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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 2025**, 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 2025, 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: Exclusion of FLDG credit in calculation of ECL

4. We draw attention to Note 83 to the accompanying standalone financial statements, which describes the impact of the regulatory directions received by the Company from the Reserve Bank of India (RBI) vide e-mail communication dated 16 May 2025, pursuant to which the Company is required to exclude credit enhancements under First Loss Default Guarantee (FLDG) arrangement available at portfolio level as at 31 March 2025 from the computation of Expected Credit Losses (ECL) calculated as per Ind AS 109, Financial Instruments and provide for additional ECL on account of such change by 30 June 2025. Our opinion is not modified in respect of this matter.

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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.

1) Impairment of loan asset based on Expected Credit Losses (ECL) (Refer note 3 for material accounting policies and note 7 for financial disclosures in the accompanying standalone financial statements

As at 31 March 2025, the Company reported gross loans of ₹1,083,753.97 lakhs against which provision for expected credit loss of ₹26,516.19 lakhs has been recorded in accordance with Ind AS 109 – Financial Instruments. The Company has written off loans of ₹ 60,930.24 lakhs during the current year.

Key audit matter	How our audit addressed the key audit matter
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. 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: • management overlays • 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. 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. Similarly, the Company is also required to make judgements to identify the loan assets which are non-recoverable and thereby determined to be written off.	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

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Key audit matter	How our audit addressed the key audit matter
Further as described in note 83 to the accompanying standalone financial statements as per the Reserve Bank of India RBI e-mail communication dated 16 May 2025, the management has excluded credit enhancements under First Loss Default Guarantee (FLDG) arrangements from the computation of ECL per Ind AS 109 as at 31 March 2025 and to provide the same in the financial statements by 30 June 2025. 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. • Evaluated Company's compliance with the RBI directions vide e-mail communication dated 16 May 2025, with respect to exclusion of credit enhancements under FLDG arrangements from the computation of ECL as on 31 March 2025 and verified the mathematical accuracy in such computation. • Challenged the management on post model adjustments, considering the size and complexity of management overlays, in order to assess the reasonableness of the adjustments. • 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. • Obtained appropriate written representations from the management.
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.	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;

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Key audit matter	How our audit addressed the key audit matter
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.	• Reviewed the report on the assessment of cyber security breach prepared by the management's expert and evaluated that there is no impact of the same on the financial reporting IT systems. • 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. • Obtained appropriate written representations from the management.

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 for financial disclosures in the accompanying standalone financial statements

As at 31 March 2025, the Company has loans amounting to ₹ 2,17,633.08 lakhs (31 March 2024: ₹ 2,61,483.91 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.	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 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.

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Key audit matter	How our audit addressed the key audit matter
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 standalone financial statements and the nature and extent of audit procedures involved, we determined this to be a key audit matter.	• 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 standalone financial statements in accordance with the applicable accounting standards. • Obtained appropriate written representations from the management

Information other than the 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 do not and 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 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.

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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

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- 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.

Other Matter

15. The standalone financial statements of the Company for the year ended 31 March 2024 were audited by the predecessor auditor, S.R. Batliboi & Associates LLP, who have expressed an unmodified opinion on those standalone financial statements vide their audit report dated 29 May 2024.

Report on Other Legal and Regulatory Requirements

16. 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.

17. 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.

18. 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 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 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 2025 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 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);

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g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company as on 31 March 2025 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 2025

ii. The Company, as detailed in note 12 to the standalone financial statements, has made provision as at 31 March 2025, 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 2025;

iv.

a. The management has represented that, to the best of its knowledge and belief, as disclosed in note 86 (B)(v) 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(s) or entity(ies), 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(s) or entity(ies), 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 2025.

vi. As stated in Note 85 to the standalone financial statements and based on our examination which included test checks, except for instances/matters mentioned below, the Company, in respect of financial year commencing on 1 April 2024, has used 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/ matters mentioned below the audit trail has been preserved by the Company as per the statutory requirements for record retention.

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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	(i) The audit trail feature was not enabled at the database level for one loan management system to log any direct data changes. (ii) The audit trail (edit logs) was not retained for the period 01 April 2024 to 07 July 2024 at the database level for another loan management system to log any direct data changes.
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 systems for two other loan products are operated by third-party software service providers. 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, their Design and Operating Effectiveness' ('Type 2 report' issued in accordance with SAE 3402, Assurance Reports on Controls at a Service Organization), we are unable to comment on whether audit trail feature with respect to the database of the said softwares were enabled and operated throughout the year.

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

Khushroo B. Panthaky
Partner
Membership No.: 042423

UDIN: **25042423BMNRBP8866**

Place: Nagpur
Date: 19 May 2025

Annexure A referred to in paragraph 17 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 2025

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 were verified during the year and no material discrepancies were noticed on such verification.

(c) The Company does not own any immovable property (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 14 & 15 to the standalone financial statements, the Company has been sanctioned a working capital limit in excess of Rs. 5 crores by banks 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 such returns/statements are in agreement with the books of account of the Company for the respective periods, which were subject to review.

(iii)

(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.

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(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 Master Circular – Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances. 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 86B to the standalone financial statements:

Particulars – Days Past Due	**Aggregate amount outstanding for overdue loans as at 31 March 2025 (Rs. In lakhs)**	**No. of Cases**
SMA 0 (upto 30 days)	30,683	94,081
SMA 1 (31-60 days)	15,747	51,596
SMA 2 (61- 90 days)	8,019	51,674
More than 90 days	15,636	19,561

Particulars – Days Past Due	**Aggregate amount outstanding for overdue loans as at 31 March 2025 (Rs. In lakhs)**	**No. of Cases**
SMA 0 (upto 30 days)	30,683	94,081
SMA 1 (31-60 days)	15,747	51,596
SMA 2 (61- 90 days)	8,019 8,019	51,674
More than 90 days	15,636	19,561 19,561

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 Rs. 15,636 lakhs as at 31 March 2025 in respect of 19,561 number of loans, as also disclosed in Note 86B 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.

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(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 services. 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, 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 (Rs. In lakhs)	Amount paid under Protest (Rs.)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Income-Tax Act, 1961	Tax and interest	255.99	-	AY 2014-15	Income tax Appellate Tribunal	Income-Tax Act, 1961
Income-Tax Act, 1961	Tax and interest	172.54	-	AY 2017-18	Commissioner of Income tax (Appeals)	Income-Tax Act, 1961

(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 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 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 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.

WALKER CHANDIOK & CO LLP ★ CHARTERED ACCOUNTANTS ★

(x) (a) In our opinion and according to the information and explanations given to us, money raised by way of initial public offer were applied for the purposes for which these were obtained.

(b) During the year, the Company has made private placement of shares. In our opinion and according to the information and explanations given to us, the Company has complied with the requirements of section 42 and section 62 of the Act and the rules framed thereunder with respect to the same. Further, the amounts so raised have been utilised by the Company for the purposes for which these funds were raised.

(xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company has been noticed or reported during the period covered by our audit.

(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.

WALKER CHANDIOK & CO LLP ★ CHARTERED ACCOUNTANTS ★

(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)

(a) In our opinion and according to the information and explanations given to us, there are no unspent amounts towards Corporate Social Responsibility pertaining to other than ongoing projects as at end of the current financial year. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable to the Company.

(b) In our opinion and according to the information and explanations given to us, there are no unspent amounts towards Corporate Social Responsibility pertaining to any ongoing project as at end of the current financial year. Accordingly, reporting under clause 3(xx)(b) of the Order is not applicable to the Company.

(xxi) The reporting under clause 3(xxi) 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

Khushroo B. Panthaky
Partner
Membership No.: 042423

UDIN: 25042423BMNRBP8866

Place: Nagpur
Date: 19 May 2025

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 2025

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 2025**, we have audited the internal financial controls with reference to standalone 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 Standalone Financial Statements

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to standalone 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 standalone 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 standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone 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 standalone 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 standalone financial statements.

Meaning of Internal Financial Controls with Reference to Standalone Financial Statements

6. A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone 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 standalone 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 standalone financial statements.

WALKER CHANDIOK & Co LLP
CHARTERED ACCOUNTANTS

Inherent Limitations of Internal Financial Controls with Reference to Standalone Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to standalone 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 standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to standalone 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 2025, 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

Khushroo B Panthaky
Partner
Membership No.: 042423

UDIN: 25042423BMNRBP8866

Place: Nagpur
Date: 19 May 2025

Northern Arc Capital Limited
Standalone Balance Sheet as at 31 March 2025
(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

Particulars	Notes	As at 31 March 2025	As at 31 March 2024
ASSETS			
Financial assets			
Cash and cash equivalents	4	32,120.04	16,123.83
Bank balances other than cash and cash equivalents	5	31,482.92	22,213.03
Derivative financial instruments	12	5,476.55	5,481.94
Trade receivables	6	1,201.75	1,437.83
Loans	7	10,57,237.78	9,30,987.51
Investments	8	1,95,682.05	1,65,268.61
Other financial assets	9	9,320.14	9,123.47
Total financial assets		**13,32,521.23**	**11,50,636.22**
Non-financial assets			
Current tax assets (net)		-	1,206.41
Deferred tax assets (net)	31	9,693.68	3,456.92
Property, plant and equipment	10.1	938.48	324.97
Intangible assets under development	10.2	593.49	231.13
Goodwill	10.3	2,085.13	2,085.13
Other intangible assets	10.4	1,313.96	1,178.89
Right of use asset	10.5	2,495.71	1,205.55
Other non-financial assets	11	2,425.11	1,631.42
Total Non-financial assets		**19,545.56**	**11,320.42**
Total assets		**13,52,066.79**	**11,61,956.64**
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
Derivative financial instruments	12	2,363.48	298.65
Trade payables	13		
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		6,726.54	13,588.16
Debt securities	14	1,40,785.32	1,41,372.46
Borrowings (other than debt securities)	15	8,37,654.22	7,63,403.14
Other financial liabilities (including lease liabilities)	16	17,670.10	14,284.24
Total financial liabilities		**10,05,199.66**	**9,32,946.65**
Non-financial liabilities			
Current tax liabilities (net)		2,832.34	-
Provisions	17	1,578.36	2,782.77
Other non-financial liabilities	18	1,540.97	1,191.89
Total non-financial liabilities		**5,951.67**	**3,974.66**
EQUITY			
Equity share capital	19	16,137.93	8,938.54
Instruments entirely equity in nature	19	-	8,264.64
Other equity	20	3,24,777.53	2,07,832.15
Total equity		**3,40,915.46**	**2,25,035.33**
Total liabilities and equity		**13,52,066.79**	**11,61,956.64**
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

Khushroo B. Panthaky
Partner
ICAI Membership No. 042423

WALKER CHANDIOK & Co LLP CHARTERED ACCOUNTANTS

Place: Nagpur
Date: 19 May 2025

NORTHERN ARC CAPITAL LIMITED MUMBAI

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

Atul Tibrewal
Chief Financial Officer

Prakash Panda
Company Secretary
Membership No: A22585

Place: Mumbai
Date: 19 May 2025

Northern Arc Capital Limited
Standalone Statement of Profit and Loss for the year ended 31 March 2025
(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

Particulars	Notes	Year ended 31 March 2025	Year ended 31 March 2024
Revenue from operations			
Interest income	21	2,18,173.69	1,69,934.25
Fee and commission income	22	4,675.51	4,243.93
Net gain on fair value changes	23	1,439.69	3,945.31
Net gain on derecognition of financial instruments		4,122.53	4,742.54
Total revenue from operations		**2,28,411.42**	**1,82,866.03**
Other income	24	1,240.04	1,565.65
Total income		**2,29,651.46**	**1,84,431.68**
Expenses			
Finance costs	25	82,286.37	72,586.35
Fees and commission expense		32,940.65	31,714.19
Employee benefits expenses	26	20,385.29	17,961.03
Impairment on financial instruments	27	37,852.62	12,313.52
Depreciation and amortisation expense	28	1,531.32	1,467.03
Other expenses	29	10,483.44	10,847.33
Total expenses		**1,85,479.69**	**1,46,889.45**
Profit before tax		**44,171.77**	**37,542.23**
Tax expense	31		
Current tax		16,170.32	10,189.07
Tax related to earlier years		(1,006.00)	-
Deferred tax		(5,254.05)	(663.95)
Total Tax expense		**9,910.27**	**9,525.12**
Profit for the year	**(A)**	**34,261.50**	**28,017.11**
Other comprehensive income			
Items that will not be reclassified to profit or loss in subsequent periods			
Remeasurements (loss) on defined benefit plans		(66.68)	(9.04)
Income tax relating to items that will not be reclassified to profit or loss		16.78	2.28
		(49.90)	**(6.76)**
Items that will be reclassified subsequently to profit or loss in subsequent periods			
Fair value (loss) / gain on financial instruments through other comprehensive income (net)		(2,908.30)	1,228.99
Income tax relating to items that will be reclassified to profit or loss		732.02	(309.34)
		(2,176.28)	**919.65**
Net movement on effective portion of cash flow hedges		(901.53)	1,362.19
Income tax relating to items that will be reclassified to profit or loss		226.92	(342.86)
		(674.61)	**1,019.33**
Other comprehensive (loss) / income for the year (net of income taxes)	**(B)**	**(2,900.79)**	**1,932.22**
Total comprehensive income for the year (net of income taxes)	**(A+B)**	**31,360.71**	**29,949.33**
Earnings per equity share of INR 10 each	32		
Basic (in rupees)		22.59	31.45
Diluted (in rupees)		22.53	21.26

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

Khushroo B. Panthaky
Partner
ICAI Membership No. 042423

WALKER CHANDIOK & CO LLP ★ CHARTERED ACCOUNTANTS ★

Place: Nagpur
Date: 19 May 2025

NORTHERN ARC CAPITAL LIMITED ★ MUMBAI

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: 19 May 2025

Northern Arc Capital Limited

Standalone Statement of Cash Flows for the year ended 31 March 2025

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

	Note	Year ended 31 March 2025	Year ended 31 March 2024
A Cash flow from operating activities			
Profit before tax		44,171.77	37,542.23
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation and amortisation expenses		1,531.32	1,467.03
Write off of intangible assets under development		-	18.59
Interest income on loans, fixed deposits and investments		(2,18,173.69)	(1,69,934.25)
Unrealised (gain)/ loss on investments		(393.16)	123.07
Gain on investment in mutual funds		(723.69)	(409.27)
Profit on sale of investments		(716.00)	(1,100.67)
Impairment on financial instruments including amounts writtenoff		37,852.62	12,313.52
Employee share based payment expenses		1,303.88	1,735.92
Amortisation of discount on commercial papers		2,400.31	1,826.37
Finance costs		79,886.06	70,759.98
Loss on sale of plant, property and equipments		-	0.85
Interest on income tax refund		(214.92)	-
Net gain on dercognition of financial assets		(4,122.53)	(4,742.54)
Gain on account of lease foreclosed		(0.78)	(1.13)
Cash used in operations before working capital changes and adjustments		**(57,198.81)**	**(50,400.30)**
Changes in working capital and other changes:			
Decrease / (Increase) in other financial assets		5,133.74	(4,624.21)
Decrease in trade receivables		236.08	453.15
(Increase) in loans		(2,86,906.59)	(3,66,928.26)
(Increase) in other non financial assets		(793.69)	(1,029.79)
(Increase) in other bank balances		(8,943.80)	(3,665.44)
Increase in other financial liabilities		1,780.91	3,947.59
Increase in other non-financial liabilities		349.08	233.44
(Decrease) / Increase in trade payables and provisions		(8,140.08)	3,133.33
Cash used in operations before adjustments		**(3,54,483.16)**	**(4,18,880.49)**
Proceeds from de-recognition of financial assets		81,746.19	1,01,292.05
Recovery from written off assets		44,712.79	22,544.38
Interest income received on loans, fixed deposits and investments		2,15,103.87	1,64,165.32
Finance cost paid		(81,568.04)	(73,866.56)
Income tax paid (net)		(10,910.65)	(9,267.58)
Net cash from (used in) operating activities	**(A)**	**(1,05,399.00)**	**(2,14,012.88)**
B Cash flows from investing activities			
Purchase of property, plant and equipment		(1,623.92)	(1,069.76)
Proceeds from disposal of right of use assets		0.26	-
Purchase of investments		(3,81,225.71)	(7,02,807.95)
Proceeds from sale of investments		3,69,920.72	7,09,319.00
Investment in associate		(26,730.49)	(449.13)
Investment in subsidiary		(100.00)	(50.00)
Net cash (used in) / from investing activities	**(B)**	**(39,759.14)**	**4,942.16**
C Cash flow from financing activities			
Proceeds from issue of debt securities		87,500.00	84,426.00
Repayment of debt securities		(87,181.54)	(63,589.70)
Proceeds from borrowings (other than debt securities)		9,87,520.00	7,70,863.11
Repayment of borrowings (other than debt securities)		(9,13,268.92)	(5,82,877.43)
Repayment of subordinated liabilities		-	(3,995.07)
Payment of principal portion of lease liabilities		(338.00)	(492.22)
Payment of interest on lease liabilities		(270.80)	(122.85)
Share application money received pending allotment		38.84	83.76
Proceeds from issue of equity share capital including securities premium		87,154.77	496.96
Net cash flow from financing activities	**(C)**	**1,61,154.35**	**2,04,792.56**
Net increase / (decrease) in cash and cash equivalents	**(A+B+C)**	**15,996.21**	**(4,278.16)**
Cash and cash equivalents at the beginning of the year		16,123.83	20,401.99
Cash and cash equivalents at the end of the year		**32,120.04**	**16,123.83**

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WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS

NORTHERN ARC CAPITAL LIMITED MUMBAI

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

	Note	As at 31 March 2025	As at 31 March 2024
Notes to Statement of Cash Flows			
3a **Components of cash and cash equivalents:**	4		
Cash on hand		-	5.90
Cheques on hand		-	20.22
Balances with banks			
- in current accounts		32,120.04	14,922.25
- in deposit accounts free of lien		-	1,175.46
		32,120.04	**16,123.83**

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	As at 31 March 2025	As at 31 March 2024
Investing Activity		
Acquisition of right of use assets	1,948.02	1,064.10
	1,948.02	**1,064.10**

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

Khushroo B. Panthaky
Partner
ICAI Membership No. 042423

WALKER CHANDIOK & CO LLP ★ CHARTERED ACCOUNTANTS ★

Place. Nagpur
Date: 19 May 2025

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: A50149

Place: Mumbai
Date: 19 May 2025

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NORTHERN ARC CAPITAL LIMITED ★ MUMBAI

Northern Arc Capital Limited
Standalone Statement of Changes in Equity for the year ended 31 March 2025
(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

A. Equity Share Capital

Equity Share capital of INR 10 each Issued, Subscribed and Fully Paid	
Balance as at 01 April 2023	**8,903.13**
Changes in equity share capital during the year (Refer Note 19)	
Add: Shares issued during the year	35.41
Balance as at 31 March 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**

B. Instruments entirely equity in nature

0.0001% Compulsorily convertible preference shares of INR 20 each Issued, Subscribed and Fully Paid	
Balance as at 01 April 2023	8,264.64
Changes in compulsorily convertible preference shares during the year (Refer Note 19)	-
Balance as at 31 March 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	-

C. Other Equity

	Other equity									
	Reserves and surplus							Other Comprehensive Income (OCI)		Total
	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 2023	**17,672.46**	**2,660.00**	**3.57**	-	**85,679.03**	**1,700.41**	**67,717.57**	**2,818.64**	**(2,704.36)**	1,75,547.32
Profit for the year	-	-	-	-	-	-	28,017.11	-	-	28,017.11
Fair valuation gain of financial instrument (net)	-	-	-	-	-	-	-	919.65	1,019.33	1,938.98
Premium received on shares issued during the year	-	-	-	-	687.38	(225.83)	-	-	-	461.55
Transfer to retained earnings	-	-	-	-	-	(160.10)	160.10	-	-	-
Transfer to statutory reserve	5,603.42	-	-	-	-	-	(5,603.42)	-	-	-
Employee stock compensation expense during the year	-	-	-	-	-	1,790.19	-	-	-	1,790.19
Remeasurement of net defined benefit liability	-	-	-	-	-	-	(6.76)	-	-	(6.76)
Share application money received	-	-	-	83.76	-	-	-	-	-	83.76
Balance as at 31 March 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 equity 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
Remeasurement of net defined benefit liability	-	-	-	-	-	-	(49.90)	-	-	(49.90)
Share application money received	-	-	-	38.84	-	-	-	-	-	38.84
Shares issued during the year	-	-	-	-	-	-	-	-	-	-
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**

Summary of material accounting policies — 2 and 3
The notes 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

Khushroo B. Panthaky
Partner
ICAI Membership No. 042423

Place: Nagpur
Date: 19 May 2025

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: 19 May 2025

1 Corporate Information

Northern Arc Capital Limited ("the Company"), was incorporated on March 9, 1989 and is registered as a non-deposit taking Non-Banking Finance Company (NBFC). The Company has received the Certificate of Registration dated August 8, 2013 in lieu of Certificate of Registration dated June 24, 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 19 May 2025

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, Framework for Scale Based Regulation for Non-Banking Financial Companies ('the NBFC Master Directions') and notification for Implementation of Indian Accounting Standard vide circular RBI/2019-20/170 DOR(NBFC).CC.PD.No.109/22.10.106/2019-20 dated 13 March 2020 and RBI/2020-21/15 DOR (NBFC).CC.PD.No.116/22.10.106/2020-21 dated 24 July 2020 ('RBI Notification for Implementation of Ind AS') issued by RBI.

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 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 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 (INR), 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.

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2.4 Use of estimates and judgements (Continued)

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 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 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.

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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 blacksholes 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 41.

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 complexitiesinvolved 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 uncertainities

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.

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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.

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.

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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 (exluding 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 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.

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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 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.

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.

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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 (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 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.

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.

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e. **Impairment of financial assets (Continued)**
B. Calculation of ECLs (Continued)

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 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:

a. significant financial difficulty of the borrower;

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

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

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

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

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

It may not be possible to identify a single discrete event—instead, the combined effect of several events may have caused financial assets to become credit-impaired. The 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 unlikeliness 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 March 13, 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.

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 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.

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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 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.

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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 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 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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j. Intangible assets (continued)

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 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.

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k. Employee benefits (continued)

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 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.

l. 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.

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.

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 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 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.

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

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

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

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

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

o. Borrowing cost

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

p. Cash and cash equivalents

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

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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.

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.

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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.

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 2025, MCA has notified following new standards or amendments to the existing standards applicable to the Company:

i) Lack of exchangeability - Amendments to Ind AS 21: The amendments to Ind AS 21 "The Effects of Changes in Foreign Exchange Rates"

The amendment 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.

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. MCA has notified below new standards / amendments which were effective from 01 April 2024.

i) Introduction of Ind AS 117 – Insurance contracts

MCA notified Ind AS 117, a comprehensive standard that prescribe, recognition, measurement and disclosure requirements, to avoid diversities in practice for accounting insurance contracts and it applies to all companies i.e., to all "insurance contracts" regardless of the issuer. However, Ind AS 117 is not applicable to the entities which are insurance companies registered with IRDAI.

ii) Amendments to Ind AS 116 - Lease liability in a sale and leaseback

The amendments require an entity to recognise lease liability including variable lease payments which are not linked to index or a rate in a way it does not result into gain on right-of-use asset it retains.

The Company has reviewed the new pronouncements and based on its evaluation has determined that these amendments do not have a significant impact on the financial statements.

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w. 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:

- 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 measure 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 no 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.

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		As at 31 March 2025	As at 31 March 2024
4	**Cash and cash equivalents**		
	Measured at amortised cost:		
	Cash on hand	-	5.90
	Cheques on hand	-	20.22
	Balances with banks		
	- In current accounts	32,120.04	14,922.25
	- Deposits with original maturity of less than three months	-	1,175.46
		32,120.04	**16,123.83**

Notes:

4.1 The Company had available undrawn committed borrowing facilities of INR 1,20,892 lakhs as at 31 March 2025 (as at 31 March 2024: INR 3,336.40 lakhs).

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

Cash on hand	-	5.90
Cheques on hand	-	20.22
Balances with banks		
- In current accounts	32,120.04	14,922.25
- Deposits with original maturity of less than three months	-	1,175.46
	32,120.04	**16,123.83**

5	**Bank balances other than cash and cash equivalents**		
	Measured at amortised cost:		
	- In deposit accounts with bank with maturity more than 3 months (Refer Note 5.1 below)	5,151.98	9,079.12
	- 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).	26,330.72	13,133.69
		31,482.92	**22,213.03**

Note:

5.1 As at 31 March 2025, deposits with bank includes deposits amounting to INR 3,950.81 lakhs (31 March 2024 : INR 3,009.40 lakhs) representing amount received from customers as cash collateral for the loans provided by the Company.

5.2 As at 31 March 2025, deposits amounting to INR 1,796.70 lakhs (31 March 2024: INR 2,625.51 lakhs) have been provided as credit enhancement for securitisation transactions.

6	**Trade receivables**		
	Unsecured		
	a) Considered good	1,208.42	1,429.80
	b) Trade receivables which have significant increase in credit risk	-	18.01
		1,208.42	**1,447.81**
	Allowance for expected credit loss		
	a) Considered good	(6.67)	(7.51)
	b) Trade receivables which have significant increase in credit risk	-	(2.47)
		(6.67)	**(9.98)**
	Net trade receivables	**1,201.75**	**1,437.83**

Notes:

i) Of the above, trade receivables from related parties are as below:

Trade receivable from related parties (Also, refer note (42))	-	14.68
Expected credit loss	-	(0.11)
Net trade receivables from related parties	-	14.57

ii) The Company's exposure to credit risks, and loss allowances related to trade receivables are disclosed in note 36.

iii) 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.

iv) There are no disputed trade receivables as on 31 March 2025 and 31 March 2024.

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6 **Trade receivables (Continued)**

6.1 The ageing schedule of Trade receivable is as follows :

As at 31 March 2025

Particulars	Unbilled receivables	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**

As at 31 March 2024

Particulars	Unbilled receivables	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	131.36	1,270.61	19.20	8.63	-	-	1,429.80
(ii) Undisputed Trade receivables – which have significant increase in credit risk	-	18.01	-	-	-	-	18.01
(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	**131.36**	**1,288.62**	**19.20**	**8.63**	-	-	**1,447.81**

6.2 **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 2025				As at 31 March 2024			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
As at the beginning of the year	**1,429.80**	**18.01**	-	**1,447.81**	**1,903.28**	**1.14**	-	**1,904.42**
New assets originated	1,194.85	-	-	1,194.85	1,415.67	18.01	-	1,433.68
Asset derecognised or repaid (excluding write off)	(1,416.23)	(18.01)	-	(1,434.24)	(1,889.15)	(1.14)	-	(1,890.29)
Transfer from stage 1	-	-	-	-	-	-	-	-
Transfer from stage 2	-	-	-	-	-	-	-	-
Transfer from stage 3	-	-	-	-	-	-	-	-
Write offs	-	-	-	-	-	-	-	-
As at the end of the year	**1,208.42**	-	-	**1,208.42**	**1,429.80**	**18.01**	-	**1,447.81**

Reconciliation of ECL Balance

Particulars	As at 31 March 2025				As at 31 March 2024			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
As at the beginning of the year	**7.51**	**2.47**	-	**9.98**	**13.35**	**0.09**	-	**13.44**
New assets originated	6.55	-	-	6.55	4.59	2.47	-	7.06
Asset derecognised or repaid (excluding write off)	(7.39)	(2.47)	-	(9.86)	(10.43)	(0.09)	-	(10.52)
Transfer from stage 1	-	-	-	-	-	-	-	-
Transfer from stage 2	-	-	-	-	-	-	-	-
Transfer from stage 3	-	-	-	-	-	-	-	-
Write offs	-	-	-	-	-	-	-	-
As at the end of the year	**6.67**	-	-	**6.67**	**7.51**	**2.47**	-	**9.98**

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

7 Loans

	As at 31 March 2025			As at 31 March 2024		
	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	8,32,838.78	2,17,633.08	10,50,471.86	6,32,062.62	2,61,483.91	8,93,546.53
Less : Impairment loss allowance	(26,087.13)	-	(26,087.13)	(8,734.02)	-	(8,734.02)
Net term loans	**8,06,751.65**	**2,17,633.08**	**10,24,384.73**	**6,23,328.60**	**2,61,483.91**	**8,84,812.51**
Gross structured cash credit	33,282.11	-	33,282.11	48,084.81	-	48,084.81
Less : Impairment loss allowance	(429.06)	-	(429.06)	(1,909.81)	-	(1,909.81)
Net structured cash credit	**32,853.05**	-	**32,853.05**	**46,175.00**	-	**46,175.00**
Net loans	**8,39,604.70**	**2,17,633.08**	**10,57,237.78**	**6,69,503.60**	**2,61,483.91**	**9,30,987.51**
B. Based on Security						
(i) Secured by tangible assets*	5,78,003.64	24,821.90	6,02,825.54	4,63,719.53	54,823.74	5,18,543.27
(ii) Unsecured	2,88,117.25	1,92,811.18	4,80,928.43	2,16,427.90	2,06,660.17	4,23,088.07
Gross Loans	**8,66,120.89**	**2,17,633.08**	**10,83,753.97**	**6,80,147.43**	**2,61,483.91**	**9,41,631.34**
Less : Impairment loss allowance	(26,516.19)	-	(26,516.19)	(10,643.83)	-	(10,643.83)
Net Loans	**8,39,604.70**	**2,17,633.08**	**10,57,237.78**	**6,69,503.60**	**2,61,483.91**	**9,30,987.51**
C. Based on region						
(I) Loans in India						
(i) Public Sector	-	-	-	-	-	-
(ii) Others	8,66,120.89	2,17,633.08	10,83,753.97	6,80,147.43	2,61,483.91	9,41,631.34
Gross Loans in India	**8,66,120.89**	**2,17,633.08**	**10,83,753.97**	**6,80,147.43**	**2,61,483.91**	**9,41,631.34**
Less : Impairment loss allowance	(26,516.19)	-	(26,516.19)	(10,643.83)	-	(10,643.83)
	8,39,604.70	**2,17,633.08**	**10,57,237.78**	**6,69,503.60**	**2,61,483.91**	**9,30,987.51**
(II) Loans outside India						
Loans outside India	-	-	-	-	-	-
Total (I) and (II)	**8,39,604.70**	**2,17,633.08**	**10,57,237.78**	**6,69,503.60**	**2,61,483.91**	**9,30,987.51**

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

Notes :

a During the current and prior reporting periods, there was no change in the business model under which the Company holds financial assets and therefore no reclassifications were made due to change in business model. 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, and other related parties other than those disclosed below. These loans have been classified under Stage 1 Category at the various reporting periods and related impairment provision as per the Company's accounting policy has been created. The details of the same are disclosed below

	As at 31 March 2025	As at 31 March 2024
Gross loans to related parties (refer note 42)		
- Term loan	-	9,842.70
- Structured cash credit	-	255.61
Total	-	**10,098.31**
Less: Loss allowance on loans to related parties		
- Term Loan	-	(67.92)
- Structured Cash Credit	-	(1.81)
Total	-	**(69.73)**
Net loans to related parties	-	**10,028.58**

Also refer note 36 (i) on credit risk under financial risk management objectives and policies.

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8. Investments

	As at 31 March 2025					As at 31 March 2024				
	At Amortised cost	At Fair Value through Other Comprehensive Income	At Fair Value through Profit and loss	Others	Total	At Amortised cost	At Fair Value through Other Comprehensive Income	At Fair Value through Profit and loss	Others	Total
Investment in debentures (quoted)										
Non-convertible redeemable debentures	-	78,457.28	-	-	78,457.28	-	72,616.67	-	-	72,616.67
Market Linked debentures	-	-	-	-	-	-	-	18,992.53	-	18,992.53
Investment in debentures (unquoted)										
Non-convertible redeemable debentures	-	36,052.87	-		36,052.87	-	52,028.13	-		52,028.13
Investment in Commercial papers (unquoted)										
Commercial papers	-	25,519.11	-	-	25,519.11	-	-	-	-	-
Investment in pass-through certificates (unquoted)										
Investment in pass-through certificates	-	14,597.89	-	-	14,597.89	-	5,772.43	-	-	5,772.43
Investment in other approved securities (unquoted)										
Investment in government securities	10,486.71	-	-	-	10,486.71	12,121.16		-	-	12,121.16
Investments in subsidiaries, at cost (Unquoted)										
Equity shares										
Northern Arc Investment Adviser Services Private Limited	-	-	-	127.80	127.80	-	-	-	127.80	127.80
Northern Arc Securities Private Limited	-	-	-	250.00	250.00	-	-	-	150.00	150.00
Northern Arc Investment Managers Private Limited	-	-	-	361.00	361.00	-	-	-	361.00	361.00
Northern Arc Foundation	-	-	-	1.00	1.00	-	-	-	1.00	1.00
Pragathi Finserv Private Limited	-	-	-	2,253.40	2,253.40	-	-	-	2,253.40	2,253.40
Investment in Associates										
Finreach Solutions Private Limited (Also Refer Note 84)	-	-	-	843.53	843.53	-	-	-	843.53	843.53
Northern Arc Emerging Corporates Bond Trust	-	-	26,730.50	-	26,730.50	-	-	-	-	-
Other investments (Unquoted)										
Share warrants	-	-	0.96	-	0.96	-	-	0.96	-	0.96
Sub total	**10,486.71**	**1,54,627.15**	**26,731.46**	**3,836.73**	**1,95,682.05**	**12,121.16**	**1,30,417.23**	**18,993.49**	**3,736.73**	**1,65,268.61**
Less: Impairment loss allowance for Investments	-	-	-	-	-	-	-	-	-	-
Total Investments	**10,486.71**	**1,54,627.15**	**26,731.46**	**3,836.73**	**1,95,682.05**	**12,121.16**	**1,30,417.23**	**18,993.49**	**3,736.73**	**1,65,268.61**
(i) Investments outside India	-	-	-	-	-	-	-	-	-	-
(ii) Investments in India	10,486.71	1,54,627.15	26,731.46	3,836.73	1,95,682.05	12,121.16	1,30,417.23	18,993.49	3,736.73	1,65,268.61
Total Investments	**10,486.71**	**1,54,627.15**	**26,731.46**	**3,836.73**	**1,95,682.05**	**12,121.16**	**1,30,417.23**	**18,993.49**	**3,736.73**	**1,65,268.61**

Also refer Note 36 (i) on Credit Risk under financial risk management objectives and policies.
The Company has designated these investments as FVOCI on the basis that these are not held for trading and held for strategic purpose.

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9 Other financial assets	As at 31 March 2025	As at 31 March 2024
Considered good		
Unsecured - amortised cost:		
Security deposits	489.30	405.26
Advances to employees	324.57	210.60
Advance to originator partners	-	4,938.25
Other receivables	3,996.05	33.02
Advances to subsidiaries (refer note 42)	159.60	495.65
AIF application money pending allotment	1,500.00	-
Excess Interest spread on derecognition of financial assets (Refer Note 9.1)	3,084.36	3,124.39
Less: Impairment loss allowance	(233.74)	(83.70)
	9,320.14	**9,123.47**

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

Changes in gross carrying amount

Particulars	As at 31 March 2025				As at 31 March 2024			
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	**3,043.99**	**26.94**	**53.46**	**3,124.39**	**1,379.40**	**5.33**	**8.07**	**1,392.80**
New assets originated	2,609.10	67.05	130.84	2,806.99	2,437.93	20.88	43.84	2,502.65
Asset derecognised or repaid (excluding write offs	(2,808.73)	(24.62)	(13.67)	(2,847.02)	(773.34)	-	-	(773.34)
Transfer to stage 1	-	-	-	-	-	0.73	-	0.73
Transfer to stage 2	-	-	-	-	-	-	1.55	1.55
Transfer to stage 3	-	-	-	-	-	-	-	-
Write offs	-	-	-	-	-	-	-	-
As at the end of the year	**2,844.36**	**69.37**	**170.63**	**3,084.36**	**3,043.99**	**26.94**	**53.46**	**3,124.39**

Reconciliation of ECL Balance

Particulars	As at 31 March 2025				As at 31 March 2024			
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	**18.28**	**11.80**	**53.62**	**83.70**	**18.69**	**2.43**	**5.25**	**26.37**
New assets originated	40.99	20.63	130.84	192.46	11.40	9.05	48.07	68.52
Asset derecognised or repaid (excluding write offs	(17.61)	(10.98)	(13.83)	(42.42)	(11.81)	-	-	(11.81)
Transfer to stage 1	-	-	-	-	-	0.32	-	0.32
Transfer to stage 2	-	-	-	-	-	-	0.30	0.30
Transfer to stage 3	-	-	-	-	-	-	-	-
Write offs	-	-	-	-	-	-	-	-
As at the end of the year	**41.66**	**21.45**	**170.63**	**233.74**	**18.28**	**11.80**	**53.62**	**83.70**

10.1 Property plant and equipment

	Plant and machinery	Furniture and fittings	Computers and accessories	Office equipments	Servers	Leasehold improvements	Total
Gross block							
As at 1 April 2023	6.51	51.49	735.56	176.89	0.19	174.31	1,144.95
Additions	-	63.83	388.40	81.80	-	53.87	587.90
Disposals	-	-	-	-	-	(1.98)	(1.98)
As at 31 March 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**	**300.27**	**0.19**	**963.39**	**2,740.21**
Accumulated depreciation							
As at 1 April 2023	**6.26**	**30.79**	**591.84**	**162.72**	**0.19**	**133.30**	**925.10**
Depreciation for the year	0.23	34.22	382.27	48.28		16.93	481.93
Reversal on disposal of assets	-	-	-	-	-	(1.13)	(1.13)
As at 31 March 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**
Net Block							
As at 31 March 2024	**0.02**	**50.31**	**149.85**	**47.69**	-	**77.10**	**324.97**
As at 31 March 2025	-	**38.44**	**110.86**	**34.06**	-	**755.12**	**938.48**

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

10.2 Intangible assets under development

	Software	Total
As at 1 April 2023	**98.87**	**98.87**
Add: Additions	481.87	481.87
Less: Capitalised during the year	(331.02)	(331.02)
Less: Written off during the year	(18.59)	(18.59)
As at 31 March 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**

i) **Ageing of Intangible assets under development**

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

As at 31 March 2024

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	150.85	80.28	-	-	231.13

ii) As at 31 March 2025 and 31 March 2024, there were no projects whose completion is overdue or has exceeded its cost compared to its original plan

10.3 Goodwill

	Goodwill	Total
As at 1 April 2023	**2,085.13**	**2,085.13**
Addition	-	-
Disposals	-	-
As at 31 March 2024	**2,085.13**	**2,085.13**
Additions	-	-
Disposals	-	-
As at 31 March 2025	**2,085.13**	**2,085.13**
Impairment		
As at 1 April 2023	-	-
Impairment for the year	-	-
As at 31 March 2024	-	-
Impairment for the year	-	-
As at 31 March 2025	-	-
Net Block		
As at 31 March 2024	**2,085.13**	**2,085.13**
As at 31 March 2025	**2,085.13**	**2,085.13**

Refer Note 81 for analysis of impairment

10.4 Other Intangible assets

	Softwares	Total
Gross block		
As at 1 April 2023	**2,819.70**	**2,819.70**
Additions	331.02	331.02
Disposals	-	-
As at 31 March 2024	**3,150.72**	**3,150.72**
Additions	612.70	612.70
Disposals	-	-
As at 31 March 2025	**3,763.42**	**3,763.42**
Accumulated amortisation		
As at 1 April 2023	1,483.69	1,483.69
Amortisation for the year	488.14	488.14
Reversal on disposal of assets	-	-
As at 31 March 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**
Net Block		
As at 31 March 2024	1,178.89	1,178.89
As at 31 March 2025	1,313.96	1,313.96

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

10.5 Right of use asset

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

	Buildings	Total
Gross block		
As at 1 April 2023	1,908.29	1,908.29
Additions	1,064.10	1,064.10
Disposals	62.11	62.11
As at 31 March 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
Accumulated depreciation		
As at 1 April 2023	1,255.44	1,255.44
Depreciation for the year	496.96	496.96
Reversal on disposal of assets	47.67	47.67
As at 31 March 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
Net Block		
As at 31 March 2024	1,205.55	1,205.55
As at 31 March 2025	2,495.71	2,495.71

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	As at 31 March 2025	As at 31 March 2024
11 Other non- financial assets		
Considered good, unsecured		
Prepaid expenses	446.00	373.73
Advances to vendors	1,562.62	188.06
Other advances*	416.49	1,069.63
	2,425.11	**1,631.42**

* Other advances represents various expenses incurrred in connection with initial public offer of equity shares of the Company, recoverable from investors as part of the agreement. Balance as at 31 March 2024 includes Rs 222.93 lakhs paid to the previous statutory auditors (excluding taxes) of the Company.

12 Derivative financial instruments

	As at 31 March 2025		As at 31 March 2024	
	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	92,039.27	5,184.09	75,385.93	5,346.17
- Forward contract	-	-	1,396.54	54.12
(ii) Interest rate derivatives (Refer Note 44) - measured at FVTPL				
- Overnight indexed swaps	59,325.00	292.46	39,500.00	81.65
	1,51,364.27	**5,476.55**	**1,16,282.47**	**5,481.94**

	As at 31 March 2025		As at 31 March 2024	
	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	8,870.97	188.53
- Forward contract	1,650.95	1,367.57	-	-
(ii) Interest rate derivatives (Refer Note 44) - measured at FVTPL				
- Overnight indexed swaps	-	-	19,825.00	110.12
	27,771.95	**2,363.48**	**28,695.97**	**298.65**

Part-II
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	92,039.27	5,184.09	75,385.93	5,346.17
- Forward contract	-	-	1,396.54	54.12
-Fair value hedging				
- Overnight indexed swaps	59,325.00	292.46	39,500.00	81.65
	1,51,364.27	**5,476.55**	**1,16,282.47**	**5,481.94**
Liability				
-Cash flow hedging				
- Cross currency swaps	26,121.00	995.91	8,870.97	188.53
- Forward contract	1,650.95	1,367.57	-	-
-Fair value hedging				
- Overnight indexed swaps	-	-	19,825.00	110.12
	27,771.95	**2,363.48**	**28,695.97**	**298.65**

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 with Investment grade credit rating. 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.

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

13 Trade payables	As at 31 March 2025	As at 31 March 2024
Trade payables (Refer note below)		
-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	6,726.54	13,588.16
	6,726.54	**13,588.16**

a) **Ageing of trade payables**

Particulars	As at 31 March 2025		As at 31 March 2024	
	MSME	Others	MSME	Others
Not due	-	5,378.75	-	11,836.08
Less than 1 year	-	1,347.79	-	1,752.08
1-2 years	-	-	-	-
2-3 years	-	-	-	-
More than 3 years	-	-	-	-
Total	-	**6,726.54**	-	**13,588.16**

b) There are no disputed trade payables as at 31 March 2025 and 31 March 2024.

	As at 31 March 2025	As at 31 March 2024
14 Debt securities (Refer Note 14A)		
Measured at amortised cost:		
Secured		
- Redeemable non-convertible debentures	1,23,964.20	98,448.85
- Commercial paper	16,821.12	42,923.61
Total debt securities	**1,40,785.32**	**1,41,372.46**
Debt securities in India	1,40,785.32	1,41,372.46
Debt securities outside India	-	-
Total debt securities	**1,40,785.32**	**1,41,372.46**

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

15 Borrowings (other than debt securities) (Refer Note 15A to 15E)		
Measured at amortised cost:		
Secured		
Term loans		
- from banks	6,40,300.76	5,51,090.58
- from other financial institutions	1,22,524.19	1,11,097.21
Loans repayable on demand		
- Working capital loan from banks	57,731.58	62,847.50
- Cash credit from banks	9,835.03	9,828.32
Other loans		
-Borrowings under securitisation	7,262.66	28,539.53
Total borrowings (Other than debt securities)	**8,37,654.22**	**7,63,403.14**
Borrowings in India	7,26,821.95	6,79,067.73
Borrowings outside India	1,10,832.27	84,335.41
Total borrowings (Other than debt securities)	**8,37,654.22**	**7,63,403.14**

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

	As at 31 March 2025	As at 31 March 2024
16 Other financial liabilities (including lease liabilities)		
Collateral deposits from customers (Refer note 1 below)	3,950.81	581.85
Lease liabilities (Refer Note 34)	2,942.93	1,345.35
Employee benefits payable	4,394.39	4,400.40
Remittances payable - derecognised financial instruments (Refer note 2 below)	3,957.11	7,598.13
Income received in Advance	0.75	83.74
Other liabilities	2,421.42	272.08
Unclaimed dividend on non convertible preference shares	2.69	2.69
	17,670.10	**14,284.24**

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

16 Other financial liabilities (including lease liabilities) (continued)

Notes:

1) 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.

