.17
Pragati Finserv Private Limited		
Servicer fee	5,455.31	5,530.32
Reimbursement of expenses	116.36	-
Advances given	6,288.26	2,200.00
Northern Arc Foundation		
Contribution to CSR	756.00	609.07
Expenses incurred by the Company on behalf of Northern Arc Foundation	-	4.09
Reimbursement of expenses	-	38.13
Northern Arc Emerging Corporates Bond Trust (w.e.f 26 February 2025)		
Investments in Alternate Investment Funds	-	26,000.00
Application money transferred pending allotment	-	1,500.00
Redemption of investments made in Alternate Investment Funds	11,000.00	-
Finreach Solutions Private Limited (Upto 12 May 2025)		
Sale of investments	250.00	-
Guarantee Management Service Fee	-	2.84
Northern Arc Securities Private Limited		
Investments	1,800.00	100.00
Fee and commission income	98.28	-
Fee and commission expenses	150.84	-
Ms. Kshama Fernandes , Non - Executive Director		
Sitting fees	16.50	22.00
Mr. P S Jayakumar - Independent director		
Commission	152.50	154.00
Sitting Fees	17.00	25.00

Notes to Standalone Financial Statements

for the year ended March 31, 2026

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

	Year ended 31 March 2026	Year ended 31 March 2025
Mr. Atul Tibrewal, Chief Financial Officer		
Short-term employee benefits		
- Remuneration and other benefits *	253.06	293.94
Share based payments	38.67	43.99
Mr. Ashutosh Arvind Pednekar - Independent director		
Sitting Fees	18.50	23.00
Ms. Anuradha Rao - Independent director		
Sitting Fees	20.50	29.00
Mr Arunkumar Nerur Thiagarajan - Independent director (till 13 February 2025)		
Sitting Fees	-	21.50
Mr. Vijay Chakravarthi Nallan - Nominee director		
Sitting Fees	17.00	2.50
Mr. Michael Jude Fernandes - Nominee director		
Sitting Fees	17.50	4.50
Mr. T.S. Anantharaman - Nominee director (till 23 June 2025)		
Sitting Fees	4.00	3.50
Ms. Vidya Krishnan - Nominee director (from 31 October 2025)		
Sitting Fees	6.50	-
Mr. Sandeep Dhar - Nominee director (from 07 March 2026)		
Sitting Fees	12.00	-
Mr. Ashish Mehrotra, Managing Director & Chief Executive Officer		
Short-term employee benefits		
- Remuneration and other benefits *	970.27	885.38
Share based payments	355.62	489.82
Mr.Prakash Chandra Panda, Company Secretary (from 23 April 2024)		
Short-term employee benefits		
- Remuneration and other benefits *	53.05	33.31
Share based payments	4.70	4.09
Advances	3.00	-
Ms. Monika Gurung, Company Secretary (from 18 January 2024 till 22 April 2024)		
Short-term employee benefits		
- Remuneration and other benefits *	-	1.20
Advances	-	0.25

* Amount attributable to post employment benefits (except actual payments) have not been disclosed as the same cannot be identified distinctly in the actuarial valuation. Amount excludes transfer from share based payment reserve to securities premium on exercise of employee stock options.

Notes to Standalone Financial Statements

for the year ended March 31, 2026

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

B. Balances as at year end:

	As at 31 March 2026	As at 31 March 2025
Northern Arc Creditech Solutions Private Limited (formerly Northern Arc Investment Adviser Services Private Limited)		
Investments	127.80	127.80
Northern Arc Investment Managers Private Limited		
Investments	361.00	361.00
ESOP Receivable	44.60	1.29
Other receivables	52.35	201.94
Trade payable	-	19.71
Northern Arc Foundation		
Investments	1.00	1.00
Advances	-	0.91
CSR Contribution payable	-	38.14
Pragati Finserv Private Limited		
Investments	2,253.40	2,253.40
Other receivables	3,141.00	2,438.70
Finreach Solutions Private Limited (Upto 12 May 2025)		
Investments	-	843.53
Northern Arc Securities Private Limited		
Investments	2,050.00	250.00
Advances	1.26	5.94
Northern Arc Emerging Corporates Bond Trust (w.e,f 26 February 2025)		
Investments	16,206.81	26,730.50
Mr. Ashish Mehrotra, Managing Director & Chief Executive Officer		
Provision for share based payment	1,703.67	1,348.05
Advances	4.30	10.32
Mr. Atul Tibrewal, Chief Financial Officer		
Provision for share based payment	234.49	195.83
Advances	4.00	4.00
Mr.Prakash Chandra Panda, Company Secretary (from 23 April 2024)		
Provision for share based payment	8.79	4.09
Advances	3.00	-
Ms. Monika Gurung, Company Secretary (from 18 January 2024 till 22 April 2024)		
Advances	-	0.25

Notes:

- 1) The Company's related party transactions during the year ended 31 March 2026 and 31 March 2025 and outstanding balances as at 31 March 2026 and 31 March 2025 are with its subsidiaries with whom the Company generally enters into transactions which are at arms length and in the ordinary course of business.
- 2) There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2026, the Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is under taken each financial year through examining the financial position of the related party and the market in which the related party operates.
- 3) Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash.

Notes to Standalone Financial Statements

for the year ended March 31, 2026

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

43 The details of the investments held by the Company in the Alternative Investment Funds managed by the Company's wholly owned subsidiary, Northern Arc Investment Managers Private Limited, as disclosed in the respective standalone financial statements (aggregate amounts) are as follows:

Fund	31 March 2026		31 March 2025	
	Purchases	Redemption *	Purchases	Redemption *
IFMR Fim pact Long Term Credit Fund	-	-	-	-
Northern Arc Money Market Alpha Trust Fund	10,349.48	7,915.39	-	-
Northern Arc Emerging corporates Bond Fund	1,500.00	11,000.00	24,639.32	-
Northern Arc Finserv Fund	1,700.00	-	-	-

* represents the dividend received in respect of cum dividend investment

Fund	Fair value changes	
	Year ended 31 March 2026	Year ended 31 March 2025
IFMR Fim pact Long Term Credit Fund	(6.53)	5.05
Northern Arc Money Market Alpha Trust Fund	29.60	-
Northern Arc Emerging corporates Bond Fund	(985.00)	-
Northern Arc Finserv Fund	4.83	348.34

Outstanding balances (Investment) at carrying value

Fund	As at 31 March 2026		As at 31 March 2026	
	Units**	Carrying value	Units**	Carrying value
IFMR Fim pact Long Term Credit Fund #	208.68	-	208.68	-
Northern Arc Money Market Alpha Trust Fund	22,00,840.24	2,529.99	-	-
Northern Arc Emerging corporates Bond Fund	15,458.13	16,206.81	24,639.32	26,730.50
Northern Arc Finserv Fund	1,633.56	1,741.26	-	-

** The units disclosed are in absolute figures

44 IMPACT OF HEDGING ACTIVITIES

a) Disclosure of effects of hedge accounting on financial position:

Type of hedge risks	As at 31 March 2026					
	Notional Amount	Carrying amount of hedging instrument		Maturity Date	Changes in fair value of hedging instrument	Change in the value of hedged item as the basis for recognising hedge effectiveness
		Assets	Liabilities			
Cash flow hedge						
Cross currency swaps	2,03,084.79	16,225.00	-	15 November 2025 to 18 February 2031	12,036.82	(12,036.82)
Forward contract	1,29,742.70	5,610.82	-	02 September 2026	6,978.39	(6,978.39)

Notes to Standalone Financial Statements

for the year ended March 31, 2026

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

Type of hedge risks	Notional Amount	As at 31 March 2025		Maturity Date	Changes in fair value of hedging instrument	Change in the value of hedged item as the basis for recognising hedge effectiveness	Line item in Balance Sheet
		Carrying amount of hedging instrument					
		Assets	Liabilities				
Cash flow hedge							
Cross currency swaps	65,918.27	5,184.09	995.91	15 November 2025 to 28 February 2030	(969.46)	969.46	Borrowings (other than debt securities)
Forward contract	1,650.95	-	1,367.57	22 September 2025	(1,421.69)	1,421.69	Borrowings (other than debt securities)
Fair Value hedge							
Overnight Indexed swap	59,325.00	292.46	-	15 December 2026 to 21 September 2027	320.93	(320.93)	- Debt securities - Borrowings (other than debt securities)

b) Disclosure of effects of hedge accounting on statement of profit and loss:

Type of hedge	As at 31 March 2026			
	Change in value of the hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised in statement of profit and loss	Amount reclassified from cash flow hedge reserve to statement of profit and loss	Line item affected in statement of profit and loss because of the reclassification
Cash flow hedge				
Cross currency swaps	12,036.82	-	-	NA
Forward Contract	6,978.39	-	-	NA

Type of hedge	As at 31 March 2026			
	Change in value of the hedging instrument recognised in statement of profit and loss	Hedge ineffectiveness recognised in statement of profit and loss	Amount reclassified from cash flow hedge reserve to statement of profit and loss	Line item affected in statement of profit and loss because of the reclassification
Fair value hedge				
Overnight Indexed swap	-	-	-	NA

Type of hedge	As at 31 March 2025			
	Change in value of the hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised in statement of profit and loss	Amount reclassified from cash flow hedge reserve to statement of profit and loss	Line item affected in statement of profit and loss because of the reclassification
Cash flow hedge				
Cross currency swaps	(969.46)	-	-	NA
Forward Contract	(1,421.69)	-	-	NA

Notes to Standalone Financial Statements

for the year ended March 31, 2026

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

Type of hedge	As at 31 March 2025			
	Change in value of the hedging instrument recognised in statement of profit and loss	Hedge ineffectiveness recognised in statement of profit and loss	Amount reclassified from cash flow hedge reserve to statement of profit and loss	Line item affected in statement of profit and loss because of the reclassification
Fair value hedge				
Overnight Indexed swap	320.93	-	-	NA

45 SEGMENT REPORTING

Operating segments

The Company's operations predominantly relate to arranging or facilitating or providing finance either in the form of loans or investments or guarantees. The information relating to this operating segment is reviewed regularly by the Company's Board of Directors (Chief Operating Decision Maker) to make decisions about resources to be allocated and to assess its performance. The CODM considers the entire business of the Company on a holistic basis to make operating decisions and thus there are no segregated operating segments. The CODM of the Company reviews the operating results of the Company as a whole and therefore not more than one reportable segment is required to be disclosed by the Company as envisaged by Ind AS 108 Operating Segments.

The Company does not have any separate geographic segment other than India. As such there are no separate reportable segments as per IND AS 108 Operating Segments.

Information about major customers

The Company operates in a single business segment ie. financing, which has similar risks and returns taking into account the organisational structure and the internal reporting systems. No revenue from transactions with a single external customer or counterparty amounted to 10% or more of the company's total revenue in year ended 31 March, 2026 or 31 March, 2025. The Company operates in single geography i.e. India and therefore geographical information is not required to be disclosed separately.

46 RESERVE BANK OF INDIA (NON-BANKING FINANCIAL COMPANIES - FINANCIAL STATEMENTS: PRESENTATION AND DISCLOSURES) DIRECTIONS, 2025 (UPDATED AS ON 01 APRIL 2026)

The disclosures in note from 46A to 80 are made pursuant to Reserve Bank of India RBI/DOR/2025-26/359 DOR.ACC.REC.No.278/21.04.018/2025-26 dated 28 November 2025, as updated, to the extent applicable to the Company.

46A Loans against gold and silver collateral

The Company has not provided loan against security of gold and silver during the year ended 31 March 2026 and year ended 31 March 2025.

46B Loans against project finance

The Company has not provided loan against project finance during the year ended 31 March 2026 and year ended 31 March 2025.

Notes to Standalone Financial Statements

for the year ended March 31, 2026

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

47 CAPITAL ADEQUACY RATIO

The Company's capital adequacy ratio, calculated in accordance with the Reserve Bank of India guidelines, is as follows:

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Tier I Capital	3,51,373.19	3,21,918.68
Tier II Capital	15,428.79	17,086.42
Total Capital	3,66,801.97	3,39,005.10
Total Risk Assets	16,25,931.26	13,71,302.14
Capital Ratios		
Tier I Capital as a percentage of Total Risk Assets (%)	21.61%	23.48%
Tier II Capital as a percentage of Total Risk Assets (%)	0.94%	1.25%
Total Capital (%)	22.56%	24.72%

48 INVESTMENTS

Particulars	As at 31 March 2026	As at 31 March 2025
Value of investment		
Gross value of investments		
- In India	2,89,588.83	1,95,682.05
- Outside India	-	-
Provision for Depreciation		
- In India	-	-
- Outside India	-	-
Net value investments		
- In India	2,89,588.83	1,95,682.05
- Outside India	-	-
Movement of provisions held towards depreciation on investments		
Opening balance	-	-
Add: Provisions made during the year	-	-
Less: Write off/ write back/ reversal of provision during the year	-	-
Closing balance	-	-

49 DERIVATIVES

a) Forward Rate Agreement (FRA) / Interest Rate Swap (IRS)

S No	Particulars	As at 31 March 2026	As at 31 March 2025
i)	The notional principal of swap agreements / forward cover / overnight indexed swap	3,32,827.49	1,26,894.22
ii)	Losses which would be incurred if counterparties failed to fulfil their obligations under the agreement	-	-
iii)	Collateral required by the Company upon entering into swaps	-	-
iv)	Concentration of credit risk arising from the swaps	NA	NA
v)	The fair value of the swap book (Asset / (Liability))	21,835.82	3,113.07

Notes to Standalone Financial Statements

for the year ended March 31, 2026

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

b) Exchange Traded Interest Rate (IR) Derivatives

The Company has not entered into any exchange traded derivative in the current year and in the previous year.

c) Disclosures on Risk Exposure in Derivatives

Qualitative Disclosures

- i) The Company undertakes the derivatives transaction to prudently hedge the risk in context of a particular borrowing and to maintain fixed and floating borrowing mix. The Company does not indulge into any derivative trading transactions. The Company reviews, the proposed transaction and outline any considerations associated with the transaction, including identification of the benefits and potential risks (worst case scenarios); an independent analysis of potential savings from the proposed transaction. The Company evaluates all the risks inherent in the transaction viz., counter party risk, Market Risk, Operational Risk, basis risk etc.
- ii) Credit risk is controlled by restricting the counterparties that the Company deals with, to those who either have banking relationship with the Company or are internationally renowned or can provide sufficient information. Market/Price risk arising from the fluctuations of interest rates and foreign exchange rates or from other factors shall be closely monitored and controlled. Normally transaction entered for hedging, will run over the life of the underlying instrument, irrespective of profit or loss. Liquidity risk is controlled by restricting counterparties to those who have adequate facility, sufficient information, and sizable trading capacity and capability to enter into transactions in any markets around the world.
- iii) The respective functions of trading, confirmation and settlement should be performed by different personnel. All the derivatives transactions are quarterly monitored and reviewed. All the derivative transactions have to be reported to the board of directors on every quarterly board meetings including their financial positions.

Quantitative Disclosures

S No	Particulars	As at 31 March 2026		As at 31 March 2025	
		Currency Derivatives*	Interest Rate Derivatives#	Currency Derivatives*	Interest Rate Derivatives#
i)	Derivatives (Notional Principal Amount) - For hedging	3,32,827.49	-	67,569.22	59,325.00
ii)	Marked to Market Positions (a) Asset [+] Estimated gain (b) Liability [-] Estimated loss	21,835.82 -	- -	5,184.09 (2,363.48)	292.46 -
iii)	Credit exposure	3,32,827.49	-	67,569.22	59,325.00
iv)	Unhedged exposures	-	-	-	-

* Cross currency index rate swap and Forward Contracts

Overnight indexed swap

Notes to Standalone Financial Statements

for the year ended March 31, 2026

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

50 ASSET LIABILITY MANAGEMENT

Maturity Pattern of certain items of Assets and Liabilities:

As at 31 March 2026

Particulars	1 - 7 Days	8 - 14 days	15 - 31 days	Over 1 month to 2 months 3 months	Over 2 months upto 3 months	Over 3 months upto 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Advances	99,138.70	9,515.52	29,804.31	1,05,380.52	1,11,283.51	2,19,217.54	3,10,124.30	2,60,994.31	35,764.17	68,053.94	12,49,276.83
Investments	10,224.45	0.57	11,795.05	11,740.80	16,323.41	43,603.19	71,413.83	1,12,091.90	560.34	11,241.76	2,88,995.30
Borrowings	14,024.27	1,478.00	58,613.45	68,751.27	77,465.88	1,72,560.03	1,98,415.89	4,08,230.64	66,517.44	1,000.00	10,67,056.87
Foreign Currency Liabilities	-	-	483.87	483.87	14,288.04	35,004.58	9,521.33	62,422.31	30,576.75	-	1,52,780.75

As at 31 March 2025

Particulars	1 - 7 Days	8 - 14 days	15 - 31 days	Over 1 month to 2 months 3 months	Over 2 months upto 3 months	Over 3 months upto 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Advances	65,974.82	6,363.30	24,200.80	85,166.79	88,802.58	1,73,561.33	2,30,748.53	3,05,753.54	25,416.52	51,249.57	10,57,237.78
Investments	4,655.56	250.41	15,249.31	8,493.20	11,541.87	24,676.52	53,569.81	47,703.87	25,693.59	3,847.91	1,95,682.05
Borrowings	12,135.72	333.33	61,531.98	78,901.92	57,982.54	1,73,815.39	1,60,654.22	2,71,590.73	50,661.44	-	8,67,607.27
Foreign Currency Liabilities	-	-	-	8,203.68	3,304.17	6,481.45	15,878.33	28,061.42	48,903.22	-	1,10,832.27

51 DISCLOSURES IN RESPECT OF FRAUD

Particulars	Less than 1 lakhs			More than 1 lakhs and less than 25 lakhs			More than 25 lakhs			Total
	No of cases	Amount in lakhs	No of cases	Amount in lakhs	No of cases	Amount in lakhs	No of cases	Amount in lakhs	No of cases	Amount in lakhs
Person involved										
Staff										
Outsiders	370	156.00	22	53.00	-	-	-	-	392	209.00
Total	370	156.00	22	53.00	-	-	-	-	392	209.00
Type of fraud										
Cash mishandling	205	64.35	22	53	-	-	-	-	227	117.35
Others	165	91.65	-	-	-	-	-	-	165	91.65
Total	370	156.00	22	53.00	-	-	-	-	392	209.00

Notes to Standalone Financial Statements

for the year ended March 31, 2026

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

52 PUBLIC DISCLOSURE ON LIQUIDITY RISK

Particulars	No. of Significant counterparties	Amount (in Lakhs)	% of Total Liability
(i) Funding concentration based on significant counterparty (borrowings)	29	10,97,991.43	86.05%

Note

“Significant counterparty” is defined as a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the total liabilities.

Total Liabilities has been computed as Total Assets less Total Equity.

Particulars	Amount (in Lakhs)	% of Total Deposits
(ii) Top 20 large deposits (amount in Rs. Lakhs and % of the deposits)	NA	NA

Particulars	Amount (in Lakhs)	% of Total Borrowings
(iii) Top 10 borrowings (amount in Rs. Lakhs and % of the total borrowings)	3,83,574.26	31.44%

Name of Instrument/project	Amount (in Lakhs)	% of Total Liabilities
(iv) Funding Concentration based on significant instrument/product		
Term Loan from Banks	8,47,900.03	66.45%
Term Loan from Others	17,761.44	1.39%
Borrowings under securitisation	61,959.05	4.86%
ECBs	1,52,780.75	11.97%
Commercial Paper	21,742.51	1.70%
Debentures	1,17,693.84	9.22%

Note

“Significant instrument/product” is defined as a single instrument/product of group of similar instruments/products which in aggregate amount to more than 1% of the total liabilities.

Total Liabilities has been computed as Total Assets less Total Equity.

Name of Instrument/project	Percentage
(v) Stock Ratios	
Commercial papers as a % of total public funds	1.88%
Commercial papers as a % of total liabilities	1.70%
Commercial papers as a % of total asset	1.31%
Non-convertible debentures (original maturity of less than one year) as a % of total public funds	NA
Non-convertible debentures (original maturity of less than one year) as a % of total liabilities	NA
Non-convertible debentures (original maturity of less than one year) as a % of total asset	NA
Other short term liabilities as a % of total public funds	4.31%
Other short term liabilities as a % of total liabilities	3.91%
Other short term liabilities as a % of total asset	3.00%

Note

Other short term liabilities have been computed as a sum of trade payables, other financial liabilities and other non-financial liabilities which have a maturity of within 12 months

Total Liabilities have been computed as Total Assets less Total Equity.

Total assets represents total assets as per the Balance Sheet netted off by intangible assets.

Notes to Standalone Financial Statements

for the year ended March 31, 2026

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

53 EXPOSURE TO REAL ESTATE SECTOR

Particulars	As at 31 March 2026	As at 31 March 2025
A. Direct Exposure		
i. Residential Mortgages	1,05,506.83	1,02,165.24
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented		
ii. Commercial Real Estate –	15,512.83	10,920.00
Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits		
iii. Investments in Mortgage Backed Securities (MBS) and other securitised exposures –		
a) Residential	-	-
b) Commercial Real Estate	-	-
B Indirect Exposure		
Fund based and non-fund-based exposures on National Housing Bank and Housing Finance Companies.	-	-
Total	1,21,019.66	1,13,085.24

54 EXPOSURE TO CAPITAL MARKET

Particulars	As at 31 March 2026	As at 31 March 2025
(i) Direct Investment in equity shares, convertible bonds, convertible debentures and units of equity- oriented mutual funds the corpus of which is not exclusively invested in corporate debt	5,386.73	3,836.73
(ii) Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPO's/ESOP's), convertible bonds, convertible debentures and units of equity oriented mutual funds	-	-
(iii) Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security ;	-	-
(iv) Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds ' does not fully cover the advances ;	-	409.51
(v) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers ;	-	-
(vi) Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
(vii) Bridge loans to companies against expected equity flows / issues ;	-	-
(viii) Underwriting commitments taken up by the NBFCs in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds	-	-
(ix) Financing to stockbrokers for margin trading	-	-
(x) All exposures to Alternative Investment Funds:		
(i) Category I	-	-
(ii) Category II	4,270.54	-
(iii) Category III	16,206.81	26,730.50
Total	25,864.07	30,976.74

Notes to Standalone Financial Statements

for the year ended March 31, 2026

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

55 DISCLOSURES RELATING TO SECURITISATION

Particulars	As at 31 March 2026	As at 31 March 2025
i No of SPVs sponsored by the NBFC for securitisation transactions originated by the originator (only the SPV's relating to outstanding securtisation exposure to be reported here)	7	2
ii Total amount of securitised assets as per books of the SPVs sponsored by the NBFC	61,959.05	7,262.66
iii Total amount of exposures retained by the NBFC to comply with the Minimum Retention Ratio (MRR) as on the date of the balance sheet		
a) Off-balance sheet exposures		
* First loss	-	-
* Others	-	-
b) On-balance sheet exposures		
* First loss	5,088.58	1,829.13
* Others - over collateral	9,446.86	1,483.10
iv Amount of exposures to securitisation transactions other than MRR		
a) Off-balance sheet exposures		
i) Exposure to own securitisations		
* First loss	-	-
* Others - corporate guarantee	-	-
ii) Exposure to third party securitisations		
* First loss	-	-
* Others	-	-
b) On-balance sheet exposures		
i) Exposure to own securitisations		
* First loss - cash collateral	-	-
* Others	-	-
ii) Exposure to third party securitisations		
* First loss	-	-
* Others	-	-
v Sale consideration received for securitised assets and gains or loss on account of sale of securitisation	70,901.19	20,120.45
vi Form and quantum (outstanding value) of services provided by way of, liquidity support, post-securitisation asset servicing, etc	-	-
vii Performance of facility provided (Credit Enhancement)		
(a) Amount Paid	-	-
(b) Repayment received	-	-
(c) Outstanding Amount	14,535.44	3,312.23
viii Average default rate of portfolios observed in the past	1.95%	1.96%
ix Amount and number of additional/top up loan given on same underlying asset		
- Amount (lakhs)	-	-
- Number	-	-
x Investor Complaints		
(a) Directly/Indirectly received	-	-
(b) Complaints Outstanding	-	-

Notes to Standalone Financial Statements

for the year ended March 31, 2026

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

56A DETAILS OF FINANCIAL ASSETS PURCHASES / SOLD

Disclosures required under Reserve Bank of India (Non-Banking Financial Companies - Transfer and Distribution of Credit Risk) Directions, 2025 are given below:

a) Details of loans not in default transferred / acquired through assignment:

Particulars	Loan Participation	Transferred	Acquired	
			Retail	Non Retail
Aggregate amount of loans transferred/ acquired through assignment	-	93,916.76	45,960.92	-
Number of loans (in absolute numbers)	-	1,10,077.00	76,264.00	-
Sale consideration (₹ in lakhs)	-	84,525.08	45,960.92	-
Number of transactions (in absolute numbers)	-	15.00	22.00	-
Weighted average maturity (in years)	-	3.76	4.96	-
Weighted average holding period (in years)	-	0.99	0.90	-
Retention of beneficial economic interest by originator	-	10%	10%	-
Tangible security coverage	-	-	-	-
Rating-wise distribution of related loans	-	-	-	-

56BDetails of stressed loans transferred during year ended 31 March 2026 under Reserve Bank of India (Non-Banking Financial Companies - Transfer and Distribution of Credit Risk) Directions, 2025 are given below:

Particulars	To Asset Reconstruction Companies (ARCs)	To permitted transferees	To other transferees (please specify)
No: of accounts (in absolute numbers)	888	-	-
Aggregate principal outstanding of loans transferred (₹ in lakhs)	5,919.86	-	-
Weighted average residual tenor of the loans transferred (in years)	6.28	-	-
Net book value of loans transferred (at the time of transfer)	4,362.99	-	-
Aggregate consideration (₹ in lakhs)	4,143.00	-	-
Additional consideration realized in respect of accounts transferred in earlier years	-	-	-

Notes to Standalone Financial Statements

for the year ended March 31, 2026

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

57 DETAILS OF CO-LENDING ARRANGEMENTS (CLA) AS A PARTNER ENTITY

Particulars	As at 31 March 2026
1) Quantum of CLAs	8
2) No of outstanding loans	8,13,332
3) Amount of gross outstanding (₹ in lakhs)	1,51,966.18
4) Weighted average rate of interest	26.57%
5) Fees charged during the year (₹ in lakhs)*	54.44
6) Broad sectors in which CLA was made	Consumer finance, Vehicle Finance and Small business loans
7) Performance of loans under CLA (Rs in lakhs)	
(i) Stage I	1,49,299.95
(ii) Stage II	2,473.28
(iii) Stage III	192.95
8) Details related to default loss guarantee	Upto 5% of total amount disbursed

* The fees does not include share of interest agreed in the co-lending agreement from time to time.

58 DETAILS OF FINANCING OF PARENT COMPANY PRODUCTS

Not applicable as the company does not have a Parent Company.

59 DETAILS OF SINGLE BORROWER LIMITS (SBL)/ GROUP BORROWER LIMITS (GBL) EXCEEDED

The Company has not exceeded the single borrower / group borrowers limit as set by Reserve Bank of India for the year ended 31 March 2026 and 31 March 2025.

60 ADVANCES AGAINST INTANGIBLE SECURITIES

The Company has not given any loans against intangible securities such as rights, licenses, authorities etc. as collateral securities hence this disclousre is not applicable.

61 REGISTRATION/ LICENCE/ AUTHORISATION OBTAINED FROM OTHER FINANCIAL SECTOR REGULATORS :

Registration / Licence	Authority issuing the registration / license	Registration / Licence reference
Certificate of Registration	Reserve Bank of India	B-07-00430 dated March 8, 2018 (Original certificate dated August 8, 2013)
Factoring License	Reserve Bank of India	N-07-00916 Dated 28 th May 2025
Company Identification Number	Ministry of Corporate Affairs	U65910TN1989PLC017021
ISNP	Insurance Regulatory and Development Authority	IRDAI/ISNP/CA/11/25 Dated 27 th January 2026
Certificate of PFRDA	Pension Fund Regulatory and Development Authority	39092018 Dated 28 th February 2020
Certificate of IRDAI	Insurance Regulatory and Development Authority	CA0951 Dated 14 th June 2024

Notes to Standalone Financial Statements

for the year ended March 31, 2026

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

62 PENALTIES IMPOSED BY RBI AND OTHER REGULATORS

No other penalties have been imposed by RBI and Other Regulators during the year ended 31 March 2025 except for an amount if INR 2.70 lacs levied by RBI. (FY 2024-25 - INR 4.46 lakhs)

63 RATINGS

The Credit Analysis & Research Limited (CARE), India Ratings & Research (IND) and ICRA Limited (ICRA) have assigned ratings for the various facilities availed by the Company, details of which are given below:

Particulars	Rating agency	As at 31 March 2026	As at 31 March 2025
Bank facilities	ICRA	AA-	AA-
Bank facilities (Short Term)	ICRA	A1+	A1+
Bank facilities	IND	AA-	NA*
Non-convertible debentures - long term	ICRA	AA-	AA-
Non-convertible debentures - long term	IND	NA*	AA-
Commercial paper	CARE	A1+	A1+
Commercial paper	ICRA	A1+	A1+

*Withdrawn during the year

64 PROVISIONS AND CONTINGENCIES (BREAK UP OF ‘PROVISIONS AND CONTINGENCIES’ SHOWN UNDER THE HEAD EXPENDITURE)

Particulars	As at 31 March 2026	As at 31 March 2025
Loss allowance on financial assets (Impairment on financial instruments) (net off recoveries)	41,238.59	37,852.62
Provision made towards current income taxes	13,355.37	16,170.32
Other provisions (refer note 17)*	1,766.28	1,449.91

*Includes provision for gratuity and provision for compensated absences

65 DRAW DOWN FROM RESERVES

The Company has not made any drawdown from existing reserves.

66 CONCENTRATION OF ADVANCES

Particulars	As at 31 March 2026	As at 31 March 2025
Total advances to twenty largest borrowers	1,65,630.42	1,86,641.72
Percentage of advances to twenty largest borrowers to total advances	13.26%	17.65%

67 CONCENTRATION OF EXPOSURES

Particulars	As at 31 March 2026	As at 31 March 2025
Total exposure to twenty largest borrowers	2,41,817.76	2,39,101.45
Percentage of exposures to twenty largest borrowers to total exposure	15.41%	18.60%

Notes to Standalone Financial Statements

for the year ended March 31, 2026

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

68 CONCENTRATION OF NPA CONTRACTS*

Particulars	As at 31 March 2026	As at 31 March 2025
Total exposure to top four NPA accounts	3,771.94	4,056.28

* represents stage 3 contracts (net of write offs).

69 SECTOR-WISE NPAS (PERCENTAGE OF NPA'S TO TOTAL ADVANCES IN THAT SECTOR)

Sector	As at 31 March 2026			As at 31 March 2025		
	Total Exposure (includes on balance sheet and offbalance sheet exposure)	Gross NPA	Percentage of Gross NPAs to total exposure in that sector	Total Exposure (includes on balance sheet and offbalance sheet exposure)	Gross NPA	Percentage of Gross NPAs to total exposure in that sector
Agriculture & allied activities	-	-	0.00%	-	-	0.00%
Industry:						
MSME	-	-	0.00%	-	-	0.00%
Corporate borrowers	6,85,182.93	5,086.72	0.74%	6,36,306.54	3,935.60	0.62%
Services	-	-	0.00%	-	-	0.00%
Personal Loans:						
Auto loans	11,235.39	152.35	1.36%	29.55	19.43	65.76%
Unsecured personal loans	6,40,527.36	2,069.89	0.32%	4,33,520.68	1,640.16	0.38%
Other personal loans	1,47,118.01	13,446.06	9.14%	1,47,396.66	7,187.45	4.88%

Note: 1

NPA represents the stage 3 contracts (net of write offs).

70 MOVEMENT OF NON-PERFORMING ASSETS (NPA'S)

Particulars	As at 31 March 2026	As at 31 March 2025
(a) Net NPAs to net advances (%)	0.70%	0.39%
(Net of provision for NPAs)		
(b) Movement of gross NPAs		
Opening balance	12,782.64	5,202.82
Additions during the year	77,347.56	68,510.06
Written off during the year	(69,415.51)	(60,930.24)
Closing balance	20,714.69	12,782.64

Notes to Standalone Financial Statements

for the year ended March 31, 2026

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

Particulars	As at 31 March 2026	As at 31 March 2025
(c) Movement of net NPAs		
Opening balance	4,917.51	960.59
Additions / (reduction) during the year	5,825.74	3,956.92
Closing balance	10,743.25	4,917.51
(d) Movement of provisions for NPAs (excluding contingent provisions against standard assets)		
Opening balance	7,865.13	4,242.23
Additions during the year	71,521.82	64,553.14
Written off during the year	(69,415.51)	(60,930.24)
Closing balance	9,971.44	7,865.13

Note : NPA represents financial instrument classified as stage 3 (net of write offs) and the NPA provision represents the loss allowance on stage 3 assets.

70A Movement of provisions held towards off-balance sheet exposure

Particulars	As at 31 March 2026	As at 31 March 2025
Opening balance	128.45	1,680.83
Add: Provisions made during the year	158.44	82.60
Less: Write off/ write back/ reversal of provision during the year	(69.82)	(1,634.98)
Closing balance	217.07	128.45

Note : The above disclosure also includes the loss allowance towards undrawn loans.

71 OVERSEAS ASSETS (FOR THOSE WITH JOINT VENTURES AND SUBSIDIARIES ABROAD)

There are no subsidiaries abroad and no overseas assets owned by the company hence this disclosure is not applicable

72 OFF-BALANCE SHEET SPVS SPONSORED

There are no SPVs which are required to be consolidated as per accounting norms hence this disclosure is not applicable.

Notes to Standalone Financial Statements

for the year ended March 31, 2026

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

73 COMPLAINTS

	As at 31 March 2026	As at 31 March 2025
Summary information on complaints received by the Company from customers and from the Offices of the Ombudsman		
A. Complaints received by the NBFC from its customers		
1. No. of complaints pending at the beginning of the year	129	1
2. No. of complaints received during the year	29,768	938
3. No. of complaints disposed during the year	29,741	810
3.1. Of which, No. of complaints rejected by the NBFC	169	-
4. No. of complaints pending at the end of the year	156	129
B. Maintainable complaints received by the NBFC from Office of Ombudsman		
5. No. of maintainable complaints received by the NBFC from Office of Ombudsman	458	186
5.1. Of 5, No. of complaints resolved in favour of the NBFC by Office of Ombudsman	438	176
5.2. Of 5, No. of complaints resolved through conciliation/mediation/ advisories issued by Office of Ombudsman	-	-
5.3. Of 5, number of complaints resolved after passing of awards by office of Ombudsman against the NBFC	20	-
6. No. of Awards unimplemented within the stipulated time (other than those appealed)	-	-

The above details are based on the information available with the Company regarding the complaints received from the customers which has been relied upon by the auditors.

Top five grounds of complaints received by the Company from customers

For the Year ended 31 March 2026

Grounds of complaints,	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
(1)	(2)	(3)	(4)	(5)	(6)
1. Bureau related	-	23,822	3030%	54	-
2. Loans and Advances- Dues and Charges	-	2,357	1001%	35	-
3. Application related	-	394	6467%	2	-
4. Closure & NOC related	-	437	966%	51	-
5. Staff Interaction / Collection related	-	2,680	2751%	130	-
6. Others	-	78	875%	220	-
Total	-	29,768	2548%	492	-

Notes to Standalone Financial Statements

for the year ended March 31, 2026

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

For the Year ended 31 March 2025

Grounds of complaints,	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
(1)	(2)	(3)	(4)	(5)	(6)
1. Bureau related	-	761	795%	3	-
2. Loans and Advances- Dues and Charges	-	214	146%	3	-
3. Application related	-	6	200%	-	-
4. Closure & NOC related	-	41	486%	-	-
5. Staff Interaction / Collection related	-	94	77%	-	-
6. Others	-	8	-50%	-	-
Total	-	1,124	350%	6.00	-

74 DISCLOSURE UNDER CLAUSE 28 OF THE LISTING AGREEMENT FOR DEBT SECURITIES

Particulars	As at 31 March 2026	As at 31 March 2025
Loans and advances in the nature of loans to subsidiaries	-	-
Loans and advances in the nature of loans to associates	-	-
Loans and advances in the nature of loans where there is -	-	-
(i) no repayment schedule or repayment beyond seven years	-	-
(ii) no interest or interest below section 186 of Companies Act, 2013	-	-
Loans and advances in the nature of loans to firms/companies in which directors are interested	-	-

75 DISCLOSURE UNDER CLAUSE 16 OF THE LISTING AGREEMENT FOR DEBT SECURITIES

The Debentures are secured by way of an exclusive hypothecation of loans, investment in pass through certificates and investment in debentures.

Notes to Standalone Financial Statements

for the year ended March 31, 2026

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

76 DISCLOSURE PURSUANT TO RESERVE BANK OF INDIA (NON-BANKING FINANCIAL COMPANIES - INCOME RECOGNITION, ASSET CLASSIFICATION AND PROVISIONING) DIRECTIONS, 2025 (UPDATED AS ON FEBRUARY 13, 2026)

As at 31 March 2026

Asset Classification as per RBI norms	Asset Classification as per IND AS 109	Gross Carrying amount as per IND AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5) =(3)-(4)	(6)	(7) = (4)-(6)
Performing Assets						
Standard	Stage 1	12,28,560.73	21,845.56	12,06,715.17	4,914.24	16,931.32
	Stage 2	33,391.76	1,705.70	31,686.05	133.57	1,572.14
Subtotal for Standard		12,61,952.48	23,551.26	12,38,401.22	5,047.81	18,503.45
Non Performing Assets (NPA)						
Substandard	Stage 3	18,439.31	7,563.70	10,875.60	1,843.93	5,719.77
Doubtful - upto 1 year	Stage 3	-	-	-	-	-
1 - 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		18,439.31	7,563.70	10,875.60	1,843.93	5,719.77
Other items such as investments, guarantees, loan commitment etc., which are in the scope of Ind AS 109 but not covered under Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	2,56,646.83	1,252.06	2,55,394.77	1,026.59	225.48
	Stage 2	1,499.24	107.79	1,391.45	6.00	101.79
	Stage 3	1,479.30	1,440.82	38.48	147.93	1,292.88
Subtotal		2,59,625.37	2,800.68	2,56,824.70	1,180.51	1,620.15
Total	Stage 1	14,85,207.56	23,097.62	14,62,109.94	5,940.83	17,156.79
	Stage 2	34,891.00	1,813.49	33,077.51	139.56	1,673.93
	Stage 3	19,918.61	9,004.53	10,914.08	1,991.86	7,012.67
		15,40,017.16	33,915.64	15,06,101.52	8,072.25	25,843.39

Notes to Standalone Financial Statements

for the year ended March 31, 2026

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

As at 31 March 2026

Asset Classification as per RBI norms	Asset Classification as per IND AS 109	Gross Carrying amount as per IND AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5) =(3)-(4)	(6)	(7) = (4)-(6)
Performing Assets						
Standard	Stage 1	10,83,839.82	22,837.55	10,61,002.27	4,335.36	18,502.19
	Stage 2	23,922.68	5,903.88	18,018.80	95.69	5,808.19
Subtotal for Standard		11,07,762.50	28,741.43	10,79,021.07	4,431.05	24,310.38
Non Performing Assets (NPA)						
Substandard	Stage 3	10,058.97	6,839.33	3,219.64	1,005.90	5,833.43
Doubtful - upto 1 year	Stage 3			-	-	-
1 - 3 years	Stage 3	19.43	19.06	0.37	5.83	13.23
More than 3 years	Stage 3	-	-	-	-	-
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		10,078.40	6,858.39	3,220.01	1,011.73	5,846.66
Other items such as guarantees, loan commitment etc., which are in the scope of Ind AS 109 but not covered under Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	1,23,777.75	659.44	1,23,118.31	495.11	164.33
	Stage 2	70.37	21.49	48.88	0.28	21.21
	Stage 3	1,456.95	1,006.74	450.21	145.70	861.04
Subtotal		1,25,305.07	1,687.67	1,23,617.40	641.09	1,046.58
Total	Stage 1	12,07,617.57	23,496.99	11,84,120.58	4,830.47	18,666.52
	Stage 2	23,993.05	5,925.37	18,067.68	95.97	5,829.40
	Stage 3	11,535.35	7,865.13	3,670.22	1,157.43	6,707.70
		12,43,145.97	37,287.49	12,05,858.48	6,083.87	31,203.62

In terms of the requirement as per RBI notifications no. RBI/DOR/2025-26/356 DOR.STR.REC. No.275/21.04.048/2025-26 dated 28 November 2025 where impairment allowance under Ind AS 109 is lower than the prudential floor, the NBFC shall appropriate the difference from their net profit or loss after tax to a separate 'Impairment Reserve'. The balance in the 'Impairment Reserve' shall not be reckoned for regulatory capital. Further, no withdrawals shall be permitted from this reserve without prior permission from the Department of Supervision, Reserve Bank of India. The impairment allowances under Ind AS 109 made by the Company exceeds the total provision required under IRACP (including standard asset provisioning) as at 31 March 2026 and accordingly, no amount is required to be transferred to impairment reserve.