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

	As at 31 March 2025	As at 31 March 2024
17 Provisions		
Provision for employee benefits:		
Gratuity (refer note 40)	754.49	596.57
Compensated absences (refer note 40)	695.42	505.37
Provision for others:		
Impairment loss allowance for guarantees (Refer Note 17(A))	32.55	1,573.77
Impairment loss allowance for loans commitments (Refer Note 17(B))	95.90	107.06
	1,578.36	**2,782.77**
18 Other non- financial liabilities		
Statutory dues payable	1,540.97	1,191.89
	1,540.97	**1,191.89**

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(All amounts are in Indian Rupees in lakhs 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 2025	Gross Balance as at 31 March 2024
Secured, redeemable non-convertible debentures:						
- NIL units (31 March 2024: 5710 units) of 8.65% Redeemable, market linked non-convertible debentures of INR 1,00,000 each, maturing on July 12, 2024	Coupon payment frequency: On maturity Principal repayment frequency: On maturity Tenor: 13 months Redemption Date: July 12, 2024	12-Jul-24	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	9.60%	-	5,710.00
- 2949 units (31 March 2024: 2949 units) of 9.966% Redeemable non-convertible debentures of INR 1,000,000 each, maturing on December 18, 2025	Coupon payment frequency: Semi annualy Principal repayment frequency: 7 equal half-yearly instalments Tenure of security: 60 months Redemption date: December 18, 2025	18-Jun-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	16,851.43
- 1800 units (31 March 2024: 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-Sep-25	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	10,800.00
- NIL units (31 March 2024: 200 units) of 8.95% Redeemable non-convertible debentures of INR 1,000,000 each, maturing on June 30, 2024	Coupon payment frequency: Monthly Principal repayment frequency: On maturity Tenure of security: 21 months Redemption date: June 30, 2024	30-Jun-24	The Debentures shall be secured by a first ranking and exclusive charge of 1.10x over identified loan receivables and investments which are free from any encumbrances / charge / lien	8.95%	-	2,000.00
- 3950 units (31 March 2024: 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-25	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%	31,600.00	31,600.00
- NIL units (31 March 2024: 891 units) of Market Linked Redeemable non-convertible debentures of INR 1,000,000 each, maturing on January 27, 2025*	Coupon payment frequency: On maturity Principal repayment frequency: On maturity Tenure of security: 30 months Redemption date: January 27, 2025	27-Jan-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	9.10%	-	8,910.00
- NIL units (31 March 2024: 2500 units) of Market Linked Redeemable non-convertible debentures of INR 1,000,000 each, maturing on January 27, 2025*	Coupon payment frequency: On maturity Principal repayment frequency: On maturity Tenure of security: 30 months Redemption date: January 27, 2025	27-Jan-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	9.10%	-	2,500.00
17500 units (31 March 2024: 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-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	9.65%	11,666.67	17,500.00
62000 units (31 March 2024: NIL 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-25	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%	62,000.00	-
5000 units (31 March 2024: NIL 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-May-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	-
Total					**1,22,292.38**	**95,871.43**

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NORTHERN ARC CAPITAL LIMITED MUMBAI ★

(All amounts are in Indian Rupees in lakhs unless otherwise stated)

Note 14 A : Details regarding terms of issuance of debt securities (Continued)

Particulars	Terms of Redemption	Earliest repayment date	Security	Interest rate	Gross Balance as at 31 March 2025	Gross Balance as at 31 March 2024
Unsecured, Commercial Paper:						
NIL Units (31 March 2024 : 2000 units) of 9.25% commercial paper of INR 500,000 each, maturing on June 17, 2024	Repayments terms: Entire amount is repaid on maturity Tenor: 364 Days Redemption date: June 17,2024	14-Jun-24	NA	9.25%	-	10,000.00
NIL Units (31 March 2024 : 2000 units) of 9.15% commercial paper of INR 500,000 each, maturing on June 25, 2024	Repayments terms: Entire amount is repaid on maturity Tenor: 364 Days Redemption date: June 25,2024	25-Jun-24	NA	9.10%	-	10,000.00
NIL Units (31 March 2024 : 900 units) of 8.85% commercial paper of INR 500,000 each, maturing on May 28, 2024	Repayments terms: Entire amount is repaid on maturity Tenor: 91 Days Redemption date: May 28, 2024	28-May-24	NA	8.85%	-	4,500.00
NIL Units (31 March 2024 : 2000 units) of 9.90% commercial paper of INR 500,000 each, maturing on February 28, 2025	Repayments terms: Entire amount is repaid on maturity Tenor: 365 Days Redemption date: February 28, 2025	28-Feb-25	NA	9.90%	-	10,000.00
NIL Units (31 March 2024 : 2000 units) of 10.20% commercial paper of INR 500,000 each, maturing on July 26, 2024	Repayments terms: Entire amount is repaid on maturity Tenor: 122 Days Redemption date: July 24, 2024	26-Jul-24	NA	10.20%	-	10,000.00
600 Units (31 March 2024 : NIL units) of 8.40% commercial paper of INR 500,000 each, maturing on September 27, 2024	Repayments terms: Entire amount is repaid on maturity Tenor: 81 Days Redemption date: September 27, 2024	27-Sep-24	NA	8.40%	-	-
1000 Units (31 March 2024 : NIL 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	-
1000 Units (31 March 2024 : NIL 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	-
500 Units (31 March 2024 : NIL 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	-
1000 Units (31 March 2024 : NIL 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	-
					17,500.00	**44,500.00**

Note: The balances are net of accrued interest and gross of unamortised processing fees
* Coupon rate are linked to perfromance of specified indices inclusing maket indiactors over the period of the debentures

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(All amounts are in Indian Rupees in lakhs unless otherwise stated)

Note 15 A : Details regarding terms of borrowings

Particulars	Terms of Redemption	Interest rate	Earliest repayment date	Gross Balance as at 31 March 2025	Gross Balance as at 31 March 2024	Security
Secured borrowing from banks						
Term Loan - 1	Repayments terms: Bullet payment Tenor: 37 Days Redemption date: May 05, 2025	9.20%	30-Apr-25	1,500.00	1,500.00	First and Exclusive charge on the standard receivables with a security cover of 120%.
Term Loan - 2	Repayments terms: 15 quaterly instalments Tenor: 48 months Redemption date: March 31, 2026	1 Y MCLR + Spread 1.15%	01-Apr-25	1,333.33	2,663.75	First and Exclusive charge over the loan receivables with a security cover of 110%.
Term Loan - 3	Repayments terms: 15 quaterly instalments Tenor: 36 months Redemption date: December 15, 2025	1 Y MCLR + Spread 1.15%	16-Dec-24	-	2,333.33	First and Exclusive charge over the loan receivables with a security cover of 110%.
Term Loan - 4	Repayments terms:15 quaterly instalments Tenor: 36 months Redemption date: December 15, 2025	1 Y MCLR + Spread 1.15%	16-Dec-24	-	2,333.33	First and Exclusive charge over the loan receivables with a security cover of 110%.
Term Loan - 5	Repayments terms: 15 quarterly instalments Tenor: 48 months Redemption date: May 30, 2026	1 Y MCLR + Spread 1.15%	01-Apr-25	4,000.00	7,997.09	First and Exclusive charge on the standard receivables with a security cover of 111%.
Term Loan - 6	Repayments terms: Repayment on maturity Tenor: 62 Days Redemption date: May 29, 2025	8.90% P.A. Linked to 1 M MIBOR	30-Apr-25	7,500.00	5,000.00	First and Exclusive charge on the standard receivables with a security cover of 115%.
Term Loan - 7	Repayments terms: 45 monthly instalments Tenor: 48 months Redemption date: March 30, 2027	1 Y MCLR + Spread 1.15%	01-Apr-25	8,000.00	12,000.00	First and Exclusive charge on the standard receivables with a security cover of 111%.
Term Loan - 8	Repayments terms: 14 monthly instalments Tenor: 48 months Redemption date: October 01, 2025	EBLR + Spread 1.26%	01-May-25	1,428.57	5,000.00	First and Exclusive charge over the loan receivables with a security cover of 120%.
Term Loan - 9	Repayments terms: 12 quaterly instalments Tenor: 36 months Redemption date: March 29, 2025	Repo Rate + Spread 4.35%	29-Mar-25	-	2,083.33	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 10	Repayments terms: 12 quaterly instalments Tenor: 36 months Redemption date: March 29, 2025	Repo Rate + Spread 4.35%	01-May-25	1,250.00	2,812.50	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 11	Repayment Terms: Bullet payment Tenor: 90 Days Redemption Date: May 27, 2025	8.75% Linked to 1 M Repo	30-Apr-25	5,000.00	5,000.00	First and Exclusive charge over the loan receivables with a security cover of 110%.
Term Loan - 12	Repayments terms: 12 quarterly instalments Tenor: 36 months Redemption date: September 29, 2025	Repo Rate + Spread 3.25%	01-May-25	1,250.00	4,375.00	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 13	Repayments terms: 12 quarterly instalments Tenor: 36 months Redemption date: December 29, 2025	Repo Rate + Spread 3.25%	01-May-25	1,250.00	3,333.33	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 14	Repayments terms: 12 quarterly instalments Tenor: 36 months Redemption date: January 31, 2026	Repo Rate + Spread 3.25%	01-May-25	833.33	1,666.67	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 15	Repayments terms: 24 monthly instalments Tenor: 24 months Redemption date: 31 March 2025	3M MCLR + Spread 0%	30-Mar-25	-	2,500.00	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 16	Repayment Terms: 24 monthly instalments Tenor: 24 months Redemption Date: June 04, 2025	3Month T Bill + Spread 1.28%	05-Apr-25	312.50	1,562.50	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 17	Repayments terms: 16 quaterly instalments Tenor: 48 months Redemption date: March 06, 2027	1 Y MCLR + Spread 0.75%	06-Apr-25	1,243.54	1,868.54	First and Exclusive charge on the standard receivables with a security cover of 125%.
Term Loan - 18	Repayments terms: 31 monthly instalments Tenor: 36 months Redemption date: March 10, 2025	INR 13,900 - Repo Rate + Spread 3.5%, INR 5,000 - Repo Rate + Spread 3.75%	10-Mar-25	-	7,214.05	First and Exclusive charge over the loan receivables with a security cover of 110%.

(All amounts are in Indian Rupees in lakhs unless otherwise stated)

Note 15 A : Details regarding terms of borrowings

Particulars	Terms of Redemption	Interest rate	Earliest repayment date	Gross Balance as at 31 March 2025	Gross Balance as at 31 March 2024	Security
Term Loan - 19	Repayments terms: 36 monthly instalments Tenor: 36 months Redemption date: May 10 , 2025	Repo Rate + Spread 3.75%	10-Apr-25	666.67	4,666.67	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 20	Repayments terms: 30 monthly instalments Tenor: 36 months Redemption date: March 11, 2025	1 Y MCLR + Spread 0%	11-Mar-25	-	3,000.00	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 21	Repayments terms: 30 monthly instalments Tenor: 36 months Redemption date: August 13, 2024	1 Y MCLR + Spread 0.5%	02-May-24	-	833.33	First and Exclusive charge on the standard receivables with a security cover of 120%.
Term Loan - 22	Repayments terms: 31 monthly instalments Tenor: 31 months post moratorium of 6 months Redemption date: March 13, 2026	9.00%	15-Apr-25	1,935.48	3,870.97	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 23	Repayments terms:10 quaterly instalments Tenor: 36 months Redemption date: December 23, 2024	1 Y MCLR + Spread 0%	23-Dec-24	-	1,050.00	First and Exclusive charge over the loan receivables
Term Loan - 24	Repayments terms: 36 monthly instalments Tenor: 36 months Redemption date: March 23, 2026	1 Y MCLR + Spread 0%	23-Apr-25	4,000.00	8,000.00	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 25	Repayments terms: 36 monthly instalments Tenor: 36 months Redemption date: March 24, 2025	1 Y MCLR + Spread 0.25%	24-Mar-25	-	6,666.67	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 26	Repayments terms: 36 monthly instalments Tenor: 36 months Redemption date: March 25, 2025	364 days T Bill + Spread 3.99%	25-Mar-25	-	983.33	First and Exclusive charge over the loan receivables with a security cover of 115%.
Term Loan - 27	Repayments terms: 24 monthly instalments Tenor: 24 months Redemption date: September 26, 2024	8.60%	26-Sep-24	-	1,545.43	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 28	Repayments terms: 15 monthy instalments Tenor: 18 months Redemption date: April 26, 2024	3M T Bill + Spread 2.75%	26-Apr-24	-	333.80	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 29	Repayments terms: 9 quaterly instalments Tenor: 27 months Redemption date: January 27 , 2025	3M T Bill + Spread 2.90%	27-Jan-25	-	2,222.25	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 30	Repayment Terms: Bullet payment Tenor: 38 Days Redemption Date: May 06, 2025	8.50%	30-Apr-25	900.00	900.00	First and Exclusive charge over the loan receivables with a security cover of 120%.
Term Loan - 31	Repayments terms: 16 quarterly instalments Tenor: 48 months Redemption date: June 28 , 2027	1 Year MCLR + Spread 0.75%	28-Apr-25	5,620.44	8,120.44	First and Exclusive charge on the standard receivables with a security cover of 125%.
Term Loan - 32	Repayments terms: 15 quaterly instalments Tenor: 48 months Redemption date: November 29, 2025	1 Y MCLR + Spread 0.75%	19-Mar-25	-	918.45	First and Exclusive charge over the loan receivables with a security cover of 125%.
Term Loan - 33	Repayments terms: 36 monthly instalments Tenor: 36 months Redemption date: March 29, 2025	1 Y MCLR + Spread 1.55%	29-Mar-25	-	1,500.00	First and Exclusive charge on the standard receivables with a security cover of 115%.
Term Loan - 34	Repayments terms: 15 quaterly instalments Tenor: 48 months Redemption date: November 29, 2025	1 Y MCLR + Spread 0.75%	19-Mar-25	-	1,866.67	First and Exclusive charge over the loan receivables with a security cover of 125%.
Term Loan - 35	Repayments terms: 11 quarterly instalments Tenor : 36 months Redemption date: March 29, 2026	1 Y MCLR + Spread 1.00%	08-Nov-24	-	5,440.34	First and Exclusive charge on the standard receivables with a security cover of 111%.
Term Loan - 36	Repayments terms: 36 monthly instalments Tenor: 36 months Redemption date: June 30 , 2025	1 Y MCLR + Spread 0.2%	30-Apr-25	1,050.00	5,250.00	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 37	Repayments terms: 36 monthly instalments Tenor: 36 months Redemption date: June 30 , 2025	1 Y MCLR + Spread 0.2%	30-Apr-25	400.00	2,000.00	First and Exclusive charge on the standard receivables with a security cover of 110%.

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(All amounts are in Indian Rupees in lakhs unless otherwise stated)

Note 15 A : Details regarding terms of borrowings

Particulars	Terms of Redemption	Interest rate	Earliest repayment date	Gross Balance as at 31 March 2025	Gross Balance as at 31 March 2024	Security
Term Loan - 38	Repayments terms: 36 monthly instalments Tenor: 36 months Redemption date: November 30, 2025	1 Y MCLR +Spread 0.8%	30-Apr-25	4,414.51	11,085.62	First and Exclusive charge on the standard receivables with a security cover of 120%.
Term Loan - 39	Repayment Terms: 36 monthly instalments Tenor: 36 months Redemption Date: June 28, 2026	Repo Rate + Spread 2.75%	30-Apr-25	2,083.33	3,750.00	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 40	Repayments terms: 36 montly instalments Tenor: 36 months Redemption date: December 31, 2024	1 Y MCLR + Spread 0.25%	31-Dec-24	-	2,487.88	First and Exclusive charge over the loan receivables with a security cover of 120%.
Term Loan - 41	Repayments terms: 12 quarterly instalments Tenor: 39 months Redemption date: April 30, 2024	6M MCLR + Spread 0.5%	30-Apr-24	-	273.55	First and Exclusive charge over the loan receivables with a security cover of 110%.
Term Loan - 42	Repayments terms: 33 monthly instalments Tenor: 36 months Redemption date: November 30, 2024	8.00%	30-Nov-24	-	1,212.12	First and Exclusive charge over the loan receivables with a security cover of 120%.
Term Loan - 43	Repayments terms: 12 quaterly instalments Tenor: 36 months Redemption date: August 31, 2024	1 Y MCLR + Spread 0.65%	31-Aug-24	-	1,666.67	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 44	Repayments terms: 12 quaterly instalments Tenor: 36 months Redemption date: August 31, 2024	1 Y MCLR + Spread 0.65%	31-Aug-24	-	833.33	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 45	Repayments terms: 12 quaterly instalments Tenor: 36 months Redemption date: September 28, 2024	1 Y MCLR + Spread 0.65%	28-Sep-24	-	833.33	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 46	Repayments terms: 36 monthly instalments Tenor: 36 months Redemption date: September 30, 2024	1 Y T Bill + Spread 3.34%	28-Jun-24	-	1,159.33	First and Exclusive charge over the loan receivables with a security cover of 120%.
Term Loan - 47	Repayments terms: 24 monthly instalments Tenor: 33 months Redemption date: October 21, 2024	1 Y MCLR + Spread 0.6%	17-Oct-24	-	747.83	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 48	Repayments terms: Repayment on maturity Tenor: 180 days Redemption date: Sep 21, 2025	8.80% Linked to 3 M Repo	30-Apr-25	5,000.00	5,000.00	First and Exclusive charge over the loan receivables with a security cover of 120%.
Term Loan - 49	Repayments terms: 36 monthly instalments Tenor: 36 months Redemption date: September 30, 2024	1 Y MCLR + Spread 1%	30-Sep-24	-	416.67	First and Exclusive charge over the loan receivables with a security cover of 111%.
Term Loan - 50	Repayments terms: Bullet payment Tenor: 48 Days Redemption date: May 15, 2025	8.45%	30-Apr-25	10,000.00	8,000.00	First and Exclusive charge over the loan receivables with a security cover of 120%.
Term Loan - 51	Repayments terms: Bullet payment Tenor: 38 Days Redemption date: May 05, 2024\5	8.45%	30-Apr-25	15,000.00	4,000.00	First and Exclusive charge over the loan receivables with a security cover of 120%.
Term Loan - 52	Repayments terms: Bullet payment Tenor: 177 Days Redemption date: July 25, 2024	9.59% Linked to 1 M MIBOR	25-Jul-24	-	4,000.00	First and Exclusive charge over the loan receivables with a security cover of 120%.
Term Loan - 53	Repayments terms: Bullet payment Tenor: 179 Days Redemption date: August 23, 2024	9.59% Linked to 1 M MIBOR	23-Aug-24	-	4,000.00	First and Exclusive charge over the loan receivables with a security cover of 120%.
Term Loan - 54	Repayments terms: Repayment on maturity Tenor: 89 Days Redemption date: May 26,2025	9.05%	30-Apr-25	5,000.00	5,000.00	First and Exclusive charge on the standard receivables with a security cover of 133%.
Term Loan - 55	Repayments terms: 10 quaterly instalments Tenor: 33 months Redemption date: September 30, 2024	1 Y SOFR + Spread 2%	30-Sep-24	-	3,000.00	Asset cover of 1x for derivative limit
Term Loan - 56	Repayments terms: 12 quaterly instalments Tenor: 36 months Redemption date: December 31, 2024	1 Y MCLR + Spread 0.3%	09-Oct-24	-	749.07	First and Exclusive charge over the loan receivables with a security cover of 120%.

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NORTHERN ARC CAPITAL LIMITED MUMBAI ★

(All amounts are in Indian Rupees in lakhs unless otherwise stated)

Note 15 A : Details regarding terms of borrowings

Particulars	Terms of Redemption	Interest rate	Earliest repayment date	Gross Balance as at 31 March 2025	Gross Balance as at 31 March 2024	Security
Term Loan - 57	Repayments terms: 12 quaterly instalments Tenor: 36 months Redemption date: 31 March 2025	1 Y MCLR + Spread 0.8%	31-Mar-25	-	1,267.03	First and Exclusive charge over the loan receivables with a security cover of 110%.
Term Loan - 58	Repayments terms: 11 qauterly instalments Tenor: 36 months Redemption date: March 28, 2025	1 Y MCLR + Spread 1%	08-Nov-24	-	3,629.81	First and Exclusive charge on the standard receivables with a security cover of 118%.
Term Loan - 59	Repayments terms: 12 quarterly instalments Tenor: 36 months Redemption date: June 30, 2024	364 days T Bill + Spread 5.2%	30-Jun-24	-	183.33	First and Exclusive charge over the loan receivables with a security cover of 115%.
Term Loan - 60	Repayments terms: Repayment on maturity Tenor: 110 Days Redemption date: April 08,2024	9.40% Linked to 1 M MCLR + 0.15%	05-Apr-24	-	3,000.00	First and Exclusive charge over the loan receivables with a security cover of 111%.
Term Loan - 61	Repayments terms: Repayment on maturity Tenor: 136 Days Redemption date: May 06,2024	9.40% Linked to 1 M MCL	06-May-24	-	3,000.00	First and Exclusive charge over the loan receivables with a security cover of 111%.
Term Loan - 62	Repayments terms: Repayment on maturity Tenor: 157 Days Redemption date: July 05,2024	9.60% Linked to 1 M MCL	05-Jul-24	-	4,000.00	First and Exclusive charge over the loan receivables with a security cover of 111%.
Term Loan - 63	Repayments terms: 42 monthly instalments Tenor: 48 months Redemption date: March 23, 2026	1 Y MCLR + Spread 1%	30-Apr-25	654.76	1,369.05	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 64	Repayments terms: 24 monthly instalments Tenor: 24 months Redemption date: May 31 , 2024	External BMLR + Spread 4.2%	31-May-24	-	250.00	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 65	Repayments terms: 60 monthy instalments Tenor: 60 months Redemption date: January 19, 2025	1 Y MCLR + Spread 1.5%	30-Sep-24	-	1,984.88	1x security cover for hedge limits
Term Loan - 66	Repayments terms: Repayment on maturity Tenor: 86 Days Redemption date: April 25, 2024	8.98% P.A. Linked to 1 M MIBOR	15-Apr-24	-	2,500.00	First and Exclusive charge on the standard receivables with a security cover of 115%
Term Loan - 67	Repayments terms: 36 monthly instalments Tenor: 36 months Redemption date: September 30, 2025	Repo Rate + Spread 4.45%	30-Apr-25	1,250.00	3,750.00	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 68	Repayments terms: 36 monthly instalments Tenor: 36 months Redemption date: October 10, 2025	7.40%	30-Apr-25	918.55	2,553.05	First and Exclusive charge on the standard receivables with a security cover of 120%.
Term Loan - 69	Repayments terms: 36 monthly instalments Tenor: 36 months Redemption date: October 31, 2025	7.40%	30-Apr-25	1,063.32	2,692.41	First and Exclusive charge on the standard receivables with a security cover of 120%.
Term Loan - 70	Repayments terms: 20 quarterly instalments Tenor: 60 months Redemption date: December 16, 2027	1 Y MCLR + Spread 0.1%	30-Apr-25	3,307.50	3,937.50	First and Exclusive charge on the standard receivables with a security cover of 115%.
Term Loan - 71	Repayments terms: 14 quarterly instalments Tenor: 48 months Redemption date: December 28, 2026	6M MCLR + Spread 0.55%	10-Apr-25	2,334.58	3,666.58	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 72	Repayments terms: 20 quarterly instalments Tenor: 60 months Redemption date: December 29, 2027	1 Y MCLR + Spread 0.1%	30-Apr-25	7,350.00	8,750.00	First and Exclusive charge on the standard receivables with a security cover of 115%.
Term Loan - 73	Repayments terms: 24 monthly instalments Tenor: 27 months Redemption date: 31 March 2025	1 year MCLR + Spread 0.1%	31-Mar-25	-	2,500.00	1.20 times first and exclusive charge on standard receivables on outstanding level with 1.15 times receivables being PSL qualifying assets and 0.05 times receivables being non-PSL assets.
Term Loan - 74	Repayments terms: 20 quarterly instalments Tenor: 60 months Redemption date: December 16, 2027	1 Y MCLR + Spread 0.1%	30-Apr-25	13,230.00	15,750.00	First and Exclusive charge on the standard receivables with a security cover of 115%.
Term Loan - 75	Repayment Terms: 37 monthly instalments Tenor: 37 months Redemption Date: March 15, 2025	Repo Rate + Spread 2.30%	15-Mar-25	-	4,677.46	First and Exclusive charge on the standard receivables with a security cover of 110%.

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(All amounts are in Indian Rupees in lakhs unless otherwise stated)

Note 15 A : Details regarding terms of borrowings

Particulars	Terms of Redemption	Interest rate	Earliest repayment date	Gross Balance as at 31 March 2025	Gross Balance as at 31 March 2024	Security
Term Loan - 76	Repayments terms: 12 quarterly instalments Tenor: 36 months Redemption date: March 31, 2026	6M T bill + Spread 0%	30-Apr-25	1,327.09	2,660.43	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 77	Repayments terms: 24 monthly instalments Tenor: 24 months Redemption date: 31 March 2025	6M MCLR + Spread 0.6%	31-Mar-25	-	4,499.45	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 78	Repayment Terms: Bullet payment Tenor: 40 Days Redemption Date: May 07, 2025	9.00% Linked to Repo	01-Apr-25	5,000.00	5,000.00	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 79	Repayment Terms: Bullet payment Tenor: 90 Days Redemption Date: Jun 27, 2025	9.10%	01-Apr-25	3,000.00	3,000.00	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 80	Repayment Terms: 12 equal quaterly instalments Tenor: 36 months Redemption Date: June 21, 2026	3Month MCLR + Spread 0.3%	10-Oct-24	-	749.50	First and Exclusive charge over the loan receivables with a security cover of 120%.
Term Loan - 81	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%	30-Apr-25	1,250.00	6,250.00	First and Exclusive charge on the standard future receivables with a security cover of 110%.
Term Loan - 82	Repayment Terms: 24 monthly instalments Tenor: 24 months Redemption Date: June 30, 2025	Repo Rate + Spread 0.30%	30-Apr-25	500.00	2,500.00	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 83	Repayments terms: 15 quaterly instalments Tenor: 42 months Redemption date: June 1, 2025	1 Y MCLR + Spread 1.15%	01-May-25	404.03	2,072.19	First and Exclusive charge over the loan receivables with a security cover of 110%.
Term Loan - 84	Repayments terms: 14 quaterly instalments Tenor: 48 months Redemption date: July 28, 2027	3M T bill + Spread 2.57%	10-Apr-25	3,335.00	4,667.00	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 85	Repayments terms: 14 quaterly instalments Tenor: 48 months Redemption date: July 31, 2027	3M T bill + Spread 2.57%	10-Apr-25	3,335.00	4,667.00	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 86	Repayments terms: 48 Monthly instalments Tenor: 48 months Redemption date: July 31, 2027	3Y MCLR + Spread 0.55%	30-Apr-25	1,555.56	2,222.22	Exclusive charge on the standard receivables with a security cover / ACR of 110%.
Term Loan - 87	Repayments terms: 12 Monthly instalments Tenor: 12 months Redemption date: Sep 05, 2024	Repo Rate + Spread 2.50%	05-Sep-24	-	2,044.60	First ranking Exclusive and continuing charge by way of Hypothecation of identified book debts of borrower (Principal amount) to cover 110% of the outstanding facility amount.
Term Loan - 88	Repayments terms: 31 monthly instalments Tenor: 37 months Redemption date: Oct 20, 2026	Repo Rate + Spread 2.60%	21-Apr-25	7,661.29	12,500.00	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 89	Repayments terms: 31 monthly instalments Tenor: 37 months Redemption date: Oct 20, 2026	3M MCLR + Spread 0%	21-Apr-25	4,596.77	7,500.00	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 90	Repayments terms: 10 quarterly instalments Tenor: 36 months Redemption date: Sep 29, 2026	1 Y MCLR + Spread 1.25%	10-Apr-25	5,700.00	9,500.00	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 91	Repayments terms: 31 monthly instalments Tenor: 37 months Redemption date: Oct 28, 2026	9.35%	28-Apr-25	3,064.52	5,000.00	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 92	Repayments terms: 24 monthly instalments Tenor: 24 months Redemption date: Sep 28, 2025	6M MCLR + Spread 0.15%	28-Apr-25	1,250.00	3,750.00	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 93	Repayments terms: 36 monthly instalments Tenor: 36 months Redemption date: Sep 29, 2026	1 Y MCLR +Spread 0.45%	29-Apr-25	9,989.79	16,661.65	First and Exclusive charge on the standard receivables with a security cover of 120%.
Term Loan - 94	Repayments terms: 45 monthly instalments Tenor: 48 months Redemption date: Nov 02, 2027	1 Y MCLR + Spread 0.65%	01-Apr-25	9,333.33	13,066.67	First and Exclusive charge on the standard receivables with a security cover of 111%.

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(All amounts are in Indian Rupees in lakhs unless otherwise stated)

Note 15 A : Details regarding terms of borrowings

Particulars	Terms of Redemption	Interest rate	Earliest repayment date	Gross Balance as at 31 March 2025	Gross Balance as at 31 March 2024	Security
Term Loan - 95	Repayments terms: 45 monthly instalments Tenor: 48 months Redemption date: October 30, 2027	1 Y MCLR + Spread 0.80%	01-Apr-25	4,133.33	5,733.33	First and Exclusive charge on the standard receivables with a security cover of 111%.
Term Loan - 96	Repayments terms: 24 monthly instalments Tenor: 36 months Redemption date: October 31, 2025	1 Y MCLR + Spread 0.20%	30-Apr-25	2,187.50	5,937.50	First and Exclusive charge on the standard receivables with a security cover of 120%.
Term Loan - 97	Repayments terms: 6 quarterly instalments Tenor: 24 months Redemption date: December 15, 2025	3M T-Bill + Spread 2.20%	15-Apr-25	1,875.00	4,375.00	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: December 18, 2025	8.10%	20-Apr-25	3,750.00	8,750.00	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 99	Repayments terms: 24 monthly instalments Tenor: 24 months Redemption date: December 20, 2025	6M MCLR + Spread 0.30%	20-Apr-25	3,750.00	8,750.00	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 100	Repayments terms: 10 quarterly instalments Tenor: 36 months Redemption date: December 10, 2026	1 Y MCLR + Spread 1.25%	10-Apr-25	10,850.00	17,050.00	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 101	Repayments terms: 27 monthly instalments Tenor: 27 months Redemption date: March 31, 2026	6 M MCLR	30-Apr-25	5,000.00	10,000.00	First and Exclusive charge over the loan receivables with a security cover of 115%.
Term Loan - 102	Repayments terms: 11 quarterly instalments Tenor: 36 months Redemption date: January 31, 2027	1 Y MCLR + Spread 0.75%	30-Apr-25	5,445.63	7,500.00	First and Exclusive charge on the standard receivables with a security cover of 111%.
Term Loan - 103	Repayments terms: 24 monthly instalments Tenor: 24 months Redemption date: 31 March 2024	1 Y MCLR + Spread 0.50%	01-May-25	4,058.24	7,500.00	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 104	Repayments terms: 36 monthly instalments Tenor: 36 months Redemption date: February 27, 2027	Repo Rate + Spread 3.00%	30-Apr-25	4,791.67	7,291.67	First and Exclusive charge on the standard receivables with a security cover of 111%.
Term Loan - 105	Repayments terms: 24 monthly instalments Tenor: 24 months Redemption date: February 28, 2026	6M MCLR + Spread 0.30%	29-Apr-25	1,648.50	3,450.00	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 106	Repayments terms: 6 quaterly instalments Tenor: 24 months Redemption date: February 28, 2026	3M T bill + Spread 2.52%	10-Apr-25	5,710.00	10,000.00	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 107	Repayments terms: 24 monthly instalments Tenor: 24 months Redemption date: March 07, 2026	8.25%	07-Apr-25	2,500.00	5,000.00	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: March 07, 2026	3M T-Bill + Spread 2.32%	07-Apr-25	2,500.00	5,000.00	First and Exclusive charge over the loan receivables with a security cover of 110%.
Term Loan - 109	Repayment Terms: 12 equal quaterly instalments Tenor: 36 months Redemption Date: March 07, 2027	3M T Bill + Spread 2.64%	30-Apr-25	3,332.00	5,000.00	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 - 110	Repayments terms: 11 quarterly instalments Tenor: 34 months Redemption date: December 31, 2026	9.65%	01-May-25	15,000.00	25,000.00	First and Exclusive charge on the standard receivables with a security cover of 120%.
Term Loan - 111	Repayments terms: 6 Monthly instalments Tenor: 183 Days Redemption date: September 17, 2024	8.80%	13-Sep-24	-	29,836.90	First and Exclusive charge over the loan receivables with a security cover of 125%.
Term Loan - 112	Repayments terms: 6 Monthly instalments Tenor: 183 Days Redemption date: September 17, 2024	8.80%	13-Sep-24	-	29,951.78	First and Exclusive charge over the loan receivables with a security cover of 125%.
Term Loan - 113	Repayments terms: 16 quaterly instalments Tenor: 48 months Redemption date: March 21, 2028	1 Y MCLR + Spread 0.75%	21-Apr-25	7,500.00	10,000.00	First and Exclusive charge over the loan receivables with a security cover of 125%.

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(All amounts are in Indian Rupees in lakhs unless otherwise stated)

Note 15 A : Details regarding terms of borrowings

Particulars	Terms of Redemption	Interest rate	Earliest repayment date	Gross Balance as at 31 March 2025	Gross Balance as at 31 March 2024	Security
Term Loan - 114	Repayments terms: 45 monthly instalments Tenor: 48 months Redemption date: March 28, 2028	1 Y MCLR + Spread 0.80%	01-Apr-25	16,000.00	19,996.59	First and Exclusive charge on the standard receivables with a security cover of 111%.
Term Loan - 115	Repayments terms: 6 Monthly instalments Tenor: 183 Days Redemption date: September 27, 2024	9.25%	27-Sep-24	-	11,662.06	First and Exclusive charge over the loan receivables with a security cover of 125%.
Term Loan - 116	Repayments terms: 6 Monthly instalments Tenor: 183 Days Redemption date: September 27, 2024	9.25%	27-Sep-24	-	11,662.06	First and Exclusive charge over the loan receivables with a security cover of 125%.
Term Loan - 117	Repayments terms: 24 monthly instalments Tenor: 24 months Redemption date: Jun 28, 2026	3M T bill + Spread 2.39%	28-Apr-25	3,125.00	-	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 118	Repayments terms: 12 quaterly instalments Tenor: 36 months Redemption date: Jun 29, 2027	1 M MCLR + Spread 0.20%	30-Apr-25	3,750.00	-	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 119	Repayments terms: 24 monthly instalments Tenor: 24 months Redemption date: Jul 30, 2026	6M MCLR + Spread 0.05%	30-Apr-25	1,600.00	-	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 120	Repayments terms: 16 quaterly instalments Tenor: 48 months Redemption date: Sep 26, 2028	1Y MCLR + Spread 0.60%	30-Apr-25	9,160.75	-	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 121	Repayments terms: 45 monthly instalments Tenor: 48months Redemption date: Sep 30, 2028	1Y MCLR + Spread 0.40%	30-Apr-25	9,333.33	-	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 122	Repayments terms: 36 monthly instalments Tenor: 36 months Redemption date: September 15, 2027	1 Y MCLR + Spread 1.20%	30-Apr-25	5,416.67	-	First and Exclusive charge on the standard receivables with a security cover of 115%.
Term Loan - 123	Repayments terms: 36 monthly instalments Tenor: 36 months Redemption date: October 01, 2026	6 M SOFR + Spread 2.60%	30-Apr-25	17,951.78	-	First and Exclusive charge on the standard receivables with a security cover of 125%.
Term Loan - 124	Repayments terms: 36 monthly instalments Tenor: 36 months Redemption date: September 29, 2026	6 M SOFR + Spread 2.60%	30-Apr-25	17,836.90	-	First and Exclusive charge on the standard receivables with a security cover of 125%.
Term Loan - 125	Repayments terms: 20 quaterly instalments Tenor: 60 months Redemption date: Sep 30, 2029	1Y MCLR + Spread 0.40%	30-Apr-25	4,500.00	-	First and Exclusive charge on the standard receivables with a security cover of 115%.
Term Loan - 126	Repayments terms: 48 monthly instalments Tenor: 48 months Redemption date: Sep 30, 2028	1Y MCLR + Spread 0.40%	30-Apr-25	28,429.00	-	First and Exclusive charge on the standard receivables with a security cover of 120%.
Term Loan - 127	Repayments terms: 31 monthly instalments Tenor: 36 months Redemption date: Oct 29, 2027	1Y MCLR + Spread 0.00%	30-Apr-25	10,000.00	-	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 128	Repayments terms: 36 monthly instalments Tenor: 36 months Redemption date: September 15, 2027	6 M SOFR + Spread 2.53%	28-Apr-25	45,000.00	-	First and Exclusive charge on the standard receivables with a security cover of 125%.
Term Loan - 129	Repayments terms: 36 monthly instalments Tenor: 36 months Redemption date: December 14, 2025	6 M SOFR + Spread 2.65%	28-Apr-25	4,994.06	-	First and Exclusive charge on the standard receivables with a security cover of 125%.
Term Loan - 130	Repayments terms: 36 monthly instalments Tenor: 36 months Redemption date: December 14, 2025	6 M SOFR + Spread 2.65%	28-Apr-25	4,994.06	-	First and Exclusive charge on the standard receivables with a security cover of 125%.
Term Loan - 131	Repayments terms: 36 monthly instalments Tenor: 36 months Redemption date: September 15, 2027	6 M SOFR + Spread 2.53%	25-Apr-25	45,000.00	-	First and Exclusive charge on the standard receivables with a security cover of 125%.
Term Loan - 132	Repayments terms: 16 quaterly instalments Tenor: 48 months Redemption date: Dec 11, 2028	1Y MCLR + Spread 1.15%	30-Apr-25	4,663.93	-	First and Exclusive charge on the standard receivables with a security cover of 110%.

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(All amounts are in Indian Rupees in lakhs unless otherwise stated)

Note 15 A : Details regarding terms of borrowings

Particulars	Terms of Redemption	Interest rate	Earliest repayment date	Gross Balance as at 31 March 2025	Gross Balance as at 31 March 2024	Security
Term Loan - 133	Repayments terms: 48 monthly instalments Tenor: 48 months Redemption date: Sep 24, 2028	1Y MCLR + Spread 0.40%	24-Apr-25	9,333.33	-	First and Exclusive charge on the standard receivables with a security cover of 120%.
Term Loan - 134	Repayments terms: 45 monthly instalments Tenor: 48 months Redemption date: Dec 31, 2028	1 Y MCLR + Spread 0.35%	01-Apr-25	5,000.00	-	First and Exclusive charge on the standard receivables with a security cover of 111%.
Term Loan - 135	Repayments terms: 48 monthly instalments Tenor: 60 months Redemption date: Jan 31, 2030	Term SOFR + Spread 2.15%	31-Jul-25	12,982.50	-	First and Exclusive charge on the standard receivables with a security cover of 115%.
Term Loan - 136	Repayments terms: 31 monthly instalments Tenor: 36 months Redemption date: Feb 29, 2028	1Y MCLR + Spread 0.00%	30-Apr-25	10,000.00	-	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 137	Repayments terms: 48 monthly instalments Tenor: 60 months Redemption date: Feb 28, 2030	Term SOFR + Spread 2.15%	28-Aug-25	13,138.50	-	First and Exclusive charge on the standard receivables with a security cover of 115%.
Term Loan - 138	Repayments terms: 45 monthly instalments Tenor: 48 months Redemption date: Mar 18, 2029	1 Y MCLR + Spread 0.35%	01-Apr-25	15,000.00	-	First and Exclusive charge on the standard receivables with a security cover of 111%.
Term Loan - 139	Repayments terms: 24 Monthly instalments Tenor: 20 Months Redemption date: November 25, 2026	Repo Rate + Spread 3%	25-Apr-25	5,000.00	-	First and Exclusive charge over the loan receivables with a security cover of 110%.
Term Loan - 140	Repayments terms: 11 quaterly instalments Tenor: 34 months Redemption date: Nov 25, 2026	3 M T Bill + Spread 2.82%	30-Jun-25	50,000.00	-	First and Exclusive charge on the standard receivables with a security cover of 120%.
Term Loan - 141	Repayments terms: 48 monthly instalments Tenor: 48 months Redemption date: Sep 27, 2028	1Y MCLR + Spread 0.40%	27-Apr-25	7,500.00	-	First and Exclusive charge on the standard receivables with a security cover of 120%.
Term Loan - 142	Repayments terms: 24 monthly instalments Tenor: 24 months Redemption date: Mar 28, 2027	3 M MCLR + Spread 0.05%	28-Apr-25	20,000.00	-	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 143	Repayments terms: 30 monthly instalments Tenor: 36 months Redemption date: Mar 28, 2028	3 M MCLR + Spread 0.15%	28-Apr-25	5,000.00	-	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 144	Repayments terms: 24 monthly instalments Tenor: 24 months Redemption date: Apr 01, 2027	1Y MCLR + Spread 0.25%	01-May-25	7,500.00	-	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 145	Repayment Terms: Bullet payment Tenor: 60 Days Redemption Date: May 27, 2025	1 M T Bill + Spread 2.48%	30-Apr-25	10,000.00	-	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 146	Repayments terms: 24 monthly instalments Tenor: 24 months Redemption date: Mar 27, 2027	6 M MCLR + Spread 0.20%	30-Apr-25	20,000.00	-	First and Exclusive charge on the standard receivables with a security cover of 120%.
Term Loan - 147	Repayments terms: 10 quaterly instalments Tenor: 34 months Redemption date: Mar 27, 2027	3 M T Bill + Spread 0.00%	10-Apr-25	5,000.00	-	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 148	Repayment Terms: Bullet payment Tenor: 37 Days Redemption Date: May 05, 2025	9.65% Linked to overnight MCLR + 0.15%	30-Apr-25	5,000.00	-	First and Exclusive charge on the standard receivables with a security cover of 110%.
Total				6,98,624.47	6,15,845.87	

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(All amounts are in Indian Rupees in lakhs unless otherwise stated)

Note 15 A : Details regarding terms of borrowings

Particulars	Terms of Redemption	Interest rate	Earliest repayment date	Gross Balance as at 31 March 2025	Gross Balance as at 31 March 2024	Security
Secured borrowing from other financial institutions						
Term Loan - 1	Repayment Terms: 24 monthly instalments Tenor: 24 months Redemption Date: September 28, 2024	3M MCLR + Spread 0.55%	28-Sep-24	-	2,187.50	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 - 2	Repayment Terms: 36 monthly instalments Tenor: 36 months Redemption Date: July 30, 2024	HDFC 1Y MCLR + Spread 1.6%	30-Jul-24	-	555.56	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	Repayment Terms: 12 equal quaterly instalments Tenor: 36 months Redemption Date: October 01, 2024	LTRR + Spread 9.05%	01-Oct-24	-	333.33	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 - 4	Repayment Terms: 12 quarterly instalments Tenor: 36 months Redemption Date: June 01, 2024	9.10%	01-Jun-24	-	201.49	Exclusive hypothecation charge over loan receivables/loan assets/ book debts with a cover of 1.10 times of the outstanding principal at any point of time during currency of the facility.
Term Loan - 5	Repayments terms: 12 quarterly instalments Tenor: 36 months Redemption date: June 01, 2025	9.15%	01-May-25	249.38	1,249.38	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 - 6	Repayments terms: 12 equal quaterly instalments Tenor: 36 months Redemption date: JuLY 01 , 2026	LTRR+-Spread 10.85%	01-May-25	1,666.67	3,000.00	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 - 7	Repayments terms: 36 monthly instalments Tenor: 36 months Redemption date: June 27 , 2026	3Month MCLR + Spread 1.15%	05-Apr-25	2,222.22	3,888.89	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 - 8	Repayment Terms: 6 half yearly instalments Tenor: 60 months Redemption Date: March 04, 2026	9.78%	04-Sep-25	2,434.33	4,868.67	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 - 9	Repayment Terms: 7 half yearly instalments Tenor: 60 months Redemption Date: September 15, 2026	7.59%	15-Sep-25	15,792.86	26,321.43	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 - 10	Repayment Terms: 6 half yearly instalments Tenor: 60 months Redemption Date: November 17, 2025	9.35%	15-May-25	6,149.17	12,298.33	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 - 11	Repayment Terms: 6 half yearly instalments Tenor: 56 months Redemption Date: November 15, 2025	9.50%	15-May-25	6,036.25	12,072.50	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 - 12	Repayments terms: 6 half yearly instalments Tenor: 60 months Redemption date: December 15, 2026	Overnight MIBOR + Spread 4.97%	15-Jun-25	13,216.67	19,825.00	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 - 13	Repayments terms: 36 monthly instalments Tenor: 36 months Redemption date: July 28, 2026	SBI 3M MCLR + Spread 1.10%	05-Apr-25	2,361.11	4,027.78	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 - 14	Repayments terms: 11 quaterly instalments Tenor: 36 months Redemption date: Sep 01, 2026	9.35%	01-May-25	3,272.73	5,454.55	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 - 15	Repayments terms: 36 monthly instalments Tenor: 36 months Redemption date: Sep 01, 2026	9.35%	30-Apr-25	3,208.14	4,819.66	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: May 29, 2027	HDFC 3M MCLR + Spread 0.17%	05-Apr-25	9,375.00	-	First and Exclusive charge on Specific & identified loan receivable with a security cover of 115%.
Term Loan - 17	Repayments terms: 4 Equal instalments Tenor: 60 months Redemption date: Jun 15, 2029	9.23%	16-Jun-25	33,410.00	-	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 18	Repayments terms: 33 monthly instalments Tenor: 36 months Redemption date: Feb 10, 2028	9.35%	10-Jun-25	15,000.00	-	First and Exclusive charge on the standard receivables with a security cover of 110%.
Total				1,14,394.53	1,01,104.05	

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(All amounts are in Indian Rupees in lakhs unless otherwise stated)

Note 15 A : Details regarding terms of borrowings

Particulars	Terms of Redemption	Interest rate	Earliest repayment date	Gross Balance as at 31 March 2025	Gross Balance as at 31 March 2024	Security
Borrowings under securitisation						
Securitisation loan - 1	Repayments terms: 42 monthly instalments Tenor: 42 months Redemption date: Sep 17, 2027	10.20%	17-Apr-25	3,992.69	10,330.09	NA
Securitisation loan - 2	Repayments terms: 14 monthly instalments Tenor: 14 months Redemption date: February 23, 2025	8.50%	NA	-	8,254.34	NA
Securitisation loan - 3	Repayments terms: 20 monthly instalments Tenor: 20 months Redemption date: Dec 23, 2025	8.70%	23-May-25	3,269.97	9,790.36	NA
Total				7,262.66	28,374.79	

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 2025, the rate of interest across the cash credit and working capital demand loans was in the range of 8.50 % p.a to 9.65% p.a (31 March 2024 - 6.95 % p.a to 10.15% 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 used the borrowings from banks and financial instritution for the specified purpose as per the agreement with the lender.