Notes to Standalone Financial Statements

for the year ended March 31, 2026

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

77 SCHEDULE TO THE BALANCE SHEET OF A NON DEPOSIT TAKING NON-BANKING FINANCIAL COMPANY FROM RESERVE BANK OF INDIA (NON-BANKING FINANCIAL COMPANIES - FINANCIAL STATEMENTS: PRESENTATION AND DISCLOSURES) DIRECTIONS, 2025 (UPDATED AS ON APRIL 1, 2026)

S. No.	Particulars	As at 31 March 2026		As at 31 March 2025	
		Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue
	Liabilities side:				
1	Loans and Advances availed by the NBFC inclusive of interest accrued thereon but not paid:				
	(a) Debentures				
	- Secured (net of unamortised borrowing cost)	1,17,693.84	-	1,23,964.20	-
	- Unsecured (net of unamortised borrowing cost)	-	-	-	-
	(other than falling within the meaning of public deposits)				
	(b) Deferred Credits	-	-	-	-
	(c) Term Loans (net of unamortised borrowing cost)	9,15,845.96	-	7,62,824.95	-
	(d) Inter-Corporate Loans and Borrowings	-	-	-	-
	(e) Commercial Paper	21,742.51	-	16,821.12	-
	(f) Public Deposits	-	-	-	-
	(g) Other Loans (net of unamortised borrowing cost)*	1,64,555.31	-	74,829.27	-
	* It includes working capital demand loans and cash credit from banks and includes borrowings under securitization.				
2	Break-up of (1)(f)above (outstanding public deposits inclusive of interest accrued thereon but not paid)				
	(a) In the form of Unsecured debentures	-	-	-	-
	(b) In the form of partly secured debentures i.e debentures where there is a shortfall in the value of security	-	-	-	-
	(c) Other public deposits	-	-	-	-

Notes to Standalone Financial Statements

for the year ended March 31, 2026

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

Particulars	As at 31 March 2026	As at 31 March 2025
Assets side:		
3 Break-up of Loans and Advances * including Bills Receivables [other than those included in (4) below]:		
(a) Secured	5,83,287.94	6,02,825.54
(b) Unsecured	6,97,103.85	4,80,928.43
(Excludes loss allowance and includes unamortised fee)		
4 Break up of Leased Assets and Stock on Hire and Other Assets counting towards AFC activities		
(i) Lease Assets including Lease Rentals Accrued and Due:		
a) Financial Lease	-	-
b) Operating Lease	-	-
(ii) Stock on Hire including Hire Charges under Sundry Debtors:		
a) Assets on Hire	-	-
b) Repossessed Assets	-	-
(iii) Other Loans counting towards AFC Activities		
a) Loans where Assets have been Repossessed	-	-
b) Loans other than (a) above	-	-
5 Break-up of Investments (net of provision for diminution in value):		
Current Investments:		
I. Quoted:		
i. Shares		
a) Equity	-	-
b) Preference	-	-
ii. Debentures and bonds	45,809.04	46,065.84
iii. Units of Mutual Funds	-	-
iv. Government Securities	-	-
v. Others		
a) commercial paper	-	-
II. Unquoted:		
i. Shares	-	-
a) Equity	-	-
b) Preference	-	-
ii. Debentures and Bonds	30,546.21	28,763.43
iii. Units of Mutual Funds	-	-
iv. Government Securities	7,363.93	10,486.71

Notes to Standalone Financial Statements

for the year ended March 31, 2026

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

Particulars	As at 31 March 2026	As at 31 March 2025
v. Others		
a) pass through certificates	304.71	11,415.20
b) units of alternative investment fund	-	-
c) commercial paper	28,139.55	25,519.11
d) portfolio management service	25,332.66	-
e) Security receipts	3,314.40	-
Long Term Investments:		
I. Quoted:		
i. Shares	-	-
a) Equity	-	-
b) Preference	-	-
ii. Debentures and Bonds	61,810.69	32,391.08
iii. Units of Mutual Funds	-	-
iv. Government Securities	-	-
v. Others (please specify)	-	-
II. Unquoted:		
i. Shares		
a) Equity	4,793.20	3,836.73
b) Preference	-	-
ii. Debentures and Bonds	13,807.70	7,289.80
iii. Units of Mutual Funds	-	-
iv. Government Securities	-	-
v. Others		
a) pass through certificates	46,701.37	3,182.69
b) units of alternative investment fund	20,477.35	26,730.50
c) share warrants	0.96	0.96

6 Borrower Group-wise Classification of Assets Financed as in (3) and (4) above:

Category	As at 31 March 2026 (Net of provision for NPA)		As at 31 March 2025 (Net of provision for NPA)	
	Secured	Unsecured	Secured	Unsecured
1. Related parties				
(a) Subsidiaries	-	-	-	-
(b) Companies in the same group	-	-	-	-
(c) Other related parties	-	-	-	-
2. Other than related parties	5,63,932.38	6,85,344.45	5,81,833.84	4,75,403.94
	5,63,932.38	6,85,344.45	5,81,833.84	4,75,403.94

Notes to Standalone Financial Statements

for the year ended March 31, 2026

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

7 Investor Group-wise Classification of all Investments (Current and Long Term) in Shares and Securities (both Quoted and Unquoted)

Category	Market Value / Break up Value or Fair Value or Net Asset Value as on 31 March 2026	Book Value as on 31 March 2026 (Net of provisions)	Market Value / Break up Value or Fair Value or Net Asset Value as on 31 March 2025	Book Value as on March 31, 2025 (Net of provisions)
1. Related Parties				
(a) Subsidiaries	4,793.20	4,793.20	2,993.20	2,993.20
(b) Companies in the same Group	16,206.81	16,206.81	27,574.03	27,574.03
(c) Other related parties	-	-	-	-
2. Other than related parties	2,67,995.29	2,67,995.29	1,65,114.82	1,65,114.82
	2,88,995.30	2,88,995.30	1,95,682.05	1,95,682.05

8 Other Information

Particulars	As at 31 March 2026		As at 31 March 2025	
	Related Parties	Other than Related Parties	Related Parties	Other than Related Parties
(i) Gross Non-Performing Assets	-	20,714.69	-	12,782.64
(ii) Net Non-Performing Assets	-	10,743.25	-	4,917.51
(iii) Assets Acquired in Satisfaction of Debt	-	-	-	-

Note : NPA contracts represents the Stage 3 contracts (net of write offs). Also this excludes the impact of the fair value changes on the financial assets.

8.1 Remuneration to non-executive directors

The Company has incurred commission of INR 154.00 Lakhs and sitting fee of INR 129.50 lakhs during the year ended 31 March 2026 (31 March 2025: commission - INR 154.00 lakhs; sitting fee - INR 131.00 lakhs)

8.2 Related Party Transaction

Details of all transactions with related parties are disclosed in Note 42.

8.3 Net Profit or Loss for the period, prior period items and changes in accounting policies

There have been no instances in which revenue recognition has been postponed pending the resolution of significant uncertainties.

8.4 Revenue Recognition

There are no prior period items that have impact on the current year’s profit and loss.

Notes to Standalone Financial Statements

for the year ended March 31, 2026

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

78 DISCLOSURE PURSUANT TO RESERVE BANK OF INDIA (NON-BANKING FINANCIAL COMPANIES - FINANCIAL STATEMENTS: PRESENTATION AND DISCLOSURES) DIRECTIONS, 2025 (UPDATED AS ON APRIL 1, 2026)

Master Direction i.e., Reserve Bank of India (NBFCs – Asset Liability Management) Directions, 2025 dated November 28, 2025 (including amendments from time to time), mandates that the said Directions shall be applicable to all categories of NBFCs as specified thereunder, including NBFC-MFIs and for all layers unless specified otherwise. The provisions on LCR are applicable to the Company being a non-deposit taking NBFC with asset size more than ₹ 5,000 crore.

The Company has implemented the guidelines on Liquidity Risk Management Framework prescribed by the Reserve Bank of India requiring maintenance of Liquidity Coverage Ratio (LCR), which aim to ensure that an NBFC maintains an adequate level of unencumbered High Quality Liquid Assets (HQLA) that can be converted into cash to meet its liquidity needs for a 30 calendar day time horizon under a significantly severe liquidity stress scenario. Compliance with LCR is monitored by Asset Liability Management Committee (ALCO) of the Company.

Qualitative information:

Main drivers to the LCR numbers:

All significant outflows and inflows determined in accordance with RBI guidelines are included in the prescribed LCR computation.

Composition of HQLA:

The HQLA maintained by the Company comprises Government securities (including Treasury bills) and cash balance maintained in current account. The details are given below.

- For the period April to March 2026, the average HQLA of (INR 29,857.88 lakhs) comprised of Rs. 13,375.66 lakhs in cash and INR 16,482,22 lakhs in G Sec Investments.

Concentration of funding sources:

The company maintains diversified sources of funding comprising short/long term loans from banks, NCDs, and sub-ordinated, ECBs and CPs. The funding pattern is reviewed regularly by the management

Derivative exposures and potential collateral calls:

As on 31 March 2026, the company has fully hedged interest and principal outflows on the foreign currency ECBs. Hence, derivative exposures are considered NIL.

Currency mismatch in LCR:

There is NIL mismatch to be reported in LCR as on 31 March 2026 since foreign currency ECBs are fully hedged for the corresponding interest and principal components.

Other inflows and outflows in the LCR calculation that are not captured in the LCR common template but which the institution considers to be relevant for its liquidity profile

Nil

Notes to Standalone Financial Statements

for the year ended March 31, 2026

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

79 DISCLOSURE PURSUANT TO RESERVE BANK OF INDIA CIRCULAR DOR.NBFC (PD) CC. NO.102/03.10.001 /2019-20 DATED 04 NOVEMBER 2019 PERTAINING TO LIQUIDITY RISK MANAGEMENT FRAMEWORK FOR NON-BANKING FINANCIAL COMPANIES.

Detailed LCR template is presented below according to the format given in RBI circular mentioned above under Appendix I.

Particulars	Quarter ended 30 June 2025				Quarter ended 30 September 2025				Quarter ended 31 December 2025				Quarter ended 31 March 2026			
	Total		Total		Total		Total		Total		Total		Total		Total	
	unweighted value (average)	weighted value (average)	unweighted value (average)	weighted value (average)	unweighted value (average)	weighted value (average)	unweighted value (average)	weighted value (average)	unweighted value (average)	weighted value (average)	unweighted value (average)	weighted value (average)	unweighted value (average)	weighted value (average)	unweighted value (average)	weighted value (average)
High Quality Liquid Assets																
1 Total High Quality Liquid Assets (HQLA)	21,320.72	21,320.72	21,320.72	21,356.13	21,356.13	23,813.96	23,813.96	23,813.96	23,813.96	23,813.96	23,813.96	23,813.96	29,857.88	29,857.88	29,857.88	29,857.88
Cash Outflows																
2 Deposits (for deposit taking companies)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3 Unsecured wholesale funding	824.18	947.80	824.18	3,260.87	3,750.00	1,648.35	1,895.60	1,895.60	1,648.35	1,895.60	2,500.00	2,500.00	2,875.00	2,875.00	2,500.00	2,875.00
4 Secured wholesale funding	46,034.08	52,939.20	46,034.08	40,174.21	46,200.34	50,791.58	58,410.32	58,410.32	50,791.58	58,410.32	44,383.12	44,383.12	51,040.59	51,040.59	44,383.12	51,040.59
5 Additional requirements, of which	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(i) Outflows related to derivative exposures and other collateral requirements	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(ii) Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(iii) Credit and liquidity facilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6 Other contingent funding obligations	86.99	100.03	86.99	28.61	32.90	-	-	-	-	-	-	-	-	-	-	-
7 Opex related	4,076.24	4,687.68	4,076.24	4,092.17	4,706.00	4,154.67	4,777.88	4,777.88	4,154.67	4,777.88	4,664.78	4,664.78	5,364.49	5,364.49	4,664.78	5,364.49
8 Total Cash Outflows	51,021.49	58,674.71	51,021.49	47,555.86	54,689.24	56,594.61	65,083.80	65,083.80	56,594.61	65,083.80	51,547.90	51,547.90	59,280.09	59,280.09	51,547.90	59,280.09
Cash Inflows																
9 Secured lending	60,761.20	45,570.90	60,761.20	60,291.58	45,218.69	66,587.54	49,940.65	49,940.65	66,587.54	49,940.65	64,939.16	64,939.16	48,704.37	48,704.37	64,939.16	48,704.37
10 Inflows from fully performing exposures	48,260.61	36,195.46	48,260.61	51,178.89	38,384.17	52,954.50	39,715.87	39,715.87	52,954.50	39,715.87	69,690.03	69,690.03	52,267.52	52,267.52	69,690.03	52,267.52
11 Other cash inflows (Liquid MF investments etc)	1,901.10	1,425.82	1,901.10	1,938.04	1,453.53	2,086.96	1,565.22	1,565.22	2,086.96	1,565.22	2,522.22	2,522.22	1,891.67	1,891.67	2,522.22	1,891.67
Other inflows	1,075.27	806.46	1,075.27	1,573.37	1,180.03	1,149.13	861.85	861.85	1,149.13	861.85	820.01	820.01	615.01	615.01	820.01	615.01
12 Total Cash Inflows	1,11,998.19	83,998.64	1,11,998.19	1,14,981.89	86,236.42	1,22,778.12	92,083.59	92,083.59	1,14,981.89	92,083.59	1,37,971.43	1,37,971.43	1,03,478.57	1,03,478.57	1,37,971.43	1,03,478.57
Total HQLA	NA	21,320.72	NA	21,356.13	NA	23,813.96	23,813.96	23,813.96	NA	23,813.96	NA	23,813.96	NA	29,857.88	NA	29,857.88
Total Net Cash Outflows	NA	14,668.68	NA	13,672.31	NA	16,270.95	16,270.95	16,270.95	NA	16,270.95	NA	16,270.95	NA	14,820.02	NA	14,820.02
Liquidity Coverage Ratio (%)	NA	145.35%	NA	156.20%	NA	146.36%	146.36%	146.36%	NA	146.36%	NA	146.36%	NA	201.47%	NA	201.47%

Notes to Standalone Financial Statements

for the year ended March 31, 2026

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

Notes:

1.

The average weighted and unweighted amounts are calculated based on simple average of daily observations. The weightage factor applied to compute weighted average value is constant for all the quarters.
2.

Prior to introduction of LCR framework, the company used to maintain a substantial share of its liquidity in form of fixed deposits with banks and investment in mutual funds. Post the introduction of LCR framework, the Company has consciously worked towards increasing its investment in High Quality Liquid Assets (HQLA) as per the RBI guidelines.
3.

Weighted values have been calculated after the application of respective haircuts (for HQLA) and stress factors on inflow and outflow.
4.

The disclosures above are based on the information and records maintained and compiled by the management and have been relied upon by the auditors.
5.

RBI has mandated minimum liquidity coverage ratio (LCR) of 60% to be maintained by December 2021, which is to be gradually increased to 100% by December 2024. The Company has LCR of 201.47% as of 31 March 2026 as against the LCR mandated by RBI.

80 OTHER RBI DISCLSOURCES

- a.

The Company does not have off-balance sheet SPVs sponsored, which are required to be consolidated as per the accounting norms, during the year ended 31 March 2026
- b.

The Company did not have any unhedged foreign currency exposure.
- c.

There are no divergences in asset classification and provisioning.
- d.

Intra Group exposure:

Particulars	As at 31 March 2026	As at 31 March 2025
Total amount of intra-group exposures	-	-
Total amount of top 20 intra-group exposures	-	-
Percentage of intra-group exposures to total exposure of the NBFC on borrowers/customers	0.00%	0.00%

81 GOODWILL

During the previous year ended 31 March 2023, the Company had acquired specifically identified assets and liabilities of S.M.I.L.E Microfinance Limited (S.M.I.L.E), a un-listed company based in India. The excess of the purchase consideration over the value of specifically identified assets and liabilities resulted in a goodwill of INR 2,085.13 lakhs for the Company, which comprises the value of expected synergies arising from the acquisition and Intangibles assets recognised in accordance with Ind AS 38 (ie, Technical know-how, Non Compete, Order book etc). The entire amount of goodwill is considered to be associated with Pragati portfolio (CGU), which is part of the business of the Company (arranging or facilitating or providing finance either in the form of loans or investments or guarantees).

Goodwill Impairment

The Company performed its annual impairment test for year ended 31 March 2026 and 31 March 2025. The Company considers the relationship between recoverable value of net assets taken over and its carrying value, among other factors, when reviewing for indicators of impairment. As at 31 March 2026 and 31 March 2025 ,

Notes to Standalone Financial Statements

for the year ended March 31, 2026

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

the recoverable value of the net assets taken over was higher than the carrying value and no other indicators of impairment were identified. Therefore, no impairment loss allowance is provided for the year ended 31 March 2026 and 31 March 2025.

Particulars	Goodwill	
	As at 31 March 2026	As at 31 March 2025
Goodwill	2,085.13	2,085.13
Total	2,085.13	2,085.13

Specified assets taken over – CGU

The recoverable amount of the CGU, INR 8,514.40 lakhs as at 31 March 2026, has been determined based on a value in use calculation using excess return method. Key assumptions include (i) discount rate, being the cost of equity applied to cash flow projections at 20.70%, the terminal growth rate at 4% and projections used for value in use is considered for maximum period of 5 years. . It was concluded that the recoverable value or value in use exceeded the carrying value of the loan assets. As a result of this analysis, management has not recognised any impairment charge in the current or previous year.

82 ANALYTICAL RATIOS / DISCLOSURES REQUIRED UNDER REGULATION 52 / 54 OF THE SECURITIES EXCHANGE BOARD OF INDIA (“SEBI”) (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

Particulars	Ref	As at 31 March 2026	As at 31 March 2025	Reason for variance
Debt-equity ratio	1.1	3.13	2.87	Variance is on account of increase is debt securities during the year
Total debts to total assets	1.2	0.73	0.72	No significant change
Net worth	1.3	3,89,348.27	3,40,915.46	Increase is on account of proceeds from results of operations during the year
Capital redemption reserve (Amount in lakhs)		2,660.00	2,660.00	No changes
Gross Non-Performing Assets (GNPA) Ratio	1.4	1.34%	0.99%	Increase is on account of increase in stage 3 EAD balance
Net Non-Performing Assets (NNPA) Ratio	1.5	0.70%	0.43%	
Capital adequacy ratio (CRAR)	1.6	22.56%	24.72%	Reduction on account of credit enhancements deducted from tier I and Tier II Capital
Asset cover over listed non-convertible debentures	1.7	1.14	1.08	Change is in line with the change in asset size of the company
Net profit margin (%)	1.8	16.23%	14.92%	Increase in operations has caused increase in margin

- 1.1

Debt-equity ratio is (debt securities+borrowings (other than debt securities)) / net worth i.e. equity share capital + other equity.
- 1.2

Total debts to total assets is debt securities and borrowings (other than debt securities) / total assets

Notes to Standalone Financial Statements

for the year ended March 31, 2026

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

- 1.3 Net worth is equal to equity share capital + other equity
- 1.4 GNPA Ratio is gross stage 3 (loans+investments) / gross loans and investments
- 1.5 NNPA Ratio is (gross stage 3 term loans - impairment loss allowance for stage 3 term loans / (gross term loans- impairment allowance for Stage 3 term loans)
- 1.6 Capital adequacy ratio or capital-to-risk weighted assets ratio (CRAR) is computed by dividing company's Tier I and Tier II capital by risk weighted assets.
- 1.7 Asset cover over listed non-convertible debentures represents the number of times the listed non-convertible debentures is covered through the term loans provided as security.
- 1.8 Net profit margin is total comprehensive income for the year, net of income tax / total income
Other ratios / disclosures such as debt service coverage ratio, interest service coverage ratio, outstanding redeemable preference shares (quantity and value), capital redemption reserve/debenture redemption reserve, current ratio, long term debt to working capital, bad debts to account receivable ratio, current liability ratio, debtors turnover, inventory turnover and operating margin (%) are not applicable / relevant to the Company and hence not disclosed.

83 (A) TREATMENT OF DLG IN COMPUTATION OF EXPECTED CREDIT LOSS

The Company has entered into Default loss Guarantee (DLG) arrangements with certain Lending Service Providers (LSPs) in relation to loans originated through the digital lending platform. Under these arrangements, the LSPs guarantee to cover the losses arising from borrower defaults up to a certain percentage of the loan portfolio. Based on the guidance under Ind AS 109, the Company had historically considered the expected recoveries from credit enhancements under DLG arrangements in the computation of Expected Credit Loss (ECL).

During the previous year ended 31 March 2025, the Reserve Bank of India (RBI), vide e-mail communication dated 16 May 2025, had directed the Company to exclude the credit enhancements under DLG arrangements in the computation of Expected Credit Loss ("ECL") as at 31 March 2025 and absorb such impact by 30 June 2025. Pursuant to this, the Company had evaluated the total impact of such exclusion of the credit enhancements from the ECL computation to be INR 8,041 lakhs as at 31 March 2025 of which the Company, during the quarter ended 31 March 2025, recorded INR 6,835 lakhs and the remaining exposure pertaining to ECL of INR 1,206 lakhs had been recorded / rundown during the quarter ended 30 June 2025.

In the current year, the RBI issued RBI (Non-Banking Financial Companies – Income Recognition, Asset Classification and Provisioning) Amendment Directions, 2026 dated 13 February 2026 ("the amendment directions"), which permits a NBFC to consider the FLDG benefits for determining provisions under the ECL framework across all stages if those are integral to the contractual terms and not recognized separately, subject to compliance with Indian Accounting Standards, hence the Company has recomputed ECL provision as at 31 March 2026 after considering the expected recoveries from credit enhancements under FLDG arrangements.

Pursuant to the RBI communication dated 16 May 2025, the Company continued to create an additional ECL provision up to 31 December 2025. Subsequent to the amendment directions, the expected recoveries from credit enhancements under DLG arrangements have been considered while arriving at the ECL. This change has resulted in a net decrease in the ECL provision by Rs. 2,900 lakhs during the year ended 31 March 2026 (net off reversing the ECL provision created upto 31 December 2025 aggregating to INR 11,000 lakhs). Accordingly, the comparative financial information on ECL provision for the year ended 31 March 2025 is not strictly comparable.

Notes to Standalone Financial Statements

for the year ended March 31, 2026

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

(B) During the current year, management has assessed that the model driven Expected Credit Loss (ECL) estimates, while compliant with Ind AS 109 and validated through internal methodologies, may not fully capture the potential impact of heightened geopolitical uncertainties prevailing in the operating environment. This primarily affects the Company's unsecured retail lending to MSMEs and individuals, including microfinance, which are inherently sensitive to changes in borrower cash flows, inflationary pressures, and broader economic stress conditions. Accordingly, management has considered it prudent to maintain an additional ECL provision of ₹ 6,631 lakhs. This provision is dynamic in nature and will be periodically reassessed based on evolving macroeconomic and portfolio conditions. The utilization or recalibration of the overlay will be considered upon the occurrence of macroeconomic events and portfolio conditions impacting the identified loan portfolios.

84 NEW LABOUR CODE

Pursuant to the notification of the 4 New Labour Codes by the Government of India viz the Code on Wages, 2019, the Code on Social Security, 2020, the Industrial Relations Code, 2020, and the Occupational Safety, Health and Working Conditions Code, 2020 (collectively referred to as the "New Labour Codes") with effect from 21 November 2025, and pending issuance of the detailed Rules, the Company has reassessed its employee benefit obligations based on the revised definition of wages and expanded eligibility criteria under the New Labour Codes. Based on the management's best estimates the impact of employee benefit obligations is not material to the audited standalone financial statements, and the Company continues to monitor developments and will review its estimates as further clarifications and Rules are notified.

85 AUDIT TRAIL AS PER MCA REQUIREMENT

The Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software, except that –

- (a) in respect of the loan management systems for one product of the Company, the audit trail feature was enabled, operated throughout the year and was not tampered with at the application level. However at the database level, the audit trail feature for that application was enabled on 02 March 2026 and operated post the aforementioned date for the year for all relevant transactions recorded in the application at a database level.
- (b) the Company utilizes a another Loan Management System (LMS) for its other loan product, which includes an audit trail (edit log) functionality. However, in the absence of testing of the database-level audit trail by the service auditor, the Company is unable to confirm whether the audit trail feature of the LMS, managed by a third-party service provider, was enabled and operated effectively throughout the year. The Company is currently in discussions with the application vendor to assess the feasibility of enabling such a feature in compliance with regulatory requirements. In the interim, the Company relies on alternative manual controls over reports generated from the LMS.

The Company has preserved the audit trail / edit logs for the year in accordance with the statutory record retention requirements, except for audit trail / edit logs at the database level for the matters identified above, where such logs were not maintained due to non-enablement of the audit trail / edit log functionality during the year.

Notes to Standalone Financial Statements

for the year ended March 31, 2026

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

86 OTHER STATUTORY INFORMATION

A Stage wise Overdue (DPD) based Loan disclosure

Particulars	As at 31 March 2026				
	Count	Stage 1	Stage 2	Stage 3	Total
Gross amount					
Accounts with No Overdues	21,40,951	11,94,809.33	3,495.40	-	11,98,304.73
Accounts with Overdues	1,64,654	30,255.99	33,391.76	18,439.31	82,087.06
Total	23,05,605	12,25,065.32	36,887.16	18,439.31	12,80,391.79

Particulars	As at 31 March 2025				
	Count	Stage 1	Stage 2	Stage 3	Total
Gross amount					
Accounts with No Overdues	16,97,230	10,13,428.10	71.18	170.90	10,13,670.18
Accounts with Overdues	2,16,912	30,682.95	23,765.31	15,635.53	70,083.79
Total	19,14,142	10,44,111.05	23,836.49	15,806.43	10,83,753.97

- B

(i)

The Company does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.

(ii)

The Company does not have any transactions with companies struck off as per section 248 of Companies Act, 2013.

(iii)

The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(iv)

The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(v)

As part of the normal business, the Company invests in Alternate Investment Fund managed by its subsidiary and also lends loan to its subsidiary for onward investment into these AIFs. The AIFs invests in debt instruments issued by various originators based on decision made by the investment committee of the respective funds. These transactions are part of the Company's normal investment activities/ business, which is conducted after exercising proper due diligence including adherence to terms of private placement memorandum of respective AIFs and other guidelines. Other than the nature of transactions described above:

The Company has not advanced or loaned or invested funds to any other person or entity, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

a.

directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

b.

provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- # Notes to Standalone Financial Statements
- for the year ended March 31, 2026
- (All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)
- (vi)

No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party's (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(vii)

The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

(viii)

The provision related to number of layers as prescribed under section 2(87) of the Companies Act read with Companies (Restriction on number of Layers) Rules, 2017 is not applicable to Company.

(ix)

Compliance with approved Scheme(s) of Arrangements: The Company has not entered in any such arrangements during the year.

(x)

Event after reporting date - No adjusting or significant non-adjusting events have occurred between the reporting date and the date of authorisation of the financial statements.
- ## 87 PREVIOUS YEAR FIGURES
- Previous year figures have been regrouped/rearranged, wherever considered necessary, to conform to the classification/disclosure adopted in the current year. The regrouping/ reclassification are not material to the standalone financial statements.
- As per our report of even date attached
- For **Walker Chandiok & Co LLP**
Chartered Accountants
ICAI Firm Registration no.: 001076N/N500013
- Murad D. Daruwalla**
Partner
ICAI Membership No. 043334
- Place: Mumbai
Date: 08 May 2026
- For and on behalf of the board of directors of
Northern Arc Capital Limited
CIN: L65910TN1989PLC017021
- P S Jayakumar**
Chairman
DIN: 01173236

Ashish Mehrotra
Managing Director
and Chief Executive Officer
DIN: 07277318
- Atul Tibrewal**
Chief Financial Officer

Prakash Panda
Company Secretary
Membership No: A22585
- Place: Mumbai
Date: 08 May 2026
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- Northern Arc Capital Limited | 327

Independent Auditor’s Report

To
The Members of
Northern Arc Capital Limited

Report on the Audit of the Consolidated Financial Statements

OPINION

1.

We have audited the accompanying consolidated financial statements of Northern Arc Capital Limited (‘the Holding Company’) and its subsidiaries (the Holding Company and its subsidiaries together referred to as ‘the Group’), its associates as listed in Annexure A, which comprise the Consolidated Balance Sheet as at 31 March 2026, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.
2.

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

BASIS FOR OPINION

3.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of

our report. We are independent of the Group and its associates in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (‘ICAI’) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained together with the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 15 of the Other Matter section below is sufficient and appropriate to provide a basis for our opinion.

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

4.

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

Key Audit Matters

5.

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

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

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

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

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

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

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

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

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

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

7. The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group including its associates in accordance with the Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India. The Holding Company's Board of Directors are also responsible for ensuring accuracy of records including

financial information considered necessary for the preparation of consolidated Ind AS financial statements. Further, in terms of the provisions of the Act the respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial statements have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

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

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

10. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material

misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

11. As part of an audit in accordance with Standards on Auditing specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
 - Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures

are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates to cease to continue as a going concern;

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and
 - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group, and its associates, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the consolidated financial statements, of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.
12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
 13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
 14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements

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

Other Matter

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

Our opinion above on the consolidated financial statements, and our report on other legal and

regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

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

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

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
- b) Except for the matters stated in paragraph 18(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;
- c) The consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
- d) In our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015;
- e) On the basis of the written representations received from the directors of the Holding Company, its subsidiaries and associates and taken on record by the Board of Directors of the Holding Company, its subsidiaries and associates respectively, and the reports of the statutory auditors of its subsidiaries, covered under the Act, none of the directors of the Holding Company, its subsidiaries and associates are disqualified as on 31 March 2026 from being appointed as a director in terms of section 164(2) of the Act.
- f) The qualification relating to the maintenance of accounts and other matters connected therewith with respect to the consolidated

financial statements are as stated in, paragraph 18 (b) above on reporting under section 143(3)(b) of the Act and paragraph 18 (h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);

- g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, and its subsidiaries covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure B' wherein we have expressed an unmodified opinion; and
- h) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements and other financial information of the subsidiaries incorporated in India whose financial statements have been audited under the Act:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates as detailed in Note 39 to the consolidated financial statements;
 - ii. The provision has been made in these consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, on long-term contracts including derivative contracts, as detailed in note 12 to the consolidated financial statements;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiaries covered under the Act, during the year ended 31 March 2026;
 - iv. a. The respective managements of the Holding Company and its subsidiaries incorporated in India

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

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

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

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

- ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c. Based on such audit procedures performed by us and that performed by the auditors of the subsidiaries as considered reasonable and appropriate in the circumstances, nothing has come to our or other auditors' notice that has caused us or the other auditors to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.
- v. The Holding Company, its subsidiaries and associates have not declared or paid any dividend during the year ended 31 March 2026; and
- vi. As stated in note 50 to the consolidated financial statements and based on our examination which included test checks and that performed by the respective auditors of the subsidiaries of the Holding Company which are companies incorporated in India and audited under the Act, except for the instances mentioned below, the Holding Company and its subsidiaries, in respect of financial year commencing on 1 April 2025, have used an accounting softwares for maintaining their books of account which have a feature of recording audit trail (edit log) facility and the same have been operated throughout the year for all relevant transactions recorded in the softwares. Further, during the course of our audit we and respective auditors of the above referred subsidiaries, did not come across any instance of audit trail feature being tampered with. Furthermore, except for instances mentioned below the audit trail have been preserved by the Holding Company and above referred subsidiaries as per the statutory requirements for record retention.

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

For Walker Chandiok & Co LLP

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Murad D. Daruwalla

Partner

Membership No.: 043334

UDIN: 26043334UJJXIM6460

Place: Mumbai

Date: 08 May 2026

Annexure A

LIST OF ENTITIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS

Subsidiaries:

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

Associates:

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

Annexure B

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

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

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

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

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

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

3. Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies as aforesaid.

Meaning of Internal Financial Controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

Opinion

8. In our opinion and based on the consideration of the reports of the other auditors on internal financial controls with reference to financial statements of the subsidiary companies, the Holding Company, its subsidiary companies, which are companies covered under the Act,

have in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2026, based on the internal financial controls with reference to financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the ICAI.

Other Matter

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

For Walker Chandiok & Co LLP

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Murad D. Daruwalla

Partner

Membership No.: 043334

UDIN: 26043334UJJXIM6460

Place: Mumbai

Date: 08 May 2026

Consolidated Balance Sheet

as at 31 March 2026

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

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

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

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

Murad D. Daruwalla
Partner
ICAI Membership No. 043334

Place : Mumbai
Date : 08 May 2026

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

P.S.Jayakumar
Chairman
DIN: 01173236

Atul Tibrewal
Chief Financial Officer

Place : Mumbai
Date : 08 May 2026

Ashish Mehrotra
Managing Director and Chief Executive Officer
DIN: 07277318

Prakash Panda
Company Secretary
Membership No: A22585

Consolidated Statement of Profit and Loss

for year ended 31 March 2026

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

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

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

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

Murad D. Daruwalla
Partner
ICAI Membership No. 043334

Place : Mumbai
Date : 08 May 2026

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

P.S.Jayakumar
Chairman
DIN : 01173236

Atul Tibrewal
Chief Financial Officer

Place : Mumbai
Date : 08 May 2026

Ashish Mehrotra
Managing Director and Chief Executive Officer
DIN: 07277318

Prakash Panda
Company Secretary
Membership No: A22585

Consolidated Statement of Changes in Equity

for the year ended 31 March 2026

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

A. EQUITY SHARE CAPITAL

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

B. INSTRUMENTS ENTIRELY EQUITY IN NATURE

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

Consolidated Statement of Changes in Equity

for the year ended 31 March 2026

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

C. Other Equity

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

for the year ended 31 March 2026

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

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

Summary of material accounting policies
The notes referred to above form an integral part of the financial statements.
As per our report of even date attached

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

Murad D. Daruwalla
Partner
CAI Membership No. 043334

2 and 3

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

P.S.Jayakumar
Chairman
DIN : 01173236

Atul Tibrewal
Chief Financial Officer

Place: Mumbai
Date : 08 May 2026

Ashish Mehrotra
Managing Director and Chief Executive Officer
DIN: 07277318

Prakash Panda
Company Secretary
Membership No: A22585

Place : Mumbai
Date : 08 May 2026

for the year ended 31 March 2026

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

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

Consolidated Statement of Cash Flows

for the year ended 31 March 2026

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

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

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

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

Consolidated Statement of Cash Flows

for the year ended 31 March 2026

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

3 NON CASH INVESTING ACTIVITY

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

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

Summary of material accounting policies 2 and 3

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

As per our report of even date attached

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

Murad D. Daruwalla
Partner
ICAI Membership No. 043334

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

P.S.Jayakumar
Chairman
DIN : 01173236

Atul Tibrewal
Chief Financial Officer

Place : Mumbai
Date : 08 May 2026

Ashish Mehrotra
Managing Director and Chief Executive Officer
DIN: 07277318

Prakash Panda
Company Secretary
Membership No: A22585

Place : Mumbai
Date : 08 May 2026

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

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

1 REPORTING ENTITY

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

The Holding Company, its subsidiaries and its associates (together known as the "Group") are

principally engaged in lending and allied services such as advisory, syndication and portfolio management to provide liquidity and develop access to debt-capital markets for institutions and providing loans for personal, business, education and mortgage purposes to individuals by setting up microfinance institution, online debt trading platforms and alternative investment funds.

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

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

The Group structure is as follows:

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

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

** Upto 12 May 2025

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

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

2 STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

2.1 Basis of preparation

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

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

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

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

2.2 Presentation of consolidated financial statements

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

and Disclosures) Directions, 2025 (Updated as on 01 April 2026).

The consolidated financial statements are presented in lakhs of Indian Rupee (₹) which is also the functional currency of the Group. The financial statements have been prepared on a historical cost basis, except for certain financial instruments that are measured at fair value. The financial statements are prepared on a going concern basis, as the Management is satisfied that the Group shall be able to continue its business for the foreseeable future and no material uncertainty exists that may cast significant doubt on the going concern assumption. In making this assessment, the Management has considered a wide range of information relating to present and future conditions, including future projections of profitability, cash flows and capital resources.

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

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

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

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

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

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

2.3 Functional and presentation currency

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

2.4 Use of estimates and judgements

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

Information about judgements, estimates and assumptions made in applying accounting policies that have the most significant effects

on the amounts recognised in the financial statements is included in the following notes:

i) Business model assessment

Classification and measurement of financial assets depends on the results of business model test and the solely payments of principal and interest ('SPPI') test. The Group determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Group monitors financial assets measured at amortised cost or fair value through other comprehensive income or fair value through profit and loss that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Group's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in the business model and so a prospective change to the classification of those assets.

ii) Fair value of financial instruments

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

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

cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values.

iii) Effective Interest Rate ('EIR') method

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

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

iv) Impairment of financial assets

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

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

- a) The Group's criteria for assessing if there has been a significant increase in credit

risk and so allowances for financial assets should be measured on a life time expected credit loss ('LTECL') basis.

- b) Development of ECL models, including the various formulas and the choice of inputs.
- c) Determination of associations between macroeconomic scenarios and economic inputs, such as consumer spending, lending interest rates and collateral values, and the effect on probability of default ('PD'), exposure at default ('EAD') and loss given default ('LGD').
- d) Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into ECL models.

v) Impairment of non financial assets

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

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

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

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

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

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

vi) Provisions and other contingent liabilities

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

When the Group can reliably measure the outflow of economic benefits in relation to a specific case including commercial/contractual arrangements and considers

such outflows to be probable, the group records a provision against the case. Where the outflow is considered to be probable, but a reliable estimate cannot be made, a contingent liability is disclosed.

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

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

vii) Share-based payments

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

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

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

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

viii) Defined benefit plans (gratuity benefits)

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

ix) Leases - Estimating the incremental borrowing rate

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

x) Other assumptions and estimation uncertainties

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

- a) Measurement of defined benefit obligations: key actuarial assumptions;
- b) Estimated useful life of property, plant and equipment and intangible assets;
- c) Recognition of deferred taxes;
- d) Upfront recognition of Excess Interest Spread (EIS) in relation to assignment transactions.

2.5 Basis of Consolidation

i) Subsidiaries

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

ii) Non-controlling interests (NCI)

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

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

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

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

iii) Loss of control

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

iv) Change in ownership without loss of control

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

- Derecognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss

- Recognise that distribution of shares of subsidiary to Group in Group's capacity as owners
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or transferred directly to retained earnings, if required by other Ind ASs as would be required if the Group had directly disposed of the related assets or liabilities

v) Transactions eliminated on consolidation

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

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES

a. Revenue from contract with customers

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

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

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applies the five-step approach for the recognition of revenue.

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

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

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

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

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

Trade Receivables

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

Recognition of interest income on loans

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

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

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is booked as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income. The adjustment is subsequently amortised through interest income in the statement of profit and loss.

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

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

Revenue recognition for different heads of income is as under:

i. Interest income on deposits

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

ii. Fees and commission income

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

iii. Other Income

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

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for the year ended March 31, 2026

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

b. Financial instruments - initial recognition

Date of recognition

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

Initial measurement of financial instruments

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

Measurement categories of financial assets and liabilities

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

- i) Amortised cost
- ii) Fair value through other comprehensive income ('FVOCI')
- iii) Fair value through profit and loss ('FVTPL')

c. Financial assets and liabilities

A. Financial assets

Business model assessment

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

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

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

- b) The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed.
- c) How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).
- d) The expected frequency, value and timing of sales are also important aspects of the Group's assessment.

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

Sole Payments of Principal and Interest (SPPI) test

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

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

Notes to Consolidated Financial Statements

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

Accordingly, financial assets are measured as follows:

i. Financial assets carried at amortised cost (AC)

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

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

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

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

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

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

iv. Investment in equity instruments

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

B. Financial liabilities

i. Initial recognition and measurement

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

ii. Subsequent measurement

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

Debt securities and other borrowed funds

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

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

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

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

Embedded derivatives

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

d. Derecognition of financial assets and liabilities

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

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

the change in cash flows discounted at the original EIR, the Group records a modification gain or loss, to the extent that an impairment loss has not already been recorded.

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

i. Financial Assets

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

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

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

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

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and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

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

ii. Financial Liability

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

e Impairment of financial assets

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

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

that will be drawn down over its expected life. The ECL is then based on the present value of the expected shortfalls in cash flows if the loan is drawn down.

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

- The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- Lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

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

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

Stage 1:

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

Stage 2:

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

Stage 3:

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

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

B. Calculation of ECLs

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

PD:

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

EAD:

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

LGD:

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

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

The mechanics of the ECL method are summarised below:

Stage 1:

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

Stage 2:

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

Significant increase in credit risk

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

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

Stage 3:

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

Credit-impaired financial assets

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

- significant financial difficulty of the borrower;
- a breach of contract such as a default or past due event;
- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial
- difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- the disappearance of an active market for a security because of financial difficulties; or
- the purchase of a financial asset at a deep discount that reflects the incurred credit losses.

It may not be possible to identify a single discrete event—instead, the combined effect of several events may have caused financial assets to become credit-impaired. The Group

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

Loan commitments

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

Financial guarantee contracts

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

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C. Financial assets measured at FVOCI

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

D. Forward looking information

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

f. Write-offs

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

g. Determination of fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group has taken into account the characteristics of the

asset or liability as if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

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

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

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

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

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

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

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

h. Foreign currency transactions

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

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

exchange rate at the date of the transaction. Exchange differences are recognized in profit or loss.

i. Property, plant and equipment

i. Recognition and measurement

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

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

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

ii. Subsequent expenditure

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

iii. Depreciation

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

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

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equipment for the current and comparative periods are as follows:

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

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

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

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

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

j. Intangible assets

i. Intangible assets

Intangible assets including those acquired by the Group are initially measured at cost. Such intangible assets are subsequently measured

at cost less accumulated amortisation and any accumulated impairment losses.

ii. Subsequent expenditure

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

iii. Internally generated: Research and development

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

iv. Amortisation

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

Asset category	Estimated Useful life
Computer softwares	5 years

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

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v. Derecognition

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

k. Employee benefits

i. Post-employment benefits

Defined contribution plan

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

Defined benefit plans

Gratuity

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

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

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

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

ii. Other long-term employee benefits

Compensated absences

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

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iii. Short-term employee benefits

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

- (a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- (b) in case of non-accumulating compensated absences, when the absences occur.

iv. Share based payment

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

Equity Settled Plan:

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. Further details are given in Note 4.1.

That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or

service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of profit and loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

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

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

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

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

I. Provisions

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

m. Leases

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

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

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

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

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

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

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

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n. Taxes

i. Current tax

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

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

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

ii. Deferred tax

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

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;

- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

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

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

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

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

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

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

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

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

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

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of tax included

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

o. Borrowing cost

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

p. Cash and cash equivalents

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

q. Segment reporting- Identification of segments:

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

r. Earnings per share

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

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

s. Cash flow statement

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

t. Derivative financial instruments

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

Derivatives are initially recognised at fair value on the date when a derivative contract is entered into and are subsequently remeasured to their fair value at each balance sheet date. The resulting gain/loss is recognised in the statement of profit and loss immediately unless the derivative is designated and is effective as a hedging instrument, in which event the timing of the recognition in the statement of profit and loss depends on the nature of the hedge relationship. The Group designates certain derivatives as hedges of highly probable forecast transactions (cash flow hedges). A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability.

u. Hedge accounting policy

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

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

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

(i) Fair value hedges

The change in the fair value of a hedging instrument is recognised in the statement of profit and loss as finance costs. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognised in the statement of profit and loss as finance costs.

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

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

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

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

(ii) Cash flow hedges

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

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

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

The amounts accumulated in OCI are accounted for, depending on the nature of the underlying hedged transaction. If the hedged transaction subsequently results in the recognition of a non-financial item, the amount accumulated in equity is removed from the separate component of equity and

included in the initial cost or other carrying amount of the hedged asset or liability. This is not a reclassification adjustment and will not be recognised in OCI for the period. This also applies where the hedged forecast transaction of a non-financial asset or non-financial liability subsequently becomes a firm commitment for which fair value hedge accounting is applied.

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

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

v. New and amended standards

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

i) Lack of exchangeability - Amendments to Ind AS 21

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

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

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

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

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

- clarifying that the right to defer settlement of a liability for at least 12 months after the reporting period;
- a) must have substance, and b) must exist at the end of the reporting period;
- stating that management's expectations around whether the settlement of a liability would be deferred or not, does not impact the classification of the liability;
- including requirements for liabilities that can be settled using an entity's own instruments; and
- stating that at the reporting date, the entity does not consider covenants that will need to be complied with in the future when considering the classification of the debt as current or non-current

In addition, an entity is required to disclose when a liability arising from a loan agreement is classified as non-current and the entity's

right to defer settlement is contingent on compliance with future covenants within twelve months.

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

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

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

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

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

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

- a temporary exception to the recognition and disclosure of deferred taxes arising

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from the implementation of the Pillar Two model rules; and

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

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

w. Key amendments applicable from next financial year

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

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

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

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

x. Business combinations and goodwill

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

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

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

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

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- in accordance with Ind AS 102 Share-based Payments at the acquisition date
- Assets that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.
- Reacquired rights are measured at a value determined on the basis of the remaining contractual term of the related contract. Such valuation does not consider potential renewal of the reacquired right.

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

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

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the

Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

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

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

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

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y. Investment in Associates

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

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

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

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

If an entity's share of losses of an associate or exceeds its interest in the associate (which includes any long-term interest that, in substance, form part of the Group's net investment in the associate), the entity discontinues recognising its share of further losses. Additional losses are

recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

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

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

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

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

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4 CASH AND CASH EQUIVALENTS

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

Notes

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

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

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

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

5 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

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

Note:

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

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

Notes to Consolidated Financial Statements

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6 TRADE RECEIVABLES

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

Notes:

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

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

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

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

As at 31 March 2026

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

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As at 31 March 2025

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

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

Changes in gross carrying amount

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

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Reconciliation of ECL Balance

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

7 LOANS

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

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

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

Notes:

- (i)

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

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

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

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

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

8. INVESTMENTS

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

Notes:

- a)

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

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

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

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

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

9 OTHER FINANCIAL ASSETS

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

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

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

Changes in gross carrying amount

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

Reconciliation of ECL Balance

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

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

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

10.1 Property, plant and equipment

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

10.2 Intangible assets under development

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

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

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

10.2iAgeing of Intangible assets under development

As at 31 March 2026

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

As at 31 March 2025

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

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

10.3 Goodwill

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

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

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

10.4 Other Intangible assets

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

10.5 Right of use asset

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

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

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

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

11 OTHER NON- FINANCIAL ASSETS

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

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

12 DERIVATIVE FINANCIAL INSTRUMENTS

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

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

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

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

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

13 TRADE PAYABLES

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

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

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

Note:

a Ageing of trade payables

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

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

14 DEBT SECURITIES (REFER NOTE 14A)

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

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

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

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

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

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

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

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

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for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

Particulars	Terms of Redemption	Earliest repayment date	Security	Interest rate	Gross balance as at 31 March 2026	Gross balance as at 31 March 2025
25,000 units (March 31, 2025: NIL units) of 8.85% Redeemable non-convertible debentures of ₹ 1,00,000 each, maturing on December 31, 2028	Coupon payment frequency: Quarterly Principal repayment frequency: Quarterly Tenure of security: 36 months Redemption date: December 31, 2028	30-Jun-26	The Debentures shall be secured by a first ranking, fixed and exclusive charge of 1.10x over identified loan receivables and investments which are free from any encumbrances / charge / lien	8.85%	22,916.67	-
Ind AS adjustments and interest accrued					1,16,650.00	1,22,292.38
					1,043.84	1,671.82
					1,17,693.84	1,23,964.20
Unsecured, Commercial Paper						
NIL Units (March 31, 2025 : 1000 units) of 9.60% commercial paper of ₹ 500,000 each, maturing on August 14, 2025	Repayments terms: Entire amount is repaid on maturity Tenor: 363 Days Redemption date: August 14, 2025	14-Aug-25	NA	9.60%	-	5,000.00
NIL Units (March 31, 2025 : 1000 units) of 9.60% commercial paper of ₹ 500,000 each, maturing on August 21, 2025	Repayments terms: Entire amount is repaid on maturity Tenor: 364 Days Redemption date: August 21, 2025	21-Aug-25	NA	9.60%	-	5,000.00
NIL Units (March 31, 2025 : 500 units) of 9.15% commercial paper of ₹ 500,000 each, maturing on May 02, 2025	Repayments terms: Entire amount is repaid on maturity Tenor: 245 Days Redemption date: May 02, 2025	02-May-25	NA	9.15%	-	2,500.00
NIL Units (March 31, 2024 : 1000 units) of 9.45% commercial paper of ₹ 500,000 each, maturing on December 30, 2025	Repayments terms: Entire amount is repaid on maturity Tenor: 364 Days Redemption date: December 30, 2025	30-Dec-25	NA	9.45%	-	5,000.00

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(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

Particulars	Terms of Redemption	Earliest repayment date	Security	Interest rate	Gross balance as at 31 March 2026	Gross balance as at 31 March 2025
2000 Units (March 31, 2025 : NIL units) of 8.80% commercial paper of ₹ 500,000 each, maturing on June 29, 2026	Repayments terms: Entire amount is repaid on maturity Tenor: 364 Days Redemption date: June 29, 2026	29-Jun-26	NA	8.80%	10,000.00	-
1000 Units (March 31, 2025 : NIL units) of 8.80% commercial paper of ₹ 500,000 each, maturing on July 30, 2026	Repayments terms: Entire amount is repaid on maturity Tenor: 364 Days Redemption date: July 30, 2026	30-Jul-26	NA	8.80%	5,000.00	-
1000 Units (March 31, 2025 : NIL units) of 8.98% commercial paper of ₹ 500,000 each, maturing on February 23, 2027	Repayments terms: Entire amount is repaid on maturity Tenor: 364 Days Redemption date: Febfruary 23, 2027	23-Feb-27	NA	8.98%	5,000.00	-
500 Units (March 31, 2025 : NIL units) of 8.72% commercial paper of ₹ 500,000 each, maturing on September 07, 2026	Repayments terms: Entire amount is repaid on maturity Tenor: 180 Days Redemption date: September 07, 2026	07-Sep-26	NA	8.72%	2,500.00	-
Ind AS adjustments					22,500.00	17,500.00
					(757.49)	(678.88)
					21,742.51	16,821.12

Note: The balances are gross of accrued interest and unamortised processing fees.

* Coupon rate are linked to perfomance of specified indices including maket indiactors over the period of the debentures

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

15 BORROWINGS (OTHER THAN DEBT SECURITIES) (REFER NOTE 15A TO 15G)

Particulars	As at 31 March 2026	As at 31 March 2025
Measured at amortised cost:		
Secured		
Term Loans		
- from banks	7,45,303.77	6,40,300.76
- from other financial institutions	1,76,539.05	1,30,084.58
Loans repayable on demand		
- Working capital loan from banks	93,302.12	57,731.58
- Cash credit from banks	9,294.14	9,835.03
Other loans		
- Borrowings under securitisation	61,959.05	7,262.66
Total borrowings (Other than debt securities)	10,86,398.13	8,45,214.61
Borrowings in India	9,33,617.38	7,34,382.34
Borrowings outside India	1,52,780.75	1,10,832.27
Total borrowings (Other than debt securities)	10,86,398.13	8,45,214.61

The above loans are secured by the way of first and exclusive charge over eligible specified book debts of the Group.

Particulars	Terms of Redemption	Interest rate	Earliest repayment date	Gross balance as at 31 March 2026	Gross balance as at 31 March 2025	Security
Secured borrowing from banks						
Term Loan - 1	Repayments terms: Bullet payment Tenor: 87 Days Redemption date: Jun 13, 2026	8.70%	30-Apr-26	1,500.00	1,500.00	First and Exclusive charge on the standard receivables with a security cover of 125%.
Term Loan - 2	Repayments terms: 15 quaterly instalments Tenor: 48 months Redemption date: March 31, 2026	1 Y MCLR + Spread 1.15%	20-May-25	-	1,333.33	First and Exclusive charge over the loan receivables with a security cover of 110%.
Term Loan - 3	Repayments terms: 15 quarterly instalments Tenor: 48 months Redemption date: May 30, 2026	1 Y MCLR + Spread 1.15%	01-May-25	-	4,000.00	First and Exclusive charge on the standard receivables with a security cover of 111%.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

Particulars	Terms of Redemption	Interest rate	Earliest repayment date	Gross balance as at 31 March 2026	Gross balance as at 31 March 2025	Security
Term Loan - 4	Repayments terms: Repayment on maturity Tenor: 89 Days Redemption date: May 25, 2026	8.35%	30-Apr-26	5,000.00	7,500.00	First and Exclusive charge on the standard receivables with a security cover of 115%.
Term Loan - 5	Repayments terms: 45 monthly instalments Tenor: 48 months Redemption date: March 30, 2027	1 Y MCLR + Spread 1.15%	20-May-25	-	8,000.00	First and Exclusive charge on the standard receivables with a security cover of 111%.
Term Loan - 6	Repayments terms: 14 monthly instalments Tenor: 48 months Redemption date: October 01, 2025	EBLR + Spread 1.26%	30-Sep-25	-	1,428.57	First and Exclusive charge over the loan receivables with a security cover of 120%.
Term Loan - 7	Repayments terms: 12 quaterly instalments Tenor: 36 months Redemption date: March 29, 2025	Repo Rate + Spread 4.35%	27-Mar-26	-	1,250.00	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 8	Repayment Terms: Bullet payment Tenor: 179 Days Redemption Date: Apr 24, 2026	8.00% Linked to 1 M Repo	24-Apr-26	5,000.00	5,000.00	First and Exclusive charge over the loan receivables with a security cover of 111%.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

Particulars	Terms of Redemption	Interest rate	Earliest repayment date	Gross balance as at 31 March 2026	Gross balance as at 31 March 2025	Security
Term Loan - 9	Repayments terms: 12 quarterly instalments Tenor: 36 months Redemption date: September 29, 2025	Repo Rate + Spread 3.25%	29-Sep-25	-	1,250.00	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 10	Repayments terms: 12 quarterly instalments Tenor: 36 months Redemption date: December 29, 2025	Repo Rate + Spread 3.25%	29-Dec-25	-	1,250.00	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 11	Repayments terms: 12 quarterly instalments Tenor: 36 months Redemption date: January 31, 2026	Repo Rate + Spread 3.25%	30-Jan-26	-	833.33	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 12	Repayment Terms: 24 monthly instalments Tenor: 24 months Redemption Date: June 04, 2025	3Month T Bill + Spread 1.28%	04-Jun-25	-	312.50	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 13	Repayments terms: 16 quaterly instalments Tenor: 48 months Redemption date: March 06, 2027	1 Y MCLR + Spread 0.75%	06-Apr-26	624.46	1,243.54	First and Exclusive charge on the standard receivables with a security cover of 125%.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

Particulars	Terms of Redemption	Interest rate	Earliest repayment date	Gross balance as at 31 March 2026	Gross balance as at 31 March 2025	Security
Term Loan - 14	Repayments terms: 36 monthly instalments Tenor: 36 months Redemption date: May 10, 2025	Repo Rate + Spread 3.75%	09-May-25	-	666.67	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 15	Repayments terms: 31 monthly instalments Tenor: 37 months Redemption date: March 13, 2026	9.00%	13-Mar-26	-	1,935.48	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 16	Repayments terms: 36 monthly instalments Tenor: 36 months Redemption date: March 23, 2026	1 Y MCLR + Spread 0%	23-Mar-26	-	4,000.00	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 17	Repayment Terms: Bullet payment Tenor: 88 Days Redemption Date: Jun 16, 2025	8.05%	30-Apr-26	900.00	900.00	First and Exclusive charge over the loan receivables with a security cover of 120%.
Term Loan - 18	Repayments terms: 16 quarterly instalments Tenor: 48 months Redemption date: June 28, 2027	1 Year MCLR + Spread 0.75%	28-Apr-26	3,125.00	5,620.44	First and Exclusive charge on the standard receivables with a security cover of 125%.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

Particulars	Terms of Redemption	Interest rate	Earliest repayment date	Gross balance as at 31 March 2026	Gross balance as at 31 March 2025	Security
Term Loan - 19	Repayments terms: 36 monthly instalments Tenor: 36 months Redemption date: June 30, 2025	1 Y MCLR + Spread 0.2%	30-Jun-25	-	1,050.00	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 20	Repayments terms: 36 monthly instalments Tenor: 36 months Redemption date: June 30, 2025	1 Y MCLR + Spread 0.2%	30-Jun-25	-	400.00	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 21	Repayments terms: 36 monthly instalments Tenor: 36 months Redemption date: November 30, 2025	1 Y MCLR + Spread 0.8%	28-Nov-25	-	4,414.51	First and Exclusive charge on the standard receivables with a security cover of 120%.
Term Loan - 22	Repayment Terms: 36 monthly instalments Tenor: 36 months Redemption Date: June 28, 2026	Repo Rate + Spread 2.75%	30-Apr-26	416.67	2,083.33	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 23	Repayments terms: Repayment on maturity Tenor: 122 days Redemption date: Jul 13, 2026	8.05% Linked to 3 M Repo	30-Apr-26	5,000.00	5,000.00	First and Exclusive charge over the loan receivables with a security cover of 120%.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

Particulars	Terms of Redemption	Interest rate	Earliest repayment date	Gross balance as at 31 March 2026	Gross balance as at 31 March 2025	Security
Term Loan - 24	Repayments terms: Bullet payment Tenor: 73 Days Redemption date: May 05, 2026	7.80% Linked to 1 M MIBOR	30-Apr-26	10,000.00	10,000.00	First and Exclusive charge over the loan receivables with a security cover of 120%.
Term Loan - 25	Repayments terms: Bullet payment Tenor: 91 Days Redemption date: May 25, 2026	7.80% Linked to 1 M MIBOR	30-Apr-26	10,000.00	15,000.00	First and Exclusive charge over the loan receivables with a security cover of 120%.
Term Loan - 26	Repayments terms: Bullet payment Tenor: 61 Days Redemption date: May 12, 2026	7.80% Linked to 1 M MIBOR	30-Apr-26	4,500.00	-	First and Exclusive charge over the loan receivables with a security cover of 120%.
Term Loan - 27	Repayments terms: Repayment on maturity Tenor: 87 Days Redemption date: Jun 13,2026	8.75%	30-Apr-26	5,000.00	5,000.00	First and Exclusive charge on the standard receivables with a security cover of 133%.
Term Loan - 28	Repayments terms: 42 monthly instalments Tenor: 48 months Redemption date: March 23, 2026	1 Y MCLR + Spread 1%	23-Feb-26	-	654.76	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 29	Repayments terms: Repayment on maturity Tenor: 87 Days Redemption date: Jun 12, 2026	8.35%	30-Apr-26	5,000.00	-	First and Exclusive charge on the standard receivables with a security cover of 115%

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

Particulars	Terms of Redemption	Interest rate	Earliest repayment date	Gross balance as at 31 March 2026	Gross balance as at 31 March 2025	Security
Term Loan - 30	Repayments terms: 36 monthly instalments Tenor: 36 months Redemption date: September 30, 2025	Repo Rate + Spread 4.45%	30-Sep-25	-	1,250.00	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 31	Repayments terms: 36 monthly instalments Tenor: 36 months Redemption date: October 10, 2025	7.40%	10-Oct-25	-	918.55	First and Exclusive charge on the standard receivables with a security cover of 120%.
Term Loan - 32	Repayments terms: 36 monthly instalments Tenor: 36 months Redemption date: October 31, 2025	7.40%	10-Nov-25	-	1,063.32	First and Exclusive charge on the standard receivables with a security cover of 120%.
Term Loan - 33	Repayments terms: 20 quarterly instalments Tenor: 60 months Redemption date: December 16, 2027	1 Y MCLR + Spread 0.1%	30-Apr-26	2,126.25	3,307.50	First and Exclusive charge on the standard receivables with a security cover of 115%.
Term Loan - 34	Repayments terms: 14 quarterly instalments Tenor: 48 months Redemption date: December 28, 2026	6M MCLR + Spread 0.55%	10-Apr-26	1,002.58	2,334.58	First and Exclusive charge on the standard receivables with a security cover of 110%.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

Particulars	Terms of Redemption	Interest rate	Earliest repayment date	Gross balance as at 31 March 2026	Gross balance as at 31 March 2025	Security
Term Loan - 35	Repayments terms: 20 quarterly instalments Tenor: 60 months Redemption date: December 29, 2027	1 Y MCLR + Spread 0.1%	30-Apr-26	4,725.00	7,350.00	First and Exclusive charge on the standard receivables with a security cover of 115%.
Term Loan - 36	Repayments terms: 20 quarterly instalments Tenor: 60 months Redemption date: December 16, 2027	1 Y MCLR + Spread 0.1%	30-Apr-26	8,505.00	13,230.00	First and Exclusive charge on the standard receivables with a security cover of 115%.
Term Loan - 37	Repayments terms: 12 quarterly instalments Tenor: 36 months Redemption date: March 31, 2026	6M T bill + Spread 0%	09-Mar-26	-	1,327.09	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 38	Repayment Terms: Bullet payment Tenor: 180 Days Redemption Date: Apr 16, 2026	8.50% Linked to Repo	01-Apr-26	5,000.00	5,000.00	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 39	Repayment Terms: Bullet payment Tenor: 87 Days Redemption Date: Jun 13, 2026	9.05%	01-Apr-26	3,000.00	3,000.00	First and Exclusive charge on the standard receivables with a security cover of 110%.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

Particulars	Terms of Redemption	Interest rate	Earliest repayment date	Gross balance as at 31 March 2026	Gross balance as at 31 March 2025	Security
Term Loan - 40	Repayment Terms: 8 equal quaterly instalments starting from 3 months from the dateof first disbursement Tenor: 24 months Redemption Date: June 27, 2025	9.45%	27-Jun-25	-	1,250.00	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 41	Repayment Terms: 24 monthly instalments Tenor: 24 months Redemption Date: June 30, 2025	Repo Rate + Spread 0.30%	30-Jun-25	-	500.00	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 42	Repayments terms: 15 quaterly instalments Tenor: 42 months Redemption date: June 1, 2025	1 Y MCLR + Spread 1.15%	31-May-25	-	404.03	First and Exclusive charge over the loan receivables with a security cover of 110%.
Term Loan - 43	Repayments terms: 14 quaterly instalments Tenor: 48 months Redemption date: July 28, 2027	3M T bill + Spread 2.57%	10-Apr-26	2,003.00	3,335.00	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 44	Repayments terms: 14 quaterly instalments Tenor: 48 months Redemption date: July 31, 2027	3M T bill + Spread 2.57%	10-Apr-26	2,003.00	3,335.00	First and Exclusive charge on the standard receivables with a security cover of 110%.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

Particulars	Terms of Redemption	Interest rate	Earliest repayment date	Gross balance as at 31 March 2026	Gross balance as at 31 March 2025	Security
Term Loan - 45	Repayments terms: 48 Monthly instalments Tenor: 48 months Redemption date: July 31, 2027	3Y MCLR + Spread 0.55%	30-Apr-26	888.89	1,555.56	Exclusive charge on the standard receivables with a security cover / ACR of 110%.
Term Loan - 46	Repayments terms: 31 monthly instalments Tenor: 37 months Redemption date: Oct 20, 2026	Repo Rate + Spread 2.60%	21-Apr-26	2,822.58	7,661.29	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 47	Repayments terms: 31 monthly instalments Tenor: 37 months Redemption date: Oct 20, 2026	3M MCLR + Spread 0%	21-Apr-26	1,693.55	4,596.77	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 48	Repayments terms: 10 quarterly instalments Tenor: 36 months Redemption date: Sep 29, 2026	1 Y MCLR + Spread 1.25%	10-Apr-26	1,900.00	5,700.00	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 49	Repayments terms: 31 monthly instalments Tenor: 37 months Redemption date: Oct 28, 2026	9.35%	28-Apr-26	1,129.03	3,064.52	First and Exclusive charge on the standard receivables with a security cover of 110%.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

Particulars	Terms of Redemption	Interest rate	Earliest repayment date	Gross balance as at 31 March 2026	Gross balance as at 31 March 2025	Security
Term Loan - 50	Repayments terms: 24 monthly instalments Tenor: 24 months Redemption date: Sep 28, 2025	6M MCLR + Spread 0.15%	26-Sep-25	-	1,250.00	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 51	Repayments terms: 36 monthly instalments Tenor: 36 months Redemption date: Sep 29, 2026	1 Y MCLR + Spread 0.45%	29-Apr-26	3,320.11	9,989.79	First and Exclusive charge on the standard receivables with a security cover of 120%.
Term Loan - 52	Repayments terms: 45 monthly instalments Tenor: 48 months Redemption date: Nov 02, 2027	1 Y MCLR + Spread 0.65%	01-Apr-26	5,600.00	9,333.33	First and Exclusive charge on the standard receivables with a security cover of 111%.
Term Loan - 53	Repayments terms: 45 monthly instalments Tenor: 48 months Redemption date: October 30, 2027	1 Y MCLR + Spread 0.80%	01-Apr-26	2,533.33	4,133.33	First and Exclusive charge on the standard receivables with a security cover of 111%.
Term Loan - 54	Repayments terms: 24 monthly instalments Tenor: 36 months Redemption date: October 31, 2025	1 Y MCLR + Spread 0.20%	31-Oct-25	-	2,187.50	First and Exclusive charge on the standard receivables with a security cover of 120%.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

Particulars	Terms of Redemption	Interest rate	Earliest repayment date	Gross balance as at 31 March 2026	Gross balance as at 31 March 2025	Security
Term Loan - 55	Repayments terms: 6 quarterly instalments Tenor: 24 months Redemption date: December 15, 2025	3M T-Bill + Spread 2.20%	15-Dec-25	-	1,875.00	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 56	Repayments terms: 24 monthly instalments Tenor: 24 months Redemption date: December 18, 2025	8.10%	28-Nov-25	-	3,750.00	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 57	Repayments terms: 24 monthly instalments Tenor: 24 months Redemption date: December 20, 2025	6M MCLR + Spread 0.30%	19-Dec-25	-	3,750.00	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 58	Repayments terms: 10 quarterly instalments Tenor: 36 months Redemption date: December 10, 2026	1 Y MCLR + Spread 1.25%	10-Apr-26	4,650.00	10,850.00	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 59	Repayments terms: 27 monthly instalments Tenor: 27 months Redemption date: March 31, 2026	6 M MCLR	27-Mar-26	-	5,000.00	First and Exclusive charge over the loan receivables with a security cover of 115%.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

Particulars	Terms of Redemption	Interest rate	Earliest repayment date	Gross balance as at 31 March 2026	Gross balance as at 31 March 2025	Security
Term Loan - 60	Repayments terms: 11 quarterly instalments Tenor: 36 months Redemption date: January 31, 2027	1 Y MCLR + Spread 0.75%	30-Apr-26	2,710.05	5,445.63	First and Exclusive charge on the standard receivables with a security cover of 111%.
Term Loan - 61	Repayments terms: 24 monthly instalments Tenor: 24 months Redemption date: March 31, 2024	1 Y MCLR + Spread 0.50%	01-May-26	304.48	4,058.24	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 62	Repayments terms: 36 monthly instalments Tenor: 36 months Redemption date: February 27, 2027	Repo Rate + Spread 3.00%	30-Apr-26	2,291.67	4,791.67	First and Exclusive charge on the standard receivables with a security cover of 111%.
Term Loan - 63	Repayments terms: 24 monthly instalments Tenor: 24 months Redemption date: February 28, 2026	6M MCLR + Spread 0.30%	27-Feb-26	-	1,648.50	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 64	Repayments terms: 6 quaterly instalments Tenor: 24 months Redemption date: February 28, 2026	3M T bill + Spread 2.52%	27-Feb-26	-	5,710.00	First and Exclusive charge on the standard receivables with a security cover of 110%.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

Particulars	Terms of Redemption	Interest rate	Earliest repayment date	Gross balance as at 31 March 2026	Gross balance as at 31 March 2025	Security
Term Loan - 65	Repayments terms: 24 monthly instalments Tenor: 24 months Redemption date: March 07, 2026	8.25%	06-Mar-26	-	2,500.00	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 66	Repayments terms: 24 monthly instalments Tenor: 24 months Redemption date: March 07, 2026	3M T-Bill + Spread 2.32%	06-Mar-26	-	2,500.00	First and Exclusive charge over the loan receivables with a security cover of 110%.
Term Loan - 67	Repayment Terms: 12 equal quaterly instalments Tenor: 36 months Redemption Date: March 07, 2027	3M T Bill + Spread 2.64%	30-Apr-26	1,662.00	3,332.00	Exclusive Charge by way of Hypothecation of loan receivables of slandered assets created out of bank finance and which are not overdue as per RBI/Regulator guideline, with as security cover of 110%
Term Loan - 68	Repayments terms: 11 quarterly instalments Tenor: 34 months Redemption date: December 31, 2026	9.65%	01-May-26	5,750.00	15,000.00	First and Exclusive charge on the standard receivables with a security cover of 120%.

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for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

Particulars	Terms of Redemption	Interest rate	Earliest repayment date	Gross balance as at 31 March 2026	Gross balance as at 31 March 2025	Security
Term Loan - 69	Repayments terms: 16 quaterly instalments Tenor: 48 months Redemption date: March 21, 2028	1 Y MCLR + Spread 0.75%	21-Apr-26	5,000.00	7,500.00	First and Exclusive charge over the loan receivables with a security cover of 125%.
Term Loan - 70	Repayments terms: 45 monthly instalments Tenor: 48 months Redemption date: March 28, 2028	1 Y MCLR + Spread 0.80%	01-Apr-26	10,666.67	16,000.00	First and Exclusive charge on the standard receivables with a security cover of 111%.
Term Loan - 71	Repayments terms: 24 monthly instalments Tenor: 24 months Redemption date: Jun 28, 2026	3M T bill + Spread 2.39%	28-Apr-26	625.00	3,125.00	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 72	Repayments terms: 12 quaterly instalments Tenor: 36 months Redemption date: Jun 29, 2027	1 M MCLR + Spread 0.20%	30-Apr-26	2,078.12	3,750.00	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 73	Repayments terms: 24 monthly instalments Tenor: 24 months Redemption date: Jul 30, 2026	6M MCLR + Spread 0.05%	30-Apr-26	400.00	1,600.00	First and Exclusive charge on the standard receivables with a security cover of 110%.

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for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

Particulars	Terms of Redemption	Interest rate	Earliest repayment date	Gross balance as at 31 March 2026	Gross balance as at 31 March 2025	Security
Term Loan - 74	Repayments terms: 16 quaterly instalments Tenor: 48 months Redemption date: Sep 26, 2028	1Y MCLR + Spread 0.60%	30-Apr-26	6,491.44	9,160.75	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 75	Repayments terms: 45 monthly instalments Tenor: 48months Redemption date: Sep 30, 2028	1Y MCLR + Spread 0.40%	30-Apr-26	6,666.67	9,333.33	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 76	Repayments terms: 36 monthly instalments Tenor: 36 months Redemption date: September 15, 2027	1 Y MCLR + Spread 1.20%	30-Apr-26	3,250.00	5,416.67	First and Exclusive charge on the standard receivables with a security cover of 115%.
Term Loan - 77	Repayments terms: 36 monthly instalments Tenor: 36 months Redemption date: October 01, 2026	6 M SOFR + Spread 2.60%	09-Sep-25	5,951.78	17,951.78	First and Exclusive charge on the standard receivables with a security cover of 125%.
Term Loan - 78	Repayments terms: 36 monthly instalments Tenor: 36 months Redemption date: September 29, 2026	6 M SOFR + Spread 2.60%	09-Sep-25	5,836.90	17,836.90	First and Exclusive charge on the standard receivables with a security cover of 125%.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

Particulars	Terms of Redemption	Interest rate	Earliest repayment date	Gross balance as at 31 March 2026	Gross balance as at 31 March 2025	Security
Term Loan - 79	Repayments terms: 20 quaterly instalments Tenor: 60 months Redemption date: Sep 30, 2029	1Y MCLR + Spread 0.40%	30-Apr-26	3,500.00	4,500.00	First and Exclusive charge on the standard receivables with a security cover of 115%.
Term Loan - 80	Repayments terms: 48 monthly instalments Tenor: 48 months Redemption date: Sep 30, 2028	1Y MCLR + Spread 0.40%	30-Apr-26	20,297.68	28,429.00	First and Exclusive charge on the standard receivables with a security cover of 120%.
Term Loan - 81	Repayments terms: 31 monthly instalments Tenor: 36 months Redemption date: Oct 29, 2027	1Y MCLR + Spread 0.00%	30-Apr-26	6,129.03	10,000.00	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 82	Repayments terms: 36 monthly instalments Tenor: 36 months Redemption date: September 15, 2027	6 M SOFR + Spread 2.53%	12-Sep-25	-	45,000.00	First and Exclusive charge on the standard receivables with a security cover of 125%.
Term Loan - 83	Repayments terms: 36 monthly instalments Tenor: 36 months Redemption date: December 14, 2025	6 M SOFR + Spread 2.65%	22-Sep-25	-	4,994.06	First and Exclusive charge on the standard receivables with a security cover of 125%.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

Particulars	Terms of Redemption	Interest rate	Earliest repayment date	Gross balance as at 31 March 2026	Gross balance as at 31 March 2025	Security
Term Loan - 84	Repayments terms: 36 monthly instalments Tenor: 36 months Redemption date: December 14, 2025	6 M SOFR + Spread 2.65%	23-Sep-25	-	4,994.06	First and Exclusive charge on the standard receivables with a security cover of 125%.
Term Loan - 85	Repayments terms: 36 monthly instalments Tenor: 36 months Redemption date: September 15, 2027	6 M SOFR + Spread 2.53%	25-Apr-25	27,000.00	45,000.00	First and Exclusive charge on the standard receivables with a security cover of 125%.
Term Loan - 86	Repayments terms: 16 quarterly instalments Tenor: 48 months Redemption date: Dec 11, 2028	1Y MCLR + Spread 1.15%	30-Apr-26	3,330.59	4,663.93	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 87	Repayments terms: 48 monthly instalments Tenor: 48 months Redemption date: Sep 24, 2028	1Y MCLR + Spread 0.40%	24-Apr-26	6,665.59	9,333.33	First and Exclusive charge on the standard receivables with a security cover of 120%.
Term Loan - 88	Repayments terms: 45 monthly instalments Tenor: 48 months Redemption date: Dec 31, 2028	1 Y MCLR + Spread 0.35%	01-Apr-26	3,666.67	5,000.00	First and Exclusive charge on the standard receivables with a security cover of 111%.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

Particulars	Terms of Redemption	Interest rate	Earliest repayment date	Gross balance as at 31 March 2026	Gross balance as at 31 March 2025	Security
Term Loan - 89	Repayments terms: 48 monthly instalments Tenor: 60 months Redemption date: Jan 31, 2030	Term SOFR + Spread 2.15%	31-Jul-26	12,982.50	12,982.50	First and Exclusive charge on the standard receivables with a security cover of 115%.
Term Loan - 90	Repayments terms: 31 monthly instalments Tenor: 36 months Redemption date: Feb 29, 2028	1Y MCLR + Spread 0.00%	30-Apr-26	7,419.35	10,000.00	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 91	Repayments terms: 48 monthly instalments Tenor: 60 months Redemption date: Feb 28, 2030	Term SOFR + Spread 2.15%	28-Aug-26	13,138.50	13,138.50	First and Exclusive charge on the standard receivables with a security cover of 115%.
Term Loan - 92	Repayments terms: 45 monthly instalments Tenor: 48 months Redemption date: Mar 18, 2029	1 Y MCLR + Spread 0.35%	01-Apr-26	12,000.00	15,000.00	First and Exclusive charge on the standard receivables with a security cover of 111%.
Term Loan - 93	Repayments terms: 24 Monthly instalments Tenor: 20 Months Redemption date: November 25, 2026	Repo Rate + Spread 3%	25-Apr-26	2,089.39	5,000.00	First and Exclusive charge over the loan receivables with a security cover of 110%.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

Particulars	Terms of Redemption	Interest rate	Earliest repayment date	Gross balance as at 31 March 2026	Gross balance as at 31 March 2025	Security
Term Loan - 94	Repayments terms: 11 quaterly instalments Tenor: 34 months Redemption date: Nov 25, 2026	3 M T Bill + Spread 2.82%	30-Jun-26	30,000.00	50,000.00	First and Exclusive charge on the standard receivables with a security cover of 120%.
Term Loan - 95	Repayments terms: 48 monthly instalments Tenor: 48 months Redemption date: Sep 27, 2028	1Y MCLR + Spread 0.40%	27-Apr-26	5,356.33	7,500.00	First and Exclusive charge on the standard receivables with a security cover of 120%.
Term Loan - 96	Repayments terms: 24 monthly instalments Tenor: 24 months Redemption date: Mar 28, 2027	3 M MCLR + Spread 0.05%	28-Apr-26	10,000.00	20,000.00	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 97	Repayments terms: 30 monthly instalments Tenor: 36 months Redemption date: Mar 28, 2028	3 M MCLR + Spread 0.15%	28-Apr-26	4,000.00	5,000.00	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 98	Repayments terms: 24 monthly instalments Tenor: 24 months Redemption date: Apr 01, 2027	1Y MCLR + Spread 0.25%	01-May-26	3,739.24	7,500.00	First and Exclusive charge on the standard receivables with a security cover of 110%.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

Particulars	Terms of Redemption	Interest rate	Earliest repayment date	Gross balance as at 31 March 2026	Gross balance as at 31 March 2025	Security
Term Loan - 99	Repayment Terms: Bullet payment Tenor: 60 Days Redemption Date: May 27, 2025	1 M T Bill + Spread 2.48%	17-Apr-25	10,000.00	10,000.00	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 100	Repayments terms: 24 monthly instalments Tenor: 24 months Redemption date: Mar 27, 2027	6 M MCLR + Spread 0.20%	30-Apr-26	10,000.00	20,000.00	First and Exclusive charge on the standard receivables with a security cover of 120%.
Term Loan - 101	Repayments terms: 10 quaterly instalments Tenor: 34 months Redemption date: Mar 27, 2027	3 M T Bill + Spread 0.00%	10-Apr-26	4,000.00	5,000.00	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 102	Repayment Terms: Bullet payment Tenor: 120 Days Redemption Date: Jul 15, 2026	Repo Rate + Spread 3.25%	30-Apr-26	2,500.00	2,500.00	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 103	Repayment Terms: Bullet payment Tenor: 08 Days Redemption Date: Apr 06, 2026	Repo Rate + Spread 4.00%	07-Apr-26	2,500.00	2,500.00	First and Exclusive charge on the standard receivables with a security cover of 110%.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

Particulars	Terms of Redemption	Interest rate	Earliest repayment date	Gross balance as at 31 March 2026	Gross balance as at 31 March 2025	Security
Term Loan - 104	Repayment Terms: 6 equal quarterly instalments starting from 3 months from the date of first disbursement Tenor: 18 months Redemption Date: Dec 11, 2026	8.80%	30-Apr-26	2,500.00		- First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 105	Repayment Terms: 6 equal quarterly instalments starting from 3 months from the date of first disbursement Tenor: 18 months Redemption Date: Dec 12, 2026	8.80%	30-Apr-26	5,000.00		- First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 106	Repayments terms: 36 monthly instalments Tenor: 36 months Redemption date: Jun 27, 2028	8.90%	27-Apr-26	10,500.00		- First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 107	Repayments terms: 36 monthly instalments Tenor: 36 months Redemption date: Jun 30, 2028	8.90%	30-Apr-26	15,772.00		- First and Exclusive charge on the standard receivables with a security cover of 110%.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

Particulars	Terms of Redemption	Interest rate	Earliest repayment date	Gross balance as at 31 March 2026	Gross balance as at 31 March 2025	Security
Term Loan - 108	Repayments terms: 24 monthly instalments Tenor: 24 months Redemption date: Jun 20, 2027	Repo Rate + Spread 2.75%	30-Apr-26	3,750.00		- First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 109	Repayment Terms: Bullet payment Tenor: 60 Days Redemption Date: May 15, 2026	8.20%	30-Apr-26	8,500.00		- First and Exclusive charge on the standard receivables with a security cover of 115%.
Term Loan - 110	Repayments terms: 10 quarterly instalments Tenor: 34 months Redemption date: Jan 29, 2028	3 M T Bill + Spread 0.00%	10-Apr-26	3,998.77		- First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 111	Repayment Terms: Bullet payment Tenor: 90 Days Redemption Date: May 27, 2026	Repo Rate + Spread 2.85%	30-Apr-26	5,000.00		- First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 112	Repayments terms: 34 monthly instalments Tenor: 37 months Redemption date: Oct 31, 2028	8.50% Linked to Repo	19-Apr-26	9,117.65		- First and Exclusive charge on the standard receivables with a security cover of 110%.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