15D. 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.

15E. The Company is not declared as wilful defaulter by any of our bank and financial institutions during the year ended 31 March 2025 and 31 March 2024.

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17A Impairment loss allowance for guarantees

i Credit quality of exposure

Particulars	As at 31 March 2025				As at 31 March 2024			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Performing	168.77	-	-	168.77	6,048.75	392.83	-	6,441.58
Individually impaired	-	-	-	-	-	-	-	-
Total	**168.77**	-	-	**168.77**	**6,048.75**	**392.83**	-	**6,441.58**

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 2025				As at 31 March 2024			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
As at the beginning of the year	**6,048.75**	**392.83**	-	**6,441.58**	**15,668.21**	**720.00**	-	**16,388.21**
New exposures	-	-	-	-	48.49	-	-	48.49
Asset derecognised or repaid (Excluding write off)	(5,879.98)	(392.83)	-	(6,272.81)	(9,667.95)	(327.17)	-	(9,995.12)
Transfer from stage 1	-	-	-	-	-	-	-	-
Transfer from stage 2	-	-	-	-	-	-	-	-
Transfer from stage 3	-	-	-	-	-	-	-	-
Write offs	-	-	-	-	-	-	-	-
As at the end of the year	**168.77**	-	-	**168.77**	**6,048.75**	**392.83**	-	**6,441.58**

iii Reconciliation of ECL balance

Particulars	As at 31 March 2025				As at 31 March 2024			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
As at the beginning of the year	**82.57**	**1,491.20**	-	**1,573.77**	**358.77**	**1,148.00**	-	**1,506.77**
New exposures	-	-	-	-	8.76	-	-	8.76
Asset derecognised or repaid	(50.02)	(1,491.20)	-	(1,541.22)	(284.96)	(56.80)	-	(341.76)
Transfer from stage 1	-	-	-	-	-	-	-	-
Transfer from stage 2	-	-	-	-	-	400.00	-	400.00
Transfer from stage 3	-	-	-	-	-	-	-	-
Write offs	-	-	-	-	-	-	-	-
As at the end of the year	**32.55**	-	-	**32.55**	**82.57**	**1,491.20**	-	**1,573.77**

17B Impairment loss allowance for loan commitments

i Credit quality of exposure

Particulars	As at 31 March 2025				As at 31 March 2024			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Performing	11,300.00	-	-	11,300.00	13,599.00	-	-	13,599.00
Total	**11,300.00**	-	-	**11,300.00**	**13,599.00**	-	-	**13,599.00**

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 2025				As at 31 March 2024			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
As at the beginning of the year	**13,599.00**	-	-	**13,599.00**	**12,733.82**	**500.00**	-	**13,233.82**
New exposures	7,800.00	-	-	7,800.00	13,350.00	-	-	13,350.00
Asset derecognised or repaid (Excluding write off)	(10,099.00)	-	-	(10,099.00)	(12,484.82)	(500.00)	-	(12,984.82)
Transfer from stage 1	-	-	-	-	-	-	-	-
Transfer from stage 2	-	-	-	-	-	-	-	-
Transfer from stage 3	-	-	-	-	-	-	-	-
Write offs	-	-	-	-	-	-	-	-
As at the end of the year	**11,300.00**	-	-	**11,300.00**	**13,599.00**	-	-	**13,599.00**

iii Reconciliation of ECL balance

Particulars	As at 31 March 2025				As at 31 March 2024			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
As at the beginning of the year	**107.06**	-	-	**107.06**	**262.42**	**10.22**	-	**272.64**
New exposures	82.60	-	-	82.60	99.69	-	-	99.69
Assets converted to funded exposure	(93.76)	-	-	(93.76)	(255.05)	(10.22)	-	(265.27)
Transfer from stage 1	-	-	-	-	-	-	-	-
Transfer from stage 2	-	-	-	-	-	-	-	-
Transfer from stage 3	-	-	-	-	-	-	-	-
Write offs	-	-	-	-	-	-	-	-
As at the end of the year	**95.90**	-	-	**95.90**	**107.06**	-	-	**107.06**

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		As at 31 March 2025		As at 31 March 2024	
		No. of shares	Amount	No. of shares	Amount
19	**Equtity share capital**				
	Share capital				
	Authorised				
	Equity shares of ₹ 10 each	16,50,00,000	16,500.00	16,00,00,000	16,000.00
	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**	**21,85,00,000**	**27,700.00**
	Issued, subscribed and paid up				
	Equity shares				
	Equity shares of ₹ 10 each	16,13,79,336	16,137.93	8,93,85,420	8,938.54
		16,13,79,336	**16,137.93**	**8,93,85,420**	**8,938.54**
	Instruments entirely equity share in nature:				
	0.0001% Compulsorily convertible preference shares of INR 20 each				
	(March 31,2024 :) preference share of INR 20 each	-	-	4,13,23,204	8,264.64
		-	-	**4,13,23,204**	**8,264.64**

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

	As at 31 March 2025		As at 31 March 2024	
	No. of shares	Amount	No. of shares	Amount
Equity shares				
At the commencement of the year	8,93,85,420	8,938.54	8,90,31,293	8,903.13
Add: Equity shares issued during the year through employee stock options	3,11,966	31.20	3,54,127	35.41
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	**16,13,79,336**	**16,137.93**	**8,93,85,420**	**8,938.54**
0.0001% Compulsorily convertible preference shares				
At the commencement of the year	4,13,23,204	8,264.64	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)	########	-	-
At the end of the year	-	-	**4,13,23,204**	**8,264.64**

b) During the year, the Company has issued 311,966 (31 March 2024 : 354,127) equity shares which were allotted to employees who exercised their options under ESOP scheme.

c) During year ended 31 March 2025 the Company has issued compulsorily convetible preference shares (CCPS) amounting to ₹ 38,199.99 by offering and issuing
(i) 84,91,048 Series C CCPS having a face value of ₹ 20 each issued at a premium of ₹ 371 per share, amounting to of ₹ 33,199.99 and;
(ii) 12,78,772 Series C2 CCPS having a face value of ₹ 20 each issued at a premium of ₹ 371 per share, amounting to a ₹ 4,999.99 on a private placement basis by way of preferential allotment pursuant to the approval by the Board of Directors at its meeting held on 04 April 2024 which was approved by the shareholders in the Extraordinary General Meeting held on 15 April 2024.

d) During the year ended 31 March 2025, the Company has completed an Initial Public Offer ("IPO") of 29,597,646 equity shares of face value of INR 10 each at an issue price of INR 263 per equity share (INR 239 per equity share reserved for employees), comprising of offer for sale of 10,532,320 equity shares by selling shareholders and fresh issue of 19,065,326 equity shares. The equity shares of the Company were listed on BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") on 24 September 2024.

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

i) 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 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.

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19 Equity share capital (continued)
Rights, preferences and restrictions attached to each class of shares (continued)

ii) 0.0001% Compulsorily convertible preference shares:

0.0001% Compulsory Convertible Preference Shares ('CCPS') having a par value of INR 20 is convertible in the ratio of 1:1 and are treated pari-passu with equity shares on all voting rights. The conversion shall happen at the option of the preference shareholders. The CCPS if not converted by the preference shareholders shall be compulsorily converted into equity shares upon any of the following events:

a. In connection with an IPO, immediately prior to the filing of red herring prospectus (or equivalent document, by whatever name called) with the competent authority or such later date as may be permitted under applicable law at the relevant time; and
b. The date which is 19 (nineteen) years from the date of allotment of CCPS.

Till conversion, the holders of CCPS shall be entitled to a dividend of 0.0001%, if any, declared upon profits of the Company and a proportionate dividend, if any declared on equity shares on 'as converted' basis.

f) In the period of five years immediately preceding 31 March 2025
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 2025. 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.

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

	As at 31 March 2025		As at 31 March 2024	
	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	16.18%	2,99,52,665	33.51%
Augusta Investments Pte II Ltd	2,58,87,110	16.04%	2,26,30,995	25.32%
Eight Roads Investments Mauritius (II) Limited	1,18,63,798	7.35%	-	0.00%
International Finance Corporation	98,15,224	6.08%	-	0.00%
Dvara Trust	82,99,258	5.14%	99,29,257	11.11%
Accion Africa Asia Investment Company	64,35,564	3.99%	76,99,529	8.61%
Sumitomo Mitsui Banking Corporation	60,81,154	3.77%	70,04,364	7.84%
	9,44,90,324	**58.55%**	**7,72,16,810**	**86.39%**
0.0001% Compulsorily convertible preference shares:				
Eight Roads Investments Mauritius (II) Limited	-	0.00%	1,16,30,889	28.15%
360 One Special Opportunities Fund - Series 4 (formerly IIFL Special Opportunities Fund - Series 4)	-	0.00%	66,09,362	15.99%
360 One Special Opportunities Fund - Series 5 (formerly IIFL Special Opportunities Fund - Series 5)	-	0.00%	54,23,128	13.12%
360 One Special Opportunities Fund - Series 2 (formerly IIFL Special Opportunities Fund - Series 2)	-	0.00%	43,71,781	10.58%
360 One Special Opportunities Fund (formerly IIFL Special Opportunities Fund)	-	0.00%	41,61,142	10.07%
360 One Special Opportunities Fund - Series 7 (formerly IIFL Special Opportunities Fund - Series 7)	-	0.00%	36,93,947	8.94%
Augusta Investments II Pte. Ltd.	-	0.00%	32,56,115	7.88%
	-	**0.00%**	**3,91,46,364**	**94.73%**

h) The Company does not have an identifiable promoter.

	As at 31 March 2025	As at 31 March 2024
20 Other equity		
a) Securities premium		
At the commencement of the year	86,366.41	85,679.03
Add: Premium on equity shares issued during the year upon exercise of ESOP	636.44	687.38
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	(4,031.29)	-
At the end of the year	**1,70,907.02**	**86,366.41**
b) Statutory reserve		
At the commencement of the year	23,275.88	17,672.46
Add : Transfer from retained earnings	6,852.30	5,603.42
At the end of the year	**30,128.18**	**23,275.88**

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20 Other equity (continued)

		As at 31 March 2025	As at 31 March 2024
c)	**Shared Based Payment Reserve**		
	At the commencement of the year	3,104.67	1,700.41
	Add: Employee compensation expense during the year	1,357.92	1,790.19
	Less: Transfer to Retained earnings	(97.74)	(160.10)
	Less: Transfer to securities premium on allotment of equity shares	(268.94)	(225.83)
	At the end of the year	**4,095.91**	**3,104.67**
d)	**Retained earnings**		
	At the commencement of the year	90,284.60	67,717.57
	Add: Profit for the year	34,261.50	28,017.11
	Add: Other comprehensive income for the year	(49.90)	(6.76)
	Add: Transfer from Shared Based Payment reserve	97.74	160.10
	Less: Transfer to statutory reserve	(6,852.30)	(5,603.42)
	At the end of the year	**1,17,741.64**	**90,284.60**
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	3,738.29	2,818.64
	Add : Fair valuation of financial instruments (refer note (vii) (a) below)	(2,176.28)	919.65
	At the end of the year	**1,562.01**	**3,738.29**
h)	**Other comprehensive income - Effective Portion of Cash Flow Hedge Reserve**		
	At the commencement of the year	(1,685.03)	(2,704.36)
	Less : Cash flow hedge reserve (refer note (vii) (b) below)	(674.61)	1,019.33
	At the end of the year	**(2,359.64)**	**(1,685.03)**
i)	**Share application money received pending allotment**		
	At the commencement of the year	**83.76**	-
	Less: Shares alloted during the year	(83.76)	-
	Received during the year pending allotment	38.84	**83.76**
	At the end of the year	**38.84**	**83.76**
	Total (a+b+c+d+e+f+g+h+i)	**3,24,777.53**	**2,07,832.16**

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.

(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 March 31, 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 March, 31, 2017, the Company has created a capital reserve in accordance with the applicable accounting standards.

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20 Other equity (continued)

(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

a) 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. These changes are accumulated within the FVOCI - loans and advances reserve within equity.

b) 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 has received share application money against exercise of 32,500 shares (As at March 31, 2024 - 74,500 shares) at face value of ₹10 each at an aggregate premium of ₹ 35.59 (As at 31 March 2024 - INR 76.31 lakhs) from employees pending allotment at the end of the respective financial year end.

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21 Interest income

	Year ended 31 March 2025			Year ended 31 March 2024		
	On financial assets measured at		Total	On financial assets measured at		Total
	FVOCI	Amortised cost		FVOCI	Amortised cost	
Interest on loans	65,992.83	1,29,909.13	1,95,901.96	46,294.34	1,08,135.08	1,54,429.42
Interest income from investments:						
- Pass through certificates	1,567.52	-	1,567.52	1,165.04	-	1,165.04
- Commercial paper	1,622.16	-	1,622.16	41.87	-	41.87
- Non-convertible debentures	15,504.06	-	15,504.06	12,132.20	-	12,132.20
- Interest income from T-bills	-	784.81	784.81	-	623.62	623.62
Interest on deposits with banks	-	2,793.18	2,793.18	-	1,542.10	1,542.10
	84,686.57	**1,33,487.12**	**2,18,173.69**	**59,633.45**	**1,10,300.80**	**1,69,934.25**

	Year ended 31 March 2025	Year ended 31 March 2024
22 Fee and commission income		
Revenue from contract with customers:		
Income from guarantee facility	222.33	400.53
Income from other financial services		
- Professional fee	4,453.18	3,843.40
	4,675.51	**4,243.93**
Timing of revenue recognition:		
- That are recognised over a period of time	222.33	400.53
- That are recognised at a point of time	4,453.18	3,843.40
Geographical Market		
- In India	4,675.51	4,243.93
- Outside India	-	-
Contract balances		
- Trade receivables (net of ECL)	1,201.75	1,437.83

23 Net gain / (loss) on fair value

	Year ended 31 March 2025	Year ended 31 March 2024
Net gain / (loss) on financial instruments at fair value through profit or		
On alternative investment funds	811.93	1,492.91
On market linked debentures	-	942.46
On mutual fund investments	723.69	409.27
(Loss) / profit on sale of investments	(95.93)	1,100.67
	1,439.69	**3,945.31**
Fair value changes:		
-Realised	1,046.53	4,068.38
-Unrealised	393.16	(123.07)
	1,439.69	**3,945.31**

24 Other income

	Year ended 31 March 2025	Year ended 31 March 2024
Other non-operating income (Refer note below)	1,025.12	1,477.64
Interest income from income tax refund	214.92	88.01
	1,240.04	**1,565.65**

Note:

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

25 Finance costs

	Year ended 31 March 2025	Year ended 31 March 2024
Finance costs on financial liabilities measured at amortised cost		
Interest on deposits (refer note 5.1)	261.49	150.07
Interest on borrowings		
- Term loans from banks and others	64,690.48	59,577.18
- Cash credits and overdraft	15.58	18.26
- Securitisation	1,486.72	355.36
Interest on debt securities	13,160.99	10,536.26
Interest on lease liability (refer note 34)	270.80	122.85
Amortisation of discount on commercial papers	2,400.31	1,826.37
	82,286.37	**72,586.35**

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26 Employee benefits

	Year ended 31 March 2025	Year ended 31 March 2024
Salaries, wages and bonus (refer note 42)	17,462.08	14,710.57
Contribution to provident fund (refer note 40)	903.92	706.37
Employee stock option expense (refer note 41)	1,303.88	1,735.92
Gratuity expenses (refer note 40)	166.55	161.35
Staff welfare expenses	548.86	646.82
	20,385.29	**17,961.03**

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 2025	On financial instruments measured at amortised Cost	On financial instruments measured at fair value through OCI	Total for the year ended 31 March 2024
Write off on financial instruments						
Loans	60,930.24	-	60,930.24	32,287.94	-	32,287.94
Less: Recovery	(44,712.79)	-	(44,712.79)	(22,544.38)	-	(22,544.38)
Impairment loss allowance on financial instruments						
Loans	15,819.03	6,526.40	22,345.43	1,799.01	662.92	2,461.93
Investments	-	845.43	845.43	(1.21)	211.29	210.08
Others	(1,555.69)	-	(1,555.69)	(102.05)	-	(102.05)
	30,480.79	**7,371.83**	**37,852.62**	**11,439.31**	**874.21**	**12,313.52**

28 Depreciation and amortisation

	Year ended 31 March 2025	Year ended 31 March 2024
Depreciation of property, plant and equipment (refer note 10.1)	395.83	481.93
Depreciation on right of use asset (refer note 10.5 and note 34)	657.86	496.96
Amortisation of intangible assets (refer note 10.4)	477.63	488.14
	1,531.32	**1,467.03**

29 Other expenses

Legal and professional charges	3,318.28	5,611.03
Subscription charges	1,901.95	1,150.24
Repairs and maintenance	1,185.77	1,183.06
Rent expenses	832.83	595.75
Rates and taxes	224.78	23.70
Travelling and conveyance	873.69	678.42
Auditors' remuneration (refer note 29.1 below)	97.00	151.57
Directors' sitting fees (refer note 42)	131.00	91.00
Communication expenses	537.19	316.75
Printing and stationery	72.81	70.53
Advertisement and business promotion	404.28	280.68
Corporate social responsibility expenditure (refer note 30 below)	609.07	406.71
Bank charges	185.45	228.79
Miscellaneous expenses	109.34	59.10
	10,483.44	**10,847.33**

	Year ended 31 March 2025	Year ended 31 March 2024
29.1 Payments to auditor (excluding goods and services tax) (Refer note below)		
Statutory audit (including limited reviews) and certificates	93.00	142.00
Tax audit	4.00	2.00
Reimbursement of expenses	-	7.57
	97.00	**151.57**

Note:
Current year expenses does not include payment towards predecessor auditor.

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(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:

	Year ended 31 March 2025	Year ended 31 March 2024
a) Amount required to be spent by the Company during the year	609.07	406.71
b) Amount of expenditure incurred	609.65	226.53
c) Excess / (shortfall) at the end of the year*	0.58	(180.18)
d) Total of previous years shortfall	-	-
e) Reason for shortfall	NA	Pertains to ongoing projects
d) 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.	
e) Details of related party transactions, e.g. contribution to a trust controlled by the Company in relation to CSR expenditure as perrelevant Accounting Standard	609.07	406.71
f) 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
(g) In case of S. 135(5) (Other than ongoing project):		
Opening balance	3.43	121.61
Amount deposited in Specified Fund of Sch. VII within 6 months	-	-
Amount required to be spent during the year	(609.07)	(406.71)
Amount spent during the year	609.65	226.53
Closing Balance	**4.01**	**(58.57)**
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	-	62.00
Closing Balance after considering the above	**4.01**	**3.43**

* 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.

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31 Income tax

A. The components of income tax expense for the year ended 31 March 2025 and 31 March 2024 are:

Profit or loss section

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Current tax		
i) current income tax charge	16,170.32	10,189.07
ii) Adjustments in respect of current income tax of previous year	(1,006.00)	-
Deferred tax	(5,254.05)	(663.95)
Income tax expense reported in the statement of profit and loss	**9,910.27**	**9,525.12**

Income tax recognised in other comprehensive income

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Arising on income and expenses recognised in other comprehensive income:		
Remeasurements of the defined benefit obligation	16.78	2.28
Fair valuation of financial instruments through OCI (Net)	732.02	(309.34)
Effective portion of loss on designated portion of hedging instruments in a cashflow hedge	226.92	(342.86)
Total income tax recognised in other comprehensive income	**975.72**	**(649.92)**

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 2025 and 31 March 2024 is as follows:-

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Profit before tax	44,171.77	37,542.23
Applicable tax rate	25.17%	25.17%
Computed tax expense	**11,118.03**	**9,449.38**
Effect of difference in tax expenditure due to		
Permanent differences		
Provision for Corporate Social Responsibility	153.30	102.37
Others	(355.06)	(26.63)
Tax expenses recognised in the statement of profit and loss (pertaining to current year)	**10,916.27**	**9,525.12**
Effective tax rate	24.71%	25.37%

Note :

a) 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 2025.

b) The tax rate used for the reconciliations above is the corporate tax rate of 25.17% for the year 31 March 2025 and 31 March 2024 payable by corporate entities in India on taxable profits under tax law in Indian jurisdiction.

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 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**

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31 Income tax (Continued)

C. Deferred tax (Continued)

Particulars	As at 31 March 2023	Statement of profit and loss	Other comprehensive income	As at 31 March 2024
Component of Deferred tax asset / (liability)				
Deferred tax asset / (liability) in relation to:				
Property plant and equipment	0.17	47.71	-	47.88
Impact of fair value on financial assets measured at FVTPL	(475.54)	18.75	-	(456.79)
Impact of fair value on financial assets measured at FVOCI	241.41	-	(652.20)	(410.79)
Impairment on financial assets	2,772.13	696.64	-	3,468.77
Provision for employee benefits	230.06	45.02	2.28	277.36
Unamortised component of processing fee	1,025.20	291.64	-	1,316.84
EIS Receivable	(350.54)	(435.81)	-	(786.35)
Total	**3,442.89**	**663.95**	**(649.92)**	**3,456.92**

32 Earnings per share ('EPS')

		Year ended 31 March 2025	Year ended 31 March 2024
A	**Earnings**		
	Net profit attributable to equity shareholders for calculation of basic EPS	34,261.50	28,017.11
	Net profit attributable to equity shareholders for calculation of diluted EPS	34,261.50	28,017.11
B	**Shares**		
	Equity shares at the beginning of the year	8,93,85,420	8,90,31,293
	Equity shares issued during the year	7,19,93,916	3,54,127
	Total number of equity shares outstanding at the end of the year	**16,13,79,336**	**8,93,85,420**
C	**Weighted average number of equity shares outstanding during the year for calculation of basic EPS**	**15,16,75,670**	**8,90,96,560**
	Effect of dilutive potential equity shares		
	Employee stock options	3,87,511	13,39,429
	Compulsory convertible preference shares	-	4,13,23,204
D	**Weighted average number of equity shares outstanding during the year for calculation of diluted EPS**	**15,20,63,181**	**13,17,59,193**
	Face value per share	10.00	10.00
E	**Earning per share**		
E1	Basic (E1 = A / C)	22.59	31.45
E2	Diluted (E2 = A / D)	22.53	21.26

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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 2025			As at 31 March 2024		
	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
Assets						
Cash and cash equivalents	32,120.04	-	32,120.04	16,123.83	-	16,123.83
Bank balances other than cash and cash equivalents	29,291.22	2,191.70	31,482.92	18,255.42	3,957.61	22,213.03
Derivative financial instruments	2,104.09	3,372.46	5,476.55	54.12	5,427.82	5,481.94
Trade receivables	1,201.75	-	1,201.75	1,437.83	-	1,437.83
Loans	6,81,772.00	3,75,465.78	10,57,237.78	6,21,652.06	3,09,335.45	9,30,987.51
Investments	1,18,053.75	77,628.30	1,95,682.05	91,439.33	73,829.28	1,65,268.61
Other financial assets	7,674.03	1,646.11	9,320.14	8,657.83	465.64	9,123.47
Current tax assets (net)	-	-	-	-	1,206.41	1,206.41
Deferred tax assets (net)	-	9,693.68	9,693.68	-	3,456.92	3,456.92
Property, plant and equipment	-	938.48	938.48	-	324.97	324.97
Intangible assets under development	-	593.49	593.49	-	231.13	231.13
Goodwill		2,085.13	2,085.13	-	2,085.13	2,085.13
Intangible assets	-	1,313.96	1,313.96	-	1,178.89	1,178.89
Right of use asset	-	2,495.71	2,495.71		1,205.55	1,205.55
Other non- financial assets	2,425.11	-	2,425.11	1,608.62	22.80	1,631.42
Total Assets	**8,74,641.99**	**4,77,424.80**	**13,52,066.79**	**7,59,229.04**	**4,02,727.60**	**11,61,956.64**
Liabilities						
Derivative financial instruments	1,367.57	995.91	2,363.48	-	298.65	298.65
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	13,588.16	-	13,588.16
Debt securities	70,263.20	70,522.12	1,40,785.32	88,075.11	53,297.35	1,41,372.46
Borrowings (Other than debt securities)	5,08,022.25	3,29,631.97	8,37,654.22	4,58,113.61	3,05,289.53	7,63,403.14
Other financial liabilities	14,925.08	2,745.02	17,670.10	12,537.57	1,746.67	14,284.24
Provisions	577.02	1,001.34	1,578.36	2,031.44	751.33	2,782.77
Current tax liabilities (net)	-	2,832.34	2,832.34	-	-	-
Other non-financial liabilities	1,540.97	-	1,540.97	1,191.89	-	1,191.89
Total Liabilities	**6,03,422.63**	**4,07,728.70**	**10,11,151.33**	**5,75,537.78**	**3,61,383.53**	**9,36,921.31**
Total equity			**3,40,915.46**			**2,25,035.33**

33A Change in Liabilities arising from financing activities

Particulars	As at April 1, 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	-	-	-	8,37,654.22
Lease Liabilities	1,345.35	(338.00)	-	(12.44)	1,948.02	2,942.93

Particulars	As at April 1, 2023	Cash flows	Exchange difference	Others*	New Leases	As at 31 March 2024
Debt Securities	1,22,431.55	20,836.30	-	(1,895.39)	-	1,41,372.46
Borrowings (other than debt securities)	5,77,029.86	1,87,985.68	8,614.82	(10,227.22)	-	7,63,403.14
Sub-ordinated Liabilities	3,995.07	(3,995.07)	-	-	-	-
Lease Liabilities	789.67	(492.22)	-	(16.20)	1,064.10	1,345.35

*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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33B Analysis 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 2025 and 31 March 2024. 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 2025					
	On Demand	Less than 3 months	3 to 12 Months	1 to 5 years	Over 5 years	Total
Finacial Assets						
Cash and cash equivalents	32,120.04	-	-	-	-	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	995.90	-	2,363.47
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**	**4,52,224.54**	**11.03**	**11,01,077.12**
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**						

Particulars	As at 31 March 2024					
	On Demand	Less than 3 months	3 to 12 Months	1 to 5 years	Over 5 years	Total
Finacial Assets						
Cash and cash equivalents	14,947.60	1,176.23	-	-	-	16,123.83
Bank balances other than cash and cash equivalents	0.22	4,045.02	15,242.81	4,621.32	-	23,909.37
Derivative financial instruments	-	-	54.12	5,427.82	-	5,481.94
Trade receivables	-	1,437.83	-	-	-	1,437.83
Loans	-	2,75,292.77	4,03,480.05	4,02,159.24	70,951.95	11,51,884.01
Investments	-	17,275.81	89,202.19	77,513.22	3,737.68	1,87,728.90
Other financial assets	-	5,903.63	-	181.83	-	6,085.46
Total undiscounted financial assets*	**14,947.82**	**3,05,131.29**	**5,07,979.17**	**4,89,903.43**	**74,689.63**	**13,92,651.33**
Financial Liabilities						
Derivative financial instruments	-	-	-	298.65	-	298.65
Trade payables						
-total outstanding dues of micro and small enterprises	-	-	-	-	-	-
-total outstanding dues of creditors other than micro and small enterprises	-	13,588.16	-	-	-	13,588.16
Debt securities	-	33,494.61	61,823.82	61,929.39	-	1,57,247.82
Borrowings (Other than debt securities)	-	1,52,939.94	3,41,873.34	3,24,666.06	-	8,19,479.34
Other financial liabilities	17.30	10,659.46	1,957.15	1,902.43	40.87	14,577.21
Total undiscounted financial liabilities*	**17.30**	**2,10,682.17**	**4,05,654.31**	**3,88,796.53**	**40.87**	**10,05,191.18**
Net undiscounted financial assets/(liabilities) *	**14,930.52**	**94,449.12**	**1,02,324.86**	**1,01,106.90**	**74,648.76**	**3,87,460.15**
*** Excludes gross settled derivatives not held for trading**						

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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 at the date of initial applica on as at 1 April 2019, and thereafter, at the inception of respective lease contracts, ROU asset equal to lease liability is recognised at the incremental borrowing rate prevailed during that relevant period subject to certain practical expedients as allowed by the standard.

The following is the summary of practical expedients elected on initial application:
(a) Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.
(b) Applied the exemption not to recognise right to use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
(c) Excluded the initial direct costs from the measurement of the right to use asset at 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 2025	Year ended 31 March 2024
Opening Balance	**1,205.55**	**652.85**
Add:		
Additions during the year	1,948.02	1,064.10
Less:		
Depreciation	657.86	496.96
Derecognition on termination of lease	-	14.44
Closing balance	**2,495.71**	**1,205.55**

(ii) Movement in lease liabilities

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Opening Balance	**1,345.35**	**789.67**
Additions during the year	1,948.02	1,064.10
Interest on lease liabilities	270.80	122.85
Rent payment	(608.85)	(615.70)
Derecognition on termination of lease	(12.39)	(15.57)
Closing balance	**2,942.93**	**1,345.35**

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

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
a) Depreciation charge for right-of-use assets	657.86	496.96
b) Interest expense (included in finance cost)	270.80	122.85
c) Expense relating to short-term leases (included under other expenses)	832.83	595.75
d) Gain recognised on derecognition of leases	12.39	1.13

(iv) Cash Flows

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
The total cash outflow of leases	608.85	615.70

(v) Maturity analysis of undiscounted lease liabilities

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Not later than one year	389.59	426.60
Later than one year and not later than five years	898.11	1,168.05
Later than five years	11.03	40.87

Lease liabilities are recognised at weighted average incremental borrowing rate of 9.70%.

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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 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 papers	-	25,519.11	-	-	25,519.11	25,519.11
- Alternative Investment Funds	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

The carrying value and fair value of financial instruments measured at fair value as of 31 March 2024 were as follows

Particulars	Carrying amount		Fair value			
	FVTPL	FVOCI	Level 1	Level 2	Level 3	Total
Financial assets:						
Loans	-	2,61,483.91	-	-	2,61,483.91	2,61,483.91
Investments						
- Pass-through certificates	-	5,772.43	-	-	5,772.43	5,772.43
- Non convertible debentures	-	1,24,644.80	-	-	1,24,644.80	1,24,644.80
- Market Linked Debentures	18,992.53	-	-	-	18,992.53	18,992.53
- Share warrants	0.96	-	-	-	0.96	0.96
Derivative financial instruments	81.65	5,400.29	-	-	5,481.94	5,481.94
Financial liabilities:						
Derivative financial instruments	110.12	188.53	-	-	298.65	298.65

Reconciliation of level 3 fair value measurement is as follows

Particulars	Year ended 31 March 2025	Year ended 31 March
Financial assets measured at FVOCI		
Balance at the beginning of the year	2,053.26	114.28
Total gains measured through OCI for additions made during the year	(2,850.89)	1,938.98
Balance at the end of the year	**(797.63)**	**2,053.26**
Financial assets measured at FVTPL		
Balance at the beginning of the year	19,075.14	22,640.39
Total gains measured through PL for additions made during the year	7,948.78	(3,565.25)
Balance at the end of the year	**27,023.92**	**19,075.14**

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35 Financial instrument (continued)

A Fair value measurement (continued)

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

Particulars	As at 31 March 2025		As at 31 March 2024	
	Increase	Decrease	Increase	Decrease
Financial assets:				
Loans	2,176.33	(2,176.33)	1,916.46	(1,916.46)
Investments				
- Pass through securities	145.98	(145.98)	52.99	(52.99)
- Non convertible debentures	1,145.10	(1,145.10)	1,332.47	(1,332.47)
- Market Linked debentures	-	-	85.29	(85.29)
- Alternative Investment Funds	267.30	(267.30)	-	-
- Share warrants	0.01	(0.01)	0.01	(0.01)
Derivative financial instruments	54.77	(54.77)	54.82	(54.82)
Financial liabilities:				
Derivative financial instruments	(23.63)	23.63	(2.99)	2.99

The carrying value and fair value of other 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	-	-	7,98,004.71	7,98,004.71
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

The carrying value and fair value of financial instruments by categories as of 31 March 2024 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	16,123.83	-	-	16,123.83	16,123.83
Bank balances other than cash and cash equivalents	22,213.03	-	-	22,213.03	22,213.03
Trade receivables	1,437.83	-	-	1,437.83	1,437.83
Loans	6,80,147.43	-	-	5,15,211.25	5,15,211.25
Investments	12,121.16	-	-	12,121.16	12,121.16
Other financial assets	9,123.47	-	-	9,123.47	9,123.47
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	13,588.16	-	-	13,588.16	13,588.16
Debt securities	1,41,372.46	-	-	1,41,372.46	1,41,372.46
Borrowings (Other than debt securities)	7,63,403.14	-	-	7,63,403.14	7,63,403.14
Subordinated debt	-	-	-	-	-
Other financial liabilities	14,284.24	-	-	14,284.24	14,284.24

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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 transferrred substantially the risks and rewards, hence these assets have not been derecognised in its entirety.

Particulars	As at 31 March 2025	As at 31 March 2024
Carrying amout of assets measured at amortised cost	8,382.57	29,834.84
Carrying amount of associated liabilities	7,262.66	28,539.53
Fair value of assets	7,915.29	30,170.57
Fair value of associated liabilities	7,262.66	28,539.53

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 2025	As at 31 March 2024
i	Debt securities	1,40,785.32	1,41,372.46
ii	Borrowings (other than debt securities)	8,37,654.22	7,63,403.14
iii	Subordinated liabilities	-	-
iv	Less: cash and cash equivalents	(32,120.04)	(16,123.83)
v	**Adjusted net debt (v = i + ii + iii - iv)**	**9,46,319.50**	**8,88,651.77**
vi	Total equity	3,40,915.46	2,25,035.33
vii	**Gearing ratio (vii = v / vi)**	2.78	3.95

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 46. No changes were made in the objectives, policies or processes for managing capital during the yer ended 31 March 2025 and 31 March 2024.

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, 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

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.

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36 Financial risk management objectives and policies (Continued)

(i) Credit risk

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.

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 2025	As at 31 March 2024
Gross Term loans and structured cash credit	10,83,753.97	9,41,631.34
Less : Impairment loss allowance	(26,516.19)	(10,643.83)
	10,57,237.78	**9,30,987.51**

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 implementation of Indian Accounting Standards dated March 13, 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.

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

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

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.

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36 Financial risk management objectives and policies (contd)

(i) Credit risk (contd)

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.

2. Partnership based lending (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.

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.

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.

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36 Financial risk management objectives and policies (continued)

(i) Credit risk (continued)

Expected credit loss ("ECL"): (continued)

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 2025	As at 31 March 2024
Stage 1	12 month provision	16,051.79	5,365.90
Stage 2	Life time provision	4,350.30	1,141.93
Stage 3	Life time provision	6,114.10	4,136.00
Amount of expected credit loss provided		**26,516.19**	**10,643.83**

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.

Particulars	As at 31 March 2025	As at 31 March 2024
ECL allowance - opening balance	**10,643.83**	**8,902.16**
Addition during the year	80,234.04	40,675.52
Reversal during the year	(3,431.44)	(6,645.91)
Write offs during the year	(60,930.24)	(32,287.94)
Closing provision of ECL	**26,516.19**	**10,643.83**

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 2025				As at 31 March 2024			
	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	**9,24,428.47**	**12,199.57**	**5,003.30**	**9,41,631.34**	**6,85,957.59**	**5,272.09**	**6,702.48**	**6,97,932.16**
New assets originated *	8,61,557.13	14,763.14	4,717.38	8,81,037.65	7,98,244.38	9,624.37	18,924.21	8,26,792.96
Asset derecognised or repaid	(7,22,988.69)	(11,403.08)	56,406.99	(6,77,984.78)	(3,36,693.86)	(4,941.76)	(3,844.25)	(3,45,479.87)
Transfer from stage 1	(13,883.68)	8,646.63	5,237.05	-	(2,11,922.59)	5,460.06	1,457.86	(2,05,004.67)
Transfer from stage 2	102.11	(357.88)	255.77	-	376.49	(2,205.72)	1,771.49	(57.74)
Transfer from stage 3	36.88	71.98	(108.86)	-	143.84	55.55	(462.95)	(263.56)
Write offs	-	-	(60,930.24)	(60,930.24)	(11,677.38)	(1,065.02)	(19,545.54)	(32,287.94)
As at the end 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 are those assets which have originated during the year.

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36 Financial risk management objectives and policies (continued)

(i) Credit risk (continued)

Reconciliation of ECL Balance

Particulars	As at 31 March 2025				As at 31 March 2024			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
As at the beginning of the year	**5,365.90**	**1,141.93**	**4,136.00**	**10,643.83**	**5,176.46**	**519.40**	**3,206.30**	**8,902.16**
New assets originated	12,349.19	3,982.21	63,902.65	80,234.05	17,549.38	1,547.40	21,239.33	40,336.11
Asset derecognised or repaid	1,791.98	(1,412.94)	(3,810.48)	(3,431.44)	(2,813.83)	(321.45)	(1,450.77)	(4,586.05)
Transfer from stage 1	(3,456.96)	769.34	2,687.62	-	(2,969.29)	552.49	368.73	(2,048.07)
Transfer from stage 2	1.20	(131.19)	129.99	-	47.49	(110.93)	51.66	(11.78)
Transfer from stage 3	0.48	0.95	(1.44)	(0.01)	53.07	20.04	266.29	339.40
Write offs	-	-	(60,930.24)	(60,930.24)	(11,677.38)	(1,065.02)	(19,545.54)	(32,287.94)
As at the end 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**

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.

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 2025				As at 31 March 2024			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Performing	1,94,395.72	-	-	1,94,395.72	1,65,268.61	-	-	1,65,268.61
Sub-standard	-	-	1,286.33	1,286.33	-	-	-	-
Total	**1,94,395.72**	**-**	**1,286.33**	**1,95,682.05**	**1,65,268.61**	**-**	**-**	**1,65,268.61**

Changes in gross carrying amount

Particulars	As at 31 March 2025				As at 31 March 2024			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
As at the beginning of the year	**1,65,268.61**	**-**	**-**	**1,65,268.61**	**1,69,666.50**	**-**	**-**	**1,69,666.50**
New assets originated *	1,29,714.18	-	-	1,29,714.18	1,09,678.03	-	-	1,09,678.03
Asset derecognised or repaid	(99,300.74)	-	-	(99,300.74)	(1,14,075.92)	-	-	(1,14,075.92)
Transfer from stage 1	(1,286.33)	-	1,286.33	-	-	-	-	-
Transfer from stage 2	-	-	-	-	-	-	-	-
Transfer from stage 3	-	-	-	-	-	-	-	-
Write offs	-	-	-	-	-	-	-	-
As at the end 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 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.

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

36 Financial risk management objectives and policies (continued)

(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% to 25% 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 non derivative 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 2025								
Borrowings	71,618.00	84,605.60	55,615.51	1,60,938.51	1,35,503.02	2,65,618.82	63,754.76	-
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	-	-	-	6,726.54	-	-	-	-
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	8,769.97	23.09	4,434.07	358.29	567.59	573.85	-	-
As at 31 March 2024								
Borrowings	56,963.84	39,182.93	51,896.09	1,66,930.82	1,43,139.93	2,79,222.75	26,066.78	-
Debt securities	2,996.06	4,500.00	27,671.19	20,768.33	32,139.52	47,392.38	5,904.97	-
Trade payables	-	-	-	13,588.16	-	-	-	-
Derivative financial liabilities	-	-	-	-	-	298.65	-	-
Lease liabilities (undiscounted)	61.00	61.00	35.48	88.48	180.65	726.82	441.43	40.67
Other financial liabilities	5,892.48	325.41	4,481.83	762.96	762.48	716.52	-	-

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

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36 Financial risk management objectives and policies (continued)

(iii) Market risk (continued)

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 investment in bank deposits 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 2025	As at 31 March 2024
Fixed rate instruments		
Financial assets	6,47,371.53	6,84,001.17
Financial liabilities	2,82,577.36	3,72,622.57
Variable rate instruments		
Financial assets	4,41,348.95	4,12,912.31
Financial liabilities	6,95,862.18	5,32,153.03

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 at 31 March 2025		As at 31 March 2024	
	Increase	Decrease	Increase	Decrease
Loans	4,413.49	(4,413.49)	3,411.54	(3,411.54)
Borrowings	(6,958.62)	6,958.62	(5,321.53)	5,321.53

(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 to mitigate risk of changes in exchange rate in foreign currency and floating interest rate. The counterparty for these contracts is generally a bank. These derivative financial instruments are valued based on quoted prices for similar assets and liabilites in active markets or inputs that are directly or indirectly observable in market place.

(v) Collateral and other credit enhancements

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Guidelines are in place covering the acceptability and valuation of each type of collateral.

The main types of collateral obtained are, as follows:

a. For corporate and small business lending, charges over trade receivables and

b. For retail lending, collateral in the form of 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.

(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.