Particulars	Terms of Redemption	Interest rate	Earliest repayment date	Gross balance as at 31 March 2026	Gross balance as at 31 March 2025	Security
Term Loan - 113	Repayments terms: Equal repayment at the end of 31, 36 & 42 Month Tenor: 42 months Redemption date: Mar 26, 20209	Term SOFR + Spread 215 bps	28-Sep-26	22,046.25		- First and Exclusive charge on the standard receivables with a security cover of 111%.
Term Loan - 114	Repayments terms: 20 Quarterly instalments Tenor: 60 months Redemption date: Sep 26, 2030	1 Y MCLR + Spread 0.15%	26-Apr-26	4,500.00		- First and Exclusive charge on the standard receivables with a security cover of 115%.
Term Loan - 115	Repayment Terms: 6 equal quaterly instalments starting from 3 months from the dateof first disbursement Tenor: 24 months Redemption Date: Sep 29, 2027	Repo Rate + Spread 2.50%	29-Apr-26	4,725.00		- First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 116	Repayment Terms: Bullet payment Tenor: 180 Days Redemption Date: Sep 09, 2026	8.25%	30-Apr-26	5,000.00		- First and Exclusive charge over the loan receivables with a security cover of 110%.
Term Loan - 117	Repayments terms: 20 Quarterly instalments Tenor: 60 months Redemption date: Sep 26, 2030	1 Y MCLR + Spread 0.15%	26-Apr-26	4,500.00		- First and Exclusive charge on the standard receivables with a security cover of 115%.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

Particulars	Terms of Redemption	Interest rate	Earliest repayment date	Gross balance as at 31 March 2026	Gross balance as at 31 March 2025	Security
Term Loan - 118	Repayment Terms: 15 equal quaterly instalments Tenor: 48 months Redemption Date: Jun 30, 2029	1 Y MCLR + Spread 0.15%	30-Apr-26	17,329.06		- First and Exclusive charge over the loan receivables with a security cover of 111%.
Term Loan - 119	Repayment Terms: 8 equal quaterly instalments Tenor: 24 months Redemption Date: Sep 30, 2027	1 Y MCLR + Spread 0.10%	30-Apr-26	8,333.34		- Exclusive First charge by way of hypothecation of Specific receivables with a security cover of 110%.
Term Loan - 120	Repayments terms: 24 monthly instalments Tenor: 24 months Redemption date: Sep 30, 2027	Repo Rate + Spread 3.05%	01-Apr-26	7,916.67		- First and Exclusive charge on the standard receivables with a security cover of 120%.
Term Loan - 121	Repayments terms: 24 monthly instalments Tenor: 24 months Redemption date: Oct 31, 2027	Repo Rate + Spread 3.05%	01-Apr-26	8,333.33		- First and Exclusive charge on the standard receivables with a security cover of 120%.
Term Loan - 122	Repayments terms: 48 monthly instalments Tenor: 48 months Redemption date: Nov 28, 2029	1 Y MCLR + Spread 2.00%	28-Apr-26	4,583.33		- First and Exclusive charge on the standard receivables with a security cover of 115%.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

Particulars	Terms of Redemption	Interest rate	Earliest repayment date	Gross balance as at 31 March 2026	Gross balance as at 31 March 2025	Security
Term Loan - 123	Repayments terms: 24 monthly instalments Tenor: 24 months Redemption date: Nov 28, 2027	Repo Rate + Spread 3.05%	01-Apr-26	4,375.00		- First and Exclusive charge on the standard receivables with a security cover of 120%.
Term Loan - 124	Repayments terms: 24 monthly instalments Tenor: 24 months Redemption date: Jun 20, 2027	Repo Rate + Spread 2.75%	28-Apr-26	5,000.00		- First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 125	Repayments terms: 8 quaterly instalments Tenor: 30 months Redemption date: Mar 19, 2028	3 M T Bill + Spread 0.00%	10-Apr-26	10,000.00		- First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 126	Repayments terms: 50% repayment at the end of 37 th Months and 50% at 38 th Month Tenor: 38 months Redemption date: Feb 23, 2029	Term SOFR + Spread 1.70% bps	24-Jun-26	13,444.50		- First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 127	Repayments terms: 34 monthly instalments Tenor: 37 months Redemption date: Jan 31, 2029	5.25% Repo + Spread 3.05%	30-Apr-26	10,000.00		- First and Exclusive charge on the standard receivables with a security cover of 110%.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

Particulars	Terms of Redemption	Interest rate	Earliest repayment date	Gross balance as at 31 March 2026	Gross balance as at 31 March 2025	Security
Term Loan - 128	Repayments terms: 20 Equated quarterly instalments Tenor: 60 months Redemption date: Dec 31, 2030	1 Y MCLR + Spread 0.50%	30-Apr-26	9,499.30		- First and Exclusive charge on the standard receivables with a security cover of 111%
Term Loan - 129	Repayments terms: 20 Equated quarterly instalments Tenor: 60 months Redemption date: Dec 31, 2030	1 Y MCLR + Spread 0.50%	30-Apr-26	9,499.30		- First and Exclusive charge on the standard receivables with a security cover of 111%
Term Loan - 130	Repayments terms: 24 monthly instalments Tenor: 24 months Redemption date: Dec 31, 2027	3M T-Bill + Spread	30-Apr-26	8,750.00		- First and Exclusive charge over the loan receivables with a security cover of 115%.
Term Loan - 131	Repayments terms: 10 quarterly instalments Tenor: 36 months Redemption date: Jan 10, 2029	8.70%	10-Apr-26	5,000.00		- First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 132	Repayment Terms: 2 quaterly instalments Tenor: 6 months Redemption Date: Aug 24, 2026	8.69%	30-Apr-26	60,000.00		- First and Exclusive charge on the standard receivables with a security cover of 125%.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

Particulars	Terms of Redemption	Interest rate	Earliest repayment date	Gross balance as at 31 March 2026	Gross balance as at 31 March 2025	Security
Term Loan - 133	Repayments terms: 10 quarterly instalments Tenor: 36 months Redemption date: Feb 10, 2029	8.70%	10-Apr-26	5,000.00		- First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 134	Repayments terms: 24 Monthly instalments Tenor: 24 Months Redemption date: Feb 27, 2028	Repo Rate + Spread 3.20%	27-Apr-26	2,395.83		- First and Exclusive charge over the loan receivables with a security cover of 110%.
Term Loan - 135	Repayments terms: 24 Monthly instalments Tenor: 24 Months Redemption date: Feb 27, 2028	Repo Rate + Spread 3.20%	27-Apr-26	2,395.83		- First and Exclusive charge over the loan receivables with a security cover of 110%.
Term Loan - 136	Repayment Terms: 2 quaterly instalments Tenor: 175 Days Redemption Date: Sep 02, 2026	9.15%	30-Apr-26	27,000.00		- First and Exclusive charge on the standard receivables with a security cover of 125%.
Term Loan - 137	Repayments terms: 20 quaterly instalments Tenor: 60 months Redemption date: Mar 13, 2031	1Y MCLR + Spread 0.30%	30-Apr-26	10,000.00		- First and Exclusive charge on the standard receivables with a security cover of 110%.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

Particulars	Terms of Redemption	Interest rate	Earliest repayment date	Gross balance as at 31 March 2026	Gross balance as at 31 March 2025	Security
Term Loan - 138	Repayments terms: Equal repayment at the end of 31, 36 & 42 Month Tenor: 42 months Redemption date: Mar 26, 20209	Term SOFR + Spread 210 bps	24-Sep-26	36,980.50		- First and Exclusive charge on the standard receivables with a security cover of 111%.
Term Loan - 139	Repayments terms: 11 quaterly instalments Tenor: 33 months Redemption date: Dec 31, 2028	3 M T Bill + Spread 327 bps	30-Jun-26	50,000.00		- First and Exclusive charge on the standard receivables with a security cover of 120%.
Term Loan - 140	Repayments terms: 8 quaterly instalments Tenor: 30 months Redemption date: Mar 19, 2028	3 M T Bill + Spread 0.00%	10-Apr-26	10,000.00		- First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 141	Repayments terms: 24 quaterly instalments Tenor: 24 months Redemption date: March 26, 2028	Repo Rate + Spread 3.00%	01-May-26	20,000.00		- First and Exclusive charge on the standard receivables with a security cover of 115%.
Term Loan - 142	Repayments terms: 60 monthly instalments Tenor: 63 months Redemption date: Jun 01, 2031	1Y MCLR + Spread 0%	01-May-26	20,000.00		- First and Exclusive charge over the loan receivables with a security cover of 110%.
				8,39,713.76	6,98,624.48	
IND AS adjsutments and interest accrued				8,186.27	9,242.89	
				8,47,900.03	7,07,867.37	

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

Ind AS adjustments and interest accrued

Particulars	Terms of Redemption	Interest rate	Earliest repayment date	Gross balance as at 31 March 2026	Gross balance as at 31 March 2025	Security
Secured borrowing from other financial institutions						
Term Loan - 1	Repayments terms: 12 quarterly instalments Tenor: 36 months Redemption date: June 01, 2025	9.15%	31-May-25	-	249.38	First-ranking exclusive charge with cover of 110% of the Outstanding principal (or valid, first priority, perfected security interest) or hypothecation on the Secured Assets
Term Loan - 2	Repayments terms: 12 equal quaterly instalments Tenor: 36 months Redemption date: JuLY 01, 2026	LTRR+- Spread 10.85%	01-May-26	333.33	1,666.67	Exclusive hypothecation charge over loan receivables/loan assets/ book debts with a cover of 1.20 times of the outstanding principal at any point of time during currency of the facility.
Term Loan - 3	Repayments terms: 36 monthly instalments Tenor: 36 months Redemption date: June 27, 2026	3Month MCLR + Spread 1.15%	05-Apr-26	555.56	2,222.22	Exclusive hypothecation charge over receivables/loan assets/ book debts with a cover of 1.15 times of the outstanding principal at any point of time during currency of the facility.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

Particulars	Terms of Redemption	Interest rate	Earliest repayment date	Gross balance as at 31 March 2026	Gross balance as at 31 March 2025	Security
Term Loan - 4	Repayment Terms: 6 half yearly instalments Tenor: 60 months Redemption Date: March 04, 2026	9.78%	04-Mar-26	-	2,434.33	Exclusive hypothecation charge over loan receivables/loan assets/ book debts with a cover of 120% of the outstanding principal at any point of time during currency of the facility.
Term Loan - 5	Repayment Terms: 7 half yearly instalments Tenor: 60 months Redemption Date: September 15, 2026	7.59%	15-Sep-26	5,264.29	15,792.86	Exclusive hypothecation charge over loan receivables/loan assets/ book debts with a cover of 125% of the outstanding principal at any point of time during currency of the facility.
Term Loan - 6	Repayment Terms: 6 half yearly instalments Tenor: 60 months Redemption Date: November 17, 2025	9.35%	14-Nov-25	-	6,149.17	First-ranking exclusive charge with cover of 125% of the Outstanding principal (or valid, first priority, perfected security interest) or hypothecation on the Secured Assets

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

Particulars	Terms of Redemption	Interest rate	Earliest repayment date	Gross balance as at 31 March 2026	Gross balance as at 31 March 2025	Security
Term Loan - 7	Repayment Terms: 6 half yearly instalments Tenor: 56 months Redemption Date: November 15, 2025	9.50%	14-Nov-25	-	6,036.25	First-ranking exclusive charge with cover of 125% of the Outstanding principal (or valid, first priority, perfected security interest) or hypothecation on the Secured Assets
Term Loan - 8	Repayments terms: 6 half yearly instalments Tenor: 60 months Redemption date: December 15, 2026	Overnight MIBOR + Spread 4.97%	15-Jun-26	6,608.33	13,216.67	First-ranking exclusive charge with cover of 110% of the Outstanding principal (or valid, first priority, perfected security interest) or hypothecation on the Secured Assets
Term Loan - 9	Repayments terms: 36 monthly instalments Tenor: 36 months Redemption date: July 28, 2026	SBI 3M MCLR + Spread 1.10%	05-Apr-26	694.44	2,361.11	Exclusive first charge on the specific & identified loan receivables, present and future, of borrower by the way of hypothecated on the loan receivable with a minimum assets cover of 115% of the principal amount.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

Particulars	Terms of Redemption	Interest rate	Earliest repayment date	Gross balance as at 31 March 2026	Gross balance as at 31 March 2025	Security
Term Loan - 10	Repayments terms: 11 quaterly instalments Tenor: 36 months Redemption date: Sep 01, 2026	9.35%	01-May-26	1,089.11	3,272.73	Exclusive hypothecation charge over receivables/loan assets/ book debts with a cover of 110% of the outstanding principal at any point of time during currency of the facility.
Term Loan - 11	Repayments terms: 36 monthly instalments Tenor: 36 months Redemption date: Sep 01, 2026	9.35%	30-Apr-26	1,439.32	3,208.14	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 12	Repayments terms: 36 monthly instalments Tenor: 36 months Redemption date: May 29, 2027	HDFC 3M MCLR + Spread 0.17%	05-Apr-26	5,208.33	9,375.00	First and Exclusive charge on Specific & identified loan receivable with a security cover of 115%.
Term Loan - 13	Repayments terms: 4 Equal instalments Tenor: 60 months Redemption date: Jun 15, 2029	9.23%	15-Jun-26	33,410.00	33,410.00	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 14	Repayments terms: 33 monthly instalments Tenor: 36 months Redemption date: Feb 10, 2028	9.35%	10-Apr-26	10,450.00	15,000.00	First and Exclusive charge on the standard receivables with a security cover of 110%.

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for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

Particulars	Terms of Redemption	Interest rate	Earliest repayment date	Gross balance as at 31 March 2026	Gross balance as at 31 March 2025	Security
Term Loan - 15	Repayments terms: 36 monthly instalments Tenor: 36 months Redemption date: Jun 20, 2028	HDFC 3M MCLR + Spread 0%	05-Apr-26	7,777.78		- First and Exclusive charge on Specific & identified loan receivable with a security cover of 115%.
Term Loan - 16	Repayments terms: 9 half yearly instalments Tenor: 63 months Redemption date: Feb 18, 2031	6 M SOFR + Spread 2.25%	17-Aug-26	36,180.88		- First ranking priority charge over the Hypothecated Assets with a Security Ratio of at least one hundred and ten percent (110%)
Term Loan - 17	Repayments terms: 36 monthly instalments Tenor: 36 months Redemption date: Dec 26, 2028	EBLR + Spread 2.00%	05-Apr-26	9,444.44		- First and Exclusive charge on Specific & identified loan receivable with a security cover of 115%.
Term Loan - 18	Repayments terms: 36 monthly instalments Tenor: 39 months Redemption date: Dec 10, 2028	8.75%	10-Apr-26	20,000.00		- First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 19	Repayments terms: 11 quaterly instalments Tenor: 36 months Redemption date: Feb 01, 2029	8.35%	01-May-26	15,000.00		- First charge on exclusive basis by way of hyphenation of 110% of slandered book debts

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

Particulars	Terms of Redemption	Interest rate	Earliest repayment date	Gross balance as at 31 March 2026	Gross balance as at 31 March 2025	Security
Term Loan - 20	Repayments terms: 16 quarterly structured principal instalments Tenor: 48 months Redemption date: September 28, 2028	11.50%	30-Apr-26	6,020.00	7,600.00	It is secured by hypothecation of current assets, non-current assets and movable fixed assets.
				1,59,475.81	1,21,994.52	
IND AS adjsutments and interest accrued				17,063.24	8,090.06	
				1,76,539.05	1,30,084.58	

Borrowings under securitisation

Particulars	Terms of Redemption	Interest rate	Earliest repayment date	Gross balance as at 31 March 2026	Gross balance as at 31 March 2025	Security
Securitisation loan - 1	Repayments terms: 42 monthly instalments Tenor: 42 months Redemption date: Sep 17, 2027	10.20%	22-Sep-25	-	3,992.69	Refer note 15G below
Securitisation loan - 2	Repayments terms: 14 monthly instalments Tenor: 14 months Redemption date: February 23, 2025	8.50%	05-Feb-25	-	-	- Refer note 15G below
Securitisation loan - 3	Repayments terms: 20 monthly instalments Tenor: 20 months Redemption date: Dec 23, 2025	8.70%	16-Sep-25	-	3,269.97	Refer note 15G below
Securitisation loan - 4	Repayments terms: 42 monthly instalments Tenor: 42 months Redemption date: Mar 17, 2029	8.97%	16-Apr-26	6,663.38	-	- Refer note 15G below

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for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

Particulars	Terms of Redemption	Interest rate	Earliest repayment date	Gross balance as at 31 March 2026	Gross balance as at 31 March 2025	Security
Securitisation loan - 5	Repayments terms: 42 monthly instalments Tenor: 42 months Redemption date: May 17, 2029	8.95%	16-Apr-26	9,274.21		- Refer note 15G below
Securitisation loan - 6	Repayments terms: 42 monthly instalments Tenor: 42 months Redemption date: June 17, 2029	8.95%	16-Apr-26	8,752.45		- Refer note 15G below
Securitisation loan - 7	Repayments terms: 42 monthly instalments Tenor: 42 months Redemption date: Aug 17, 2029	9.05%	16-Apr-26	14,089.03		- Refer note 15G below
Securitisation loan - 8	Repayments terms: 29 monthly instalments Tenor: 29 months Redemption date: Aug 17, 2028	8.41%	16-Apr-26	5,329.78		- Refer note 15G below
Securitisation loan - 9	Repayments terms: 19 monthly instalments Tenor: 19 months Redemption date: Oct 23, 2027	8.00%	21-Apr-26	9,993.85		- Refer note 15G below
Securitisation loan - 10	Repayments terms: 42 monthly instalments Tenor: 42 months Redemption date: Sep 17, 2029	9.05%	16-Apr-26	7,657.07		- Refer note 15G below
				61,759.78	7,262.66	
Interest accrued				199.27	(0.00)	
				61,959.05	7,262.66	

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(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

15B. Loans repayable on demand includes on cash credit and working capital demand loans from banks which are secured by specific charge on identified receivables. As at 31 March 2026, the rate of interest across the cash credit and working capital demand loans was in the range of 7.80 % p.a to 9.65% p.a (as on 31 March 2025 - 8.50 % p.a to 9.65% p.a).

15C. The Group has not defaulted in the repayment of the borrowings (including debt securities) and was regular in repayment during the year.

15D. The Group has used the borrowings from banks and financial instritution for the specified purpose as per the agreement with the lender.

15E. The quarterly returns/statements of current assets filed by the Group with the banks and financial institutions in relation to secured borrowings whenever applicable, are in agreement with the books of accounts.

15F. The Group is not declared as wilful defaulter by any of our bank and financial institutions during the year ended 31 March 2026 and 31 March 2025.

15G. The Group has assigned loans under securitization arrangement and these loans are not derecognized as per Ind AS 109. The Group has recognized the securitization liabilities pursuant to that securitization arrangement and securities were given in the form of credit enhancements in accordance with the terms of the arrangement.

16 OTHER FINANCIAL LIABILITIES

Particulars	As at 31 March 2026	As at 31 March 2025
Collateral deposits from customers (Refer note 1 below)	6,731.93	3,950.81
Lease liability (Refer Note 34)	2,825.60	3,253.90
Employee benefits payable	5,832.45	4,982.49
Remittances payable - derecognised financial instruments (Refer note 2 below)	8,575.30	3,957.11
Other liabilities (Refer note 3 below)	3,665.50	1,824.04
Unpaid dividend on non convertible preference shares	2.69	2.69
	27,633.47	17,971.04

Notes :

- Represents amounts received from customers (originator partners which includes corporates such as NBFCs, Housing Finance Company, and Small Finance Bank) as cash collateral for the loans provided by the Group.
- Represents the amount collected from underlying customers yet to be paid to the assignee representative as at reporting date.
- The other liabilities represent the amounts payable to Northern Arc India Impact Fund, for which the Group is acting as a pass-through in relation to an assignment transaction.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

17 PROVISIONS

Particulars	As at 31 March 2026	As at 31 March 2025
Provision for employee benefits:		
- Gratuity (refer note 40)	1,147.80	1,015.63
- Compensated absences (refer note 40)	960.73	786.80
Provision for others:		
- Impairment loss allowance for guarantees (Refer Note 17(A))	17.07	32.55
- Impairment loss allowance for undrawn commitments (Refer Note 17(B))	149.61	95.90
	2,275.21	1,930.88

17A Impairment loss allowance for guarantees

i Credit quality of exposure

Particulars	As at 31 March 2026				As at 31 March 2025			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Performing	8.35	8.72	-	17.07	168.77	-	-	168.77
Total	8.35	8.72	-	17.07	168.77	-	-	168.77

ii An analysis of changes in the gross carrying amount and the corresponding ECLs in relation to guarantees is, as follows:

Gross exposure reconciliation

Particulars	As at 31 March 2026				As at 31 March 2025			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
As at the beginning of the year	168.77	-	-	168.77	6,048.75	392.83	-	6,441.58
New exposures	-	-	-	-	-	-	-	-
Asset derecognised or repaid (Excluding write off)	(151.69)	(0.01)	-	(151.70)	(5,879.98)	(392.83)	-	(6,272.81)
Transfer to stage 1	(8.73)	8.73	-	(0.00)	-	-	-	-
Transfer to stage 2	-	-	-	-	-	-	-	-
Transfer to stage 3	-	-	-	-	-	-	-	-
Write offs	-	-	-	-	-	-	-	-
As at the end of the year	8.35	8.72	-	17.07	168.77	-	-	168.77

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(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

iii Reconciliation of ECL balance

Particulars	As at 31 March 2026				As at 31 March 2025			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
As at the beginning of the year	32.55	-	-	32.55	82.57	1,491.20	-	1,573.77
New exposures	-	-	-	-	-	-	-	-
Asset derecognised or repaid	(15.48)	-	-	(15.48)	(50.02)	(1,491.20)	-	(1,541.22)
Transfer to stage 1	(8.73)	8.73	-	-	-	-	-	-
Transfer to stage 2	-	-	-	-	-	-	-	-
Transfer to stage 3	-	-	-	-	-	-	-	-
Write offs	-	-	-	-	-	-	-	-
As at the end of the year	8.34	8.73	-	17.07	32.55	-	-	32.55

17B Impairment loss allowance for loan commitments

i Credit quality of exposure

Particulars	As at 31 March 2026				As at 31 March 2025			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Performing	18,498.71	-	-	18,498.71	11,300.00	-	-	11,300.00
Total	18,498.71	-	-	18,498.71	11,300.00	-	-	11,300.00

ii An analysis of changes in the gross carrying amount and the corresponding ECLs in relation to loan commitments is, as follows:

Gross exposure reconciliation

Particulars	As at 31 March 2026				As at 31 March 2025			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
As at the beginning of the year	11,300.00	-	-	11,300.00	13,599.00	-	-	13,599.00
New exposures	16,198.71	-	-	16,198.71	7,800.00	-	-	7,800.00
Asset derecognised or repaid (Excluding write off)	(9,000.00)	-	-	(9,000.00)	(10,099.00)	-	-	(10,099.00)
Transfer to stage 1	-	-	-	-	-	-	-	-
Transfer to stage 2	-	-	-	-	-	-	-	-
Transfer to stage 3	-	-	-	-	-	-	-	-
Write offs	-	-	-	-	-	-	-	-
As at the end of the year	18,498.71	-	-	18,498.71	11,300.00	-	-	11,300.00

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

iii Reconciliation of ECL balance

Particulars	As at 31 March 2026				As at 31 March 2025			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
As at the beginning of the year	95.90	-	-	95.90	107.06	-	-	107.06
New exposures	108.05	-	-	108.05	82.60	-	-	82.60
Assets converted to funded exposure	(54.34)	-	-	(54.34)	(93.76)	-	-	(93.76)
Transfer to stage 1	-	-	-	-	-	-	-	-
Transfer to stage 2	-	-	-	-	-	-	-	-
Transfer to stage 3	-	-	-	-	-	-	-	-
Write offs	-	-	-	-	-	-	-	-
As at the end of the year	149.61	-	-	149.61	95.90	-	-	95.90

18 OTHER NON- FINANCIAL LIABILITIES

Particulars	As at 31 March 2026	As at 31 March 2025
Statutory dues payable	1,661.66	1,807.67
Servicer fee liability on direct assignment transactions	2,190.08	-
	3,851.74	1,807.67

19 EQUITY SHARE CAPITAL

Particulars	As at 31 March 2026		As at 31 March 2025	
	No. of shares	Amount	No. of shares	Amount
Issued, subscribed and paid up				
Equity Shares				
Equity shares of ₹ 10 each	16,15,71,875	16,157.18	16,13,79,336	16,137.93
	16,15,71,875	16,157.18	16,13,79,336	16,137.93

a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

Particulars	As at 31 March 2026		As at 31 March 2025	
	No. of shares	Amount	No. of shares	Amount
Equity shares				
At the commencement of the year	16,13,79,336	16,137.93	8,93,85,420	8,938.54
Add: Equity shares issued during the year through employee stock options plan	1,92,539	19.25	3,11,966	31.20
Add: Equity shares issued during the year through initial public offering	-	-	1,90,65,326	1,906.53
Add: Equity shares arising on conversion of preference shares	-	-	5,26,16,624	5,261.66
At the end of the year	16,15,71,875	16,157.18	16,13,79,336	16,137.93

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for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

Particulars	As at 31 March 2026		As at 31 March 2025	
	No. of shares	Amount	No. of shares	Amount
0.0001% Compulsorily convertible preference shares				
At the commencement of the year	-	-	4,13,23,204	8,264.64
Add: shares issued during the year	-	-	97,69,820	1,953.96
Less: Shares converted into equity	-	-	(5,10,93,024)	(10,218.60)
At the end of the year	-	-	-	-

b) During the period, the Holding Company has issued 192,539 shares (March 31, 2025 : 311,966) equity shares which were allotted to employees who exercised their options under ESOP scheme.

c) Rights, preferences and restrictions attached to each class of shares

i) Equity shares

The Group has a single class of equity shares. Accordingly all equity shares rank equally with regard to dividends and share in the Group's residual assets. The equity shares are entitled to receive dividend as declared from time to time subject to payment of dividend to preference shareholders. Dividends are paid in Indian Rupees. Dividend proposed by the board of directors, if any, is subject to the approval of the shareholders at the General Meeting, except in the case of interim dividend.

In the event of liquidation of the Group, the holders of equity shares will be entitled to receive remaining assets of the Group, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

d) In the period of five years immediately preceding 31 March 2026

There were no shares allotted as fully paid up by way of bonus issues and there were no buy back of shares during the last five years immediately preceding 31 March 2026. There were issue of shares pursuant to the contract without payment being received in cash as follows:

During the year ended 31 March 2025, the Holding Company issued 52,616,624 equity shares of ₹ 20 each pursuant to the conversion of 51,093,024 CCPS of ₹10 each, issued by the Company.

e) Details of shareholders holding more than 5% shares in the Company

Particulars	As at 31 March 2026		As at 31 March 2025	
	No. of shares	% held	No. of shares	% held
Equity shares of ₹ 10 each fully paid				
Leapfrog Financial Inclusion India (II) Limited	2,61,08,216	16.16%	2,61,08,216	16.18%
Augusta Investments Pte II Ltd	2,58,87,110	16.02%	2,58,87,110	16.04%
Eight Roads Investments Mauritius (II) Limited	1,10,96,142	6.87%	1,18,63,798	7.35%
International Finance Corporation	98,15,224	6.07%	98,15,224	6.08%
Dvara Trust	45,29,007	2.80%	82,99,258	5.14%
	7,74,35,699	47.93%	8,19,73,606	50.80%

h) The Group does not have an identifiable promoter.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

20 OTHER EQUITY

Particulars	As at 31 March 2026	As at 31 March 2025
a) Securities premium		
At the beginning of the year	1,70,907.02	86,366.41
Add: Premium on equity shares issued during the year upon exercise of ESOP	2,824.63	636.44
Add: Premium on equity shares issued during the year through initial public offering	-	46,732.49
Add: Premium on preference shares issued during the year	-	36,246.03
Add: Premium on on conversion of preference shares	-	4,956.94
Less: Utilised during the year for writing off share issue expenses	(2,186.42)	(4,031.29)
At the end of the year	1,71,545.23	1,70,907.02
b) Statutory reserve		
At the beginning of the year	30,128.20	23,275.90
Add : Transfer from retained earnings	8,583.06	6,852.30
At the end of the year	38,711.26	30,128.20
c) Share based payment reserve		
At the beginning of the year	4,095.93	3,104.69
Add: Employee compensation expense during the year	896.09	1,357.92
Less: Transfer to retained earnings	(82.80)	(97.74)
Less: Transfer to securities premium on allotment of shares	(94.79)	(268.94)
At the end of the year	4,814.43	4,095.93
d) Retained earnings		
At the beginning of the year	1,19,595.36	96,035.32
Add: Profit for the year	40,601.71	30,454.79
Add: Other comprehensive income for the year	(42.43)	(78.98)
Add: Transfer from share based payment reserve	82.80	36.53
Less: Transfer to statutory reserve	(8,583.06)	(6,852.30)
At the end of the year	1,51,654.38	1,19,595.36
e) Capital Redemption Reserve		
At the beginning of the year	3,467.00	3,467.00
At the end of the year	3,467.00	3,467.00
f) Capital Reserve		
At the beginning of the year	3.57	3.57
At the end of the year	3.57	3.57
g) Other comprehensive income - Financial instruments through OCI		
At the beginning of the year	1,410.70	3,583.79
Add : Fair value (loss) on financial instruments through other comprehensive income (net) (refer note (vii) (a) below)	(3,165.02)	(2,173.09)
At the end of the year	(1,754.32)	1,410.70

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Particulars	As at 31 March 2026	As at 31 March 2025
h) Other comprehensive income - Effective Portion of Cash Flow Hedge Reserve		
At the beginning of the year	(2,359.67)	(1,685.05)
Cash flow hedge reserve (refer note (vii)(b) below)	7,316.91	(674.62)
At the end of the year	4,957.24	(2,359.67)
i) Share application money received pending allotment		
At the beginning of the year	38.84	83.76
Less: Shares allotted during the year	(202.26)	(83.76)
Received during the year pending allotment	163.42	38.84
At the end of the year	-	38.84
Total (a+b+c+d+e+f+g+h+i)	3,73,398.78	3,27,286.95

(i) Securities premium

Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes in accordance with the provisions of section 52 of the Companies Act 2013.

(ii) Share based payment reserve

The Holding Company has established various equity settled share based payment plans for certain categories of employees of the Company. The amount represents reserve created to the extent of granted options based on the employee stock option scheme. Under Ind AS 102, fair value of the options granted is to be expelled off over the life of the vesting period as employee compensation cost reflecting period of receipt of service.

(iii) Statutory reserve

Reserve u/s 45-IA of the RBI Act, 1934, the Group is required to transfer at least 20% of its net profits every year to a reserve before any dividend is declared.

(iv) Retained earnings

Retained earnings are the profits/(loss) that the Group has earned/incurred till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. Retained earnings include re-measurement loss / (gain) on defined benefit plans, net of taxes that will not be reclassified to statement of profit and loss.

(v) Capital reserve

During the year ended 31 March 2017, the Holding Company approved the scheme of arrangement (Demerger) & amalgamation between the holding Company, IFMR Holdings Private Limited ('IFMR Holdings'), Dvara Investments Private Limited and their respective shareholders and creditors under sections 230 to 232 of the Companies Act, 2013. Pursuant to such scheme of arrangement entered in the year ended March, 31, 2017, the Group has created a capital reserve in accordance with the applicable accounting standards.

(vi) Capital redemption reserve

The capital redemption reserve was created on account of the redemption of the Cumulative non convertible compulsorily redeemable preference shares in accordance with section 69 of Companies Act, 2013.

Notes to Consolidated Financial Statements

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(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

(vii) Other comprehensive income

- a) The Group has elected to recognise changes in the fair value of certain loans where the business model is to collect contractual cash flows and also to sell financial assets in other comprehensive income.
- b) The Group has applied hedge accounting for designated and qualifying cash flow hedges, the effective portion of the cumulative gain or loss on the hedging instrument is initially recognised directly in OCI within equity as cash flow hedge reserve. Amounts recognised in the effective portion of cash flow hedges is reclassified to the statement of profit and loss when the hedged item affects profit or loss (e.g. interest payments).

(viii) Share application money received pending allotment

The Holding company had received share application money against exercise of 32,500 shares, which were pending allotment as at 31 March 2025 and allotted subsequent to the year end. As at 31 March 2026, there were no such monies received pending allotment.

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21 ADDITIONAL INFORMATION AS REQUIRED UNDER SCHEDULE III TO THE COMPANIES ACT 2013, OF ENTITIES CONSOLIDATED AS SUBSIDIARIES/ ASSOCIATES

Particulars	Net assets (total assets minus total liabilities)		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % consolidated of total comprehensive income	Amount
As at 31 March 2026								
Holding Company								
Northern Arc Capital Limited	99.81%	3,89,348.27	106.34%	42,915.32	99.66%	4,097.56	105.72%	47,012.88
Domestic Subsidiaries - (Holding Company's share)								
Northern Arc Creditech Solutions Private Limited (formerly known as Northern Arc Investment Adviser Services Private Limited)	0.10%	380.51	0.03%	13.47	0.00%	-	0.03%	13.47
Northern Arc Investment Managers Private Limited	1.30%	5,080.42	0.53%	214.66	(0.26%)	(10.81)	0.46%	203.85
Northern Arc Foundation	0.02%	71.81	(0.02%)	(6.17)	0.00%	-	(0.01%)	(6.17)
Northern Arc Capital Employee Welfare Trust	0.00%	0.00	0.00%	(0.06)	0.00%	-	0.00%	(0.06)
Northern Arc Securities Private Limited	0.34%	1,330.49	(1.57%)	(632.91)	0.05%	1.86	(1.42%)	(631.05)
Pragati Finserv Private Limited	0.16%	614.77	(5.50%)	(2,221.48)	(0.62%)	(25.44)	(5.05%)	(2,246.92)
Non-controlling interests in subsidiaries	0.14%	544.69	(0.60%)	(244.09)	0.04%	2.29	(0.55%)	(241.80)
Associates (Investment accounted as per equity method)								
Finreach Solutions Private Limited (Till 12 May 2025)	0.00%	-	(0.07%)	(26.49)	0.00%	-	(0.06%)	(26.49)
Northern Arc Emerging Corporate Bond Fund	0.00%	-	(2.06%)	(832.17)	0.00%	-	(1.87%)	(832.17)
Eliminations	(1.87%)	(7,270.31)	2.92%	1,177.54	1.13%	46.29	2.75%	1,223.83
As at 31 March 2026	100.00%	3,90,100.65	100.00%	40,357.62	100.00%	4,111.75	100.00%	44,469.37

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(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

Particulars	Net assets (total assets minus total liabilities)		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % consolidated of total comprehensive income	Amount
As at 31 March 2025								
Holding Company								
Northern Arc Capital Limited	99.12%	3,40,915.46	113.71%	34,261.50	99.01%	(2,900.79)	115.29%	31,360.71
Domestic Subsidiaries - (Holding Company's share)								
Northern Arc Credittech Solutions Private Limited (formerly known as Northern Arc Investment Adviser Services Private Limited)	0.11%	367.04	0.00%	0.11	0.00%	-	0.00%	0.11
Northern Arc Investment Managers Private Limited	1.42%	4,876.57	(1.70%)	(512.90)	(0.11%)	3.16	(1.87%)	(509.74)
Northern Arc Foundation	0.02%	77.97	(0.24%)	(72.80)	0.00%	-	(0.27%)	(72.80)
Northern Arc Capital Employee Welfare Trust	0.00%	-	0.00%	(0.37)	0.00%	-	(0.00%)	(0.37)
Northern Arc Securities Private Limited	0.05%	161.54	(0.27%)	(79.86)	0.00%	-	(0.29%)	(79.86)
Pragati Finserv Private Limited	0.14%	496.47	(9.76%)	(2,939.40)	0.99%	(29.05)	(10.91%)	(2,968.45)
Non-controlling interests in all subsidiaries	0.15%	531.46	(1.07%)	(322.98)	0.11%	(3.19)	(1.20%)	(326.17)
Associates								
Finreach Solutions Private Limited	0.00%	-	0.00%	(210.91)	0.00%	-	(0.78%)	(210.91)
Northern Arc Emerging Corporate Bond Fund	0.00%	-	0.00%	8.95	0.00%	-	0.03%	8.95
IFMR Fimpro Long Term Credit Fund			0.00%	-	0.00%	-	0.00%	-
Eliminations	(1.01%)	(3,470.18)	0.00%	0.47	0.00%	(0.01)	0.00%	0.46
As at 31 March 2025	100.00%	3,43,956.33	100.00%	30,131.81	100.00%	(2,929.88)	100.00%	27,201.93

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22 ADDITIONAL INFORMATION AS REQUIRED UNDER SCHEDULE III TO THE COMPANIES ACT 2013, OF ENTITIES CONSOLIDATED AS SUBSIDIARIES/ ASSOCIATES

Investment in Associates (Investment accounted as per equity method)

The following table illustrates the summarised financial information of the Group's investment in Associates as at 31 March 2026 and 31 March 2025

Particulars	As at 31 March 2026	As at 31 March 2025	
	Northern Arc Emerging Corporate Bond Fund	Finreach Solutions Private Limited	Northern Arc Emerging Corporate Bond Fund
Financial Assets	55,962.00	673.52	90,668.30
Non-Financial Assets	-	157.52	-
Financial Liabilities	(2,279.75)	(313.46)	(3,072.37)
Non-Financial Liabilities	-	(111.76)	-
Equity	53,682.25	405.82	87,595.93
Group's Share in equity	29.26%	24.55%	29.93%
Goodwill	-	-	-
Group's carrying amount of the investment	16,305.40	178.25	27,262.63

Particulars	As at 31 March 2026		As at 31 March 2025	
	Finreach Solutions Private Limited**	Northern Arc Emerging Corporate Bond Fund	Finreach Solutions Private Limited	Northern Arc Emerging Corporate Bond Fund
Revenue from contract with customers	17.10	2,025.72	166.26	1,674.33
Finance costs	(1.10)	-	(12.52)	-
Investment management fees	-	(1,198.10)	-	(1,021.40)
Employee benefits expenses	(96.00)	-	(810.89)	-
Depreciation and amortisation	(3.90)	-	(40.54)	-
Other expenses	(24.00)	(3,671.80)	(161.44)	(171.57)
Profit before tax	(107.90)	(2,844.18)	(859.13)	481.36
Profit for the period	(107.90)	(2,844.18)	(859.13)	481.36
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods, net of tax	-	-	-	-
Other comprehensive income that will not be reclassified to profit or loss in the subsequent periods, net of tax	-	-	6.19	-
Total comprehensive (loss) / income for the period	(107.90)	(2,844.18)	(852.94)	481.36
Group's share of (loss) / profit for the period	(26.49)	(832.17)	(210.91)	8.95

The Group has an agreement with its associate that the profits of the associate will not be distributed until it obtains the consent of the Group. The parent does not foresee giving such consent at the reporting date.

The associate had no contingent liabilities or capital commitments as at 31 March 2026 and 31 March 2025.

** The Holding Company has disposed off the shareholdings in FinReach Solutions Private Limited (FinReach) on 12 May 2025. Post dilution, the shareholding in FinReach has reduced from 24.55 % to 11.16%. Consequently, FinReach ceases to be an associate of the Holding Company.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

23 INTEREST INCOME

Particulars	Year ended 31 March 2026			Year ended 31 March 2025		
	On financial assets measured at		Total	On financial assets measured at		Total
	FVOCI	Amortised cost		FVOCI	Amortised cost	
Interest on loans	75,880.97	1,43,095.15	2,18,976.12	65,992.83	1,29,285.70	1,95,278.53
Interest from investments:						
- Pass through certificates	3,044.08	-	3,044.08	1,567.52	-	1,567.52
- Commercial paper	2,731.17	-	2,731.17	1,622.16	-	1,622.16
- Portfolio management service	1,451.82	-	1,451.82	-	-	-
- Non-convertible debentures	14,242.63	-	14,242.63	15,504.06	-	15,504.06
- Interest income from T-bills	-	765.94	765.94	-	784.81	784.81
Interest on deposits with banks	-	2,043.69	2,043.69	-	2,851.86	2,851.86
	97,350.67	1,45,904.78	2,43,255.45	84,686.57	1,32,922.37	2,17,608.94

24 FEE AND COMMISSION INCOME

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Revenue from contract with customers		
Income from guarantee facility	0.76	222.33
Income from other financial services		
- Professional fee	5,117.53	4,453.18
- Management fee	3,281.52	3,078.04
Others	1,347.37	1,510.70
	9,747.18	9,264.25
Timing of revenue recognition:		
- That are recognised over a period of time	0.76	222.33
- That are recognised at a point of time	9,746.42	9,041.92
Geographical Market		
- In India	9,747.18	9,264.25
- Outside India	-	-
Contract balances		
- Trade receivables (net of ECL)	2,059.69	2,069.13

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for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

25 NET GAIN ON FAIR VALUE CHANGES

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Net gain on financial instruments at fair value through profit or loss		
On alternative investment funds	2,297.50	2,351.00
On mutual fund investments	471.24	827.04
(Loss) on sale of investments	(132.98)	(12.73)
	2,635.76	3,165.31
Fair value changes:		
-Realised	3,592.86	2,772.15
-Unrealised (loss) / gain	(957.10)	393.16
	2,635.76	3,165.31

26 OTHER INCOME

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Interest Income from Income tax refund	48.80	265.48
Other non operating income (refer note below)	960.23	1,147.22
	1,009.03	1,412.70

Note

Comprises of charges collected from the customers in the nature of penal, pre-closure charges and other charges as applicable.

27 FINANCE COSTS

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Finance costs on financial liabilities measured at amortised cost		
Interest on deposits (Refer note 5.1)	122.94	261.49
Interest on borrowings		
- Term loans from banks and others	73,954.89	65,193.52
- Cash credits and overdraft	10.04	15.58
- Securitisation	1,286.20	1,486.72
Interest on debt securities	11,964.51	13,160.99
Interest on lease liability (Refer Note 34)	316.19	317.38
Amortisation of discount on commercial papers	1,827.31	2,400.31
	89,482.08	82,835.99

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

28 EMPLOYEE BENEFITS EXPENSE

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Salaries, wages and bonus (refer note 42)	29,449.92	24,513.75
Contribution to provident fund (refer note 40)	1,542.50	1,456.73
Employee stock option expense (Refer Note 41)	1,153.54	1,560.20
Gratuity expenses (refer note 40)	252.71	243.94
Staff welfare expenses	682.60	692.68
	33,081.27	28,467.30

29 IMPAIRMENT ON FINANCIAL INSTRUMENTS

Particulars	On Financial instruments measured at Amortised Cost	On Financial instruments measured at fair value through OCI	Total for the period ended 31 March 2026	On Financial instruments measured at Amortised Cost	On Financial instruments measured at fair value through OCI	Total for the period ended 31 March 2025
Write off on financial instruments						
Loans	69,415.51	-	69,415.51	60,930.24	-	60,930.24
Less: Recovery	(32,024.05)	-	(32,024.05)	(43,798.83)	(41.23)	(43,840.06)
Impairment loss allowance on financial instruments						
Loans	4,607.68	(2,309.85)	2,297.83	15,819.03	6,526.39	22,345.42
Investments	-	1,408.42	1,408.42	1,759.55	845.43	2,604.98
Others	90.49	-	90.49	(1,555.69)	-	(1,555.69)
	42,089.63	(901.43)	41,188.20	33,154.30	7,330.59	40,484.89

30 DEPRECIATION AND AMORTISATION

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Depreciation of property, plant and equipment (refer note 10.1)	656.67	575.79
Depreciation on right of use asset (refer note 10.5 and 34)	750.79	702.13
Impairment of goodwill (refer note 10.3)	-	-
Amortisation of intangible assets (refer note 10.4)	471.30	510.26
	1,878.76	1,788.18

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

31 OTHER EXPENSES

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Legal and professional charges	8,196.47	4,191.28
Travelling and conveyance	1,813.91	1,998.35
Subscription charges	2,693.99	1,936.28
Repairs and maintenance expenses	1,198.27	1,448.39
Rent expenses	1,157.54	1,317.54
Corporate social responsibility expenditure	756.00	706.51
Communication expenses	501.41	576.99
Advertisement and business	837.88	498.03
Bank charges	403.57	347.64
Rates and taxes	326.96	260.92
Directors' sitting fees (refer note 42)	209.50	195.68
Printing and stationery expenses	133.06	157.93
Auditors' remuneration	160.81	116.72
Miscellaneous expenses	234.02	582.60
	18,623.39	14,334.86

32 INCOME TAX

A. The components of income tax expense for the years ended 31 March 2026 and 31 March 2025 are:

Statement of Profit and Loss

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Current tax		
i) current income tax charge	13,761.07	16,395.14
ii) Adjustments in respect of current income tax of previous year	(348.00)	(999.71)
Deferred tax	(214.52)	(6,919.18)
Income tax expense reported in the consolidated statement of profit and loss	13,198.55	8,476.25

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

Income tax recognised in other comprehensive income

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Arising on income and expenses recognised in other comprehensive income:		
Remeasurements of the defined benefit obligation	13.51	26.57
Fair valuation of financial instruments through OCI (Net)	1,064.59	732.01
Effective portion of loss on designated portion of hedging instruments in a cashflow hedge	(2,461.13)	226.92
Total Income tax recognised in other comprehensive income	(1,383.03)	985.50

B. Reconciliation of the total tax charge

The tax charge shown in the statement of profit and loss differs from the tax charge that would apply if all profits had been charged at India corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the years ended 31 March 2026 and 31 March 2025 is, as follows:-

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Profit before tax	53,556.17	38,608.06
Non-controlling interest	326.19	431.62
Profit before tax attributable to equity holders	53,882.36	39,039.68
Applicable tax rate	25.17%	25.17%
Computed expected tax expense	13,562.19	9,826.29
Effect of difference in tax expenditure due to differential tax rates applicable for subsidiaries *	0.11	0.13
Permanent differences		
- Provision for corporate social responsibility expenditure	190.29	177.83
- Others	(206.04)	(528.29)
Tax expenses recognised in the statement of profit and loss	13,546.55	9,475.96
Effective tax rate	25.14%	24.27%

Note: The Holding Company has elected to exercise the option permitted under section 115BAA of the Income tax Act, 1961, as introduced by the Taxation laws (Amendment) Ordinance, 2019. Accordingly, the Holding Company has recognised provision for income tax and remeasured its net deferred tax asset at concessional rate for the year ended 31 March 2026.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

* Tax rates applicable for subsidiaries are as follows

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Northern Arc Investment Managers Private Limited	25.17%	25.17%
Northern Arc Creditech Solutions Private Limited (formerly Northern Arc Investment Adviser Services Private Limited)	26.00%	26.00%
Northern Arc Foundation	NA	NA
Northern Arc Securities Private Limited	25.17%	25.17%
Pragati Finserv Private Limited	25.17%	25.17%
Northern Arc Employee Welfare Trust	NA	NA

C. Deferred tax

The following table shows deferred tax recorded in the balance sheet and changes recorded in the Income tax expense

Particulars	As at 31 March 2025	Statement of profit and loss	Other comprehensive income	As at 31 March 2026
Component of Deferred tax asset / (liability)				
Deferred tax asset / (liability) in relation to:				
Property plant and equipment	151.27	93.50	-	244.77
Impact of fair value on financial assets measured at FVTPL	192.82	588.45	-	781.27
Impact of fair value on financial assets measured at FVOCI	548.09	-	(1,396.54)	(848.45)
Impairment on financial assets	9,099.58	1,054.13	-	10,153.71
Provision for employee benefits	428.09	135.58	13.51	577.18
Unamortised component of processing fee	685.98	(233.85)	-	452.13
EIS Receivable	(776.27)	(2,654.30)	-	(3,430.57)
Minimum alternative tax	11.50	-	-	11.50
Others	978.10	1,231.01	-	2,209.11
Total	11,319.16	214.52	(1,383.03)	10,150.65

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(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

Particulars	As at 31 March 2024	Statement of profit and loss	Other comprehensive income	As at 31 March 2025
Component of Deferred tax asset / (liability)				
Deferred tax asset / (liability) in relation to:				
Property plant and equipment	37.08	114.19	-	151.27
Impact of fair value on financial assets measured at FVTPL	(636.02)	828.84	-	192.82
Impact of fair value on financial assets measured at FVOCI	1,012.22	(1,423.02)	958.94	548.13
Impairment on financial assets	2,138.07	6,961.51	-	9,099.58
Provision for employee benefits	310.51	91.01	26.56	428.09
Unamortised component of processing fee	1,316.86	(630.88)	-	685.98
EIS Receivable	(786.38)	10.11	-	(776.27)
Minimum alternative tax	11.69	(0.19)	-	11.50
Others	-	978.10	-	978.10
Total	3,404.03	6,929.67	985.50	11,319.20

33 EARNINGS PER SHARE ('EPS')

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
A Earnings		
Net profit attributable to equity shareholders for calculation of basic EPS	40,357.62	30,454.79
Net profit attributable to equity shareholders for calculation of diluted EPS	40,357.62	30,454.79
B Shares		
Equity shares at the beginning of the year	16,13,79,336	8,93,85,420
Shares issued during the year	1,92,539	7,19,93,916
Total number of equity shares outstanding at the end of the year	16,15,71,875	16,13,79,336
C Weighted average number of equity shares outstanding during the year for calculation of basic EPS		
	16,15,15,821	15,16,75,670
Options granted	10,76,670	3,87,511
Compulsory convertible preference shares	-	-
D Weighted average number of equity shares outstanding during the year for calculation of diluted EPS		
	16,25,92,491	15,20,63,181
Face value per share	10.00	10.00
E Earnings per share		
E1 Basic (E1 = A / C)	24.99	20.08
E2 Diluted (E2 = A / D)	24.82	20.03

Notes to Consolidated Financial Statements

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34 LEASES

As a lessee, the Group's lease asset class primarily consist of buildings or part thereof taken on lease for office premises. In accordance with the requirements under Ind AS 116, Leases, the Group has recognised the lease liability at the present value of the future lease payments discounted at the incremental borrowing rate and thereafter, at the inception of respective lease contracts, ROU asset equal to lease liability is recognised at the incremental borrowing rate prevailed during that relevant period subject to certain practical expedients as allowed by the standard.

The following is the summary of practical expedients elected on initial application:

- Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.
- Applied the exemption not to recognise right to use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.

Set out below are the carrying amounts of lease liabilities included under financial liabilities and the movements during the year:

(i) Movement in carrying value of right of use assets

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Opening Balance	2,711.97	1,472.23
Add:		
Additions during the year	286.56	1,948.02
Less:		
Depreciation	(750.79)	(702.13)
Derecognition on termination of lease	-	(6.15)
Closing balance	2,247.74	2,711.97

(ii) Movement in lease liabilities

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Opening Balance	3,253.90	1,698.20
Additions during the year	286.56	1,948.02
Interest on lease liabilities	316.19	317.38
Rent payment	(1,031.05)	(689.68)
Derecognition on termination of lease	-	(20.02)
Closing balance	2,825.60	3,253.90

Notes to Consolidated Financial Statements

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(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

(iii) Amounts recognised in the Statement of Profit and Loss

Particulars	As at 31 March 2026		As at 31 March 2025	
	Within 12 Months	After 12 Months	Within 12 Months	After 12 Months
a) Depreciation charge for right-of-use assets	750.79		702.13	
b) Interest expense (included in finance cost)	316.19		317.38	
c) Expense relating to short-term leases	1,157.54		1,317.54	
d) Gain recognised on derecognition of leases	-		13.87	

(iv) Cash Flows

Particulars	As at 31 March 2026		As at 31 March 2025	
	Within 12 Months	After 12 Months	Within 12 Months	After 12 Months
The total cash outflow of leases	1,031.05		689.68	

(v) Maturity analysis of undiscounted lease liabilities

Particulars	As at 31 March 2026		As at 31 March 2025	
	Within 12 Months	After 12 Months	Within 12 Months	After 12 Months
Not later than one year	1,029.98		468.93	
Later than one year and not later than five years	2,311.66		1,250.18	
Later than five years	-		18.64	

Lease liabilities are recognised at weighted average incremental borrowing rate ranging between 9.70% and 14.25%.

35 MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled. All derivatives used for hedging and natural hedges are shown by maturity, based on their contractual undiscounted payment. With regard to loans and advances to customers, the company uses the same basis of expected repayment behaviour as used for estimating the EIR.

Particulars	As at 31 March 2026			As at 31 March 2025		
	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
Assets						
Cash and cash equivalents	23,052.08	-	23,052.08	33,026.83	-	33,026.83
Bank balances other than cash and cash equivalents	20,599.02	6,029.79	26,628.81	29,291.99	2,416.45	31,708.44
Derivative financial instruments	8,467.39	13,368.43	21,835.82	2,104.09	3,372.46	5,476.55
Trade receivables	2,059.69	-	2,059.69	2,069.13	-	2,069.13
Loans	8,84,464.40	3,64,812.43	12,49,276.83	6,81,772.00	3,75,465.78	10,57,237.78
Investments	1,70,526.37	1,07,459.02	2,77,985.39	1,20,635.35	57,080.11	1,77,715.46
Investmentes in Associate	-	16,305.40	16,305.40	-	27,440.88	27,440.88
Other financial assets	27,861.11	7,990.68	35,851.79	5,202.10	1,676.60	6,878.70
Current tax assets (net)	-	1,007.37	1,007.37	-	609.51	609.51
Deferred tax assets (net)	-	10,150.65	10,150.65	-	11,319.20	11,319.20
Property, plant and equipment	-	995.64	995.64	-	1,279.68	1,279.68

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Particulars	As at 31 March 2026			As at 31 March 2025		
	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
Intangible assets under development	-	1,598.90	1,598.90	-	593.48	593.48
Goodwill	-	2,340.82	2,340.82	-	2,340.82	2,340.82
Other intangible assets	-	959.61	959.61	-	1,285.34	1,285.34
Right of use asset	-	2,247.74	2,247.74	-	2,711.97	2,711.97
Other non- financial assets	1,897.00	266.66	2,163.66	1,948.87	164.57	2,113.44
Total Assets	11,38,927.06	5,35,533.14	16,74,460.20	8,76,050.36	4,87,756.85	13,63,807.21
Liabilities						
Derivative financial instruments	-	-	-	1,367.57	995.91	2,363.48
Trade payables						
Total outstanding dues of micro and small enterprises					-	-
Total outstanding dues of creditors other than micro and small enterprises	24,683.93	0.02	24,683.95	6,945.54	-	6,945.54
Debt securities	67,807.25	71,629.10	1,39,436.35	70,263.20	70,522.12	1,40,785.32
Borrowings (Other than debt securities)	5,84,489.30	5,01,908.83	10,86,398.13	5,08,783.09	3,36,431.52	8,45,214.61
Other financial liabilities	23,768.87	3,864.60	27,633.47	14,958.03	3,013.01	17,971.04
Provisions	1,089.71	1,185.50	2,275.21	645.18	1,285.70	1,930.88
Current tax liabilities (net)	80.70	-	80.70	-	2,832.34	2,832.34
Deferred tax liabilities (net)	-	-	-	-	-	-
Other non-financial liabilities	3,397.91	453.83	3,851.74	1,807.67	-	1,807.67
Total Liabilities	7,05,317.67	5,79,041.88	12,84,359.55	6,04,770.28	4,15,080.60	10,19,850.88
Total equity			3,90,100.65			3,43,956.33

35 A Change in Liabilities arising from financing activities

Particulars	As at April 01, 2025		Cash flows	Exchange difference	Others*	New Leases	As at 31 March 2026
	Within 12 Months	After 12 Months					
Debt Securities	1,40,785.32		(2,291.32)	-	942.35	-	1,39,436.35
Borrowings (other than debt securities)	8,45,214.61		2,31,955.69	15,771.00	(6,543.17)	-	10,86,398.13
Lease Liabilities	3,253.90		(705.18)	-	(9.68)	286.56	2,825.60

Particulars	As at April 01, 2024		Cash flows	Exchange difference	Others*	New Leases	As at April 01, 2025
	Within 12 Months	After 12 Months					
Debt Securities	1,41,372.46		318.46	-	(905.60)	-	1,40,785.32
Borrowings (other than debt securities)	7,63,403.15		71,713.62	6,669.82	3,428.02	-	8,45,214.61
Lease Liabilities	1,698.20		(650.68)	-	258.36	1,948.02	3,253.90

*Others includes the effect of accrued but not paid interest on borrowing, amortisation of processing fees, decrease in lease liability on account of termination.

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35 B Analysis of financial assets and liabilities by remaining contractual maturities

The table below summarises the maturity profile of the undiscounted cash flows of the Group's financial assets and liabilities as at 31 March 2026 and 31 March 2025. All derivatives used for hedging and natural hedges are shown by maturity, based on their contractual undiscounted payment obligations. Repayments which are subject to notice are treated as if notice were to be given immediately

Particulars	As at 31 March 2026					
	On Demand	Less than 3 months	3 to 12 Months	1 to 5 years	Over 5 years	Total
Financial Assets						
Cash and cash equivalents	19,049.71	4,002.37	-	-	-	23,052.08
Bank balances other than cash and cash equivalents	0.22	3,979.64	16,052.47	6,596.48	-	26,628.81
Derivative financial instruments	-	5,610.82	2,856.57	13,368.43	-	21,835.82
Trade receivables	-	2,059.70	-	-	-	2,059.70
Loans	-	4,11,529.19	6,71,091.98	4,85,148.29	1,28,183.24	16,95,952.70
Investments	789.20	54,064.77	1,16,821.69	1,30,847.68	6,030.32	3,08,553.66
Investment in associates	-	-	16,305.40	-	-	16,305.40
Other financial assets	-	21,760.85	4.57	612.61	2.80	22,380.83
Total undiscounted financial assets*	19,839.13	5,03,007.34	8,23,132.68	6,36,573.49	1,34,216.36	21,16,769.00
Financial Liabilities						
Derivative financial instruments	-	-	-	-	-	-
Trade payables			-			-
-total outstanding dues of micro and small enterprises	-		-	-	-	-
-total outstanding dues of creditors other than micro and small enterprises	-	24,683.95	-	-	-	24,683.95
Debt securities	-	16,965.37	59,967.04	81,174.79	-	1,58,107.20
Borrowings (Other than debt securities)	-	2,30,616.39	4,05,145.19	5,45,299.61	1,014.54	11,82,075.73
Other financial liabilities	2,221.57	19,868.48	1,677.45	3,860.97	5.00	27,633.47
Total undiscounted financial liabilities*	2,221.57	2,92,134.19	4,66,789.68	6,30,335.37	1,019.54	13,92,500.35
Net undiscounted financial assets/(liabilities)*	17,617.56	2,10,873.15	3,56,343.00	6,238.12	1,33,196.82	7,24,268.65

* Excludes gross settled derivatives not held for trading

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(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

Particulars	As at 31 March 2025					
	On Demand	Less than 3 months	3 to 12 Months	1 to 5 years	Over 5 years	Total
Financial Assets						
Cash and cash equivalents	32,890.14	106.80	-	-	-	32,996.94
Bank balances other than cash and cash equivalents	0.22	13,685.53	11,773.29	7,606.17	-	33,065.21
Derivative financial instruments	-	-	2,104.09	3,372.46	-	5,476.55
Trade receivables	-	2,069.14	-	-	-	2,069.14
Loans	-	3,24,963.79	5,35,753.50	4,76,856.13	1,12,711.48	14,50,284.90
Investments	1,945.22	43,781.17	86,683.99	87,798.25	854.07	2,21,062.70
Investment in associates	-	-	-	-	27,440.88	27,440.88
Other financial assets	-	3,469.69	21.64	432.68	-	3,924.01
Total undiscounted financial assets*	34,835.58	3,88,076.12	6,36,336.51	5,76,065.69	1,41,006.43	17,76,320.33
Financial Liabilities						
Derivative financial instruments	-	-	1,367.58	995.90	-	2,363.48
Trade payables						
-total outstanding dues of micro and small enterprises	-	-	-	-	-	-
-total outstanding dues of creditors other than micro and small enterprises	-	5,714.15	-	-	-	5,714.15
Debt securities	-	11,820.79	67,460.58	85,131.34	-	1,64,412.71
Borrowings (Other than debt securities)	-	2,15,648.71	3,32,834.74	3,72,850.86	-	9,21,334.31
Other financial liabilities	1,555.26	12,793.62	1,593.84	1,690.23	18.64	17,651.59
Total undiscounted financial liabilities*	1,555.26	2,45,977.27	4,03,256.74	4,60,668.33	18.64	11,11,476.24
Net undiscounted financial assets/(liabilities) *	33,280.32	1,42,098.85	2,33,079.77	1,15,397.36	1,40,987.79	6,64,844.09

* Excludes gross settled derivatives not held for trading

36 FINANCIAL INSTRUMENT

A Fair value measurement

Valuation principles

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions i.e., exit price. This is regardless of whether that price is directly observable or estimated using a valuation technique.

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair value disclosures are provided in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standards.

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for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

The Following methodologies and assumptions were used to estimate the fair values of the financial assets or liabilities

- i) For all assets and liabilities which are not carried at fair value, disclosure of fair value is not required as the carrying amount approximates fair value except as stated below.
 - a) The fair value of loans other than fixed rate instruments are estimated by discounted cash flow models considering all significant characteristics of the loans. They are classified as Level 3 fair values in the fair value hierarchy due to the use of unobservable inputs (discount rate). For fixed rate instruments not carried at fair value, carrying amount approximates fair value.
 - b) The fair value of investment in Government securities are derived from rate equal to the rate near to the reporting date of the comparable product.
- ii) There has been no transfer in between level I and level II.
- iii) The fair value of Derivatives are determined using inputs that are directly or indirectly observable in market place.

Financial instruments by category

The carrying value and fair value of financial instruments measured at fair value as of 31 March 2026 were as follows

Particulars	Carrying amount		Fair value			
	FVTPL	FVOCI	Level 1	Level 2	Level 3	Total
Financial assets:						
Loans	-	3,85,613.25	-	-	3,85,613.25	3,85,613.25
Investments						
- Commercial papers	-	28,139.55	-	-	28,139.55	28,139.55
- Portfolio management services	-	25,332.66			25,332.66	25,332.66
- Pass through certificates	-	47,006.08	-	-	47,006.08	47,006.08
- Non convertible debentures	9.84	1,51,973.64	-	-	1,51,983.48	1,51,983.48
- Alternate Investment Funds	13,471.59	-	-	-	13,471.59	13,471.59
- Share warrants	0.96	-	-	-	0.96	0.96
- Mutual funds	779.36	-	779.36	-	-	779.36
- Other investments	593.38	-	-	-	593.38	593.38
- Investment in security receipts	3,314.40	-	-	-	3,314.40	3,314.40
Derivative financial instruments	-	21,835.82	-	-	21,835.82	21,835.82
Financial liabilities:						
Derivative financial instruments	-	-	-	-	-	-

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The carrying value and fair value of financial instruments measured at fair value as of 31 March 2025 were as follows:

Particulars	Carrying amount		Fair value			
	FVTPL	FVOCI	Level 1	Level 2	Level 3	Total
Financial assets:						
Loans	-	2,17,633.08	-	-	2,17,633.08	2,17,633.08
Investments						
- Commercial papers	-	25,519.11	-	-	25,519.11	25,519.11
- Pass-through certificates	-	14,597.89	-	-	14,597.89	14,597.89
- Non convertible debentures	-	1,14,510.15	-	-	1,14,510.15	1,14,510.15
- Market Linked debentures	-				-	-
- Alternative Investment Funds	10,655.43	-	-	-	10,655.43	10,655.43
- Share warrants	0.95	-	-	-	0.95	0.95
- Mutual funds	1,945.22	-	1,945.22	-	-	1,945.22
Derivative financial instruments	292.46	5,184.09	-	-	5,476.55	5,476.55
Financial liabilities:						
Derivative financial instruments	-	5,184.09	-	-	5,184.09	5,184.09

Reconciliation of level 3 fair value measurement is as follows

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Financial assets measured at FVOCI		
Balance at the beginning of the year	(948.97)	1,898.74
Total gains measured through OCI for additions made during the year, net of taxes	4,151.89	(2,847.71)
Balance at the end of the year	3,202.92	(948.97)
Financial assets measured at FVTPL		
Balance at the beginning of the year	12,894.06	35,613.75
Total gains measured through PL for additions made during the year, net of taxes	1,961.07	(22,719.69)
Balance at the end of the year	14,855.13	12,894.06

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Sensitivity analysis - Increase/ decrease of 100 basis points of discount rate

Particulars	As at 31 March 2026		As at 31 March 2025	
	Increase	Decrease	Increase	Decrease
Financial assets:				
Loans	3,856.13	(3,856.13)	2,176.33	(2,176.33)
Investments				
- Commercial papaers	281.40	(281.40)	255.19	(255.19)
- Portfolio management services	253.33	(253.33)	-	-
- Pass through securities	470.06	(470.06)	145.98	(145.98)
- Non convertible debentures	1,519.83	(1,519.83)	1,145.10	(1,145.10)
- Alternative Investment Funds	134.72	(134.72)	106.55	(106.55)
- Mutual funds	7.79	(7.79)	19.45	(19.45)
- Other investments	5.93	(5.93)	-	-
- Investment in security receipts	33.14	(33.14)	-	-
- Share warrants	0.01	(0.01)	0.01	(0.01)
Derivative financial instruments	218.36	(218.36)	54.77	(54.77)
Financial liabilities:				
Derivative financial instruments	-	-	(23.63)	23.63

The carrying value and fair value of other financial instruments by categories as of 31 March 2026 were as follows:

Particulars	Carrying Value		Fair Value		
	Amortised cost	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value:					
Cash and cash equivalents	23,052.08	-	-	23,052.08	23,052.08
Bank balances other than cash and cash equivalents	26,628.81	-	-	26,628.81	26,628.81
Trade receivables	2,059.69	-	-	2,059.69	2,059.69
Loans	8,94,778.54	-	-	8,98,822.80	8,98,822.80
Investments	7,363.93	-	-	7,363.93	7,363.93
Investment in associates	16,305.40	-	-	16,305.40	16,305.40
Other financial assets	35,851.79	-	-	35,851.79	35,851.79
Financial liabilities not measured at fair value:					
Trade payables					
- total outstanding dues of micro and small enterprises	-	-	-	-	-
- total outstanding dues of creditors other than micro and small enterprises	24,683.95	-	-	24,683.95	24,683.95
Debt securities	1,39,436.35	-	-	1,39,436.35	1,39,436.35
Borrowings (Other than debt securities)	10,86,398.13	-	-	10,83,103.27	10,83,103.27
Other financial liabilities	27,633.47	-	-	27,633.47	27,633.47

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(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

The carrying value and fair value of financial instruments by categories as of 31 March 2025 were as follows:

Particulars	Carrying Value	Fair Value			
	Amortised cost	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value:					
Cash and cash equivalents	33,026.83	-	-	33,026.83	33,026.83
Bank balances other than cash and cash equivalents	31,708.44	-	-	31,708.44	31,708.44
Trade receivables	2,069.13	-	-	2,069.13	2,069.13
Loans	8,66,120.89	-	-	8,71,027.50	8,71,027.50
Investments	10,486.71			10,486.71	10,486.71
Investment in associates	27,440.88			27,440.88	27,440.88
Other financial assets	6,878.70	-	-	6,878.70	6,878.70
Financial liabilities not measured at fair value:					
Trade payables					
- total outstanding dues of micro and small enterprises	-	-	-	-	-
- total outstanding dues of creditors other than micro and small enterprises	6,945.54	-	-	6,945.54	6,945.54
Debt securities	1,40,785.32	-	-	1,40,785.32	1,40,785.32
Borrowings (Other than debt securities)	8,45,214.61	-	-	8,40,059.22	8,40,059.22
Other financial liabilities	17,971.04	-	-	17,971.04	17,971.04

Transfer of financial assets

The following table provides the summary of financial assets that have been transferred in such a way that the part or all of the transferred financial assets does not qualify for derecognition, together with associated liabilities. The Group has securitised certain loans, however the Group has not transferred substantially the risks and rewards, hence these assets have not been derecognised in its entirety.

Particulars	As at 31 March 2026	As at 31 March 2025
Carrying amount of assets measured at amortised cost	71,300.76	8,382.57
Carrying amount of associated liabilities	61,959.05	7,262.66
Fair value of assets	68,632.98	7,915.29
Fair value of associated liabilities	61,959.05	7,262.66

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(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

B Capital management

The Group manages its capital to ensure that the Group will be able to continue as going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance.

The Group manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board.

The Group monitors capital using adjusted net debt (total borrowings net of cash and cash equivalents) to equity ratio.

The Group's adjusted gearing ratio is as follows:

Particulars	As at 31 March 2026	As at 31 March 2025
i Debt securities	1,39,436.35	1,40,785.32
ii Borrowings (other than debt securities)	10,86,398.13	8,45,214.61
iii Less: cash and cash equivalents	(23,052.08)	(33,026.83)
iv Adjusted net debt (iv = i + ii - iii)	12,02,782.40	9,52,973.10
v Total equity	3,90,100.65	3,43,956.33
vi Gearing ratio (vi = iv / v)	3.08	2.77

The Holding Company maintains an actively managed capital base to cover risks inherent in the business and is meeting the capital adequacy requirements of the local banking supervisor, Reserve Bank of India (RBI). The adequacy of the Holding Company's capital is monitored using, among other measures, the regulations issued by RBI.

The Group has complied in full with all its externally imposed capital requirements over the reported period. Equity share capital and other equity are considered for the purpose of Group's capital management.

No changes were made in the objectives, policies or processes for managing capital during the year ended 31 March 2026 and 31 March 2025.

Regulatory capital of the Holding Company

Particulars	As at 31 March 2026	As at 31 March 2025
Tier I Capital	3,51,373.19	3,21,918.68
Tier II Capital	15,428.79	17,086.42
Total Capital	3,66,801.97	3,39,005.10
Risk weighted assets	16,25,931.26	13,71,302.14
Tier I Capital Ratio (%)	21.61%	23.48%
Tier II Capital Ratio (%)	0.95%	1.25%
CRAR (%)	22.56%	24.72%

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37 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial liabilities comprise borrowings from banks, issue of debentures and trade payables. The main purpose of these financial liabilities is to finance the Group's operations and to support its operations. The Group's financial assets include loan and advances, investments and cash and cash equivalents that derive directly from its operations.

The Group is exposed to credit risk, liquidity risk, market risk and foreign currency risk. The Group's board of directors has an overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors has established the risk management committee and asset liability committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the board of directors on its activities.

Risk management framework

The Groups's board of directors and risk management committee has overall responsibility for the establishment and oversight of the Groups's risk management framework. The board of directors and risk management committee along with the top management are responsible for developing and monitoring the Groups's risk management policies. The committee reports regularly to the board of director's of Holding Company on it's activities.

The Groups's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group's risk management committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry or geographical location.

In order to avoid excessive concentrations of risk, the Group's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

Credit risk is the risk of financial loss to the Group if a customer or counter-party to a financial instrument fails to meet its contractual obligations and arises principally from the Group's loans and investments. The carrying amounts of financial assets represent the maximum credit risk exposure.

The board of director's of Holding Company has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and conditions are offered. The Group's review includes external ratings, if they are available, financial statements and credit agency information etc.

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(I) Credit risk

Loans

The Group’s exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry.

The Group’s exposure to credit risk for loans by type of counterparty is as follows. All these exposures are with in India.

Particulars	Carrying Amount	
	As at 31 March 2026	As at 31 March 2025
Gross Term loans and structured cash credit	12,80,391.79	10,83,753.97
Less : Impairment loss allowance	(31,114.96)	(26,516.19)
	12,49,276.83	10,57,237.78

An impairment analysis is performed at each reporting date based on the facts and circumstances existing on that date to identify expected losses on account of time value of money and credit risk. For the purposes of this analysis, the loan receivables are categorised into groups based on days past due and the type of risk exposures. Each group is then assessed for impairment using the Expected Credit Loss (ECL) model as per the provisions of Ind AS 109 - Financial Instruments.

Staging:

As per the provision of Ind AS 109 all financial instruments are allocated to stage 1 on initial recognition. However, if a significant increase in credit risk is identified at the reporting date compared with the initial recognition, then an instrument is transferred to stage 2. If there is objective evidence of impairment, then the asset is credit impaired and transferred to stage 3. In line with the requirements of Ind-AS 109 read with circular on Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025, issued vide RBI/DOR/2025-26/359 dated 28 November 2025, updated as on 1 April 2026, the Holding Company is guided by the definition of default / credit impaired used for regulatory purposes for the purpose of accounting.

The Group considers a financial instrument defaulted and therefore stage 3 (credit-impaired) for ECL calculations in all cases when the borrower becomes 90 days past due on its contractual payments.

For financial assets in stage 1, the impairment calculated based on defaults that are possible in next twelve months, whereas for financial instrument in stage 2 and stage 3 the ECL calculation considers default event for the lifetime of the instrument.

As per Ind AS 109, Group assesses whether there is a significant increase in credit risk at the reporting date from the initial recognition. Group has staged the assets based on the days past dues criteria and other market factors which significantly impacts the portfolio.

Days past dues status	Stage	Provisions
Current	Stage 1	12 Months Provision
1-30 Days	Stage 1	12 Months Provision
31-90 Days	Stage 2	Lifetime Provision
90+ Days	Stage 3	Lifetime Provision

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Grouping

As per Ind AS 109, the Group categorises the portfolio based on the shared risk characteristics. The Group has assessed the risk and its impact on the various portfolios and has divided the portfolio into different segmernts:

- Intermediate retail
- Partnership based lending
- Mid-market (including Supply chain finance)
- Loan against Property (LAP).

Further for intermediate retail ECL is calculated separately for various products – Loans, securitisation, pooled loan products, working capital loans, guarantee, NCDs.

For Partnership based Lending (PBL) book which is part of retail segment, PD is computed at sector level, ECL is calculated at sector level and aggregated (Also refer note 4.7 (A)).

Expected credit loss ("ECL"):

ECL on financial assets is an unbiased probability weighted amount based out of possible outcomes after considering risk of credit loss even if probability is low. ECL is calculated based on the following components:

- a. Marginal probability of default ("MPD")
- b. Loss given default ("LGD")
- c. Exposure at default ("EAD")
- d. Discount factor ("D")

Marginal probability of default:

Probability of default ("PD") is defined as the probability of whether borrowers will default on their obligations in the future.

1. Intermediate Retail Portfolios (Ratings-Based Approach)

For intermediate retail portfolios, the TTC PD is determined using a ratings-based methodology.

- Transition Matrices: The calculation is anchored on the observed movement of loans between Company's internal credit rating grades. Semi-annual transition matrices are generated, tracking rating migrations over six-month periods using historical data from September 2017 to the latest reporting date.
- Averaging and Calibration: These historical six-month matrices are averaged to produce a single, long-run transition matrix that represents stable, through-the-cycle performance. To ensure a logical relationship where credit risk increases as credit quality declines (monotonicity), the resulting six-month PDs are smoothed using a loglinear calibration method.
- Final TTC PD: The calibrated six-month PDs are then annualized to arrive at the final 12-month TTC PD for each rating grade.

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2. Partnership based lending and Loan against Property (Delinquency-Based Approach)
- For the partnership based lending, the TTC PD is calculated using a delinquency-based approach, leveraging static pool and net flow analysis.
- Static Pool Analysis: To ensure a clear view of asset quality, loans are grouped by their origination period ("vintage"). The Company analyze the performance of each vintage over time, tracking the movement of accounts through delinquency stages. This method isolates the performance of underlying assets from the effect of new loan origination.

• Net Flow to Default: The default rate is determined by observing the net flow of accounts from various delinquency buckets into a state of 90+ Days Past Due (DPD). This analysis is conducted using up to five years of historical data.

• Final TTC PD: A 12-month simple or weighted average of these historical default rates is calculated to establish the TTC PD for the portfolio.
3. Mid-market (including Supply chain finance)
- For mid-market portfolios, the TTC PD is determined as follows:
- TTC PD: Since the number of defaults observed in midmarket book which is the Corporate Finance portfolio has been very low – Pluto Tasche model is used for estimation of TTC PD. A regression based scalar approach is used to calculate the forward looking PDs.
- Forward-Looking Point-in-Time (PIT) PD Estimation
- For all portfolios The TTC PD serves as a baseline for determining forward-looking PIT PDs.
- Macroeconomic Linkage: The Vasicek model, or other appropriate logistic regression models, are used to establish a statistical relationship between the TTC PDs and key macroeconomic factors. This model converts the stable TTC PD into a dynamic PIT PD that reflects the expected economic environment.

• Scenario Analysis: To account for economic uncertainty, PIT PDs are estimated under three macroeconomic scenarios: a base case, an optimistic case, and a pessimistic case. The optimistic and pessimistic scenarios are informed by applying shocks (e.g., +/- 10%) to the key macroeconomic variables within the model.

Marginal probability:

The PDs derived from the Autoregressive integrated moving average (ARIMA) model, are the cumulative PDs, stating that the borrower can default in any of the given years, however to compute the loss for any given year, these cumulative PDs have to be converted to marginal PDs. Marginal PDs is probability that the obligor will default in a given year, conditional on it having survived till the end of the previous year.

Conditional marginal probability:

As per Ind AS 109, expected loss has to be calculated as an unbiased and probability-weighted amount for multiple scenarios.

The probability of default was calculated for 3 scenarios: upside, downside and base. This weightage has been decided on best practices and expert judgement. Marginal conditional probability was calculated for all 3 possible scenarios and one conditional PD was arrived as conditional weighted probability.

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LGD

LGD is an estimate of the loss from a transaction given that a default occurs. Under Ind AS 109, lifetime LGD's are defined as a collection of LGD's estimates applicable to different future periods. Various approaches are available to compute the LGD. Considering the low expertise in default and recovery, the Group has considered an LGD of 65% as recommended by the Foundation Internal Ratings Based (FIRB) approach under Basel II guidelines issued by RBI.

EAD:

As per Ind AS 109, EAD is estimation of the extent to which the financial entity may be exposed to counterparty in the event of default and at the time of counterparty's default. The Group has modelled EAD based on the contractual and behavioural cash flows till the lifetime of the loans considering the expected prepayments.

The Group has considered expected cash flows and undrawn exposures for all the loans at DPD bucket level for each of the risk segments, which was used for computation of ECL. Moreover, the EAD comprised of principal component and accrued interest for the outstanding exposure. So discounting was done for computation of expected credit loss.

Discounting:

As per Ind AS 109, ECL is computed by estimating the timing of the expected credit shortfalls associated with the defaults and discounting them using effective interest rate.

ECL computation:

Conditional ECL at DPD pool level was computed with the following method:

Conditional ECL for year (yt) = EAD (yt) * conditional PD (yt) * LGD (yt) * discount factor (yt)

The calculation is based on provision matrix which considers actual historical data adjusted appropriately for the future expectations and probabilities. Proportion of expected credit loss provided for across the stage is summarised below:

Particulars	Provisions	As at 31 March 2026	As at 31 March 2025
Stage 1	12 month provision	21,845.56	16,051.79
Stage 2	Life time provision	1,705.70	4,350.30
Stage 3	Life time provision	7,563.70	6,114.10
Amount of expected credit loss provided		31,114.96	26,516.19

The loss rates are based on actual credit loss experience over past years. These loss rates are then adjusted appropriately to reflect differences between current and historical economic conditions and the Group's view of economic conditions over the expected lives of the loan receivables. Movement in provision of expected credit loss has been provided in below note.

Particulars	As at 31 March 2026	As at 31 March 2025
ECL allowance - opening balance	26,516.19	10,574.10
Addition during the year	83,983.20	80,303.78
Reversal during the year	(9,968.92)	(3,431.45)
Write offs during the year	(69,415.51)	(60,930.24)
Closing provision of ECL	31,114.96	26,516.19

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Analysis of credit quality of exposure, changes in the gross carrying amount of loans and the corresponding ECL allowance in relation to Loans:

Changes in gross carrying amount

Particulars	As at 31 March 2026				As at 31 March 2025			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount - loans								
As at the beginning of the year	10,49,252.22	23,920.35	10,581.39	10,83,753.96	9,14,330.16	12,199.57	5,003.30	9,31,533.03
New assets originated *	9,94,206.60	11,771.05	70,284.07	10,76,261.72	8,61,557.13	14,763.13	4,717.38	8,81,037.64
Asset derecognised or repaid (excluding write off)	(7,88,551.67)	(17,412.12)	(4,244.59)	(8,10,208.38)	(7,12,890.38)	(11,403.08)	56,406.99	(6,67,886.47)
Transfer to stage 1	(17,356.47)	8,675.19	8,681.28	-	(13,883.68)	8,646.63	5,237.05	-
Transfer to stage 2	1,411.17	(5,305.27)	3,894.10	-	102.11	(357.88)	255.77	-
Transfer to stage 3	507.95	37.40	(545.35)	-	36.88	71.98	(108.86)	-
Write offs	-	-	(69,415.51)	(69,415.51)	-	-	(60,930.24)	(60,930.24)
As at the end of the year	12,39,469.80	21,686.60	19,235.39	12,80,391.79	10,49,252.22	23,920.35	10,581.39	10,83,753.96

* New assets originated are those assets which have originated during the year.