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		As at 31 March 2025	As at 31 March 2024
37	**Commitments**		
	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	11,300.00	13,599.00
38	**a) Contingent liabilities**		
	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 litigations is related to disallowance of expenses incurred for earning exempt income for the AY 2014-15, which was partially allowed by the ITAT. The Company filed an appeal against this matter with High Court, Madras.

2. This litigations is related to denying benefit of exemption of Income from securitisation investments under section 10(35A) of the Income Tax Act AY 2017-18. The Company filed an appeal against this matter with Commissioner of Income Tax Appeals.

3) The amount included above represents best possible estimate arrived at on the basis of available information. The Management believes that is has a reasonable case in its defence of the proceedings and accordingly no further provision has been created.

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.

		As at 31 March 2025	As at 31 March 2024
	b) Financial guarantee issued to third parties		
	Guarantees outstanding	168.77	6,441.59

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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 2025	As at 31 March 2024
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.	-	-

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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 903.92 lakhs (31 March 2024: INR 706.37 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 to 30 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The Company make annual contributions to gratuity funds established as trusts. The Company account for the liability for gratuity benefits payable in the future based on an actuarial valuation.

Details of actuarial valuation of gratuity pursuant to the Ind AS 19

A. Change in present value of obligations	**As at 31 March 2025**	**As at 31 March 2024**
Present value of obligations at the beginning of the year	596.57	553.22
Current service cost	127.71	125.63
Interest cost	38.84	34.96
Past service cost	-	0.75
Benefits settled	(55.60)	(127.03)
Transfer out to subsidiary	(19.71)	-
Actuarial loss recognised in the other comprehensive income		
-Changes in demographic assumptions	-	-
-Changes in financial assumptions	(35.02)	(50.45)
-Experience adjustment	101.70	59.49
Present value of obligations at the end of the year	**754.49**	**596.57**
B. Change in plan assets		
Fair value of plan assets at the beginning of the year	-	-
Expected return on plan assets	-	-
Actuarial gains/ (loss)	-	-
Employer contributions	55.60	127.03
Benefits paid	(55.60)	(127.03)
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		
Change in projected benefit obligation		
Present value of obligations at the end of the year	754.49	596.57
Fair value of plan assets	-	-
Net liability recognised in balance sheet	**754.49**	**596.57**

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

40 Retirement Benefit Plan (Continued)

The liability in respect of the gratuity plan comprises of the following non-current and current portions:

	As at 31 March 2025	As at 31 March 2024
Current	196.84	170.08
Non-current	557.65	426.49
	754.49	**596.57**

	Year ended 31 March 2025	Year ended 31 March 2024
D. Expense recognised in statement of profit and loss		
Current service cost	127.71	125.63
Interest on obligation	38.84	34.96
Past service cost	-	0.75
Total included in statement of profit and loss	**166.55**	**161.34**
E. Remeasurements recognized in other comprehensive income		
Actuarial loss on defined benefit obligation	66.68	9.04
Total included in other comprehensive income	**66.68**	**9.04**

	As at 31 March 2025	As at 31 March 2024
F. Assumptions at balance sheet date		
Discount rate	6.34%	6.95%
Salary escalation	8.00%	8.00%
Mortality rate	Indian Assured Lives Mortality (2012 -14)	Indian Assured Lives Mortality (2012 -14)
Attrition rate	38.10%	32.00%
Estimated average future working life	2.60	3.10

Notes:

a) 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.

b) Discount rate is based on the prevailing market yields of Indian Government Bonds as at the balance sheet date for the estimated term of the obligation.

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40 Retirement Benefit Plan (Continued)

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 2025		Year ended 31 March 2024	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	736.10	(773.93)	579.60	(614.61)
Future salary growth (1% movement)	776.93	(732.89)	617.02	(576.99)
Attrition rate (1% movement)	747.13	(762.11)	591.33	(601.98)

Additional disclosures required under Ind AS 19 (continued)

Particulars	As at 31 March 2025	As at 31 March 2024
Average duration of defined benefit obligation (in years)	3.20	3.62
Projected undiscounted expected benefit outgo (mid year cash flows)		
Year 1	209.32	152.33
Year 2	179.23	126.51
Year 3	145.18	100.35
Year 4	124.85	91.79
Year 5	85.55	81.32
Next 5 years	135.70	161.42
Exected benefit payments for the next annual reporting year	209.32	152.33

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 2025 is INR 695.42 lakh and as at 31 March 2024 was INR 505.37 lakh.

Assumptions:

Particulars	As at 31 March 2025	As at 31 March 2024
Discount rate	6.34%	6.95%
Future salary increases	8.00%	8.00%

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40 Retirement Benefit Plan (Continued)

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 Payaments

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.

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 on 21st July, 2021 . 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 five tranches. The exercise price is 275 per share. The options are vested over a period of 4 years in 25:25:25:25 proportion.

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41 Share Based Payaments (continued)

41.2 Options outstanding under Scheme I, Scheme II, Scheme IIB, Scheme III, Scheme IV and Scheme IVB

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	Various	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	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 INR	149.50	275.00	174.28	324.00	275.00
Weighted average remaining contractual life (in years)	0.22	5.00	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 Share Based Payaments (continued)

41.2 Options outstanding under Scheme I, Scheme II, Scheme IIB, Scheme III, Scheme IV and Scheme IVB (continued)

Particulars	As at 31 March 2024				
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	15,03,000	2,79,500	8,32,254	1,50,000	21,60,000
Exercise price in INR	110 to 275	275	10 to 275	324	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 INR	147.01	275.00	172.71	324.00	275.00
Weighted average remaining contractual life (in years)	0.22	5	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				

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41 Share Based Payaments (continued)

41.3 Reconciliation of outstanding options

The details of options granted under the above schemes are as follows:

Particulars	Year ended 31 March 2025		Year ended 31 March 2024	
	Weighted average exercise price per option	Number of options	Weighted average exercise price per option	Number of options
Outstanding at beginning of year	216.84	49,24,754	173.95	32,85,984
Add: Granted during the year	303.03	14,08,000	263.89	24,40,000
Less: Forfeited during the year	218.66	3,96,787	196.01	3,72,603
Less: Exercised during the year and allotted	132.97	2,37,466	140.34	3,54,127
Less: Exercised during the year but not allotted	119.51	32,500	112.43	74,500
Outstanding as at end of year	**243.13**	**56,66,001**	**216.84**	**49,24,754**
Amount expensed of in Statement of Profit and Loss (in Rs. Lakhs)		**1,303.88**		**1,735.92**

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:

	As at 31 March 2025	As at 31 March 2024
Dividend yield	0.00%	0.00%
Historical Volatility Estimate	39.33% - 39.61%	34.41% - 45.13%
Risk free interest rate	6.87% - 7.07%	6.96% - 7.11%
Expected life of the option (in years)	3.00	1.07 - 3

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42 Related party disclosures

Related party relationships and transactions:

Nature of Relationship	Name of Related Party
(i) Subsidiaries	Northern Arc Investment Adviser Services Private Limited
	Northern Arc Investment Managers Private Limited
	Northern Arc Foundation
	IFMR Fimpact Long term credit fund (upto 21 November 2023)
	Pragathi Finserv Private Limited
	Northern Arc Capital Employee Welfare Trust
	Northern Arc Securities Private Limited (incorporated w.e.f 23 February 2023)
(ii) Associate	Finreach Solutions Private Limited
	IFMR Fimpact Long term credit fund (w.e.f 22 November 2023 till 12 January 2024)
	Northern Arc Emerging Corporates Bond Trust (w.e.f 4 April 2022 upto 26th April 2023 and 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. Bama Balakrishnan Executive Director and Chief Operating Officer (upto 13 November 2023)
	Mrs. Srividhya, Company Secretary (upto 20 November 2023)
	Ms. Monika Gurung, Company Secretary (from 18 January 2024 till 22 April 2024)
	Mr.Prakash Chandra Panda, Company Secretary (w.e.f 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. Amit Mehta -Nominee Director (upto 2 May 2022)
	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 (up to
	Mr. T.S. Anantharaman - Nominee director (w.e.f. 9 February 2023)
	Mr. Samir Shah - Nominee Director (upto 28 December 2022)

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42 **Related party disclosures (continued)**

A. **Transactions during the Year :**

	Year ended 31 March 2025	Year ended 31 March 2024
Northern Arc Investment Managers Private Limited		
Fee Income	368.48	404.12
Reimbursement of expenses (net of GST)	74.03	130.10
Interest income	624.68	363.07
Loans given	3,421.77	14,176.97
Receipt of money on ESOP receivable	37.42	170.30
Loans repaid	13,226.02	4,526.27
Sale of Investments	-	10,868.76
Northern Arc Investment Adviser Services Private Limited		
Expenses incurred by the Company on behalf of Northern Arc Investment Adviser Services Private Limited	2.21	20.22
Expenses incurred by the Northern Arc Investment Adviser Services Private Limited on behalf of Company	27.17	30.87
Pragathi Finserv Private Limited		
Servicer fee	5,530.32	9,632.25
Expenses incurred by the Company on behalf of Pragathi	-	12.44
Expenses incurred by the Pragathi on behalf of Company	-	17.26
Advances given	2,200.00	-
Northern Arc Foundation		
Contribution to CSR	609.07	313.00
Expenses incurred by the Company on behalf of NAF	4.09	-
Reimbursement of expenses	38.13	-
IFMR Fimpact Long term credit fund (upto 21 November 2023)		
Reimbursment of expenses	-	403.03
Transfer of surplus	-	659.05
IFMR Fimpact Long term credit fund (w.e.f 22 November 2023 till 12 January 2024)		
Reimbursment of expenses	-	50.00
Transfer of surplus	-	103.45
Northern Arc Emerging Corporates Bond Trust (w.e.f 4 April 2022 upto 26th April 2023 and w.e,f 26 February 2025)		
Investments in Alternate Investment Funds	26,000.00	-
Application money transferred pending allotment	1,500.00	
Transfer of surplus	-	39.35
Finreach Solutions Private Limited		
Investments	-	449.13
Guarantee Management Service Fee	2.84	17.27

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42 Related party disclosures (continued)

	Year ended 31 March 2025	Year ended 31 March 2024
A. Transactions during the Year : (continued)		
Northern Arc Securities Private Limited (incorporated w.e.f 23 February 2023)		
Investments	100.00	50.00
Ms. Kshama Fernandes , Non - Executive Director		
Commission	-	65.00
Sitting fees	22.00	15.50
Ms. Bama Balakrishnan Executive Director and Chief Operating Officer (upto 13 November 2023)		
Short-term employee benefits		
- Remuneration and other benefits *	-	268.46
Post employment benefits	-	61.84
Receipt of money on issue of shares	-	55.00
Mr. P S Jayakumar - Independent director		
Commission	154.00	90.00
Sitting Fees	25.00	19.00
Mrs. Srividhya, Company Secretary (upto 20 November 2023)		
Short-term employee benefits		
- Remuneration and other benefits *	-	41.00
Receipt of money on issue of shares	-	18.70
Share based payments	-	0.60
Post employment benefits	-	17.63
Advances given	-	4.00
Advances repaid	-	4.00
Mr. Atul Tibrewal, Chief Financial Officer		
Short-term employee benefits		
- Remuneration and other benefits *	293.94	190.60
Share based payments	57.19	57.19
Mr. Ashutosh Arvind Pednekar - Independent director		
Sitting Fees	23.00	16.50
Ms. Anuradha Rao - Independent director		
Sitting Fees	29.00	22.50
Mr Arunkumar Nerur Thiagarajan - Independent director (up to		
Sitting Fees	21.50	17.50
Mr. Vijay Chakravarthi Nallan - Nominee director		
Sitting Fees	2.50	-
Mr. Michael Jude Fernandes - Nominee director		
Sitting Fees	4.50	-

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42 Related party disclosures (continued)

	Year ended 31 March 2025	Year ended 31 March 2024
A. Transactions during the Year : (continued)		
Mr. T.S. Anantharaman - Nominee director (w.e.f. 9 February 2023)		
Sitting Fees	3.50	-
Mr. Ashish Mehrotra, Managing Director & Chief Executive Officer		
Short-term employee benefits		
- Remuneration and other benefits *	885.38	542.95
Share based payments	812.52	812.52
Receipt of money on issue of shares	-	210.00
Mr.Prakash Chandra Panda, Company Secretary (w.e.f 23 April 2024)		
Short-term employee benefits		
- Remuneration and other benefits *	33.31	-
Ms. Monika Gurung, Company Secretary (from 18 January 2024 till 22 April 2024)		
Short-term employee benefits		
- Remuneration and other benefits *	1.20	5.86
Advances	0.25	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.

B. Balances as at year end:	As at 31 March 2025	As at 31 March 2024
Northern Arc Investment Adviser Services Private Limited		
Equity share capital	127.80	127.80
ESOP Receivable	-	24.96
Northern Arc Investment Managers Private Limited		
Equity share capital	361.00	361.00
ESOP Receivable	1.29	37.49
Loans	-	10,098.30
Advances#	201.94	225.85
Trade payable#	19.71	58.50
Northern Arc Foundation		
Equity share capital	1.00	1.00
Advances	0.91	34.91
CSR Contribution payable	38.14	-

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42 Related party disclosures (continued)

	As at 31 March 2025	As at 31 March 2024
B. Balances as at year end: (continued)		
Pragathi Finserv Private Limited		
Equity share capital	2,253.40	2,253.40
Other receivables	2,438.70	14.68
Other advances	1,178.34	768.20
Servicer fee payable	-	1,107.78
Finreach Solutions Private Limited		
Investments	843.53	843.53
Trade Payables	-	0.37
Northern Arc Securities Private Limited (incorporated w.e.f 23 February 2023)		
Equity share capital	250.00	150.00
Advances	5.94	9.00
Northern Arc Emerging Corporates Bond Trust (w.e.f 4 April 2022 upto 26th April 2023 and w.e,f 26 February 2025)		
Investments in Alternate Investment Funds	26,730.50	-
Mr. Ashish Mehrotra, Managing Director & Chief Executive Officer		
Provision for share based payment	994.79	994.79
Advances	10.32	10.32
Mr. P S Jayakumar - Independent director		
Commision Payable	-	22.50
Mrs. Srividhya, Company Secretary (upto 20 November 2023)		
Provision for share based payment	-	151.79
Advances	-	4.00
Mr. Atul Tibrewal, Chief Financial Officer		
Provision for share based payment	151.79	151.79
Advances	4.00	4.00
Ms. Monika Gurung, Company Secretary (from 18 January 2024 till 22 April 2024)		
Advances	0.25	0.25

Notes:
1) The Company's related party transactions during the year ended 31 March 2025 and 31 March 2024 and outstanding balances as at 31 March 2025 and 31 March 2024 are with its subsidiaries with whom the Company generally enters into transactions which are at arms length and in the ordinary course of business.

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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 2025		31 March 2024	
	Purchases	Redemption *	Purchases	Redemption *
IFMR Fimpact Long Term Credit Fund	-	-	-	7,560.49
Northern Arc Money Market Alpha Trust Fund	-	-	4,595.59	1,11,489.96
Northern Arc India Impact Fund	-	-	-	6,317.09
Northern Arc Income Builder (Series II) Fund	-	-	-	2,681.36
Northern Arc Emerging corporates Bond Fund	24,639.32	-	-	2,500.00

* represents the dividend received in respect of cum dividend investment

Fund	Fair value changes	
	Year ended 31 March 2025	Year ended 31 March 2024
IFMR Fimpact Long Term Credit Fund	5.05	332.21
Northern Arc Money Market Alpha Trust Fund	-	7.06
Northern Arc India Impact Fund	-	35.13
Northern Arc Income Builder (Series II) Fund	-	275.59
Northern Arc Emerging corporates Bond Fund	348.34	221.87

Outstanding balances (Investment) at carrying value

Fund	As at 31 March 2025		As at 31 March 2024	
	Units**	Carrying value	Units**	Carrying value
IFMR Fimpact Long Term Credit Fund #	208.68	-	208.68	-
Northern Arc Emerging corporates Bond Fund	24,639.32	26,730.50	-	-

** The units disclosed are in absolute figures

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

44 Impact of hedging activities

a) Disclosure of effects of hedge accounting on financial position:

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	1,18,160.27	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-Sep-25	(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)

As at 31 March 2024							
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	84,256.90	5,346.17	188.53	November 15, 2025 to September 15,2026	(572.32)	572.32	Borrowings (other than debt securities)
Forward contract	1,396.54	54.12	-	September 29, 2024	54.12	(54.12)	Borrowings (other than debt securities)
Fair Value hedge							
Overnight Indexed swap	59,325.00	81.65	110.12	December 15, 2026 to September 21, 2027	(175.75)	175.75	- Debt securities - Borrowings (other than debt securities)

b) Disclosure of effects of hedge accounting on statement of profit and loss:

As at 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

As at 31 March 2025				
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	320.93	-	-	

As at 31 March 2024				
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	(572.32)	-	-	NA
Forward Contract	54.12	-	-	NA

As at 31 March 2024				
Type of hedge	Change in value of the hedging instrument recognised in statement of profit and	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	(175.75)	-	-	NA

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NORTHERN ARC CAPITAL LIMITED ★ MUMBAI

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

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, 2025 or 31 March, 2024. The Company operates in single geography i.e. India and therefore geographical information is not required to be disclosed separately.

46 Balance sheet disclosure as required under Master Direction - Reserve Bank of India (Non-Banking Financial Company - Scale Based Regulation) Directions, 2023

The disclosures in note from 46A to 80 are made pursuant to Reserve Bank of India Master Direction DoR.FIN.REC.No.45/03.10.119/2023-24 dated October 19, 2023, as updated, to the extent applicable to the Company.

46A Gold loan portfolio

The Company has not provided loan against security of gold during the year ended 31 March 2025 and year ended 31 March 2024.

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 2025	Year ended 31 March 2024
Tier I Capital	3,21,918.68	2,05,781.74
Tier II Capital	17,086.42	2,152.68
Total Capital	**3,39,005.10**	**2,07,934.42**
Total Risk Assets	13,71,302.14	11,38,683.23
Capital Ratios		
Tier I Capital as a percentage of Total Risk Assets (%)	23.48%	18.07%
Tier II Capital as a percentage of Total Risk Assets (%)	1.24%	0.19%
Total Capital (%)	**24.72%**	**18.26%**

48 Investments

Particulars	As at 31 March 2025	As at 31 March 2024
Value of investment		
Gross value of investments		
- In India	1,95,682.05	1,65,268.61
- Outside India	-	-
Provision for Depreciation		
- In India	-	-
- Outside India	-	-
Net value investments		
- In India	1,95,682.05	1,65,268.61
- Outside India	-	-
Movement of provisions held towards depreciation on investments		
Opening balance	-	**1.21**
Add: Provisions made during the year	-	-
Less: Write off/ write back/ reversal of provision during the year	-	(1.21)
Closing balance	-	-

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

49 Derivatives

a) Forward Rate Agreement (FRA) / Interest Rate Swap (IRS)

S No	Particulars	As at 31 March 2025	As at 31 March 2024
i)	The notional principal of swap agreements / forward cover / overnight indexed swap	1,79,136.22	1,44,978.44
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))	3,113.07	5,183.29

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. The front office and back-office role is well defined and segregated. 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 2025		As at 31 March 2024	
		Currency Derivatives*	Interest Rate Derivatives#	Currency Derivatives*	Interest Rate Derivatives#
i)	Derivatives (Notional Principal Amount) - For hedging	1,19,811.22	59,325.00	85,653.44	59,325.00
ii)	Marked to Market Positions (a) Asset [+] Estimated gain	5,184.09	292.46	5,400.29	81.65
	(b) Liability [-] Estimated loss	(2,363.48)	-	(188.53)	(110.12)
iii)	Credit exposure	1,19,811.22	59,325.00	85,653.44	59,325.00
iv)	Unhedged exposures	-	-	-	-

* Cross currency index rate swap and Forward Contracts
# Overnight indexed swap

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50 Asset Liability Management

Maturity Pattern of certain items of Assets and Liabilities:

As at 31 March 2025

Particulars	1 - 7 Days	8 - 14 days	15 - 31 days	Over 1 month to 2 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

As at 31 March 2024

Particulars	1 - 7 Days	8 - 14 days	15 - 31 days	Over 1 month to 2 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	67,582.77	6,998.31	31,368.35	77,274.08	65,272.50	1,48,242.64	1,85,805.70	2,78,198.37	46,720.47	23,524.32	9,30,987.51
Investments	876.36	162.38	2,319.50	4,043.24	7,483.35	29,627.63	46,938.75	58,869.74	11,209.96	3,737.69	1,65,268.60
Borrowings	21,176.38	6,365.05	32,418.43	36,963.72	76,263.12	1,81,217.70	1,59,401.13	2,82,985.85	23,648.81	-	8,20,440.19
Foreign Currency Liabilities	-	-	-	6,719.21	3,304.17	6,481.45	15,878.33	43,629.27	8,322.98	-	84,335.41

51 Disclosures in respect of fraud as per the Master Direction DNBS. PPD.01/66.15.001/2016-17,dated September 29, 2016

Particualrs	Less than INR 1 Lakhs		More than INR 1 Lakhs and less than INR 25 Lakhs		Above 25 Lakhs		Total	
	Number of instances	Rs. In Lakhs	Number of instances	Rs. In Lakhs	Number of instances	Rs. In Lakhs	Number of instances	Rs. In Lakhs
Person involved								
Staff	-	-	24.00	74.08	1.00	36.32	25.00	110.40
Outsiders	1.00	0.43	3.00	7.34	-	-	4.00	7.77
Total	1.00	0.43	27.00	81.42	1.00	36.32	29.00	118.17
Type of fraud:								
Cash Mishandeling	-	-	24.00	74.08	1.00	36.32	25.00	110.40
Others	1.00	0.43	3.00	7.34	-	-	4.00	7.77
Total	1.00	0.43	27.00	81.42	1.00	36.32	29.00	118.17

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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)	26	8,62,831.11	85.33%

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)	3,63,388.38	35.94%

Name of Instrument/project	Amount (in Lakhs)	% of Total Liabilities
(iv) Funding Concentration based on significant instrument/product		
Term Loan from Banks	6,98,032.34	69.03%
Term Loan from Others	11,691.92	1.16%
Borrowings under securitisation	7,262.66	0.72%
ECBs	1,10,832.27	10.96%
Commercial Paper	16,821.12	1.66%
Debentures	1,23,964.20	12.26%

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	1.73%
Commercial papers as a % of total liabilities	1.66%
Commercial papers as a % of total asset	1.25%
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	2.39%
Other short term liabilities as a % of total liabilities	2.29%
Other short term liabilities as a % of total asset	1.72%

Note
Other short term liablities 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.

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NORTHERN ARC CAPITAL LIMITED MUMBAI

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

53 Exposure to Real estate sector

Particulars	As at 31 March 2025	As at 31 March 2024
A. Direct Exposure		
i. Residential Mortgages Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	1,02,165.24	53,826.72
ii. Commercial Real Estate – 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	10,920.00	7,392.53
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	**1,13,085.24**	**61,219.25**

54 Exposure to capital market

Particulars	As at 31 March 2025	As at 31 March 2024
(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	3,836.73	3,736.73
(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	752.51
(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	26,730.50	-
(iii) Category III	-	-
Total	**30,976.74**	**4,489.24**

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55 Disclosures relating to Securitisation

Disclosure pertaining to RBI Master Direction - RBI/DOR/2021-22/85 DOR.STR.REC.53/21.04.177/2021-22 Reserve Bank of India (Securitisation of Standard Assets) Directions, 2021 dated September 24, 2021

	Particulars	As at 31 March 2025	As at 31 March 2024
i	No of SPVs sponsored by the NBFC for securitisation transactions	2	3
ii	Total amount of securitised assets as per books of the SPVs sponsored by the NBFC	7,262.66	28,539.53
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	1,829.13	2,607.69
	* Others - over collateral	1,483.10	2,920.45
iv	Amount of exposures to securitisation transactions other than MRR		
	a) Off-balance sheet exposures		
	i) Exposure to own securitisations		
	* First loss	1,260.59	1,859.49
	* 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	20,120.45	30,660.96
vi	Form and quantum (outstanding value) of services provided by way of, liquidity support, post-securitisation asset s	-	-
vii	Performance of facility provided (Credit Enhancement)		
	(a) Amount Paid	-	-
	(b) Repayment received	-	-
	(c) Outstanding Amount	4,572.83	7,387.63
viii	Average default rate of portfolios observed in the past	1.96%	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	-	-

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56 Details of financial assets purchases / sold

Details of loans transferred/ acquired during the year ended 31 March 2025 under Master Directions RBI (Transfer of Loan Exposures) Directions, 2021 dated September 24, 2021 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	-	81,746.19	25,708.77	-
Number of loans	-	1,78,211.00	63,742.00	-
Sale consideration	-	73,571.57	-	-
Number of transactions	-	7.00	8.00	-
Weighted average maturity (in years)	-	2.35	3.00	-
Weighted average holding period (in years)	-	0.82	0.90	-
Retention of beneficial economic interest by originator	-	0.10	0.10	-
Tangible security coverage	-	-	-	-
Rating-wise distribution of related loans	-	-	-	-

57 Details of financing of Parent Company products

Not applicable as the company does not have a Parent Company.

58 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 2025 and 31 March 2024.

59 Advances against Intangible Securities

The Company has not given any loans against intangible securities such as rights, licenses, authoriteis etc. as collateral securities hence this disclousre is not applicable.

60 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,
Company Identification Number	Ministry of Corporate Affairs	U65910TN1989PLC017021
Certificate of PFRDA	Pension Fund Regulatory and Development Authority	39092018 Dated 28th February 2020
Certificate of IRDAI	Insurance Regulatory and Development Authority	CA0951 Dated 14th June 2024

61 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 4.46 lacs levied by

62 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 2025	As at 31 March 2024
Bank facilities	ICRA	AA-	A1+
Non-convertible debentures - long term	ICRA	AA-	AA-
Non-convertible debentures - long term	IND	AA-	AA-
Market linked debentures	ICRA	NA*	PP-MLD AA-
Commercial paper	CARE	A1+	A1+
Commercial paper	ICRA	A1+	A1+

*Withdrawn during the year

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

63 Provisions and contingencies (Break up of 'provisions and contingencies' shown under the head expenditure)

	As at 31 March 2025	As at 31 March 2024
Loss allowance on financial assets (Impairment on financial instruments) (net off recoveries)	37,852.62	12,313.52
Provision made towards current income taxes	16,170.32	10,189.07
Other provisions (refer note 17)*	1,449.91	1,101.94

*Includes provision for gratuity and provision for compensated absences

64 Draw down from reserves

The Company has not made any drawdown from existing reserves.

65 Concentration of advances

	As at 31 March 2025	As at 31 March 2024
Total advances to twenty largest borrowers	1,86,641.72	2,12,080.54
Percentage of advances to twenty largest borrowers to total advances	17.65%	21.34%

66 Concentration of exposures

	As at 31 March 2025	As at 31 March 2024
Total exposure to twenty largest borrowers	2,39,101.45	2,51,518.78
Percentage of exposures to twenty largest borrowers to total exposure	18.60%	22.37%

67 Concentration of NPA Contracts*

	As at	As at
Total exposure to top four NPA accounts	4,056.28	2,791.60

** represents stage 3 contracts (net of write offs).*

68 Sector-wise NPAs (Percentage of NPA's to total advances in that sector)

	As at 31 March 2025			As at 31 March 2024		
Sector	Total Exposure (includes on balance sheet and off balance sheet exposure)	Gross NPA	Percentage of Gross NPAs to total exposure in that sector	Total Exposure (includes on balance sheet and off balance 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	6,36,306.54	3,935.60	0.62%	6,50,601.29	2,845.37	0.44%
Services	-	-	0.00%	-	-	0.00%
Personal Loans:						
Auto loans	29.55	19.43	65.76%	2,624.92	224.65	8.56%
Unsecured personal loans	4,33,520.68	1,640.16	0.38%	3,68,620.82	1,312.11	0.36%
Other personal loans	1,47,396.66	7,187.45	4.88%	79,020.64	765.52	0.97%

Note: 1
NPA represents the stage 3 contracts (net of write offs).

69 Movement of Non-Performing Assets (NPA's)

		As at 31 March 2025	As at 31 March 2024
(a)	**Net NPAs to net advances (%)** (Net of provision for NPAs)	0.39%	0.09%
(b)	**Movement of gross NPAs**		
	Opening balance	5,202.82	6,702.48
	Additions during the year	68,510.06	30,788.28
	Reductions during the year	-	-
	Written off during the year	(60,930.24)	(32,287.94)
	Closing balance	**12,782.64**	**5,202.82**
(c)	**Movement of net NPAs**		
	Opening balance	960.59	3,496.17
	Additions / (reduction) during the year	3,956.92	(2,535.58)
	Closing balance	**4,917.51**	**960.59**

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

69 Movement of Non-Performing Assets (NPA's) (continued)

		As at 31 March 2025	As at 31 March 2024
(d)	**Movement of provisions for NPAs (excluding contingent provisions against standard assets)**		
	Opening balance	4,242.23	3,206.31
	Additions during the year	64,553.14	33,323.86
	Reductions during the year	-	-
	Written off during the year	(60,930.24)	(32,287.94)
	Closing balance	**7,865.13**	**4,242.23**

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.

69A Movement of provisions held towards off-balance sheet exposure

	As at 31 March 2025	As at 31 March 2024
Opening balance	1,680.83	1,779.41
Add: Provisions made during the year	82.60	508.45
Less: Write off/ write back/ reversal of provision during the year	(1,634.98)	(607.03)
Closing balance	**128.45**	**1,680.83**

Note : The above disclosure also includes the loss allowance towards undrawn loans.

70 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

71 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.

72 Complaints

	As at 31 March 2025	As at 31 March 2024
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	1	-
2. No. of complaints received during the year	938	91
3. No. of complaints disposed during the year	810	90
3.1. Of which, No. of complaints rejected by the NBFC	-	-
4. No. of complaints pending at the end of the year	129	1
B. Maintainable complaints received by the NBFC from Office of Ombudsman		
5. No. of maintainable complaints received by the NBFC from Office of Ombudsman	186	159
5.1. Of 5, No. of complaints resolved in favour of the NBFC by Office of Ombudsman	176	154
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	-	-
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

Top five grounds of complaints received by the Company from customers

For the Year ended 31 March 2025

Grounds of complaints, (1)	Number of complaints pending at the beginning of the year (2)	Number of complaints received during the year (3)	% increase/ decrease in the number of complaints received over the previous year (4)	Number of complaints pending at the end of the year (5)	Of 5, number of complaints pending beyond 30 days (6)
1. CIBIL related	-	761	795%	3	-
2. Loans and Advances- Dues and (	-	214	146%	3	-
3. Application realted	-	6	200%	-	-
4. Closure & NOC related	-	41	486%	-	-
5. Staff Interaction / Collection relat	-	94	77%	-	-
6. Others	-	8	-50%	-	-
Total	-	**1,124**	**350%**	6	-

WALKER CHANDIOK & Co LLP CHARTERED ACCOUNTANTS

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

72 Complaints (continued)

For the Year ended 31 March 2024

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. CIBIL related	-	85	2%	-	-
2. Loans and Advances- Dues and (	-	87	47%	-	-
3. Application realted	-	2	-33%	-	-
4. Closure & NOC related	-	7	133%	-	-
5. Staff Interaction / Collection relat	-	53	2550%	-	-
6. Others	-	16	100%	-	-
Total	-	**250**	**58%**	-	-

73 Disclosure under clause 28 of the Listing Agreement for Debt Securities

Particulars	As at 31 March 2025	As at 31 March 2024
Loans and advances in the nature of loans to subsidiaries	-	10,098.31
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	-	30,578.06

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WALKER CHANDIOK & Co LLP CHARTERED ACCOUNTANTS

NORTHERN ARC CAPITAL LIMITED MUMBAI

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

74 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.

75 Disclosure pursuant to Reserve Bank of India notification DOR (NBFC).CC.PD.No.109 /22.10.106/2019- 20 dated March 13, 2020 pertaining to Asset Classification as per RBI Norms

As at 31 March 2025

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	19.43	19.06	0.37	5.83	13.23
1 - 3 years	Stage 3	-	-	-	-	-
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**	**1,046.57**
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**

As at 31 March 2024

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	9,76,312.25	6,846.64	9,69,465.61	3,905.25	2,941.39
	Stage 2	12,199.57	1,744.40	10,455.17	48.80	1,695.60
Subtotal for Standard		**9,88,511.82**	**8,591.04**	**9,79,920.78**	**3,954.05**	**4,636.99**
Non Performing Assets (NPA)						
Substandard	Stage 3	4,937.46	3,983.15	954.31	493.75	3,489.40
Doubtful - upto 1 year	Stage 3	42.37	41.41	0.96	8.47	32.94
1 - 3 years	Stage 3	167.82	164.05	3.77	50.35	113.70
More than 3 years	Stage 3	-	-	-		-
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		**5,147.65**	**4,188.61**	**959.04**	**552.57**	**3,636.04**
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	1,02,841.03	331.76	1,02,509.27	-	331.76
	Stage 2	419.77	1,503.00	(1,083.23)	-	1,503.00
	Stage 3	53.46	53.46	-	-	53.46
Subtotal		**1,03,314.26**	**1,888.22**	**1,01,426.04**	-	**1,888.22**
Total	**Stage 1**	**10,79,153.28**	**7,178.40**	**10,71,974.88**	**3,905.25**	**3,273.15**
	Stage 2	**12,619.34**	**3,247.40**	**9,371.94**	**48.80**	**3,198.60**
	Stage 3	**5,201.11**	**4,242.07**	**959.04**	**552.57**	**3,689.50**
		10,96,973.73	**14,667.87**	**10,82,305.86**	**4,506.62**	**10,161.25**

In terms of the requirement as per RBI notifications no. RBI/2019-20/170 DOR (NBFC).CC. PD No. 109/22.10.106/2019-20 dated March 13, 2020 on implementation of Indian accounting standards, Non-Banking Financial Companies (NBFCs) are required to create an impairment reserve for any shortfall in impairment allowances under Ind AS 109 and Income recognition, Asset Classification and Provisioning (IRACP) Norms (including provision on standard assets). 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 2025 and accordingly, no amount is required to be transferred to impairment reserve.

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

76 Schedule to the Balance Sheet of a non deposit taking Non-Banking Financial Company (Pursuant to Master Direction - Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023:

S.No.	Particulars	As at 31 March 2025		As at 31 March 2024	
		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)	1,23,964.20	-	98,448.85	-
	- 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)	7,62,824.95	-	6,62,187.79	-
	(d) Inter-Corporate Loans and Borrowings	-	-	-	-
	(e) Commercial Paper	16,821.12	-	42,923.61	-
	(f) Public Deposits	-	-	-	-
	(g) Other Loans (net of unamortised borrowing cost)*	74,829.27	-	1,01,215.35	-
	* 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	-	-	-	-

	Particulars	As at 31 March 2025	As at 31 March 2024
	Assets side:		
3	**Break-up of Loans and Advances * including Bills Receivables [other than those included in (4) below]:**		
	(a) Secured	6,02,825.54	5,18,543.27
	(b) Unsecured	4,80,928.43	4,23,088.07
	(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	-	-

WALKER CHANDIOK & CO LLP ★ CHARTERED ACCOUNTANTS ★

NORTHERN ARC CAPITAL LIMITED ★ MUMBAI

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

76 **Schedule to the Balance Sheet of a non deposit taking Non-Banking Financial Company (Pursuant to Master Direction - Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 (continued):**

Particulars	As at 31 March 2025	As at 31 March 2024
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	46,065.84	26,775.23
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	28,763.43	16,196.09
iii. Units of Mutual Funds	-	-
iv. Government Securities	10,486.71	12,121.16
v. Others		
a) pass through certificates	11,415.20	2,996.80
b) units of alternative investment fund	-	-
c) commercial paper	25,519.11	-
Long Term Investments:		
I. Quoted:		
i. Shares	-	-
a) Equity	-	-
b) Preference	-	-
ii. Debentures and Bonds	32,391.08	64,833.97
iii. Units of Mutual Funds	-	-
iv. Government Securities	-	-
v. Others (please specify)	-	
II. Unquoted:		
i. Shares		
a) Equity	3,836.73	3,736.73
b) Preference	-	-
ii. Debentures and Bonds	7,289.80	35,832.04
iii. Units of Mutual Funds	-	-
iv. Government Securities	-	-
v. Others		
a) pass through certificates	3,182.69	2,775.63
b) units of alternative investment fund	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 2025 (Net of provision for NPA)		As at 31 March 2024 (Net of provision for NPA)	
	Secured	Unsecured	Secured	Unsecured
1. Related parties				
(a) Subsidiaries	-	-	-	10,098.31
(b) Companies in the same group	-	-	-	-
(c) Other related parties	-	-	-	-
2. Other than related parties	5,81,833.84	4,75,403.94	5,15,247.73	4,11,989.45
	5,81,833.84	**4,75,403.94**	**5,15,247.73**	**4,22,087.76**

76 Disclosure Pursuant to paragraph 19 of Master Direction - Non-Banking Financial Company –Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016: (continued)

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 2025	Book Value as on 31 March 2025 (Net of provisions)	Market Value / Break up Value or Fair Value or Net Asset Value as on 31 March 2024	Book Value as on March 31, 2024 (Net of provisions)
1. Related Parties				
(a) Subsidiaries	2,993.20	2,993.20	2,893.20	2,893.20
(b) Companies in the same Group	27,574.03	27,574.03	843.53	843.53
(c) Other related parties	-	-	-	-
2. Other than related parties	1,65,114.82	1,65,114.82	1,61,531.88	1,61,531.88
	1,95,682.05	**1,95,682.05**	**1,65,268.61**	**1,65,268.61**

8 Other Information

Particulars	**As at 31 March 2025**		**As at 31 March 2024**	
	Related Parties	**Other than Related Parties**	**Related Parties**	**Other than Related Parties**
(i) Gross Non-Performing Assets	-	12,782.64	-	5,202.82
(ii) Net Non-Performing Assets	-	4,917.51	-	960.59
(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 131.00 lakhs during the year ended 31 March 2025 (31 March 2024: commission - INR 155.50 lakhs; sitting fee - INR 91.00 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.

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NORTHERN ARC CAPITAL LIMITED MUMBAI ★

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

77 **Disclosure Pursuant to paragraph 8 of Master Direction - Non-Banking Financial Company –Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016:**

Type of Restructuring		Under CDR Mechanism					Under SME Mechanism					Other than CDR and SME Debt Restructuring*					Total				
Asset Classification details		Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total
Restructured assets as on 01 April 2024	No.of borrowers	-	-	-	-	-	-	-	-	-	-	-	1	-	-	1	-	1	-	-	1
	Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-	10.22	-	-	10.22	-	10.22	-	-	10.22
	Provision there on	-	-	-	-	-	-	-	-	-	-	-	5.72	-	-	5.72	-	5.72	-	-	5.72
Fresh restructuring during the year	No.of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Provision there on	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Upgradations to restructured standard category during the year	No.of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Provision there on	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the financial year and hence need not be shown as restructured standard advances at the beginning of the next financial year	No.of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Provision there on	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Downgradation of restructured accounts during the year	No.of borrowers	-	-	-	-	-	-	-	-	-	-	-	1.00	-	-	1.00	-	1.00	-	-	1.00
	Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Provision there on	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Write off restructured accounts during the year	No.of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restructured accounts as on 31 March 2025	No.of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Provision there on	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

*One time Restructuring under notification no RBI/2020-21/16 DOR No BP BC/3/21.04 048/2020-21 dated August 6, 2021

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78 Disclosure pursuant to Reserve Bank of India Circular DOR.NBFC (PD) CC. No.102/03.10.001 /2019-20 dated November 4, 2019 pertaining to Liquidity Risk Management Framework for Non-Banking Financial Companies.

As per the Guidelines on Liquidity Risk Management Framework for NBFCs issued by RBI vide notification no. RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20, all non-deposit taking NBFCs with asset size more than INR 5,000 crores are required to maintain Liquidity Coverage Ratio (LCR) from December 1, 2022, with the minimum LCR to be 60%, progressively increasing, till it reaches the required level of 100%, by December 1, 2024.

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 2025, the average HQLA of (INR 21,635.37 lakhs) comprised of Rs. 9,375.37 lakhs in cash and INR 12,260.00 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 2025, 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 2025 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

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(All amounts are in Indian Rupees in lakhs 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 2024		Quarter ended 30 September 2024		Quarter ended 31 December 2024		Quarter ended 31 March 2025	
		Total unweighted value (average)	Total weighted value (average)	Total unweighted value (average)	Total weighted value (average)	Total unweighted value (average)	Total weighted value (average)	Total unweighted value (average)	Total weighted value (average)
High Quality Liquid Assets									
1	**Total High Quality Liquid Assets (HQLA)	22,671.71	22,671.71	20,328.07	20,328.07	19,468.90	19,468.90	21,635.37	21,635.37
Cash Outflows									
2	Deposits (for deposit taking companies)	-	-	-	-	-	-	-	-
3	Unsecured wholesale funding	8,516.48	9,793.95	3,804.35	4,375.00	-	-	3,333.33	3,833.33
4	Secured wholesale funding	46,906.86	53,942.89	45,577.17	52,413.74	42,322.11	48,670.43	41,531.67	47,761.42
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	5,710.00	6,566.50	5,710.00	6,566.50	-	-	300.00	345.00
7	Opex related	4,178.21	4,804.94	4,539.73	5,220.69	4,093.79	4,707.86	3,578.13	4,114.85
8	**Total Cash Outflows**	**65,311.55**	**75,108.28**	**59,631.25**	**68,575.93**	**46,415.90**	**53,378.29**	**48,743.13**	**56,054.60**
Cash Inflows									
9	Secured lending	63,531.75	47,648.81	60,219.93	45,164.95	69,297.67	51,973.25	67,520.30	50,640.23
10	Inflows from fully performing exposures	73,383.93	55,037.95	87,414.41	65,560.81	92,608.95	69,456.71	61,871.09	46,403.32
11	Other cash inflows	13,922.45	10,441.84	11,670.53	8,752.90	17,772.71	13,329.54	12,695.94	9,521.95
12	**Total Cash Inflows**	**1,50,838.13**	**1,13,128.60**	**1,59,304.87**	**1,19,478.65**	**1,79,679.33**	**1,34,759.50**	**1,42,087.33**	**1,06,565.50**
		Total Adjusted Value	Total Adjusted Value	Total Adjusted Value	Total Adjusted Value	Total Adjusted Value	Total Adjusted Value	Total Adjusted Value	Total Adjusted Value
13	Total HQLA	NA	22,671.71	NA	20,328.07	NA	19,468.90	NA	21,635.37
14	Total Net Cash Outflows	NA	18,777.07	NA	17,143.98	NA	13,344.57	NA	14,013.65
15	Liquidity Coverage Ratio (%)	NA	120.74%	NA	118.57%	NA	145.89%	NA	154.39%

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 154.39% as of 31 March 2025 as against the LCR mandated by RBI.

80 Other RBI disclsoures

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 2025

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 2025	As at 31 March 2024
Total amount of intra-group exposures	-	10,098.31
Total amount of top 20 intra-group exposures	-	10,098.31
Percentage of intra-group exposures to total exposure of the NBFC on borrowers/customers	0.00%	1.07%

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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 2025 and 31 March 2024. 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 2025 and 31 March 2024 , 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 2025 and 31 March 2024.

Particulars	Pragathi	
	As at 31 March 2025	**As at 31 March 2024**
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 5,520.30 lakhs as at 31 March 2025, 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 30.00% and the terminal growth rate at 4%. 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.

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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 2025	As at 31 March 2024	Reason for variance
Debt-equity ratio	1.1	2.87	4.02	Variance is on account of increase is equity capital during the year
Total debts to total assets	1.2	0.72	0.78	Reduction is on account of increase in total asset size of the Company during the year
Net worth	1.3	3,40,915.46	2,25,035.33	Increase is on account of proceeds from issue of shares during the period and 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	0.99%	0.47%	Increase is on account of increase in stage 3 EAD balance
Net Non-Performing Assets (NNPA) Ratio	1.5	0.43%	0.09%	
Capital adequacy ratio (CRAR)	1.6	24.72%	18.26%	Increase is on account of proceeds from issue of shares during the period and results of operations during the year leading to increase in tier 1 capital.
Asset cover over listed non-convertible debentures	1.7	1.08	1.15	Change is in line with the change in asset size of the company
Net profit margin (%)	1.8	14.92%	16.24%	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 + instruments entirely equity in nature + other equity.

1.2 Total debts to total assets is debt securities and borrowings (other than debt securities) / total assets

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 period, 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 Treatment of DLG in computation of Expected Credit Loss

The Company has entered into First Loss Default Guarantee (FLDG) 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 FLDG arrangements in the computation of Expected Credit Loss (ECL).

The Reserve Bank of India (RBI), vide e-mail communication dated 16 May 2025, has directed the Company to exclude the credit enhancements under FLDG arrangements in the computation of ECL as at 31 March 2025 and absorb such impact by 30 June 2025. Pursuant to this, the Company has 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 has recorded INR 6,835 lakhs. The exposure pertaining to remaining ECL of INR 1,206 lakhs, has subsequent to 31 March 2025, run down thereby naturally reversing the impact in the quarter ending 30 June 2025.

The above accounting treatment has resulted in a reduction of profit before tax for the quarter and year ended 31 March 2025 by INR 6,835 lakhs with a corresponding decrease in loans and advances on account of additional ECL provisions.

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

84 Event after reporting date

Subsequent to the year end, the company had sold 3,58,601 shares held by it in FinReach Solutions Private Limited, post dilution, the shareholding in Finreach has come down from 24.55 % to 11.16%. Consequent to the above, FinReach ceases to be an associate of the Company.

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 two products 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 one application was enabled on 08 July 2024 and operated post the aforementioned date for the year for all relevant transactions recorded in the application at a database level; and for the other application, the database level audit trail is expected to be enabled in the subsequent years.

(b) the company uses three loan management systems (LMS) for the other loan products offered. These loan management systems have a feature of recording audit trail (edit log) facility. However, management is not in possession of Service Organization Controls report to determine whether audit trail feature of LMS managed by third party was enabled and operated throughout the year. Further, for the loan management systems, there are system limitation in testing the operation of audit trail feature. The Company is in discussion with the vendor of the application to assess feasibility to enable such feature as per the requirements of regulation. The Company currently relies on alternate manual controls in place around reports produced from the loan management systems.

86 Other Statutory Information

A Stage wise Overdue (DPD) based Loan disclosure

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	**19,14,142.00**	**10,44,111.05**	**23,836.49**	**15,806.43**	**10,83,753.97**

Particulars	As at 31 March 2024				
	Count	Stage 1	Stage 2	Stage 3	Total
Gross amount					
Accounts with No Overdues	16,33,094	9,06,982.49	450.19	131.78	9,07,564.46
Accounts with Overdues	1,75,351	17,445.98	11,749.38	4,871.53	34,066.89
Total	**18,08,445**	**9,24,428.47**	**12,199.57**	**5,003.31**	**9,41,631.35**

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(s) or entity(ies), 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

(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.

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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.

As per our report of even date attached
For Walker Chandiok & Co LLP
Chartered Accountants
ICAI Firm Registration no.: 001076N/N500013

Khushroo B. Panthaky
Partner
ICAI Membership No. 042423

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

Place: Nagpur
Date: 19 May 2025

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: 19 May 2025

NORTHERN ARC CAPITAL LIMITED MUMBAI *

Walker Chandiok & Co LLP
16th Floor, Tower III,
One International Center,
S B Marg, Prabhadevi (W),
Mumbai - 400013
Maharashtra, India
T +91 22 6626 2600

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'/'the 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 2025**, 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, its associates as at 31 March 2025, 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, 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 Matters section below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Emphasis of Matters: Exclusion of FLDG credit in calculation of ECL

4. We draw attention to Note 49 to the accompanying consolidated financial statements, which describes the impact of the regulatory directions received by the Holding Company from the Reserve Bank of India (RBI) vide e-mail communication dated 16 May 2025, pursuant to which the Holding Company is required to exclude credit enhancements under First Loss Default Guarantee (FLDG) arrangement available at portfolio level as at 31 March 2025 from the computation of expected credit losses (ECL) calculated as per Ind AS 109, Financial Instruments and provide for additional ECL on account of such change by 30 June 2025. Our opinion is not modified in respect of this matter.

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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 period. 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.

1) Impairment of loan asset based on Expected Credit Losses (ECL) (Refer note 3 for material accounting policies and note 8 for financial disclosures in the accompanying consolidated financial statements)

As at 31 March 2025, the Company reported gross loans of ₹ 10,83,753.97 lakhs against which provision for expected credit loss of ₹ 26,516.19 lakhs has been recorded in accordance with Ind AS 109 – Financial Instruments. The Company has written off loans of ₹ 60,930.24 lakhs during the current year.

Key audit matter	How our audit addressed the key audit matter
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. 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: • management overlays • 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. 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 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 49 to the accompanying consolidated financial statements as per the Reserve Bank of India RBI e-mail communication dated 16 May 2025, the management has excluded credit enhancements under First Loss Default Guarantee (FLDG) arrangements from the computation of ECL per Ind AS 109 as at 31 March 2025 and to provide the same in the financial statements by 30 June 2025. This matter has also been considered as fundamental to the users' understanding of the financial statements	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 WALKER CHANDIOK & CO LLP ★ CHARTERED ACCOUNTANTS ★

<table>
<tr><th>Key audit matter</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td>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.</td><td>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 such as probability of default (PD) or loss given default (LGD).
Evaluated the appropriateness of the methodology and policy laid down and implemented by the Company/Group for the loan portfolio written-off during the year and tested its compliance on a sample basis.
Evaluated Company's compliance with the RBI directions vide e-mail communication dated 16 May 2025, with respect to exclusion of credit enhancements under (FLDG) arrangements from the computation of (ECL) as on 31 March 2025 and verified the mathematical accuracy in such computation.
Challenged the management on post model adjustments, considering the size and complexity of management overlays, in order to assess the reasonableness of the adjustments.
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.
Obtained appropriate written representations from the management.</td></tr>
<tr><td colspan="2">2) Information Technology("IT") systems and controls for accounting and financial reporting process</td></tr>
<tr><td>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 product of loans 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.</td><td>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;
Reviewed the report on the assessment of cyber security breach prepared by the management's expert and evaluated that there is no impact of the same on the financial reporting IT systems.
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</table>

Key audit matter	How our audit addressed the key audit matter
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 consolidated 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 consolidated financial statements, we have determined the use of IT systems for accounting and financial reporting as a key audit matter for current year audit.	• 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. • Obtained appropriate written representations from management.
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 notes 8 for financial disclosures in the accompanying consolidated financial statements) As at 31 March 2025, the Company has loans amounting to ₹ 2,17,633.08 lakhs (31 March 2024: ₹ 2,61,483.91 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.	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 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 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.

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Key audit matter	How our audit addressed the key audit matter
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.	• Assessed the appropriateness and adequacy of the related presentation and disclosures in the accompanying financial statements in accordance with the applicable accounting standards. • Obtained appropriate written representations from the management.

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 will 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 and 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 respective Board of Directors of the companies included in the Group and its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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, which have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

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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 intend 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 statements 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.

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

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 Matters

15. We did not audit the financial statements of five subsidiaries, whose financial statements reflects total assets of ₹ 5,769.96 lakhs as at 31 March 2025, total revenues of ₹ 6,056.65 lakhs and net cash outflows amounting to ₹ 907.78 lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss of ₹ 210.91 lakhs for the year ended 31 March 2025 in respect of one associate, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the 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 associate, 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 and associate, 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.

16. The consolidated financial statements of the Group for the year ended 31 March 2024 were audited by the predecessor auditor, S.R. Batliboi & Associates LLP, who have expressed an unmodified opinion on those consolidated financial statements vide their audit report dated 29 May 2024.

    Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

17. 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 and associates, we report that the Holding Company, and its 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. Further, we report that the provisions of section 197 read with Schedule V to the Act are not applicable to two associates incorporated in India whose financial statements have been audited under the Act, since none of such companies is a public company as defined under section 2(71) of the Act.

    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 and covered under the Act we report that there are no qualifications or adverse remarks reported in the respective Order reports of such companies.

WALKER CHANDIOK & Co LLP
CHARTERED ACCOUNTANTS

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 and associates 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 and its subsidiary and taken on record by the Board of Directors of the Holding Company and its subsidiaries, none of the directors of the Holding Company and its subsidiary are disqualified as on 31 March 2025 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 and associates 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 and associates 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 40 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 13 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 and associates covered under the Act, during the year ended 31 March 2025;

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

a. The respective managements of the Holding Company and its subsidiaries and associates incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries and associates respectively that, to the best of their knowledge and belief, other than as disclosed in note 52 (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 and associates to or in any persons or entities, 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 and 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 and associates incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries and associates respectively that, to the best of their knowledge and belief, other than as disclosed in the note 52 (viii) to the accompanying consolidated financial statements, no funds have been received by the Holding Company or its subsidiaries and associates from any persons or entities, including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Holding Company, or any such subsidiaries and associates 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 and associates, 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.

iv. The Holding Company, its subsidiaries and associates have not declared or paid any dividend during the year ended 31 March 2025.

v. As stated in Note 51 to the consolidated financial statements and based on our examination which included test checks, and that performed by the respective auditors of the subsidiaries and associate except for matters mentioned below, the Holding Company, its subsidiaries and associates in respect of financial year commencing on 1 April 2024, have used accounting softwares for maintaining its books of accounts 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/ matters mentioned below the audit trail has been preserved by the Company as per the statutory requirements for record retention.

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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	i) The audit trail feature was not enabled at the database level for one loan management system to log any direct data changes. ii) The audit trail (edit logs) was not retained for the period 01 April 2024 to 07 July 2024 at the database level for another loan management system to log any direct data changes.
Instances of accounting software maintained by a third party where we are unable to comment on the audit trail feature at database level	i) The loan management system for two other loan products of the Holding Company are operated by third-party software service providers. 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, their Design and Operating Effectiveness' ('Type 2 report' issued in accordance with SAE 3402, Assurance Reports on Controls at a Service Organization), we are unable to comment on whether audit trail feature with respect to the database of the said softwares were enabled and operated throughout the year. ii) The accounting softwares used for maintenance of accounting records of two subsidiaries are operated by third-party software service providers. 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, their Design and Operating Effectiveness' ('Type 2 report' issued in accordance with SAE 3402, Assurance Reports on Controls at a Service Organization), we are unable to comment on whether audit trail feature with respect to the database of the said softwares were enabled and operated throughout the year.

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

Khushroo B Panthaky
Partner
Membership No.: 042423

UDIN: 25042423BMNRBQ9626

Place: Nagpur
Date: 19 May 2025

Annexure A

Subsidiaries:

1. Northern Arc Investment Managers Private Limited
2. Northern Arc Investment Advisers Private Limited
3. Pragati Finserv Private Limited
4. Northern Arc Securities Private Limited
5. Northern Arc Foundation
6. Northern Arc Employee Welfare Trust

Associates:

1. Finreach Solutions Private Limited
2. Northern Arc Emerging Corporates Bond Trust

WALKER CHANDIOK & Co LLP
CHARTERED ACCOUNTANTS

Annexure B

Independent Auditor's Report on the internal financial controls with reference to 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 at and for the year ended **31 March 2025**, we have audited the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies and its associate 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 and its associate companies, which are companies covered under the Act, are responsible for establishing and maintaining internal financial controls based on internal financial control over financial reporting (the 'Guidance Note') 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 Consolidated 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, its associate companies, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('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 Matters 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 and its associate 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.

WALKER CHANDIOK & Co LLP CHARTERED ACCOUNTANTS

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 and associate 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 2025, 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 ₹5,769.96 lakhs as at 31st March 2025, total revenues of ₹6,056.65 lakhs and net cash outflows amounting to ₹970.78 lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss (including other comprehensive income) of ₹210.91 for the year ended 31st March 2025, in respect of one associate company, which is companies covered under the Act, whose internal financial controls with reference to financial statements has not been audited by us. The internal financial controls with reference to financial statements in so far as it relates to such subsidiary companies and associate 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 and its associate company, as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to such subsidiary company and associate company 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

Khushroo B Panthaky
Partner
Membership No.: 042423

UDIN: 25042423BMNRBQ9626

Place: Nagpur
Date: 19 May 2025

Northern Arc Capital Limited
Consolidated Balance Sheet as at 31 March 2025
(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

Particulars	Notes	As at 31 March 2025	As at 31 March 2024
ASSETS			
Financial assets			
Cash and cash equivalents	4	33,026.83	17,940.08
Bank balances other than cash and cash equivalents	5	31,708.44	22,834.26
Derivative financial instruments	6	5,476.55	5,481.94
Trade receivables	7	2,069.13	2,534.94
Loans	8	10,57,237.78	9,20,958.93
Investments	9	1,77,715.46	1,78,070.50
Investment in associates	23	27,440.88	388.65
Other financial assets	10	6,878.70	8,391.42
Total financial assets		**13,41,553.77**	**11,56,600.72**
Non-financial assets			
Current tax assets (net)		609.51	2,404.34
Deferred tax assets (net)	33	11,319.20	3,475.92
Property, plant and equipment	11.1	1,279.68	666.22
Intangible assets under development	11.2	593.48	231.13
Goodwill	11.3	2,340.82	2,347.77
Other intangible assets	11.4	1,285.34	1,179.25
Right of use asset	11.5	2,711.97	1,472.23
Other non- financial assets	12	2,113.44	2,388.31
Total Non-financial assets		**22,253.44**	**14,165.17**
Total assets		**13,63,807.21**	**11,70,765.89**
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
Derivative financial instruments	13	2,363.48	298.65
Trade payables	14		
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		6,945.54	12,848.32
Debt securities	15	1,40,785.32	1,41,372.46
Borrowings (Other than debt securities)	16	8,45,214.61	7,63,403.15
Other financial liabilities (including lease liabilities)	17	17,971.04	15,505.82
Total financial liabilities		**10,13,279.99**	**9,33,428.40**
Non-financial liabilities			
Provisions	18	1,930.88	3,206.48
Current tax liabilities (net)		2,832.34	461.50
Deferred tax liabilities (net)	33	-	71.89
Other non-financial liabilities	19	1,807.67	1,556.46
Total non-financial liabilities		**6,570.89**	**5,296.33**
EQUITY			
Equity share capital	20	16,137.93	8,938.54
Instruments entirely equity in nature	20	-	8,264.64
Other equity	21	3,27,286.94	2,14,235.38
Equity attributable to the equity holder of the holding company		**3,43,424.87**	**2,31,438.56**
Non-controlling interest (NCI)	22	531.46	602.60
Total equity		**3,43,956.33**	**2,32,041.16**
Total liabilities and equity		**13,63,807.21**	**11,70,765.89**

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

Khushroo B. Panthaky
Partner
ICAI Membership No. 042423

WALKER CHANDIOK & Co LLP CHARTERED ACCOUNTANTS

Place : Nagpur
Date : 19 May 2025

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

NORTHERN ARC CAPITAL LIMITED MUMBAI

Atul Tibrewal
Chief Financial Officer

Prakash Panda
Company Secretary
Membership No: A22585

Place : Mumbai
Date : 19 May 2025

Northern Arc Capital Limited

Consolidated Statement of Profit and Loss for the year ended 31 March 2025 (including other comprehensive income)

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

Particulars	Notes	Year ended 31 March 2025	Year ended 31 March 2024
Revenue from operations			
Interest income	24	2,17,608.94	1,71,211.16
Fee and commission income	25	9,264.25	8,492.77
Net gain on fair value changes	26	3,165.31	4,561.95
Net gain on derecognition of financial instruments		4,122.53	4,742.54
Total revenue from operations		**2,34,161.03**	**1,89,008.42**
Other income	27	1,412.70	1,594.83
Total income		**2,35,573.73**	**1,90,603.25**
Expenses			
Finance costs	28	82,835.99	72,638.50
Fees and commission expense		28,852.49	22,081.94
Employee benefits expenses	29	28,467.30	24,160.72
Impairment on financial instruments	30	40,484.89	12,243.79
Depreciation and amortisation expense	31	1,788.18	1,694.42
Other expenses	32	14,334.86	15,663.06
Total expenses		**1,96,763.71**	**1,48,482.43**
Profit before share of loss of associate and taxes		**38,810.02**	**42,120.82**
Share of loss from associates	23	(201.96)	(97.21)
Profit before tax		**38,608.06**	**42,023.61**
Tax expense	33		
Current tax		16,395.78	10,881.12
Tax related to earlier years		(999.71)	46.92
Less: MAT Credit entitlement		(0.64)	-
Deferred tax charge / (benefit)		(6,919.18)	(673.70)
Total Tax expense		**8,476.25**	**10,254.34**
Profit for the year	**(A)**	**30,131.81**	**31,769.27**
Other Comprehensive Income			
Items that will not be reclassified to profit or loss in subsequent periods			
Remeasurement (loss) / gain on defined benefit plans		(105.55)	116.50
Income tax relating to items that will not be reclassified to profit or loss		26.57	(29.32)
		(78.98)	**87.18**
Items that will be reclassified to profit or loss in subsequent periods			
Fair value (loss) / gain on Financial Instruments through other comprehensive income (net)		(2,908.30)	1,228.99
Income tax relating to items that will be reclassified to profit or loss		732.01	(309.34)
		(2,176.29)	**919.65**
Net movement on effective portion of cash flow hedges		(901.53)	1,362.19
Income tax relating to items that will be reclassified to profit or loss		226.92	(342.86)
		(674.61)	**1,019.33**
Share of other comprehensive income from associates		-	(0.81)
		-	**(0.81)**
Other comprehensive income (loss) / income for the year (net of income taxes)	**(B)**	**(2,929.88)**	**2,025.35**
Total comprehensive income for the year (net of income taxes)	**(A+B)**	**27,201.93**	**33,794.62**
Profit for the year attributable to			
Owners of the holding company		30,454.79	30,833.39
Non-controlling Interest	22	(322.98)	935.88
Other comprehensive income for the year (net of income taxes)			
Owners of the holding company		(2,926.69)	2,017.01
Non-controlling Interest	22	(3.19)	8.34
Total comprehensive income for the year (net of income taxes)			
Owners of the holding company		27,528.10	32,850.40
Non-controlling Interest	22	(326.17)	944.22
Earnings per equity share of INR 10 each	34		
Basic (in rupees)		20.08	34.61
Diluted (in rupees)		20.03	23.40

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

Khushroo B. Panthaky
Partner
ICAI Membership No. 042423

Place : Nagpur
Date : 19 May 2025

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

Atul Tibrewal
Chief Financial Officer

Prakash Panda
Company Secretary
Membership No: A22585

Place : Mumbai
Date : 19 May 2025

Northern Arc Capital Limited
Consolidated Statement of Cash Flows for the year ended 31 March 2025
(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

	Particulars	Notes	Year ended 31 March 2025	Year ended 31 March 2024
A	**Cash flow from operating activities**			
	Profit before tax		38,608.06	42,023.61
	Adjustments to reconcile profit before tax to net cash flows:			
	Depreciation and amortisation expenses		1,788.65	1,694.42
	Write off of intangible assets under development		-	18.59
	Unrealised loss on investments		1,366.38	572.50
	Interest income on loans, fixed deposits and investments		(2,17,787.52)	(1,69,653.43)
	Gain on investments in mutual funds		(731.47)	(1,046.17)
	Profit on sale of investments		(731.75)	(1,175.93)
	Impairment on financial instruments including amounts written off		37,852.62	12,243.79
	Employee share based payment expenses		1,558.91	1,735.92
	Loss on sale of plant, property and equipments		-	0.85
	Gain on account of lease foreclosed		(0.78)	(1.13)
	Amortisation of discount on commercial papers		2,400.31	1,826.37
	Share of loss of Associate		201.96	97.21
	Interest on income tax refund		(215.10)	-
	Net gain on derecognition of financial assets		(4,122.53)	(4,742.54)
	Finance costs		80,435.68	70,838.64
	Cash used in operations before working capital changes and adjustments		**(59,376.58)**	**(45,567.30)**
	Changes in working capital and other changes:			
	Decrease / (Increase) in other financial assets		5,416.13	(2,076.75)
	Decrease in trade receivables		1,978.42	932.10
	(Increase) in loans		(2,86,906.59)	(3,56,829.95)
	Decrease / (Increase) in other non-financial assets		528.90	(949.23)
	(Increase) in other bank balances		(8,952.11)	(3,665.44)
	(Increase) in Investments		-	(14,053.95)
	Increase in other financial liabilities		1,813.58	2,211.05
	Increase in other non-financial liabilities		1,357.08	306.67
	(Decrease) / Increase in trade payables and provisions		(8,789.97)	2,351.89
	Cash used in operations before adjustments		**(3,52,931.14)**	**(4,17,340.91)**
	Proceeds from de-recognition of financial assets		81,746.19	1,01,292.05
	Interest income received on loans, fixed deposits and investments		2,14,482.46	1,63,802.25
	Finance cost paid		(82,117.66)	(73,866.56)
	Recovery from written off assets		44,712.79	22,544.38
	Income tax paid (net)		(10,560.17)	(9,875.68)
	Net cash (used in) operating activities		**(1,04,667.53)**	**(2,13,444.47)**
B	**Cash flows from investing activities**			
	Purchase of property, plant and equipment (net of proceeds)		(1,807.55)	(1,369.88)
	Purchase of investments		(3,81,172.11)	(7,04,676.81)
	Proceeds from sale of investments		3,70,436.47	7,09,927.60
	Term deposit with scheduled banks		401.93	103.11
	Investment in associate		(26,730.49)	(449.13)
	Interest income received		51.02	69.58
	Net cash (used in) / from investing activities		**(38,820.73)**	**3,604.47**
C	**Cash flow from financing activities**			
	Proceeds from issue of debt securities		87,500.00	84,426.00
	Repayment of debt securities		(87,181.54)	(63,589.70)
	Proceeds from borrowings (other than debt securities)		9,98,902.61	7,85,124.40
	Repayment of borrowings (other than debt securities)		(9,27,188.99)	(5,97,309.15)
	Repayment of Subordinated liabilities		-	(3,995.07)
	Payment of principal portion of lease liabilities		(379.88)	(516.06)
	Payment of interest on lease liabilities		(270.80)	(175.01)
	Proceeds from issue of equity share capital including securities premium		87,154.77	496.96
	Share application money received pending allotment		38.84	83.76
	Net cash flow from financing activities		**1,58,575.01**	**2,04,546.13**
	Net increase / (decrease) in cash and cash equivalents		**15,086.75**	**(5,293.87)**
	Cash and cash equivalents at the beginning of the year		17,940.08	23,233.95
	Cash and cash equivalents at the end of the year		**33,026.83**	**17,940.08**

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

NORTHERN ARC CAPITAL LIMITED MUMBAI

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

Particulars	Note	As at 31 March 2025	As at 31 March 2024
Notes to Consolidated Statement of Cash Flows			
1 **Components of cash and cash equivalents:**	4		
Cash on hand		-	7.75
Cheques on hand		-	20.22
Balances with banks			
- in current accounts		32,886.19	15,836.65
- in deposit accounts free of lien		140.64	2,075.46
		33,026.83	**17,940.08**

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

3 **Non cash investing activity**

Particulars	As at 31 March 2025	As at 31 March 2024
Investing Activity		
Acquisition of right of use assets	1,948.02	1,064.10
Total	**1,948.02**	**1,064.10**

4 For disclosures relating to changes in liabilities arising from financing activities, refer Note 36A

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

Khushroo B. Panthaky
Partner
ICAI Membership No. 042423

WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS

Place : Nagpur
Date : 19 May 2025

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 : 19 May 2025

NORTHERN ARC CAPITAL LIMITED MUMBAI

Northern Arc Capital Limited
Consolidated Statement of Changes in Equity for the year ended 31 March 2025
(All amounts are in lakhs of Indian rupees (₹), unless otherwise stated)

A. Equity Share Capital

Equity share capital of INR 10 each issued, subscribed and fully paid	
Balance as at 01 April 2023	8,903.13
Changes in equity share capital during the year (Refer Note 20)	
Add: Shares issued during the year	35.41
Balance as at 31 March 2024	**8,938.54**
Changes in equity share capital during the period (Refer Note 20)	
Add: Shares issued during the year	7,199.39
Balance as at 31 March 2025	**16,137.93**

B. Instruments entirely equity in nature

0.0001% Compulsorily convertible preference shares of INR 20 each, issued, subscribed and fully paid	
Balance as at 01 April 2023	8,264.64
Changes in compulsorily convertible preference shares during the year (Refer Note 20)	-
Balance as at 31 March 2024	**8,264.64**
Changes in compulsorily convertible preference shares during the year (Refer Note 20)	
Add: Shares issued during the year	1,953.96
Less: Converted to equity shares	(10,218.60)
Balance as at 31 March 2025	-

C. Other Equity

	Other equity											
	Reserves and surplus							Other Comprehensive Income				
	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	Total attributable to equity holders of the holding company	Total Non-Controling Interest (NCI)	Total
Balance as at 1 April 2023	**17,672.47**	**3,467.00**	**3.57**	-	**85,679.02**	**1,700.43**	**69,899.17**	**2,657.57**	**(2,704.38)**	**1,78,374.85**	11,230.43	**1,89,605.28**
Profit for the year	-	-	-	-	-	-	30,833.39	-	-	30,833.39	935.88	31,769.27
Fair valuation gain financial instruments (net)	-	-	-	-	-	-	-	919.66	1,019.33	1,938.99	-	1,938.99
Amount reclassified to Profit and loss	-	-	-	-	-	-	-	6.56	-	6.56	-	6.56
Change in unit holding in funds (subsidiary)	-	-	-	-	-	-	-	-	-	-	(11,793.93)	(11,793.93)
Premium received on shares issued during the year	-	-	-	-	687.38	(225.83)	-	-	-	461.55	-	461.55
Transfer to retained earnings	-	-	-	-	-	(160.10)	827.35	-	-	667.25	-	667.25
Transfer to statutory reserve	5,603.43	-	-	-	-	-	(5,603.43)	-	-	-	-	-
Employee compensation expense during the period	-	-	-	-	-	1,790.19	-	-	-	1,790.19	221.88	2,012.07
Share application money received	-	-	-	83.76	-	-	-	-	-	83.76	-	83.76
Remeasurement of net defined benefit plan	-	-	-	-	-	-	78.84	-	-	78.84	8.34	87.18
Balance as at 31 March 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**
Change in equity for the year ended March 31, 2025												
Profit for the year	-	-	-	-	-	-	30,454.79	-	-	30,454.79	(322.98)	30,131.81
Fair valuation (loss) of financial instruments (net)	-	-	-	-	-	-	-	(2,173.09)	(674.62)	(2,847.71)	(3.19)	(2,850.90)
Premium received on shares issued during the period	-	-	-	-	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 period	-	-	-	-	-	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)	-	(78.98)
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**

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

Khushroo B. Panthaky
Partner
ICAI Membership No. 042423

Place : Nagpur
Date : 19 May 2025

WALKER CHANDIOK & CO LLP ★ CHARTERED ACCOUNTANTS ★

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 : 19 May 2025

NORTHERN ARC CAPITAL LIMITED ★ MUMBAI

1 Reporting entity

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

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

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

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

The Group structure is as follows:

Entity	Country of Incorporation	Nature of Interest	% of unit holding / equity interest As at 31 March 2025	As at 31 March 2024
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 Investment Adviser Services Private Limited (NAIA)	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	24.55%	24.55%
Northern Arc Emerging corporates Bond Fund	India	Associate	29.93%	Not applicable

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

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 2025 and 31 March 2024, 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 2025 and 31 March 2024 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 19 May 2025.

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 Master Direction – Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 ('the NBFC Master Directions') and notification for Implementation of Indian Accounting Standard vide circular RBI/2019-20/170 DOR(NBFC).CC.PD.No.109/22.10.106/2019-20 dated 13 March 2020 and RBI/2020-21/15 DOR (NBFC).CC.PD.No.116/22.10.106/2020-21 dated 24 July 2020 ('RBI Notification for Implementation of Ind AS') issued by RBI.

The consolidated financial statements are presented in lakhs of Indian Rupee (INR) 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:

- 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 Statement of compliance and basis of preparation (continuted)

2.3 Functional and presentation currency

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

2.4 Use of estimates and judgements

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

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

i) Business model assessment

Classification and measurement of financial assets depends on the results of business model test and the solely payments of principal and interest ('SPPI') test. The Group determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Group monitors financial assets measured at amortised cost or fair value through other comprehensive income or fair value through profit and loss that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Group's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in the business model and so a prospective change to the classification of those assets.

ii) Fair value of financial instruments

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

iii) Effective Interest Rate ('EIR') method

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

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

iv) Impairment of financial assets

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

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

a) The Group's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a life time expected credit loss ('LTECL') basis.
b) Development of ECL models, including the various formulas and the choice of inputs.
c) Determination of associations between macroeconomic scenarios and economic inputs, such as consumer spending, lending interest rates and collateral values, and the effect on probability of default ('PD'), exposure at default ('EAD') and loss given default ('LGD').
d) Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into ECL models.

v) Impairment of non financial assets

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

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

WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS

NORTHERN ARC CAPITAL LIMITED MUMBAI

2 Statement of compliance and basis of preparation (continuted)

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 plan (GESP).The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in note 43.

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

iii) Loss of control

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

iv) Change in ownership without loss of control

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

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

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

c. Derecognises the cumulative translation differences recorded in equity

d. Recognises the fair value of the consideration received

e. Recognises the fair value of any investment retained

f. Recognises any surplus or deficit in profit or loss

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

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

v) Transactions eliminated on consolidation

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

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3 Summary of material accounting policies

a. Revenue from contract with customers

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

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

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

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

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

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

Trade Receivables

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

Recognition of interest income on loans

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

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

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is booked as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income. The adjustment is subsequently amortised through interest income in the statement of profit and loss.

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

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

Revenue recognition for different heads of income is as under:

i. Interest income on deposits

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

ii. Fees and commission income

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

iii. Other Income

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

b. Financial instruments - initial recognition

Date of recognition

Debt securities issued are initially recognised when they are originated. All other financial assets (exluding trade receivables which are recognised at transaction price) 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

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.

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3 Summary of material accounting policies (continued)

A. Financial assets (continued)

Business model assessment (continued)

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 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

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 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.

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3 Summary of material accounting policies (continued)

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

i. Financial Assets

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

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

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

When the Group has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Group's continuing involvement, in which case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.
Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration the Group could be required to pay.

ii. Financial Liability

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

e Impairment of financial assets

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

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

Expected credit losses are measured through a loss allowance at an amount equal to:
i. The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or

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

Both LTECLs and 12mECLs are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments
Based on the above, the Group catagorises its financial assets into Stage 1, Stage 2 and Stage 3, as described below:

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

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

Stage 3:
Financial assets are considered credit impaired if they are past due for more than 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.

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3 Summary of material accounting policies (continued)

e Impairment of financial assets (continued)

B. Calculation of ECLs (continued)

The mechanics of the ECL method are summarised below:

Stage 1:
The 12 months ECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Group calculates the 12 months ECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-months default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by the original EIR.

Stage 2:
When a financial asset has shown a significant increase in credit risk since origination, the Group records an allowance for the LTECLs. The mechanics are similar to those explained above, but PDs and LGDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR.

Significant increase in credit risk

The Group monitors all financial assets that are subject to the impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk the Group will measure the loss allowance based on lifetime rather than 12mECLs.
In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity of the instrument with the risk of a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognised. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort, based on the Group's historical experience and expert credit assessment including forward looking information.

Stage 3:
For financial assets considered credit-impaired, the Group recognises the lifetime expected credit losses for these financial assets. The method is similar to that for Stage 2 assets, with the PD set at 100%.

Credit-impaired financial assets
A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Credit-impaired financial assets are referred to as Stage 3 assets. Evidence of credit-impairment includes observable data about the following events:
a. significant financial difficulty of the borrower;
b. a breach of contract such as a default or past due event;
c. the lender of the borrower, for economic or contractual reasons relating to the borrower's financial
d. difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
e. the disappearance of an active market for a security because of financial difficulties; or
f. the purchase of a financial asset at a deep discount that reflects the incurred credit losses.
It may not be possible to identify a single discrete event—instead, the combined effect of several events may have caused financial assets to become credit-impaired. The Group assesses whether debt instruments that are financial assets measured at amortised cost are credit-impaired at each reporting date.

A loan is considered credit-impaired when a concession is granted to the borrower due to a deterioration in the borrower's financial condition, unless there is evidence that as a result of granting the concession the risk of not receiving the contractual cash flows has reduced significantly and there are no other indicators of impairment. For financial assets where concessions are contemplated but not granted the asset is deemed credit impaired when there is observable evidence of credit-impairment including meeting the definition of default. The definition of default includes unlikeliness to pay indicators and a back- stop if amounts are overdue for 90 days or more.

Further, in line with the requirements of Ind-AS 109 read with circular on implementation of Indian Accounting Standards dated March 13, 2020 issued by the Reserve Bank of India, the Holding 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 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.

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.

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3 Summary of material accounting policies (continued)

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.

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 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.

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3 Summary of material accounting policies (continued)

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.

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.

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.

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3 Summary of material accounting policies (continued)

k. Employee benefits (continued)

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 43.

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

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

l. Provisions

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

m. Leases

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

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

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

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

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

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

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

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3 Summary of material accounting policies (continued)

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.

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

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

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

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

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

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

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

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

o. Borrowing cost

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

p. Cash and cash equivalents

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

q. Segment reporting- Identification of segments:

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

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3 Summary of material accounting policies (continued)

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 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.
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 47 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 2025, MCA has notified following new standards or amendments to the existing standards applicable to the Group:

i) Lack of exchangeability - Amendments to Ind AS 21: The amendments to Ind AS 21 "The Effects of Changes in Foreign Exchange Rates"
The amendment 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.

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3 Summary of material accounting policies (continued)

v. New and amended standards (continued)

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. MCA has notified below new standards / amendments which were effective from 01 April 2024.

i) Introduction of Ind AS 117 – Insurance contracts

MCA notified Ind AS 117, a comprehensive standard that prescribe, recognition, measurement and disclosure requirements, to avoid diversities in practice for accounting insurance contracts and it applies to all companies i.e., to all "insurance contracts" regardless of the issuer. However, Ind AS 117 is not applicable to the entities which are insurance companies registered with IRDAI.

ii) Amendments to Ind AS 116 - Lease liability in a sale and leaseback

The amendments require an entity to recognise lease liability including variable lease payments which are not linked to index or a rate in a way it does not result into gain on right-of-use asset it retains.

The Group has reviewed the new pronouncements and based on its evaluation has determined that these amendments do not have a significant impact on the financial statements.

w. 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 enterec 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 wit 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 potentia 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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3 Summary of material accounting policies (continued)

x. 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 accounts it at cost or in accordance with Ind AS 109, financial instruments. 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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	Particulars	As at 31 March 2025	As at 31 March 2024
4	**Cash and cash equivalents**		
	Measured at amortised cost:		
	Cash on hand	-	7.75
	Cheques on hand	-	20.22
	Balance with banks		
	- In current accounts	32,886.19	15,836.65
	- In deposits with original maturity of less than three months	140.64	2,075.46
		33,026.83	17,940.08

Notes

4.1 The Group had available undrawn committed borrowing facilities of INR 1,20,892 lakhs as at 31 March 2025 (as at 31 March 2024: INR 3,336.40 lakhs).

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

Cash on hand	-	7.75
Cheques on hand	-	20.22
Balances with banks		
- In current accounts	32,886.19	15,836.65
- Deposits with original maturity of less than three months	140.64	2,075.46
	33,026.83	17,940.08

5	**Bank balances other than cash and cash equivalents**		
	Measured at amortised cost:		
	- In deposit accounts with bank with original maturity more than 3 months (Refer Note 5.1 below)	5,377.50	9,700.35
	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).	26,330.72	13,133.69
		31,708.44	22,834.26

Note:

5.1 As at 31 March 2025, Deposit with bank includes deposits amounting to INR 3,950.81 lakhs (31 March 2024 : INR 3,009.40 lakhs) representing amount received from customers as cash collateral for the loans provided by the holding Company.

5.2 As at 31 March 2025, Deposits amounting to INR 1,796.70 lakhs (31 March 2024: INR 2,625.51 lakhs) have been provided as credit enhancement for securitisation transactions.

		As at 31 March 2025		As at 31 March 2024	
6	**Derivative financial instruments**	Notional amount	Fair value of assets	Notional amount	Fair value of assets
	Part - I				
	Asset				
	(i) Currency derivatives (Refer Note 47) - measured at FVTOCI				
	- Cross currency interest rate swaps	92,039.27	5,184.09	75,385.93	5,346.17
	- Forward contract	-	-	1,396.54	54.12
	(ii) Interest rate derivatives (Refer Note 47) - measured at FVTPL				
	- Overnight Indexed Swaps	59,325.00	292.46	39,500.00	81.65
		151,364.27	5,476.55	116,282.47	5,481.94
	Part - II				
	Included in the above (Part-I) are derivatives held for hedging and risk management purposes as follows:				
	Asset				
	Derivative designated as hedge				
	Cash flow Hedging				
	- Cross currency interest rate swaps	92,039.27	5,184.09	75,385.93	5,346.17
	- Forward Contract	-	-	1,396.54	54.12
	Fair Value Hedging				
	- Overnight Indexed Swaps	59,325.00	292.46	39,500.00	81.65
		151,364.27	5,476.55	116,282.47	5,481.94

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

6 Derivative financial instruments (continued)

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 with investment grade credit rating. 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.

	As at 31 March 2025	As at 31 March 2024
7 Trade receivables		
Unsecured		
a) Considered good	2,075.80	2,526.91
b) Trade receivables which have significant increase in credit risk	-	18.01
	2,075.80	**2,544.92**
Allowance for expected credit loss		
a) Considered good	(6.67)	(7.51)
b) Trade receivables which have significant increase in credit risk	-	(2.47)
Net trade receivables	**2,069.13**	**2,534.94**

Notes:

(i) The Groups exposure to credit risks, and loss allowances related to trade receivables are disclosed in note 38.
(ii) No trade receivable are due from directors or other officers of the company 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 2025 and 31 March 2024.

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NORTHERN ARC CAPITAL LIMITED MUMBAI

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

7 Trade receivables (Continued)

7.1 The ageing schedule of Trade receivables is as follows:

As at 31 March 2025

Particulars	Unbilled receivables	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

As at 31 March 2024

Particulars	Unbilled receivables	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	131.36	2,367.72	19.20	8.63	-	-	2,526.91
(ii) Undisputed trade receivables – which have significant increase in credit risk	-	18.01	-	-	-	-	18.01
(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	131.36	2,385.73	19.20	8.63	-	-	2,544.92

7.2 **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 2025				As at 31 March 2024			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
As at the beginning of the year	2,526.91	18.01	-	2,544.92	2,873.72	1.14	-	2,874.86
New assets originated	965.12	-	-	965.12	1,542.34	18.01	-	1,560.35
Asset derecognised or repaid (excluding write off)	(1,416.23)	(18.01)	-	(1,434.24)	(1,889.15)	(1.14)	-	(1,890.29)
Transfer to stage 1	-	-	-	-	-	-	-	-
Transfer to stage 2	-	-	-	-	-	-	-	-
Transfer to stage 3	-	-	-	-	-	-	-	-
Write offs	-	-	-	-	-	-	-	-
As at the end of the year	2,075.80	-	-	2,075.80	2,526.91	18.01	-	2,544.92

Reconciliation of ECL Balance

Particulars	As at 31 March 2025				As at 31 March 2024			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
As at the beginning of the year	7.51	2.47	-	9.98	13.35	0.09	-	13.44
New assets originated	6.55	-	-	6.55	4.59	2.47	-	7.06
Asset derecognised or repaid (excluding write off)	(7.39)	(2.47)	-	(9.86)	(10.43)	(0.09)	-	(10.52)
Transfer to stage 1	-	-	-	-	-	-	-	-
Transfer to stage 2	-	-	-	-	-	-	-	-
Transfer to stage 3	-	-	-	-	-	-	-	-
Write offs	-	-	-	-	-	-	-	-
As at the end of the year	6.67	-	-	6.67	7.51	2.47	-	9.98

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8 Loans

	As at 31 March 2025			As at 31 March 2024		
	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	832,838.78	217,633.08	1,050,471.86	622,219.92	261,483.91	883,703.83
Less : Impairment loss allowance	(26,087.13)	-	(26,087.13)	(8,666.10)	-	(8,666.10)
Net term loans	**806,751.65**	**217,633.08**	**1,024,384.73**	**613,553.82**	**261,483.91**	**875,037.73**
Gross structured cash credit	33,282.11	-	33,282.11	47,829.20	-	47,829.20
Less : Impairment loss allowance	(429.06)	-	(429.06)	(1,908.00)	-	(1,908.00)
Net structured cash credit	**32,853.05**	-	**32,853.05**	**45,921.20**	-	**45,921.20**
Net loans	**839,604.70**	**217,633.08**	**1,057,237.78**	**659,475.02**	**261,483.91**	**920,958.93**
B. Based on Security						
(i) Secured by tangible assets *	578,003.64	24,821.90	602,825.54	463,719.52	54,823.74	518,543.26
(ii) Unsecured	288,117.25	192,811.18	480,928.43	206,329.60	206,660.17	412,989.77
Gross Loans	**866,120.89**	**217,633.08**	**1,083,753.97**	**670,049.12**	**261,483.91**	**931,533.03**
Less: Impairment loss allowance	(26,516.19)	-	(26,516.19)	(10,574.10)	-	(10,574.10)
Net Loans	**839,604.70**	**217,633.08**	**1,057,237.78**	**659,475.02**	**261,483.91**	**920,958.93**
C. Based on region						
(I) Loans in India						
(i) Public Sector	-	-	-	-	-	-
(ii) Others	866,120.89	217,633.08	1,083,753.97	670,049.12	261,483.91	931,533.03
Gross Loans in India	**866,120.89**	**217,633.08**	**1,083,753.97**	**670,049.12**	**261,483.91**	**931,533.03**
Less: Impairment loss allowance	(26,516.19)	-	(26,516.19)	(10,574.10)	-	(10,574.10)
	839,604.70	**217,633.08**	**1,057,237.78**	**659,475.02**	**261,483.91**	**920,958.93**
(II) Loans outside India						
Loans outside India	-	-	-	-	-	-
Total (I) and (II)	**839,604.70**	**217,633.08**	**1,057,237.78**	**659,475.02**	**261,483.91**	**920,958.93**

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

Notes:

(i) During the current and prior reporting periods, there was no change in the business model under which the Group holds financial assets and therefore no reclassifications were made due to change in business model. 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 38 (i) on credit risk under financial risk management objectives and policies.

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

9. Investments

	As at 31 March 2025				As at 31 March 2024			
	At amortised cost	At fair value through other comprehensive income	At Fair value through profit and loss	Total	At amortised cost	At fair value through other comprehensive income	At Fair value through profit and loss	Total
Investment in debentures (quoted)								
Non-convertible redeemable debentures	-	78,457.28	-	78,457.28	-	72,616.67		72,616.67
Market Linked debentures	-	-	-	-	-	-	18,992.53	18,992.53
Investment in debentures (unquoted)								
Non-convertible redeemable debentures	-	36,052.87	-	36,052.87	-	52,028.13	-	52,028.13
Investment in Commercial papers (quoted)								
Commercial papers	-	25,519.11	-	25,519.11	-	-	-	-
Investment in pass-through certificates (unquoted)								
Investment in pass-through certificates	-	14,597.89	-	14,597.89	-	5,772.44	-	5,772.44
Investment in alternate investment funds (unquoted)								
Alternative Investment Funds	-	-	10,655.43	10,655.43	-	-	14,374.13	14,374.13
Investment in Other approved securities (unquoted)								
Investment in goverment securities	10,486.71	-	-	10,486.71	12,121.16	-	-	12,121.16
Investment in mutual funds (quoted)								
Investment in Mutual Funds	-	-	1,945.22	1,945.22	-	-	2,164.49	2,164.49
Other investments (Unquoted)								
Share warrants	-	-	0.95	0.95	-	-	0.95	0.95
Sub total	**10,486.71**	**154,627.15**	**12,601.60**	**177,715.46**	**12,121.16**	**130,417.24**	**35,532.10**	**178,070.50**
Less: Impairment loss allowance for Investments	-	-	-	-	-	-	-	-
Total Investments	**10,486.71**	**154,627.15**	**12,601.60**	**177,715.46**	**12,121.16**	**130,417.24**	**35,532.10**	**178,070.50**
(i) Investments outside India	-	-	-	-	-	-	-	-
(ii) Investments in India	10,486.71	154,627.15	12,601.60	177,715.46	12,121.16	130,417.24	35,532.10	178,070.50
Total Investments	**10,486.71**	**154,627.15**	**12,601.60**	**177,715.46**	**12,121.16**	**130,417.24**	**35,532.10**	**178,070.50**

Also refer note 38 (i) on credit risk under financial risk management objectives and policies.
The group has designated these investments as FVOCI on the basis that these are not held for trading and held for strategic purpose.