Reconciliation of ECL Balance

Particulars	As at 31 March 2026				As at 31 March 2025			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
As at the beginning of the year	16,051.79	4,350.30	6,114.10	26,516.19	5,296.17	1,141.93	4,136.00	10,574.10
New assets originated	13,634.03	1,657.16	68,692.01	83,983.20	12,418.92	3,982.21	63,902.65	80,303.78
Asset derecognised or repaid (excluding write off)	(3,836.55)	(3,555.93)	(2,576.44)	(9,968.92)	1,791.98	(1,412.94)	(3,810.48)	(3,431.44)
Transfer to stage 1	(4,020.86)	622.57	3,398.29	-	(3,456.96)	769.34	2,687.62	-
Transfer to stage 2	12.59	(1,371.34)	1,358.75	-	1.20	(131.19)	129.99	-
Transfer to stage 3	4.56	2.94	(7.50)	-	0.48	0.95	(1.44)	(0.01)
Write offs	-	-	(69,415.51)	(69,415.51)	-	-	(60,930.24)	(60,930.24)
As at the end of the year	21,845.56	1,705.70	7,563.70	31,114.96	16,051.79	4,350.30	6,114.10	26,516.19

Collateral and other credit enhancements

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Guidelines are in place covering the acceptability and valuation of each type of collateral. The main types of collateral obtained are, vehicles, loan portfolios and mortgaged properties based on the nature of loans. Management monitors the market value of collateral and will request additional collateral in accordance with the underlying agreement.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure is the total of the carrying amount of the aforesaid balances.

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(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

B. Investments

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The exposure to credit risk for investments is to other non-banking finance companies and financial institutions.

The risk committee has established a credit policy under which each new investee pool is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, financial statements, credit agency information, industry information etc. For investments the collateral is the underlying loan pool purchased from the financial institutions.

An impairment analysis is performed at each reporting date based on the facts and circumstances existing on that date to identify expected losses on account of time value of money and credit risk. For the purposes of this analysis, the investments are categorised into groups based on days past due. Each group is then assessed for impairment using the Expected Credit Loss (ECL) model as per the provisions of Ind AS 109 - financial instruments. Further, the risk management committee periodically assesses the credit rating information.

Analysis of credit quality of exposure and changes in the gross carrying amount of Investments

Credit quality of exposure

Particulars	As at 31 March 2026				As at 31 March 2025			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Performing	2,75,046.74	1,459.35	-	2,76,506.09	1,76,429.13	-	-	1,76,429.13
Sub-standard	-	-	1,479.30	1,479.30	-	-	1,286.33	1,286.33
Total	2,75,046.74	1,459.35	1,479.30	2,77,985.39	1,76,429.13	-	1,286.33	1,77,715.46

Changes in gross carrying amount

Particulars	As at 31 March 2026				As at 31 March 2025			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount - Investments								
As at the beginning of the year	1,76,429.13	-	1,286.33	1,77,715.46	1,78,070.50	-	-	1,78,070.50
New assets originated *	2,21,838.47	1,459.35	8.14	2,23,305.96	98,945.70	-	-	98,945.70
Asset derecognised or repaid	(1,23,036.03)	-	-	(1,23,036.03)	(99,300.74)	-	-	(99,300.74)
Transfer to stage 1	(184.83)	-	184.83	-	(1,286.33)	-	1,286.33	-
Transfer to stage 2	-	-	-	-	-	-	-	-
Transfer to stage 3	-	-	-	-	-	-	-	-
Write offs	-	-	-	-	-	-	-	-
As at the end of the year	2,75,046.74	1,459.35	1,479.30	2,77,985.39	1,76,429.13	-	1,286.33	1,77,715.46

*Net assets originated are those assets which have originated during the year.

C. Cash and cash equivalent and Bank deposits

The credit risk for cash and cash equivalents and deposits with banks are considered negligible, since the counterparties have high quality external credit ratings.

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for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

D. Other financial assets

Other financial assets measured at amortised cost includes security deposit, other receivables and excess interest spread on derecognition of financial assets. Credit risk related to these financial assets is managed by monitoring the recoverability of such amounts continuously, while at the same time internal control system are in place to ensure the amounts are within defined limits. Credit risk is considered low because the Company is in possession of the underlying asset (in case of security deposit). Further, the Company creates provision by assessing individual financial asset for expectation of any credit loss basis 12 month expected credit loss model.

(ii) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting its obligations associated with its financial liabilities. The Group approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due.

The Group is monitoring its liquidity risk by estimating the future inflows and outflows during the start of the year and planned accordingly the funding requirement. The Group manages its liquidity by unutilised cash credit facility, term loans and direct assignment.

The Group has also made sales through direct assignment route (off book) of 10% of assets under management. This further strengthens the liability management.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments along with its carrying value as at the balance sheet date.

Particulars	1 day to 30/31 days (one month)	Over one month to 2 months	Over 2 months up to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years
As at 31 March 2026								
Borrowings	74,599.59	69,235.14	78,969.74	1,88,622.94	1,72,275.82	4,16,546.48	85,148.42	1,000.00
Debt securities	-	-	12,784.18	18,941.67	36,081.40	59,683.33	11,945.77	-
Trade payables	-	-	-	24,683.95	-	-	-	-
Lease liabilities (undiscounted)	85.83	85.83	85.83	257.50	515.00	1,153.82	1,153.82	5.17
Other financial liabilities	14,549.78	353.22	6,305.03	663.56	1,122.08	1,814.20	-	-
As at 31 March 2025								
Borrowings	71,618.00	84,605.60	55,815.51	1,61,138.51	1,35,903.02	2,70,818.82	65,315.15	-
Debt securities	2,383.03	2,500.00	5,671.19	19,358.33	41,029.52	34,033.33	35,809.92	-
Trade payables	-	-	-	6,945.54	-	-	-	-
Derivative financial liabilities	-	-	-	1,367.57	-	-	995.91	-
Lease liabilities (undiscounted)	39.19	39.20	39.25	118.13	237.06	866.91	393.44	18.63
Other financial liabilities	9,833.53	23.09	3,360.78	358.29	567.59	573.85	-	-

Note:

- The balances are gross of accrued interest and unamortised borrowing costs.
- Estimated expected cashflows considering the moratorium availed from lenders.

Also refer note 35B for detailed disclosure on Analysis of financial assets and liabilities by remaining contractual maturities

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

(iii) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk includes interest rate risk, foreign currency risk and price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's investment in bank deposits and borrowings. Whenever there is a change in borrowing interest rate for the Group, necessary change is reflected in the lending interest rates over the timeline in order to mitigate the risk of change in interest rates of borrowings.

The interest rate profile of the Group's interest bearing financial instruments is as follows:

Particulars	As at 31 March 2026	As at 31 March 2025
Fixed rate instruments		
Financial Assets	8,17,539.43	6,47,737.70
Financial Liabilities	4,90,391.77	2,90,137.75
Variable rate instruments		
Financial Assets	4,31,737.40	4,41,348.94
Financial Liabilities	7,35,442.71	6,95,862.18

Sensitivity analysis of interest rate - Increase/ decrease of 100 basis points

The Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

The sensivity analysis below have been determined based on exposure to the interest rates for financial instruments at the end of the reporting period and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period in case of instruments that have floating rates. A 100 basis points increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 100 basis points higher or lower and all other variables were constant, the Group's profit before tax / equity would have changed by the following:

Loans extended by the Company are fixed and floating rate loans. The sensitivity analysis have been carried out based on the exposure to interest rates for term loans from banks, debt securities and borrowings carried at variable rate

Particulars	As at 31 March 2026		As at 31 March 2025	
	Increase	Decrease	Increase	Decrease
Loans	4,317.37	(4,317.37)	4,413.49	(4,413.49)
Borrowings	(7,354.43)	7,354.43	(6,958.62)	6,958.62

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for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

Price risk

Price risk is the risk that the fair value or future cash flows of the financial instrument will fluctuate due to changes in market variables such as interest rates, credit ratings of underlying investments of mutual funds and alternative investment funds that the Group has invested in. The Group's exposure to price risk arises from its investments in units of mutual funds and units of alternative investment funds that are classified as financial assets at FVTPL.

Particulars	As at 31 March 2026	As at 31 March 2025
I) Investments in mutual fund units	779.36	1,945.22
II) Investments in Alternate Investment Fund	13,471.59	10,655.43

Sensitivity Analysis

The table sets out the effect on profit or loss and equity due to reasonable possible weakening / strengthening in prices by 5%

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
5% increase in the prices	712.55	712.55
5% decrease in the prices	(712.55)	(712.55)

(iv) Foreign currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Foreign currency risk for the Group arises majorly on account of foreign currency borrowings. The Group manages this foreign currency risk by entering into cross currency interest rate swaps. When a derivative is entered into for the purpose of being as hedge, the Group negotiates the terms of those derivatives to match with the terms of the hedge exposure. The Group's policy is to fully hedge its foreign currency borrowings at the time of drawdown and remain so till payment.

The Group holds derivative financial instruments such as cross currency interest rate swap and forward rates contracts to mitigate risk of changes in exchange rate in foreign currency and floating interest rate. The counterparty for these contracts is generally a bank. These derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in market place.

(v) Collateral and other credit enhancements

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Guidelines are in place covering the acceptability and valuation of each type of collateral.

The main types of collateral obtained are, as follows:

- For corporate and small business lending, charges over trade receivables and
- For retail lending, collateral in the form of default loss guarantee is obtained from the servicing entity or over identified fixed asset of the borrower.

Management monitors the market value of collateral and will request for additional collateral in accordance with the underlying agreement. In its normal course of business, the Group does not physically repossess assets in its retail portfolio, but engages external agents to recover funds, generally at auction, to settle outstanding debt. Any surplus funds are returned to the customers/obligors. As a result of this practice, the

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

assets under legal repossession processes are not recorded on the balance sheet and not treated as non-current assets held for sale.

(vi) Technology risk

Technology risk may arise from potential impact to IT systems and data because of hardware or software failure, human errors, as well as engineered cyber-attacks. In an era where technology is an imperative to drive efficiency, effectiveness and innovation, it becomes essential for the NBFC to have well-defined policies and procedures, necessary infrastructure and controls, and periodic audits to guard itself against any looming threats. The Group has implemented the Master Directions on Technology notified by the Reserve Bank of India and has put in place the necessary policies, procedures, controls and governance mechanisms to mitigate this risk. In addition, the Group also undergoes an IT audit by an independent firm on a yearly basis, has periodic vulnerability and penetration tests conducted by a third-party agency to identify and plug any loopholes in its technology infrastructure, process controls and remediation preparedness. The IT Strategy Committee of the Group looks into all these aspects to protect the Group's technology and data assets, and ensure adequate preparedness to manage these risks.

38 COMMITMENTS

Particulars	As at 31 March 2026	As at 31 March 2025
Estimated amount of contracts remaining to be executed on capital account (net of capital advances) and not provided for	800.00	800.00
Undrawn committed sanctions	18,498.71	11,300.00

39 A) CONTINGENT LIABILITIES

Particulars	As at 31 March 2026	As at 31 March 2025
Claims against the Group not acknowledged as debt		
- Income tax related matters related to AY 2014-15 (refer note 1)	256.00	256.00
- Income tax related matters related to AY 2017-18 (refer note 2)	172.53	172.53
- Income tax related matters related to AY 2020-21 (refer note 3)	84.59	84.59

Notes :

- This litigation is related to disallowance of expenses incurred for earning exempt income for the AY 2014-15, which was partially allowed by the ITAT. The Company filed an appeal against this matter with High Court, Madras.
- This litigation is related to denying benefit of exemption of Income from securitisation investments under section 10(35A) of the Income Tax Act AY 2017-18. The Company filed an appeal against this matter with Commissioner of Income Tax Appeals.
- This litigation is related to rejection of our subsidiary M/s Northern Arc Foundation's condonation request by CIT(Exemptions) on the ground that Company was not registered under Sec 12A for AY 2020-21. The Subsidiary Company had filed rectification petition with CIT(Exemptions)
- The amount included above represents best possible estimate arrived at on the basis of available information. The management believes that it has a reasonable case in its defence of the proceedings and accordingly no further provision has been created.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

- 5) The Company has certain litigations pending with income tax authorities, and other litigations which have arisen in the ordinary course of business. The Company has reviewed all such pending litigations having an impact on the financial position, and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable in the standalone financial statements.

b) Financial guarantee issued to third parties

Particulars	As at 31 March 2026	As at 31 March 2025
Guarantees outstanding	17.08	168.77

40 RETIREMENT BENEFIT PLAN

I. Defined contribution plans

The Group makes specified monthly contributions towards employee provident fund to Government administered provident fund scheme which is a defined contribution plan. The Group's contribution is recognized as an expenses in the statement of profit and loss during the period in which the employee renders the related service. The amount recognised as an expense towards contribution to provident fund for the year aggregated to ₹ 1,542.50 lakhs (March 31, 2025: ₹ 1,456.73 lakhs).

II. Defined benefit plans

The Group's gratuity benefit scheme is a defined plan. The Group's net obligation in respect of a defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their services in the current and previous year; that benefit is discounted to determine its present value. Any unrecognised past services and the fair value of any plan assets are deducted. The calculation of the Group's obligation under the plan is performed annually by a qualified actuary using the projected unit credit method.

The Group have an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied by the number of years of service subject to maximum benefit of ₹ 20 lakhs. Vesting occurs upon completion of five years of service.

Details of actuarial valuation of gratuity pursuant to the Ind AS 19

A. Change in present value of obligations

Particulars	As at 31 March 2026	As at 31 March 2025
Present value of obligations at the beginning of the year	1,015.63	914.06
Current service cost	190.13	178.84
Interest cost	62.58	65.10
Benefits settled	(174.19)	(247.92)
Actuarial (gain) / loss recognised in the other comprehensive income		
- Changes in financial assumptions	(92.76)	(39.24)
- Experience adjustment	146.41	144.79
Present value of obligations at the end of the year	1,147.80	1,015.63

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

B. Change in plan assets

Particulars	As at 31 March 2026	As at 31 March 2025
Fair value of plan assets at the beginning of the year	-	-
Employer contributions	174.19	247.92
Benefits paid	(174.19)	(247.92)
Fair value of plan assets at the end of the year	-	-

C. Reconciliation of present value of the obligation and the fair value of the plan assets

Particulars	As at 31 March 2026	As at 31 March 2025
Change in projected benefit obligation		
Present value of obligations at the end of the year	1,147.80	1,015.63
Fair value of plan assets	-	-
Net liability recognised in balance sheet	1,147.80	1,015.63

Particulars	As at 31 March 2026	As at 31 March 2025
The liability in respect of the gratuity plan comprises of the following non-current and current portions:		
Current	219.97	238.41
Non-current	927.83	777.22
	1,147.80	1,015.63

D. Expense recognised in statement of profit and loss

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Current service cost	190.13	178.84
Interest on obligation	62.58	65.10
Total included in statement of profit and loss	252.71	243.94

E. Remeasurements recognized in other comprehensive income

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Actuarial loss on defined benefit obligation	53.65	105.55
Total included in other comprehensive income	53.65	105.55

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for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

F. Assumptions at balance sheet date

Particulars	As at 31 March 2026	As at 31 March 2025
Discount rate	6.09% to 7.11%	6.34% to 6.82%
Salary escalation	3% to 8%	3% to 8%
Mortality rate	Indian Assured Lives Mortality (2012 -14)	Indian Assured Lives Mortality (2012 -14)
Attrition rate	3% to 52.80%	3% to 63.60%
Estimated average future working life	2.20	2.60

Notes:

- The estimates in future salary increases, considered in actuarial valuation, takes account of inflation, seniority promotion and other relevant factors, such as supply and demand in the employee market. The above information is certified by the actuary.
- Discount rate is based on the prevailing market yields of Indian Government Bonds as at the balance sheet date for the estimated term of the obligation.

G. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	Year ended 31 March 2026		Year ended 31 March 2025	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(1,109.04)	1,192.15	(973.30)	1,057.34
Future salary growth (1% movement)	1,197.92	(1,103.37)	1,074.60	(958.80)
Attrition rate (1% movement)	(1,175.07)	1,167.23	(1,012.72)	1,014.96

Additional disclosures required under Ind AS 19

Particulars	As at 31 March 2026	As at 31 March 2025
Average duration of defined benefit obligation (in years)	2.20 to 8.03 years	2.94 to 8.03 years
Projected undiscounted expected benefit outgo (mid year cash flows)		
Year 1	420.45	259.05
Year 2	273.78	209.77
Year 3	178.37	168.61
Year 4	96.02	142.88
Year 5	56.94	109.36
Next 5 years	652.10	750.00
Exected benefit payments for the next annual reporting year	420.45	259.05

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(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

III. Other long term employee benefits

The Company permits encashment of compensated absences accumulated by their employees on retirement. The liability in respect of the Company, for outstanding balance of privilege leave at the balance sheet date is determined and provided on the basis of actuarial valuation performed by an independent actuary. The Company does not maintain any plan assets to fund its obligation towards compensated absences.The liability for compensated absences as at 31 March 2026 is ₹ 960.73 lakhs and as at 31 March 2025 was ₹ 786.80 lakhs.

Assumptions:

Particulars	As at 31 March 2026	As at 31 March 2025
Discount rate	6.09%	6.34%
Future salary increases	8.00%	8.00%

41 SHARE BASED PAYMENTS

A ESOP disclsoure related to Holding Company

Employee Stock Option Plan 2016 (ESOP) has been approved by the Board at its meeting held on 07 October 2016 and by the members in the Extra Ordinary General Meeting held on 07 October 2016.

41.1 Northern Arc Capital Employee Stock Option Scheme 2016 – “Scheme II”

The Northern Arc Capital Employee Stock Option Plan 2016 is applicable to all employees including employees of subsidiaries. The options were issued in seventeen tranches. The exercise price ranging between ₹ 110 to ₹ 275. The options are vested equally over a period of 5 years.

Northern Arc Employee Stock Option Scheme 2023 – “Scheme- II B”

The Northern Arc Capital Employee Stock Option Plan 2016 is applicable to all employees including employees of subsidiaries. The options were issued on 9th September 2021. The exercise price is ₹ 275. The options are vested equally over a period of 5 years.

Northern Arc Capital Employee Stock Option Scheme 2018 – “Scheme III”

The Northern Arc Capital Employee Stock Option Scheme 2016 is applicable to all employees including employees of subsidiaries. The options were issued in five tranches. The exercise price ranging between ₹ 10 to ₹ 275. The options are vested over a period of 3 years in 30:30:40. proportion

Northern Arc Capital Employee Stock Option Scheme 2022 – “Scheme- IV”

The Northern Arc Capital Employee Stock Option Scheme 2022 is applicable to all employees including employees of subsidiaries. The options under this scheme were issued in two tranches. The exercise price is ₹ 324 price per share. The options are vested over a period of 4 years in 25:25:25:25 proportion.

Northern Arc Capital Employee Stock Option Scheme 2023 – “Scheme- IVB”

The Northern Arc Capital Employee Stock Option Scheme 2023 is applicable to all employees including employees of subsidiaries. The options under this scheme were issued on thirteen tranches. The exercise price is ₹ 211 to Rs 275 per share. The options are vested over a period of 4 years in 25:25:25:25 proportion.

Notes to Consolidated Financial Statements

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(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

41.2 Options outstanding under Scheme II, Scheme IIB, Scheme III, Scheme IV and Scheme IVB

Particulars	As at 31 March 2026				
	Scheme II	Scheme IIB	Scheme III	Scheme IV	Scheme IV B
Grant date	Various	13-Sep-23	Various	Various	Various
Number of options	11,70,500	1,83,000	5,54,195	9,25,000	34,97,000
Exercise price in ₹	110 to 275	275	10 to 275	324	211 to 275
Vesting period	1 to 5 years	1 to 5 years	1 to 3 years	1 to 4 years	1 to 4 years
Option Price	31.85 to 121.09	160.14	65.57 to 298.36	56.14 to 65.74	32.86 to 146.45
Weighted average exercise price in ₹	151.83	275.00	169.16	324.00	257.60
Weighted average remaining contractual life (in years)	0.22	0.60	0.20	0.40	1.49
Weighted average remaining contractual life including exercise period(in years)	2.58	7.46	3.85	5.31	6.90
Vesting condition	Time based vesting				

Particulars	As at 31 March 2025				
	Scheme II	Scheme IIB	Scheme III	Scheme IV	Scheme IV B
Grant date	Various	13-Sep-23	Various	13-Sep-23	Various
Number of options	13,16,500	2,18,000	6,23,501	9,68,000	25,40,000
Exercise price in ₹	110 to 275	275	10 to 275	324	211 to 275
Vesting period	1 to 5 years	1 to 5 years	1 to 3 years	1 to 4 years	1 to 4 years
Option Price	31.85 to 121.09	160.14	65.57 to 298.36	56.14	128.88 to 146.45
Weighted average exercise price in ₹	149.50	275.00	174.28	324.00	275.00
Weighted average remaining contractual life (in years)	0.22	1.60	0.20	0.40	1.49
Weighted average remaining contractual life including exercise period(in years)	2.58	7.46	3.85	5.31	6.90
Vesting condition	Time based vesting				

Notes to Consolidated Financial Statements

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(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

41.3Reconciliation of outstanding options

The details of options granted under the above schemes are as follows.

Particulars	As at 31 March 2026		As at 31 March 2025	
	Weighted average exercise price per option (in ₹)	Number of options	Weighted average exercise price per option (in ₹)	Number of options
Outstanding at beginning of year	243.13	56,66,001	216.84	49,24,754
Add: Granted during the year	225.73	12,35,000	303.03	14,08,000
Less: Forfeited during the year	269.12	4,11,267	218.66	3,96,787
Less: Exercised during the year and allotted	127.35	1,60,039	132.97	2,37,466
Less: Exercised during the year but not allotted	-	-	119.51	32,500
Outstanding as at end of year	240.50	63,29,695	243.13	56,66,001
Amount expensed of in Statement of Profit and Loss (in ₹ Lakhs)	1,153.54		1,560.20	

41.4Fair value methodology

The fair value of options have been estimated on the dates of each grant using the Black Scholes model. Accordingly, the Holding company has considered the volatility of the Company's stock price based on historical volatility of similar listed enterprise. The various assumptions considered in the pricing model for the stock options granted by the Holding company are as follows:

	As at 31 March 2026	As at 31 March 2025
Dividend yield	0.00%	0.00%
Historical volatility estimate	32.73% - 38.03%	39.33% - 39.61%
Risk free interest rate	5.90% - 5.91%	6.87% - 7.07%
Expected life of option (in years)	2.50	3.00

B ESOP disclosure related to Pragati Finserv Private Limited (Subsidiary)

The Company offers equity based option plans to its selected employees through the Company's stock option plan introduced in 2021.

i Description of share based payments

Pragati Employee Stock Option Scheme 2021 - Scheme I [ESOP 2021 - Scheme 1]

The Company introduced an Employee Stock Option Scheme 2021 - Scheme I, which was approved by the Pragati Finserv Private Limited shareholders with an intention to provide equity settled incentive to high performing employees of the Company.

The options granted on 7th May 2021 will be exercised at ₹.10 per option and will vest over 5 years in the proportion of 15.75 : 15.75 : 21 : 21 : 26.5 (allocated portion) on the basis of performance, subject to 30% of the allocated portion being definitive vesting.It shall be exercised within the period mentioned in the grant letter.It shall be settled by way of equity shares of the company.

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The options granted on 2nd August 2022 will be exercised at ₹10 per option and will vest over 4 years in the proportion of 31.5 : 21 : 21 : 26.5 (allocated portion) on the basis of performance, subject to 30% of the allocated portion being definitive vesting.It shall be exercised within the period mentioned in the grant letter.It shall be settled by way of equity shares of the company.

No modification has been made to the plan during the reporting period.

ii Summary of share based payments

a) Reconciliation of outstanding options

Particulars	ESOP 2021 - Scheme 1	
	As at 31 March 2026 (In Nos.)	As at 31 March 2025 (In Nos.)
Outstanding balance at the beginning of the period	1,36,61,080	1,36,61,080
Options vested	-	-
Options outstanding at the end of the period	1,36,61,080	1,36,61,080
Options exercisable at the end of the period	62,82,102	62,82,102
For share options exercised:		
Weighted average exercise price at date of exercise	N.A.	N.A.
Money realized by exercise of options (in actual rupees)	N.A.	N.A.

b) For share options outstanding:

Particulars	As at 31 March 2026		As at 31 March 2025	
	ESOP 2021 - Scheme 1 Grant date - 7 th May 2021 16,19,13,182 shares	ESOP 2021 - Scheme 1 Grant date - 2 nd August 2022 42,50,000 shares	ESOP 2021 - Scheme 1 Grant date - 7 th May 2021 16,19,13,182 shares	ESOP 2021 - Scheme 1 Grant date - 2 nd August 2022 42,50,000 shares
Range of exercise prices	10	10	10	10
Average remaining contractual life of options (years)	1.31	2.06	2.31	3.06
Modification of plans	N.A.	N.A.	N.A.	N.A.
Incremental fair value on modification	N.A.	N.A.	N.A.	N.A.

c) Valuation of stock options

Particulars	ESOP 2021 - Scheme 1 Grant date - 7 th May 2021 16,19,13,182 shares	ESOP 2021 - Scheme 1 Grant date - 2 nd August 2022 42,50,000 shares
Share price	10	10
Exercise Price	10	10
Fair value of option	5.93	5.98
Valuation date	31-Dec-21	02-Aug-22
Valuation model used	Blackscholes model	Blackscholes model

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Particulars	ESOP 2021 - Scheme 1 Grant date - 7 th May 2021 16,19,13,182 shares	ESOP 2021 - Scheme 1 Grant date - 2 nd August 2022 42,50,000 shares
Expected Volatility	0.54	0.56
Basis of determination of expected volatility	Median historical volatility of comparable companies	Median historical volatility of comparable companies
Contractual Option Life (years)	6.1	5.72
Expected dividends *	0	0
Risk free interest rate	6.27%	7.08%
Valuation of incremental fair value on modification	N.A	N.A

* Expected Dividends is considered zero, as no dividend payout is expected in the foreseeable future.

Options granted and inputs used for measurement of fair value of options, for the key managerial employees and other senior employees

Name of the Employee	ESOP 2021 - Scheme 1			
	As at 31 March 2026		As at 31 March 2025	
	KMP (In Nos.)	Others (In Nos.)	KMP (In Nos.)	Others (In Nos.)
Options Granted	1,61,93,182	42,50,000	1,61,93,182	42,50,000
Options Vested	51,00,852	11,81,250	51,00,852	11,81,250
Options Lapsed	-	5,00,000	-	5,00,000
Options yet to vest	1,10,92,330	25,68,750	1,10,92,330	25,68,750

Impact on Statement of profit and loss and balance sheet for such share-based payments

Expense recognized for employee services received during the year are as below:

Particulars	As at 31 March 2026	As at 31 March 2025
Expense arising from equity-settled share-based payment transactions	255.03	255.03

42 RELATED PARTY DISCLOSURES

42.1 Disclosure post elimination of intra-group transactions:

Related party relationships and transactions are as identified by the management.

(i) Associates	FinReach Solutions Private Limited (Upto 12 May 2025)
	Northern Arc Emerging Corporates Bond Trust (w.e.f 26 february 2025)
(ii) Key Managerial Personnel (KMP)	Mr. Ashish Mehrotra, Managing Director & Chief Executive Officer
	Mr. Atul Tibrewal, Chief Financial Officer
	Ms. Monika Gurung, Company Secretary (from 18 January 2024 till 22 April 2024)
	Mr.Prakash Chandra Panda, Company Secretary (w.e.f April 23, 2024)

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

(iii) Director and relative of Key Management Personnel	Ms. Kshama Fernandes, Non - Executive Director
	Mr. Ashutosh Arvind Pednekar - Independent director
	Mr. P S Jayakumar - Independent director
	Ms. Anuradha Rao - Independent director
	Mr. Michael Jude Fernandes - Nominee director
	Mr. Vijay Chakravarthi Nallan - Nominee director
	Mr Arunkumar Nerur Thiagarajan - Independent director (till 13 February 2025)
	Ms. Vidya Krishnan - Nominee director (from 31 October 2025)
	Mr. Sandeep Dhar - Nominee director (from 07 March 2026)
	Mr. T.S. Anantharaman - Nominee director (till 23 June 2025)

A. Transactions during the year :

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Finreach Solutions Private Limited (Upto 12 May 2025)		
Sale of investments	250.00	-
Guarantee Management Service Fee	-	2.84
Northern Arc Emerging Corporates Bond Trust (w.e.f 26 february 2025)		
Investments in Alternate Investment Funds	-	26,000.00
Application money transferred pending allotment	-	1,500.00
Redemption of investments made in Alternate Investment Funds	11,000.00	-
Ms. Kshama Fernandes, Non - Executive Director		
Commission	-	-
Sitting fees	16.50	22.00
Mr. Atul Tibrewal, Chief Financial Officer		
Short term employee benefits		
- Remuneration and other benefits *	253.06	293.94
Share based payment expense	38.67	43.99
Mr. P S Jayakumar - Independent director		
Commission	152.50	154.00
Sitting Fees	17.00	25.00
Mr. Ashish Mehrotra, Managing Director & Chief Executive Officer		
Short term employee benefits		
- Remuneration and other benefits *	970.27	885.38
Share based payment expense	355.62	489.82

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Mr. Ashutosh Arvind Pednekar - Independent director		
Sitting Fees	18.50	23.00
Ms. Anuradha Rao - Independent director		
Sitting Fees	20.50	29.00
Mr Arunkumar Nerur Thiagarajan - Independent director (till 13 February 2025)		
Sitting Fees	-	21.50
Mr. Vijay Chakravarthi Nallan - Nominee director		
Sitting Fees	17.00	2.50
Mr. Michael Jude Fernandes - Nominee director		
Sitting Fees	17.50	4.50
Ms. Vidya Krishnan - Nominee director (from 31 October 2025)		
Sitting Fees	6.50	-
Mr. Sandeep Dhar - Nominee director (from 07 March 2026)		
Sitting Fees	12.00	-
Mr.Prakash Chandra Panda, Company Secretary (w.e.f April 23, 2024)		
Short term employee benefits		
- Remuneration and other benefits *	53.05	33.31
Share based payment expense	4.70	4.09
Advances	3.00	-
Ms. Monika Gurung, Company Secretary (from 18 January 2024 till 22 April 2024)		
Short term employee benefits		
- Remuneration and other benefits *	-	1.20
Advances	-	0.25

* Amount attributable to post employment benefits (except actual payments) have not been disclosed as the same cannot be identified distinctly in the actuarial valuation. Amount excludes transfer from share based payment reserve to securities premium on exercise of employee stock options.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

B. Balances as at year end:

Particulars	As at 31 March 2026	As at 31 March 2025
Finreach Solutions Private Limited (Upto 12 May 2025)		
Investments	-	843.53
Northern Arc Emerging Corporates Bond Trust (w.e.f 26 february 2025)		
Investments	16,206.81	26,730.49
Mr. Ashish Mehrotra, Managing Director & Chief Executive Officer		
Provision for share based payment	1,703.67	1,348.05
Advances	4.30	10.32
Mr. Atul Tibrewal, Chief Financial Officer		
Provision for share based payment	234.49	195.83
Advances	4.00	4.00
Mr.Prakash Chandra Panda, Company Secretary (w.e.f April 23, 2024)		
Provision for share based payment	8.79	4.09
Advances	3.00	-
Ms. Monika Gurung, Company Secretary (from 18 January 2024 till 22 April 2024)		
Advances	-	0.25

Notes:

- 1) The Company's related party transactions during the year ended 31 March 2026 and 31 March 2025 and outstanding balances as at 31 March 2026 and 31 March 2025 are with its subsidiaries with whom the Company generally enters into transactions which are at arms length and in the ordinary course of business.
- 2) There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2026, the Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is under taken each financial year through examining the financial position of the related party and the market in which the related party operates.
- 3) Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash.

Notes to Consolidated Financial Statements

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(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

43 The details of the investments held by the group in the Alternative Investment Funds managed by the Company's wholly owned subsidiary, Northern Arc Investment Managers Private Limited, as disclosed in the respective standalone financial statements (aggregate amounts) are as follows:

Fund	31-Mar-26		31-Mar-25	
	Purchases	Redemption#	Purchases	Redemption#
IFMR Fimpace Long Term Credit Fund	11,049.45	8,135.39	29,64,200.26	32,58,976.12
Northern Arc Money Market Alpha Trust Fund	-	-	233.95	233.95
Northern Arc Emerging corporates Bond Fund	1,500	11,000	174.61	1,651.10
Northern Arc Finserv Fund	1,700	-	31,289.16	6,149.84
Northern Arc Fintech NBFC Fund I	-	-	487.79	-
Northern Arc India Impact Fund	-	980.00	-	-

represents the dividend received in respect of cum dividend investment

Fund	Fair value changes	
	Year ended 31 March 2026	Year ended 31 March 2026
IFMR Fimpace Long Term Credit Fund	80.30	396.88
Northern Arc Money Market Alpha Trust Fund	171.08	110.91
Northern Arc India Impact Fund	(691.41)	923.03
Northern Arc Income Builder (Series II) Fund	-	259.58
Northern Arc Emerging corporates Bond Fund	(989.43)	414.18
Northern Arc Finserv Fund	25.99	37.05
Northern Arc Fintech NBFC Fund I	14.96	20.67

Outstanding balances (Investment) at carrying value

Fund	As at 31 March 2026		As at 31 March 2025	
	Units**	Carrying value	Units**	Carrying value
IFMR Fimpace Long Term Credit Fund	2,706.92	2,657.26	2,498.24	2,695.30
Northern Arc Money Market Alpha Trust Fund	32,08,047.01	4,179.05	10,07,206.76	1,071.01
Northern Arc India Impact Fund	6,476.57	3,858.57	6,476.56	5,858.20
Northern Arc Income Builder (Series II) Fund	-	-	-	-
Northern Arc Emerging corporates Bond Fund*	15,946.51	16,702.37	24,857.69	21,596.96
Northern Arc Finserv Fund	2,133.56	2,262.43	500.00	515.77
Northern Arc Fintech NBFC Fund I	487.79	514.97	487.79	515.13

* Northern Arc Emerging corporates Bond Fund has been considered for consolidation in these financial statements. Also refer note 1.

** The units disclosed are in absolute figures

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

44 SEGMENT REPORTING

The Group's operations predominantly relate to arranging or facilitating or providing finance either in the form of loans or investments or guarantees, providing portfolio management, investment advisory and investment management services. The information relating to this operating segment is reviewed regularly by the Group's Board of Directors (Chief Operating Decision Maker (CODM)) to make decisions about resources to be allocated and to assess their performance.

- a) **The Group has four reportable segments Viz., Financing activity, Investment advisory services and Investment management services. For each of the business, CODM reviews internal management reports on periodic basis.**

As of and for the Year ended 31 March 2026

Particulars	Financing activity	Investment advisory services	Investment Management services	Others/ Unallocated	Total reportable segments	Eliminations	Total
(i) Segment revenue							
- External Revenue	2,63,424.38	21.48	3,793.19	1,785.29	2,69,024.34	-	2,69,024.34
- Inter segment revenue	5.19	-	371.12	4,722.91	5,099.22	(5,099.22)	-
Total segment revenue	2,63,429.57	21.48	4,164.31	6,508.20	2,74,123.56	(5,099.22)	2,69,024.34
* Income from financing activities represents interest income							
(ii) Segment result before tax							
Add:							
Other Income	953.66	0.05	22.90	785.09	1,761.70	(752.67)	1,009.03
Less:							
Finance costs	88,567.88	-	878.46	40.93	89,487.27	(5.19)	89,482.08
Fees and commission expense	36,820.32	-	-	-	36,820.32	(5,455.48)	31,364.84
Employee benefit expense	23,857.61	-	1,373.54	7,850.12	33,081.27	-	33,081.27
Impairment on financial instruments	41,238.59	-	-	-	41,238.59	(50.39)	41,188.20
Depreciation and amortisation	1,669.69	-	-	209.07	1,878.76	-	1,878.76
Other expenses	15,240.82	3.40	1,629.14	3,279.39	20,152.75	(1,529.36)	18,623.39
Profit/(loss) before tax	56,988.32	18.13	306.07	(4,086.22)	53,226.30	329.87	53,556.17
(iii) Segment Assets	16,48,993.36	381.78	11,946.13	5,209.69	16,66,530.96	(8,376.16)	16,58,154.80
(iv) Investments accounted for using equity method	16,305.40	-	-	-	16,305.40	-	16,305.40
(v) Segment liabilities	12,75,958.49	1.27	6,865.71	4,958.82	12,87,784.29	(3,424.74)	12,84,359.55
(vi) Capital Expenditure	1,122.53	-	-	386.82	1,509.35	-	1,509.35
(vii) Share of profit/(loss) from investments accounted for using equity method	-	-	-	-	-	(858.66)	(858.66)

b) Geographical segment

Geographical information analyses the Group's revenue and assets by the Group's country of domicile (i.e. India) and other countries. The Group did not have any operations outside India hence the geographical segment is not applicable.

c) Information about major customers

The Group did not have revenue from transactions with a single external customer or counterparty amounted to 10% or more of the group's total revenue in year ended 31 March, 2026.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

As of and for the Year ended 31 March 2025

Particulars	Financing activity*	Investment advisory services	Investment Management services	Others/ Unallocated	Total reportable segments	Eliminations	Total
(i) Segment revenue							
- External Revenue	2,28,019.63	5.93	5,046.09	1,089.38	2,34,161.03	-	2,34,161.03
- Inter segment revenue	623.43	-	-	4,729.70	5,353.13	(5,353.13)	-
Total segment revenue	2,28,643.06	5.93	5,046.09	5,819.08	2,39,514.16	(5,353.13)	2,34,161.03
* Income from financing activities represents interest income							
(ii) Segment result before tax							
Add:							
Other Income	1,240.04	0.18	153.37	663.62	2,057.21	(644.51)	1,412.70
Less:							
Finance costs	82,286.37	-	1,126.47	46.58	83,459.42	(623.43)	82,835.99
Fees and commission expense	32,940.65	-	641.54	-	33,582.19	(4,729.70)	28,852.49
Employee benefit expense	20,385.29	-	1,134.52	6,947.49	28,467.30	-	28,467.30
Impairment on financial instruments	41,188.20	-	41.24	-	41,229.44	(744.55)	40,484.89
Depreciation and amortisation	1,531.32	-	-	256.86	1,788.18	-	1,788.18
Other expenses	10,483.44	9.55	1,259.86	4,140.48	15,893.33	(1,558.47)	14,334.86
Profit/(loss) before tax	41,067.83	(3.44)	995.83	(4,908.71)	37,151.51	1,456.55	38,608.06
(iii) Segment Assets	13,24,625.91	367.86	13,336.91	5,397.15	13,43,727.83	(7,361.50)	13,36,366.33
(iv) Investments accounted for using equity method	27,440.88	-	-	-	27,440.88	-	27,440.88
(v) Segment liabilities	10,11,151.33	0.82	8,460.34	4,124.48	10,23,736.97	(3,886.09)	10,19,850.88
(vi) Capital Expenditure	3,934.30	-	-	179.95	4,114.25	-	4,114.25
(vii) Share of profit from investments accounted for using equity method	-	-	-	-	-	(201.96)	(201.96)

b) Geographical segment

Geographical information analyses the Group's revenue and assets by the Group's country of domicile (i.e. India) and other countries. The Group did not have any operations outside India hence the geographical segment is not applicable.

c) Information about major customers

The Group did not have revenue from transactions with a single external customer or counterparty amounted to 10% or more of the group's total revenue in year ended 31 March, 2025.