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10 Other financial assets	As at 31 March 2025	As at 31 March 2024
Considered good		
Unsecured - amortised cost:		
Security deposits	635.21	543.61
Advances to employees	332.78	252.84
Advance to originator partners	-	4,333.58
AIF application money pending allotment	1,500.00	-
Other receivables	1,560.09	220.70
Excess Interest spread on derecognition of financial assets (Refer Note 10.1)	3,084.36	3,124.39
Less: Impairment loss allowance	(233.74)	(83.70)
	6,878.70	8,391.42

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

Particulars	As at 31 March 2025				As at 31 March 2024			
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	3,043.99	26.94	53.46	3,124.39	1,379.40	5.33	8.07	1,392.80
New assets originated	2,609.10	67.05	130.84	2,806.99	2,437.93	20.88	43.84	2,502.65
Asset derecognised or repaid (excluding write offs)	(2,808.73)	(24.62)	(13.67)	(2,847.02)	(773.34)	-	-	(773.34)
Transfer to stage 1	-	-	-	-	-	0.73	-	0.73
Transfer to stage 2	-	-	-	-	-	-	1.55	1.55
Transfer to stage 3	-	-	-	-	-	-	-	-
Write offs	-	-	-	-	-	-	-	-
As at the end of the year	2,844.36	69.37	170.63	3,084.36	3,043.99	26.94	53.46	3,124.39

Reconciliation of ECL Balance

Particulars	As at 31 March 2025				As at 31 March 2024			
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	18.28	11.80	53.62	83.70	18.69	2.43	5.25	26.37
New assets originated	40.99	20.63	130.84	192.46	11.40	9.05	48.07	68.52
Asset derecognised or repaid (excluding write offs)	(17.61)	(10.98)	(13.83)	(42.42)	(11.81)	-	-	(11.81)
Transfer to stage 1	-	-	-	-	-	0.32	-	0.32
Transfer to stage 2	-	-	-	-	-	-	0.30	0.30
Transfer to stage 3	-	-	-	-	-	-	-	-
Write offs	-	-	-	-	-	-	-	-
As at the end of the year	41.66	21.45	170.63	233.74	18.28	11.80	53.62	83.70

11.1 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 2023	6.51	164.78	836.40	193.02	0.19	174.31	1,375.21
Additions	-	242.31	503.29	88.56	-	53.87	888.03
Disposals	-	-	(4.17)	(0.80)	-	(1.98)	(6.95)
As at 31 March 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
Accumulated depreciation							
As at 1 April 2023	6.26	44.41	641.78	167.80	0.19	133.30	993.74
Depreciation for the year	0.23	69.73	462.38	53.05	-	16.93	602.32
Reversal on disposal of assets	-	-	(4.09)	(0.81)	-	(1.09)	(5.99)
As at 31 March 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
Reversal on disposal of assets	-	-	-	-	-	-	-
As at 31 March 2025	6.51	246.21	1,424.45	280.25	0.19	208.31	2,165.92
Net block							
As at 31 March 2024	0.02	292.95	235.45	60.74	-	77.06	666.22
As at 31 March 2025	-	305.03	174.50	45.07	-	755.08	1,279.68

11.2 Intangible assets under development

Particulars	Software	Total
As at 1 April 2023	98.87	98.87
Add: Additions	481.87	481.87
Less: Capitalised during the year	(331.02)	(331.02)
Less: Written off during the year	(18.59)	(18.59)
As at 31 March 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

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11.2 i Ageing of Intangible assets under development

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

As at 31 March 2024

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	150.85	80.28	-	-	231.13

11.2 ii As at 31 March 2025 and 31 March 2024, there were no projects whose completion is overdue or has exceeded its cost compared to its original plan

11.3 Goodwill

Particulars	Goodwill	Total
Gross Block		
As at 1 April 2023	2,496.41	2,496.41
Additions	-	-
Disposals	-	-
As at 31 March 2024	2,496.41	2,496.41
Additions	-	-
Disposals	-	-
As at 31 March 2025	2,496.41	2,496.41
Impairment		
As at 1 April 2023	89.38	89.38
Impairment for the year	59.26	59.26
As at 31 March 2024	148.64	148.64
Impairment for the year	6.95	6.95
As at 31 March 2025	155.59	155.59
Net Block		
As at 31 March 2024	2,347.77	2,347.77
As at 31 March 2025	2,340.82	2,340.82

11.4 Other Intangible assets

Particulars	Softwares	Total
Gross Block		
As at 1 April 2023	2,822.70	2,822.70
Additions	331.02	331.02
Disposals	-	-
As at 31 March 2024	3,153.72	3,153.72
Additions	616.76	616.76
Disposals	-	-
As at 31 March 2025	3,770.48	3,770.48
Accumulated amortisation		
As at 1 April 2023	1,485.61	1,485.61
Amortisation for the year	488.85	488.85
Reversal on disposal of assets	-	-
As at 31 March 2024	1,974.46	1,974.46
Amortisation for the year	510.68	510.68
Reversal on disposal of assets	-	-
As at 31 March 2025	2,485.14	2,485.14
Net Block		
As at 31 March 2024	1,179.25	1,179.25
As at 31 March 2025	1,285.34	1,285.34

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11.5 Right of use asset

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

Particulars	Office Premises-Buildings	Total
Gross Block		
As at 1 April 2023	2,297.77	2,297.77
Additions	1,064.10	1,064.10
Disposals	(62.11)	(62.11)
As at 31 March 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**
Accumulated depreciation		
As at 1 April 2023	1,331.08	1,331.08
Depreciation for the year	543.99	543.99
Reversal on disposal of assets	(47.54)	(47.54)
As at 31 March 2024	**1,827.53**	**1,827.53**
Depreciation for the year	702.13	702.13
Reversal on disposal of assets	-	-
As at 31 March 2025	**2,529.66**	**2,529.66**
Net Block		
As at 31 March 2024	**1,472.23**	**1,472.23**
As at 31 March 2025	**2,711.97**	**2,711.97**

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	As at 31 March 2025	As at 31 March 2024
12 Other non- financial assets		
Considered good, unsecured		
Prepaid expenses	929.67	962.28
Balances with government authorities	292.20	109.65
Capital advances	-	40.23
Advances to vendors	475.08	206.52
Other advances*	416.49	1,069.63
	2,113.44	2,388.31

* Other advances represents various expenses incurrred in connection with initial public offer of equity shares of the Holding Company, recoverable from investors as part of the agreement. Balance as at 31 March 2024 includes Rs 222.93 lakhs paid to the previous statutory auditors (excluding taxes) of the holding Company.

13 Derivative financial instruments	As at 31 March 2025		As at 31 March 2024	
	Notional amount	Fair value of liabilities	Notional amount	Fair value of liabilities
Part I				
Liability				
(i) Currency derivatives (Refer Note 47) - measured at FVTOCI				
- Cross currency interest rate swaps	26,121.00	995.91	8,870.97	188.53
- Forward contract	1,650.95	1,367.57	-	-
(ii) Interest rate derivatives (Refer Note 47) - measured at FVTPL				
- Overnight indexed swaps	-	-	19,825.00	110.12
	27,771.95	2,363.48	28,695.97	298.65
Part-II				
Included in the above (Part-I) are derivatives held for hedging and risk management purposes as follows:				
Cash flow Hedging				
- Cross currency interest rate swaps	26,121.00	995.91	8,870.97	188.53
- Forward contract	1,650.95	1,367.57	-	-
Fair value hedging				
- Overnight indexed swaps	-	-	19,825.00	110.12
	27,771.95	2,363.48	28,695.97	298.65

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 with Investment grade credit rating. 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.

14 Trade payables	As at 31 March 2025	As at 31 March 2024
Trade payables (Refer note below)		
-Total outstanding dues to micro enterprises and small enterprises (refer note 41 for details of dues to micro and small enterprises)	-	-
-Total outstanding dues to creditors other than micro enterprises and small enterprises	6,945.54	12,848.32
	6,945.54	12,848.32

Note:

a **Ageing of trade payables**

Particulars	As at 31 March 2025		As at 31 March 2024	
	MSME	Others	MSME	Others
Not due	-	5,378.75	-	11,836.77
Less than 1 year	-	1,566.79	-	1,011.55
1-2 years	-	-	-	-
2-3 years	-	-	-	-
More than 3 years	-	-	-	-
Total	-	6,945.54	-	12,848.32

b There are no disputed trade payables as at 31 March 2025 and 31 March 2024.

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		As at 31 March 2025	As at 31 March 2024
15	**Debt securities (Refer Note 15A)**		
	Measured at amortised cost:		
	Secured:		
	- Redeemable non-convertible debentures:	123,964.20	98,448.85
	- Commercial paper	16,821.12	42,923.61
	Total Debt securities	**140,785.32**	**141,372.46**
	Debt securities in India	140,785.32	141,372.46
	Debt securities outside India	-	-
	Total Debt securities	**140,785.32**	**141,372.46**
16	**Borrowings (Other than debt securities) (Refer Note 16A to 16E)**		
	Measured at amortised cost:		
	Secured		
	Term Loans		
	- from banks	640,300.76	551,090.55
	- from other financial institutions	130,084.58	111,097.24
	Loans repayable on demand		
	- Working capital loan from banks	57,731.58	62,847.50
	- Cash credit from banks	9,835.03	9,828.33
	Other loans		
	-Borrowings under securitisation	7,262.66	28,539.53
	Total borrowings (Other than debt securities)	**845,214.61**	**763,403.15**
	Borrowings in India	734,382.34	679,067.74
	Borrowings outside India	110,832.27	84,335.41
	Total borrowings (Other than debt securities)	**845,214.61**	**763,403.15**

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

17	**Other financial liabilities (including lease liabilities)**		
	Collateral deposits from customers (Refer note 1 below)	3,950.81	581.85
	Lease Liability (Refer Note 35)	3,253.90	1,698.20
	Employee benefits payable	4,982.49	4,820.02
	Remittances payable - derecognised financial instruments (Refer note 2 below)	3,957.11	7,598.13
	Income received in advance	0.75	83.74
	Other liabilities	1,823.29	721.19
	Unpaid Dividend on Non convertible Preference shares	2.69	2.69
		17,971.04	**15,505.82**

Notes :

1) 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 Group.

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

18	**Provisions**		
	Provision for employee benefits:		
	- Gratuity (refer note 42)	1,015.63	914.06
	- Compensated absences (refer note 42)	786.80	607.28
	Provision for others:		
	- Impairment loss allowance for guarantees (Refer Note 18(A))	32.55	1,573.77
	- Impairment loss allowance for undrawn commitments (Refer Note 18(B))	95.90	107.06
	- Others	-	4.31
		1,930.88	**3,206.48**
19	**Other non- financial liabilities**		
	Statutory dues payable	1,807.67	1,556.46
		1,807.67	**1,556.46**

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(All amounts are in Indian Rupees in lakhs unless otherwise stated)

Note 15 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 2025	Gross Balance as at 31 March 2024
Secured, redeemable non-convertible debentures:						
- NIL units (March 31, 2024: 5710 units) of 8.65% Redeemable, market linked non-convertible debentures of INR 1,00,000 each, maturing on July 12, 2024	Coupon payment frequency: On maturity Principal repayment frequency: On maturity Tenor: 13 months Redemption Date: July 12, 2024	12-Jul-24	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	9.60%	-	5,710.00
- 2949 units (March 31, 2024: 2949 units) of 9.966% Redeemable non-convertible debentures of INR 1,000,000 each, maturing on December 18, 2025	Coupon payment frequency: Semi annualy Principal repayment frequency: 7 equal half-yearly instalments Tenure of security: 60 months Redemption date: December 18, 2025	18-Jun-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	16,851.43
- 1800 units (March 31, 2024: 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-Sep-25	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	10,800.00
- NIL units (March 31, 2024: 200 units) of 8.95% Redeemable non-convertible debentures of INR 1,000,000 each, maturing on June 30, 2024	Coupon payment frequency: Monthly Principal repayment frequency: On maturity Tenure of security: 21 months Redemption date: June 30, 2024	30-Jun-24	The Debentures shall be secured by a first ranking and exclusive charge of 1.10x over identified loan receivables and investments which are free from any encumbrances / charge / lien	8.95%	-	2,000.00
- 3950 units (March 31, 2024: 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-25	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%	31,600.00	31,600.00
- NIL units (March 31, 2024: 891 units) of Market Linked Redeemable non-convertible debentures of INR 1,000,000 each, maturing on January 27, 2025*	Coupon payment frequency: On maturity Principal repayment frequency: On maturity Tenure of security: 30 months Redemption date: January 27, 2025	27-Jan-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	9.10%	-	8,910.00
- NIL units (March 31, 2024: 2500 units) of Market Linked Redeemable non-convertible debentures of INR 1,000,000 each, maturing on January 27, 2025*	Coupon payment frequency: On maturity Principal repayment frequency: On maturity Tenure of security: 30 months Redemption date: January 27, 2025	27-Jan-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	9.10%	-	2,500.00
17500 units (March 31, 2024: 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-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	9.65%	11,666.67	17,500.00
62000 units (March 31, 2024: NIL 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-25	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%	62,000.00	-
5000 units (March 31, 2024: NIL 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-May-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	-
Total					122,292.38	95,871.43

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(All amounts are in Indian Rupees in lakhs unless otherwise stated)

Note 15 A : Details regarding terms of issuance of debt securities (Continued)

Particulars	Terms of Redemption	Earliest repayment date	Security	Interest rate	Gross Balance as at 31 March 2025	Gross Balance as at 31 March 2024
Unsecured, Commercial Paper:						
NIL Units (March 31, 2024 : 2000 units) of 9.25% commercial paper of INR 500,000 each, maturing on June 17, 2024	Repayments terms: Entire amount is repaid on maturity Tenor: 364 Days Redemption date: June 17,2024	14-Jun-24	NA	9.25%	-	10,000.00
NIL Units (March 31, 2024 : 2000 units) of 9.15% commercial paper of INR 500,000 each, maturing on June 25, 2024	Repayments terms: Entire amount is repaid on maturity Tenor: 364 Days Redemption date: June 25,2024	25-Jun-24	NA	9.10%	-	10,000.00
NIL Units (March 31, 2024 : 900 units) of 8.85% commercial paper of INR 500,000 each, maturing on May 28, 2024	Repayments terms: Entire amount is repaid on maturity Tenor: 91 Days Redemption date: May 28, 2024	28-May-24	NA	8.85%	-	4,500.00
NIL Units (March 31, 2024 : 2000 units) of 9.90% commercial paper of INR 500,000 each, maturing on February 28, 2025	Repayments terms: Entire amount is repaid on maturity Tenor: 365 Days Redemption date: February 28, 2025	28-Feb-25	NA	9.90%	-	10,000.00
NIL Units (March 31, 2024 : 2000 units) of 10.20% commercial paper of INR 500,000 each, maturing on July 26, 2024	Repayments terms: Entire amount is repaid on maturity Tenor: 122 Days Redemption date: July 24, 2024	26-Jul-24	NA	10.20%	-	10,000.00
1000 Units (March 31, 2024 : NIL 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	-
1000 Units (March 31, 2024 : NIL 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	-
500 Units (March 31, 2024 : NIL 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	-
1000 Units (March 31, 2024 : NIL 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	-
Total					17,500.00	44,500.00

Note: The balances are net of accrued interest and gross of unamortised processing fees
* Coupon rate are linked to perfromance of specified indices inclusing maket indiactors over the period of the debentures

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(All amounts are in Indian Rupees in lakhs unless otherwise stated)

Note 16 A : Details regarding terms of borrowings

Particulars	Terms of Redemption	Interest rate	Earliest repayment date	Gross Balance as at 31 March 2025	Gross Balance as at 31 March 2024	Security
Secured borrowing from banks						
Term Loan - 1	Repayments terms: Bullet payment Tenor: 37 Days Redemption date: May 05, 2025	9.20%	30-Apr-25	1,500.00	1,500.00	First and Exclusive charge on the standard receivables with a security cover of 120%.
Term Loan - 2	Repayments terms: 15 quaterly instalments Tenor: 48 months Redemption date: March 31, 2026	1 Y MCLR + Spread 1.15%	01-Apr-25	1,333.33	2,666.67	First and Exclusive charge over the loan receivables with a security cover of 110%.
Term Loan - 3	Repayments terms: 15 quaterly instalments Tenor: 36 months Redemption date: December 15, 2025	1 Y MCLR + Spread 1.15%	16-Dec-24	-	2,333.33	First and Exclusive charge over the loan receivables with a security cover of 110%.
Term Loan - 4	Repayments terms:15 quaterly instalments Tenor: 36 months Redemption date: December 15, 2025	1 Y MCLR + Spread 1.15%	16-Dec-24	-	2,333.33	First and Exclusive charge over the loan receivables with a security cover of 110%.
Term Loan - 5	Repayments terms: 15 quarterly instalments Tenor: 48 months Redemption date: May 30, 2026	1 Y MCLR + Spread 1.15%	01-Apr-25	4,000.00	8,000.00	First and Exclusive charge on the standard receivables with a security cover of 111%.
Term Loan - 6	Repayments terms: Repayment on maturity Tenor: 62 Days Redemption date: May 29, 2025	8.90% P.A. Linked to 1 M MIBOR	30-Apr-25	7,500.00	5,000.00	First and Exclusive charge on the standard receivables with a security cover of 115%.
Term Loan - 7	Repayments terms: 45 monthly instalments Tenor: 48 months Redemption date: March 30, 2027	1 Y MCLR + Spread 1.15%	01-Apr-25	8,000.00	12,000.00	First and Exclusive charge on the standard receivables with a security cover of 111%.
Term Loan - 8	Repayments terms: 14 monthly instalments Tenor: 48 months Redemption date: October 01, 2025	EBLR + Spread 1.26%	01-May-25	1,428.57	5,000.00	First and Exclusive charge over the loan receivables with a security cover of 120%.
Term Loan - 9	Repayments terms: 12 quaterly instalments Tenor: 36 months Redemption date: March 29, 2025	Repo Rate + Spread 4.35%	29-Mar-25	-	2,083.33	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 10	Repayments terms: 12 quaterly instalments Tenor: 36 months Redemption date: March 29, 2025	Repo Rate + Spread 4.35%	01-May-25	1,250.00	2,812.50	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 11	Repayment Terms: Bullet payment Tenor: 90 Days Redemption Date: May 27, 2025	8.75% Linked to 1 M Repo	30-Apr-25	5,000.00	5,000.00	First and Exclusive charge over the loan receivables with a security cover of 110%.
Term Loan - 12	Repayments terms: 12 quarterly instalments Tenor: 36 months Redemption date: September 29, 2025	Repo Rate + Spread 3.25%	01-May-25	1,250.00	4,375.00	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 13	Repayments terms: 12 quarterly instalments Tenor: 36 months Redemption date: December 29, 2025	Repo Rate + Spread 3.25%	01-May-25	1,250.00	3,333.33	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 14	Repayments terms: 12 quarterly instalments Tenor: 36 months Redemption date: January 31, 2026	Repo Rate + Spread 3.25%	01-May-25	833.33	1,666.67	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 15	Repayments terms: 24 monthly instalments Tenor: 24 months Redemption date: March 31, 2025	3M MCLR + Spread 0%	30-Mar-25	-	2,500.00	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 16	Repayment Terms: 24 monthly instalments Tenor: 24 months Redemption Date: June 04, 2025	3Month T Bill + Spread 1.28%	05-Apr-25	312.50	1,562.50	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 17	Repayments terms: 16 quaterly instalments Tenor: 48 months Redemption date: March 06, 2027	1 Y MCLR + Spread 0.75%	06-Apr-25	1,243.54	1,875.00	First and Exclusive charge on the standard receivables with a security cover of 125%.

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(All amounts are in Indian Rupees in lakhs unless otherwise stated)

Note 16 A : Details regarding terms of borrowings (continued)

Particulars	Terms of Redemption	Interest rate	Earliest repayment date	Gross Balance as at 31 March 2025	Gross Balance as at 31 March 2024	Security
Term Loan - 18	Repayments terms: 31 monthly instalments Tenor: 36 months Redemption date: March 10, 2025	INR 13,900 - Repo Rate + Spread 3.5%, INR 5,000 - Repo Rate + Spread 3.75%	10-Mar-25	-	7,214.05	First and Exclusive charge over the loan receivables with a security cover of 110%.
Term Loan - 19	Repayments terms: 36 monthly instalments Tenor: 36 months Redemption date: May 10 , 2025	Repo Rate + Spread 3.75%	10-Apr-25	666.67	4,666.67	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 20	Repayments terms: 30 monthly instalments Tenor: 36 months Redemption date: March 11, 2025	1 Y MCLR + Spread 0%	11-Mar-25	-	3,000.00	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 21	Repayments terms: 30 monthly instalments Tenor: 36 months Redemption date: August 13, 2024	1 Y MCLR + Spread 0.5%	02-May-24	-	833.33	First and Exclusive charge on the standard receivables with a security cover of 120%.
Term Loan - 22	Repayments terms: 31 monthly instalments Tenor: 37 months Redemption date: March 13, 2026	9.00%	15-Apr-25	1,935.48	3,870.97	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 23	Repayments terms:10 quaterly instalments Tenor: 36 months Redemption date: December 23, 2024	1 Y MCLR + Spread 0%	23-Dec-24	-	1,050.00	First and Exclusive charge over the loan receivables
Term Loan - 24	Repayments terms: 36 monthly instalments Tenor: 36 months Redemption date: March 23, 2026	1 Y MCLR + Spread 0%	23-Apr-25	4,000.00	8,000.00	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 25	Repayments terms: 36 monthly instalments Tenor: 36 months Redemption date: March 24, 2025	1 Y MCLR + Spread 0.25%	24-Mar-25	-	6,666.67	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 26	Repayments terms: 36 monthly instalments Tenor: 36 months Redemption date: March 25, 2025	364 days T Bill + Spread 3.99%	25-Mar-25	-	983.33	First and Exclusive charge over the loan receivables with a security cover of 115%.
Term Loan - 27	Repayments terms: 24 monthly instalments Tenor: 24 months Redemption date: September 26, 2024	8.60%	26-Sep-24	-	1,550.00	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 28	Repayments terms: 15 monthy instalments Tenor: 18 months Redemption date: April 26, 2024	3M T Bill + Spread 2.75%	26-Apr-24	-	333.80	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 29	Repayments terms: 9 quaterly instalments Tenor: 27 months Redemption date: January 27 , 2025	3M T Bill + Spread 2.90%	27-Jan-25	-	2,222.25	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 30	Repayment Terms: Bullet payment Tenor: 38 Days Redemption Date: May 06, 2025	8.50%	30-Apr-25	900.00	900.00	First and Exclusive charge over the loan receivables with a security cover of 120%.
Term Loan - 31	Repayments terms: 16 quarterly instalments Tenor: 48 months Redemption date: June 28 , 2027	1 Year MCLR + Spread 0.75%	28-Apr-25	5,620.44	8,125.00	First and Exclusive charge on the standard receivables with a security cover of 125%.
Term Loan - 32	Repayments terms: 15 quaterly instalments Tenor: 48 months Redemption date: November 29, 2025	1 Y MCLR + Spread 0.75%	19-Mar-25	-	933.33	First and Exclusive charge over the loan receivables with a security cover of 125%.
Term Loan - 33	Repayments terms: 36 monthly instalments Tenor: 36 months Redemption date: March 29, 2025	1 Y MCLR + Spread 1.55%	29-Mar-25	-	1,500.00	First and Exclusive charge on the standard receivables with a security cover of 115%.
Term Loan - 34	Repayments terms: 15 quaterly instalments Tenor: 48 months Redemption date: November 29, 2025	1 Y MCLR + Spread 0.75%	19-Mar-25	-	1,866.67	First and Exclusive charge over the loan receivables with a security cover of 125%.

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(All amounts are in Indian Rupees in lakhs unless otherwise stated)

Note 16 A : Details regarding terms of borrowings (continued)

Particulars	Terms of Redemption	Interest rate	Earliest repayment date	Gross Balance as at 31 March 2025	Gross Balance as at 31 March 2024	Security
Term Loan - 35	Repayments terms: 11 quarterly instalments Tenor : 36 months Redemption date: March 29, 2026	1 Y MCLR + Spread 1.00%	08-Nov-24	-	5,454.55	First and Exclusive charge on the standard receivables with a security cover of 111%.
Term Loan - 36	Repayments terms: 36 monthly instalments Tenor: 36 months Redemption date: June 30 , 2025	1 Y MCLR + Spread 0.2%	30-Apr-25	1,050.00	5,250.00	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 37	Repayments terms: 36 monthly instalments Tenor: 36 months Redemption date: June 30 , 2025	1 Y MCLR + Spread 0.2%	30-Apr-25	400.00	2,000.00	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 38	Repayments terms: 36 monthly instalments Tenor: 36 months Redemption date: November 30, 2025	1 Y MCLR +Spread 0.8%	30-Apr-25	4,414.51	11,099.20	First and Exclusive charge on the standard receivables with a security cover of 120%.
Term Loan - 39	Repayment Terms: 36 monthly instalments Tenor: 36 months Redemption Date: June 28, 2026	Repo Rate + Spread 2.75%	30-Apr-25	2,083.33	3,750.00	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 40	Repayments terms: 12 quarterly instalments Tenor: 39 months Redemption date: April 30, 2024	6M MCLR + Spread 0.5%	30-Apr-24	-	278.29	First and Exclusive charge over the loan receivables with a security cover of 110%.
Term Loan - 41	Repayments terms: 33 monthly instalments Tenor: 36 months Redemption date: November 30, 2024	8.00%	30-Nov-24	-	1,212.12	First and Exclusive charge over the loan receivables with a security cover of 120%.
Term Loan - 42	Repayments terms: 12 quaterly instalments Tenor: 36 months Redemption date: August 31, 2024	1 Y MCLR + Spread 0.65%	31-Aug-24	-	1,666.67	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 43	Repayments terms: 12 quaterly instalments Tenor: 36 months Redemption date: August 31, 2024	1 Y MCLR + Spread 0.65%	31-Aug-24	-	833.33	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 44	Repayments terms: 12 quaterly instalments Tenor: 36 months Redemption date: September 28, 2024	1 Y MCLR + Spread 0.65%	28-Sep-24	-	833.33	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 45	Repayments terms: 36 monthly instalments Tenor: 36 months Redemption date: September 30, 2024	1 Y T Bill + Spread 3.34%	28-Jun-24	-	1,166.67	First and Exclusive charge over the loan receivables with a security cover of 120%.
Term Loan - 46	Repayments terms: 24 monthly instalments Tenor: 33 months Redemption date: October 21, 2024	1 Y MCLR + Spread 0.6%	17-Oct-24	-	748.94	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 47	Repayments terms: Repayment on maturity Tenor: 180 days Redemption date: Sep 21, 2025	8.80% Linked to 3 M Repo	30-Apr-25	5,000.00	5,000.00	First and Exclusive charge over the loan receivables with a security cover of 120%.
Term Loan - 48	Repayments terms: 36 monthly instalments Tenor: 36 months Redemption date: September 30, 2024	1 Y MCLR + Spread 1%	30-Sep-24	-	416.67	First and Exclusive charge over the loan receivables with a security cover of 111%.
Term Loan - 49	Repayments terms: Bullet payment Tenor: 48 Days Redemption date: May 15, 2025	8.45%	30-Apr-25	10,000.00	8,000.00	First and Exclusive charge over the loan receivables with a security cover of 120%.
Term Loan - 50	Repayments terms: Bullet payment Tenor: 38 Days Redemption date: May 05, 2024\5	8.45%	30-Apr-25	15,000.00	4,000.00	First and Exclusive charge over the loan receivables with a security cover of 120%.
Term Loan - 51	Repayments terms: Bullet payment Tenor: 177 Days Redemption date: July 25, 2024	9.59% Linked to 1 M MIBOR	25-Jul-24	-	4,000.00	First and Exclusive charge over the loan receivables with a security cover of 120%.
Term Loan - 52	Repayments terms: Bullet payment Tenor: 179 Days Redemption date: August 23, 2024	9.59% Linked to 1 M MIBOR	23-Aug-24	-	4,000.00	First and Exclusive charge over the loan receivables with a security cover of 120%.

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(All amounts are in Indian Rupees in lakhs unless otherwise stated)

Note 16 A : Details regarding terms of borrowings (continued)

Particulars	Terms of Redemption	Interest rate	Earliest repayment date	Gross Balance as at 31 March 2025	Gross Balance as at 31 March 2024	Security
Term Loan - 53	Repayments terms: Repayment on maturity Tenor: 89 Days Redemption date: May 26,2025	9.05%	30-Apr-25	5,000.00	5,000.00	First and Exclusive charge on the standard receivables with a security cover of 133%.
Term Loan - 54	Repayments terms: 10 quaterly instalments Tenor: 33 months Redemption date: September 30, 2024	1 Y SOFR + Spread 2%	30-Sep-24	-	3,000.00	Asset cover of 1x for derivative limit
Term Loan - 55	Repayments terms: 12 quaterly instalments Tenor: 36 months Redemption date: December 31, 2024	1 Y MCLR + Spread 0.3%	09-Oct-24	-	749.50	First and Exclusive charge over the loan receivables with a security cover of 120%.
Term Loan - 56	Repayments terms: 12 quaterly instalments Tenor: 36 months Redemption date: March 31, 2025	1 Y MCLR + Spread 0.8%	31-Mar-25	-	1,295.53	First and Exclusive charge over the loan receivables with a security cover of 110%.
Term Loan - 57	Repayments terms: 11 qauterly instalments Tenor: 36 months Redemption date: March 28, 2025	1 Y MCLR + Spread 1%	08-Nov-24	-	3,636.36	First and Exclusive charge on the standard receivables with a security cover of 118%.
Term Loan - 58	Repayments terms: 12 quarterly instalments Tenor: 36 months Redemption date: June 30, 2024	364 days T Bill + Spread 5.2%	30-Jun-24	-	183.33	First and Exclusive charge over the loan receivables with a security cover of 115%.
Term Loan - 59	Repayments terms: Repayment on maturity Tenor: 110 Days Redemption date: April 08,2024	9.40% Linked to 1 M MCLR + 0.15%	05-Apr-24	-	3,000.00	First and Exclusive charge over the loan receivables with a security cover of 111%.
Term Loan - 60	Repayments terms: Repayment on maturity Tenor: 136 Days Redemption date: May 06,2024	9.40% Linked to 1 M MCLR + 0.15%	06-May-24	-	3,000.00	First and Exclusive charge over the loan receivables with a security cover of 111%.
Term Loan - 61	Repayments terms: Repayment on maturity Tenor: 157 Days Redemption date: July 05,2024	9.60% Linked to 1 M MCLR + 0.15%	05-Jul-24	-	4,000.00	First and Exclusive charge over the loan receivables with a security cover of 111%.
Term Loan - 62	Repayments terms: 42 monthly instalments Tenor: 48 months Redemption date: March 23, 2026	1 Y MCLR + Spread 1%	30-Apr-25	654.76	1,369.05	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 63	Repayments terms: 24 monthly instalments Tenor: 24 months Redemption date: May 31 , 2024	External BMLR + Spread 4.2%	31-May-24	-	250.00	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 64	Repayments terms: 60 monthy instalments Tenor: 60 months Redemption date: January 19, 2025	1 Y MCLR + Spread 1.5%	30-Sep-24	-	1,984.88	1x security cover for hedge limits
Term Loan - 65	Repayments terms: Repayment on maturity Tenor: 86 Days Redemption date: April 25, 2024	8.98% P.A. Linked to 1 M MIBOR	15-Apr-24	-	2,500.00	First and Exclusive charge on the standard receivables with a security cover of 115%
Term Loan - 66	Repayments terms: 36 monthly instalments Tenor: 36 months Redemption date: September 30, 2025	Repo Rate + Spread 4.45%	30-Apr-25	1,250.00	3,750.00	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 67	Repayments terms: 36 monthly instalments Tenor: 36 months Redemption date: October 10, 2025	7.40%	30-Apr-25	918.55	2,563.81	First and Exclusive charge on the standard receivables with a security cover of 120%.
Term Loan - 68	Repayments terms: 36 monthly instalments Tenor: 36 months Redemption date: October 31, 2025	7.40%	30-Apr-25	1,063.32	2,702.70	First and Exclusive charge on the standard receivables with a security cover of 120%.
Term Loan - 69	Repayments terms: 20 quarterly instalments Tenor: 60 months Redemption date: December 16, 2027	1 Y MCLR + Spread 0.1%	30-Apr-25	3,307.50	3,937.50	First and Exclusive charge on the standard receivables with a security cover of 115%.
Term Loan - 70	Repayments terms: 14 quarterly instalments Tenor: 48 months Redemption date: December 28, 2026	6M MCLR + Spread 0.55%	10-Apr-25	2,334.58	3,668.00	First and Exclusive charge on the standard receivables with a security cover of 110%.

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(All amounts are in Indian Rupees in lakhs unless otherwise stated)

Note 16 A : Details regarding terms of borrowings (continued)

Particulars	Terms of Redemption	Interest rate	Earliest repayment date	Gross Balance as at 31 March 2025	Gross Balance as at 31 March 2024	Security
Term Loan - 71	Repayments terms: 20 quarterly instalments Tenor: 60 months Redemption date: December 29, 2027	1 Y MCLR + Spread 0.1%	30-Apr-25	7,350.00	8,750.00	First and Exclusive charge on the standard receivables with a security cover of 115%.
Term Loan - 72	Repayments terms: 24 monthly instalments Tenor: 27 months Redemption date: March 31, 2025	1 year MCLR + Spread 0.1%	31-Mar-25	-	2,500.00	1.20 times first and exclusive charge on standard receivables on outstanding level with 1.15 times receivables being PSL qualifying assets and 0.05 times receivables being non-PSL assets.
Term Loan - 73	Repayments terms: 20 quarterly instalments Tenor: 60 months Redemption date: December 16, 2027	1 Y MCLR + Spread 0.1%	30-Apr-25	13,230.00	15,750.00	First and Exclusive charge on the standard receivables with a security cover of 115%.
Term Loan - 74	Repayment Terms: 37 monthly instalments Tenor: 37 months Redemption Date: March 15, 2025	Repo Rate + Spread 2.30%	15-Mar-25	-	4,677.46	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 75	Repayments terms: 12 quarterly instalments Tenor: 36 months Redemption date: March 31, 2026	6M T bill + Spread 0%	30-Apr-25	1,327.09	2,666.67	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 76	Repayments terms: 24 monthly instalments Tenor: 24 months Redemption date: March 31, 2025	6M MCLR + Spread 0.6%	31-Mar-25	-	4,500.00	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 77	Repayment Terms: Bullet payment Tenor: 40 Days Redemption Date: May 07, 2025	9.00% Linked to Repo	01-Apr-25	5,000.00	5,000.00	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 78	Repayment Terms: Bullet payment Tenor: 90 Days Redemption Date: Jun 27, 2025	9.10%	01-Apr-25	3,000.00	3,000.00	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 79	Repayment Terms: 12 equal quaterly instalments Tenor: 36 months Redemption Date: June 21, 2026	3Month MCLR + Spread 0.3%	10-Oct-24	-	750.00	First and Exclusive charge over the loan receivables with a security cover of 120%.
Term Loan - 80	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%	30-Apr-25	1,250.00	6,250.00	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 81	Repayment Terms: 24 monthly instalments Tenor: 24 months Redemption Date: June 30, 2025	Repo Rate + Spread 0.30%	30-Apr-25	500.00	2,500.00	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 82	Repayments terms: 15 quaterly instalments Tenor: 42 months Redemption date: June 1, 2025	1 Y MCLR + Spread 1.15%	01-May-25	404.03	2,076.09	First and Exclusive charge over the loan receivables with a security cover of 110%.
Term Loan - 83	Repayments terms: 14 quaterly instalments Tenor: 48 months Redemption date: July 28, 2027	3M T bill + Spread 2.57%	10-Apr-25	3,335.00	4,667.00	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 84	Repayments terms: 14 quaterly instalments Tenor: 48 months Redemption date: July 31, 2027	3M T bill + Spread 2.57%	10-Apr-25	3,335.00	4,667.00	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 85	Repayments terms: 48 Monthly instalments Tenor: 48 months Redemption date: July 31, 2027	3Y MCLR + Spread 0.55%	30-Apr-25	1,555.56	2,222.22	Exclusive charge on the standard receivables with a security cover / ACR of 110%.
Term Loan - 86	Repayments terms: 12 Monthly instalments Tenor: 12 months Redemption date: Sep 05, 2024	Repo Rate + Spread 2.50%	05-Sep-24	-	2,044.60	First ranking Exclusive and continuing charge by way of Hypothecation of identified book debts of borrower (Principal amount) to cover 110% of the outstanding facility amount.
Term Loan - 87	Repayments terms: 31 monthly instalments Tenor: 37 months Redemption date: Oct 20, 2026	Repo Rate + Spread 2.60%	21-Apr-25	7,661.29	12,500.00	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 88	Repayments terms: 31 monthly instalments Tenor: 37 months Redemption date: Oct 20, 2026	3M MCLR + Spread 0%	21-Apr-25	4,596.77	7,500.00	First and Exclusive charge on the standard receivables with a security cover of 110%.

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Note 16 A : Details regarding terms of borrowings (continued)

Particulars	Terms of Redemption	Interest rate	Earliest repayment date	Gross Balance as at 31 March 2025	Gross Balance as at 31 March 2024	Security
Term Loan - 89	Repayments terms: 10 quarterly instalments Tenor: 36 months Redemption date: Sep 29, 2026	1 Y MCLR + Spread 1.25%	10-Apr-25	5,700.00	9,500.00	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 90	Repayments terms: 31 monthly instalments Tenor: 37 months Redemption date: Oct 28, 2026	9.35%	28-Apr-25	3,064.52	5,000.00	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 91	Repayments terms: 24 monthly instalments Tenor: 24 months Redemption date: Sep 28, 2025	6M MCLR + Spread 0.15%	28-Apr-25	1,250.00	3,750.00	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 92	Repayments terms: 36 monthly instalments Tenor: 36 months Redemption date: Sep 29, 2026	1 Y MCLR +Spread 0.45%	29-Apr-25	9,989.79	16,666.67	First and Exclusive charge on the standard receivables with a security cover of 120%.
Term Loan - 93	Repayments terms: 45 monthly instalments Tenor: 48 months Redemption date: Nov 02, 2027	1 Y MCLR + Spread 0.65%	01-Apr-25	9,333.33	13,066.67	First and Exclusive charge on the standard receivables with a security cover of 111%.
Term Loan - 94	Repayments terms: 45 monthly instalments Tenor: 48 months Redemption date: October 30, 2027	1 Y MCLR + Spread 0.80%	01-Apr-25	4,133.33	5,733.33	First and Exclusive charge on the standard receivables with a security cover of 111%.
Term Loan - 95	Repayments terms: 24 monthly instalments Tenor: 36 months Redemption date: October 31, 2025	1 Y MCLR + Spread 0.20%	30-Apr-25	2,187.50	5,937.50	First and Exclusive charge on the standard receivables with a security cover of 120%.
Term Loan - 96	Repayments terms: 6 quarterly instalments Tenor: 24 months Redemption date: December 15, 2025	3M T-Bill + Spread 2.20%	15-Apr-25	1,875.00	4,375.00	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 97	Repayments terms: 24 monthly instalments Tenor: 24 months Redemption date: December 18, 2025	8.10%	20-Apr-25	3,750.00	8,750.00	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: December 20, 2025	6M MCLR + Spread 0.30%	20-Apr-25	3,750.00	8,750.00	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 99	Repayments terms: 10 quarterly instalments Tenor: 36 months Redemption date: December 10, 2026	1 Y MCLR + Spread 1.25%	10-Apr-25	10,850.00	17,050.00	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 100	Repayments terms: 27 monthly instalments Tenor: 27 months Redemption date: March 31, 2026	6 M MCLR	30-Apr-25	5,000.00	10,000.00	First and Exclusive charge over the loan receivables with a security cover of 115%.
Term Loan - 101	Repayments terms: 11 quarterly instalments Tenor: 36 months Redemption date: January 31, 2027	1 Y MCLR + Spread 0.75%	30-Apr-25	5,445.63	7,500.00	First and Exclusive charge on the standard receivables with a security cover of 111%.
Term Loan - 102	Repayments terms: 24 monthly instalments Tenor: 24 months Redemption date: March 31, 2024	1 Y MCLR + Spread 0.50%	01-May-25	4,058.24	7,500.00	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 103	Repayments terms: 36 monthly instalments Tenor: 36 months Redemption date: February 27, 2027	Repo Rate + Spread 3.00%	30-Apr-25	4,791.67	7,291.67	First and Exclusive charge on the standard receivables with a security cover of 111%.
Term Loan - 104	Repayments terms: 24 monthly instalments Tenor: 24 months Redemption date: February 28, 2026	6M MCLR + Spread 0.30%	29-Apr-25	1,648.50	3,450.00	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 105	Repayments terms: 6 quaterly instalments Tenor: 24 months Redemption date: February 28, 2026	3M T bill + Spread 2.52%	10-Apr-25	5,710.00	10,000.00	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 106	Repayments terms: 24 monthly instalments Tenor: 24 months Redemption date: March 07, 2026	8.25%	07-Apr-25	2,500.00	5,000.00	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 107	Repayments terms: 24 monthly instalments Tenor: 24 months Redemption date: March 07, 2026	3M T-Bill + Spread 2.32%	07-Apr-25	2,500.00	5,000.00	First and Exclusive charge over the loan receivables with a security cover of 110%.

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Note 16 A : Details regarding terms of borrowings (continued)

Particulars	Terms of Redemption	Interest rate	Earliest repayment date	Gross Balance as at 31 March 2025	Gross Balance as at 31 March 2024	Security
Term Loan - 108	Repayment Terms: 12 equal quaterly instalments Tenor: 36 months Redemption Date: March 07, 2027	3M T Bill + Spread 2.64%	30-Apr-25	3,332.00	5,000.00	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 - 109	Repayments terms: 11 quarterly instalments Tenor: 34 months Redemption date: December 31, 2026	9.65%	01-May-25	15,000.00	25,000.00	First and Exclusive charge on the standard receivables with a security cover of 120%.
Term Loan - 110	Repayments terms: 6 Monthly instalments Tenor: 183 Days Redemption date: September 17, 2024	8.80%	13-Sep-24	-	29,836.90	First and Exclusive charge over the loan receivables with a security cover of 125%.
Term Loan - 111	Repayments terms: 6 Monthly instalments Tenor: 183 Days Redemption date: September 17, 2024	8.80%	13-Sep-24	-	29,951.78	First and Exclusive charge over the loan receivables with a security cover of 125%.
Term Loan - 112	Repayments terms: 16 quaterly instalments Tenor: 48 months Redemption date: March 21, 2028	1 Y MCLR + Spread 0.75%	21-Apr-25	7,500.00	10,000.00	First and Exclusive charge over the loan receivables with a security cover of 125%.
Term Loan - 113	Repayments terms: 45 monthly instalments Tenor: 48 months Redemption date: March 28, 2028	1 Y MCLR + Spread 0.80%	01-Apr-25	16,000.00	20,000.00	First and Exclusive charge on the standard receivables with a security cover of 111%.
Term Loan - 114	Repayments terms: 6 Monthly instalments Tenor: 183 Days Redemption date: September 27, 2024	9.25%	27-Sep-24	-	11,662.06	First and Exclusive charge over the loan receivables with a security cover of 125%.
Term Loan - 115	Repayments terms: 6 Monthly instalments Tenor: 183 Days Redemption date: September 27, 2024	9.25%	27-Sep-24	-	11,662.06	First and Exclusive charge over the loan receivables with a security cover of 125%.
Term Loan - 116	Repayments terms: 24 monthly instalments Tenor: 24 months Redemption date: Jun 28, 2026	3M T bill + Spread 2.39%	28-Apr-25	3,125.00	-	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 117	Repayments terms: 12 quaterly instalments Tenor: 36 months Redemption date: Jun 29, 2027	1 M MCLR + Spread 0.20%	30-Apr-25	3,750.00	-	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 118	Repayments terms: 24 monthly instalments Tenor: 24 months Redemption date: Jul 30, 2026	6M MCLR + Spread 0.05%	30-Apr-25	1,600.00	-	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 119	Repayments terms: 16 quaterly instalments Tenor: 48 months Redemption date: Sep 26, 2028	1Y MCLR + Spread 0.60%	30-Apr-25	9,160.75	-	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 120	Repayments terms: 45 monthly instalments Tenor: 48months Redemption date: Sep 30, 2028	1Y MCLR + Spread 0.40%	30-Apr-25	9,333.33	-	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 121	Repayments terms: 36 monthly instalments Tenor: 36 months Redemption date: September 15, 2027	1 Y MCLR + Spread 1.20%	30-Apr-25	5,416.67	-	First and Exclusive charge on the standard receivables with a security cover of 115%.
Term Loan - 122	Repayments terms: 36 monthly instalments Tenor: 36 months Redemption date: October 01, 2026	6 M SOFR + Spread 2.60%	30-Apr-25	17,951.78	-	First and Exclusive charge on the standard receivables with a security cover of 125%.
Term Loan - 123	Repayments terms: 36 monthly instalments Tenor: 36 months Redemption date: September 29, 2026	6 M SOFR + Spread 2.60%	30-Apr-25	17,836.90	-	First and Exclusive charge on the standard receivables with a security cover of 125%.
Term Loan - 124	Repayments terms: 20 quaterly instalments Tenor: 60 months Redemption date: Sep 30, 2029	1Y MCLR + Spread 0.40%	30-Apr-25	4,500.00	-	First and Exclusive charge on the standard receivables with a security cover of 115%.
Term Loan - 125	Repayments terms: 48 monthly instalments Tenor: 48 months Redemption date: Sep 30, 2028	1Y MCLR + Spread 0.40%	30-Apr-25	28,429.00	-	First and Exclusive charge on the standard receivables with a security cover of 120%.
Term Loan - 126	Repayments terms: 31 monthly instalments Tenor: 36 months Redemption date: Oct 29, 2027	1Y MCLR + Spread 0.00%	30-Apr-25	10,000.00	-	First and Exclusive charge on the standard receivables with a security cover of 110%.

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Note 16 A : Details regarding terms of borrowings (continued)

Particulars	Terms of Redemption	Interest rate	Earliest repayment date	Gross Balance as at 31 March 2025	Gross Balance as at 31 March 2024	Security
Term Loan - 127	Repayments terms: 36 monthly instalments Tenor: 36 months Redemption date: September 15, 2027	6 M SOFR + Spread 2.53%	28-Apr-25	45,000.00	-	First and Exclusive charge on the standard receivables with a security cover of 125%.
Term Loan - 128	Repayments terms: 36 monthly instalments Tenor: 36 months Redemption date: December 14, 2025	6 M SOFR + Spread 2.65%	28-Apr-25	4,994.06	-	First and Exclusive charge on the standard receivables with a security cover of 125%.
Term Loan - 129	Repayments terms: 36 monthly instalments Tenor: 36 months Redemption date: December 14, 2025	6 M SOFR + Spread 2.65%	28-Apr-25	4,994.06	-	First and Exclusive charge on the standard receivables with a security cover of 125%.
Term Loan - 130	Repayments terms: 36 monthly instalments Tenor: 36 months Redemption date: September 15, 2027	6 M SOFR + Spread 2.53%	25-Apr-25	45,000.00	-	First and Exclusive charge on the standard receivables with a security cover of 125%.
Term Loan - 131	Repayments terms: 16 quaterly instalments Tenor: 48 months Redemption date: Dec 11, 2028	1Y MCLR + Spread 1.15%	30-Apr-25	4,663.93	-	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 132	Repayments terms: 48 monthly instalments Tenor: 48 months Redemption date: Sep 24, 2028	1Y MCLR + Spread 0.40%	24-Apr-25	9,333.33	-	First and Exclusive charge on the standard receivables with a security cover of 120%.
Term Loan - 133	Repayments terms: 45 monthly instalments Tenor: 48 months Redemption date: Dec 31, 2028	1 Y MCLR + Spread 0.35%	01-Apr-25	5,000.00	-	First and Exclusive charge on the standard receivables with a security cover of 111%.
Term Loan - 134	Repayments terms: 48 monthly instalments Tenor: 60 months Redemption date: Jan 31, 2030	Term SOFR + Spread 2.15%	31-Jul-25	12,982.50	-	First and Exclusive charge on the standard receivables with a security cover of 115%.
Term Loan - 135	Repayments terms: 31 monthly instalments Tenor: 36 months Redemption date: Feb 29, 2028	1Y MCLR + Spread 0.00%	30-Apr-25	10,000.00	-	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 136	Repayments terms: 48 monthly instalments Tenor: 60 months Redemption date: Feb 28, 2030	Term SOFR + Spread 2.15%	28-Aug-25	13,138.50	-	First and Exclusive charge on the standard receivables with a security cover of 115%.
Term Loan - 137	Repayments terms: 45 monthly instalments Tenor: 48 months Redemption date: Mar 18, 2029	1 Y MCLR + Spread 0.35%	01-Apr-25	15,000.00	-	First and Exclusive charge on the standard receivables with a security cover of 111%.
Term Loan - 138	Repayments terms: 24 Monthly instalments Tenor: 20 Months Redemption date: November 25, 2026	Repo Rate + Spread 3%	25-Apr-25	5,000.00	-	First and Exclusive charge over the loan receivables with a security cover of 110%.
Term Loan - 139	Repayments terms: 11 quaterly instalments Tenor: 34 months Redemption date: Nov 25, 2026	3 M T Bill + Spread 2.82%	30-Jun-25	50,000.00	-	First and Exclusive charge on the standard receivables with a security cover of 120%.
Term Loan - 140	Repayments terms: 48 monthly instalments Tenor: 48 months Redemption date: Sep 27, 2028	1Y MCLR + Spread 0.40%	27-Apr-25	7,500.00	-	First and Exclusive charge on the standard receivables with a security cover of 120%.
Term Loan - 141	Repayments terms: 24 monthly instalments Tenor: 24 months Redemption date: Mar 28, 2027	3 M MCLR + Spread 0.05%	28-Apr-25	20,000.00	-	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 142	Repayments terms: 30 monthly instalments Tenor: 36 months Redemption date: Mar 28, 2028	3 M MCLR + Spread 0.15%	28-Apr-25	5,000.00	-	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 143	Repayments terms: 24 monthly instalments Tenor: 24 months Redemption date: Apr 01, 2027	1Y MCLR + Spread 0.25%	01-May-25	7,500.00	-	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 144	Repayment Terms: Bullet payment Tenor: 60 Days Redemption Date: May 27, 2025	1 M T Bill + Spread 2.48%	30-Apr-25	10,000.00	-	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 145	Repayments terms: 24 monthly instalments Tenor: 24 months Redemption date: Mar 27, 2027	6 M MCLR + Spread 0.20%	30-Apr-25	20,000.00	-	First and Exclusive charge on the standard receivables with a security cover of 120%.

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Note 16 A : Details regarding terms of borrowings (continued)

Particulars	Terms of Redemption	Interest rate	Earliest repayment date	Gross Balance as at 31 March 2025	Gross Balance as at 31 March 2024	Security
Term Loan - 146	Repayments terms: 10 quaterly instalments Tenor: 34 months Redemption date: Mar 27, 2027	3 M T Bill + Spread 0.00%	10-Apr-25	5,000.00	-	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 147	Repayment Terms: Bullet payment Tenor: 37 Days Redemption Date: May 05, 2025	9.65% Linked to overnight MCLR + 0.15%	30-Apr-25	5,000.00	-	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 148	Repayments terms: 16 quarterly structured principal instalments Tenor: 48 months Redemption date: Mar 28, 2028	12.25%		7,600.00	-	First and Exclusive charge on the standard receivables with a security cover of 120%.
Total				706,224.47	613,512.84	

Secured borrowing from other financial institutions

Particulars	Terms of Redemption	Interest rate	Earliest repayment date	Gross Balance as at 31 March 2025	Gross Balance as at 31 March 2024	Security
Term Loan - 1	Repayment Terms: 24 monthly instalments Tenor: 24 months Redemption Date: September 28, 2024	3M MCLR + Spread 0.55%	28-Sep-24	-	2,187.50	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 - 2	Repayment Terms: 36 monthly instalments Tenor: 36 months Redemption Date: July 30, 2024	HDFC 1Y MCLR + Spread 1.6%	30-Jul-24	-	555.56	Exclusive hypothecation charge over loan receivables/loan assets/ book debts with
Term Loan - 3	Repayment Terms: 12 equal quaterly instalments Tenor: 36 months Redemption Date: October 01, 2024	LTRR + Spread 9.05%	01-Oct-24	-	333.33	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 - 4	Repayment Terms: 12 quarterly instalments Tenor: 36 months Redemption Date: June 01, 2024	9.10%	01-Jun-24	-	208.33	Exclusive hypothecation charge over loan receivables/loan assets/ book debts with a cover of 1.10 times of the outstanding principal at any point of time during currency of the facility.
Term Loan - 5	Repayments terms: 12 quarterly instalments Tenor: 36 months Redemption date: June 01, 2025	9.15%	01-May-25	249.38	1,250.00	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 - 6	Repayments terms: 12 equal quaterly instalments Tenor: 36 months Redemption date: JuLY 01 , 2026	LTRR+-Spread 10.85%	01-May-25	1,666.67	3,000.00	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 - 7	Repayments terms: 36 monthly instalments Tenor: 36 months Redemption date: June 27 , 2026	3Month MCLR + Spread 1.15%	05-Apr-25	2,222.22	3,888.89	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 - 8	Repayment Terms: 6 half yearly instalments Tenor: 60 months Redemption Date: March 04, 2026	9.78%	04-Sep-25	2,434.33	4,868.67	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 - 9	Repayment Terms: 7 half yearly instalments Tenor: 60 months Redemption Date: September 15, 2026	7.59%	15-Sep-25	15,792.86	26,321.43	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 - 10	Repayment Terms: 6 half yearly instalments Tenor: 60 months Redemption Date: November 17, 2025	9.35%	15-May-25	6,149.17	12,298.33	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 - 11	Repayment Terms: 6 half yearly instalments Tenor: 56 months Redemption Date: November 15, 2025	9.50%	15-May-25	6,036.25	12,072.50	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 - 12	Repayments terms: 6 half yearly instalments Tenor: 60 months Redemption date: December 15, 2026	Overnight MIBOR + Spread 4.97%	15-Jun-25	13,216.67	19,825.00	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 - 13	Repayments terms: 36 monthly instalments Tenor: 36 months Redemption date: July 28, 2026	SBI 3M MCLR + Spread 1.10%	05-Apr-25	2,361.11	4,027.78	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 - 14	Repayments terms: 11 quaterly instalments Tenor: 36 months Redemption date: Sep 01, 2026	9.35%	01-May-25	3,272.73	5,454.55	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.

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Secured borrowing from other financial institutions (continued)

Particulars	Terms of Redemption	Interest rate	Earliest repayment date	Gross Balance as at 31 March 2025	Gross Balance as at 31 March 2024	Security
Term Loan - 15	Repayments terms: 36 monthly instalments Tenor: 36 months Redemption date: Sep 01, 2026	9.35%	30-Apr-25	3,208.14	4,819.66	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: May 29, 2027	HDFC 3M MCLR + Spread 0.17%	05-Apr-25	9,375.00	-	First and Exclusive charge on Specific & identified loan receivable with a security cover of 115%.
Term Loan - 17	Repayments terms: 4 Equal instalments Tenor: 60 months Redemption date: Jun 15, 2029	9.23%	16-Jun-25	33,410.00	-	First and Exclusive charge on the standard receivables with a security cover of 110%.
Term Loan - 18	Repayments terms: 33 monthly instalments Tenor: 36 months Redemption date: Feb 10, 2028	9.35%	10-Jun-25	15,000.00	-	First and Exclusive charge on the standard receivables with a security cover of 110%.
Total				114,394.53	101,111.53	

Borrowings under securitisation

Particulars	Terms of Redemption	Interest rate	Earliest repayment date	Gross Balance as at 31 March 2025	Gross Balance as at 31 March 2024	Security
Securitisation loan - 1	Repayments terms: 42 monthly instalments Tenor: 42 months Redemption date: Sep 17, 2027	10.20%	17-Apr-25	3,992.69	10,330.09	NA
Securitisation loan - 2	Repayments terms: 14 monthly instalments Tenor: 14 months Redemption date: February 23, 2025	8.50%	NA	-	8,254.34	NA
Securitisation loan - 3	Repayments terms: 20 monthly instalments Tenor: 20 months Redemption date: Dec 23, 2025	8.70%	23-May-25	3,269.97	9,790.36	NA
Total				7,262.66	28,374.79	

16B. 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 2025, the rate of interest across the cash credit and working capital demand loans was in the range of 8.50 % p.a to 9.65% p.a (as on March 31, 2024 - 6.95% p.a to 10.15% p.a). The Group has not defaulted in the repayment of the borrowings (including debt securities) and was regular in repayment during the year.

16C.The Group has used the borrowings from banks and financial institution for the specified purpose as per the agreement with the lender.

16D.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.

16E. The Group is not declared as wilful defaulter by any of our bank and financial institutions during the year ended 31 March 2025 and 31 March 2024.

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18A Impairment loss allowance for guarantees

i Credit quality of exposure

Particulars	As at 31 March 2025				As at 31 March 2024			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Performing	168.77	-	-	168.77	6,048.75	392.83	-	6,441.58
Individually impaired	-	-	-	-	-	-	-	-
Total	**168.77**	-	-	**168.77**	**6,048.75**	**392.83**	-	**6,441.58**

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 2025				As at 31 March 2024			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
As at the beginning of the year	**6,048.75**	**392.83**	-	**6,441.58**	**15,668.21**	**720.00**	-	**16,388.21**
New exposures	-	-	-	-	48.49	-	-	48.49
Asset derecognised or repaid (Excluding write off)	(5,879.98)	(392.83)	-	(6,272.81)	(9,667.95)	(327.17)	-	(9,995.12)
Transfer to stage 1	-	-	-	-	-	-	-	-
Transfer to stage 2	-	-	-	-	-	-	-	-
Transfer to stage 3	-	-	-	-	-	-	-	-
Write offs	-	-	-	-	-	-	-	-
As at the end of the year	**168.77**	-	-	**168.77**	**6,048.75**	**392.83**	-	**6,441.58**

iii Reconciliation of ECL balance

Particulars	As at 31 March 2025				As at 31 March 2024			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
As at the beginning of the year	**82.57**	**1,491.20**	-	**1,573.77**	**358.77**	**1,148.00**	-	**1,506.77**
New exposures	-	-	-	-	8.76	-	-	8.76
Asset derecognised or repaid	(50.02)	(1,491.20)	-	(1,541.22)	(284.96)	(56.80)	-	(341.76)
Transfer to stage 1	-	-	-	-	-	-	-	-
Transfer to stage 2	-	-	-	-	-	400.00	-	400.00
Transfer to stage 3	-	-	-	-	-	-	-	-
Write offs	-	-	-	-	-	-	-	-
As at the end of the year	**32.55**	-	-	**32.55**	**82.57**	**1,491.20**	-	**1,573.77**

18B Impairment loss allowance for loan commitments

i Credit quality of exposure

Particulars	As at 31 March 2025				As at 31 March 2024			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Performing	11,300.00	-	-	11,300.00	13,599.00	-	-	13,599.00
Total	**11,300.00**	-	-	**11,300.00**	**13,599.00**	-	-	**13,599.00**

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 2025				As at 31 March 2024			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
As at the beginning of the year	**13,599.00**	-	-	**13,599.00**	**12,733.82**	**500.00**	-	**13,233.82**
New exposures	7,800.00	-	-	7,800.00	13,350.00	-	-	13,350.00
Asset derecognised or repaid (Excluding write off)	(10,099.00)	-	-	(10,099.00)	(12,484.82)	(500.00)	-	(12,984.82)
Transfer to stage 1	-	-	-	-	-	-	-	-
Transfer to stage 2	-	-	-	-	-	-	-	-
Transfer to stage 3	-	-	-	-	-	-	-	-
Write offs	-	-	-	-	-	-	-	-
As at the end of the year	**11,300.00**	-	-	**11,300.00**	**13,599.00**	-	-	**13,599.00**

iii Reconciliation of ECL balance

Particulars	As at 31 March 2025				As at 31 March 2024			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
As at the beginning of the year	**107.06**	-	-	**107.06**	**262.42**	**10.22**	-	**272.64**
New exposures	82.60			82.60	99.69			99.69
Assets converted to funded exposure	(93.76)	-	-	(93.76)	(255.05)	(10.22)	-	(265.27)
Transfer to stage 1	-	-	-	-	-	-	-	-
Transfer to stage 2	-	-	-	-	-	-	-	-
Transfer to stage 3	-	-	-	-	-	-	-	-
Write offs	-	-	-	-	-	-	-	-
As at the end of the year	**95.90**	-	-	**95.90**	**107.06**	-	-	**107.06**

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

	As at 31 March 2025		As at 31 March 2024	
	No. of shares	Amount	No. of shares	Amount
20 Equity share capital				
Issued, subscribed and paid up				
Equity Shares				
Equity shares of ₹ 10 each	161,379,336	16,137.93	89,385,420	8,938.54
	161,379,336	**16,137.93**	**89,385,420**	**8,938.54**
Instruments entirely equity in nature:				
0.0001% Compulsorily convertible preference shares of ₹ 20 each	-	-	41,323,204	8,264.64
	-	-	**41,323,204**	**8,264.64**

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

	As at 31 March 2025		As at 31 March 2024	
	No. of shares	Amount	No. of shares	Amount
Equity shares				
At the commencement of the year	89,385,420	8,938.54	89,031,293	8,903.13
Add: Equity shares issued during the year through employee stock options plan	311,966	31.20	354,127	35.41
Add: Equity shares issued during the year through initial public offering	19,065,326	1,906.53	-	-
Add: Equity shares arising on conversion of preference shares	52,616,624	5,261.66	-	-
At the end of the year	161,379,336	16,137.93	89,385,420	8,938.54
0.0001% Compulsorily convertible preference shares				
At the commencement of the year	41,323,204	8,264.64	41,323,204	8,264.64
Add: shares issued during the year	9,769,820	1,953.96	-	-
Less: Shares converted into equity	(51,093,024)	(10,218.60)	-	-
At the end of the year	-	-	41,323,204	8,264.64

b) During the period, the holding Company has issued 311,966 shares (March 31, 2024 : 354,127) equity shares which were allotted to employees who exercised their options under ESOP scheme.

c) During year ended 31 March 2025 the Holding Company has issued compulsorily convetible preference shares (CCPS) amounting to ₹ 38,199.99 by offering and issuing (i) 84,91,048 Series C CCPS having a face value of ₹ 20 each issued at a premium of ₹ 371 per share, amounting to of ₹ 33,199.99 and;
(ii) 12,78,772 Series C2 CCPS having a face value of ₹ 20 each issued at a premium of ₹ 371 per share, amounting to a ₹ 4,999.99 on a private placement basis by way of preferential allotment pursuant to the approval by the Board of Directors at its meeting held on 04 April 2024 which was approved by the shareholders in the Extraordinary General Meeting held on 15 April 2024.

d) During the year ended 31 March 2025, the Holding Company has completed an Initial Public Offer ("IPO") of 29,597,646 equity shares of face value of INR 10 each at an issue price of INR 263 per equity share (INR 239 per equity share reserved for employees), comprising of offer for sale of 10,532,320 equity shares by selling shareholders and fresh issue of 19,065,326 equity shares. The equity shares of the Holding Company were listed on BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") on 24 September 2024.

e) 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.

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.

ii) 0.0001% Compulsorily convertible preference shares:

0.0001% Compulsory Convertible Preference Shares ('CCPS') having a par value of INR 20 is convertible in the ratio of 1:1 and are treated pari passu with equity shares on all voting rights. The conversion shall happen at the option of the preference shareholders. The CCPS if not converted by the preference shareholders shall be compulsorily converted into equity shares upon any of the following events:

a. In connection with an IPO, immediately prior to the filing of red herring prospectus (or equivalent document, by whatever name called) with the competent authority or such later date as may be permitted under applicable law at the relevant time; and
b. The date which is 19 (nineteen) years from the date of allotment of CCPS.

Till conversion, the holders of CCPS shall be entitled to a dividend of 0.0001%, if any, declared upon profits of the Company and a proportionate dividend, if any declared on equity shares on 'as converted' basis.

f) In the period of five years immediately preceding 31 March 2025
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 2025. 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.

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20 Equity share capital (continued)

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

	As at 31 March 2025		As at 31 March 2024	
	No. of shares	% held	No. of shares	% held
Equity shares of ₹ 10 each fully paid				
Leapfrog Financial Inclusion India (II) Limited	26,108,216	16.18%	29,952,665	33.51%
Augusta Investments Pte II Ltd	25,887,110	16.04%	22,630,995	25.32%
Eight Roads Investments Mauritius (II) Limited	11,863,798	7.35%	-	0.00%
International Finance Corporation	9,815,224	6.08%	-	0.00%
Dvara Trust	8,299,258	5.14%	9,929,257	11.11%
Accion Africa Asia Investment Company	6,435,564	3.99%	7,699,529	8.61%
Sumitomo Mitsui Banking Corporation	6,081,154	3.77%	7,004,364	7.84%
	94,490,324	58.55%	77,216,810	86.39%
0.0001% Compulsorily convertible preference shares:				
Eight Roads Investments Mauritius (II) Limited	-	0.00%	11,630,889	28.15%
360 One Special Opportunities Fund - Series 4 (formerly IIFL Special Opportunities Fund - Series 4)	-	0.00%	6,609,362	15.99%
360 One Special Opportunities Fund - Series 5 (formerly IIFL Special Opportunities Fund - Series 5)	-	0.00%	5,423,128	13.12%
360 One Special Opportunities Fund - Series 2 (formerly IIFL Special Opportunities Fund - Series 2)	-	0.00%	4,371,781	10.58%
360 One Special Opportunities Fund (formerly IIFL Special Opportunities Fund)	-	0.00%	4,161,142	10.07%
360 One Special Opportunities Fund - Series 7 (formerly IIFL Special Opportunities Fund - Series 7)	-	0.00%	3,693,947	8.94%
Augusta Investments Pte II Ltd	-	0.00%	3,256,115	7.88%
	-	0.00%	39,146,364	94.73%

h) The Group does not have an identifiable promoter.

	As at 31 March 2025	As at 31 March 2024
21 Other equity		
a) Securities premium		
At the commencement of the year	86,366.40	85,679.02
Add: Premium on equity shares issued during the year upon exercise of ESOP	636.44	687.38
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	(4,031.29)	-
At the end of the year	**170,907.01**	**86,366.40**
b) Statutory reserve		
At the commencement of the year	23,275.90	17,672.47
Add : Transfer from retained earnings	6,852.30	5,603.43
At the end of the year	**30,128.20**	**23,275.90**
c) Share based payment reserve		
At the commencement of the year	3,104.69	1,700.43
Add: Employee compensation expense during the year	1,357.92	1,790.19
Less:Transfer to retained earnings	(97.74)	(160.10)
Less:Transfer to securities premium on allotment of shares	(268.94)	(225.83)
At the end of the year	**4,095.93**	**3,104.69**
d) Retained earnings		
At the commencement of the year	96,035.32	69,899.17
Add: Profit for the year	30,454.79	30,833.39
Add: Other comprehensive income for the year	(78.98)	78.84
Add: Transfer from Share based payment reserve	36.53	827.35
Less: Transfer to statutory reserve	(6,852.30)	(5,603.43)
At the end of the year	**119,595.36**	**96,035.32**
e) Capital Redemption Reserve		
At the commencement 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 commencement 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 commencement of the year	3,583.79	2,657.57
Less : Fair valuation of financial instrument (refer note (vii)(a) below)	(2,173.09)	919.66
Add: Amount reclassified to Profit and loss	-	6.56
At the end of the year	**1,410.70**	**3,583.79**

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21 Other equity (continued)

		As at 31 March 2025	As at 31 March 2024
h)	**Other comprehensive income - Effective Portion of Cash Flow Hedge Reserve**		
	At the commencement of the year	(1,685.05)	(2,704.38)
	Cash flow hedge reserve (refer note (vii)(b) below)	(674.62)	1,019.33
	At the end of the year	**(2,359.67)**	**(1,685.05)**
i)	**Share application money received pending allotment**		
	At the commencement of the year	83.76	-
	Less: Shares alloted during the year	(83.76)	-
	Received during the year pending allotment	38.84	83.76
	At the end of the year	**38.84**	**83.76**
	Total (a+b+c+d+e+f+g+h+i)	**327,286.94**	**214,235.38**

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.

(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 2027, 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.

(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. These changes are accumulated within the FVOCI - loans and advances reserve within equity.

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 has received share application money against exercise of 32,500 shares (As at March 31, 2024 - 74,500 shares) at face value of INR 10 each at an aggregate premium of INR 35.59 lakhs (As at 31 March 2024 - INR 76.31 lakhs) from employees pending allotment at the end of the respective financial year end.

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22 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 2025								
Holding Company								
Northern Arc Capital Limited	99.12%	340,915.46	113.71%	34,261.50	99.02%	(2,900.79)	115.29%	31,360.71
Domestic Subsidiaries - (Holding Company's share)								
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	0.00%	(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 subsidiaries	0.15%	531.46	(1.07%)	(322.98)	0.10%	(3.19)	(1.20%)	(326.17)
Associates (Investment accounted as per equity method)								
Finreach Solutions Private Limited	0.00%	-	(0.70%)	(210.91)	0.00%	-	(0.78%)	(210.91)
Northern Arc Emerging Corporate Bond Fund	0.00%	-	0.03%	8.95	0.00%	-	0.03%	8.95
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%**	**343,956.33**	**100.00%**	**30,131.81**	**100.00%**	**(2,929.88)**	**100.00%**	**27,201.93**
As at 31 March 2024								
Holding Company								
Northern Arc Capital Limited	96.98%	225,035.33	88.19%	28,017.11	95.40%	1,932.22	88.62%	29,949.33
Domestic Subsidiaries - (Holding Company's share)								
Northern Arc Investment Adviser Services Private Limited	0.16%	366.94	0.05%	14.67	0.00%	-	0.04%	14.67
Northern Arc Investment Managers Private Limited	2.32%	5,386.31	2.26%	718.00	0.48%	9.68	2.15%	727.68
IFMR Fimpact Long Term Credit Fund	0.00%	-	2.11%	671.35	0.00%	-	1.99%	671.35
Northern Arc Foundation	0.06%	150.77	0.13%	40.00	0.00%	-	0.12%	40.00
Northern Arc Capital Employee Welfare Trust	0.00%	0.00	0.00%	-	0.00%	-	0.00%	-
Northern Arc Securities Private Limited	0.06%	141.40	0.00%	0.23	0.00%	-	0.00%	0.23
Pragati Finserv Private Limited	1.49%	3,465.00	6.15%	1,954.63	3.75%	75.92	6.01%	2,030.55
Non-controlling interests in all subsidiaries	0.26%	602.60	2.95%	935.88	0.41%	8.34	2.79%	944.22
Associates								
Finreach Solutions Private Limited	0.00%	-	0.00%	(216.08)	(0.04%)	(0.81)	(0.64%)	(216.89)
Northern Arc Emerging Corporate Bond Fund	0.00%	-	0.00%	(11.11)	0.00%	-	(0.03%)	(11.11)
IFMR Fimpact Long Term Credit Fund			0.00%	129.98	0.00%	-	0.38%	129.98
Eliminations	(1.34%)	(3,107.19)	(1.53%)	(485.39)	0.00%	-	(1.44%)	(485.39)
As at 31 March 2024	**100.00%**	**232,041.16**	**100.00%**	**31,769.27**	**100.00%**	**2,025.35**	**100.00%**	**33,794.62**

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Northern Arc Capital Limited * Mumbai *

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

23 **Additional information as required under Schedule III to the Companies Act 2013, of entities consolidated as subsidiaries/ associates (continued)**

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 2025 and 31 March 2024

Particulars	As at 31 March 2025		As at 31 March 2024
	Finreach Solutions Private Limited	Northern Arc Emerging Corporate Bond Fund	Finreach Solutions Private Limited
Financial Assets	673.52	90,668.30	1,521.21
Non-Financial Assets	157.52	-	174.24
Financial Liabilities	(313.46)	(3,072.37)	(367.24)
Non-Financial Liabilities	(111.76)	-	(95.84)
Equity	**405.82**	**87,595.93**	**1,232.37**
Group's Share in equity	24.55%	29.93%	24.55%
Goodwill	-	-	-
Group's carrying amount of the investment	**178.25**	**27,262.63**	**388.65**

Particulars	Year ended 31 March 2025		Year ended 31 March 2024		
	Finreach Solutions Private Limited	Northern Arc Emerging Corporate Bond Fund	Finreach Solutions Private Limited	Northern Arc Emerging Corporate Bond Fund*	IFMR Fimpact Long Term Credit Fund**
Revenue from contract with customers	166.26	1,674.33	118.24	95.81	2,009.22
Finance costs	(12.52)	-	(16.06)	-	-
Investment management fees	-	(1,021.40)	-	(14.00)	(267.62)
Employee benefits expenses	(810.89)	-	(759.77)	-	-
Depreciation and amortisation	(40.54)	-	(50.61)	-	-
Other expenses	(161.44)	(171.57)	(163.04)	(120.29)	(20.77)
Profit before tax	**(859.13)**	**481.36**	**(871.24)**	**(38.48)**	**1,720.83**
Income tax expenses	-	-	-	-	-
Profit for the period	**(859.13)**	**481.36**	**(871.24)**	**(38.48)**	**1,720.83**
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	-	(3.94)	-	-
Total comprehensive income for the period	**(852.94)**	**481.36**	**(875.18)**	**(38.48)**	**1,720.83**
Group's share of (loss) / profit for the period	**(210.91)**	**8.95**	**(216.08)**	**(11.11)**	**129.98**

*For the period upto 26 April 2023

**For the period from 22 November 2023 till 12 January 2024

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 2025 and 31 March 2024

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

24 Interest income

	Year ended 31 March 2025			Year ended 31 March 2024		
	On financial assets measured at		Total	On financial assets measured at		Total
	Amortised cost	FVOCI		Amortised cost	FVOCI	
Interest on loans	129,285.70	65,992.83	195,278.53	107,772.02	46,294.34	154,066.36
Interest from investments:						
- Pass through certificates	-	1,567.52	1,567.52	-	1,165.04	1,165.04
- Commercial paper	-	1,622.16	1,622.16	-	41.87	41.87
- Non-convertible debentures	-	15,504.06	15,504.06	-	13,686.58	13,686.58
- Interest income from T-bills	784.81	-	784.81	623.62		623.62
Interest on deposits with banks	2,851.86	-	2,851.86	1,627.69	-	1,627.69
	132,922.37	84,686.57	217,608.94	110,023.33	61,187.83	171,211.16

	Year ended 31 March 2025	Year ended 31 March 2024
25 Fee and Commission income		
Revenue from contract with customers		
Income from guarantee facility	222.33	400.54
Income from other financial services		
- Professional fee	4,453.18	3,843.39
- Management fee	3,078.04	2,804.48
Others	1,510.70	1,444.36
	9,264.25	8,492.77
Timing of revenue recognition:		
- That are recognised over a period of time	222.33	400.54
- That are recognised at a point of time	9,041.92	8,092.23
Geographical Market		
- In India	9,264.25	8,492.77
- Outside India	-	-
Contract balances		
- Trade receivables (net of ECL)	2,069.13	2,534.94
26 Net gain on fair value changes		
Net gain on financial instruments at fair value through profit or loss		
On alternative investment funds	2,351.00	1,935.27
On market linked debentures	-	942.46
On mutual fund	827.04	553.25
(Loss) / profit on sale of investments	(12.73)	1,130.97
	3,165.31	4,561.95
Fair value changes:		
-Realised	2,772.15	4,320.02
-Unrealised	393.16	241.93
	3,165.31	4,561.95
27 Other income		
Interest Income from Income tax refund	265.48	92.17
Other non operating income (refer note below)	1,147.22	1,502.66
	1,412.70	1,594.83

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

	Year ended 31 March 2025	Year ended 31 March 2024
28 Finance costs		
Finance costs on financial liabilities measured at amortised cost		
Interest on deposits (Refer note 5.1)	261.49	150.07
Interest on borrowings		
- Term loans from banks and others	65,193.52	59,577.18
- Cash credits and overdraft	15.58	18.26
- Securitisation	1,486.72	355.36
Interest on debt securities	13,160.99	10,536.25
Interest on lease liability (Refer Note 35)	317.38	175.01
Amortisation of discount on commercial papers	2,400.31	1,826.37
	82,835.99	72,638.50

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29 Employee benefits expense	Year ended 31 March 2025	Year ended 31 March 2024
Salaries, wages and bonus (refer note 44)	24,513.75	19,980.30
Contribution to provident fund (refer note 42)	1,456.73	1,134.63
Employee stock option expense (Refer Note 43)	1,560.20	1,997.77
Gratuity expenses (refer note 42)	243.94	253.76
Staff welfare expenses	692.68	794.26
	28,467.30	24,160.72

30 Impairment on financial instruments

	On Financial instruments measured at Amortised Cost	On Financial instruments measured at fair value through OCI	Total for the period ended 31 March 2025	On Financial instruments measured at Amortised Cost	On Financial instruments measured at fair value through OCI	Total for the period ended 31 March 2024
Write off on financial instruments						
Loans	60,930.24	-	60,930.24	32,287.94	-	32,287.94
Less: Recovery	(43,798.83)	(41.23)	(43,840.06)	(22,544.38)	-	(22,544.38)
Impairment loss allowance on financial instruments						
Loans	15,819.03	6,526.39	22,345.42	2,129.28	438.56	2,567.84
Investments	1,759.55	845.43	2,604.98	(1.21)	435.65	434.44
Others	(1,555.69)	-	(1,555.69)	(502.05)	-	(502.05)
	33,154.30	7,330.59	40,484.89	11,369.58	874.21	12,243.79

	Year ended 31 March 2025	Year ended 31 March 2024
31 Depreciation and amortisation expense		
Depreciation of property, plant and equipment (refer note 11.1)	575.79	602.32
Depreciation on right of use asset (refer note 11.5 and 35)	702.13	543.99
Impairment of goodwill (refer note 11.3)	-	59.26
Amortisation of intangible assets (refer note 11.4)	510.26	488.85
	1,788.18	1,694.42
32 Other expenses		
Legal and professional charges	4,191.28	6,741.12
Travelling and conveyance	1,998.35	1,544.00
Subscription charges	1,936.28	1,166.08
Repairs and maintenance expenses	1,448.39	1,365.68
Rent expenses	1,317.54	958.67
Corporate social responsibility expenditure	706.51	368.71
Communication expenses	576.99	359.80
Advertisement and business promotion expenses	498.03	280.68
Bank charges	347.64	370.10
Rates and taxes	260.92	47.91
Directors' sitting fees (refer note 44)	195.68	156.90
Printing and stationery expenses	157.93	181.74
Auditors' remuneration	116.72	168.07
Miscellaneous expenses	582.60	1,953.60
	14,334.86	15,663.06

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

33 Income tax

A. The components of income tax expense for the years ended 31 March 2025 and 31 March 2024 are:

Statement of Profit and Loss

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Current tax		
i) current income tax charge	16,395.78	10,881.12
ii) Adjustments in respect of current income tax of previous year	(999.71)	46.92
Less: MAT Credit entitlement	(0.64)	-
Deferred tax	(6,919.18)	(673.70)
Income tax expense reported in the consolidated statement of profit and loss	**8,476.25**	**10,254.34**

Income tax recognised in other comprehensive income

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Arising on income and expenses recognised in other comprehensive income:		
Remeasurements of the defined benefit obligation	26.57	(29.32)
Fair valuation of financial instruments through OCI (Net)	732.01	(309.34)
Effective portion of loss on designated portion of hedging instruments in a cashflow hedge	226.92	(342.86)
Total Income tax recognised in other comprehensive income	**985.50**	**(681.52)**

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 2025 and 31 March 2024 is, as follows:-

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Profit before tax	38,608.06	42,023.61
Non-controlling interest	431.62	(1,250.67)
Profit before tax attributable to equity holders	39,039.68	40,772.94
Applicable tax rate	25.17%	25.17%
Computed expected tax expense	**9,826.29**	**10,262.55**
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	177.83	169.93
- Others	(528.27)	(225.19)
Tax expenses recognised in the statement of profit and loss	**9,475.96**	**10,207.42**
Effective tax rate	24.27%	25.03%

Note: The Holding Company and its subsidiary (Northern Arc Investment Managers Private Limited) 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 2025.

* Tax rates applicable for subsidiaries are as follows

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Northern Arc Investment Managers Private Limited	25.17%	25.17%
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 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)	958.93	548.13
Impairment on financial assets	2,138.07	6,961.51	-	9,099.58
Provision for employee benefits	310.51	91.01	26.57	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**

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33 Income tax (continued)

C. Deferred tax (continued)

Particulars	As at 31 March 2023	Statement of profit and loss	Other comprehensive income	As at 31 March 2024
Component of Deferred tax asset / (liability)				
Deferred tax asset / (liability) in relation to:				
Property plant and equipment	1.21	35.87	-	37.08
Impact of fair value on financial assets measured at FVTPL	(562.11)	(73.91)	-	(636.02)
Impact of fair value on financial assets measured at FVOCI	1,578.41	86.01	(652.20)	1,012.22
Impairment on financial assets	1,444.16	693.91	-	2,138.07
Provision for employee benefits	261.63	78.20	(29.32)	310.51
Unamortised component of processing fee	1,025.20	291.66	-	1,316.86
EIS Receivable	(350.54)	(435.84)	-	(786.38)
Minimum alternative tax	13.89	(2.20)	-	11.69
Total	**3,411.85**	**673.70**	**(681.52)**	**3,404.03**

34 Earnings per share ('EPS')

		Year ended 31 March 2025	Year ended 31 March 2024
A	**Earnings**		
	Net profit attributable to equity shareholders for calculation of basic EPS	30,454.79	30,833.39
	Net profit attributable to equity shareholders for calculation of diluted EPS	30,454.79	30,833.39
B	**Shares**		
	Equity shares at the beginning of the year	89,385,420	89,031,293
	Shares issued during the year	71,993,916	354,127
	Total number of equity shares outstanding at the end of the year	**161,379,336**	**89,385,420**
C	Weighted average number of equity shares outstanding during the year for calculation of basic EPS	**151,675,670**	**89,096,560**
	Options granted	387,511	1,339,429
	Compulsory convertible preference shares	-	41,323,204
D	Weighted average number of equity shares outstanding during the year for calculation of diluted EPS	**152,063,181**	**131,759,193**
	Face value per share	10.00	10.00
E	**Earnings per share**		
E1	Basic (E1 = A / C)	20.08	34.61
E2	Diluted (E2 = A / D)	20.03	23.40

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35 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 at the date of initial application on as at 1 April 2019, and thereafter, at the inception of respective lease contracts, ROU asset equal to lease liability is recognised at the incremental borrowing rate prevailed during that relevant period subject to certain practical expedients as allowed by the standard.