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45 IMPACT OF HEDGING ACTIVITIES

a) Disclosure of effects of hedge accounting on financial position:

As at 31 March 2026

Type of hedge risks	Notional Amount	Carrying amount of hedging instrument		Maturity Date	Changes in fair value of hedging instrument	Change in the value of hedged item as the basis for recognising hedge effectiveness	Line item in Balance Sheet
		Assets	Liabilities				
Cash flow hedge							
Cross currency swaps	2,03,084.79	16,225.00	-	15 November 2025 to 18 February 2031	12,036.82	(12,036.82)	Borrowings (Other than debt securities)
Forward contract	1,29,742.70	5,610.82	-	02 September 2026	6,978.39	(6,978.39)	Borrowings (Other than debt securities)

As at 31 March 2025

Type of hedge risks	Notional Amount	Carrying amount of hedging instrument		Maturity Date	Changes in fair value of hedging instrument	Change in the value of hedged item as the basis for recognising hedge effectiveness	Line item in Balance Sheet
		Assets	Liabilities				
Cash flow hedge							
Cross currency swaps	65,918.27	5,184.09	995.91	15 November 2025 to 15 September 2026	(969.46)	969.46	Borrowings (Other than debt securities)
Forward contract	1,650.95	-	1,367.57	22 September 2025	(1,421.69)	1,421.69	Borrowings (Other than debt securities)
Overnight Indexed Swap	59,325.00	292.46	-	15 December 2026 to 21 September 2027	320.93	(320.93)	- Debt Securities - Borrowings (Other than debt securities)

b) Disclosure of effects of hedge accounting on statement of profit and loss:

Year ended 31 March 2026

Type of hedge	Change in value of the hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised in statement of profit and loss	Amount reclassified from cash flow hedge reserve to statement of profit and loss	Line item affected in statement of profit and loss because of the reclassification
Cash flow hedge				
Cross currency swaps	12,036.82	-	-	NA
Forward Contract	6,978.39	-	-	NA

Type of hedge	Change in value of the hedging instrument recognised in statement of profit and loss	Hedge ineffectiveness recognised in statement of profit and loss	Amount reclassified from cash flow hedge reserve to statement of profit and loss	Line item affected in statement of profit and loss because of the reclassification
Fair value hedge				
Overnight Indexed Swap	-	-	-	NA

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Year ended 31 March 2025

Type of hedge	Change in value of the hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised in statement of profit and loss	Amount reclassified from cash flow hedge reserve to statement of profit and loss	Line item affected in statement of profit and loss because of the reclassification
Cash flow hedge				
Cross currency swaps	(969.46)	-	-	NA
Forward Contract	(1,421.69)	-	-	NA

Type of hedge	Change in value of the hedging instrument recognised in statement of profit and loss	Hedge ineffectiveness recognised in statement of profit and loss	Amount reclassified from cash flow hedge reserve to statement of profit and loss	Line item affected in statement of profit and loss because of the reclassification
Fair value hedge				
Overnight Indexed Swap	320.93	-	-	NA

46 GOODWILL

The below table summarises the breakup of Goodwill:

Particulars	Goodwill	
	As at 31 March 2026	As at 31 March 2025
Goodwill in Holding Company (Refer Note 1 below)	2,085.13	2,085.13
Goodwill in subsidiary (Refer Note 2 below)	81.06	81.06
Goodwill arising on consolidation of:		
- Northern Arc Investment Managers Private Limited	168.80	168.80
- Northern Arc Creditech Solutions Private Limited (formerly Northern Arc Investment Adviser Services Private Limited)	5.83	5.83
Total goodwill	2,340.82	2,340.82

Notes:

1 Goodwill in Holding Company

During the year ended 31 March 2023, the Holding Company had acquired specifically identified assets and liabilities of S.M.I.L.E Microfinance Limited (S.M.I.L.E), a un-listed Company based in India. The excess of the purchase consideration over the value of specifically identified assets and liabilities resulted in a goodwill of ₹ 2,085.13 lakhs for the Holding Company, which comprises the value of expected synergies arising from the acquisition and Intangibles assets recognised in accordance with Ind AS 38 (ie, Technical know-how, Non Compete, Order book etc). The entire amount of goodwill is considered to be associated with Pragati portfolio (CGU), which is part of the business of the Holding Company (arranging or facilitating or providing finance either in the form of loans or investments or guarantees).

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(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

The Holding Company performed its annual impairment test for year ended 31 March 2026 and 31 March 2025. The Group considers the relationship between recoverable value of net assets taken over and its carrying value, among other factors, when reviewing for indicators of impairment. As at 31 March 2026 and 31 March 2025, the recoverable value of the net assets taken over was higher than the carrying value and no other indicators of impairment were identified. Therefore, no impairment loss allowance is provided for the year ended 31 March 2026 and 31 March 2025.

The recoverable amount of the CGU, ₹ 8,514.40 lakhs as at 31 March 2026, has been determined based on a value in use calculation using excess return method. Key assumptions include (i) discount rate, being the cost of equity applied to cash flow projections at 20.70% and the terminal growth rate at 4% and projections used for value in use is considered for maximum period of 5 years. It was concluded that the recoverable value or value in use exceeded the carrying value of the loan assets. As a result of this analysis, management has not recognised any impairment charge in the current or previous year.

2 Goodwill in Subsidiary:

Particulars	As at 31 March 2026	As at 31 March 2025
Opening Balance	81.06	88.01
Less: Impairment	-	(6.95)
Closing Balance	81.06	81.06

The above goodwill in subsidiary is related to transfer of employees from S.M.I.L.E Microfinance Limited (acquired entity as specified above) to Pragati Finserv Private Limited. Impairment has been evaluated annually considering the attrition of employees.

47 (A) TREATMENT OF DLG IN COMPUTATION OF EXPECTED CREDIT LOSS

The Holding Company has entered into Default Loss Guarantee (DLG) arrangements with certain Lending Service Providers (LSPs) in relation to loans originated through the digital lending platform. Under these arrangements, the LSPs guarantee to cover the losses arising from borrower defaults up to a certain percentage of the loan portfolio. Based on the guidance under Ind AS 109, the Holding Company had historically considered the expected recoveries from credit enhancements under DLG arrangements in the computation of Expected Credit Loss (ECL).

During the previous year ended 31 March 2025, the Reserve Bank of India (RBI), vide e-mail communication dated 16 May 2025, had directed the Holding Company to exclude the credit enhancements under DLG arrangements in the computation of Expected Credit Loss ("ECL") as at 31 March 2025 and absorb such impact by 30 June 2025. Pursuant to this, the Holding Company had evaluated the total impact of such exclusion of the credit enhancements from the ECL computation to be ₹ 8,041 lakhs as at 31 March 2025 of which the Holding Company, during the quarter ended 31 March 2025, recorded ₹ 6,835 lakhs and the remaining exposure pertaining to ECL of ₹ 1,206 lakhs had been recorded / rundown during the quarter ended 30 June 2025.

In the current year, the RBI issued RBI (Non-Banking Financial Companies – Income Recognition, Asset Classification and Provisioning) Amendment Directions, 2026 dated 13 February 2026 ("the amendment directions"), which permits a NBFC to consider the FLDG benefits for determining provisions under ECL framework across all stages if those are integrated to the contractual terms and not recognized separately, subject to compliance with Indian Accounting Standards, hence the Holding Company has recomputed ECL provision as at 31 March 2026 after considering the expected recoveries from credit enhancement under FLDG arrangements.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

Pursuant to the RBI communication dated 16 May 2025, the Holding Company continued to create an additional ECL provision up to 31 December 2025. Subsequent to the amendment directions, the expected recoveries from credit enhancements under DLG arrangements have been considered while arriving at the ECL. This change has resulted in a net decrease in the ECL provision by Rs. 2,900 lakhs during the year ended 31 March 2026 (net off reversing the ECL provision created upto 31 December 2025 aggregating to ₹ 11000 lakhs). Accordingly, the comparative financial information on ECL provision for the year ended 31 March 2025 is not strictly comparable.

(B) During the current year, management has assessed that the model driven Expected Credit Loss (ECL) estimates, while compliant with Ind AS 109 and validated through internal methodologies, may not fully capture the potential impact of heightened geopolitical uncertainties prevailing in the operating environment. This primarily affects the Holding Company's unsecured retail lending to MSMEs and individuals, including microfinance, which are inherently sensitive to changes in borrower cash flows, inflationary pressures, and broader economic stress conditions. Accordingly, management has considered it prudent to maintain an additional ECL provision of ₹ 6,631 lakhs. This provision is dynamic in nature and will be periodically reassessed based on evolving macroeconomic and portfolio conditions. The utilization or recalibration of the overlay will be considered upon the occurrence of macroeconomic events and portfolio conditions impacting the identified loan portfolios.

48 NEW LABOUR CODE

Pursuant to the notification of the 4 New Labour Codes by the Government of India viz the Code on Wages, 2019, the Code on Social Security, 2020, the Industrial Relations Code, 2020, and the Occupational Safety, Health and Working Conditions Code, 2020 (collectively referred to as the "New Labour Codes") with effect from 21 November 2025, and pending issuance of the detailed Rules, the group has reassessed its employee benefit obligations based on the revised definition of wages and expanded eligibility criteria under the New Labour Codes. Based on the management's best estimates the impact of employee benefit obligations is not material to the audited consolidated financial statements, and the Company continues to monitor developments and will review its estimates as further clarifications and Rules are notified.

49 EVENTS AFTER REPORTING PERIOD

No adjusting or significant non-adjusting events have occurred between the reporting date and the date of authorisation of the consolidated financial statements.

50 AUDIT TRAIL AS PER MCA REQUIREMENT

The Group has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software, except that –

- (a) in respect of the loan management systems for one product of the Holding Company, the audit trail feature was enabled, operated throughout the year and was not tampered with at the application level. However at the database level, the audit trail feature for that application was enabled on 02 March 2026 and operated post the aforementioned date for the year for all relevant transactions recorded in the application at a database level.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

- (b) the Holding Company utilizes a another Loan Management System (LMS) for its other loan product, which includes an audit trail (edit log) functionality. However, in the absence of testing of the database-level audit trail by the service auditor, the Holding Company is unable to confirm whether the audit trail feature of the LMS, managed by a third-party service provider, was enabled and operated effectively throughout the year. The Holding Company is currently in discussions with the application vendor to assess the feasibility of enabling such a feature in compliance with regulatory requirements. In the interim, the Holding Company relies on alternative manual controls over reports generated from the LMS.

The Group has preserved the audit trail / edit logs for the year in accordance with the statutory record retention requirements, except for audit trail / edit logs at the database level for the matters identified above, where such logs were not maintained due to non-enablement of the audit trail / edit log functionality during the year.

51 OTHER STATUTORY INFORMATION

- (i) Stage wise Overdue (DPD) based Loan disclosure

Particulars	As at 31 March 2026				
	Count	Stage 1	Stage 2	Stage 3	Total
Gross amount					
Accounts with No Overdues	21,40,951	12,12,256.00	3,495.40	-	12,15,751.40
Accounts with Overdues	1,64,654	30,255.99	16,598.27	17,786.13	64,640.39
Total	23,05,605	12,42,511.99	20,093.68	17,786.13	12,80,391.79

Particulars	As at 31 March 2025				
	Count	Stage 1	Stage 2	Stage 3	Total
Gross amount					
Accounts with No Overdues	16,97,230	10,13,428.10	71.18	170.90	10,13,670.18
Accounts with Overdues	2,16,912	30,682.95	23,765.31	15,635.53	70,083.79
Total	19,14,142	10,44,111.05	23,836.49	15,806.43	10,83,753.97

- (ii) The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.
- (iii) The Group does not have any transactions with companies struck off as per section 248 of Companies Act, 2013.
- (vi) The Group does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period
- (v) The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (vi) As part of the normal business, the Group invests in Alternate Investment Fund managed by the subsidiary of the Company and also lends loan to the subsidiary for onward investment into these AIFs. The AIFs invests in debt instruments issued by various originators based on decision made by the investment committee

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

of the respective funds. These transactions are part of the Group's normal investment activities/ business, which is conducted after exercising proper due diligence including adherence to terms of private placement memorandum of respective AIFs and other guidelines.

- (vii) The Group has not advanced or loaned or invested funds to any other person or entity, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or
- b. provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (viii) The Group has not received any fund from any person or entity, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
- a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries"
- (ix) The Group does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- (x) Compliance with approved Scheme(s) of Arrangements: The Company has not entered in any such arrangements during the year.

52 PREVIOUS YEAR FIGURES

Previous year figures have been regrouped/rearranged, wherever considered necessary, to conform to the classification/disclosure adopted in the current year. The regrouping/ reclassification are not material to the consolidated financial statements.

As per our report of even date attached

For Walker Chandlok & Co LLP
Chartered Accountants
ICAI Firm Registration no.: 001076N/N500013

Murad D. Daruwalla
Partner
ICAI Membership No. 043334

Place : Mumbai
Date : 08 May 2026

For and on behalf of the board of directors of
Northern Arc Capital Limited
CIN: L65910TN1989PLC017021

P.S.Jayakumar
Chairman
DIN : 01173236

Atul Tibrewal
Chief Financial Officer

Place : Mumbai
Date : 08 May 2026

Ashish Mehrotra
Managing Director and Chief Executive Officer
DIN: 07277318

Prakash Panda
Company Secretary
Membership No: A22585

Notice of Annual General Meeting

NOTICE is hereby given that the 18th (Eighteenth) Annual General Meeting ("AGM") of the Members of Northern Arc Capital Limited ("the Company") will be held on Tuesday, August 18, 2026 at 11.30 a.m. (IST) through Video Conferencing ("VC")/ Other Audio-Visual Means ("OAVM") and the deemed venue is registered office of the Company to transact the following businesses:

ORDINARY BUSINESSSES:

- To receive, consider and adopt the Audited Standalone and Consolidated Financial Statements of the Company for the financial year ended March 31, 2026, together with the Reports of the Board of Directors and the Auditors thereon;**

To Consider and if thought fit, to pass the following resolution with or without modification(s), as an **Ordinary Resolution**.

"RESOLVED THAT the audited standalone and consolidated financial statements of the Company for the financial year ended March 31, 2026, together with the Board's Report and the Auditor's Report thereon, as circulated to the Members, be and are hereby received, considered and adopted."

- Appointment of Mr. Vijay Nallan Chakravarthi (DIN: 08020248), as a director, liable to retire by rotation.**

To consider and if thought fit, to pass the following resolution, with or without modification(s), as an **Ordinary Resolution**:

"RESOLVED THAT in accordance with the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Mr. Vijay Nallan Chakravarthi (DIN: 08020248), who retires by rotation at this meeting and being eligible has offered himself for re-appointment, be and is hereby appointed as a Director of the Company."

- Appointment of M/s. R. Subramaniyan and Company LLP (FRN: 004137S / S200041) as the Joint Statutory Auditors of the Company and fixing of remuneration.**

To consider and if thought fit to pass with or without modification(s) the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to section 139, 141 and 142 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), as may be applicable and the Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) dated April 27, 2021 and based on the recommendation of the Audit Committee and approval of Board of Directors of the Company, M/s. R. Subramaniyan and Company LLP, Chartered Accountants, (Firm Registration Number : 004137S / S200041 be and is hereby appointed as Joint Statutory Auditors of the Company along with the existing Statutory Auditors M/s. Walker Chandio & Co. (Firm Registration Number: 001076N/N500013), to hold office for period of three (3) consecutive years commencing from the conclusion of this 18th Annual General Meeting until the conclusion of 21st Annual General Meeting to be held in the financial year 2029-30, on such remuneration as may be decided by the Board of Directors in consultation with the Joint Statutory Auditors of the Company.

RESOLVED FURTHER THAT the Board of directors including any of its committee thereof, be and is hereby empowered and authorized to take such steps, in relation to the above and to do all such acts, deed, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution."

SPECIAL BUSINESSSES:

- To approve Creation of charges on the assets of the Company under Section 180(1)(a) of the Companies Act, 2013.**

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT in supersession of the resolutions passed by the Members at the 17th Annual General Meeting held on August 25, 2025, and pursuant to the provisions of Section 180(1)(a) of the Companies Act, 2013 ("the Act") and all other applicable provisions of the Act and any rules made thereunder or any other law for the time being in force (including any statutory modification or amendment(s) thereto or re-enactment(s) thereof for the time being in force) and in terms of the Memorandum and Articles of Association of the Company, consent of the Members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any committee which the Board may constitute to exercise its powers including the power conferred under this resolution) to create a charge, mortgage, lien, pledge, hypothecate or any other form of security interest of any nature or in any kind in addition to the existing charge(s), mortgage(s), lien(s), pledge(s) or hypothecation(s) or any other form of security interest of any nature created by the Company on all or any of the movable and/or immovable properties and assets of the Company including book debts and receivables of the Company both present and future and in such manner as the Board may deem fit together with the power to take over the whole or substantially the whole of the undertaking of the Company in favour of Banks, Non-Banking Financial Companies, Financial Institutions, Mutual Funds, Trusts, Debenture holders (or debenture trustee or any other person acting on their behalf), Bodies Corporate or any other investing entities and providers of credit and debt facilities to secure the loans /financial facility/borrowings / credit/debt facilities obtained or as may be obtained, or Debentures/Bonds and

other instruments issued or to be issued by the Company (hereinafter collectively referred to as "Loans") provided that the total amount of Loans together with interest thereon, additional interest, and all other monies payable by the Company in respect of the said Loans for which the charge is to be created, shall not at any time exceed INR 17,000 Crores (Rupees Seventeen Thousand Crores Only).

RESOLVED FURTHER THAT the Board be and is hereby authorized to finalize, settle and execute such documents, deeds, writings and agreements as may be required and to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper, or desirable and to resolve any question, difficulty or doubt that may arise in relation thereto or otherwise considered by the Board to be in the best interest of the Company."

- To approve 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.**

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT in supersession of the resolution passed by the Members at the 17th Annual General Meeting held on August 25, 2025 and pursuant to the provisions of Section 180(1)(c) of the Companies Act, 2013 ("the Act") and all other applicable provisions of the Act and any rules made there under, or any other law for the time being in force (including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force) and in terms of the Memorandum and Articles of Association of the Company, the Consent of the Members of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any Committee which the Board may constitute to exercise its powers including the power conferred under this resolution) of the Company to borrow

any sum(s) of money from time to time and for availing all kind of loans, advances, and credit facilities from various banks, financial institutions and/or other lenders and/or by way of issuance of debentures, bonds, commercial papers, external commercial borrowings, direct assignment and securitization transaction or such other debt instruments, (apart from temporary loans from the Company's bankers) with or without security, whether in India or outside India on such terms and conditions as may be considered suitable by the Board notwithstanding that money to be borrowed together with the money already borrowed by the Company (apart from temporary loans from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid-up share capital, free reserves and securities premium of the Company provided that the total amount so borrowed and outstanding at any time shall not exceed the sum of INR 17,000 Crores (Rupees Seventeen Thousand Crores only).

RESOLVED FURTHER THAT the Board be and is hereby authorized to finalize, settle and execute such documents, deeds, writings and agreements as may be required and to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper, or desirable and to resolve any question, difficulty or doubt that may arise in relation thereto or otherwise considered by the Board to be in the best interest of the Company.

6. To approve the Offer and Issue of Non-Convertible Debentures, in one or more tranches on a private placement basis.

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 42, 71 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debentures) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the applicable Directions issued by Reserve Bank of India from time to time, the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, the Securities and Exchange Board of India (Listing Obligations and

Disclosure Requirements) Regulations, 2015, as amended from time to time and in accordance with the Memorandum of Association and Articles of Association of the Company, and within the overall borrowing limits of the Company, the consent of the Members be and is hereby accorded to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any Committee which the Board may constitute to exercise its powers including the power conferred under this resolution) to offer, issue, create or invite subscriptions for all kind of Non-Convertible Debentures ("NCDs") which may be Listed/Unlisted, Secured, Unsecured, Rated, Redeemable, cumulative or non-cumulative, fixed rate or market linked and/or hybrid instruments in one or more series / tranches, aggregating up to INR 5,000 Crores (Rupees Five Thousand Crores only) to be issued during a period of one year from the date of approval of the Members at this Annual General Meeting to banks, any financial institutions, non-banking financial companies, Bodies Corporate, Mutual Fund, entity, foreign institutional investors, any other person or persons, domestic or foreign, or any other investors as permitted under applicable laws, on private placement basis on such terms and conditions as the Board may, from time to time, determine and consider proper and most beneficial to the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to any issue or allotment of Debentures of the Company, the Board be and is hereby authorized on behalf of the Company to take all such actions and do all such deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable or expedient and to settle any question, difficulties or doubts that may arise in this regard including but not limited to the offer, issue and allotment of debentures of the Company as it may in its absolute discretion deem fit and proper."

7. To approve the 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:

To consider and if thought fit, to pass the following resolution, with or without modification(s), as a **Special Resolution**:

"RESOLVED THAT pursuant to Section 149, 197, 198 and all other applicable provisions of the Companies Act, 2013 read with rules made thereunder and Regulation 17(6) (a) & (ca) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") including any statutory modification(s) or re-enactment(s) thereof for the time being in force and based on the recommendation of the Nomination and Remuneration Committee ("NRC") and the Board of Directors of the Company, consent of the members of the Company be and is hereby accorded in relation to revision in payment of remuneration by way of commission of INR 2.03 Crore (Rupees Two Crore and Three lakhs only) excluding sitting fees for attending the Board and Committee meetings for the FY 2026-27 to Mr. P S Jayakumar (DIN: 01173236) Non-Executive Independent Director and Chairperson of the Company, which is within the overall limit of 1% of the net profits of the Company computed in accordance with Sections 197 and 198 of the Companies Act, 2013 but exceeds fifty percentage of total annual remuneration to be payable to all non-executive directors of the company for the FY 2026-27 in accordance with Regulation 17(6) (ca) of Listing Regulations.

RESOLVED FURTHER THAT any of the Directors or Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things and settle all questions or difficulties that may arise with regard to the aforesaid resolution as it may deem fit including the filing of necessary forms and returns with the Registrar of Companies (RoC) and to execute any agreements, documents, instructions, etc. as may be necessary or desirable in connection with or incidental to give effect to the aforesaid resolution.

8. To approve the revision in the terms of managerial remuneration of Mr. Ashish Mehrotra (DIN: 07277318), Managing Director & Chief Executive Officer of the Company and to ratify the payment of Special Discretionary Payout.

To consider and if thought fit, to pass the following resolution, with or without modification(s), as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198 and all other applicable provisions of the Companies Act read with Schedule V and other applicable provisions of the Companies Act, 2013 ("the Act"), if any, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the enabling provisions of Articles of Association of the Company, based on the recommendation of the Nomination and Remuneration Committee ("NRC") and the Board of Directors of the Company, the consent of the members of the Company be and is hereby accorded to the revision in terms of the managerial remuneration of Mr. Ashish Mehrotra, Managing Director and Chief Executive Officer (DIN: 07277318) with effect from 01st April 2026 till the end of his tenure as given below:

Remuneration:

1. Fixed Pay - INR 6,05,00,000 (Indian Rupees Six Crore and Five Lakh only) per annum.
2. Variable Pay - INR 3,52,12,502 (Indian Rupees Three Crore Fifty-Two Lakh Twelve Thousand Five Hundred and Two only) per annum.
80% of Variable pay will be paid in FY 2026-27 and remaining 20% deferred over One year.
3. Special Discretionary Payout - INR 2,10,00,000 (Indian Rupees Two Crore Ten Lakh only)
4. PF & Perquisites - Contribution to Provident Fund in accordance with the applicable laws and company policy and other perquisites.

Perquisites:

1. The Company to reimburse, on a monthly basis, all reasonable travelling, entertainment and other out of pocket expenses on an actual basis as per Company policy and usage of Company provided Car, Club membership coverage under Company's Group Medical Insurance, Group Life Insurance and Personal Accident Insurance as per Company policy, as applicable to all the employees of the Company, from time to time.

2. Perquisite value of stock options exercised as per the provisions of the Income Tax Act.

RESOLVED FURTHER THAT the above remuneration is subject to total managerial remuneration payable to all the director(s) including the Managing Director of the Company taken together in any financial year shall not exceed the limit of 11% of net profit of the Company as prescribed under Section 197 of the Act read with rules made thereunder or other applicable provisions or any statutory modifications thereof.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 197(9) and 197(10) read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the rules made thereunder (including any statutory modification(s) or re enactment(s) thereof for the time being in force), and pursuant to the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors, the consent of the members of the Company be and is hereby accorded to ratify the payment of Special Discretionary Payout aggregating to INR 2,10,00,000/- (Rupees Two Crore and Ten Lakh Only) to Mr. Ashish Mehrotra (DIN: 07277318), Managing Director & Chief Executive Officer of the Company, which is in excess of the remuneration previously approved by the members at the 17th Annual General Meeting held on August 25, 2025.

RESOLVED FURTHER THAT save and except as aforesaid, all other terms and conditions of appointment of Mr. Ashish Mehrotra (DIN: 07277318) as Managing Director and Chief Executive Officer of the Company passed by the members at the 05th (2021-22) Extra-Ordinary General Meeting of the Company held on March 26, 2022 shall continue to remain in force and effect.

RESOLVED FURTHER THAT any of the Directors or Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things and settle all questions or difficulties that may arise with regard to the aforesaid resolution as it may deem fit including the filing of necessary forms and returns with the Registrar of Companies (RoC) and to execute any agreements, documents, instructions, etc.

as may be necessary or desirable in connection with or incidental to give effect to the aforesaid resolution."

9. Change in Mode of Implementation of Northern Arc Employee Stock Option Plan 2016 and the ESOP Schemes from Trust Route to Direct Route and amendments made thereto.

To consider and, if thought fit, to pass, the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 62(1)(b) and other applicable provisions of the Companies Act, 2013 ("Act") read with Rule 12(5) of the Companies (Share Capital and Debentures) Rules, 2014, and in accordance with Regulation 3(1) and all other applicable regulations of Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("SEBI SBEB & SE Regulations"), and such other laws, rules and regulations (including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof, for the time being in force) as may be applicable ("Applicable Laws"), the relevant provisions of the Memorandum of Association and Articles of Association of the Company and subject to such other approvals, consents, permissions and sanctions as may be necessary from the appropriate authorities or bodies and subject to such conditions and modifications as may be prescribed or imposed by the relevant authorities, and pursuant to the recommendations of the Nomination and Remuneration Committee ("NRC") and the Board of Directors of the Company ("Board"), consent of the Members of the Company be and is hereby accorded to amend the Northern Arc Employee Stock Option Plan 2016 ("ESOP Plan") which includes the following Employee Stock Option Schemes:

- (i) Northern Arc Employee Stock Option Scheme 2016 – Scheme– I,
- (ii) Northern Arc Employee Stock Option Scheme 2016 – Scheme II,
- (iii) Northern Arc Employee Stock Option Scheme 2023 – Scheme– II B,

- (iv) Northern Arc Employee Stock Option Scheme 2018 – Scheme– III,
- (v) Northern Arc Employee Stock Option Scheme 2022 –Scheme– IV and
- (vi) Northern Arc Employee Stock Option Scheme 2023 – Scheme– IVB

(collectively, the "ESOP Schemes"), so as to change the mode of implementation and administration of the ESOP Plan and ESOP Schemes from the existing structure of Trust route through the Northern Arc Employee Welfare Trust ("Trust") to the Direct route, whereas equity shares of the Company shall be allotted to the eligible employees of the Company or its subsidiary companies upon exercise of their stock options in accordance with the terms and conditions of the ESOP Plan and the respective ESOP Schemes.

RESOLVED FURTHER THAT the Board of Directors and the Nomination Remuneration Committee be and is hereby authorised on behalf of the Company to:

- a) nominate one or more representatives of the Company to execute all agreements, deeds, undertakings, applications, filings and other documents.
- b) make requisite filings, disclosures and intimations to SEBI, Stock Exchanges, Depositories, Registrar of Companies, RBI (if required) and any other statutory authority.
- c) settle any question, difficulty or doubt arising in connection with the transition from Trust Route to Direct Route; and
- d) generally, do all such acts, deeds, matters and things as may be necessary, expedient or desirable for the purpose of giving effect to this resolution.

RESOLVED FURTHER THAT any Director or Key Managerial Personnel of the Company be and is hereby authorised to certify a copy of this resolution and issue the same to all concerned authorities and stakeholders, as may be required."

By order of Board of Directors
For **Northern Arc Capital Limited**

Prakash Chandra Panda
Company Secretary & Compliance Officer

Date: July 10, 2026
Place: Chennai

NOTES:

- Pursuant to the General Circular No. 03/2025 dated September 22, 2025, issued by the Ministry of Corporate Affairs (MCA) and other applicable circulars and notifications issued (including any statutory modifications or re-enactment thereof for the time being in force and as amended from time to time, companies are allowed to hold EGM/ AGM through Video Conferencing (VC) or other audio visual means (OAVM), without the physical presence of members at a common venue. In compliance with the said circulars, AGM shall be conducted through VC/OAVM.
- Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting.
- The explanatory statement as required under section 102 of the Companies Act, 2013 ("the Act") setting out all material facts and reasons for the resolution item(s) is annexed to this AGM notice. Additional information for items 3, 7 and 8 as required under Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Secretarial Standards -2 ("SS-2") is annexed to this AGM Notice.
- The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
- The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

- Members attending the AGM through VC / OAVM should note that those who are entitled to vote but have not exercised their right to vote by remote E-voting, may vote during the AGM through E-voting for the business items specified in the Notice. The Members who have exercised their right to vote by remote E-voting may attend the AGM but cannot vote again.
- Voting rights shall be reckoned on the paid-up value of the shares registered in the name of Members / list of beneficial owners maintained by National Securities Depository Limited ("NSDL") and CDSL (NSDL and CDSL collectively referred as "Depositories") as on the cut-off date i.e., Wednesday, August 12, 2026 ("cut-off date").
- Any person who becomes a Member of the Company after sending of the Annual Report and holding shares as on the cut-off date shall also follow the procedure stated herein. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only.
- In case of joint holders, only such joint holder who is higher in the order of names will be entitled to vote during the AGM.
- Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) the Secretarial Standard on General Meetings (SS-2) issued by the ICSI and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs from time to time, the Company is providing facility of remote e-Voting to its Members in respect of the businesses to be transacted at the AGM. For this purpose, the Company has appointed National Securities Depository Limited (NSDL) as the authorized agency for facilitating voting through electronic means. The facility of casting votes by a member using remote e-Voting system as well as e-voting on the date of the AGM will be provided by NSDL.
- In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at <https://www.northernarc.com/>. The Notice can also be accessed from the websites of the Stock Exchanges i.e.

BSE Limited and National Stock Exchange of India Limited at <https://www.bseindia.com/> and <https://www.nseindia.com/> respectively and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. <https://www.evoting.nsdl.com/>

- Inspection of documents:** In accordance with the MCA circulars, following registers along with other documents referred in the Notice will be made accessible for inspection through electronic mode and shall remain open and be accessible to any member during the continuance of the meeting:
 - Register of contracts or arrangements in which directors are interested under Section 189 of the Act.
 - Register of directors and key managerial personnel and their shareholding under Section 170 of the Act.
 - Certificate from Secretarial Auditor of the Company certifying that the Employee Stock Option Scheme of the Company is being implemented in accordance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.
 - Copy of Articles of Association.
- Since the meeting will be conducted through VC/OAVM facility, the route map is not annexed to this Notice.
- Mr. N. A. Srinivasan FCS: 7257 and Advocate Registration Number: 2065/2006, Designated Partner, failing him Mrs. Jamuna Suresh ACS: 74911, from M/s. Genicon Legal LLP, Advocates and Advisors Firm is appointed as Scrutiniser to scrutinise the remote e-voting and e-voting during the meeting in a fair and transparent manner and they have communicated their willingness to be appointed and will be available for the said purpose. The Scrutiniser's decision on the validity of the votes cast through remote e-voting and e-voting during the meeting shall be final. The Scrutiniser shall after the conclusion of voting at the AGM, will collate the votes downloaded from the e-Voting system and the votes cast at the AGM through e-voting for all resolutions set forth in the Notice convening the AGM. On completion of the Scrutiny, the Scrutiniser will submit his report to the Chairman or in his absence, to the Managing

Director of the Company, who shall counter sign the same and declare the results of the voting. The Results of the resolutions stated in the Notice shall be declared within two working days from the conclusion of AGM of the Company and the resolutions will be deemed to be passed on the AGM date subject to receipt of the requisite number of votes in favour of the resolutions. The results declared along with the report of the Scrutiniser shall be made available on the website of the Company and on the website of NSDL immediately after the declaration of results by the Chairman. The results shall also be immediately forwarded to the Stock Exchanges where the Company's equity shares are listed.

- AGM will be convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular issued from time to time.
- Members are requested to note that dividend(s) if not encashed for a period of 7 years, from the date of transfer to the unclaimed dividend account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). The unpaid dividend details are available on Company's website at <https://www.northernarc.com/assets/uploads/files/unclaimed-dividends.pdf>. In view of the above, Members are requested to encash their dividend/s, within the stipulated timeline. The shareholders whose dividend transferred to IEPF can claim the same from IEPF Authority by submitting an online Form IEPF – 5.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-

The remote e-voting period begins on Friday, August 14, 2026 at 9.00 AM [IST] and ends on Monday, August 17, 2026, at 5.00 pm [IST]. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Beneficial Owners as on the record date (cut-off date) Wednesday, August 12, 2026, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Wednesday, August 12, 2026.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

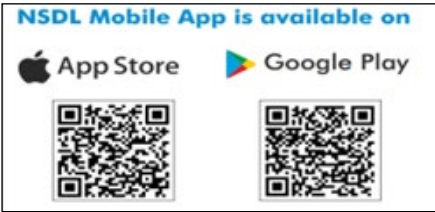
Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1. For OTP based login you can click on https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp. You will have to enter your 8-digit DP ID,8-digit Client Id, PAN No., Verification code and generate OTP. Enter the OTP received on registered email id/mobile number and click on login. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 3. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 4. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 5. Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience.



Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password. 2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.com or call at 022 - 4886 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800-21-09911

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.

2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.

3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsd.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***.

5. Password details for shareholders other than Individual shareholders are given below:
- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
- (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
- (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
- a) Click on "Forgot User Details/ Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsd.com.
- b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsd.com.
- c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.com mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
- d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

- After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
- Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
- Now you are ready for e-Voting as the Voting page opens.
- Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
- Upon confirmation, the message "Vote cast successfully" will be displayed.
- You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

- Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to nas@geniconlegal.com with a copy marked to evoting@nsdl.com. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.

- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsd.com to reset the password.

- In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsd.com or call on: 022 - 4886 7000 or send a request to Ms. Pallavi M, Senior Manager at evoting@nsdl.com

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

- In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to cs@northernarc.com.
- In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to CS@NorthernARC.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.
- Alternatively shareholder/members may send a request to evoting@nsdl.com for procuring user id and password for e-voting by providing above mentioned documents.
- In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories

and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE EGM/AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the EGM/AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the EGM/AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the EGM/AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the EGM/AGM. However, they will not be eligible to vote at the EGM/AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the EGM/AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE EGM/AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the EGM/AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM" placed under "Join meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten

the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at cs@Northernarc.com. The same will be replied by the company suitably.
6. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at cs@northernarc.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at cs@northernarc.com. These queries will be replied to by the company suitably by email.
7. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

EXPLANATORY STATEMENT

(Under Section 102 of The Companies Act, 2013 and Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

Item No. 3: Appointment of M/s. R. Subramaniyan and Company LLP (FRN: 004137S / S200041) as the Joint Statutory Auditors of the Company and fixing of remuneration.

Pursuant to the Guidelines for Appointment of Statutory Central Auditors (SCAs) / Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), Urban Co operative Banks and Non Banking Financial Companies (including Housing Finance Companies) dated April 27, 2021, issued by the Reserve Bank of India ("RBI Guidelines"), Non Banking Financial Companies having an asset size of ₹15,000 crore and above, as at the end of the immediately preceding financial year, are mandatorily required to appoint Joint Statutory Auditors, with the statutory audit to be conducted by a minimum of two audit firms. As per the audited financial statements of the Company for the financial year ended March 31, 2026, the asset size of the Company exceeded the said threshold, thereby attracting the requirement for joint audit under Paragraph 4.1 of the RBI Guidelines. Further, as per the provisions of the RBI Guidelines, the statutory auditors can be appointed for a continuous period of 3 years and thereafter they are not eligible for re-appointment for a period of 6 years.

The Members of the Company, at the Sixteenth Annual General Meeting held on December 19, 2024, had approved the appointment of M/s. Walker Chandiok & Co LLP, Chartered Accountants (ICAI Firm Registration No. 001076N/N500013), as Statutory Auditors of the Company for a term of three consecutive years, commencing from the conclusion of the Sixteenth AGM up to the conclusion of the Nineteenth AGM of the Company, at such remuneration as may be mutually agreed between the Board of Directors and the Auditors. In view of the Company crossing the asset

size threshold prescribed under the RBI Guidelines for the financial year ended March 31, 2026, and in order to ensure compliance with the applicable regulatory requirements, the Audit Committee and the Board of Directors, at their respective meetings held on July 10, 2026, considered and recommended the appointment of M/s. R. Subramaniyan and Company LLP, Chartered Accountants (Firm Registration number: 004137S / S200041), as Joint Statutory Auditors of the Company, to hold office from the conclusion of the Eighteenth AGM till the conclusion of the Twenty First AGM of the Company.

M/s. R. Subramaniyan and Company LLP (FRN: 004137S / S200041) have confirmed their eligibility for appointment as Statutory Auditors of the Company in terms of Section 141 of the Companies Act, 2013, read with the applicable rules made thereunder, and have also confirmed their eligibility for appointment as Joint Statutory Auditors in accordance with the RBI Guidelines. The firm holds a valid Peer Review Certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India. M/s. R. Subramaniyan and Company LLP (FRN: 004137S / S200041) have further confirmed that their appointment, if approved by the Members, will be within the limits prescribed under Section 144 of the Companies Act, 2013, read with the RBI Guidelines and other applicable regulatory provisions.

A brief profile of M/s. R. Subramaniyan and Company LLP (FRN: 004137S / S200041), proposed Joint Statutory Auditors of the Company, is provided below:

M/s. R. Subramanian and Company LLP (FRN: 004137S / S200041) is a firm of Chartered Accountants founded by Mr. R Subramanian in 1974 and operates from its registered office in Chennai and has presence in Bangalore and Delhi.

Pursuant to Regulation 36(5) of SEBI Listing Regulations, the following details are mentioned below for the information of Members:

S. No.	Particulars	Details
1.	Proposed statutory audit fee payable to auditors	The statutory audit fee shall be determined by the Board of Directors in consultation with M/s. R. Subramaniyan and Company LLP (Firm Registration No. 004137S/S200041), the proposed Joint Statutory Auditors of the Company.
2.	Terms of appointment	M/s. R. Subramaniyan and Company LLP (FRN: 004137S / S200041) is proposed to be appointed as the Joint Statutory Auditors of the Company, for a period of three consecutive years commencing from the conclusion of the ensuing 18 th Annual General Meeting till the conclusion of the 21 st Annual General Meeting of the Company, subject to the approval of the Members at the ensuing AGM.
3.	Material change in fee payable to statutory auditor from that paid to the outgoing auditor and rationale for such change	Not Applicable
4.	Basis of recommendation and auditor credentials	The recommendations are based on the fulfillment of the eligibility criteria prescribed by RBI guidelines and the Companies Act, 2013 with regard to the full-time partners, statutory audit experience, capability, independence assessment, audit experience of banks and NBFCs.

The Board of Directors recommends the Ordinary Resolution as set out in Item No. 3 of this Notice for approval by the members.

None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in this resolution.

Item No. 4 & 5: To approve Creation of charges on the assets of the Company under Section 180(1)(a) of the Companies Act, 2013 and to approve 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.

In terms of provisions of Section 180(1)(c) of the Act, the Board cannot, except with the consent of the Company in a general meeting by way of a special resolution, borrow monies (apart from temporary loans obtained from the Company's bankers in the ordinary course of business), in excess of the aggregate of the paid up capital, free reserves and securities premium of the Company. At 17th Annual General Meeting held on August 25, 2025, the shareholders had passed a special resolution under Section 180 (1) (c) of the Act empowering the Board to borrow up to Rs. 15,000 crores which is in excess of the paid-up capital, free reserves and securities premium of the Company as of March 31, 2025.

In order to further expand its business and to meet the loan disbursements and keeping in view of the Company's existing and future financial requirements and to support its business operations, the Board may have to resort to various borrowing options and for which it is proposed to enhance the borrowing limits from INR 15,000 crores to INR 17,000 Crores.

In terms of provisions of Section 180(1)(a) of the Companies Act, 2013, the Board of Directors of a Company shall only with the consent of the members by way of Special Resolution in a General Meeting can sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company. The borrowings of the Company may be secured by way of creation of charge, mortgage, lien, pledge, hypothecation or any other form of security interest of any nature on the Company's assets whether movable and immovable properties and assets including book debts and receivables both present and future, in favour of Banks, Non-Banking Financial Companies, Financial Institutions, Mutual Funds, Trusts, Debenture holders (or debenture trustee or any other person acting on their behalf), other Body Corporates and providers of credit and debt facilities to secure the loans /financial facility/ borrowings / credit /debt facilities obtained or as may be obtained, or Debentures/Bonds and other instruments issued or to be issued by the Company (hereinafter collectively referred to as "Loans") However, the total amount

of Loans together with interest thereon, additional interest, and all other monies payable by the Company in respect of the said Loans for which the charge is to be created, shall not, at any time exceed INR 17,000 Crores.