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

a) Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.
b) Applied the exemption not to recognise right to use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
c) Excluded the initial direct costs from the measurement of the right to use asset at 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 2025	Year ended 31 March 2024
Opening Balance	1,472.22	966.69
Add:		
Additions during the period	1,948.02	1,064.10
Less:		
Depreciation	(702.13)	(543.99)
Derecognition on termination of lease	(6.15)	(14.58)
Closing balance	**2,711.96**	**1,472.22**

(ii) Movement in lease liabilities

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Opening Balance	**1,698.20**	**1,166.36**
Additions during the year/period	1,948.02	1,064.10
Interest on lease liabilities	317.38	175.01
Rent payment	(689.68)	(691.70)
Derecognition on termination of lease	(20.02)	(15.57)
Closing balance	**3,253.90**	**1,698.20**

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

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
a) Depreciation charge for right-of-use assets	702.13	543.99
b) Interest expense (included in finance cost)	317.38	175.01
c) Expense relating to short-term leases	1,317.54	958.67
d) Gain recognised on derecognition of leases	13.87	(1.13)

(iv) Cash Flows

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
The total cash outflow of leases	689.68	691.70

(v) Maturity analysis of undiscounted lease liabilities

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Not later than one year	468.93	510.75
Later than one year and not later than five years	1,250.18	1,510.09
Later than five years	18.64	154.92

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

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

36 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 2025			As at 31 March 2024		
	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
Assets						
Cash and cash equivalents	33,026.83	-	33,026.83	17,940.08	-	17,940.08
Bank balances other than cash and cash equivalents	29,291.99	2,416.45	31,708.44	18,876.65	3,957.61	22,834.26
Derivative financial instruments	2,104.09	3,372.46	5,476.55	54.12	5,427.82	5,481.94
Trade receivables	2,069.13	-	2,069.13	2,534.94	-	2,534.94
Loans	681,772.00	375,465.78	1,057,237.78	621,103.81	299,855.12	920,958.93
Investments	120,635.35	57,080.11	177,715.46	95,836.74	82,233.76	178,070.50
Investmentes in Associate	-	27,440.88	27,440.88	-	388.65	388.65
Other financial assets	5,202.10	1,676.60	6,878.70	7,795.46	595.96	8,391.42
Current tax assets (net)	-	609.51	609.51	-	2,404.34	2,404.34
Deferred tax assets (net)	-	11,319.20	11,319.20	-	3,475.92	3,475.92
Property, plant and equipment	-	1,279.68	1,279.68	-	666.22	666.22
Intangible assets under development	-	593.48	593.48	-	231.13	231.13
Goodwill	-	2,340.82	2,340.82	-	2,347.77	2,347.77
Other intangible assets	-	1,285.34	1,285.34	-	1,179.25	1,179.25
Right of use asset	-	2,711.97	2,711.97	-	1,472.23	1,472.23
Other non- financial assets	1,948.87	164.57	2,113.44	2,365.51	22.80	2,388.31
Total Assets	**876,050.36**	**487,756.85**	**1,363,807.21**	**766,507.31**	**404,258.58**	**1,170,765.89**
Liabilities						
Derivative financial instruments	1,367.57	995.91	2,363.48	-	298.65	298.65
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	12,848.32	-	12,848.32
Debt securities	70,263.20	70,522.12	140,785.32	88,075.11	53,297.35	141,372.46
Borrowings (Other than debt secuities)	508,783.09	336,431.52	845,214.61	458,113.61	305,289.54	763,403.15
Other financial liabilities	14,958.03	3,013.01	17,971.04	13,454.45	2,051.37	15,505.82
Provisions	645.18	1,285.70	1,930.88	2,330.37	876.11	3,206.48
Current tax liabilities (net)	-	2,832.34	2,832.34	461.50	-	461.50
Deferred tax liabilities (net)	-	-	-	-	71.89	71.89
Other non-financial liabilities	1,807.67	-	1,807.67	1,556.46	-	1,556.46
Total Liabilities	**604,770.28**	**415,080.60**	**1,019,850.88**	**576,839.82**	**361,884.91**	**938,724.73**
Total equity			**343,956.33**			**232,041.16**

36 A Change in Liabilities arising from financing activities

Particulars	As at April 01, 2024	Cash flows	Exchange difference	Others*	New Leases	As at 31 March 2025
Debt Securities	141,372.46	318.46	-	(905.60)	-	140,785.32
Borrowings (other than debt securities)	763,403.15	71,713.62	6,669.82	3,428.02	-	845,214.61
Lease Liabilities	1,698.20	(650.68)	-	258.36	1,948.02	3,253.90

Particulars	As at April 01, 2023	Cash flows	Exchange difference	Others*	New Leases	As at April 01, 2024
Debt Securities	122,431.55	20,836.30	-	(1,895.39)	-	141,372.46
Borrowings (other than debt securities)	577,029.86	187,815.25	8,614.82	(10,056.78)	-	763,403.15
Sub-ordinated Liabilities	3,995.07	(3,995.07)	-	-	-	-
Lease Liabilities	1,166.36	(691.07)	-	158.81	1,064.10	1,698.20

*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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36 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 2025 and 31 March 2024. 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 2025					
	On Demand	Less than 3 months	3 to 12 Months	1 to 5 years	Over 5 years	Total
Finacial Assets						
Cash and cash equivalents	32,890.14	106.80	-	-	-	32,996.94
Bank balances other than cash and cash equivalents	0.22	13,685.53	11,773.29	7,606.17	-	33,065.21
Derivative financial instruments	-	-	2,104.09	3,372.46	-	5,476.55
Trade receivables	-	2,069.14	-	-	-	2,069.14
Loans	-	324,963.79	535,753.50	476,856.13	112,711.48	1,450,284.90
Investments	1,945.22	43,781.17	86,683.99	87,798.25	854.07	221,062.70
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**	**388,076.12**	**636,336.51**	**576,065.69**	**141,006.43**	**1,776,320.33**
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	-	164,412.71
Borrowings (Other than debt securities)	-	215,648.71	332,834.74	372,850.86	-	921,334.31
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**	**245,977.27**	**403,256.74**	**460,668.33**	**18.64**	**1,111,476.24**
Net undiscounted financial assets/(liabilities)*	**33,280.32**	**142,098.85**	**233,079.77**	**115,397.36**	**140,987.79**	**664,844.09**
*** Excludes gross settled derivatives not held for trading**						

Particulars	As at 31 March 2024					
	On Demand	Less than 3 months	3 to 12 Months	1 to 5 years	Over 5 years	Total
Finacial Assets						
Cash and cash equivalents	15,864.62	2,075.46	-	-	-	17,940.08
Bank balances other than cash and cash equivalents	0.22	4,449.26	15,470.34	4,621.32	-	24,541.14
Derivative financial instruments	-	-	54.12	5,427.83	-	5,481.95
Trade receivables	-	2,534.94	-	-	-	2,534.94
Loans	-	275,037.16	402,190.80	388,949.89	70,951.95	1,137,129.80
Investments	2,164.49	17,275.81	91,435.11	88,294.09	1,361.29	200,530.79
Other financial assets	-	5,169.24	-	178.80	-	5,348.04
Total undiscounted financial assets*	**18,029.33**	**306,541.87**	**509,150.37**	**487,471.93**	**72,313.24**	**1,393,506.74**
Financial Liabilities						
Derivative financial instruments	-	-	-	298.65	-	298.65
Trade payables						
-total outstanding dues of micro and small enterprises	-	-	-	-	-	-
-total outstanding dues of creditors other than micro and small enterprises	-	12,848.32	-	-	-	12,848.32
Debt securities	-	33,494.61	61,823.82	61,929.39	-	157,247.82
Borrowings (Other than debt securities)	-	152,939.94	341,873.34	324,666.06	-	819,479.34
Other financial liabilities	17.30	11,485.21	2,016.66	2,240.62	154.92	15,914.71
Total undiscounted financial liabilities*	**17.30**	**210,768.08**	**405,713.82**	**389,134.72**	**154.92**	**1,005,788.84**
Net undiscounted financial assets/(liabilities) *	**18,012.03**	**95,773.79**	**103,436.55**	**98,337.21**	**72,158.32**	**387,717.90**
*** Excludes gross settled derivatives not held for trading**						

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

37 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.
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
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 2025 were as follows:

Particulars	Carrying amount		Fair value			
	FVTPL	FVOCI	Level 1	Level 2	Level 3	Total
Financial assets:						
Loans	-	217,633.08	-	-	217,633.08	217,633.08
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	-	114,510.15	-	-	114,510.15	114,510.15
- Alternate 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	-	2,363.48	-	-	2,363.48	2,363.48

The carrying value and fair value of financial instruments measured at fair value as of 31 March 2024 were as follows:

Particulars	Carrying amount		Fair value			
	FVTPL	FVOCI	Level 1	Level 2	Level 3	Total
Financial assets:						
Loans	-	261,483.91	-	-	261,483.91	261,483.91
Investments						
- Pass-through certificates	-	5,772.44	-	-	5,772.44	5,772.44
- Non convertible debentures	-	124,644.80	-	-	124,644.80	124,644.80
- Market Linked debentures	18,992.53				18,992.53	18,992.53
- Alternative Investment Funds	14,374.13	-	-	-	14,374.13	14,374.13
- Share warrants	0.95	-	-	-	0.95	0.95
- Mutual funds	2,164.49	-	2,164.49	-	-	2,164.49
Derivative financial instruments	81.65	5,400.29	-	-	5,481.94	5,481.94
Financial liabilities:						
Derivative financial instruments	110.12	188.53	-	-	298.65	298.65

Reconciliation of level 3 fair value measurement is as follows

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Financial assets measured at FVOCI		
Balance at the beginning of the year	1,898.74	(46.81)
Total gains measured through OCI for additions made during the year	(2,847.71)	1,945.55
Balance at the end of the year	(948.97)	1,898.74
Financial assets measured at FVTPL		
Balance at the beginning of the year	35,613.75	14,303.55
Total gains measured through PL for additions made during the year	(22,719.69)	21,310.20
Balance at the end of the year	12,894.06	35,613.75

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

Particulars	As at 31 March 2025		As at 31 March 2024	
	Increase	Decrease	Increase	Decrease
Financial assets:				
Loans	2,176.33	(2,176.33)	1,916.46	(1,916.46)
Investments				
- Commercial papaers	255.19	(255.19)	-	-
- Pass through securities	145.98	(145.98)	52.99	(52.99)
- Non convertible debentures	1,145.10	(1,145.10)	1,332.47	(1,332.47)
- Market Linked debentures	-	-	85.29	(85.29)
- Alternative Investment Funds	106.55	(106.55)	134.18	(134.18)
- Mutual funds	19.45	(19.45)	21.64	(21.64)
- Share warrants	0.01	(0.01)	0.01	(0.01)
Derivative financial instruments	54.77	(54.77)	54.82	(54.82)
Financial liabilities:				
Derivative financial instruments	(23.63)	23.63	(2.99)	2.99

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37 **Financial instrument (continued)**

A **Fair value measurement (continued)**

The carrying value and fair value of other 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	866,120.89	-	-	798,004.71	798,004.71
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	140,785.32	-	-	140,785.32	140,785.32
Borrowings (Other than debt securities)	845,214.61	-	-	845,214.61	845,214.61
Other financial liabilities	17,971.04	-	-	17,971.04	17,971.04

The carrying value and fair value of financial instruments by categories as of 31 March 2024 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	17,940.08	-	-	17,940.08	17,940.08
Bank balances other than cash and cash equivalents	22,834.26	-	-	22,834.26	22,834.26
Trade receivables	2,534.94	-	-	2,534.94	2,534.94
Loans	670,049.12	-	-	673,340.38	673,340.38
Investments	12,121.16			12,121.16	12,121.16
Other financial assets	8,391.42	-	-	8,391.42	8,391.42
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	12,848.32	-	-	12,848.32	12,848.32
Debt securities	141,372.46	-	-	141,372.46	141,372.46
Borrowings (Other than debt securities)	763,403.15	-	-	763,403.15	763,403.15
Other financial liabilities	15,505.82	-	-	15,505.82	15,505.82

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 2025	As at 31 March 2024
i	Debt securities	140,785.32	141,372.46
ii	Borrowings (other than debt securities)	845,214.61	763,403.15
iii	Less: cash and cash equivalents	(33,026.83)	(17,940.08)
iv	**Adjusted net debt (v = i + ii - iii)**	952,973.10	886,835.53
v	Total equity	343,956.33	232,041.16
vi	**Gearing ratio (vi = iv / v)**	2.77	3.82

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 2025 and 31 March 2024.

Regulatory capital of the Holding Company

Particulars	As at 31 March 2025	As at 31 March 2024
Tier I Capital	321,918.68	205,781.74
Tier II Capital	17,086.42	2,152.68
Total Capital	339,005.10	207,934.42
Risk weighted assets	1,371,302.14	1,138,683.23
Tier I Capital Ratio (%)	23.48%	18.07%
Tier II Capital Ratio (%)	1.25%	0.19%
CRAR (%)	24.72%	18.26%

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38 Financial risk management objectives and policies

The Group's principal financial liabilities comprise borrowings from banks, issue of debentures and trade payables. The main purpose of these financial liabilities is to finance the Group's operations and to support its operations. The Group's financial assets include loan and advances, investments and cash and cash equivalents that derive directly from its operations.
The Group is exposed to credit risk, liquidity risk, market risk and foreign currency risk. The Group's board of directors has an overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors has established the risk management committee and asset liability committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the board of directors on its activities.

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

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

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

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

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

(I) Credit risk
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 delivery terms and conditions are offered. The Group's review includes external ratings, if they are available, financial statements, credit agency information, industry information etc.

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 2025	As at 31 March 2024
Gross Term loans and structured cash credit	1,083,753.97	931,533.03
Less : Impairment loss allowance	(26,516.19)	(10,574.10)
	1,057,237.78	**920,958.93**

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 implementation of Indian Accounting Standards dated 13 March 2020 issued by the Reserve Bank of India, 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

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

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.

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")

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38 Financial risk management objectives and policies (continued)

(I) Credit risk (Continued)

Marginal 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 Holding 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.

2. Partnership based lending (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.

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 model (ARIMA), 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.

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 , 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 2025	As at 31 March 2024
Stage 1	12 month provision	16,051.79	5,296.17
Stage 2	Life time provision	4,350.30	1,141.93
Stage 3	Life time provision	6,114.10	4,136.00
Amount of expected credit loss provided		**26,516.19**	**10,574.10**

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 2025	As at 31 March 2024
ECL allowance - opening balance	10,574.10	8,902.16
Addition during the year	80,303.78	40,605.79
Reversal during the year	(3,431.45)	(6,645.91)
Write offs during the year	(60,930.24)	(32,287.94)
Closing provision of ECL	**26,516.19**	**10,574.10**

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38 Financial risk management objectives and policies (continued)

Credit risk (Continued)

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 2025				As at 31 March 2024			
	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	914,330.16	12,199.57	5,003.30	931,533.03	685,788.16	5,272.09	6,702.48	697,762.73
New assets originated *	861,557.13	14,763.14	4,717.38	881,037.65	788,315.50	9,624.37	18,924.21	816,864.08
Asset derecognised or repaid (excluding write off)	(712,890.38)	(11,403.08)	56,406.99	(667,886.47)	(336,693.86)	(4,941.76)	(3,844.25)	(345,479.87)
Transfer to stage 1	(13,883.68)	8,646.63	5,237.05	-	(211,922.59)	5,460.06	1,457.86	(205,004.67)
Transfer to stage 2	102.11	(357.88)	255.77	-	376.49	(2,205.72)	1,771.49	(57.74)
Transfer to stage 3	36.88	71.98	(108.86)	-	143.84	55.55	(462.95)	(263.56)
Write offs	-	-	(60,930.24)	(60,930.24)	(11,677.38)	(1,065.02)	(19,545.54)	(32,287.94)
As at the end of the year	**1,049,252.22**	**23,920.36**	**10,581.39**	**1,083,753.97**	**914,330.16**	**12,199.57**	**5,003.30**	**931,533.03**

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

Reconciliation of ECL Balance

Particulars	As at 31 March 2025				As at 31 March 2024			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
As at the beginning of the year	5,296.17	1,141.93	4,136.00	10,574.10	5,201.35	494.51	3,206.30	8,902.16
New assets originated	12,418.92	3,982.21	63,902.65	80,303.78	17,454.76	1,572.28	21,239.33	40,266.37
Asset derecognised or repaid	1,791.98	(1,412.94)	(3,810.48)	(3,431.44)	(2,813.83)	(321.45)	(1,450.77)	(4,586.05)
Transfer to stage 1	(3,456.96)	769.34	2,687.62	-	(2,969.29)	552.49	368.73	(2,048.07)
Transfer to stage 2	1.20	(131.19)	129.99	-	47.49	(110.93)	51.66	(11.78)
Transfer to stage 3	0.48	0.95	(1.44)	(0.01)	53.07	20.05	266.29	339.41
Write offs	-	-	(60,930.24)	(60,930.24)	(11,677.38)	(1,065.02)	(19,545.54)	(32,287.94)
As at the end 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**

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.

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 2025				As at 31 March 2024			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Performing	176,429.13	-	-	176,429.13	178,070.50	-	-	178,070.50
Sub-standard	-	-	1,286.33	1,286.33	-	-	-	-
Total	**176,429.13**	-	**1,286.33**	**177,715.46**	**178,070.50**	-	-	**178,070.50**

Changes in gross carrying amount

Particulars	As at 31 March 2025				As at 31 March 2024			
	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	178,070.50	-	-	178,070.50	176,274.57	-	-	176,274.57
New assets originated *	98,945.70	-	-	98,945.70	123,146.67	-	-	123,146.67
Asset derecognised or repaid	(99,300.74)	-	-	(99,300.74)	(121,350.74)	-	-	(121,350.74)
Transfer to stage 1	(1,286.33)	-	1,286.33	-	-	-	-	-
Transfer to stage 2	-	-	-	-	-	-	-	-
Transfer to stage 3	-	-	-	-	-	-	-	-
Write offs	-	-	-	-	-	-	-	-
As at the end of the year	**176,429.13**	-	**1,286.33**	**177,715.46**	**178,070.50**	-	-	**178,070.50**

*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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38 Financial risk management objectives and policies (continued)

(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) approximately 10% to 25% of assets under management. This further strengthens the liability management.

The table below summarises the maturity profile of the Group's non derivative 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 2025								
Borrowings	71,618.00	84,605.60	55,815.51	161,138.51	135,903.02	270,818.82	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	5,378.75	-	-	1,566.79	-	-	-	-
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	-	-
As at 31 March 2024								
Borrowings	56,963.84	39,182.93	51,896.09	166,930.82	143,139.93	279,222.75	26,066.79	-
Debt securities	2,996.06	4,500.00	27,671.19	20,768.33	32,139.52	47,392.38	5,904.97	-
Trade payables	-	-	354.46	12,493.86	-	-	-	-
Derivative financial liabilities	-	-	-	-	-	298.65	-	-
Lease liabilities (undiscounted)	68.01	68.01	42.49	109.52	222.73	895.12	615.17	154.72
Other financial liabilities	6,603.38	325.41	4,636.87	762.96	762.48	716.52	-	-

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

Also refer note 36B for detailed disclosure on analysis of financial assets and liabilities by remaining contractual maturities

(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 variable interest rate lending. 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 2025	As at 31 March 2024
Fixed rate instruments		
Financial Assets	647,737.70	692,032.45
Financial Liabilities	290,137.75	372,622.58
Variable rate instruments		
Financial Assets	441,348.94	412,912.31
Financial Liabilities	695,862.18	532,153.03

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 2025		As at 31 March 2024	
	Increase	Decrease	Increase	Decrease
Loans	4,413.49	(4,413.49)	3,411.54	(3,411.54)
Borrowings	(6,958.62)	6,958.62	(5,321.53)	5,321.53

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38 Financial risk management objectives and policies (continued)

(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 to mitigate risk of changes in exchange rate in foreign currency and floating interest rate. The counterparty for these contracts is generally a bank. These derivative financial instruments are valued based on quoted prices for similar assets and liabilites in active markets or inputs that are directly or indirectly observable in market place.

(v) Collateral and other credit enhancements

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Guidelines are in place covering the acceptability and valuation of each type of collateral.

The main types of collateral obtained are, as follows:

a. For corporate and small business lending, charges over trade receivables and

b. For retail lending, collateral in the form of 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 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 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.

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		As at 31 March 2025	As at 31 March 2024
39	**Commitments**		
	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	11,300.00	13,599.00
40	**a) Contingent liabilities**		
	Claims against the Group not acknowledged as debt		
	- Income tax related matters related to AY 2014-15 (refer note 1)	256.00	256.00
	- Income tax related matters related to AY 2017-18 (refer note 2)	172.53	172.53
	- Income tax related matters related to AY 2020-21 (refer note 3)	84.59	84.59

Notes :

1) This litigations is related to disallowance of expenses incurred for earning exempt income for the AY 2014-15, which was partially allowed by the ITAT. The Company filed an appeal against this matter with High Court, Madras.

2) This litigations is related to denying benefit of exemption of Income from securitisation investments under section 10(35A) of the Income Tax Act AY 2017-18. The Company filed an appeal against this matter with Commissioner of Income Tax Appeals.

3) This litigation is related to rejection of our subsidiary M/s Northern Arc Foundation's condonation request by CIT(Exemptions) on the ground that Company was not registered under Sec 12A for AY 2020-21. The Subsidiary Company had filed rectification petition with CIT(Exemptions).

4) The amount included above represents best possible estimate arrived at on the basis of available information. The Management believes that is has a reasonable case in its defence of the proceedings and accordingly no further provision has been created.

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.

	As at 31 March 2025	As at 31 March 2024
b) Financial guarantee issued to third parties		
Guarantees outstanding	168.77	6,441.59

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41 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 2025	As at 31 March 2024
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.	-	-

42 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 INR 1456.73 lakhs (March 31, 2024: INR 1,134.63 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 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 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 to 30 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The Group make annual contributions to gratuity funds established as trusts. The Group account for the liability for gratuity benefits payable in the future based on an actuarial valuation.

Details of actuarial valuation of gratuity pursuant to the Ind AS 19

A. Change in present value of obligations	As at 31 March 2025	As at 31 March 2024
Present value of obligations at the beginning of the year	914.06	1,054.53
Current service cost	178.84	186.06
Interest cost	65.10	66.38
Past service cost	-	1.32
Benefits settled	(247.92)	(277.73)
Acquisition of specified assets and liabilities (Refer note 48)	-	0.01
Actuarial (gain) / loss recognised in the other comprehensive income		
-Changes in financial assumptions	(39.24)	(54.65)
-Experience adjustment	144.79	(61.85)
Present value of obligations at the end of the year	**1,015.63**	**914.06**

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42 Retirement Benefit Plan (continued)

	As at 31 March 2025	As at 31 March 2024
B. Change in plan assets		
Fair value of plan assets at the beginning of the year	-	-
Employer contributions	247.92	277.73
Benefits paid	(247.92)	(277.73)
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		
Change in projected benefit obligation		
Present value of obligations at the end of the year	1,015.63	914.06
Fair value of plan assets	-	-
Net liability recognised in balance sheet	**1,015.63**	**914.06**
The liability in respect of the gratuity plan comprises of the following non-current and current portions:		
Current	238.41	220.73
Non-current	777.22	693.33
	1,015.63	**914.06**

	Year ended 31 March 2025	Year ended 31 March 2024
D. Expense recognised in statement of profit and loss		
Current service cost	178.84	186.06
Interest on obligation	65.10	66.38
Past service cost	-	1.32
Total included in statement of profit and loss	**243.94**	**253.76**
E. Remeasurements recognized in other comprehensive income		
Actuarial loss on defined benefit obligation	105.55	(116.50)
Total included in other comprehensive income	**105.55**	**(116.50)**

	As at 31 March 2025	As at 31 March 2024
F. Assumptions at balance sheet date		
Discount rate	6.34% to 6.82%	6.95% to 7.10%
Salary escalation	3% to 8%	5% to 8%
Mortality rate	Indian Assured Lives Mortality (2012 -14)	Indian Assured Lives Mortality (2012 -14)
Attrition rate	3% to 63.60%	3% to 33%
Estimated average future working life	2.60	3.10

Notes:

a) The estimates in future salary increases, considered in actuarial valuation, takes account of inflation, seniority promotion and other relevant factors, such as supply and demand in the employee market. The above information is certified by the actuary.

b) Discount rate is based on the prevailing market yields of Indian Government Bonds as at the balance sheet date for the estimated term of the obligation.

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42 Retirement Benefit Plan (continued)

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 2025		Year ended 31 March 2024	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	973.30	(1,057.34)	875.44	(957.15)
Future salary growth (1% movement)	1,074.60	(958.80)	972.68	(862.39)
Attrition rate (1% movement)	1,012.72	(1,014.96)	914.25	(914.67)

Additional disclosures required under Ind AS 19

Particulars	As at 31 March 2025	As at 31 March 2024
Average duration of defined benefit obligation (in years)	2.94 to 8.03 years	2.94 to 8.03 years
Projected undiscounted expected benefit outgo (mid year cash flows)		
Year 1	259.05	193.69
Year 2	209.77	158.86
Year 3	168.61	125.58
Year 4	142.88	111.62
Year 5	109.36	106.94
Next 5 years	750.00	964.09
Exected benefit payments for the next annual reporting year	259.05	193.69

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 2025 is INR 786.80 lakh and as at 31 March 2024 was INR 607.28 lakh.

Assumptions:

Particulars	As at 31 March 2025	As at 31 March 2024
Discount rate	6.34%	6.95%
Future salary increases	8.00%	8.00%

IV. Through its defined benefit plans the Group 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

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43 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.

43.1 The Group 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.

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 on 21st July, 2021 . 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 five tranches. The exercise price is 275 per share. The options are vested over a period of 4 years in 25:25:25:25 proportion.

43.2 **Options outstanding under Scheme I, Scheme II, Scheme IIB, Scheme III, Scheme IV and Scheme IVB**

	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 ofoptions	1,316,500	218,000	623,501	968,000	2,540,000
Exercise price in INR	110 to 275	275	10 to 275	324	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 INR	149.50	275.00	174.28	324.00	275.00
Weighted average remaining contractual life (in years)	0.22	5.00	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				

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43 Share Based Payments (continued)

43.2 Options outstanding under Scheme I, Scheme II, Scheme IIB, Scheme III, Scheme IV and Scheme IVB (continued)

	As at 31 March 2024				
Plan	Scheme II	Scheme IIB	Scheme III	Scheme IV	Scheme IV B
Grant date	Various	13-Sep-23	Various	13-Sep-23	Various
Number ofoptions	1,503,000	279,500	832,254	150,000	2,160,000
Exercise price in INR	110 to 275	275	10 to 275	324	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 INR	147.01	275.00	172.71	324.00	275.00
Weighted average remaining contractual life (in years)	0.22	5.00	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				

43.3 Reconciliation of outstanding options

The details of options granted under the above schemes are as follows.

Particulars	As at 31 March 2025		As at 31 March 2024	
	Weighted average exercise price per option (in Rs.)	Number of options	Weighted average exercise price per option (in Rs.)	Number of options
Outstanding at beginning of year	216.84	4,924,754	173.95	3,285,984
Add: Granted during the year	303.03	1,408,000	263.89	2,440,000
Less: Forfeited during the year	218.66	396,787	196.01	372,603
Less: Exercised during the year and allotted	132.97	237,466	140.34	354,127
Less: Exercised during the year but not allotted	119.51	32,500	112.43	74,500
Outstanding as at end of year	243.13	5,666,001	216.84	4,924,754
Amount expensed of in Statement of Profit and Loss (in Rs. Lakhs)		1,560.20		1,997.77

43.4 Fair 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 2025	As at 31 March 2024
Dividend yield	0.00%	0.00%
Historical volatality estimate	39.33% - 39.61%	34.41% - 45.13%
Risk free interest rate	6.87% - 7.07%	6.96% - 7.11%
Expected life of option (in years)	3.00	1.07 - 3

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

43 Share Based Payments (continued)

B ESOP disclsoure related to Pragati Finserv Private Limited (Subsidiary)

The Company offers equity based option plans to its selected employees through the Company's stock option plan introduced in 2021.

i Description of share based payments

Pragati Employee Stock Option Scheme 2021 - Scheme I [ESOP 2021 - Scheme 1]

The Company introduced an Employee Stock Option Scheme 2021 - Scheme I, which was approved by the Pragati Finserv Private Limited shareholders with an intention to provide equity settled incentive to high performing employees of the Company.

The options granted on 7th May 2021 will be exercised at Rs.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.

The options granted on 2nd August 2022 will be exercised at Rs.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 2025	As at 31 March 2024
	(In Nos.)	(In Nos.)
Outstanding balance at the beginning of the period	13,661,080	17,392,756
Options vested	-	(3,731,676)
Options outstanding at the end of the period	13,661,080	13,661,080
Options exercisable at the end of the period	6,282,102	6,282,102

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.

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

43 Share Based Payments (continued)

B ESOP disclsoure related to Pragati Finserv Private Limited (Subsidiary) (continued)

b) For share options outstanding:

Particulars	As at 31 March 2025		As at 31 March 2024	
	ESOP 2021 - Scheme 1 Grant date - 7th May 2021 16,19,13,182 shares	ESOP 2021 - Scheme 1 Grant date - 2nd August 2022 42,50,000 shares	ESOP 2021 - Scheme 1 Grant date - 7th May 2021 16,19,13,182 shares	ESOP 2021 - Scheme 1 Grant date - 2nd August 2022 42,50,000 shares
Range of exercise prices	10	10	10	10
Average remaining contractual life of options (years)	2.31	3.06	3.31	4.06
Modification of plans	N.A.	N.A.	N.A.	N.A.
Incremental fair value on modification	N.A.	N.A.	N.A.	N.A.

c) Valuation of stock options

Particulars	ESOP 2021 - Scheme 1 Grant date - 7th May 2021 16,19,13,182 shares	ESOP 2021 - Scheme 1 Grant date - 2nd August 2022 42,50,000 shares
Share price	10	10
Exercise Price	10	10
Fair value of option	5.93	5.98
Valuation date	31-Dec-21	02-Aug-22
Valuation model used	Blackscholes model	Blackscholes model
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.

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43 Share Based Payments (continued)

B ESOP disclsoure related to Pragati Finserv Private Limited (Subsidiary) (continued)

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 2025		As at 31 March 2024	
	KMP	Others	KMP	Others
	(In Nos.)	(In Nos.)	(In Nos.)	(In Nos.)
Options Granted	16,193,182	4,250,000	16,193,182	4,250,000
Options Vested	5,100,852	1,181,250	5,100,852	1,181,250
Options Lapsed	-	500,000	-	500,000
Options yet to vest	11,092,330	2,568,750	11,092,330	1,387,500

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 2025	As at 31 March 2024
Expense arising from equity-settled share-based payment transactions.	255.03	221.88

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

44 Related party disclosures

44.1 Disclosure post elimination of intra-group transactions:
Related party relationships and transactions are as identified by the management.

(i) Associate	Finreach Solutions Private Limited Northern Arc Emerging Corporates Bond Trust (w.e.f 04 April 2022 upto 26 April 2023 and w.e.f 26 february 2025) IFMR Fimpact Long term credit fund (w.e.f 22 November 2023 till 12 January 2024)
(ii) Key Managerial Personnel (KMP)	Mr. Ashish Mehrotra, Managing Director & CEO Mr. Atul Tibrewal, Chief Financial Officer Ms. Bama Balakrishnan Executive Director and Chief Operating Officer (upto 13 November 2023) Mrs. Srividhya, Company Secretary (upto November 20, 2023) 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)
(iii) Director and relative of Key Management Personnel	Ms. Kshama Fernandes , Non - Executive Director Mr. Ashutosh Arvind Pednekar - Independent director Mr. Amit Mehta -Nominee Director (upto 2 May 2022) 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 - Director (up to 13 february 2025) Mr. T.S. Anantharaman - Nominee direcotor (w.e.f. 9 February 2023) Mr. Samir Shah - Nominee Director (upto 28 December 2022)

44 Related party disclosures (continued)

A. Transactions during the year :

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Finreach Solutions Private Limited		
Investments	-	449.13
Guarantee Management Service Fee	2.84	17.27
Northern Arc Emerging Corporates Bond Trust (w.e.f 04 April 2022 upto 26 April 2023 and w.e.f 26 february 2025)		
Investments in Alternate Investment Funds	26,000.00	-
Application money transferred pending allotment	1,500.00	-
Distribution of surplus	-	43.47
Fee Income	-	19.98
Reimbursement of expenses	-	3.32
IFMR Fimpact Long term credit fund (w.e.f 22 November 2023 till 12 January 2024)		
Distribution of surplus	-	201.18
Fee Income	-	77.62
Reimbursement of expenses	-	50.00

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

44 Related party disclosures (continued)

A. Transactions during the year : (continued)

	Year ended 31 March 2025	Year ended 31 March 2024
Ms. Kshama Fernandes , Non - Executive Director		
Commission	-	65.00
Sitting fees	22.00	15.50
Ms. Bama Balakrishnan Executive Director and Chief Operating Officer (upto 13 November 2023)		
Short term employee benefits		
- Remuneration and other benefits *	-	215.48
Post employment benefits	-	61.84
Receipt of money on issue of shares	-	55.00
Mr. Atul Tibrewal, Chief Financial Officer		
Short term employee benefits		
- Remuneration and other benefits *	293.94	190.60
Share based payment expense	57.19	57.19
Mr. P S Jayakumar - Independent director		
Commission	154.00	90.00
Sitting Fees	25.00	19.00
Mr. Ashish Mehrotra, Managing Director & CEO		
Short term employee benefits		
- Remuneration and other benefits *	885.38	542.95
Share based payment expense	812.52	812.52
Receipt of money on issue of shares	-	210.00
Mrs. Srividhya, Company Secretary (upto November 20, 2023)		
Short term employee benefits		
- Remuneration and other benefits *	-	41.00
Receipt of money on issue of shares	-	18.70
Share based payments	-	0.60
Post employment benefits	-	17.63
Advances given	-	4.00
Advances repaid	-	4.00
Mr. Ashutosh Arvind Pednekar - Independent director		
Sitting Fees	23.00	16.50
Ms. Anuradha Rao - Independent director		
Sitting Fees	29.00	22.50
Mr Arunkumar Nerur Thiagarajan - Director (up to 13 february 2025)		
Sitting Fees	21.50	17.50
Mr. Vijay Chakravarthi Nallan - Nominee director		
Sitting Fees	2.50	-

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

44 Related party disclosures (continued)

	Year ended 31 March 2025	Year ended 31 March 2024
A. Transactions during the year : (continued)		
Mr. Michael Jude Fernandes - Nominee director		
Sitting Fees	4.50	-
Mr.Prakash Chandra Panda, Company Secretary (w.e.f April 23, 2024)		
Short term employee benefits		
- Remuneration and other benefits *	33.31	-
Ms. Monika Gurung, Company Secretary (from 18 January 2024 till 22 April 2024)		
Short term employee benefits		
- Remuneration and other benefits *	1.20	5.86
Advances	0.25	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.

B. Balances as at year end:

Particulars	As at 31 March 2025	As at 31 March 2024
Finreach Solutions Private Limited		
Investments	843.53	843.53
Trade Payables	-	0.37
Northern Arc Emerging Corporates Bond Trust (w.e.f 04 April 2022 upto 26 April 2023 and w.e.f 26 february 2025)		
Investments	26,730.49	-
Mr. Ashish Mehrotra, Managing Director & CEO		
Provision for share based payment	994.79	994.79
Advances	10.32	10.32
Mr. P S Jayakumar - Independent director		
Commision Payable	-	22.50
Mr. Atul Tibrewal, Chief Financial Officer		
Provision for share based payment	151.79	151.79
Advances	4.00	4.00
Ms. Monika Gurung, Company Secretary (from 18 January 2024 till 22 April 2024)		
Advances	0.25	0.25

Notes:

1) The Group's related party transactions during the year ended 31 March 2025 and 31 March 2024 and outstanding balances as at 31 March 2025 and 31 March 2024 are at arms length and in the ordinary course of business.

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45 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-25		31-Mar-24	
	Purchases	Redemption #	Purchases	Redemption #
Northern Arc Money Market Alpha Trust Fund	2,964,200.26	3,258,976.12	379,599.16	422,162.10
Northern Arc India Impact Fund	233.95	233.95	1,374.21	1,693.69
Northern Arc Income Builder (Series II) Fund	174.61	1,651.10	-	1,661.30
Northern Arc Emerging corporates Bond Fund	30,789.16	6,149.84	1,800.89	4,058.10
Northern Arc Finserv Fund	500.00	-	-	-
Northern Arc Fintech NBFC Fund I	487.79	-	1,800.89	4,058.10

represents the dividend received in respect of cum dividend investment

Fund	Fair value changes	
	Year ended 31 March 2025	Year ended 31 March 2024
IFMR Fimpact Long Term Credit Fund *	396.88	379.43
Northern Arc Money Market Alpha Trust Fund	110.91	51.87
Northern Arc India Impact Fund	923.03	272.63
Northern Arc Income Builder (Series II) Fund	259.58	437.44
Northern Arc Emerging corporates Bond Fund	414.18	226.62
Northern Arc Finserv Fund	37.05	-
Northern Arc Fintech NBFC Fund I	20.67	-

Outstanding balances (Investment) at carrying value

Fund	As at 31 March 2025		As at 31 March 2024	
	Units**	Carrying value	Units**	Carrying value
IFMR Fimpact Long Term Credit Fund	2,498.24	2,695.30	2,706.92	2,731.77
Northern Arc Money Market Alpha Trust Fund	1,007,206.76	1,071.01	1,301,982.63	1,360.34
Northern Arc India Impact Fund	6,476.56	5,858.20	6,476.57	7,524.80
Northern Arc Income Builder (Series II) Fund	-	-	1,476.48	2,232.95
Northern Arc Emerging corporates Bond Fund*	24,857.69	27,262.63	488.37	524.28
Northern Arc Finserv Fund	500.00	515.77	-	-
Northern Arc Fintech NBFC Fund I	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

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46 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 three reportable segments Viz., Financing activity, Investment advisory services, 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 2025

Particulars	Financing activity	Investment advisory services	Investment Management services	Others/ Unallocated	Total reportable segments	Eliminations	Total
(i) Segment revenue							
- External Revenue	228,019.63	5.93	5,046.09	1,089.38	234,161.03	-	234,161.03
- Inter segment revenue	623.43	-	-	4,729.70	5,353.13	(5,353.13)	-
Total segment revenue	228,643.06	5.93	5,046.09	5,819.08	239,514.16	(5,353.13)	234,161.03
*** 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	(44,712.79)	-	(41.24)	-	(44,754.03)	-	(44,754.03)
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
Non cash expenditure	82,565.41	-	1,759.55	-	84,324.96	913.96	85,238.92
Profit/(loss) before tax	44,403.41	(3.44)	(681.24)	(4,908.71)	38,810.02	(201.96)	38,608.06
(iii) Segment Assets	1,352,066.79	367.86	13,336.91	5,397.15	1,371,168.71	(7,361.50)	1,363,807.21
(iv) Investments accounted for using equity method	27,440.88	-	-	-	27,440.88	-	27,440.88
(v) Segment liabilities	1,011,151.33	0.82	8,460.34	4,124.48	1,023,736.97	(3,886.09)	1,019,850.88
(vi) Capital Expenditure	3,934.30	-	-	179.95	4,114.25	-	4,114.25
(Vii) Share of profit/(loss) 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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46 Segment reporting (continued)

As of and for the Year ended 31 March 2024

Particulars	Financing activity*	Investment advisory services	Investment Management services	Others/Unallocated	Total reportable segments	Eliminations	Total
(i) Segment revenue							
- External Revenue	183,025.99	-	3,311.48	2,511.86	188,849.33	-	188,849.33
- Inter segment revenue	1,022.12	-	239.00	9,632.25	10,893.37	(10,734.28)	159.09
Total segment revenue	184,048.11	-	**3,550.48**	12,144.11	199,742.70	(10,734.28)	189,008.42

* Income from financing activities represents interest income

Particulars	Financing activity*	Investment advisory services	Investment Management services	Others/Unallocated	Total reportable segments	Eliminations	Total
(ii) Segment result before tax							
Add:							
Other Income	1,565.65	-	15.17	368.28	1,949.10	(354.27)	1,594.83
Less:							
Finance costs	72,586.35	-	363.07	52.15	73,001.57	(363.07)	72,638.50
Fees and commission expense	31,714.19	-	-	-	31,714.19	(9,632.25)	22,081.94
Employee benefit expense	17,961.03	-	1,019.33	5,180.36	24,160.72	-	24,160.72
Impairment on financial instruments	(22,474.65)	-	-	-	(22,474.65)		(22,474.65)
Depreciation and amortisation	1,467.03	-	0.12	227.27	1,694.42	-	1,694.42
Other expenses	10,847.33	6.30	2,182.39	3,166.74	16,202.76	(539.70)	15,663.06
Non cash expenditure	34,788.17		-		34,788.17	(69.73)	34,718.44
Profit/(loss) before tax	**38,724.31**	(6.30)	**0.74**	**3,885.87**	**42,604.62**	**(581.01)**	**42,120.82**
(iii) Segment Assets	1,161,956.64	397.55	16,731.92	7,105.17	1,186,191.28	(15,425.40)	1,170,765.88
(iv) Investments accounted for using equity method	843.53	-	-	-	843.53	(454.88)	388.65
(v) Segment liabilities	936,921.31	30.62	11,345.61	2,747.09	951,044.63	(12,319.89)	938,724.74
(vi) Capital Expenditure	2,133.86	-	-	300.12	2,433.98	-	2,433.98
(vii)Share of profit from investments accounted for using equity method	-	-	-	-	-	(97.21)	(97.21)

b) Geographical segment

Geographical information analyses the Group's revenue and assets by the Group's country of domicile (i.e. India) and other countries. The Group did not have any operations outside India hence the geographical segnment is not applicable.

c) Information about major customers

The Group did not have revenue from transactions with a single external customer or counterparty amounted to 10% or more of the group's total revenue in year ended 31 March 2024.

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

47 Impact of hedging activities

a) Disclosure of effects of hedge accounting on financial position:

As at 31 March 2025

Type of hedge risks	Notional Amount	Carrying amount of hedging instrument		Maturity Date	Changes in fair value of hedging instrument	Change in the value of hedged item as the basis for recognising hedge effectiveness	Line item in Balance Sheet
Cash flow hedge		Assets	Liabilities				
Cross currency swaps	118,160.27	5,184.09	995.91	15 November 2025 to	(969.46)	969.46	Borrowings (Other than debt securities)
Forward contract	1,650.95	-	1,367.57	22-Sep-25	(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)

As at 31 March 2024

Type of hedge risks	Notional Amount	Carrying amount of hedging instrument		Maturity Date	Changes in fair value of hedging instrument	Change in the value of hedged item as the basis for recognising hedge effectiveness	Line item in Balance Sheet
Cash flow hedge		Assets	Liabilities				
Cross currency swaps	84,256.90	5,346.17	188.53	15 November 2025 to 15 September 2026	(572.32)	572.32	Borrowings (Other than debt securities)
Forward contract	-	54.12	-	29-Sep-24	54.12	(54.12)	Borrowings (Other than debt securities)
Overnight Indexed Swap	59,325.00	81.65	110.12	15 December 2026 to 21 September 2027	(175.75)	175.75	- Debt Securities - Borrowings (Other than debt securities)

b) Disclosure of effects of hedge accounting on statement of profit and loss:

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

Year ended 31 March 2024

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	(572.32)	-	-	NA
Forward Contract	54.12	-	-	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	(175.75)	-	-	NA

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48 Goodwill

The below table summarises the breakup of Goodwill:

Particulars	Goodwill	
	As at 31 March 2025	As at 31 March 2024
Goodwill in Holding Company (Refer Note 1 below)	2,085.13	2,085.13
Goodwill in subsidiary (Refer Note 2 below)	81.06	88.01
Goodwill arising on consolidation of:		
- Northern Arc Investment Managers Private Limited	168.80	168.80
- Northern Arc Investment Advisers Private Limited	5.83	5.83
Total goodwill	**2,340.82**	**2,347.77**

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 INR 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).

The Holding Company performed its annual impairment test for year ended 31 March 2025 and 31 March 2024. 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 2025 and 31 March 2024, 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 2025 and 31 March 2024.

The recoverable amount of the CGU, INR 5,520.30 lakhs as at 31 March 2025, 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 30.00% and the terminal growth rate at 4%. 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 2025	As at 31 March 2024
Opening Balance	88.01	147.27
Less: Impairment	(6.95)	(59.26)
Closing Balance	**81.06**	**88.01**

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.

49 Treatment of DLG in computation of Expected Credit Loss

The Holding Company has entered into First Loss Default Guarantee (FLDG) 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 FLDG arrangements in the computation of Expected Credit Loss (ECL).

The Reserve Bank of India (RBI), vide e-mail communication dated 16 May 2025, has directed the Company to exclude the credit enhancements under FLDG arrangements in the computation of ECL as at 31 March 2025 and absorb such impact by 30 June 2025. Pursuant to this, the Holding Company has 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 Holding Company during the quarter ended 31 March 2025 has recorded INR 6,835 lakhs. The exposure pertaining to remaining ECL of INR 1,206 lakhs, has subsequent to 31 March 2025, run down thereby naturally reversing the impact in the quarter ending 30 June 2025.

The above accounting treatment has resulted in a reduction of profit before tax for the quarter and year ended 31 March 2025 by INR 6,835 lakhs with a corresponding decrease in loans and advances on account of additional ECL provisions.

50 Events after reporting period

Subsequent to the year end, the Holding Company had sold 3,58,601 shares held by it in FinReach Solutions Private Limited, post dilution, the shareholding in Finreach has come down from 24.55 % to 11.16%. Consequent to the above, FinReach ceases to be an associate of the Holding Company.

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

51 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 two products 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 one application was enabled on 08 July 2024 and operated post the aforementioned date for the year for all relevant transactions recorded in the application at a database level; and for the other application, the database level audit trail is expected to be enabled in the subsequent years.

(b) the Holding Company uses three loan management systems (LMS) for the other loan products offered. These loan management systems have a feature of recording audit trail (edit log) facility. However, management is not in possession of Service Organization Controls report to determine whether audit trail feature of LMS managed by third party was enabled and operated throughout the year. Further, for the loan management systems, there are system limitation in testing the operation of audit trail feature. The Company is in discussion with the vendor of the application to assess feasibility to enable such feature as per the requirements of regulation. The Company currently relies on alternate manual controls in place around reports produced from the loan management systems.

c) The subsidiary companies which are companies incorporated in India and whose financial statements have been audited under the Act, have used accounting software for maintaining their respective 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
In respect of two subsidiaries, management is not in possession of Service Organisation Controls report to determine whether audit trail feature of the said application was enabled and operated throughout the year for all relevant transactions recorded in the application at a database level.

52 Other Statutory Information

(i) Stage wise Overdue (DPD) based Loan disclosure

Particulars	As at 31 March 2025				
	Count	Stage 1	Stage 2	Stage 3	Total
Gross amount					
Accounts with No Overdues	1,697,230	1,013,428.10	71.18	170.90	1,013,670.18
Accounts with Overdues	216,912	30,682.95	23,765.31	15,635.53	70,083.79
Total	**1,914,142**	**1,044,111.05**	**23,836.49**	**15,806.43**	**1,083,753.97**

Particulars	As at 31 March 2024				
	Count	Stage 1	Stage 2	Stage 3	Total
Gross amount					
Accounts with No Overdues	1,633,093	896,884.19	450.19	131.78	897,466.16
Accounts with Overdues	175,351	17,445.98	11,749.38	4,871.53	34,066.89
Total	**1,808,444**	**914,330.17**	**12,199.57**	**5,003.31**	**931,533.05**

(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 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. Other than the nature of transactions described above: ((v) & (vi))

(vii) The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), 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(s) or entity(ies), 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 Group has not entered in any such arrangements during the year.

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WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS

NORTHERN ARC CAPITAL LIMITED MUMBAI

53 Previous year figures

Previous year figures have been regrouped/rearranged, wherever considered necessary, to conform to the classification/disclosure adopted in the current year.

As per our report of even date attached
For Walker Chandiok & Co LLP
Chartered Accountants
ICAI Firm Registration no.: 001076N/N500013

Khushroo B. Panthaky
Partner
ICAI Membership No. 042423

WALKER CHANDIOK & CO LLP ★ CHARTERED ACCOUNTANTS ★

Place : Nagpur
Date : 19 May 2025

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 : 19 May 2025

NORTHERN ARC CAPITAL LIMITED ★ MUMBAI