The creation of said charge, mortgage, lien, pledge, hypothecation or any other form of security interest of any nature on the Company's assets is considered to be the disposal of all or any part of the Company's undertakings, for the said borrowings and would attract the provisions of the said Section 180(1)(a) of the Companies Act, 2013.

Accordingly, the Board has at its meeting held on May 08, 2026, subject to the approval of the Members of the Company, approved the aforesaid proposal for enhancing the limit of borrowings under Section 180 (1)(c) of the Act together with creation of such charge, mortgage, pledge, hypothecation, assignment or otherwise on the Company's assets under 180(1)(a) of the Act for an amount not exceeding INR 17,000 Crore.

None of the Directors and Key Managerial Personnel of the Company and their relatives, in any way, are concerned or interested, financially or otherwise, in this resolution. The Board recommends the Resolution set out at Item No. 4 and 5 of the Notice for approval of the Members as a Special Resolution.

The Board recommends the Resolutions set out at Item No. 4 and 5 of the Notice for approval of the Members as Special Resolutions.

Item No. 6 - To approve the Offer and Issue of Non-Convertible Debentures, in one or more tranches on a private placement basis.

Pursuant to the provisions of Section 42 of the Act, read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Company can issue securities including Non-convertible Debentures (NCDs) on a private placement basis subject to the condition that the proposed offer of securities or invitation to subscribe to the securities has been previously approved by the Members of the Company, by means of a special resolution, for each of the offer or invitation. In case of an offer or invitation for NCDs, it shall be sufficient if the Company passes a special resolution only once in a year for all the offer(s) or invitation(s) to subscribe to such NCDs on a private placement basis, during a period of 1 (one) year from the date of passing of the special resolution.

In view of the above requirement, the Members of the Company at the 17th Annual General Meeting held on 25th August 2025 had approved the raising of funds by issue of NCDs on private placement basis pursuance of the relevant provisions of the applicable laws and circulars and guidelines issued by the Reserve Bank of India (RBI), up to an amount not exceeding INR 5,000 crore (Rupees Five Thousand crore only), for a period of 1 (one) year from the date of passing of the special resolution, in one or more series/ tranches.

The Company has a plan to raise additional funding through NCDs issuances to the tune of INR 5,000 crore in the next 12 months in one or more tranches.

Accordingly, the funds will be utilized to augment resources for on-lending by the Company, repayment/ refinance of existing debt, working capital requirement, investments, general corporate purposes and to facilitate the Company to evaluate a potential fund raising at an appropriate time in one or more tranches in India as well as overseas market by issue of NCDs, consent of the Members of the Company is sought in connection with the aforesaid issue of listed/unlisted, secured/unsecured/ subordinated/ unsubordinated/ senior, rated/ unrated, redeemable (including market linked debentures) cumulative/ non-cumulative NCDs and they are requested to authorise the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any Committee which the Board may constitute to exercise its powers including the power conferred under this resolution) to issue such NCDs up to INR 5,000/- crore (Rupees Five Thousand Crore only), in one or more series/ tranches on a private placement basis within the limits permitted by the RBI and other regulatory authorities, if any, to the eligible investors, during a period of 1 (one) year from the date of this special resolution.

The said NCDs would be issued by the Company in accordance with the applicable statutory guidelines, for cash either at par or premium to face value depending upon the prevailing market conditions and the issue price of such securities depends upon various factors which may include prevailing rates, competitor rates of similar rating and prevailing regulations.

Furthermore, the offer shall be made to such persons as identified under Section 42 of the Companies Act, 2013, on such terms and conditions including the price, coupon, par/ premium/ discount, tenor etc., as

may be determined by the Board, in the prevailing market conditions as permitted by the relevant applicable regulations.

The Board of Directors of the Company, vide its resolution passed at the meeting held on May 08, 2026, has proposed the said issuance of NCDs on private placement basis, subject to approval of the Members.

None of the Directors, Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested in the resolution.

The Board of Directors of the Company recommends the resolution set out as Item No. 6 of this Notice for approval by the Members as a Special Resolution.

Item No. 7: 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.

The shareholders of the Company, at the Extra-Ordinary General Meeting held on September 13, 2023, approved the re-appointment of Mr. P. S. Jayakumar as a Non-Executive Independent Director of the Company for a second term of five consecutive years, commencing from October 15, 2023, and ending on October 14, 2028. In accordance with the provisions of the Companies Act, 2013, Mr. Jayakumar shall not be liable to retire by rotation during this term.

Further, the Company benchmarked the remuneration practices against companies with sound corporate governance, operating in similar sectors and of comparable market capitalization. Taking into account the recommendations of the Nomination and Remuneration Committee ("NRC"), the Board considered the extensive experience, deep industry knowledge, and strategic insights of Mr. Jayakumar. His proven ability to address complex business challenges, provide forward-looking leadership, and actively participate in Board and Committee deliberations has positively impacted the Company's overall performance and governance framework.

The NRC has reviewed various factors including the Company's business and financial performance, the responsibilities and oversight undertaken by Mr. Jayakumar, the time devoted by him to Board and Committee meetings, and the outcomes of his

performance evaluation. Based on these, and upon recommendation of the NRC, the Board of Directors vide resolution dated July 10, 2026 approved and recommended to the shareholders, the payment of a revised commission to Mr. P. S. Jayakumar, in his capacity as Non-Executive Independent Director and Chairperson, amounting to INR 2.03 Crore (Rupees Two Crore Three Lakhs only) being 0.5% of the net profits of the Company calculated in accordance with the provisions of Section 198 of the Companies Act, 2013 payable for the financial year 2026-27. This amount is exclusive of the sitting fees payable for attending meetings of the Board and its Committees.

Pursuant to Regulation 17(6) (ca) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, if the annual remuneration payable to a single Non-Executive Director exceeds 50% of the aggregate remuneration payable to all Non-Executive Directors, the same requires approval of shareholders through a special resolution. Since the proposed commission to Mr. P. S. Jayakumar exceeds this threshold for the financial year ending March 31, 2026, the Board seeks the approval of the shareholders by way of a special resolution.

Except Mr. P S Jayakumar none of the Directors, Key Managerial Personnel of the Company and their relatives is in any way concerned or interested, financial or otherwise, in the said resolution.

The Board of Directors recommends the resolution as set out as Item No. 7 of this Notice for approval of Members as a Special Resolution.

Item No. 8: Revision in the terms of managerial remuneration of Mr. Ashish Mehrotra (DIN: 07277318), Managing Director & Chief Executive Officer of the Company and to ratify the payment of Special Discretionary Payout.

The Members of the Company at the 5th (2021- 22) Extra-Ordinary General Meeting of the Company held on March 26, 2022, had approved the appointment and payment of remuneration to Mr. Ashish Mehrotra (DIN: 07277318) as the Managing Director & Chief Executive Officer with effect from April 01, 2022 to March 31, 2027 on the terms and conditions of remuneration payable to him. 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.

Upon recommendation of the Nomination and Remuneration Committee, the Board of Directors at its meeting held on July 10, 2026 had reviewed the performance of the Managing Director & Chief Executive Officer and, based on such evaluation, recommended a revision in his remuneration, on the grounds as detailed below:

Mr. Ashish Mehrotra plays a pivotal role in the overall leadership and management of the Company and its group entities. Under his leadership, lending AUM of the Company expanded to INR 16,594 crore, reflecting a strong 22% YoY growth. The distribution footprint was strengthened with 432 branches, adding 72 new branches during the year at the Northern Arc group level, enabling deeper market penetration and improved accessibility. The Net Interest Income rose to INR 1,377 crore, delivering a 20% YoY growth, reflecting improved yield management and balance sheet optimization. The Profit After Tax surged to INR 406 crores, marking an exceptional 33% YoY growth, demonstrating the success of strategic initiatives and operating leverage. Credit cost reduced to 2.8%, improving by -42 basis points YoY. The Company achieved a Return on Assets (RoA) of 2.8% improving by 34 basis points YoY, Return on Equity increased by 110 bps YoY to 11.1% for FY26, Gross NPA ratio improved to 1.2% and Net NPA ratio improved to 0.6% as on March 31, 2026, highlighting efficient capital utilization and strong earnings quality during the year 2025-26.

Based on the achievements, the Nomination and Remuneration Committee has recommended the revision in remuneration for Mr. Ashish Mehrotra, the Board of Directors had approved and accordingly recommends the revision in the terms of remuneration payable to Mr. Ashish Mehrotra, effective from April 01, 2026 till the end of his tenure as follows:

Remuneration:

- Fixed Pay** - INR 6,05,00,000 (Indian Rupees Six Crore Five Lakh only) per annum.
- Variable Pay** - INR 3,52,12,502 (Indian Rupees Three Crore Fifty-Two Lakh Twelve Thousand Five Hundred and Two only) per annum.

80% of Variable pay will be paid in FY 2026-27 and remaining 20% deferred over One year.

3. Special Discretionary Payout - INR 2,10,00,000 (Indian Rupees Two Crore Ten Lakh only) for FY 2026-27.

4. PF & Perquisites - Contribution to Provident Fund in accordance with the applicable laws and company policy and other perquisites

Perquisites:

- The Company to reimburse, on a monthly basis, all reasonable travelling, entertainment and other out of pocket expenses on an actual basis as per Company policy and usage of Company provided Car, coverage under Company's Group Medical Insurance, Group Life Insurance and Personal Accident Insurance as per Company policy, as applicable to all the employees of the Company, from time to time.
- Perquisite value of stock options exercised, as per the provisions of the Income Tax Act.

Employee Stock Option (ESOP):

Grant of 1,50,000 ESOPs at INR 249/- per share, calculated based on the Weighted Average (WAP) closing price of the Company's shares over the 14 days preceding the cut-off date of May 05, 2026, and NRC approved a discount on the WAP.

Further, pursuant to the recommendation of the Nomination and Remuneration Committee, the Board of Directors, after due evaluation of the performance of Mr. Ashish Mehrotra, Managing Director & Chief Executive Officer, and taking into consideration his exemplary leadership, sustained value creation, and significant contribution to the Company's growth and strategic achievements, approved the grant of Special Discretionary Payout aggregating to INR 2,10,00,000/- (Rupees Two Crore and Ten Lakh Only) for the Financial Year 2025-26.

The aforesaid payment is in addition to the remuneration approved by the Members at the 17th Annual General Meeting held on August 25, 2025, and accordingly exceeds the limits previously approved by the members of the Company. In compliance with the provisions of Sections 197(9) and 197(10) read with Schedule V and other applicable provisions of the Companies Act, 2013, the Board of Directors of the Company, at its meeting held on July 10, 2026,

has recommended to the Members the ratification of the payment of Special Discretionary Payout of INR 2,10,00,000 (Rupees Two Crore Ten Lakh only) to Mr. Ashish Mehrotra, Managing Director & Chief Executive Officer of the Company.

The Board is of the considered view that the aforesaid Special Discretionary Payout is justified, prudent, and appropriately recognizes the exceptional contributions of Mr. Ashish Mehrotra while ensuring continued leadership stability and long term value creation for all stakeholders.

The Company, as of date, is not in default in payment of dues to any bank or public financial institution or non-convertible debenture holders or any other secured creditor, and accordingly, their prior approval is not required, for obtaining the approval of shareholders of the Company for the proposed special resolution.

Except Mr. Ashish Mehrotra none of the Directors, Key Managerial Personnel of the Company and their relatives is in any way concerned or interested, financial or otherwise, in the said resolution.

The Board of Directors recommends the resolution as set out as Item No. 8 in the Notice for approval of Members as a Special Resolution.

Item No. 9: Approval for Change in Mode of Implementation of Northern Arc Employee Stock Option Plan 2016 and the ESOP Schemes from Trust Route to Direct Route and amendments made thereto.

The Company operates an employee stock option framework under the Northern Arc Employee Stock Option Plan, 2016 (“ESOP Plan”) and Northern Arc Employee Stock Option Scheme 2016 – Scheme– I, Northern Arc Employee Stock Option Scheme 2016 – Scheme II, Northern Arc Employee Stock Option Scheme 2023 – Scheme– II B, Northern Arc Employee Stock Option Scheme 2018 – Scheme– III, Northern Arc Employee Stock Option Scheme 2022 –Scheme– IV and Northern Arc Employee Stock Option Scheme 2023 – Scheme– IVB (collectively, the “ESOP Schemes”) which have been formulated by the Nomination and Remuneration Committee (“NRC”) for the benefit of the eligible employees of the Company and/or Subsidiary Company, in India or outside India with an aim to encourage and motivate employees by strengthening and improving their

performance, thereby contributing to the overall growth of the Company.

The members of the Company at their Extraordinary General Meeting held on October 7, 2016 approved the adoption of the ESOP Plan for the benefit of the employees of the Company and subsequent amendments to the ESOP Plan were approved by the shareholders at their meetings held on 25th July 2018, 23rd May 2019, 25th May 2021, 13th September 2023, 26th October 2023 and 02nd July 2024.

The Company has extended the benefits of issuing the grants under Northern Arc Employee Stock Option Scheme 2016 – Scheme– I (Scheme I) and Northern Arc Employee Stock Option Scheme 2016 – Scheme– III (Scheme III) to the Eligible Employees of the Subsidiary Company, in India or Outside India, of the Company for which the Company had passed a Separate Resolution by the Shareholders in the EGM dated 07 October, 2016 (For Scheme I) and EGM dated 25 July 2018 (for Scheme III).

The shareholders pursuant the special resolution dated December 19, 2024 have ratified the ESOP Plan and ESOP Schemes, post its listing of equity shares to make any fresh grant which involves allotment or transfer of shares to the eligible employees of the Company.

Further, the Members by way of separate special resolution dated May 05, 2025 through postal ballot had approved the following resolutions:

- (i) Ratification of the implementation of ESOP Plan 2016 and ESOP Schemes through trust route and;
- (ii) Extension of the benefits under the ESOP Plan 2016 and ESOP Schemes to the eligible employees of subsidiary companies

Further, the Members by way of separate special resolution dated August 25, 2025 had approved the increase in the ESOP pool from 90,07,758 to 94,78,967 employee stock options (“ESOPs”) by the addition of 4,71,209 ESOPs.

Current proposal

The Company currently implements the ESOP Plan/ Schemes through the Northern Arc Employee Welfare Trust (the “Trust Route”). Based on the approval of NRC and the Board of Directors on July 10, 2026, the Company is hereby proposing to change the mode of implementation of the ESOP Plan and ESOP Schemes from the existing structure of administration through Trust route” to a Direct route, whereas the equity

shares of the Company shall be directly allotted and credited to the eligible employees of the Company or its subsidiary companies upon exercise of their stock options in accordance with the terms and conditions of the ESOP Plan and the respective ESOP Schemes, with consequential amendments to the ESOP Plan/ Schemes to reflect the implementation change. Under the SEBI SBEB & SE Regulations, company may change the mode of implementation (trust and direct routes) by special resolution, provided the change is not prejudicial to the interest of the employees.

The proposed change in the mode of implementing the ESOP Plan and the notified ESOP Schemes are due to the administrative burden associated with the trust route, especially post listing of Company’s equity shares. Under the existing trust route, upon exercise of vested options by eligible employees, the Company is required to issue and allot new equity shares to the trust each time, which subsequently transfers the shares to the concerned employees based on their individual requests.

Following the listing of equity shares, this process has become increasingly cumbersome and time-consuming administrative steps, including issue and allotment of shares to the Trust, corporate actions for allotment, obtaining trading approvals from stock exchanges, and finally completing the transfer process by the Trust to the employee’s demat accounts which leads to operational delays and roadblocks in the smooth execution of the ESOP allotment process, affecting the employees expectancy and overall ESOP Plan and ESOP Scheme efficiency.

In contrast, the direct implementation route is considered as simpler and operationally efficient, as it eliminates intermediary steps and reduces administrative overheads and more beneficial to employees including current option holders and future participants in the ESOP options as it significantly reduces the time required for equity shares to be credited to their demat accounts after exercising their vested options.

The key amendment to the ESOP Plan and the associated ESOP Schemes involves a change in the mode of implementation from the trust route to the direct route. In addition to this procedural change, the ESOP Plan and Schemes are also being amended, to remove clauses that are no longer relevant or applicable following the listing of the Company, and to eliminate lock-in restrictions that were imposed, prior to the listing.

The following amendments are aimed at aligning the ESOP Plan and ESOP Schemes with the regulatory and operational requirements applicable under Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021:

S No	Clause No	Existing Clause under the ESOP Plan	Modified Clause
1	5.2	Subject to Clause 19 below, the maximum number of Shares that may be issued pursuant to Exercise of Options granted to the Participants under this Plan shall not exceed the available pool. The Company reserves the right to increase or reduce such number of Shares as it deems fit.	Subject to Clause 19 of this Plan, the maximum number of Stock Options that may be granted and exercised by the Participants under this Plan shall not exceed 94,78,967 Options, being the available pool. Each Stock Option, upon exercise, shall entitle the Grantee to 1 (one) equity share of the Company.
2	12.2	The shares arising after the IPO of the Company, out of options granted under any scheme prior to its IPO to the Employees, shall be listed immediately upon exercise on all the recognised stock exchanges where the shares of the Company are listed subject to compliance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and wherever applicable, of regulation 12 of the SEBI SBEBSE Regulations. Upon listing of the Equity Shares of the Company pursuant to the IPO and prior to the grant of options pursuant to this Plan and the Notified Scheme(s), the Company shall in accordance with the SBEBSE Regulations obtain the in-principle approval of the recognized stock exchanges where it proposes to list the said Equity Shares.	Deleted
3	13A	13A. Liquidity and buyout options: 13A.1 Notwithstanding anything contained in this Plan or Scheme(s) made thereunder, the Committee shall have the powers to device specific program or programs for providing liquidity to employees through the buyout of one or more tranches of vested options at a fair market value or such other value as may be determined by the Committee. Such programs shall also be approved by the Board of Directors and shareholders in accordance with applicable laws and within the requirements under the ESOP Trust Deed or such modifications or annexures thereof. Such specific programs shall hereinafter be known as the “ESOP buyout program.” 13A.2 The ESOP buyout program may also include one or more methods of buying out of options which may be vested/ unvested/ exercised/ unexercised as the Committee may deem fit. 13A.3 In case of purchase of exercised shares from the Northern Arc Employee Welfare Trust (ESOP Trust), the Committee may authorize the grant of loans to the ESOP Trust of requisite amounts as may be deemed necessary by the Committee, subject to compliance with applicable laws. 13A.4 The ESOP buyout program shall at all times be in accordance with applicable laws.	Deleted and no longer required.

S No	Clause No	Existing Clause under the ESOP Plan	Modified Clause
4	15	Lock-in: The Shares allotted/ transferred pursuant to the Exercise of the Vested Options under Clause 12 above in accordance with any Notified Scheme(s) shall be subject to a lock-in as specified under the respective Scheme(s) unless the committee decides otherwise	The Shares allotted upon Exercise of Stock Options pursuant to this Plan shall not be subject to any lock-in, except as mandated by applicable laws. However, any sale or transfer of such shares shall be governed by the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time, and the Company's Code of Conduct for regulating, monitoring and reporting trading by designated persons of the Company as framed thereunder.
5	18	No existing Clause	Buy Back of shares: 18.1 The Company may, subject to the applicable provisions of the Companies Act, 2013, the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, SEBI (Buy-back of Securities) Regulations, 2018 (as amended), and other applicable laws, buy back specified securities (including shares arising from the exercise of Options) from existing or former employees or beneficiaries of the Plan or relevant Scheme(s). 18.2 Any such buy-back shall be undertaken only with the approval of the Board of Directors and, where required, the shareholders of the Company, in accordance with applicable legal and regulatory requirements. 18.3 The Committee shall, inter-alia formulate the detailed terms and conditions for due implementation of the Plan and the Notified Schemes which includes the procedure for buy-back of specified securities issued under the SEBI Regulations, if to be undertaken at any time by the Company, and the applicable terms and conditions – (i) permissible source of financing for buy-back; (ii) any minimum financial thresholds to be maintained by the Company as per its last financial statements; and (iii) limits upon quantum of specified securities that the Company may buy-back in a financial year.

S No	Clause No	Existing Clause under the ESOP Plan	Modified Clause
6	26.5	Drag-along rights: Subject to Clause 18, in the event of 'Corporate Action', and/ or strategic sale, the Board, acting in its absolute discretion with or without the consent or approval of the Participant/ Beneficiary, as it may deem fit, shall in respect of the Shares already acquired by the Participant/Beneficiary have a right but not an obligation to require the Participant/ Beneficiary to sell/ transfer all or part of the Shares to the acquirer or other entity as the case may be, subject to the provisions of the Companies Act, 1956, Companies Act, 2013 and other Applicable Laws, at the same price at which the Corporate Action and/ or strategic sale takes place. The Board shall give each Participant/ Beneficiary a written notice ("The Drag Along Notice") specifying details of the offer given by the acquirer or other entity as the case may be regarding the number of Shares which the Board proposes to transfer to the acquirer or other entity as the case may be. The terms and conditions of sale and the price offered by the acquirer or other entity as the case may be and terms and conditions shall be the same as those offered to the Board. The Drag Along Notice shall also specify the number of Shares the Board is obliged to transfer to the acquirer or other entity as the case may be. After receipt of the Drag Along Notice, each Participant/ Beneficiary shall, as and when called up on by the Board, transfer the number of Shares at the price and as per the terms mentioned in the Drag Along Notice.	Deleted and no longer required.
7	26.6	Tag-along rights: Subject to Clause 18 and provisions of the Companies Act, 1956, Companies Act, 2013 and other Applicable laws, in the event of Corporate Action or strategic sale, at any time, the Board proposes to sell the Shares of the Company to any person, any Participant/ Beneficiary, at his own discretion, has the right to offer his Shares acquired pursuant to Exercise of Options, to the acquirer or other entity as the case may be, as part of the said Corporate Action / strategic sale at the same price at which Corporate Action and / or strategic sale takes place. The board shall give each Participant/ Beneficiary, a written notice containing the name of the proposed acquirer or other entity as the case may be, the total number of Shares proposed to be sold to the acquirer or other entity as the case may be, the price and the other terms and conditions of the proposed sale, if any ("Tag Along Notice"). After receipt of the Tag Along Notice, each Participant/ Beneficiary shall, at their own discretion, may transfer the number of Shares at the price and as per the terms mentioned in the Tag Along Notice. The restrictions spelt out in 26.5 and 26.6 above, shall fall away upon listing of equity shares of the Company.	Deleted and no longer required.

These changes do not alter any other material terms and conditions of the ESOP Plan or Schemes, including the identified beneficiaries, vesting conditions, exercise price, exercise period, or any ESOP Options already granted to the employees.

In all ESOP schemes, the existing Exercise Price clause stands replaced with the following clause:

"The Exercise Price for the Options granted shall be the Fair Market Value (FMV) of the shares which shall be determined based on the average closing price of the Company's shares for the 14 days preceding the cut-off date (i.e., date of the meeting of Committee at which the grant is approved).

If such shares are listed on more than one stock exchange, then the stock exchange with the highest trading volume shall be considered.

Notwithstanding the above, the Committee may, at its discretion, determine an Exercise Price lower than the FMV, provided that the Exercise Price shall not be less than the face value of the equity shares."

The mode of change in implementation of the ESOP plan is procedural and compliance-driven in nature and does not adversely impact the rights or interests of the employees or members of the Company. The proposed amendments are not prejudicial to the interests of employees and do not affect the validity or terms of any ESOP Options already granted under the ESOP Plan.

Based on the recommendations and approval of the NRC, approval of the Board, subject to the approval of the members, it is proposed that the ESOP Plan and ESOP Scheme be amended. Draft of the ESOP Plan and ESOP Scheme with the proposed changes will be made electronically available for inspection and would be provided via email upon request, as specified in the notes to this Notice.

S No	Particulars	Details																		
a)	A brief description of the Scheme	The Company has formulated the ESOP Plan 2016 and ESOP Schemes with an aim to encourage and motivate its employees and employees of its subsidiaries (in or outside India) in strengthening and improving their performance, thereby contributing to the overall growth of the Company.																		
b)	The total number of options/ SARs, shares or benefits, as the case may be to be offered and granted.	<table><tr><th>S No</th><th>Particulars</th><th>No of options</th></tr><tr><td>1</td><td>Pool created</td><td>94,78,967</td></tr><tr><td>2</td><td>Total Options granted</td><td>87,75,700</td></tr><tr><td>3</td><td>Cancelled & lapsed Options (added back to pool)</td><td>62,38,195</td></tr><tr><td>4</td><td>Total Options allotted</td><td>25,55,005</td></tr><tr><td>5</td><td>Ungranted Options (to be granted)</td><td>7,05,267</td></tr></table>	S No	Particulars	No of options	1	Pool created	94,78,967	2	Total Options granted	87,75,700	3	Cancelled & lapsed Options (added back to pool)	62,38,195	4	Total Options allotted	25,55,005	5	Ungranted Options (to be granted)	7,05,267
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c)	Identification of classes of employees entitled to participate and be beneficiaries in the Scheme	(a) an employee as designated by the Company, who is exclusively working in India or outside India; (b) a director of the Company, whether a whole time director or not, including a non-executive director who is not a promoter or member of the promoter group, but at all times excluding an independent director of the Company; or (c) an employee, as described in clauses (a) or (b) above, of a group company including subsidiary company, in India or outside India but shall not include: (1) an employee who is a promoter or a person belonging to the promoter group; or (2) a director who either himself or through his relative or through any body corporate, directly or indirectly, holds more than 10% (ten percent) of the outstanding equity shares of the Company.																		
d)	Requirements of vesting and period of vesting	The vesting period under ESOP Schemes is as follows: <table><tr><th>ESOP Schemes</th><th>Minimum</th><th>Maximum</th></tr><tr><td>Scheme I</td><td>1 year</td><td>4 years</td></tr><tr><td>Scheme II and IIB</td><td>1 year</td><td>5 years</td></tr><tr><td>Scheme III</td><td>1 year</td><td>3 years</td></tr><tr><td>Scheme IV and IVB</td><td>1 year</td><td>4 years</td></tr></table>	ESOP Schemes	Minimum	Maximum	Scheme I	1 year	4 years	Scheme II and IIB	1 year	5 years	Scheme III	1 year	3 years	Scheme IV and IVB	1 year	4 years			
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S No	Particulars	Details										
e)	The maximum period within which the options/ SARs/ benefits shall be vested	The maximum period within which the options shall be vested: <table><tr><th>ESOP Schemes</th><th>Maximum</th></tr><tr><td>Scheme I</td><td>4 years</td></tr><tr><td>Scheme II and IIB</td><td>5 years</td></tr><tr><td>Scheme III</td><td>3 years</td></tr><tr><td>Scheme IV and IVB</td><td>4 years</td></tr></table>	ESOP Schemes	Maximum	Scheme I	4 years	Scheme II and IIB	5 years	Scheme III	3 years	Scheme IV and IVB	4 years
ESOP Schemes	Maximum											
Scheme I	4 years											
Scheme II and IIB	5 years											
Scheme III	3 years											
Scheme IV and IVB	4 years											
f)	Exercise price/ SAR price, purchase price or pricing formula	The Exercise Price of the Vested Options shall be determined in accordance with the ESOP Schemes under the ESOP Plan. The exercise price shall not be less than the face value of the shares of the Company.										
g)	Exercise period/ offer period and process of exercise / acceptance of offer	Exercise Period/Offer Period: “Exercise Period” means the time period after vesting within which the Participant/Beneficiary should exercise his right to apply for shares against the vested option in pursuance of the ESOP Plan and ESOP schemes. As per the ESOP Schemes, Exercise Period means the period of 8 years after vesting, subject to clause 13 of the Plan, unless the Board / committee decides otherwise; Process of exercise/acceptance of offer: The Participant alone can Exercise the Vested Options within the Exercise Period. A Vested Option shall be deemed to be validly exercised only when the Company/ Committee/ Board/ Trust or any other person ratified by the Company/ Committee/ Board/ Trust receives written and signed notice of Exercise Form from the Participant/ Beneficiary and the full payment of the Exercise Price, taxes (wherever arising) and any other sums due to the Company as per the Plan in respect of Exercise of the Option ('Aggregate Exercise Price').										
h)	The appraisal process for determining the eligibility of employees for the scheme(s).	To incentivize key employees who have been with the Company for a considerable period of time and contributed significantly towards the building of the Company. As per clause 5 of the Northern Arc Employee Stock Option Plan 2016: The Committee will decide the Employees eligible for Grant of Options under the Plan based on the eligibility criteria as may be decided by the Committee at its own discretion but not limited to the date of joining of the Employee with the Company, grade of the Employee, performance evaluation, period of service with the Company, criticality or any other criteria, as the Committee determines, in accordance with Applicable Law.										
i)	The maximum number of options, SARs, shares, as the case may be, to be offered and issued per employee and in aggregate, if any	Northern Arc Employee Stock Option Plan 2016 is applicable for all the ESOP Schemes. During any one year, no identified Employee(s) shall be granted Options equal to or exceeding 1% of the issued share capital excluding outstanding warrants and conversions (as understood under SEBI SBEB & SE Regulations) of the Company at the time of Grant of Options unless an approval from the shareholders is taken by way of special resolution in a General Meeting.										

S No	Particulars	Details
j)	Maximum quantum of benefits to be provided per employee under the Scheme	Northern Arc Employee Stock Option Plan 2016 is applicable for all the ESOP Schemes. During any one year, no identified Employee(s) shall be granted Options equal to or exceeding 1% of the issued share capital excluding outstanding warrants and conversions (as understood under SEBI SBEB & SE Regulations) of the Company at the time of Grant of Options unless an approval from the shareholders is taken by way of special resolution in a General Meeting. The maximum quantum of benefits that will be available to every Employee under the ESOP Schemes can be construed to be an amount equal to the appreciation in the value of the Company's equity shares determined as on the date of exercise of ESOP Options, on the basis of difference between the ESOP Options Exercise Price and the market price of the equity shares on the date of exercise of the ESOP Options.
k)	Whether the Scheme is to be implemented and administered directly by the Company or through a Trust	The mode of implementation of the Scheme is proposed to be changed from implementation through a Trust to direct implementation by the Company.
l)	Whether the Scheme involves a new issue of shares by the Company or secondary acquisition by the trust or both	The Plan involves only new issue of equity shares by the Company.
m)	The amount of loan to be provided for implementation of the Scheme by the Company to the trust, its tenure, utilisation, repayment terms, etc.	Not applicable.
n)	Maximum percentage of secondary acquisition that can be made by the Trust for the purposes of the Scheme	Not Applicable
o)	A statement to the effect that the company shall conform to the accounting policies specified in regulation 15 of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021	The Company follows and conforms to the applicable accounting policies issued by the Institute of Chartered Accountants of India from time to time and/ or accounting standards as per the Companies Act, 2013 and/ or Regulation 15 of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as applicable.
p)	The method which the Company shall use to value its options or SARs	Fair value of options is calculated by way of Black Scholes model taking into account the various factors like time value, interest rate, volatility, dividend yield, etc.

S No	Particulars	Details
q)	The following statement, if applicable: In case the company opts for expensing of share based employee benefits using the intrinsic value, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value, shall be disclosed in the Director's report and the impact of this difference on profits and on earnings per share (EPS) of the company shall also be disclosed in the Directors' report.	Not applicable
r)	Lock-in period, if any	The Equity shares allotted upon exercise of ESOP Options under the Plan are not subject to any lock in period.
s)	Terms & conditions for buyback, if any, of specified securities covered under these regulations	The Committee will determine the procedure for buyback of specified securities issued under these SEBI SBEB & SE Regulations, if to be undertaken at any time by the company, and the applicable terms and conditions.

None of the Directors, Key Managerial Personnel of the Company and their immediate relatives are in any way concerned or interested, financial or otherwise, in the said resolution except to the extent their shareholdings and the stock options that may be granted to any of them pursuant to the ESOP Plan and ESOP Schemes.

The Board of Directors recommends the resolution as set out as Item No. 9 in the Notice for approval of Members as Special Resolutions.

ANNEXURE A

Disclosure relating to Directors pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Clause 1.2.5 of the Secretarial Standards on General Meetings:

Name of Director	Vijay Nallan Chakravarthi	P S Jayakumar	Ashish Mehrotra
DIN	08020248	01173236	07277318
Date of birth/ (Age)	September 10, 1975 (50 Years)	April 08, 1962 (63 years)	February 11, 1969 (56 Years)
Date of first appointment on the Board	January 19, 2018	September 15, 2020	February 14, 2022
Expertise in specific functional Areas/ Experience	Has 20+ years of relevant experience, including 11 years of India private equity experience. Prior to Affirma Capital, Vijay was with Standard Chartered Private Equity since 2012 and has a strong track record of investing and generating exits at attractive returns. During his tenure with SCPE, Vijay has been involved with several of the fund's investments including Northern Arc, Varun Beverages, Fortis Healthcare, Cafe Coffee Day and Devadarshini	Three decades of extensive experience in Retail and Commercial Banking, Wealth Management, and Insurance.	Has 25+ years of extensive experience in the banking and financial services sector, having spent 23 years with Citibank across its India and Singapore offices. During his tenure, he was actively involved in driving innovation and contributing to the development of the retail financial services industry.
Brief resume	He holds a Master of Business Administration degree from the J. L. Kellogg School of Management, Northwestern University, a Master's degree in Science from the Ohio State University and Bachelor of Engineering degree from the University of Madras. He is currently a Partner at Affirma Capital and formerly was an executive director, private equity at Standard Chartered Bank. He is actively involved with Affirma Capital's investments in certain portfolio companies.	Mr. P. S. Jayakumar has also been an entrepreneur, having co-founded Value Budget Housing Company, a pioneer in affordable housing for low- and moderate-income households. The company introduced innovative construction methods and technology in the sector. In 2008, he also co-founded Home First Finance Ltd., a housing finance company licensed by the NHB, focused on providing long-term mortgage loans to underserved segments.	Mr. Ashish Mehrotra has served as the Managing Director and Chief Executive Officer of Niva Bupa Health Insurance (formerly Max Bupa Health Insurance). Prior to that, he had a distinguished career of more than two decades with Citibank, where he held various leadership positions, including Managing Director and Head of Retail Banking for Citibank India

Name of Director	Vijay Nallan Chakravarthi	P S Jayakumar	Ashish Mehrotra
	Prior to SCPE, Vijay worked in private equity, strategy consulting and operations management across various locations including Mumbai and Chennai in India and Chicago and Milwaukee in the United States. Vijay's roles have included Vice President at Bain Capital where he concluded and managed multiple private equity investments of over USD 650 million, Project Leader at The Boston Consulting Group focused on private equity and M&A, and Six Sigma Black Belt and Operations Leader at General Electric Company.		
Qualifications	He holds a Master of Business Administration degree from the J. L. Kellogg School of Management, Northwestern University, a Master's degree in Science from the Ohio State University and Bachelor of Engineering degree from the University of Madras.	A Chartered Accountant and Post graduate diploma in business management from Xavier Labour Relations Institute, Jamshedpur.	Master's in business administration from the Institute of Management Studies, DAVV, Indore, Madhya Pradesh, India. He has also successfully completed the senior executive leadership program offered by the Harvard Business School.
Terms and conditions of appointment	Re-appointment of Mr. Vijay Nallan Chakravathi as a director, liable to retire by rotation,	Not applicable The current proposal is only for Revision in payment of remuneration by way of commission to Mr. P S Jayakumar	Not applicable The current proposal is only for Revision in the terms of managerial remuneration of Mr. Ashish Mehrotra
Details of remuneration	Nil	As proposed in the Notice of the AGM for revision in the payment of remuneration.	As proposed in the Notice of the AGM for revision in the payment of remuneration.
Last drawn remuneration details during FY 2025-26	Sitting fees of Rs. 17,00,000/- for attending Board & Committee meetings.	Sitting fees of Rs. 17,50,000/- for attending Board & Committee meetings. Profit related commission of Rs. 1,52,50,000/-	Salary and allowances - 5,50,00,000/- Bonus -2,46,50,002/- Special Discretionary Payout - 2,10,00,000/- Deferred Bonus for FY 2023-24 -59,40,000/- Total Remuneration paid - 10,65,90,002/-
No. of Board meeting attended during the FY 2025-26	9 (nine) out of 9 (nine) meeting held	8 (eight) out of 9 (nine) meeting held	9 (nine) out of 9 (nine) meeting held
Listed entities from which the Director has resigned from Directorship in the past three years	Nil	Nil	Nil

Name of Director	Vijay Nallan Chakravarthi	P S Jayakumar	Ashish Mehrotra
Other Directorships, Memberships / Chairmanships of committees of other companies (Excluding this Company)	a) Director/Designated Partner in the following companies/LLP: Belstar Microfinance Limited Pragati Finserv Private Limited Affirma Capital Investment Adviser India Private Limited RMSI Private Limited Ananda One Strategies LLP Ananda Strategies LLP b) Member of the following Committees in Belstar Microfinance Limited: Member of Stakeholders Relationship Committee c) Member of the following Committees in Pragati Finserv Private Limited: Chairman of Audit Committee and Chairman of Nomination and Remuneration Committee	a) Director/Designated partner in the following companies/ LLP's: JM Financial Limited ICRA Limited Adani Ports and Special Economic Zone Limited Adani Logistics Limited CG Power and Industrial Solutions Limited HT Media Limited Emcure Pharmaceuticals Limited Generali Central Life Insurance Company Limited TVS Infrastructure Investment Manager Private Limited TVS Industrial & Logistics Parks Private Limited VBHC Private Limited	a) Director in the following companies: Northern Arc Investment Managers Private Limited Northern Arc Securities Private Limited Northern Arc Foundation Northern Arc CrediTech Solutions Private Limited Pragati Finserv Private Limited Finreach Solutions Private Limited AAPT Investment Advisors Private Limited AAPT Holdings Private Limited AAPT Fintech Private Limited AAPT Insurance Brokers Private Limited. b) Membership/ Chairmanship of the following Committees in Pragati Finserv Private Limited: Member of Audit Committee Member of Nomination and Remuneration Committee c) Membership/ Chairmanship of the following Committees in Northern Arc Investment Managers Private Limited: Member of Audit Committee Valuation Committee.

Name of Director	Vijay Nallan Chakravarthi	P S Jayakumar	Ashish Mehrotra
		b) Membership/Chairmanship of the following Committees in Adani Ports & Special Economic Zone Limited: Chairman of Audit Committee Chairman of Nomination and Remuneration Committee Member of Corporate Social Responsibility Committee Chairman of IT & Data Security Committee Chairman of Merger & acquisition Committee Member of Legal, Regulatory & Tax Committee	
		c) Membership/Chairmanship of the following Committees in CG Power and Industrial Solutions Limited: Chairman of Audit Committee Chairman of Nomination and remuneration committee	
		d) Membership/Chairmanship of the following Committees in JM Financial Limited: Member of Audit Committee Chairman of Nomination and remuneration committee Chairman of Risk Management and Environmental Social and Governance committee	
		e) Membership/Chairmanship of the following Committees in HT Media Limited: Member of Audit Committee Member of Banking & Finance Committee Member of Investment Committee	

Name of Director	Vijay Nallan Chakravarthi	P S Jayakumar	Ashish Mehrotra
		f) Membership/Chairmanship of the following Committees in Emcure Pharmaceuticals Limited: Chairman of Audit Committee Member of Nomination and remuneration committee Member of Risk Management committee	
		g) Membership/Chairmanship of the following Committees in ICRA Limited: Member of Audit Committee Member of Ratings Sub-Committee	
		h) Membership/ Chairmanship of the following Committees in Generali Central Life Insurance Company Limited: Chairman of Policyholder Protection, Grievance Redressal and Claims Monitoring Committee Member of Nomination and Remuneration Committee	
		i) Membership/Chairmanship of the following Committees in TVS Industrial & Logistics Parks Private Limited Member of Impact and Governance Committee Chairman of Audit Committee	
Shareholding in the Company (including shareholding as a beneficial owner)	Nil	1,42,585 (0.09%) as of 31 st March 2026	1,48,913 shares (0.09%) as of 31 st March 2026
Inter-se relationship with other Directors and Key Managerial Personnel of the Company	None	None	None
Justification for choosing the appointees for appointments as Independent Directors / Manner in which the candidate meets the skills and capabilities required for the role. (Applicable only to the Independent Director)	Not applicable	Not applicable	Not applicable

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Northern Arc Capital Limited

10th Floor, IITM Research Park, 1, Kanagam
Village, Taramani, Chennai - 600113. India

Tel : 1800 4198 766

Website : www.northernarc.com